



FJ BENJAMIN

annual report 2006/2007



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## executive chairman's review

Our Group enters a new and exciting growth phase, and is reaping the returns from its strategic drive to build scalable iconic brands.



## DEAR SHAREHOLDERS,


2007 was an outstanding year for F J Benjamin. Our Group entered a new and exciting growth phase, and began reaping the returns from its strategic drive to build scalable iconic brands.

The buoyant economies in the region have raised standards of living and boosted consumer spending. To capture the opportunities arising from the economic upturn, management and employees set themselves a punishing pace, and rolled out one of the fastest store expansion programmes in the Group's 48-year history, thereby doubling the total retail footprint across Southeast Asia year-on-year.

Their efforts paid off as sales and net profit after tax reached \$257.6 million and \$21.5 million, up 38% and 111% respectively over FY 2006. More gratifying is the fact that over a five-year period, we have managed to more than double our sales and grow our core earnings 16 times, even after stripping off exceptional items.

These are satisfying achievements, and particularly so when they came not merely from adding new stores, but also from strong comparable store growth across the Group's portfolio of diverse brands. There were several important events which took place and created excitement and buzz:

- We successfully launched 14 Gap and Banana Republic stores in Singapore, Malaysia and Indonesia.
- We sold 6B Orange Grove Road, our headquarters in Singapore, in October 2006 for \$37.0 million, as part of our strategy of divesting non-core and non-income producing assets. The sale resulted in a net gain of about \$5.8 million over book value.
- F J Benjamin was appointed the exclusive CELINE retailer in Singapore, Malaysia, Indonesia and Thailand by French luxury Group LVMH Moët Hennessy Louis Vuitton in March 2007. We look forward to our collaboration with LVMH to continue the expansion of the CELINE legacy in the region.
- We had a successful conversion of our warrants to shares, which brought in a total of \$127.7 million in cash as at 16 July 2007, the date of expiry of our warrants. This brings our total shares issued to date to 568.7 million.
- In the last 12 months, we focused on building strong relationships with our shareholders in an effort to improve investor relations, and in so doing, we now have a substantial number of institutional investors.



I am confident that positive consumer sentiment and good economic fundamentals in the region will give us the momentum to excel in the coming year

The rising profitability in recent years has placed the Group in good financial standing. Today, we have a strong balance sheet. Our cash position as at 30 June 2007 stood at \$96.1 million, bolstered in part by the conversion of warrants. We have no gearing and the indebtedness on our books are trade-related.

Our investment in St James Power Station will also be significantly enhanced, with the proposed public listing of The St James Pte Ltd through a \$108.0 million reverse takeover announced on 17 September 2007.

Given our healthy financial position, the Board is pleased to propose a cash distribution of 13.0 cents a share by way of a \$74.0 million capital reduction. This payment will be in addition to our record dividend of 3.5 cents less tax per share for the full financial year.

Going forward, we will continue our growth strategy where we plan to open a net of 47 new stores in FY 2008. We will also continue to grow our timepiece distribution business in North and Southeast Asia, and maintain the leadership position we have with certain brands. We are also on the lookout for acquisitions that will integrate well with and complement our portfolio of brands, thereby enhancing our earnings significantly and contributing positively to shareholder value.

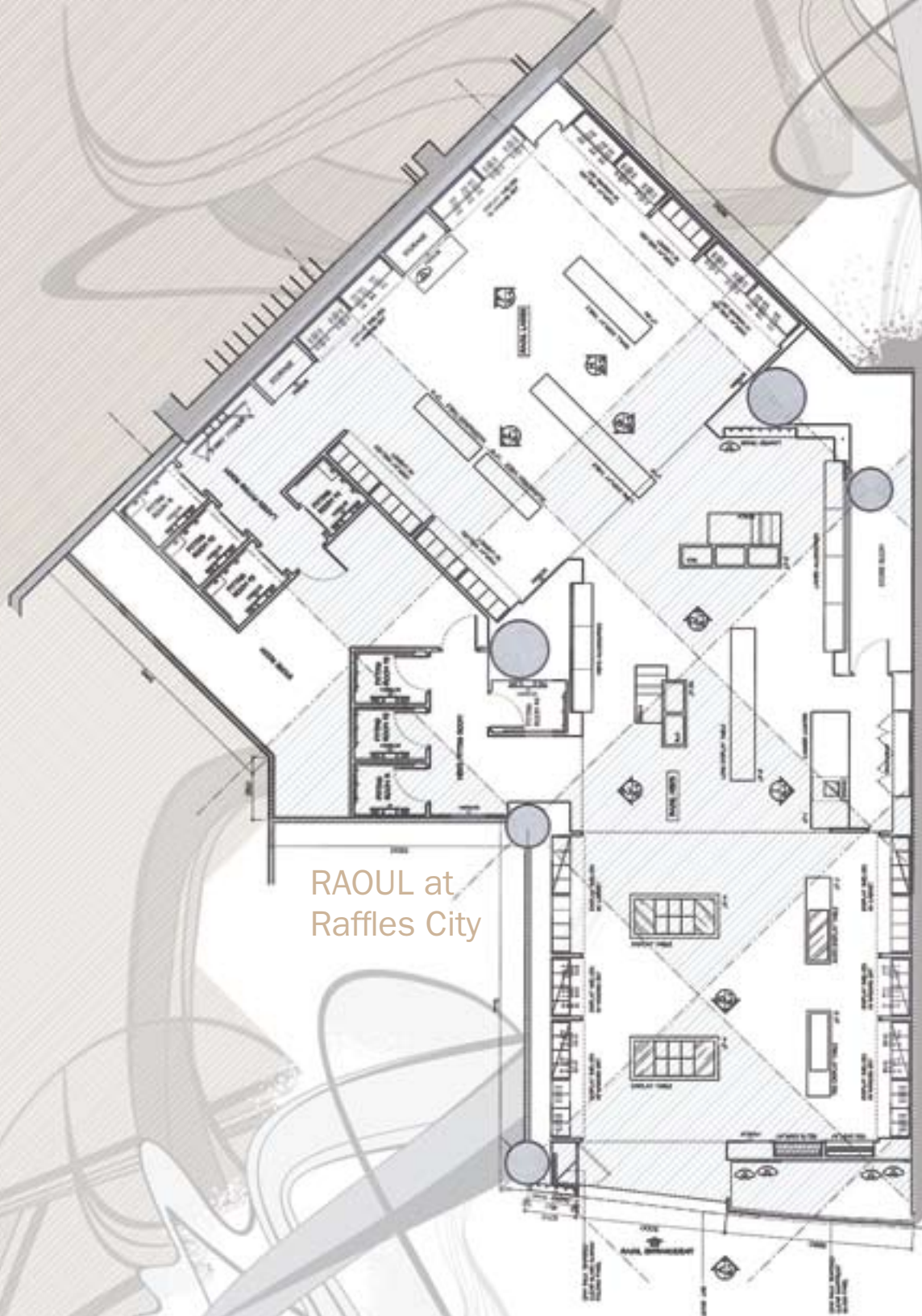
We look forward to the new financial year, confident that barring shocks in our external environment, we are on track for continued progress. Though the full effects of the sub-prime loan crisis in America may not be fully known as yet, and could put a dampening on consumer spending, I am confident that positive consumer sentiment and good economic fundamentals in the region will give us the momentum to excel in the coming year.

Our stellar results would not have been possible if not for the superb support we have received from our principals, our customers, business associates and our shareholders - to them I owe my gratitude. I am also indebted to my fellow Board members for their invaluable insights and counsel, which were crucial guideposts for the Group's growth. Last but not least, I am grateful to the management and staff of F J Benjamin for their hard work and dedication, which, I am confident, will again steer us through another successful year.



