

LI & FUNG LIMITED

(Incorporated in Bermuda with limited liability)

PRESS RELEASE

Li & Fung reports record core operating profit growth of 55% for 1H 2010

Also announces two acquisitions signed

Hong Kong, 12 August 2010 – Hong Kong-based multinational Li & Fung Limited (“Li & Fung” or “the Group”, SEHK: 494), the global consumer goods exporter, today announced record core operating profit growth of 55% for the first six months of 2010, reflecting the effects of nascent economic recovery in the United States together with contributions from previous acquisitions and outsourcing deals.

For the first six months ending 30 June 2010, the Group’s turnover was HK\$51,792 million (US\$6,640 million), 12% higher than same period in 2009. Core operating profit increased to HK\$2,635 million on the back of continued growth in the higher-margin onshore businesses of the United States and Europe, disciplined cost control and the provision of more value-added services. These factors helped the Group continue to deliver solid operating leverage as well as strong profit growth.

Profit attributable to shareholders reached HK\$2,171 million, an increase of 55% compared to first six months of 2009. Basic earnings per share were 57.5 HK cents, an increase of 50% compared to 38.3 HK cents during the same period in 2009.

The Board of Directors has proposed an interim dividend of 38 HK cents per share (2009 interim: 26 HK cents).

Today, Li & Fung also announced signing of two new deals.

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Member of the Li & Fung Group



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In August, Li & Fung acquired U.S.-based Jimlar Corporation. Jimlar Corporation is a leading designer, distributor and supplier of footwear in the U.S. and internationally, producing footwear under license for Coach and Calvin Klein as well as for its own brands Frye, Mountrek and RJ Colt. The acquisition is a significant step in expanding the Group's onshore presence in the U.S. as well as its capabilities in the footwear business. It should also provide further footwear sourcing capabilities for the Group as a whole.

Also in August, Li & Fung acquired one of China's leading furniture export trading companies, Kenas Furniture Group, which sells furniture to premier retailers and lifestyle brands overseas.

Mr. William K Fung, Group Managing Director of Li & Fung Limited, said, "We are very pleased to report record high core operating profits for our first-half results, which is testimony to how Li & Fung has been able to weather the financial crisis and emerge in a stabilizing market even stronger. We were also delighted to see improved momentum from our existing customers as we entered 2010, which has resulted in solid organic growth. Going forward, we are confident that we can continue growing our business both organically and through acquisitions before unveiling our next Three-Year Plan in early 2011."

Mr. Bruce Rockowitz, President of Li & Fung (Trading) Limited, said, "So far 2010 has been very eventful for us. We entered into a landmark sourcing arrangement with Wal-Mart Stores, Inc. early in the year. Subsequently, we made several strategic acquisitions to expand our beauty, U.S. and European onshore businesses, including Visage Group Limited, Jackel Group, and the new addition of Jimlar Corporation that was announced today. Together, these deals represent significant inroads into the key areas of growth that we have laid out over the past few years. With a war chest of over US\$1 billion, the pipeline of deals will remain strong."

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About Li & Fung Limited

Li & Fung Limited is a Hong Kong-headquartered multinational export group and recognized as the world's leader in consumer goods design, development and sourcing. From over 80 offices in the United States, Europe, Africa and Asia, the Group manages the supply chain for retailers and brands worldwide and sources from more than 40 economies. Corporate website: www.lifung.com

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