FJ BENJAMIN

F J BENJAMIN FY 2010 NET PROFIT SURGE ON TURNAROUND IN SECOND HALF

- *Net profit of $8.3 million against $2.7 million loss in FY09*
- *EBIDTA jumps 62% to $17.1 million from $10.6 million*
- *Net cash generated from operating activities improved to $26.2 million from $21.8 million*
- *Directors recommend dividend of two cents a share*

SINGAPORE, 23 August 2010 – F J Benjamin Holdings today announced strong earnings for its financial year ended 30 June 2010 (FY10) as economic recovery in the second half fuelled consumer spending and boosted sales across the Group's regional markets.

Net profit after tax was $8.3 million in FY10, reversing a $2.7 million loss a year ago. The increase was partly due to a favorable foreign exchange gain of $4.4 million compared to a loss of $3.7 million a year ago. Excluding the foreign translation difference, the operating profit stood at $5.0 million as compared to $5.3 million in FY09.

Group turnover declined four percent to $289.4 million in FY10 from $299.9 million last year, weighed down by weaker consumer sentiment in the first half ended 31 December 2009. Group turnover in the first half fell 13% before rebounding in the second half by nine percent, in line with improved sentiment.

Gross profit margins increased to 41% from 40% a year ago.

Total operating expenses edged up three percent with the increase coming from higher staff costs after the reinstatement of salary cuts and higher provision for bonus payout. The Group also raised spending in marketing and advertising to drive sales during the festive period while setting aside a higher provision for stock obsolescence of $2.8 million.

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Nash Benjamin, CEO of F J Benjamin Holdings, said: "Despite a challenging operating environment in the first half of the year, we saw improvements in sales and profitability quarter-on-quarter.

"From January 2010, confidence in Asia returned and the renewed spending propelled economies in the region forward. Overall, we are pleased with the quality of our results, with an improvement in profitability, margins and inventory levels."

"While we remain positive about the outlook for the new financial year in the wake of the surge in tourism and improved sentiment, we cannot ignore the uncertainties which still exist in the global economy today. We will work harder to gain market share in our existing brand portfolio while broadening our business base through new acquisitions."

In line with the above, the Group's fashion business for the year under review declined marginally by 3% to $197.0 million in FY10 while sales for timepieces eased three percent to $91.5 million.

Geographically, sales in Southeast Asia fell three percent with fashion and timepiece divisions dipping two percent. The decrease in the fashion business is due to lower shipments to Indonesia, and fewer clearance sales in Malaysia. Excluding these two factors, the fashion business in Singapore and Malaysia registered a marginal growth of one percent.

With the fewer clearance sale events, turnover in Indonesia eased four percent but the improved margins led to increased profitability.

In North Asia, revenue from Hong Kong dropped 14% with sales in the first half down 31% but rebounded in second half by 17%. The depreciation of the Hong Kong dollar against the Singapore dollar by an average of four percent also contributed to the decline in revenue. Revenue in China surged 2.8 times in the second half of the year.

In FY10, the Group completed the disposal of a commercial property in Henderson in Singapore and two office units at North Point in Hong Kong for $10.4 million (net of agent and legal costs), as part of its strategy to divest non-core assets. The sales resulted in an exceptional net gain of $48,000.

In November last year, the Group secured rights to retail French luxury brand Givenchy, owned by the LVMH group. The first Givenchy store is scheduled to open at the end of the month at the Paragon in Singapore. The Group went on to sign an exclusive agreement to retail Goyard, with plans to launch a store in Hong Kong's famed Peninsula Hotel in February 2011.

Added to its high-end timepiece cache in March 2010 was high-end Swiss timepiece label DeWitt, renowed for its prestigious and technologically-advanced movements. The brand was launched in North and Southeast Asia in the new financial year, and was well received by the trade.

In Singapore, the Group opened three retail stores in the new Marina Bay Sand Shoppes with another store set to open in September. The move is in line with its strategy to secure the best locations in Singapore's changing retail landscape.

Directors have recommended a first and final dividend payout of two cents per share (tax-exempt one-tier) for FY10 which will total $11.4 million.

The Group's balance sheet remains strong with zero net gearing. Cash balance (net of debt) stood at $7.4 million and net cash generated from operating activities improved to $26.2 million from $21.8 million previously. Net asset value per share rose to 24.10 cents from 23.18 cents in FY09. Earnings per share is 1.45 cents, up from a negative 0.47 cents last year.

- 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, Goyard, Guess, La Senza, Raoul, Sheridan, and timepiece brands such as Bell & Ross, Chronotech, DeWitt, Girard-Perregaux, Guess? Watches, Gc, Marc Ecko, Nautica, Rado and Victorinox Swiss Army. It also has an interest in St James Holdings Ltd.

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