



FJ BENJAMIN



**NASH BENJAMIN**

Chief Executive Officer

**F J Benjamin Holdings Ltd**  
**FY09 RESULTS PRESENTATION**  
**24 August 2009**

## Financial Results FY 09



### TURNOVER DOWN 12% TO UNDER \$300 MILLION

- *Turnover down from \$342.4 million on the back of recession in key markets*

### OPERATING PROFIT DIPS 65% to \$5.5 MILLION

- *Down from \$15.7 million in FY08*

### \$3.7 MILLION TRANSLATION LOSS & \$3.1 MILLION EXCEPTIONAL CHARGE CONTRIBUTES TO FY09 NET LOSS OF S\$2.7 MILLION

### STRONG & IMPROVING BALANCE SHEET

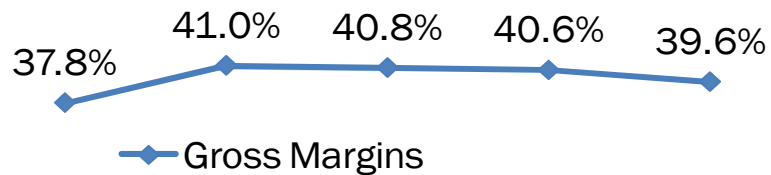
- *Gearing at 0.15 times down from 0.2 times in FY08*
- *Net cash generated from operating activities improved to \$21.8m from negative \$5.3m in FY08*

### DIRECTORS RECOMMEND DIVIDEND OF 0.5 CENT PER SHARE (TAX EXEMPT ONE-TIER)

## Financial Highlights

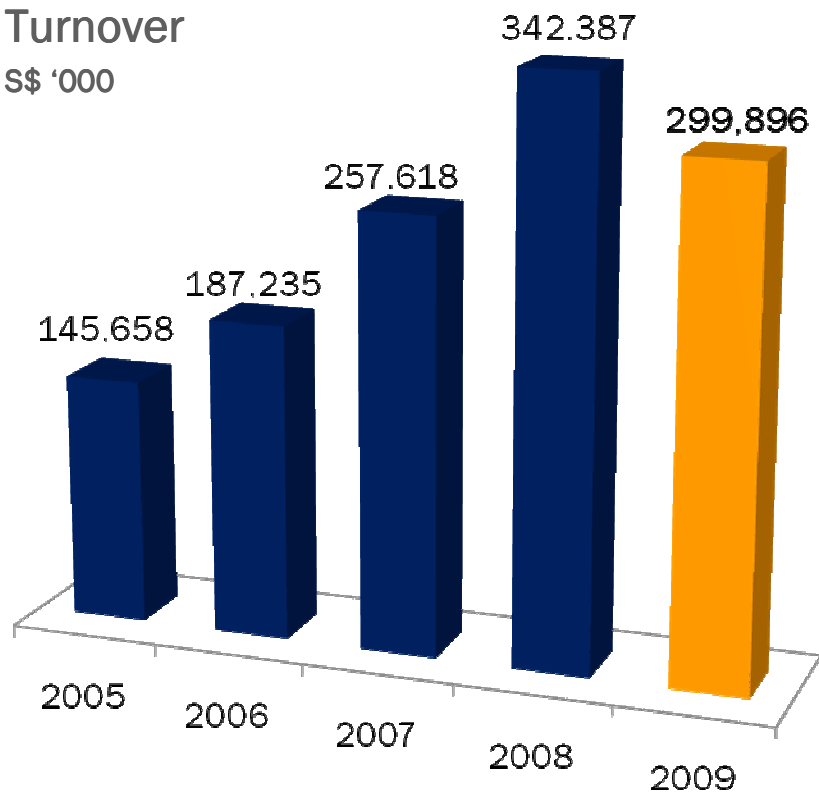
<u>S\$'000</u>	FY09		FY08		Variance	%
Turnover	299,896		342,387		(42,491)	(12)
Gross margin	40%		41%		(1)	(1)
Operating expenses	117,178		129,142		(11,964)	(9%)
Operating profit	5,516		15,681		(10,165)	(65)
Exceptional item	(3,061)		105		(3,166)	NM
Foreign exchange (loss)/gain	(3,665)		274		(3,939)	NM
Profit after tax	(2,661)		14,804		(17,465)	NM

