

FJ BENJAMIN

F J BENJAMIN Q2 '08 NET PROFIT UP 18% TO \$8 MILLION BEFORE EXCEPTIONAL ITEMS

- New store openings boost turnover by 37% to record \$95 million
- Volatility in global financial markets signals cautious outlook
- Directors declare interim dividend of 0.9 cent per share

SINGAPORE, 14 February 2008 – F J Benjamin, Singapore's leading fashion and lifestyle group, today announced an 18% increase in its second quarter (Q2) net profit after tax before exceptional items to \$8.4 million from \$7.1 million.

Exceptional items of \$3.6 million in Q2 2007 comprised a S\$6 million gain from the sale of its headquarters at 6B Orange Grove Road less impairment on investments in associated companies.

Turnover for Q2 covering the three months ended December 31, 2007, rose 37% to a record \$94.8 million, the highest Q2 turnover since quarterly reporting began in 2004.

For the half year ended December 31, 2007, turnover grew to \$176.8 million, up 40% from \$126.6 million, while net profit after tax before exceptional items increased 22% to \$12.4 million from \$10.1 million in the previous corresponding period.

For Q2 2008, gross margin eased nearly two percentage points to 41% from 43% in the previous corresponding quarter. The decline was due mainly to early commencement of end-of-season sale which was apparent throughout the industry, amid weakening consumer sentiment. The margin was also partly affected by measures to reduce inventory at new stores in Malaysia which were opened during a period of low traffic prior to the malls being officially launched.

Overall, the fashion retail business of the Group grew 56% year-on-year and the increased revenue came mainly from the new stores opened since 2Q 2007.

Sales for timepieces registered a 17% increase in Q2 2008 from the previous corresponding quarter as North Asian markets continued to expand. Much of the growth came from the distribution of lifestyle and luxury timepieces in Hong Kong and China.

Geographically, Southeast Asia continued to grow at a faster pace, with revenue 39% higher than Q2 2007. Fashion was up 56% while timepieces rose 14%. In North Asia, revenue grew by 22% from the level in Q2 2007, with China and Hong Kong rising at a robust rate of 39% driven by strong demand, while Taiwan fell 26%. In China, the number of distribution points of sales for Girard-Perregaux watches increased from 24 to 31.

In Q2 2008, the Group opened 22 stores in the region. By December 31, 2007, the Group has opened 40 out of the planned 50 stores for the full financial year, and will have a total of 188 stores in the region by June 30, 2008.

The opening of the new stores in the region and marketing events in Singapore and China were mainly responsible for the 40% increase in Group operating expenses in Q2 2008 to \$34.2 million. The increased advertising and promotion expense was partly attributable to the one-off launch expense for the inauguration of the first Girard-Perregaux stand-alone store in China by its retail partner.

Nash Benjamin, CEO of F J Benjamin Holdings, said: "Whilst the volatility in the global financial markets persists and is likely to lead to a dampening of consumer sentiment, the Group believes that the underlying fundamentals in Asia remain strong.

"The brands we market have strong consumer demand and we are today, well-positioned for further growth. Whilst we are confident of future prospects, we are also mindful of the need to be vigilant in controlling costs, managing our inventory efficiently and improving our margins."

Recently, the Group signed an agreement with the Global Watch Industries (GWI) group for the exclusive distributorship of Chronotech watches in Southeast

Asia. Chronotech is the leading lifestyle watch brand in Italy. Backed by the Fasciano family which owns the GWI group, Chronotech was launched in 2003 to much acclaim, particularly its Prism line which combines technology, Italian creativity and lifestyle. Its rapid success in international markets since launch contributed to a near 13 times jump in sales from 6 million euros in 2003 to 80 million euros in 2007.

The Group's balance sheet remains strong with cash of \$102 million against total bank borrowings of \$42 million. Directors have declared an interim dividend of 0.9 cent per share tax exempt (one tier). The payout date will be announced shortly.

Basic earnings per share for Q2 2008 are 1.47 cents and net asset value per share is 38.52 cents.

- 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 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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