



## F J BENJAMIN REPORTS NET LOSS OF \$5.0 MILLION FOR 3Q FY2014

- *Group turnover falls 2% to \$90.3 million*
- *Singapore hard hit by aggressive industry-wide discounting, falling rupiah, rising rentals and manpower shortages*
- *Gross margin slips to 39% from 44%*

**Singapore, 9 May 2014** – F J Benjamin Holdings Ltd today announced a net loss of \$5.0 million in the third quarter ended 31 March 2014 (3QFY14) against net profit of \$332,000 in the same period last year.

Group revenue decreased marginally by 2% to \$90.3 million from \$92.6 million, gross margins declined significantly from 44% in previous corresponding period to 39% in this reporting period. This resulted in a drop of \$5.7 million in gross profit.

Retail sales in February suffered as Chinese New Year in late January this year was relatively close to the year-end festive period to sustain holiday spending. The Singapore Government statistics showed retail sales dropped a sharp 9.5% in February over the previous year. Lower spending by Indonesian tourists as a result of the depreciation of the rupiah against the Singapore dollar, also contributed to the dismal performance. China's economic slow down and curbs on luxury spending continued to suppress sales of luxury watches in North Asia.

This is the first quarterly loss for the Group since the 2008/09 global financial crisis. Singapore, a key market, was particularly hard hit by aggressive industry-wide discounting, escalating rentals and manpower shortages.

Group operating expenses was at \$43.6 million compared to \$41.6 million in 3Q FY13 with cost-to-revenue ratio at 48.2% compared to 44.9% in the same period last year.

Nash Benjamin, Chief Executive Officer of F J Benjamin Holdings Ltd, said: "This has been a difficult quarter. We expect the outlook for Singapore and North Asia to remain challenging and are taking steps to close underperforming stores in Singapore.

"We will continue our efforts to grow our revenue, strengthen our balance sheet by improving cashflow, reducing bank borrowing and manage our inventory more efficiently."

Group turnover from the fashion business rose 1% to \$67.0 million but the timepiece business decreased by 11% to \$23.2 million.

In Southeast Asia, the fashion business increased by 5% while the timepiece business decreased by 10%.

In North Asia, the timepiece business in Hong Kong and China was flat.

Indonesia continued to see growth with domestic sales rising by 9% while maintaining constant gross margin as upward revision was made to the retail pricing due to the currency depreciation.

The Group continues to invest in its luxury business with new brands. The luxury portfolio has performed according to expectations and in line with its investment strategy regionally. F J Benjamin opened its first freestanding TOM FORD store in the region at Marina Bay Sands in April. The Group also opened its second Celine and Givenchy boutiques in Singapore at Marina Bay Sands, and Goyard and Valextra stores in Ngee Ann City and Paragon Shopping Centre respectively, last year. The first Loewe store will make its debut in Kuala Lumpur by end of June.

The third Superdry store will open at the Sunway Pyramid mall in Kuala Lumpur at the end of May. The British cult brand, which was launched in the Malaysian capital last year, is trading above expectations.

The Group has added two Swiss brands, Frederique Constant and Alpina to its portfolio of timepieces, which will be distributed from July this year.

Group net gearing stood at 65% as at end March 2014 against 70% as at December 2013. Net cash generated from operating activities was \$12.8 million for the period under review compared with net cash used of \$8.6 million last year.

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**About F J Benjamin Holdings Ltd** ([www.fjbenjamin.com](http://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 luxury and lifestyle brands Banana Republic, Catherine Deane, Celine, Gap, Givenchy, Goyard, Guess, La Senza, Loewe, Raoul, Sheridan, Superdry, Tom Ford, Valextra, and timepiece brands such as Alpina, Bell & Ross, Chronoswiss, Frederique Constant, Guess? Watches, Gc, Nautica, Victorinox Swiss Army and Vulcain.

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