



F J BENJAMIN REPORTS HIGHER SALES, LOWER PROFITS IN Q1 2009

- Turnover up 3% to \$84.0 million
- Net profit after tax down to \$1.1 million from \$4.0 million mainly due to unrealised non-cash currency translation losses
- Net profit after tax excluding currency translation losses down 14% to \$2.7 million

SINGAPORE, 11 November 2008 – F J Benjamin, Singapore's leading fashion and lifestyle group, today announced a 3% increase in turnover for first quarter financial year 2009 (Q1 2009) to \$84.0 million from \$81.9 million in Q1 2008 amid the current financial crisis and weakening consumer sentiment.

Net profit fell to \$1.1 million from \$4.0 million despite higher sales mainly due to non-cash unrealised foreign exchange losses of \$1.4 million compared to a \$0.8 million gain in Q1 2008. This translation loss relates mainly to the inventory carrying value and arose from the difference between the exchange rates used in recording the inventories and the closing exchange rate at period end. Removing currency translation loss/gain, the net profit after tax for Q1 2009 would have been \$2.7 million compared to \$3.2 million for the corresponding quarter in FY 2008.

Gross margins dropped 1% to 41% consistent with margins for FY 2008, despite lower margins on sales to department stores.

Operating expenses of the Group increased 4% to \$31.8 million from \$30.5 million, mainly attributable to higher staff costs and rental from the enlarged retail footprint. Other operating expenses (excluding rental, staff cost and depreciation) fell 21% to \$8.9 million from \$11.3 million as a result of cost reductions implemented over the last 12 months.

Nash Benjamin, CEO of F J Benjamin Holdings, said: "We've seen consumer sentiment weakening in the last quarter as the credit crisis in the US spread to other countries, and the effects of the credit meltdown filtered into the real economy. This

has led to a further softening in retail spending in a few of our key markets.

“Despite this, we believe our strategy of shifting to more scalable brands, enlarging our retail footprint and relocating to newer and more strategic locations, has helped us to maintain a higher level of sales and market share during this period.

“In addition, we implemented a slew of cost reduction measures over the previous financial year and in the last quarter, and this has helped to reduce some of the Group’s operating expenses.

“In the coming months, we see an increasingly challenging business environment. As such, we will be employing measures to drive our business in the coming festive period, and continue to take steps to keep a tight rein on costs.”

During the quarter, turnover from the fashion business was up slightly by 1% to \$53.1 million, and contributed 63% to total turnover against 64% in the previous corresponding period. The marginal increase in turnover was due in part to a decrease in shipments to the associated company in Indonesia, which had pared inventory in preparation of a slowdown in consumer spending.

Sales from stores in newly-opened malls in Malaysia improved while turnover from stores in older malls fell in line with predicted shifts in consumers’ spending patterns.

Contributions from the timepiece business were up 8% to \$30.5 million with growth coming mainly from the North Asian market.

Geographically, Southeast Asia saw revenue easing 2% to \$67.0 million in Q1 2009. The fashion business in this region registered flat growth, due to a decline in shipment of fashion products to Indonesia and lower sales to department stores offsetting the 10% increase in retail sales. The timepiece business dipped by 3% due to the stand taken by the Group to mitigate credit risk in view of market and geo-political conditions.

Indonesia continued its strong growth, with domestic sales increasing by 40% over the previous corresponding quarter on the back of its enlarged retail footprint. This added 38% in its earnings contribution to the Group, despite the rupiah depreciating 7% during the quarter.

In North Asia, revenue grew 24% compared to Q1 2008 with continued strong growth coming from China and Hong Kong.

The Group's balance sheet remains strong, recording significantly improved cash flow. Cash and bank deposits were up \$8.4 million to \$32.6 million, net gearing was at a low 0.12 times down from 0.22 times, and bank borrowings have been reduced by \$4.3 million or 8% compared with three months ago.

Earnings per share decreased to 0.19 cents from 0.71 cents. Net asset value per share rose slightly from 24.44 cents in FY 2008 to 25.09 cents in Q1 2009.

- 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, RAOUL, Sheridan, Valentino and timepiece brands such as Bell & Ross, Girard-Perregaux, JeanRichard, Rado, Chronotech, Marc Ecko, Nautica, Nike and Victorinox Swiss Army. It also has an interest in the award winning St. James Power Station.

For media enquiries, please contact:

Catherine Ong Associates	F J Benjamin Holdings Ltd
Catherine Ong Tel: (65) 6327 6088 Email: cath@catherineong.com	Darrell Chan Tel: (65) 6508 7708 Email: darrell.chan@fjbenjamin.com