

FJ BENJAMIN

F J BENJAMIN POSTS RECORD EARNINGS

FY 07 NET PROFIT MORE THAN DOUBLES TO \$21.5 MILLION

***DIRECTORS PROPOSE RETURN OF 13 CENTS A SHARE THROUGH
\$74 MILLION CAPITAL REDUCTION***

RECORD DIVIDEND OF 3.5 CENTS PER SHARE FOR THE FULL YEAR

SINGAPORE, 23 August 2007 – F J Benjamin, South-east Asia's leading fashion and lifestyle group, is returning cash to shareholders by way of a \$74 million capital reduction following record full-year earnings buoyed by strong consumer spending in the region.

The SGX-listed company announced today a 111 per cent increase in net profit after tax to \$21.5 million for FY 07 from \$10.2 million in FY 2006. Turnover for the financial year ended 30 June 2007 rose 38% to \$257.6 million from \$187.2 million previously.

Directors approved a capital reduction plan that would distribute 13 cents a share to shareholders without any cancellation of shares. The cash distribution was possible because of the group's strong cash position and after setting aside funds for expansion. It is subject to regulatory and shareholders' approval. Payment is currently expected to be no later than 31 December 2007.

The cash distribution, if approved, will be in addition to a final dividend of one cent less tax and a special dividend of one cent less tax announced today. This will bring the total dividend payout for FY 07 to a record 3.5 cents per share. An interim dividend of 1.5 cents was paid out in March 2007. Total dividend payout for the full year will amount to a net \$14.7 million.

During the year, the group enjoyed broadbased growth, driven by higher sales in the fashion division, in particular, strong growth from Guess and maiden contributions from the Gap business launched in September 2006.

Operating profit was up 65% to \$21.6 million from \$13.1 million. Expenses and start-up costs associated with the launch of Gap in South-east Asia and expansion of existing labels pushed operating expenses up to \$97.4 million in FY 07. Gross margin remained steady at about 41%.

The FY 07 results also reflected an exceptional item totaling \$3.8 million, which largely comprised gains from the sale of the group's headquarter building last December less impairment of investment in associates. Excluding the exceptional items from both financial years, net profit was up from \$8.9 million to \$17.6 million, a solid 97% increase year-on-year.

By business segment, fashion registered the fastest growth of 55% year-on-year. Most brands recorded double-digit comparable store growth. Guess, RAOUL, La Senza and Gap continued to power ahead in Singapore, Malaysia and with our associate company in Indonesia. Thailand where Raoul and La Senza stores were opened last year remained a laggard as political uncertainty dampened consumer spending.

Total sales for the timepiece business increased 15% over FY 06. Turnover rose 27% in South-east Asia and 7% in Hong Kong and China. Sales of Girard-Perregaux continued its impressive expansion in China and were up 50% in FY 07. However, the business in Taiwan declined 11.2% because of weak consumer sentiment.

Boosted by the new Gap sales, the retail, distribution and export business in the fashion division saw its contribution to total turnover grow from 54% in the previous financial year to 61% in FY 07, while the contribution from timepiece distribution dropped from 43% to 36%. Share from the creative & licensing segment remained at 4%.

A net total of 48 stores were opened in FY 07. Total retail square footage more than doubled from 122,000 sq ft in the previous year to 246,000 sq ft in FY 07 and is expected to increase by 56% to 385,000 sq ft in FY 08.

St James Power Station, in which F J Benjamin has a 30% stake, performed beyond expectations and became profitable soon after opening all nine entertainment outlets last December.

Nash Benjamin, CEO of F J Benjamin Holdings, said: "This has been a record year for the group. We not only exceeded our financial objectives, we also extended our leadership in the fashion industry.

"The Gap and Banana Republic franchise elevated the business to a new height while the Celine label re-established our relationship with the LVMH group. At the same time, our key brands such as Guess, Raoul and La Senza all registered double-digit comparable store growth.

"In the new financial year, we will build on the new investments and ensure that despite last year's rapid pace of expansion, we keep up with the high quality of products and level of service customers have come to expect from us."

Mr. Benjamin added: "In July of the new financial year, we launched Banana Republic in Singapore, Kuala Lumpur and Jakarta with excellent response.

"With the region's strong economic fundamentals, increased tourism and the opening of an additional 47 stores scheduled for this new financial year, we are confident of our growth prospects."

During the year under review, a total of 210.5 million shares were issued at 45 cents as a result of the conversion of warrants. The conversion boosted the group's cash position, which stood at \$96 million on June 30, against borrowings of \$35.2 million.

From July 1 to the warrants expiry on July 16, 44.7 million additional warrants were exercised, bringing in another \$20.1 million in cash.

Earnings per share increased to 5.69 cents from 3.53 cents. Net asset value per share also rose, from 30.53 cents in FY 06 to 37.88 cents in FY 07.

Dividends, if approved, will be paid out on November 30 to shareholders registered in the books on November 15.

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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 Banana Republic, CELINE, Gap, GUESS, La Senza, Paint 8, RAOUL, Sheridan, Valentino and timepiece brands such as Bell & Ross, Girard-Perregaux, JeanRichard, Marc Ecko, Nautica, Nike and Victorinox Swiss Army. It also has an interest in the award-winning St James Power Station.

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