**FRANK BENJAMIN**  
Executive Chairman  
F J Benjamin Holdings Ltd





RAOUL at  
Raffles City

## chief executive officer's report

Our continued growth gave us sustained leadership in the region for our fashion retail and timepiece distribution businesses.





## DEAR SHAREHOLDERS,

This time last year, I was optimistic about prospects for our business. I am glad to report that we were able to ride the consumer boom in Asia to deliver one of the best sets of financial results since F J Benjamin went public in 1996.

Group turnover registered a 38% increase to \$257.6 million during the financial year ended 30 June 2007 with maiden contributions from Gap. Net profit after tax surged 111% to \$21.5 million. Excluding exceptional items, net earnings were up 97% to \$17.6 million. Gross margin remained steady at 41%.

Our continued growth gave us sustained leadership in Southeast Asia for our fashion retail and timepiece distribution businesses and in North Asia for our timepiece distribution business. The addition of new franchises during the year – Gap, Banana Republic and CELINE – has set the Group on a new trajectory of growth, and will give us a new scale of revenue.

During FY 2007, we grew our revenue through a combination of strong marketing and premium customer service. Focusing on a few iconic and scalable brands, we were able to leverage our expertise across the enterprise and execute well in a year of fast growth both organically and through new franchises.

We emphasised innovation, be it in the way of merchandising standards or the technology employed to improve operational efficiency. We invested substantially in new infrastructure and business tools necessary to support us through our continued growth. These include:

- A new 12,000 square foot distribution centre in July 2006, with an enhanced double racking system to maximise the storage space.
- A new Customer Relationship Management (CRM) system to track customers' spending, to disseminate information on new arrivals and promotions, and to assist us in better understanding our customers' needs.
- An online shopping platform for RAOUL on raoul.com to add a new sales channel in response to the high demand from customers overseas for RAOUL products.
- A 40,000 square foot single-floor purpose-built headquarter facility currently being constructed in Science Park II in Singapore to give us the capacity for growth over the next several years. This new state-of-the-art facility will incorporate operational, IT and design/creative services, and will be operational in the first quarter of next calendar year.
- Beefing up the management teams in various territories to add the necessary human resources to spearhead, implement and support our growth strategy.
- Investment in training front-line service staff to provide premium customer service in all our retail stores. This effort was recognised by the Singapore Retailers Association, when it awarded RAOUL the Premium GEM Award and Baby GUESS/GUESS Kids the Service GEM Award.



## OPERATIONAL REVIEW

All fashion brands posted double-digit comparable store growth, which demonstrates the strong demand for our brands. GUESS?, RAOUL and La Senza performed ahead of expectations in Singapore, Malaysia and Indonesia. Thailand, where RAOUL and La Senza stores were opened in August 2006, remained a laggard as political uncertainty dampened consumer spending.

GUESS? continued to grow across most product categories. The label's new footwear category showed strong growth and we are planning to open several new GUESS? footwear concept stores in the region.

In March 2007, we acquired seven CELINE stores in Singapore, Malaysia, Indonesia and Thailand from the French luxury Group LVMH Moët Hennessy Louis Vuitton. The acquisition is in line with F J Benjamin's strategy of expanding its brand portfolio by representing iconic labels that offer opportunity for meaningful growth and scalability. We expect to roll out three new stores for CELINE in Malaysia and Indonesia in FY 2008 under a new concept that incorporates a luxurious and spacious interior for an elevated shopping experience.

During the financial year under review, we opened a net of 48 new stores, scaling up our retail network in the region to 138 as at 30 June 2007. For our on-going brands, we added a net of 11 GUESS? stores, six RAOUL stores and 11 La Senza stores in the region. 12 new stores were launched for Gap in Singapore, Malaysia and Indonesia, and two for Banana Republic in Malaysia and Indonesia. Total retail square footage more than doubled to 246,000 square feet from 122,000 square feet. In FY 2008, we plan to open a net of 47 new stores, which will increase our total retail footprint by 139,000 square feet or 57% over the year under review.

Overall, sales of the fashion business grew by 55% in FY 2007 to \$155.9 million due to the opening of new stores, organic growth in on-going stores, and increase in our distribution and export business. This increased the division's contribution to total sales from 54% in FY 2006 to 61% in FY 2007.

Total sales for the timepiece business increased 15% over FY 2006. Turnover rose 27% in Southeast Asia and 7% in Hong Kong and China. Sales of Girard-Perregaux continued its impressive growth in the fast-growing luxury watch market in China and were up 50% in FY 2007. We also gained a stronger foothold in China with the appointment of an exclusive retailer for our prestigious line of JeanRichard timepieces in six major Chinese cities. However, the business in Taiwan declined 11% because of weak consumer sentiment, thereby decreasing the overall growth for North Asia. As a result of new brands added in the fashion business, contribution from the timepiece distribution business decreased to 36% from 43%.

Geographically, Southeast Asia remained the largest revenue contributor; its share of total revenue increasing to 84% from 78% previously, as the Group has significant fashion retail and timepiece distribution business in this region. North Asia, which only has our timepiece distribution business, contributed 14% to total revenue compared with 20% in FY 2006.

Indonesia continued to contribute positively to the Group's results with turnover increasing by 29% over FY 2006.

St James Power Station, in which F J Benjamin has a 30% stake, performed beyond expectations and became profitable soon after opening all nine entertainment outlets last December. The outlook for St James Power Station is promising, as it plans to expand its operations through a public listing on Singapore's soon-to-be-launched new board through a \$108 million reverse takeover of JK Technology Group Limited.

As a result of the investments we had made to support our growth, the start-up costs associated with the launch of Gap in Southeast Asia, our new entry into Thailand, and the expansion of our on-going labels, expense to turnover ratio increased to 38% from 37% in FY 2006.

Looking ahead, our overall strategy is to continue the focus on growing our brands and executing well. We believe our markets will continue to enjoy strong consumer spending, underpinned by strong economic fundamentals, growing consumption, and higher tourist arrivals. Our timepiece distribution business in North Asia continues to grow with greater emphasis in China. We have established the foundations for a strong distribution network in China and we are poised to take greater advantage of opportunities in that fast growing market.

Secondly, we plan to introduce our house label RAOUL to other markets through our franchising model, similar to the arrangement with our franchisee partners in the Middle East. We are also excited by the development and the excellent response to RAOUL Ladies since its launch in 2005. We have, in addition, expanded our product classes to include watches, jewellery and handbags.

Finally, with the various initiatives taken in the last two years to develop the support structure of the business, we now have a strong platform for growth and we are poised to reap the efficiencies of these initiatives.

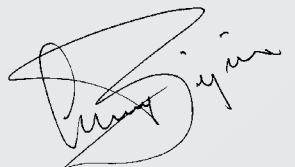
With the volatility we have currently in the global capital markets due to the sub-prime loan crisis, there may be some effects on consumer spending in the near term. However the sentiment for the region still remains good and continues to be backed by strong economic fundamentals.

**We believe our markets are enjoying strong consumer spending, underpinned by strong economic fundamentals, growing consumption, and higher tourist arrivals.**

I am also very proud of our staff and management who worked extremely hard in a fast-paced period. Our initiatives to create a positive environment and high quality career development opportunities for employees will intensify in the coming years.

I believe we are well positioned to build on the hard work and success of the year under review and to affirm our leadership in the industry in Southeast Asia and North Asia.

Last but not least, I would like to thank our customers for believing in our products and for giving us the privilege of serving them, our principals, landlords, business associates and bankers who have supported us strongly. We will continue to put our best efforts to deliver the premium the industry has come to expect from F J Benjamin.



