

FJ BENJAMIN

F J BENJAMIN FULL-YEAR NET PROFIT MORE THAN DOUBLES TO \$10.17 MILLION

- DIVIDEND PER SHARE UP TWO TIMES TO 2.4 CENTS
- TURNOVER RISES 29% TO \$187 MILLION
- FASHION AND TIMEPIECES SEE ACROSS THE BOARD GROWTH

SINGAPORE, 28 August 2006 – F J Benjamin, Singapore's leading fashion and lifestyle group, today announced a 139% increase in group net profits after tax and exceptional items from \$4.26 million to \$10.17 million for its financial year ended June 30, 2006.

Operating profit including depreciation and amortisation were up 265% to \$13.10 million from \$3.59 million. Operating profit margins tripled to 7.0%, the best since 2002.

Growth in key businesses contributed to the strong bottom line, boosting turnover by 29% to \$187.23 million. Buoyant sales for F J Benjamin's portfolio of iconic brands and a timely expansion of the group's regional footprint helped achieved one of the highest earnings ever.

The bottom line was also helped by improvements in productivity that came largely from better economies of scale. Total operating cost grew 25% to \$68.91 million.

Directors have recommended a first and final dividend of 2.4 cents per share less tax, more than doubling the 1.1 cents paid out in the last financial year.

Nash Benjamin, Chief Executive Officer of F J Benjamin Holdings, said: "This has been a watershed year for F J Benjamin. We believe our decision to strategically focus on scalable lifestyle brands is paying off. We are entering a new growth phase.

"The quality of our earnings has improved significantly and we are committed to further investments in brand development in order to sustain the level of profitability and efficiency. Our regional expansion plan will keep pace with the strong demand we are seeing for our key fashion and timepiece labels and we will continue to exercise cost discipline in the process."

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Mr Benjamin added that the group is well positioned to grow the new Gap and Banana Republic labels. Four Gap stores in Singapore and three in Malaysia are scheduled to be opened between October and December this year while Banana Republic is due to be launched in September 2007. These will be the first Gap and Banana Republic stores in Asia outside Japan and the first to be operated under a franchise agreement.

During the financial year just ended, Guess? apparel and accessories, Canada's lingerie fashion, La Senza and Raoul, registered exceptional growth. Rising affluence, a surge in consumer spending and brand recognition drove sales in key markets. As a result, fashion's share of total revenue rose from 50% the year before to 54%.

Turnover for timepieces grew substantially, accounting for 42% of total revenue. During the year, luxury brand Girard-Perregaux made further inroads into China. The group's lifestyle watch brands such as Guess, Nautica and Nike Timing recorded good growth.

Geographically, South East Asia remained the largest revenue contributor, its share of total revenue maintained at 78%. A new subsidiary was established in Thailand and three stores were opened in August in Bangkok's new Central World shopping mall, for Raoul ladies and men fashion and La Senza lingerie.

In the new financial year, Mr Benjamin said organic growth will come from regional expansion of existing key brands such as Guess?, Raoul, La Senza, Girard-Perregaux. New lifestyle initiatives - Gap and St James Power Station, Singapore's biggest one-stop nightclub - are also expected to contribute to earnings.

Expansion in the group's retail presence (including its associated companies) across the region will increase store space from 122,000 sq ft to 213,000 sq ft, a 74% increase.

F J Benjamin owns a third stake in St James Power Station, the group's second joint-venture with entrepreneur Dennis Foo following the successful collaboration in Devils Bar. St James Power Station is due to open next month and will have nine entertainment concepts spread over 60,000 sq ft of heritage site by year end.

As at June 30, the group balance sheet remained strong, bolstered by a \$12.9 million cash inflow from the issue of new shares to Raffles Investments Ltd, a unit of Tecity Group of Companies founded by the late banker, Tan Chin Tuan.

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Earnings per share rose 135% to 3.53 cents while gearing dropped to a low of 0.14 times, improving EBITDA/interest cover to 8.67 times from 4.8 times. NTA rose from 27.10 cents to 30.53 cents.

On prospects in the new financial year which began on July 1, Mr Benjamin said: "With these initiatives, the Group is well positioned to build upon steps taken in the prior financial year to achieve another profitable year, barring unforeseen circumstances."

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About F J Benjamin Holdings Ltd (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 the Asia Pacific. Its portfolio includes BANANA REPUBLIC, GAP, GUESS?, INEZ, LALIQUE, LA SENZA, MANCHESTER UNITED, PAINT 8, RAOUL, SHERIDAN and timepiece brands such as BELL & ROSS, GIRARD-PERREGAUX, JEAN RICHARD, MARC ECKO, NAUTICA, NIKE and VICTORINOX SWISS ARMY.

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