## Turnover and Gross Margins



### Turnover

S\$ '000



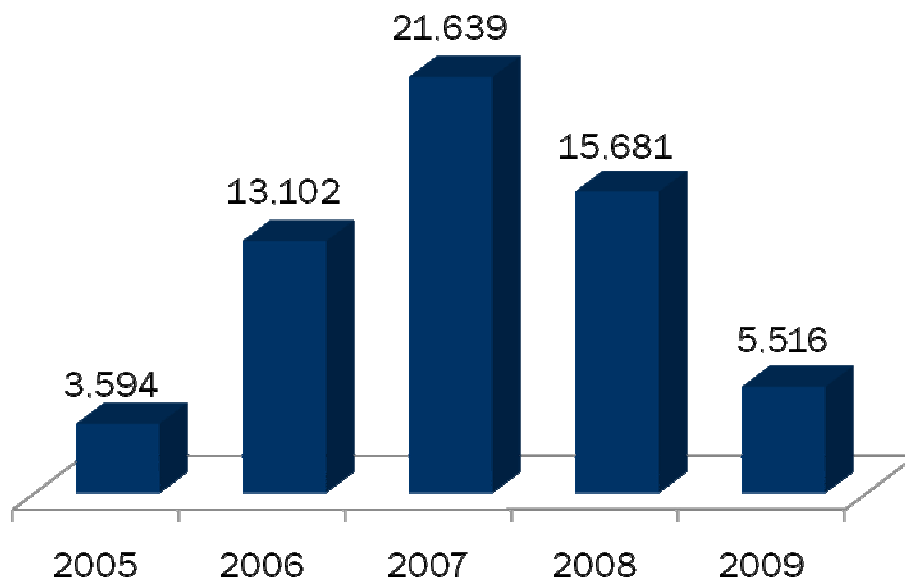
Turnover down 12% following the unprecedented global economic crisis in the second half of 2008 which adversely affected the retail industry

- Key markets including Singapore, Malaysia, Thailand and China have suffered contractions in their economies, dampening consumer spending
- Gross margins stable at 40% down 1% only despite a highly competitive retail environment where it was not uncommon for competitors to give up to 80% discount



## Operating Profit

S\$ '000



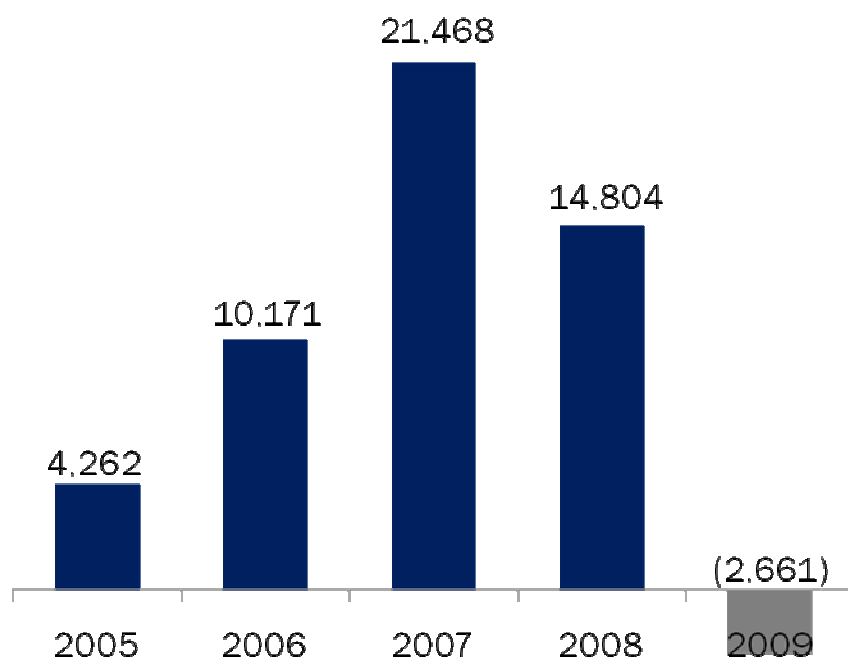
**Operating Profit drops 65% to \$5.5 million from \$15.7 million**

- Operating expenses down 9% to S\$117.2 million from S\$129.1 million
- Staff costs dipped 11% to S\$36.6 million and other operating expenses also fell 21% to S\$22.6 million
- Rental cost increased by 10% to S\$42.0 million as stores opened in the second half of last financial year now reflected full year of operation