**ELI MANASSEH (NASH) BENJAMIN**  
Chief Executive Officer  
F J Benjamin Holdings Ltd

# group 5 year financial summary

	2003	2004	2005	2006	2007
	\$'000	\$'000	\$'000	\$'000	\$'000

## PROFIT & LOSS

Turnover	105,569	116,573	145,658	187,235	257,618
Operating Profit before Borrowing Costs and Exceptional Items	1,364	1,919	3,594	13,102	21,639
Borrowing Costs	(1,907)	(1,287)	(1,435)	(1,908)	(1,893)
Exceptional Items	2,122	46	1,456	1,221	3,839
Share of Results of Associates	(198)	547	935	740	2,500
Profit Before Taxation	1,381	1,225	4,550	13,155	26,085
Profit After Taxation and Minority Interest	1,490	1,994	4,262	10,171	21,468
Basic Earnings Per Share (cents)	0.52	0.70	1.50	3.53	5.69
Operating Margin (%)	1%	2%	2%	7%	8%

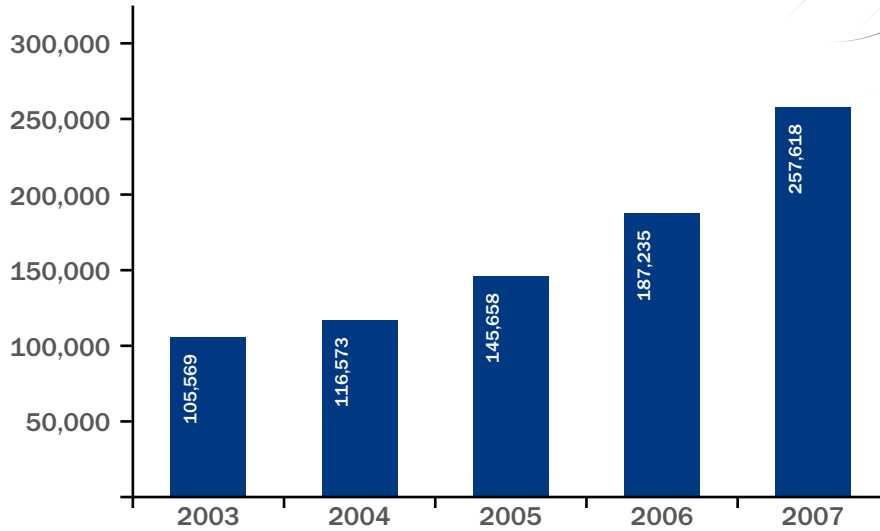
## BALANCE SHEET

Non-Current Assets	81,844	79,503	82,864	84,526	52,671
Net Current Assets	16,159	17,099	16,019	32,524	149,047
Shareholders' Equity	76,956	76,298	77,249	95,716	198,490
Net Debt /(Net Cash)	23,057	23,470	24,962	13,283	(60,846)
Return on Equity (%)	2%	3%	6%	11%	11%
Net Debt to Equity	0.30	0.31	0.32	0.14	N/A
Net Tangible Assets Per Share (cents)	27.00	26.77	27.10	30.53	37.88

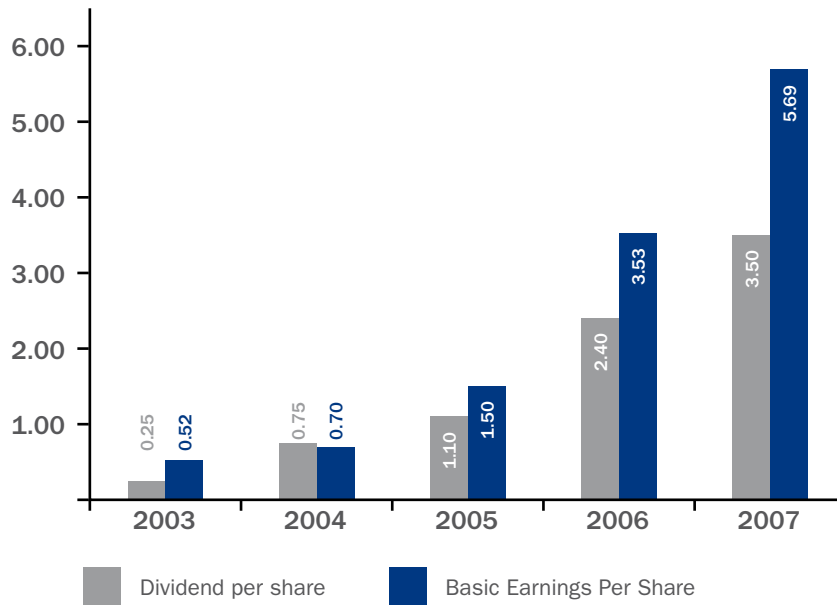




**TURNOVER**  
(\$'000)



**DIVIDEND PER SHARE/EARNINGS PER SHARE**  
(cents)



# board of directors



01	02
03	04
05	06

### 01. MR FRANK BENJAMIN

**Date of appointment as Director:** 5 June 1973

**Date of last re-election:** 25 October 2006

**Nature of appointment:** Executive

**Board committees served on:** Executive Committee (Chairman) and Nominating Committee

Mr Frank Benjamin is the Executive Chairman and founder of F J Benjamin. He stepped down as Group Chief Executive Officer last year, a position he held since the founding of F J Benjamin in 1959. With more than 40 years of experience in the retail industry, Mr Benjamin is involved in defining the overall strategy and vision of the Group.

### 02. MR KEITH TAY AH KEE

**Date of appointment as Director:** 1 August 1996

**Date of last re-election:** 28 October 2005

**Nature of appointment:** Non-executive (Independent with effect from 1 July 2007)

**Board committees served on:** Executive Committee and Remuneration Committee

Mr Keith Tay is the Non-executive Deputy Chairman of the Group. He was Chairman and Managing Partner of KPMG Peat Marwick from 1984 to 1993. He is the Vice Chairman of the Governing Council of The Singapore Institute of Directors. He also serves on the board of the Singapore International Chamber of Commerce, of which he was Chairman from 1995 to 1997. He is also Chairman of Stirling Coleman Capital Ltd and Aviva Ltd.

He sits on the boards of Allgreen Properties Limited, Rotary Engineering Limited, Singapore Airport Terminal Services Limited, Singapore Reinsurance Corporation Ltd and Singapore Post Limited.

### 03. MR ELI MANASSEH (NASH) BENJAMIN

**Date of appointment as Director:** 26 July 1973

**Date of last re-election:** 27 October 2004

**Nature of appointment:** Executive

**Board committees served on:** Executive Committee

Mr Eli Manasseh (Nash) Benjamin is the Chief Executive Officer of the Group, and has been with F J Benjamin since 1968. He has more than 30 years of experience in the fashion retail and timepiece distribution businesses. He succeeded Mr Frank Benjamin as Group Chief Executive Officer last year. He is involved in the formulation of long-term corporate strategies and policies of the Group, maintains a close relationship with all the Group's principals as well as oversees the business development arm of the Group.

He sits on the board of the National Museum of Singapore.

### 04. MR JOSEPH GRIMBERG

**Date of appointment as Director:** 11 January 1990

**Date of last re-election:** 25 October 2006

**Nature of appointment:** Independent

**Board committees served on:** Audit Committee, Remuneration Committee and Nominating Committee (Chairman)

Mr Joseph Grimberg was a Senior Partner of Drew & Napier prior to serving as Judicial Commissioner of the Supreme Court of Singapore from 1987 to 1989. Upon completion of his term of office, he returned to Drew & Napier LLC where he is currently a Senior Consultant.

He sits on the board of Jurong Cement Limited and is the Chairman of Hotel Properties Limited.

### 05. MR REGGIE THEIN

**Date of appointment as Director:** 8 July 2002

**Date of last re-election:** 28 October 2005

**Nature of appointment:** Independent

**Board committees served on:** Audit Committee (Chairman), Remuneration Committee (Chairman) and Nominating Committee

Mr Reggie Thein is a member of the Governing Council of The Singapore Institute of Directors, a Fellow of the Institute of Chartered Accountants in England and Wales, and member of the Institute of Certified Public Accountants of Singapore. He was previously a Senior Partner of PricewaterhouseCoopers, Vice-Chairman of Coopers & Lybrand, and Managing Partner of its consulting services firm.

