

# FJ BENJAMIN

## **F J BENJAMIN Q2 NET PROFIT NEARLY TRIPLES TO \$10.7 MILLION DECLARES FIRST EVER INTERIM DIVIDEND OF 1.5 CENTS A SHARE**

- Turnover rises 33% to \$69.5 million
- Banana Republic stores to open in Singapore, Malaysia and Indonesia in second half of FY 2007

**SINGAPORE, 12 February 2007** – F J Benjamin, Southeast Asia's leading fashion and lifestyle group, today announced sterling second quarter results and a first-ever interim dividend of 1.5 cents per share less tax.

Net profit for Q2 2007 (1 October 2006 to 31 December 2006) almost tripled to \$10.74 million from \$3.73 million in Q2 2006. Operating profit more than doubled to \$9.67 million from \$4.60 million while exceptional items of \$3.65 million helped boost the bottom line.

Together with earnings of \$3 million reported in the first quarter, F J Benjamin has recorded total net profits of \$13.75 million in the first six months of the current financial year, or 35% more than the whole of the last financial year.

Turnover for Q2 2007 rose 33% year-on-year to \$69.46 million on the back of double-digit growth in fashion retail and timepiece distribution.

Nash Benjamin, CEO of F J Benjamin Holdings, said: "We have had a very good quarter and are particularly pleased with the strong organic growth we've experienced.

"For fashion retailing, GUESS, La Senza and Raoul registered double digit comparable store growth. For timepiece distribution, revenue grew 17% overall.

"We are also encouraged by the performance of the Gap stores and look

forward to rolling out Gap in Indonesia, and Banana Republic in Singapore, Malaysia and Indonesia, in the second half of the financial year.

“The outlook in the coming months remains bright and management is on track in executing our expansion plans.”

The group’s fashion retail business surged 45% from Q2 2006 due to double-digit comparable store growth of existing brands such as GUESS, La Senza and RAOUL, new regional store openings and the launch of Gap.

Twenty new stores opened in Singapore, Malaysia and Indonesia during Q2 2007, bringing the total new stores opened to 31 in the first six months of the current financial year. The 20 new stores included stores for Gap (6), GUESS (7, including GUESS, GUESS Accessories and Baby GUESS), La Senza (3) and F J Benjamin house labels RAOUL (2), Paint 8 (1) and Watchzone (1).

The quarter under review also marked the first time the Gap stores in Singapore and Kuala Lumpur have contributed to quarterly results. The iconic US label has quickly become a significant contributor to the group’s fashion business.

Revenue from timepiece distribution registered a 17% increase in Q2 2007 over the previous corresponding period. Much of the growth came from the distribution of luxury and lifestyle brands, including GUESS and Nike watches in Southeast Asia. In Taiwan, the business declined 13% in the face of political uncertainty although in China, Girard-Perregaux reported another solid quarter with sales up 61%.

By business segment, fashion retailing saw its share of total turnover grow from 53% (Q2 2006) to 58% (Q2 2007) while timepiece distribution and creative & licensing eased from 44% to 39% and 3% to 2% respectively during the same quarters.

The increased share of the higher-margin retail business pushed up overall gross margins by two percentage points year-on-year to 43% in the second quarter.

Geographically, Southeast Asia remained the biggest market, accounting for more than 80% of total sales. Sales in the region grew 41% over Q2 2006.

The divestment of F J Benjamin's property at 6B Orange Grove Road, completed in December 2006 for \$37 million, led to a net gain of almost \$6 million.

St James Power Station, in which F J Benjamin has a 30% stake, has performed beyond expectations. All nine entertainment outlets opened in time for the Christmas and New Year period allowing St James to capitalise on the year end festive season.

F J Benjamin has committed additional retail space that will expand its retail presence by 104% from the last financial year to 249,479 sq ft at the end of the current financial year. A total of 52 stores will open in FY 2007 while six will close, bringing the total planned to 136, up from the 90 stand-alone stores at June 30 2006.

Earnings per share for Q2 2007 increased to 3.21 cents from 1.31 cents in the previous corresponding quarter. On a fully diluted basis, earnings per share stood at 1.92 cents against 1.31 cents previously. Net asset value rose slightly to 33.59 cents compared to 30.53 cents as at June 30,2006.

The conversion of warrants into ordinary shares has also boosted cash reserves, which stood at \$55 million on Dec 31, 2006 against borrowings of \$34 million. During the period, a total of 31.93 million warrants have been exercised at 45 cents apiece, bringing in \$14.37 million in new funds. As at Dec 31, 2006, about a fifth of all warrants has been exercised, leaving 224.54 million warrants

outstanding at that date.

The interim dividend of 1.5 cents per share less tax will be paid to shareholders on 26 March 2007 following the closure of the books on 14 March 2007.

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**About F J Benjamin Holdings Ltd ([www.fjbenjamin.com](http://www.fjbenjamin.com))** – SGX-listed F J Benjamin is an industry leader in brand building and in developing retail and distribution networks for international luxury and lifestyle brands across Asia. Its portfolio includes Banana Republic, Gap, GUESS, La Senza, Paint 8, RAOUL, Sheridan and timepiece brands such as Bell & Ross, Girard-Perregaux, JeanRichard, Marc Ecko, Nautica, Nike and Victorinox Swiss Army. F J Benjamin also has interests in lifestyle concepts St James Power Station and Devil's Bar.

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