

**BAUHAUS ANNOUNCES 2010/11 INTERIM RESULTS**

* * *

**RECORD-HIGH TURNOVER AT HK\$383.8 MILLION
NET PROFIT SURGES 34.5% TO HK\$23.0 MILLION****Results Highlights**

- Total turnover increased by 17.8% to HK\$383.8 million
- Net profit increased by 34.5% to HK\$23.0 million
- Net margin increased by 0.7 percentage point to approximately 6.0%
- The Board of Directors declared the payment of an interim dividend of HK 2.0 cents per share

(Hong Kong, 25 November 2010) – **Bauhaus International (Holdings) Limited** (“Bauhaus” or “the Group”) (stock code: 483) today announced its interim results for the six months ended 30 September 2010.

Financial Review

During the period under review, the Group achieved record-high sales of about HK\$383.8 million (FY2010/11 interim: HK\$325.7 million) and significantly boosted the net profit for the period by about 34.5% to about HK\$23.0 million. Net margin also increased by 0.7 of a percentage point to 6.0%. Basic earnings per share were HK6.4 cents (FY2009/10 interim: HK4.8 cents). The Board of Directors declared the payment of an interim dividend of HK 2.0 cents per share (2009/10 Interim: HK 2.0 cents).

Mr. George Wong, Chairman of Bauhaus, said, “I am delighted to announce Bauhaus reported satisfactory performance during the review period. The retail markets and consumer sentiment in the regions experienced a gradual recovery, demand for high-quality apparel has been rapidly increased particular in Mainland China. Presented with such opportune development, Bauhaus aggressively expanded its self-managed retail networks by adding total 26 sales outlets in all regions we operated to realize the immense potential arise. Instead of focusing on short-term results, the Group has continuously committed to expand the Group’s business at a healthy pace and to establish a solid business foundation to achieve sustainable development.”

Business Review

Hong Kong and Macau

Turnover from Hong Kong and Macau is mostly contributed by self-managed retail business in the regions. Retail operation in Hong Kong, which accounted for 56.1% of the Group's turnover, achieved 13% sales growth to HK\$215.2 million during the review period. Retail sales in Macau also rose by 9.7% in sales to HK\$22.7 million. During the review period, the Group enriched its retail shop portfolio by introducing a popular licensed brand, "SUPERDRY", and opened a total of 2 self-managed retail stores in Hong Kong. The sales performance of these newly opened shops during the period under review was satisfactory.

Mainland China

Mainland China, the key growth engine of the Group, reported a leap in sales by 40.9% to HK\$75.8 million. Adopting "Dual-Channel" model to penetrate the Mainland China markets, the Group's self-managed retail operation has covered first-tier cities including Beijing, Shanghai, Guangzhou and Nanjing as well as its franchised networks to cover over 30 prime cities in Mainland with huge market potentials.

Self-managed Retail Operation

Being one of the Group's major growth contributors, retail sales in Mainland China recorded a significant growth of 48.1% to HK\$47.7 million. The Group has speeded up its pace to expand self-managed retail networks by proactively adding 15 new shops in the targeted first-tier cities. As at 30 September 2010, the Group had 33 self-managed shops in Mainland China region, with 14 in Shanghai, 11 in Beijing, 6 in Guangzhou and 2 in Nanjing.

Franchise Business

The Group continued its strategy to consolidate franchise networks during the period. Overall operating efficiency was gradually enhanced with the turnover contributed by the franchise business rose strongly by 30.1% to HK\$28.1 million during the period under review. As at 30 September 2010, the Group had 67 franchised stores in Mainland China.

Taiwan

Self-managed retail operations in Taiwan continued to achieve encouraging results. During the period, turnover surged by about 23.9% to about HK\$54.0 million. In addition to extending its footprint through in-house labels, the Group is also introducing the growing licensed brand, "SUPERDRY", to the Taiwan market. Together with 10 newly added outlets in the region, the Group now has a solid presence in Taiwan with a total of 49 outlets as at 30 September 2010.

Elsewhere

Since the last fiscal year, the Group has re-directed its resources to develop its business in Asia region. Overall sales contributed by the segment reported HK\$16.1 million during the review period. The Japanese market, the largest overseas wholesales market of the Group, recorded stable growth in sales of 8.4% to HK\$11.6 million.

Future Plans

The Group believes that there are ample opportunities to penetrate the PRC market. In this regard, the Group will adhere to its target of opening approximately 20 to 30 self-managed retail stores in FY2010/11 in prime cities, including Beijing, Shanghai and Guangzhou, as well as neighbouring cities, such as Nanjing, where the Group has already established its presence.

Drawing from its successful experience in launching “TOUGH Jeansmith”, “SALAD” and “80/20”, the Group will strategically select popular labels that have been proven to possess huge growth potentials for development. During the review period, the Group has already introduced a well-performing licensed brand, “SUPERDRY”. The new branded shop is considered as a potential growth driver to the Group’s business, especially in some mature markets such as Hong Kong and Taiwan.

“Looking ahead, adhering to our strategy of focusing on profitability and operating efficiency, we will closely monitor the latest trends and enhance product mix by increasing the proportion of high-value popular items; thus acting as catalyst for stimulating sales growth. We are cautiously optimistic about our growth potential, spurred on by robust economic development in Asia, and in particular, Mainland China. With strategic expansion measures in place, Bauhaus is ready to embrace every opportunity ahead.” **Mr. Wong concluded.**

- end -

About Bauhaus International (Holdings) Limited

Bauhaus is principally engaged in the design, manufacture, wholesale and retail sales of apparel, bags and accessories with over 10 in-house brands. It also sells apparel of third-party fashion brands. The Group runs self-operated retail stores in Hong Kong, Macau, Taiwan, Shanghai, Beijing, Nanjing and Guangzhou, franchise outlets in the PRC and exports “TOUGH Jeansmith” brand products to many countries around the world. Riding on its extensive sales network in the region and the vast potential of quality trendy wear in the market, Bauhaus aims to boost the status of its own brands in the Asian market, particularly in Mainland China.

For press enquiries:

Strategic Financial Relations Limited

Vicky Lee	(852)2864 4834	vicky.lee@sprg.com.hk
Cornia Chui	(852)2864 4853	cornia.chui@sprg.com.hk
Sadie Lam	(852)2864 4861	sadie.lam@sprg.com.hk

Fax: 2527 1196