He sits on the boards of BIL International Limited, Grand Banks Yachts Limited, Guocoland Ltd, Haw Par Corporation Ltd, Keppel Telecommunications & Transportation Ltd, MFS Technology Limited, Mobile-One Limited and Ascendas Pte Ltd.

### 06. MR DOUGLAS JACKIE BENJAMIN

**Date of appointment as Director:** 3 November 2000

**Date of last re-election:** 25 October 2006

**Nature of appointment:** Executive

**Board committees served on:** Executive Committee

With F J Benjamin since 1989, Mr Douglas Benjamin takes on the dual role of Chief Executive Office of F J Benjamin (Singapore) Pte Ltd and Divisional Chief Executive Office of the Creative and Licensing Division. He oversees the Group's operations in Singapore, directs the international expansion of house labels, RAOUL and Paint8, and helms the RAOUL design team in his capacity as creative director.

Mr Douglas Benjamin sits on the board of trustees for the KK Hospital & Health Endowment Fund.

board of directors



- 07
- 08
- 09
- 10



## 07. MS KAREN CHONG MEE KENG

**Date of appointment as Director:** 1 April 2005

**Date of last re-election:** 28 October 2005

**Nature of appointment:** Executive

**Board committees served on:** Executive Committee

Ms Karen Chong is the Chief Financial Officer and Joint Company Secretary of the Group. She has been with the Group since 1997. She is a Fellow of CPA Australia, Association of Chartered Certified Accountants and a member of the Institute of Certified Public Accountants of Singapore. Prior to joining the Group, she was with a public accounting firm for several years and has accumulated more than 10 years of financial and operational experience in the local and overseas retail industry.

## 08. MS WONG AI FONG

**Date of appointment as Director:** 3 November 2000

**Date of last re-election:** 25 October 2006

**Nature of appointment:** Independent

**Board committees served on:** Audit Committee

Ms Wong Ai Fong is the Director of Communications, Asia Pacific with Nokia Pte Ltd. She was formerly the General Manager of the Singapore Marketing Communications department of the Group between 1994 and 2000. Prior to joining the Group, she had more than 10 years of marketing experience in the financial services, media and entertainment industries.

## 09. MR TIMOTHY CHIA CHEE MING

**Date of appointment as Director:** 1 July 2005

**Date of last re-election:** 28 October 2005

**Nature of appointment:** Independent

**Board committees served on:** None

Mr Timothy Chia is the Founder of the Hup Soon Global Group of companies and currently serves as Deputy Chairman and Group Chief Executive Officer of Hup Soon Global Corporation Limited. He was the President of PAMA Group Inc., from 1986 to end 2004.

He sits on the boards of Banyan Tree Holdings Ltd, Fraser and Neave Limited, Singapore Post Limited, Fraser Centrepoint Limited and SP PowerGrid Limited. He is also a member of the Board of Trustee of Singapore Management University.

## 10. MS CHEW GEK KHIM

**Date of appointment as Director:** 14 March 2007

**Date of last re-election:** Not applicable

**Nature of appointment:** Non-executive

**Board committees served on:** None

Ms Chew Gek Khim is Deputy Chairman and the Chief Executive Officer of the Tecity Group. She was the non-executive director of Robinsons & Company for 18 years from 1988 to 2006.

Ms Chew is also the Deputy Chairman of The Tan Chin Tuan Foundation in Singapore and The Tan Sri Tan Foundation in Malaysia and is active in community and public service, serving on the boards of National Heritage Board, Singapore Totalisator Board and NUS Faculty of Law.

## senior management

### MR SAMUEL BENJAMIN

**Group Director – Timepiece Division of F J Benjamin Group  
Divisional CEO – Timepiece Division of F J Benjamin  
(Singapore) Pte Ltd**

Mr Benjamin oversees the operations of the Timepiece Division in Singapore and also the timepiece business in the region, working closely with the respective country heads to grow the business. He is the Chairman of the Group's Cost Review Committee. Mr Benjamin joined F J Benjamin (Singapore) Pte Ltd in 1991, starting his career in the Fashions Division and moving to the timepiece business in 2001.

### MS ANGIE CHONG

**CEO – F J Benjamin (M) Sdn. Bhd. / F J Benjamin Lifestyle  
Pte Ltd / F J Benjamin Lifestyle Sdn Bhd**

Ms Chong has been involved in the business since 1994. As the Chief Executive Officer and Director of F J Benjamin (M) Sdn. Bhd., she is responsible for operations and business development in Malaysia. She also heads the Group's Gap and Banana Republic businesses in Singapore, Malaysia and Indonesia.

### MR TONY FUNG

**CEO – F J Benjamin (H.K.) Limited / F J Benjamin (Taiwan) Ltd**

With F J Benjamin since 1997, Mr Fung is the Chief Executive Officer and Director of F J Benjamin (H.K.) Limited, and Chief Executive Officer of F J Benjamin (Taiwan) Ltd. He is responsible for the day-to-day running of the business and the marketing and distribution of our timepiece business in Hong Kong, China and Taiwan.

### MR RALPH POLESE

**Divisional CEO – Fashion and Corporate Service Division of  
F J Benjamin (Singapore) Pte Ltd / F J Benjamin Concepts  
(Thailand) Limited**

Mr Polese joined F J Benjamin in July 2007 and brought with him more than 25 years of experience in the fashion business. Mr Polese is responsible for the day-to-day running of the fashion retail and distribution business, and the back-end support functions in Singapore. He also oversees the development of the newly-formed subsidiary in Thailand and is the Regional Director for CELINE.

### MR QUAH KIM TIONG

**Director – Wholesale, F J Benjamin (Singapore) Pte Ltd**

Mr Quah joined F J Benjamin (Singapore) Pte Ltd as Product Manager in 1982 and rose through the ranks, and now oversees the distribution business of Sheridan and GUESS handbags, as well as the logistics/distribution centre in Singapore.

