



**FJ BENJAMIN**

**F J BENJAMIN 2Q10 NET PROFIT UP TO \$1.7 MILLION AS CONSUMER SENTIMENT STARTS TO RECOVER**

- *Turnover drops seven percent to \$79.0 million – slowest rate of decline in four quarters*
- *Net profit lifted by higher exchange gain and earnings from associate*
- *Gross margin improves to 41 percent*

**SINGAPORE, 11 February 2010** – F J Benjamin, Singapore's leading fashion and lifestyle group, today reported higher net earnings for the second quarter ended December 31, 2009 (2Q10) as consumer sentiment began to recover in key markets.

During the quarter, Group net profit after tax rose to \$1.7 million from \$0.6 million previously, helped by higher exchange gain and share of results of associate. Group turnover fell seven percent to \$79.0 million from \$85.1 million in the previous corresponding quarter. Although turnover has yet to reach pre-recession levels of more than \$85.0 million, this is the first single-digit decline in four quarters.

Operating profit in 2Q10 rose to \$2.3 million from \$1.2 million boosted by a favourable translation gain. Total operating expenses rose five percent to \$32.6 million. The increase in expenses was due mainly to higher staff costs, up three percent, resulting from the reinstatement of salary cuts; a 16 percent increase in advertising spend to drive sales during the year-end festive period, as well as additional provision for stock obsolescence of \$2.2 million. Gross margin for the quarter edged slightly up to 41 percent from 40 percent.

Nash Benjamin, CEO of F J Benjamin Holdings, said: "I believe the worst of the recession is behind us. We feel more optimistic today than a quarter ago and confident that consumer sentiment will continue to improve throughout Asia.

"In Singapore, we certainly expect a more vibrant retail environment with the imminent launch of the Resorts World integrated resort and later in the year, the Marina Bay Sands. The revamped Orchard Road shopping belt is also helping to pull in more tourists from the region.

“During the quarter, we added Givenchy, a venerable brand owned by the LVMH group, to our stable of brands and we expect to open the first flagship store of 1,500 square feet in Paragon in August. In addition, we are currently in discussions with several international fashion apparel and timepiece brands with a view of continually growing our portfolio.”

Reviewing its 2Q10 performance, the Group’s fashion business fell seven percent to \$51.4 million year-on-year while sales for timepieces dropped six percent to \$27.2 million, with declines recorded in all markets except Taiwan.

Geographically, sales in Southeast Asia dropped eight percent, with fashion down eight percent and timepieces, six percent. The decline in the fashion business was partly attributed to lower shipments to the Group’s Indonesian associate and fewer clearance sales.

In North Asia where the Group operates a wholesale distribution business in timepieces, revenue from Hong Kong and China dipped by 15 percent and 26 percent respectively.

Sales in Indonesia decreased by three percent over 2Q09 but profitability improved on higher gross margins and lower expenses.

The Group’s balance sheet remains strong with net gearing at 0.12 times. Net cash generated from operating activities remained positive at \$8.4 million. Earnings per share increased to 0.30 cent from 0.11 cent. Net asset value per share dropped to 22.85 cents in 2Q10 from 23.18 cents in FY 2009.

In 3Q10, the Group will complete the disposal of two properties as part of its strategy to divest non-core assets. At end January 2010, the Group sold its property in Singapore at 211 Henderson Road #09-04, #10-03 and #10-04, totalling 1,467 sq metres for \$5.7 million. It expects to complete the disposal of units 2303A and 2303B of its North Point property in Hong Kong for HK\$27.1 million in 3Q10. The proceeds of the disposal will add approximately \$10.6 million to the Group’s cash flow.

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**About F J Benjamin Holdings Ltd** ([www.fjbenjamin.com](http://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, Celine, Gap, Givenchy, Guess, La Senza, Raoul, Sheridan, and timepiece brands such as Bell & Ross, Chronotech, Girard-Perregaux, Guess?, Gc, Marc Ecko, Nautica, Rado and Victorinox Swiss Army. It also has an interest in St James Holdings Ltd.

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