



F J BENJAMIN

F J BENJAMIN REPORTS LOWER EARNINGS IN 1Q 2010 AMID WEAK REGIONAL CONSUMER SPENDING

- Turnover down 20% to \$67.6 million
- Net profit after tax eases to \$0.5 million from \$1.1 million
- Gross margins remain stable at 40%

SINGAPORE, 4 November 2009 – F J Benjamin, Singapore's leading fashion and lifestyle group, today announced lower turnover and earnings for the first quarter ended 30 September 2009 (1Q10) amid subdued consumer spending in key markets.

Turnover for the quarter declined by 20% to \$67.6 million from \$84.0 million in 1Q09, while net profit after tax dipped to \$0.5 million from \$1.1 million previously. The decline in sales was particularly felt in the luxury timepiece business which sustained a 51% drop in its sales due to a drop in consumer purchases in this segment.

Profit from operations fell 88% to \$0.4 million from \$3.0 million in the previous corresponding quarter. Gross margins remained stable at about 40%.

The Group continued to keep a tight rein on costs in the quarter just passed. Operating expenses declined 13% to \$27.8 million from \$31.8 million, due to initiatives implemented last year such as cuts in staff cost by 21% to \$8.0 million, and other operating expenses by 19% to \$5.3 million.

During the quarter, turnover from the fashion business dipped 9% to \$48.3 million from \$53.1 million previously. The timepiece business fell significantly across all markets, with turnover down 38% to \$19.0 million.

Geographically, Southeast Asia saw revenue declined 13% to \$58.1 million from \$67.0 million in 1Q09. The fashion business in this region dipped 8% while the timepiece business fell 30%.

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In North Asia where the Group operates a wholesale timepiece business, revenue from Hong Kong and China declined 45% and 68% respectively from a year ago, due to the high inventory held by retailers as a result of a sharp decline in consumer purchases in the luxury timepiece business.

Turnover for the Group's associate in Indonesia declined 10% but profitability increased due to cost cutting measures.

Nash Benjamin, CEO of F J Benjamin Holdings, said: "While the worst is behind us and we are seeing a slight improvement in certain markets, overall, business is still soft.

"We are cautiously optimistic and will continue with the same disciplined approach in managing our operations in a cost-conscious manner while growing our market share and exploring synergistic investments that offer us the highest return opportunities."

The Group's balance sheet remains strong with net gearing at 0.15 times while net cash generated from operating activities remained positive at \$2.6 million.

Earnings per share decreased to 0.08 cent from 0.19 cent previously. Net asset value per share dipped slightly from 23.18 cents in FY 2009 to 23.05 cents in 1Q10.

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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, Raoul, Sheridan and timepiece brands such as Bell & Ross, Chronotech, Girard-Perregaux, JeanRichard, Marc Ecko, Nautica, Nike, Rado and Victorinox Swiss Army. It also has an interest in St James Holdings Ltd.

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