# corporate structure

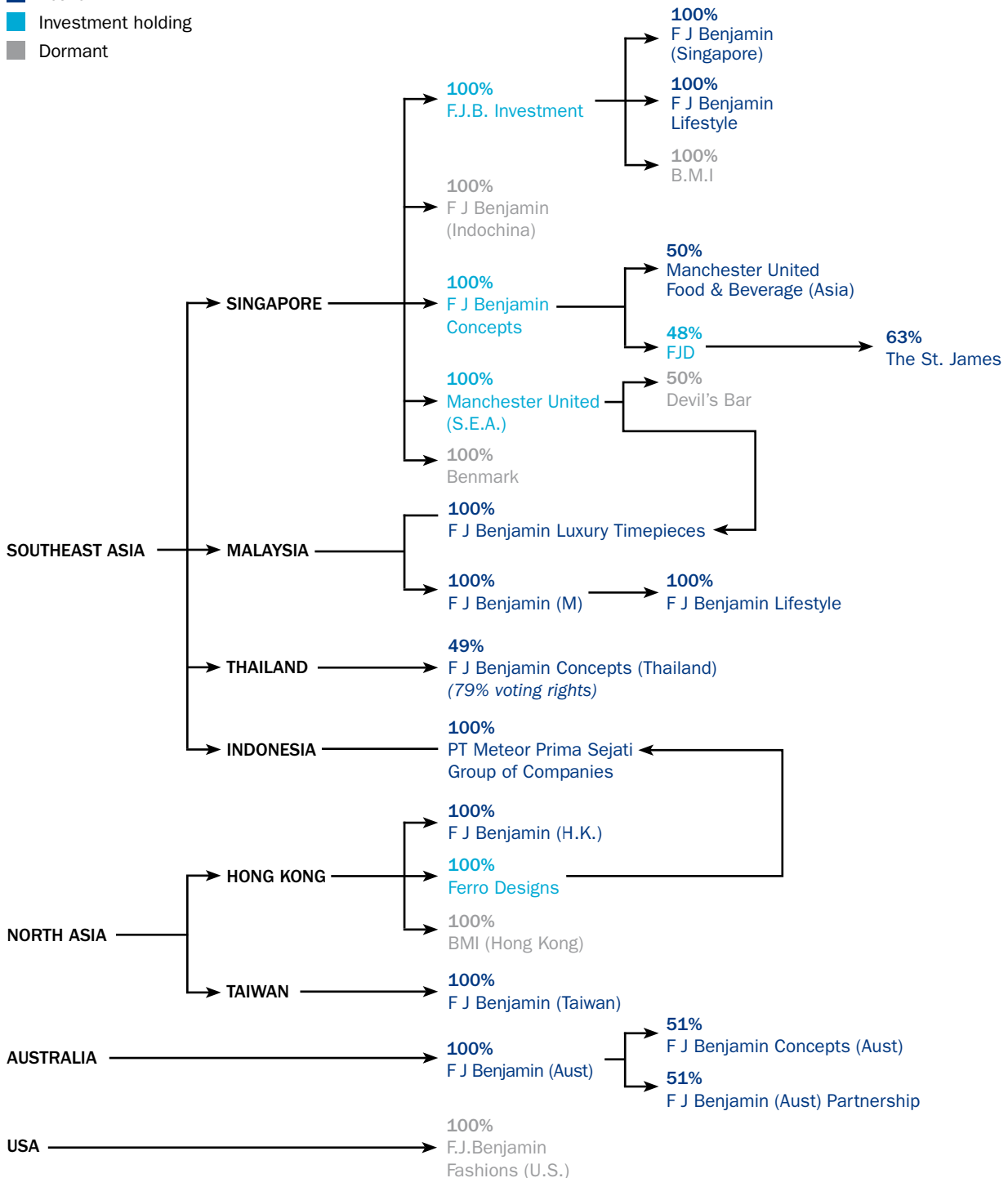
as at 11 September 2007

## F J BENJAMIN HOLDINGS LTD

■ Active

■ Investment holding

■ Dormant



# corporate directory

## DIRECTORS

**Mr Frank Benjamin**  
Executive Chairman

**Mr Keith Tay Ah Kee**  
Non-Executive Deputy Chairman

**Mr Eli Manasseh (Nash) Benjamin**  
Chief Executive Officer

**Mr Douglas Jackie Benjamin**  
Executive Director

**Ms Karen Chong Mee Keng**  
Executive Director

**Mr Joseph Grimberg**  
Independent Director

**Mr Reggie Thein**  
Independent Director

**Ms Wong Ai Fong**  
Independent Director

**Mr Timothy Chia Chee Ming**  
Independent Director

**Ms Chew Gek Khim**  
Non-executive Director  
*(appointed on 14 March 2007)*

## REGISTERED OFFICE

**F J Benjamin Building**  
6B Orange Grove Road  
Singapore 258332  
Tel : (65) 6737 0155  
Fax : (65) 6733 7398  
Email : info@fjb.com.sg  
Website : www.fjbenjamin.com

## JOINT COMPANY SECRETARIES

Ms Karen Chong Mee Keng  
Mr Dilhan Pillay Sandrasegara

## SHARE REGISTRAR

**Lim Associates (Pte) Ltd**  
3 Church Street #08-01  
Samsung Hub  
Singapore 049483

## AUDITORS

**Ernst & Young**  
One Raffles Quay  
North Tower Level 18  
Singapore 048583

Partner: **Mr Liew Choon Wei**  
*(since financial year 2003)*

## SOLICITORS

**Wong Partnership**  
One George Street #20-01  
Singapore 049145

## PRINCIPAL BANKERS

**DBS Bank Ltd**  
**HSBC Bank Malaysia Berhad**  
**Malayan Banking Berhad**  
**Oversea-Chinese Banking Corporation Ltd**  
**RHB Bank Berhad**  
**Standard Chartered Bank**



brand highlights

# fashion





CELINE



## CELINE

CELINE is a French luxury brand of ready-to-wear clothes, shoes and accessories for the active woman. Strong and independent, the CELINE style allows women on the move to be spontaneous and feminine. The refined image of the brand, created by a woman for women, and its complete dedication to quality and comfort, establishes CELINE as the perfect Parisian style.

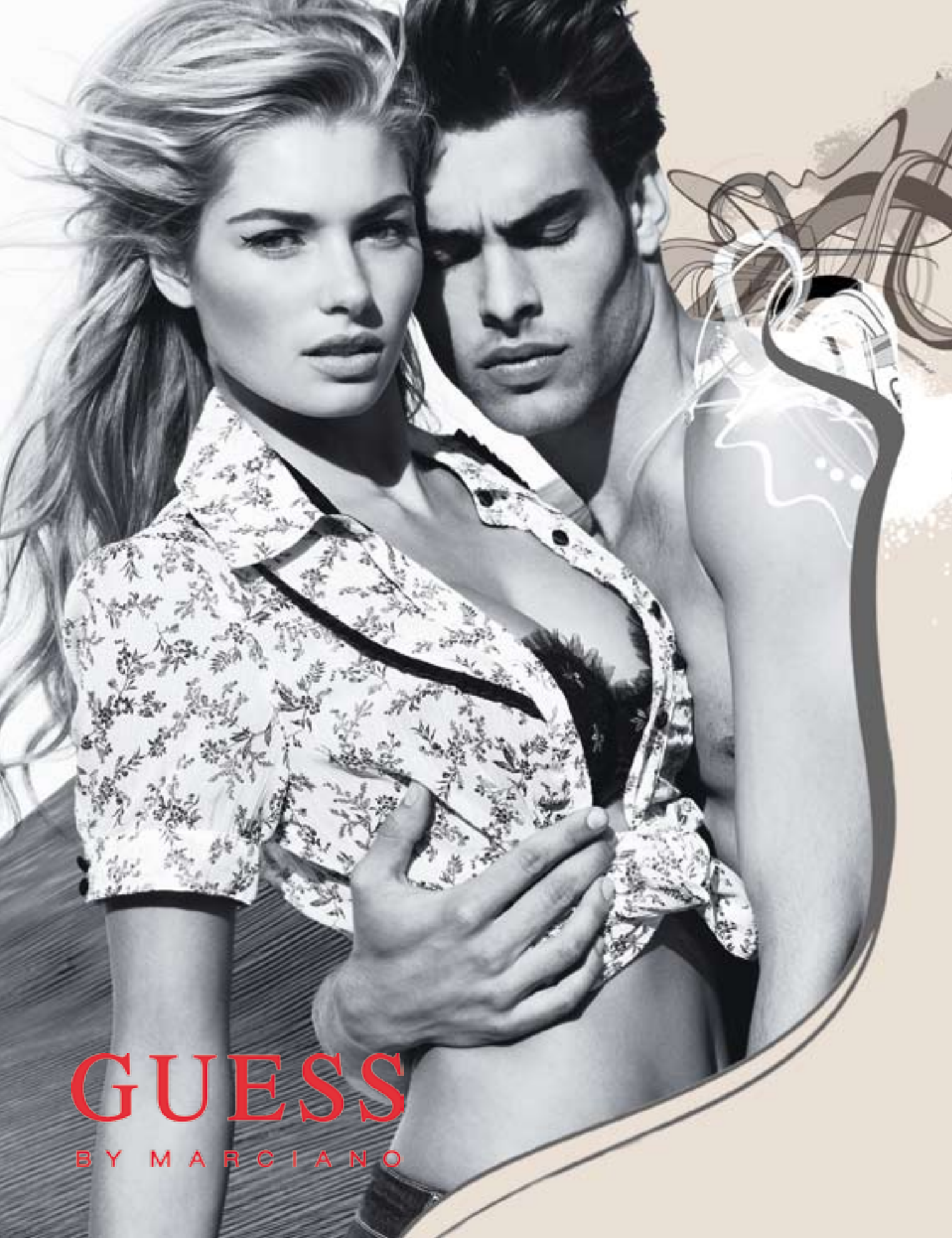
Launched in 1945 by Celine Vipiana, the label was originally a made-to-measure children's shoe business that grew into women's shoes, accessories and ready-to-wear.

