

F J BENJAMIN REPORTS 3Q FY2015 NET LOSS OF \$5.5 MILLION

- *Net loss from core operations narrows to \$4.4 million after excluding sale of subsidiary*
- *Turnover down 23% to \$69.7 million due to North Asia restructuring, closure of unprofitable stores, lower exports to Indonesia and weaker consumer and tourist spending in key markets*
- *Indonesia and Malaysia markets hold steady*
- *Gross margins higher at 43% with improved inventory management*

Singapore, 7 May 2015 - F J Benjamin Holdings, Singapore's leading fashion and lifestyle group, said today net loss from core operations for the third quarter ended 31 March 2015 (3Q FY15) narrowed to \$4.4 million after a series of restructuring and cost-cutting moves.

In the face of challenging market conditions in its key markets, the Group renewed efforts on cost controls and inventory management. It downsized its operations in Hong Kong and Taiwan and closed unprofitable stores in Singapore and Malaysia.

Net loss after tax totalled \$5.5 million, up from the \$5.0 million loss sustained in the same quarter of FY14. The latest loss included a \$1.1 million charge for the sale of a subsidiary.

Group turnover fell 23% to \$69.7 million in 3Q FY15 against \$90.3 million in the previous corresponding quarter. The decline in Group turnover of \$20.6 million included \$12.4 million of sales in the same quarter last year from brands which have since been discontinued and \$2.1 million drop from existing brands.

Lower sales were seen in Singapore and North Asia where consumer sentiment remained weak and the slowdown in China's economy continued to dampen tourism in Southeast Asia.

Gross profit fell by \$5.1 million to \$30.0 million. Gross margins, however, improved to 43% from 39% for the quarter as profitability improved with fewer markdowns and better inventory management.

The Group has completed the downsizing of its operations in Hong Kong and Taiwan. With a smaller team and reduced capacity for space, the Group has secured buyers for its office units and completions are expected to be in May and June.

With the steps taken to streamline operations for greater synergy and efficiency, Group operating expenses were reduced by 19% or \$8.3 million.

Commenting on the Q3 results, Nash Benjamin, CEO of F J Benjamin Holdings, said: "It has been another difficult quarter in Singapore and North Asia as a result of weaker consumer sentiment and the economic slowdown in China which has affected tourism in Southeast Asia,

"Sales in Malaysia were flat. Sales in Indonesia were marginally down by 1%, due to the further depreciation of the rupiah which led to a reduction of the Group's export sales to its Indonesian associate of \$6.1 million. However, gross margins were maintained compared to same period last year.

"Management has taken steps taken to right-size our operations by closing unprofitable stores and this will be completed by December 2015. In light of this, the Group expects to record a loss for the current financial year. "

In Southeast Asia, the ongoing business declined by \$1.7 million, or 3%, due to lower tourist arrivals and weaker domestic consumption.

Inventories decreased by 14% to \$77.6 million in 3Q FY15 due to sales and controlled purchases.

In February, F J Benjamin strengthened its brand portfolio with a five-year

exclusive franchise agreement with Spanish footwear brand, Pretty Ballerinas, which opened its first shop in Orchard Road, and has been operating profitably.

Group net gearing stood at 70% as at 31 March 2015 compared with 78% as at 30 June 2014. Loss per share stood at 1.23 cents against 0.86 cents last year.

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About F J Benjamin Holdings Ltd (www.fjbenjamin.com) – F J Benjamin Holdings Ltd is a leader in building brands and in developing retail and distribution networks for international luxury and lifestyle labels across Asia. Its portfolio includes fashion and lifestyle brands like Banana Republic, Celine, Gap, Givenchy, Goyard, Guess, La Senza, RAOUL, Sheridan, Superdry, TOM FORD, Valextra, VNC and timepiece brands such as Alpina, Bell & Ross, Converse, Chronoswiss, Frederique Constant, Guess? Watches, Gc, Nautica, Victorinox Swiss Army and Vulcain.

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