



FJ BENJAMIN

F J BENJAMIN 1QFY14 NET PROFIT FALLS 85% TO \$0.3 MILLION

- *Turnover improves by 2% to \$96.0 million*
- *Forex non-cash translation swing of \$1.2 million substantially reduces earnings*

Singapore, 7 November 2013 – F J Benjamin Holdings, Singapore’s leading fashion and lifestyle group, today announced lower net profit for its first quarter ended 30 September 2013 (1QFY14) with the bottom line hurt by fair value loss on investment securities and foreign exchange translation loss.

Net profit after tax fell 85% to \$0.3 million compared to \$2.3 million last year. The results reflected a fair value loss on investment securities of \$0.6 million and an exchange loss of \$0.8 million (against a gain of \$0.4 million in 1QFY13) resulting in a non-cash translation swing of \$1.2 million. Operating profit was 27% down at \$2.5 million.

Group turnover improved by 2% to \$96.0 million from \$94.3 million last year. The fashion business which accounts for about 71.5% of Group turnover continues to enjoy topline growth. Sales in Singapore reported double-digit growth due mainly to full three-month operations of stores opened last year and higher shipments to Indonesia, while Malaysia dipped slightly.

Gross profit margin eroded to 42% from 43% in the same period last year amid a highly competitive retail and distribution environment where retailers engaged in active mark down pricing to clear inventory.

Group operating expenses was constant at \$39.3 million with cost-to-

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revenue ratio slightly lower at 40.9% from 41.5% in the same period last year.

Nash Benjamin, CEO of F J Benjamin Holdings, said: “We are satisfied with the performance in our Southeast Asian markets in the first quarter although the ongoing slowdown in spending on luxury timepieces in North Asia continues to be a drag on earnings.

“Although there are challenges ahead because of the uncertain economic climate and the slowdown in China, we believe that our distinctive brand portfolio, strengthened recently by the addition of several well-known luxury labels, will put us in good stead to tap into an upturn in consumer sentiment.”

Mr Benjamin added that several new stores are set to open in Singapore. The first standalone store of Italian luxury brand Valextra will open this month and the first Goyard boutique will open in December. The Group will also open two Superdry stores in Kuala Lumpur by end December. The first boutique of TOM FORD, one of the world’s most coveted upscale brands, will open in the Republic early next year, followed by a flagship store in Jakarta, Indonesia in 2015.

Geographically, sales in Southeast Asia rose 8% to \$79.1 million, with fashion growing by 6% and timepiece, by 17%. This was partly due to increased shipments to Indonesia for both fashion and timepieces. Indonesia continued to see growth with domestic sales rising by 5% despite the currency turmoil during the quarter.

Sales continued to soften in North Asia as the luxury timepiece business in Hong Kong fell 25% while in China, it declined 47%.

The Group's net gearing stood at 57% as at September 2013 against 53% at June 2013.

Earnings per share stood at 0.07 cents against 0.41 cents last year.

- End -

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, Catherine Deane, Celine, Gap, Givenchy, Goyard, Guess, La Senza, RAOUL, Sheridan, Superdry, TOM FORD, Valextra, and timepiece brands such as Bell & Ross, Converse, Chronoswiss, Girard-Perregaux, Guess? Watches, Gc, Marc Ecko, Nautica, Rado and Victorinox Swiss Army.

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