## Net Profit After Tax

### NPAT

S\$ '000

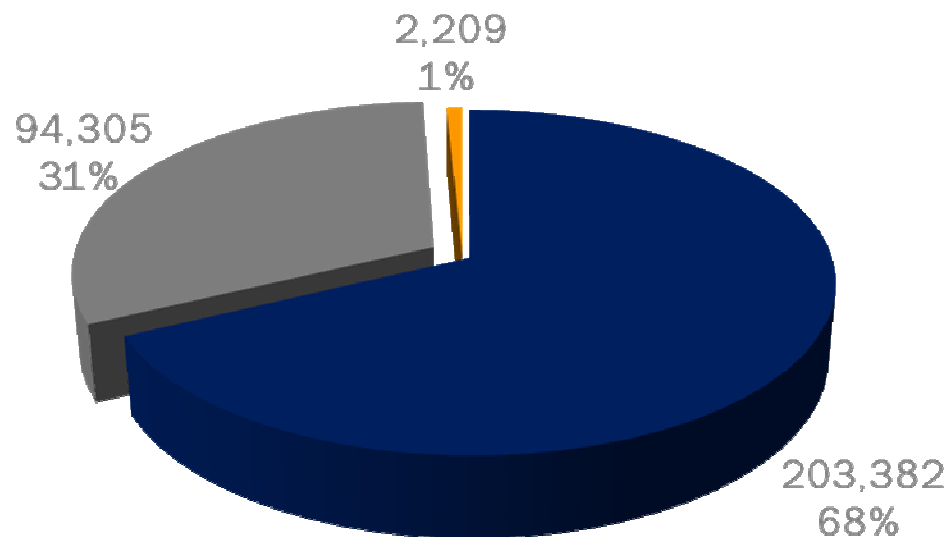


**Net loss of \$2.7 million due mainly to non-cash foreign exchange losses and exceptional charge**

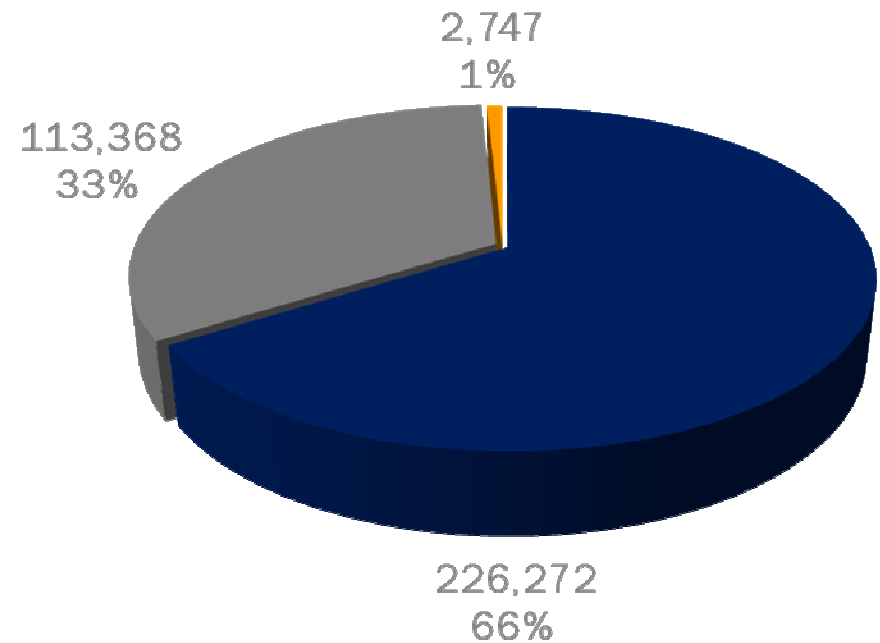
- Net loss due mainly to non-cash currency translation losses of \$3.7 million and exceptional charge of \$3.1 million
- Exceptional charge arose mainly from the provision for impairment of properties and for foreseeable losses on the Group's operations in Australia
- Translation loss was partly due to the timing difference between the booking of inventories in foreign currencies and payment, and partly due to the revaluation of intercompanies' loans at year end

