

OmniaLuo Revenue Up 87% And Net Income Up 100% For Third Quarter 2008

Quarter Ended September 30, 2008:

- Revenue up 87% to \$5.0 million
- Net income up 100% to \$1.2 million
- EPS up 25% to \$0.05

Nine Months Ended September 30, 2008:

- Revenue up 116% to \$11.3 million
- Net income up 118% to \$2.4 million
- EPS up 56% to \$0.11

Shenzhen, China - November 17, 2008 - [OmniaLuo, Inc.](#) ("OmniaLuo" or the "Company") (OTC BB: OLOU), a China-based company engaged in the business of designing, developing, marketing and distributing fine women's apparel under the brand name OMNIALUO, announced record operating results for the quarter and nine months ended September 30, 2008.

[OmniaLuo](#) reported record revenue of approximately \$5.0 million for the quarter ended September 30, 2008, compared to approximately \$2.7 million for the quarter ended September 30, 2007 - an 87% increase. For the nine months ended September 30, 2008, [OmniaLuo](#) reported record revenue of approximately \$11.3 million, compared to approximately \$5.2 million for the nine months ended September 30, 2007 - a 116% increase. The substantial increase in revenue was primarily attributable to the increase in the number of independent distributors and stores, as well as the increase in sales by existing independent distributors and stores.

Revenue from sales to independent distributors for the quarter ended September 30, 2008 was approximately \$3.4 million (67% of total sales revenue for the period), compared to approximately \$2.1 million for the quarter ended September 30, 2007 - a 62% increase. Revenue from sales to independent distributors for the nine months ended September 30, 2008 was approximately \$7.6 million (67% of total sales revenue for the period), compared to approximately \$4.1 million for the nine months ended September 30, 2007 - an 84% increase. The increase in revenue from independent distributors was attributable to the increase in the number of independent distributor stores from 114 stores as of September 30, 2007 to 163 stores as of September 30, 2008, as well as an increase in sales by existing independent distributor stores.

Revenue from sales from Company-owned and co-owned stores for the quarter ended September 30, 2008 was approximately \$1.6 million (33% of total sales revenue for the period), compared to approximately \$0.6 million for the quarter ended September 30, 2007 - a 173% increase. Revenue from sales from Company-owned and co-owned stores for the nine months ended September 30, 2008 was approximately \$3.7 million (33% of total sales revenue for the period), compared to approximately \$1.1 million for the nine months ended September 30, 2007 - a 239% increase. The increase in revenue from Company-owned and co-owned stores reflected the increase in the number of Company-owned and co-owned stores from 49 such stores as of September 30, 2007 to 79 such stores as of September 30, 2008.

OmniaLuo reported overall gross profit for the quarter ended September 30, 2008 of approximately \$2.8 million, compared to approximately \$1.3 million for the quarter ended September 30, 2007 - a 114% increase. Overall gross profit for the nine months ended September 30, 2008 was approximately \$6.5 million, compared to \$2.8 million for the nine months ended September 30, 2007 - a 134% increase.

The Company also reported overall gross profit margin for the quarter ended September 30, 2008 of approximately 56%, compared to approximately 49% for the quarter ended September 30, 2007. Gross profit margin for the nine months ended September 30, 2008 was 57%, compared to 53% for the nine months ended September 30, 2007.

OmniaLuo reported net income of approximately \$1.2 million for the quarter ended September 30, 2008, compared to net income of approximately \$0.6 million for the quarter ended September 30, 2007 - a 100% increase. The Company reported net income of approximately \$2.4 million for the nine months ended September 30, 2008, compared to approximately \$1.1 million for the nine months ended September 30, 2007 - a 118% increase.

Based on the weighted average number of shares outstanding of 22,840,000 as of September 30, 2008, OmniaLuo had net income of approximately \$0.05 per share for the quarter ended September 30, 2008, as compared to net income of approximately \$0.04 per share for the quarter ended September 30, 2007. OmniaLuo reported net income of approximately \$0.11 per share for the nine months ended September 30, 2008, as compared to \$0.07 for the nine months ended September 30, 2007 - 56% increase.