Acquired by the LVMH Group in 1996, CELINE was one of the first French fashion houses to establish an international presence, setting up more than 100 stores around the world long before globalisation became a buzzword.

Against the trend of luxury fashion houses consolidating control of their global operations, LVMH granted F J Benjamin the exclusive rights to operate seven CELINE stores in Singapore, Malaysia, Indonesia, and Thailand in March 2007.

Soon after taking on the franchise, F J Benjamin embarked on the renovation of CELINE's Southeast Asian flagship store in Ngee Ann City, Singapore, introducing a new concept that incorporates a luxurious and spacious interior for a unique shopping experience. Three more concept stores will open in the region while another one will be renovated in FY 2008.

As at 30 June 2007, there are seven CELINE stores in the region offering exciting, innovative products that target trendsetters and early adopters of the sleek and sophisticated style that is quintessentially CELINE.



**GUESS**

BY MARCIANO





## GUESS?

Established in 1981, GUESS? began as a denim company and has since grown into a global lifestyle brand. Today, GUESS? designs, markets and distributes comprehensive collections of apparel and accessories for men, women and children.

F J Benjamin has built a long standing relationship with GUESS? Inc. since 1991, and continues to manage and market the various product categories which are market leaders in Southeast Asia and in North Asia for timepieces.

In January 2007, the second GUESS? "One World, One Brand" global conference was held at the Ritz-Carlton Hotel in Singapore, underscoring the island's importance as a gateway for the brand in Asia. Over 430 distributors, licensees and partners attended the three-day conference.

Sales for the brand continues to be strong with double digit comparable store growth. During the year, the Group opened eight new GUESS? Accessory stores in Singapore, Malaysia and Indonesia. Together with four GUESS? stores, a total of 14 new stores were opened during the financial year.

In FY 2008, F J Benjamin plans to grow the new GUESS? footwear concept aggressively.

## GUESS by Marciano

GUESS by Marciano, the first brand extension from GUESS Inc., is the new runway European-inspired collection designed for the contemporary "it girl." Daringly sexy, yet highly sophisticated, GUESS by Marciano represents pure glamour in everyday fashion. In October 2006, GUESS by Marciano's first stand-alone store was opened in the Paragon Shopping Centre in Singapore.

Subsequently in April 2007, the store was relocated to a larger location within the mall that now carries the complete selection of apparel and accessories.



### **GUESS Handbags**

GUESS Handbags recorded another successful year of growth with an impressive range of new, trend-setting products that continue to appeal to the young and fashionable consumer.

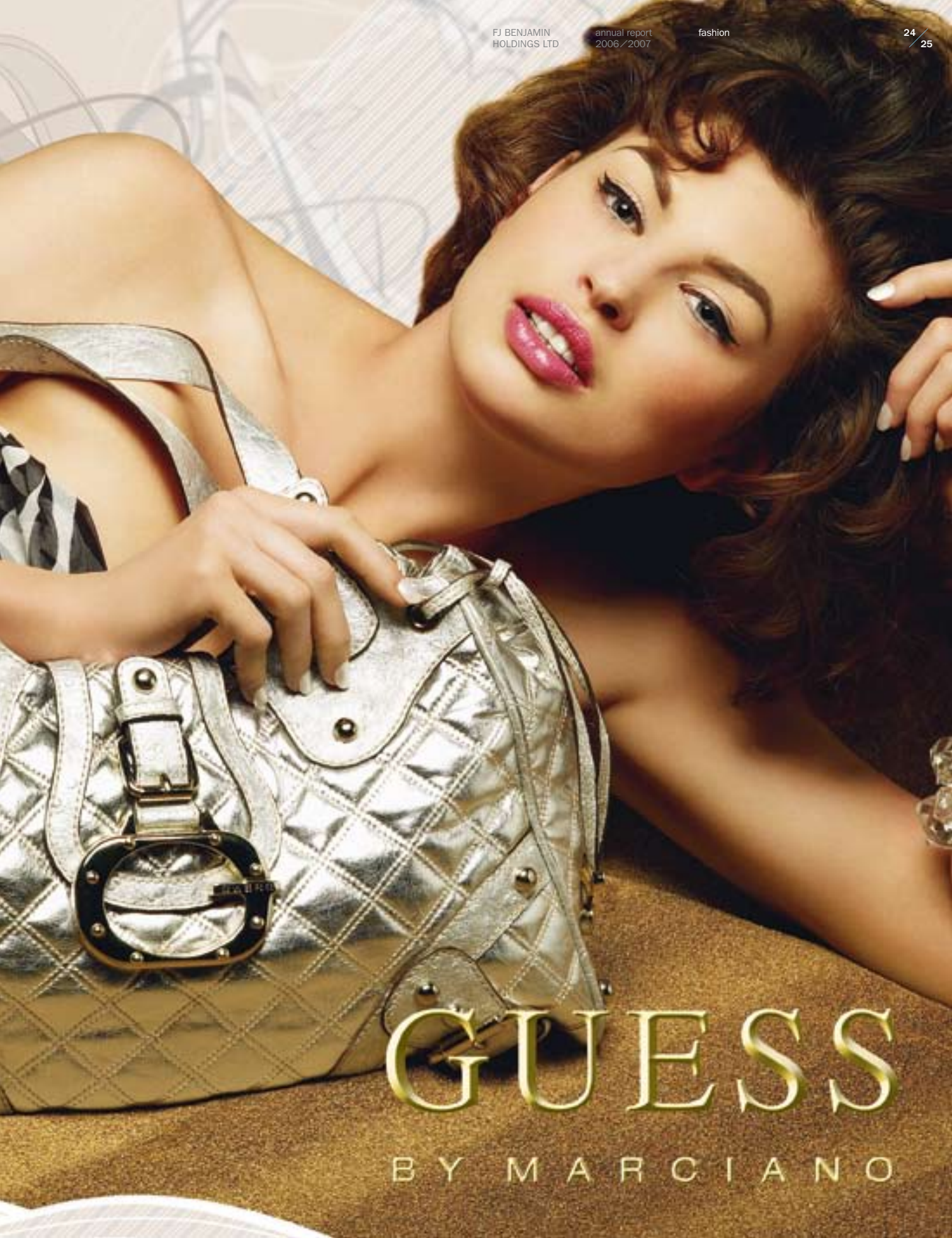
GUESS Handbags are distributed in the region through its directly-operated stores, department stores, duty-free and specialty stores.

### **Baby GUESS and GUESS Kids**

F J Benjamin has the licence to design, source and manufacture Baby GUESS and GUESS Kids for the Asia Pacific region. It distributes these merchandise through its network of directly-operated stores in the region as well as through stores of approved third party distributors. Baby GUESS and GUESS Kids continue to perform well, and are considered market leaders in their segments.

During the year, Baby GUESS and GUESS Kids stores received a refreshing makeover and the stores now boast an updated, modern look for a brand new shopping experience.





# GUESS

BY MARCIANO



GAP



## Gap

Since 1969, customers in the United States have looked to Gap for comfortable, casual quality clothing and accessories at affordable price points. Today, Gap Inc., which is the world's largest stand-alone retail company with US\$16 billion in sales, continues to be the preferred destination for wardrobe essentials such as jeans, t-shirts, casual pants and jackets.

F J Benjamin became Gap Inc.'s first-ever franchisee under an agreement signed in January 2006 which gives the Group exclusive rights to distribute Gap and Banana Republic products in Singapore, Malaysia and Indonesia.