## Turnover by Business Segment

**FY 2009**  
(\$'000)



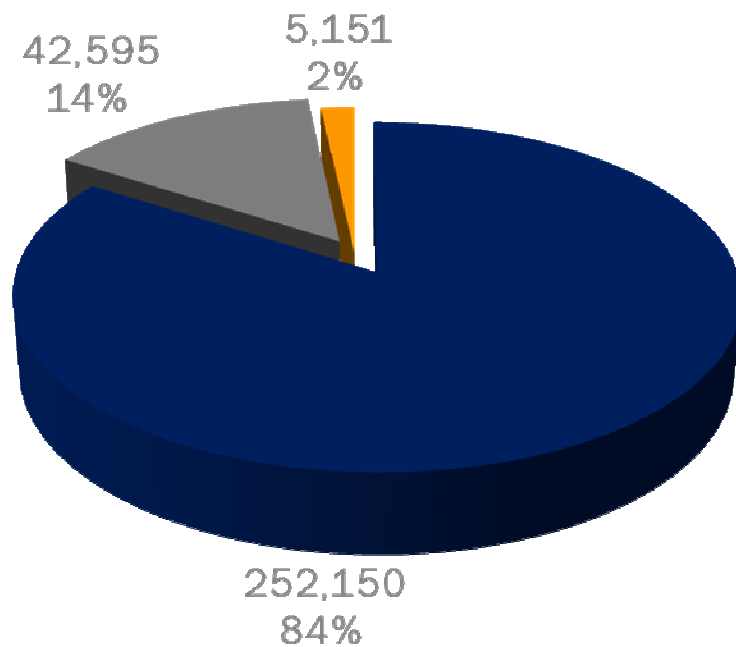
**FY 2008**  
(\$'000)



