



FJ BENJAMIN

**F J BENJAMIN 1Q FY2013 NET PROFIT DOWN 37 PERCENT TO
\$2.3 MILLION**

- *Turnover down 2% to \$94.3 million as Chinese tourists cut back on spending*
- *Gross margins remain constant at 43%*
- *New brands and network expansion to drive growth*

Singapore, 8 November 2012 – F J Benjamin Holdings, Singapore’s leading fashion and lifestyle group, today announced lower net profit for its first quarter ended 30 September 2012 (1Q FY13) as higher expenses and slower sales hurt its bottom line.

Net profit after tax fell 37% to \$2.3 million from \$3.7 million a year ago. Operating profit declined 45% to \$3.4 million from \$6.3 million during the same three months in FY12. Gross profit margin remained constant at 43%.

Group turnover eased two percent to \$94.3 million from \$96.0 million in the first quarter of FY 2011/12. North Asia, which accounts for just over a fifth of Group revenue, saw turnover decline 13% due to a slump in Chinese tourist spending in Hong Kong and other markets.

Group operating expenses increased by eight percent to \$39.2 million due to higher rental of premises, other operating expenses and staff costs. Cost-to-revenue ratio rose to 42% from 38% in the same period last year.

Nash Benjamin, CEO of F J Benjamin Holdings, said: “It has been a challenging quarter with the economic slowdown in North Asia affecting our timepiece business. Expenses rose as we continued to invest in the business. We are pleased that our fashion business, the Group’s mainstay, has performed well with good top line growth in Southeast Asia.

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“Looking ahead, we expect the slowdown in China and the uncertain global economic climate to continue to weigh on consumer spending. But they will not distract us from scouring for new revenue streams, while reducing costs at every opportunity.”

Mr Benjamin added that the Group is preparing new store openings in the coming 12 months - VNC shoes and accessories in Indonesia and Goyard in Singapore. FJB will open the first VNC store in Jakarta next month, followed by two more in the following 11 months.

The Group is also on track to open a Goyard store in the fourth quarter of 2013 at Singapore's Takashimaya Shopping Centre. The Singapore store for Goyard, one of France's most prestigious and sought-after luxury brands of luggage and handbags, comes after a successful launch of Goyard in Hong Kong last year.

During the quarter under review, F J Benjamin's fashion business rose 9% to \$63.6 million, while sales for timepieces fell 18% to \$30.4 million.

Geographically, sales in Southeast Asia edged up 1% to \$73 million with strong growth coming from Malaysia. The fashion business grew by 9%, while the timepiece business lost 24%, mainly due to lower shipments to Indonesia.

In North Asia, the timepiece business in Hong Kong fell 18%. However, revenue in China grew by 3%. A Hong Kong subsidiary has also entered into negotiations to sell one of its properties approximating 2,200 sq ft with a book value of S\$2.2 million in November.

Indonesia continued to see growth with domestic sales rising 11% coupled with a slight increase in gross margins over the same period last year.



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The Group's net gearing rose to 44% as at September 2012 from 39% at June 2012 as it incurred higher operational cash outflow for its business growth and expansion.

Earnings per share stood at 0.41 cents, down from 0.67 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, Catherine Deane, Celine, Gap, Givenchy, Goyard, Guess, La Senza, RAOUL, Sheridan, and timepiece brands such as Bell & Ross, Converse, Chronoswiss, DeWitt, Girard-Perregaux, Guess? Watches, Gc, Marc Ecko, Nautica, Rado and Victorinox Swiss Army. It also has an interest in St James Holdings Ltd.

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