In October 2006, the region's first Gap store was rolled out in Singapore's newest and biggest shopping mall, VivoCity.

The VivoCity opening was followed by the opening of three other Gap stores in Singapore and the Malaysian launch of six Gap and GapKids/babyGap stores in Kuala Lumpur. In Jakarta, a total of two Gap and GapKids/babyGap stores opened during the financial year. All in all, the launch of Gap was well received by consumers in the region.

In addition, the eagerly anticipated Gap (PRODUCT) RED, a social project initiated by U2 star Bono to help the women and children afflicted by AIDS in Africa, will debut in Gap stores throughout the region and will underscore the brand's commitment to social consciousness and responsibility.

PAINTINGS  
FALL 2007

BANANA REPUBLIC



### Banana Republic

Banana Republic is an accessible luxury brand, offering high-quality apparel and accessories for men and women. Banana Republic offers elevated essentials and sophisticated seasonal collections of ready-to-wear and accessories. From work to casual occasions, Banana Republic is known for its sophisticated and elegant style.

Consumers in Singapore, Malaysia and Indonesia eagerly anticipated the debut of Banana Republic in their respective capital cities, and the fashion media was abuzz with the arrival of this iconic American brand.

The official launch party in Singapore drew a large crowd of VIPs, and guests were treated to a runway show featuring the Fall 2007 collection. The two-storey flagship store opened at the Paragon Shopping Centre in Singapore in July 2007.



RAOUL



## RAOUL

F J Benjamin's house label, RAOUL, was created in 2002 for the discerning customer with a penchant for fine cotton shirts. In the five years since its launch, RAOUL has grown from strength to strength, having attracted a strong following both locally and internationally. Its reputation for high quality fabrics and affordable prices has also caught on with the ladies, whose clamour for equally well-tailored shirts with a more feminine cut led to the creation of RAOUL Ladies in 2005.

In 2005, RAOUL extended its regional network to the Middle East with the signing of a franchise agreement with a third party.



The brand experienced strong double-digit comparable store growth in the financial year under review. FY 2007 marked another milestone for the brand when the RAOUL Ladies accessories line hit the stores. For the stylish woman, a whole new collection of leather handbags, shoes, belts and jewellery are available in addition to a wide range of fashion items.

To build a stronger relationship with its customers, RAOUL launched its loyalty programme in Singapore in FY 2007, and stores in the other territories will follow suit in FY 2008. [raoul.com](http://raoul.com), the label's online retail store, was launched during the financial year.

One of the year's highlights was the annual RAOUL event at the Amara Sanctuary Resort in May 2007. More than 600 guests including TV celebrities and well-known personalities came to party and to witness the launch of the Autumn/Winter 2007 collection.



### **La Senza**

La Senza, Canada's premier lingerie brand synonymous with high quality, affordability and elegance, offers women a unique shopping experience with outstanding lingerie presentation in a beautiful and intimate environment that features everything from bras and panties, to sleepwear, loungewear and accessories. La Senza Spirit, a new range of fashionable activewear line, was also launched in Singapore.

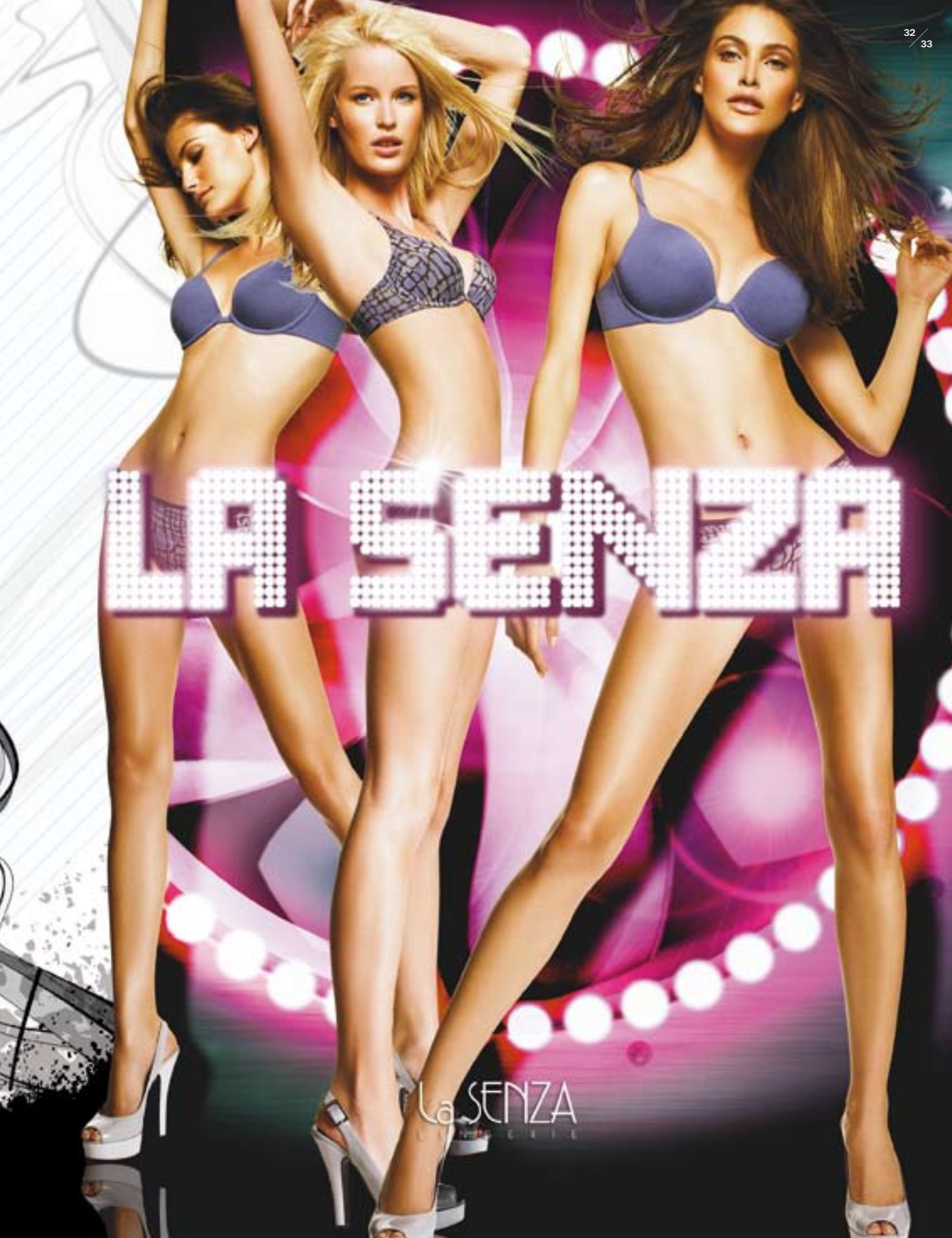
La Senza keeps up its strong performance by exploiting the gap in the market for stand-alone intimate apparel concept store.

In FY 2007, La Senza Express, an abridged retail concept dedicated to bras and panties was introduced in Singapore.

11 new stores opened in FY 2007 bringing the total number of stores to 24, spread over Singapore, Malaysia, Indonesia, Thailand and Australia.