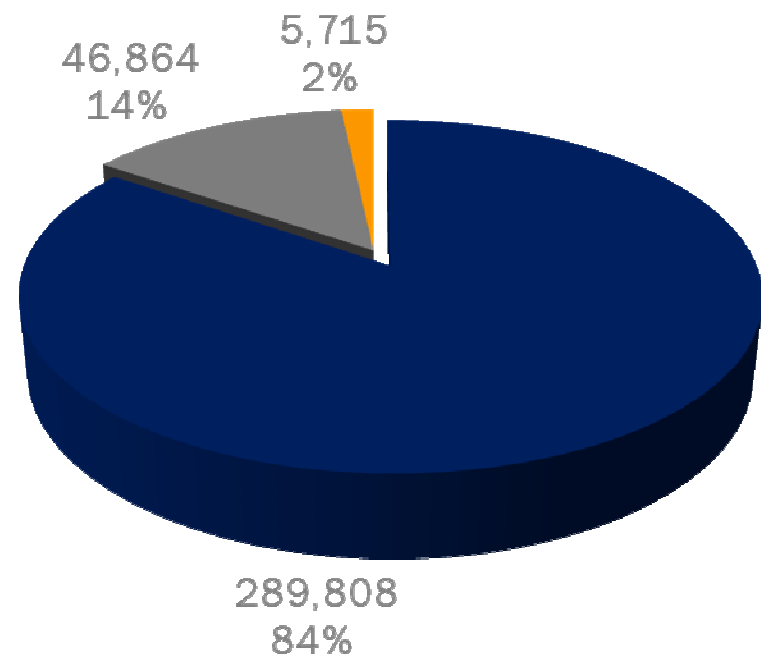
■ Fashions ■ Timepieces ■ Licensing

## Turnover by Geographical Segment

**FY 2009**  
\$'000



**FY 2008**  
\$'000

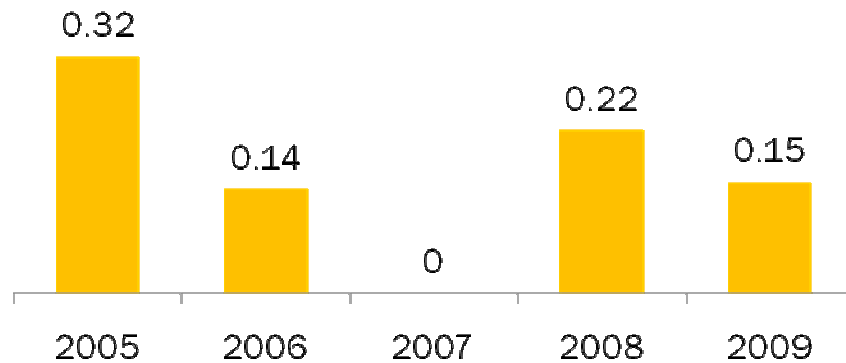


■ Southeast Asia   ■ North Asia   ■ Australia