As of September 30, 2008, a total of 28,544,752 shares of common stock were issued and outstanding on a fully diluted basis included: 1) 22,840,000 issued and outstanding shares, 2) 4,920,000 shares issuable upon exercise of private placement investor warrants, 3) 492,000 shares issuable upon exercise of placement agent warrants and 4) 292,752 shares issuable upon exercise of venture capital investor warrants.

Earnings Conference Call

OmniaLuo will host a conference call on Tuesday, November 18, 2008 to review third quarter 2008 financial results. The conference call is scheduled for 9:00 a.m. Eastern Time. To participate in the call, please dial:

- U.S. and Canada: 1 (866) 393-5677
- International: 1 (706) 902-1860
- Conference ID: 21399855

A replay of the call will be available two hours after completion of the call. You will be able to access it at any time through the OmniaLuo Website at ir.omnialuo.com, or by phone until December 17, 2008. To access the replay by phone, please dial:

- U.S. and Canada: 1 (800) 633-8625
- International: 1 (402) 977- 9141
- Conference ID: 21399855

To be added to the OmniaLuo, Inc. investor email list, please email pamela.solly@cirrusfc.com with OLOU in the subject line.

About OmniaLuo, Inc.

OmniaLuo, Inc. (ir.omnialuo.com), based in China's fashion capital of Shenzhen, is in the business of designing, developing, marketing and distributing fine women's apparel under the brand name OMNIALUO. OMNIALUO's apparel embodies elegance, femininity and sophistication for China's rapidly growing class of urban and affluent female professionals. With its rapid and strategic expansion plan, OMNIALUO plans to increase its retail presence to more than 250 retail stores and distributor relationships by year end 2008. Under the leadership of Cindy Luo, the Company's founder and award winning chief designer, OMNIALUO is positioned to become the Chinese brand equivalent of Ralph Lauren, Vera Wang and Anna Sui.

OmniaLuo Investor Resources

Women's Wear Daily Article: [Click Here](#)

Fact Sheet: [Click Here](#)

Presentation: [Click Here](#)

Video: [Click Here](#)

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SAFE HARBOR FOR FORWARD-LOOKING STATEMENTS

This news release contains forward-looking statements, including statements that include the words "believes," "expects," "anticipates," or similar expressions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance, or achievements of the Company to differ materially from those expressed or implied by such forward-looking statements. Factors that may affect these forward-looking statements include, among others, our dependency on our chief executive officer, principal stockholder and chief designer, our sensitivity to economic conditions and consumer spending in China, competition in our industry, our ability to effectively manage our growth, our ability to raise capital in the future, changes in China's economic or political situation, and other factors set forth in our Annual Report on Form 10-KSB filed with the United States Securities and Exchange Commission or otherwise set forth from time to time in our other public filings. This news release speaks as of the date first set forth above and the Company assumes no responsibility to update the information included herein for events occurring after the date of this news release.

Condensed Consolidated Statements of Income and Comprehensive Income
For the three and nine months ended September 30, 2008 and 2007
(Stated in US Dollars)

