



F J BENJAMIN

F J BENJAMIN 2Q FY2013 NET PROFIT DOWN 75 PERCENT TO \$1.1 MILLION

- *Turnover down 12% to \$96.9 million due mainly to lower sales of luxury timepieces in North Asia and weak festive spending in SE Asia*
- *Gross margins improved to 43 %*
- *New brands and network expansion to drive growth*

Singapore, 5 February 2013 - F J Benjamin Holdings, Singapore's leading fashion and lifestyle group, today announced lower net profit for its second quarter ended 31 December 2012 (2Q FY13). This was mainly due to a decline in sales of luxury timepieces in North Asia and weaker festive spending in Southeast Asia.

Net profit after tax fell 75% to \$1.1 million from \$4.6 million a year ago. Operating profit declined 59% to \$1.9 million from \$4.5 million during the same three months in FY12. The lower profitability was due to a decline in sales in North Asia by 36% as a result of reduced spending by visitors from the PRC for luxury timepieces during the October Golden Week which continued into the fourth quarter of 2012. The lower profitability was also caused partly by an unrealised foreign exchange loss of \$813,000 compared to a \$2.2 million gain in the previous corresponding quarter. The result was a negative impact of \$3 million on 2Q's bottom line. The exchange loss was, however, offset by an exceptional gain of \$920,000 from the sale of an office property in Hong Kong.

Group turnover fell 12% to \$96.9 million in 2Q FY13 compared to \$109.9 million in 2Q FY12 mainly due to the decline in sales in North Asia.

Group operating expenses fell 6.0% to \$42.0 million due to lower staff costs and advertising and promotion spending. However, cost-to-revenue ratio rose to 43%

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from 41 % in the same period last year as fixed costs such as rentals rose 12% despite lower sales.

Gross profit margin improved to 43% from 42%.

Nash Benjamin, CEO of F J Benjamin Holdings, said: “It has been a tough quarter with weaker sales in our timepiece business in North Asia as visitors from the PRC continued to cut back in spending on luxury timepieces in Hong Kong and China. This also had, to a lesser extent, an effect on our business in South East Asia. We’ve also witnessed a fall in foot traffic at major shopping malls in Singapore and Malaysia during the festive season.

“Looking ahead, we expect business conditions to continue to be challenging although renewed optimism in the Chinese economy at the start of the year may see demand picking up. Management will continue its efforts to drive revenue, keep costs lean and be prudent in managing business risks.”

For the quarter under review, the Group’s fashion business slipped 1% to \$68.0 million while sales of timepieces dropped 30 % to \$28.7 million.

Geographically, sales in Southeast Asia eased 5% to \$80.1million. The fashion business was 1% lower, while the timepiece business lost 18%, mainly due to reduced shipments to Indonesia. Overall, Indonesia continued to see growth with domestic sales rising 14%, and gross margins improving slightly over the same period last year.

The Group is preparing for new store openings in the next two quarters including opening two more VNC stores following the successful launch in November 2012.

It is also on track to launch the first Goyard store in Singapore in the fourth quarter at Ngee Ann City, the second by F J Benjamin after Hong Kong. Goyard is one of France’s most prestigious and sought-after luxury brands of luggage and

handbags. The Group will continue to scale up its retail network of 191 stores a year ago to 211 stores by end of the current fiscal year ending 30 June 2013.

The Group's net gearing rose to 46% as at December 2012 from 39% in June 2012, reflecting the higher operational cash outflows for business growth and expansion.

Earnings per share stood at 0.23 cents, down from 0.84 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, 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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