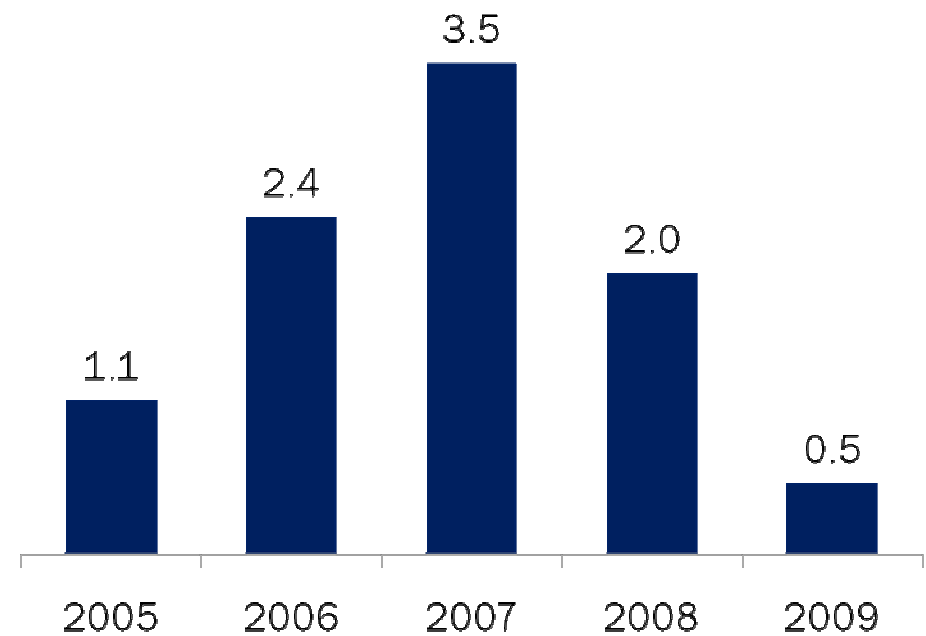


## Dividend Per Share and Debt Ratios

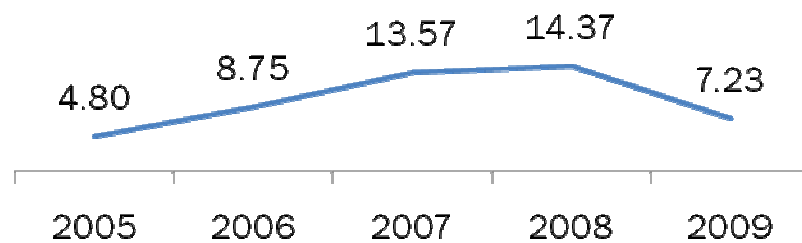
■ Net debt/Equity (x)



■ Dividend Per Share (cents)



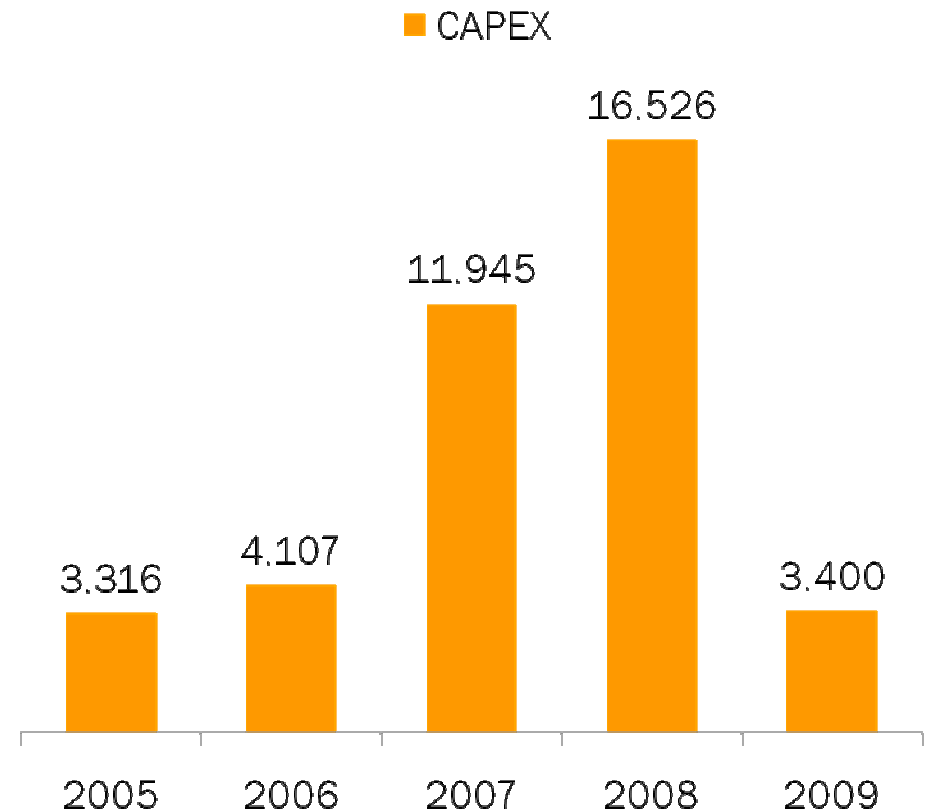
— EBITDA/Interest Cover (x)