	Three months ended		Nine months ended	
	September 30, (Unaudited)		September 30, (Unaudited)	
	2008	2007	2008	2007
Revenues	\$4,993,937	\$2,670,327	\$11,275,040	\$5,213,278
Cost of revenues	<u>(2,180,121)</u>	<u>(1,356,930)</u>	<u>(4,805,199)</u>	<u>(2,452,774)</u>
Gross profit	<u>2,813,816</u>	<u>1,313,397</u>	<u>6,469,841</u>	<u>2,760,504</u>
Expenses				
General and administrative expenses	755,200	358,893	2,180,486	989,857
Depreciation	74,571	36,808	182,314	81,800
Selling and marketing expenses	<u>810,050</u>	<u>259,496</u>	<u>1,715,136</u>	<u>521,550</u>
	<u>1,639,821</u>	<u>655,197</u>	<u>4,077,936</u>	<u>1,593,207</u>
Income from operations	1,173,995	658,200	2,391,905	1,167,297
Interest income	1,911	862	12,442	1,842
Other income	7,803	5,887	22,659	21,476
Finance costs	<u>(814)</u>	<u>(5,640)</u>	<u>(16,558)</u>	<u>(11,110)</u>
Net income before preferred dividend	1,182,895	659,309	2,410,448	1,179,505
Preferred dividend	<u>-</u>	<u>(10,950)</u>	<u>-</u>	<u>(31,025)</u>
Net income applicable to ordinary shareholders	<u>\$1,182,895</u>	<u>\$648,359</u>	<u>\$2,410,448</u>	<u>\$1,148,480</u>
Other comprehensive income				
- Foreign currency translation adjustments	<u>27,809</u>	<u>32,750</u>	<u>531,966</u>	<u>67,104</u>
Comprehensive income	<u>\$1,210,704</u>	<u>\$681,109</u>	<u>\$2,942,414</u>	<u>\$1,215,584</u>
Earnings per ordinary share				
- Basic	<u>\$0.05</u>	<u>\$0.04</u>	<u>\$0.11</u>	<u>\$0.07</u>
- Diluted	<u>\$0.05</u>	<u>\$0.04</u>	<u>\$0.11</u>	<u>\$0.07</u>
Weighted average number of shares outstanding				
- Basic	<u>22,840,000</u>	<u>16,800,000</u>	<u>22,840,000</u>	<u>16,800,000</u>
- Diluted	<u>22,841,927</u>	<u>16,800,000</u>	<u>22,879,456</u>	<u>16,800,000</u>

OmniaLuo, Inc.
Condensed Consolidated Balance Sheets
As of September 30, 2008 and December 31, 2007
(Stated in US Dollars)

	As of September 30, 2008 (Unaudited)	As of December 31, 2007 (Audited)
ASSETS		
Current assets		
Cash and cash equivalents	\$2,011,378	\$3,083,715
Trade receivables (net of allowance for doubtful accounts of \$13,138 for 2008 and \$8,313 for 2007)	3,212,848	1,573,644
Inventories	5,669,161	2,602,653
Deposits	<u>2,907,272</u>	<u>1,995,229</u>
Total current assets	13,800,659	9,255,241
Property and equipment, net	<u>911,630</u>	<u>724,681</u>
TOTAL ASSETS	<u>\$14,712,289</u>	<u>\$9,979,922</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Current liabilities		
Trade payables	\$875,303	\$281,027
Other payables, deposits received and accrued expenses	2,570,809	1,368,890
Loans from stockholders	<u>8,052</u>	<u>14,294</u>
Total current liabilities	<u>3,454,164</u>	<u>1,664,211</u>
TOTAL LIABILITIES	<u>3,454,164</u>	<u>1,664,211</u>
COMMITMENTS		
STOCKHOLDERS' EQUITY		
Common stock : par value \$0.01 per share		
Authorized 40,000,000 shares; issued and outstanding 22,840,000 shares for 2008 and 2007	228,400	228,400
Preferred stock : par value \$0.01 per share		
Authorized 10,000,000 shares; none issued and outstanding for 2008 and 2007	-	-
Additional paid-in capital	8,479,390	8,479,390
Statutory reserve	587,524	261,948
Accumulated other comprehensive income	828,688	296,722
Retained earnings (accumulated deficit)	<u>1,134,123</u>	<u>(950,749)</u>
TOTAL STOCKHOLDERS' EQUITY	<u>11,258,125</u>	<u>8,315,711</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$14,712,289</u>	<u>\$9,979,922</u>