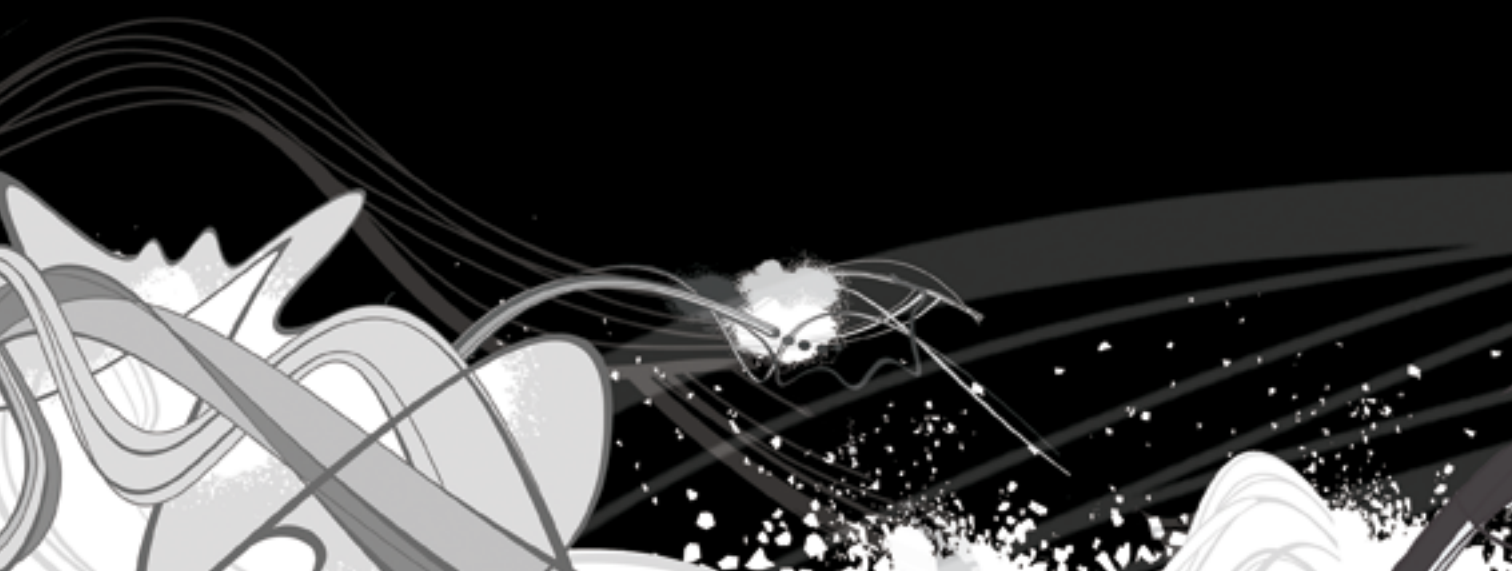
# LA SENZA

La SENZA  
EROTE





# timepieces





luxury timepieces

# GP GIRARD-PERREGAUX



## Girard-Perregaux

For over two centuries, Girard-Perregaux is renowned in the world of horology for its “Three Gold Bridges Tourbillon”.

The Swiss watch maker can lay claim to true manufacturing status, being one of the few companies left that produces in-house movements, rather than purchasing from external third-parties. This reputation, together with its focus on research and development, has led to the creation of successful models that contributed to Girard-Perregaux’s success.

In FY 2007, new models were launched successfully – these include the ww.tc-Financial, the ladies Cat’s Eye Tourbillon, and the Jackpot Tourbillon. The brand also had a successful marketing collaboration with BMW Oracle in the America’s Cup regatta.

Girard-Perregaux continues to gain momentum in the Chinese luxury watch market and has posted an impressive 50% growth in the financial year under review.

With rising disposable income and Asian consumers becoming more sophisticated in their purchases of luxury products, Girard-Perregaux is well-positioned to grow its sales in North Asia and Southeast Asia in the coming years.

JeanRichard produced its own modern, self-winding mechanical movement called the JR1000

#### JeanRichard

JeanRichard, under the Sowind Group, is a prestigious brand of Swiss watches known for its aesthetics and functionality. After four years of dedication in research and development, in 2004, JeanRichard produced its own modern, self-winding mechanical movement called the JR1000. The introduction of the JR1000 movement shows the growing technical independence and competence of JeanRichard.

During the year, F J Benjamin established its distribution network for JeanRichard in China with the appointment of an exclusive retailer in six major Chinese cities. JeanRichard also collaborated with Augusta and launched the MV Augusta watch, building the first ever partnership between the worlds of "Haute Horlogerie" and motorcycles.



JEANRICHARD

The image features two Bell & Ross watches and a technical plate. The watch in the foreground is a BR01-97 with a black dial, white numerals, and a black leather strap. The watch in the background is a BR03 with a black dial, white numerals, and a black leather strap. The technical plate is a gold-colored metal plate with engraved text and a logo. The background is black with white abstract lines and a white gear-like shape on the left.

Bell & Ross

## Bell & Ross

Designed for professionals who demand optimal reliability, a team of designers and specialists of aircraft and space controls got together in 1992 to create watches perfectly suited for professional use. All Bell & Ross watches meet four basic principles: readability, performance, precision and water-resistance.

During the year, Bell & Ross added to its collection the BR03 instrument range which are of a smaller case size. The limited edition BR03 in orange was instantly well-received and is highly sought after. Bell & Ross will be launching its first Tourbillon at the end of this calendar year.

New and strong POS displays that portray the characteristics of Bell & Ross watches were used for retail shops. Strong above-the-line marketing and product training for retailers helped to achieve a very solid performance for Bell & Ross in FY 2007. In the new financial year, Bell & Ross looks set to gain a stronger foothold in the luxury watch market targeting a different segment of customers with the new BR02 collection.





lifestyle timepieces



**Gc**  
GUESS  
COLLECTION  
SWISS MADE

### **Gc (Guess collection) Watches**

Combining Swiss precision movement with modern European design makes the very essence of a Gc watch. With a distinctive blend of functionality, style and quality each Gc watch makes a statement of elegance and prestige. Gc watches brings to one accessible Swiss-made luxury – modern in style, excellent in quality.

FY 2007 saw the emergence of strong iconic styles such as the SE-1 and Diver Chic Diamond collection.

F J Benjamin sees Gc watches as one of the major growth drivers in the new financial year and will be focusing on creating new interior concepts for Gc in its GUESS? stores.





### GUESS Watches

As a top fashion and lifestyle watch brand, GUESS Watches continues to register strong growth in both retail and wholesale channels. Designed to appeal to the young, sexy and adventurous, it remains a very popular brand especially with the fashion-conscious women.

GUESS Watches launched its Faces-to-Watch international campaign in October 2006, aimed at discovering new spokespersons for the brand. Alongside with the Faces-to-Watch campaign, GUESS Watches had a successful launch of its Fall 2006 G Rock & Black Magic collection during the festive season.

F J Benjamin was also awarded the distribution rights for GUESS Timepieces in Macau starting 1 January 2007.



# GUESS

WATCHES



Its timeless styling continues to show strong growth in the wholesale and retail segments.

### Marc Ecko

Founded by designer and entrepreneur Marc Ecko, the world-famous brand fuses street, video game and action sports aesthetics while maintaining a finger on the uninhibited pulse of emerging trends and talent. With strong roots in hip-hop and underground youth culture, Marc Ecko's positioning has changed to target a wider segment of the youth market.

### Nautica

Nautica, a modern American classic, offers quality, design and value while capturing the essence of an active, adventurous and spirited lifestyle. Its timeless styling continues to show strong growth in the wholesale and retail segments.

In the financial year under review, Nautica sponsored the Hebe Haven Yacht Club race in Hong Kong to increase its brand awareness amongst its target consumer group.

In the coming year, Nautica plans to reposition its timepieces as alternative mid-priced prestige watches.





# lifestyle

investments

# St James Power Station is one of Asia's largest entertainment venues.

## St James Power Station

Since its opening in December 2006 to excellent reviews and an overwhelming response, St James Power Station has been performing beyond expectations. With 70,000 square feet of entertainment space and nine distinct entertainment concepts, St James Power Station is one of Asia's largest entertainment venues.

On 17 September 2007 The St James Pte Ltd announced the proposed public listing of the company through a \$108 million reverse take-over. This will reduce the Group's stake from 30% to 25% in the enlarged share capital of the new company.



# corporate structure

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