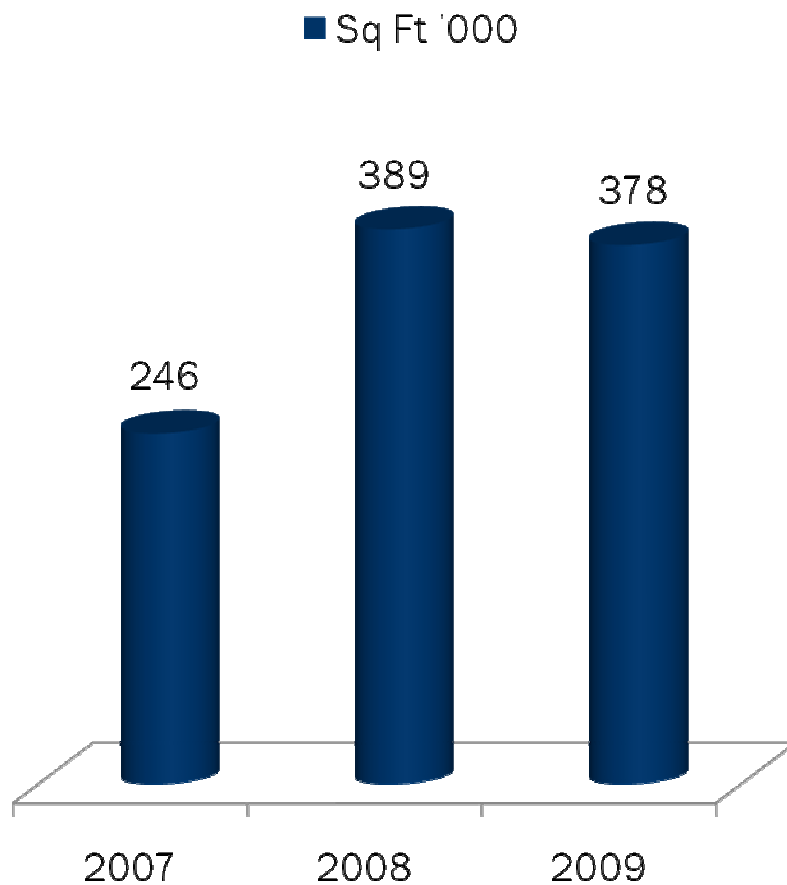
## Capital Expenditure

### Capital Expenditure

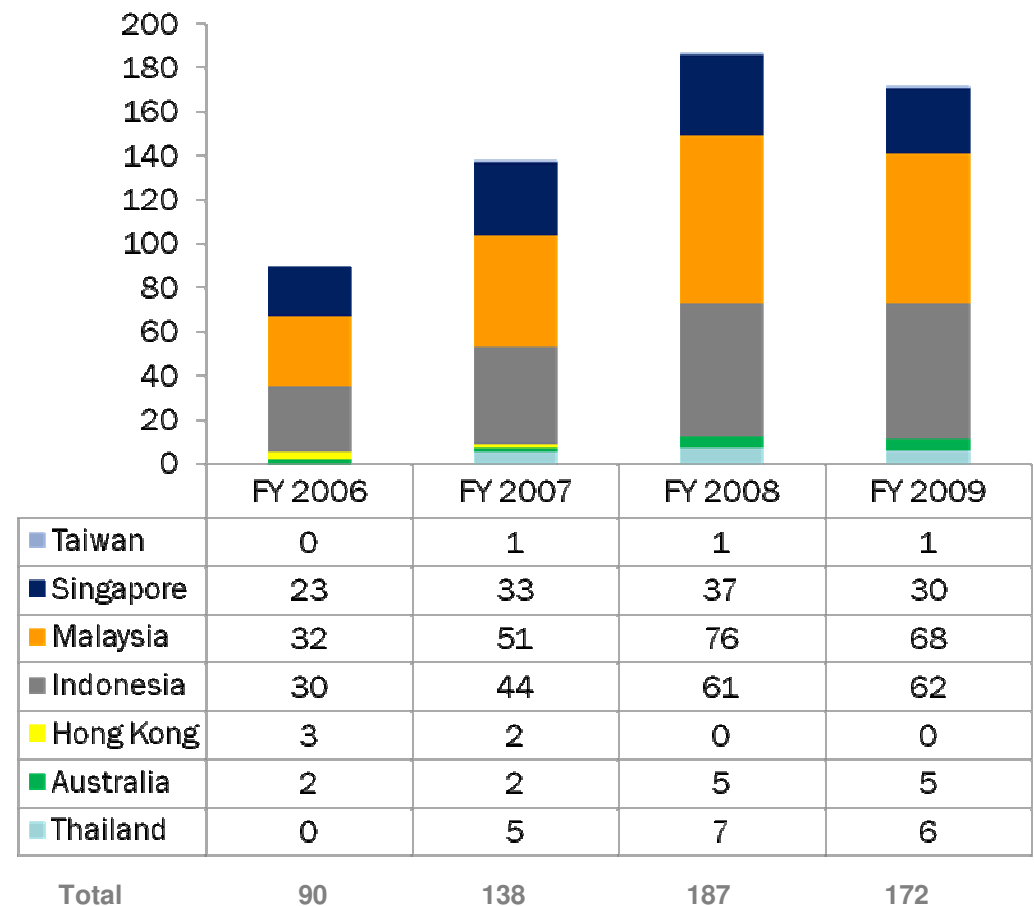
- Capex for FY09 fell to \$3.4 million only as all major expansion completed in the previous FY
- Expenditure due mainly to upgrading and opening new stores for Guess?
- Capex in FY10 estimated to be about \$5.2m focused mainly on store fit out in new stores in strategic malls in Singapore e.g. Orchard ION, Ngee Ann City & Marina Bay Sands, and renovation of stores in Singapore and Malaysia



**TOTAL SQUARE FOOTAGE**



**NUMBER OF STORES**



**Fashion - Turnover down 10% to \$203.4m**  
**Timepieces – Turnover down 17% to \$94.3m**

- Recession in key markets like Singapore, Malaysia, Thailand and China impact on consumer sentiment
- Business also hit post market collapse in September 08
- Shorter festive period this year vs. last year
- Timepieces turnover falls on the back of weak demand in Southeast Asia and Taiwan mainly from the decline from luxury timepiece brands
- Margins ease only 1% to 40% despite a highly competitive retail environment due to inventory management and creative marketing to drive sales
- Indonesia sales grew about 9% over the year. Depreciation of Rupiah of 9% eroded profitability





### Improving consumer sentiment

- The Group sees improving consumer sentiment in key markets. It is cautiously optimistic
- However mixed data still gives rise to a fragile operating environment
- Changing consumer patterns in Singapore in the next few months with the opening of new malls like ION in July and Marina Bay Sands in Feb 10
- Group has taken a store in Orchard Central and a store at the ION, with a few in Marina Bay Sands as part of its strategy to secure the best locations amid dynamic changes in the retail landscape and shifting consumption patterns

### Expansion of RAOUL

- Opened RAOUL in the Philippines with retail giant SSI through a franchise relationship. Doing well with second store set to open in the next few months
- Launching the RAOUL showroom in New York City with funding help from IE Singapore. Distribution channel to be developed first in the USA before retail network
- Opening new concept store in Ngee Ann City, Singapore in Sep 2009 and new flagship combo store in Oct 2009
- Plans to appoint international consultants to internationalise the line for new markets





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