



F J BENJAMIN'S 3Q10 EARNINGS & TURNOVER UP ON RETAIL REBOUND

- *Net profit of \$3.0 million from a loss of \$1.9 million previously*
- *Turnover up 4%, gross margin improves to 43%*
- *Group grows brand portfolio with French luxury brand, Goyard, and Swiss luxury timepiece brand, DeWitt*

SINGAPORE, 10 May 2010 – F J Benjamin, Singapore's leading fashion and lifestyle group, today reported strong earnings for the third quarter ended March 31, 2010 (3Q10) as economic recovery continued to take firm hold in key markets across the region.

Group net profit after tax rose to \$3.0 million from a loss of \$1.9 million in 3Q09, boosted by higher gross margins and favourable exchange gain of \$2.8 million compared to a loss of \$1.7 million before.

Group turnover gained four percent to \$71.8 million from \$69.1 million in the previous corresponding quarter, making it the first year-on-year growth since 2Q09. Operating profit in 3Q10 also rose to \$3.2 million from a loss \$1.3 million previously.

Total operating expenses rose 18 percent to \$32.1 million due mainly to an 11 percent increase in staff costs that resulted from the reinstatement of salary cuts and a higher provision for bonus payout; higher advertising spend following a reduction in advertising subsidies received in the quarter; as well as additional provision for stock obsolescence of \$2.4 million.

Gross margin for the quarter improved to 43 percent from 38 percent in 3Q09.

Nash Benjamin, CEO of F J Benjamin Holdings, said: "The third quarter affirmed the encouraging improvement in the quality of our business, and we have seen an improvement in the sales trend since the first quarter of the current financial year. With the outlook of Asian economies remaining buoyant, we expect to maintain growth momentum in the coming months.

“Financially, we are also well-positioned. Our strong balance sheet with zero net gearing will put us in good stead as we roll out three new brands in the new financial year, and evaluate growth opportunities in the coming months.”

During 3Q10, Group turnover from the fashion business totalled \$49.2 million, with an increase from Southeast Asia offsetting a decline in the Australian market.

Sales from the timepiece business jumped 16% to \$22.5 million, with across-the-board increases from the region. The luxury watch market recovered after several quarters of declines.

Geographically, sales in Southeast Asia rose three percent, with fashion up two percent and timepieces, 14 percent.

In North Asia where the Group operates a wholesale distribution business in timepieces, revenue from Hong Kong and China jumped by 11 percent and 19 percent respectively.

Sales in Indonesia eased one percent with fewer clearance sales held, but an improved gross margin of three percent resulted in a higher return in operating margin.

During the quarter, the Group completed the disposal of its Henderson property in Singapore and two units at North Point in Hong Kong, as part of its strategy to divest non-core assets. The sales resulted in an exceptional net gain of \$48,000.

F J Benjamin also announced today that it has secured the rights to retail the French luxury brand, Goyard, in Hong Kong. It will open a store at the Peninsula Hotel in the beginning of 2011. The agreement also gives F J Benjamin the rights to open a store in Singapore upon certain conditions being met. This is the second French brand recently added to the Group’s portfolio after it secured Givenchy, owned by the LVMH group, in the second quarter. The first flagship Givenchy store is scheduled to open in Paragon in August 2010. The Group also announced in March

2010 that it had obtained the exclusive rights to distribute DeWitt timepieces, rated among Switzerland's most prestigious and technologically- advanced timepieces.

The Group's balance sheet remains strong with no net gearing. Net cash generated from operating activities remained positive at \$10.1 million. As at March 31, the Group's cash on hand totalled \$61.1 million.

Earnings per share increased to 0.53 cent from a loss of 0.33 cent previously. Net asset value per share increased to 23.47 cents in 3Q10 from 23.18 cents in FY 2009.

- End -

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, 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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