

FJ BENJAMIN

F J BENJAMIN Q1 NET PROFIT UP 137% TO \$3 MILLION

- Turnover rises 24% to \$57 million
- Growth across all business segments and higher overseas sales
- Outlook remains bright with strong organic growth and new Gap stores contributing

SINGAPORE, 7 November 2006 – F J Benjamin, Singapore's leading fashion and lifestyle group, today announced a 137% increase in its first quarter (Q1) net profit after tax to \$3 million from \$1.27 million previously.

This is the highest Q1 earnings since quarterly reporting began in financial year 2004.

Turnover for the same three months ended September 30 rose 24% to \$57.14 million on the back of strong sales from Southeast Asian markets. Southeast Asia, which accounts for three quarters of sales, grew 33% over Q1 2005/06.

Overall, F J Benjamin's fashion retail business grew 29% year-on-year. The higher sales came partly from 19 new stores, which were opened after Q1 2005/06. They include stores for Baby Guess?, Guess?, Guess? Accessories, La Senza, Paint8, Raoul Men and Raoul Ladies.

Sales for timepieces registered a 22% increase in Q1 from the previous corresponding quarter. Much of the growth came from the distribution of lifestyle brands, including Guess? and Nike watches, to Southeast Asian markets. In Taiwan and Hong Kong, timepiece sales declined 15% partly due to the uncertain political climate in Taiwan and partly to delays in delivery of high-end complicated models. Elsewhere in North Asia, sales of Girard-Perregaux technical timepieces in China gained an impressive 79%.

The group's gross margins eased two percentage points to 37% due mainly to a higher proportion of exports, which yielded lower margins. Start-up costs of

\$750,000 for Gap and three new stores in Bangkok contributed to a 22% increase in operating expenses to \$19.5 million in Q1 2006/07.

Nash Benjamin, CEO of F J Benjamin Holdings, said: "Our businesses continued to gain momentum across the board in the first quarter and barring unforeseen circumstances, we expect the pace to maintain in the current buoyant retail environment.

"The results affirmed our strategy of focusing on scalable brands. We are very pleased with the performance of our new Marciano store in Singapore and new Gap stores in Singapore and Malaysia, which opened last month. Initial sales have exceeded our expectations.

"We expect to see strong revenue contribution from Gap in the second quarter when revenue from the three Gap stores kick in, and in the third quarter after Wisma Atria and Centrepoint open in December 2006."

F J Benjamin, Gap Inc's first ever franchise partner, opened the first Gap store in Singapore on Oct 13. It was followed the week after by two more stores in Kuala Lumpur. Revenues from these stores are not reflected in the Q1 results.

During the quarter just passed, F J Benjamin opened three stores in Bangkok's CentralWorld mall – La Senza, Raoul men and Raoul ladies. Sales were dampened by ongoing major construction work at the mall and the uncertainties in the political climate in the country. The situation is expected to improve by the end of 2006 with the grand opening of the mall.

In the current financial year, the group has committed additional retail space for both existing and new brands, including Gap and Banana Republic in Indonesia. This will expand its retail presence by 94% from 122,404 sq ft at June 2006 to 236,720 sq ft at June 2007. A total of 45 stores will open during this period while four will close, bringing the total planned for this financial year to 132, up from the 91 stand-alone stores at June 30 2006.

Meanwhile, associate company St James Power Station in which F J Benjamin

has a one-third stake, opened three of nine entertainment outlets at the heritage building across the road from VivoCity, Singapore's largest shopping mall. The remaining outlets are scheduled to start operation by the end of this year. Initial response has been encouraging.

F J Benjamin also announced in October the sale of its headquarters building at 6B Orange Grove Road for S\$37 million. Proceeds from the sale will be used to reduce bank borrowings and as working capital for the expansion of its business.

Earnings per share for Q1 more than doubled to 0.96 cents from 0.45 cents in the previous corresponding quarter. On a fully diluted basis, it stood at 0.53 cents against 0.45 cents previously. Net asset value rose slightly to 31.46 cents compared to 30.53 cents for the financial period immediately preceding FY 2007.

The conversion of Warrants into ordinary shares has also boosted cash reserves which stood at \$19 million on Sept 30 against borrowings of \$45 million. From May 6 to November 6, a total of 46,034,000 Warrants have been exercised at 45 cents apiece, bringing in \$20.7 million in new funds. The total number of outstanding warrants stood at 238,966,000 as at November 6.

- End -

About F J Benjamin Holdings Ltd (www.fjbenjamin.com) – SGX-listed fashion retailer F J Benjamin Holdings Ltd is an industry leader in brand building and in developing retail and distribution networks for international luxury and lifestyle brands across Asia. Its portfolio includes Banana Republic, Gap, Guess, La Senza, Paint8, Raoul, Sheridan and timepiece brands such as Bell & Ross, Girard-Perregaux, JeanRichard, Marc Ecko, Nautica, Nike and Victorinox Swiss Army.

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