



F J BENJAMIN

F J BENJAMIN FY 2013 NET PROFIT DOWN 70% TO \$4.04 MILLION

- *Turnover slips 5% to \$373.4 million*
- *Across the board growth in fashion sales, decline in timepieces due to slowdown in China and reduced tourist spending in Hong Kong*
- *Retail footprint to expand 9%, new brands to drive growth*

Singapore, 26 August 2013 – F J Benjamin Holdings today announced lower earnings for its financial year ended 30 June 2013 (FY13) as sales for its timepiece business in North Asia declined on slower economic growth in China and weak tourist spending.

Net profit after tax dropped 70% to \$4.04 million in FY13 from \$13.5 million in the previous year. The results included a gain of \$2.8 million from the sale of properties in Hong Kong and a fair value gain of \$2.4 million on an investment. The one-off gains were, however, offset by an exchange loss of \$1.2 million compared to an exchange gain of \$1.7 million the previous year. Group operating profit was down 62% to \$7.54 million while pre-tax profit fell 63% to \$7.29 million.

The lower earnings came on the back of a five percent decline in Group turnover to \$373.4 million due mainly to weakness in North Asia where sales of timepieces declined amid a slowdown in China's economy and reduced tourist spending in Hong Kong. In Singapore, the retail environment was sluggish and competition intensified as retailers actively engaged in markdowns to clear inventory in an environment of escalating rent and labour costs.

Consequently, gross profit margins from the retail business were compressed although higher margins from wholesale and export helped to keep overall gross margin constant at 43%.

Nash Benjamin, Chief Executive Officer of F J Benjamin Holdings, said: “It has been a challenging year. Consumer sentiments in the countries we operate in have been depressed, with the biggest effect on our timepiece business in North Asia which fell by 31% due to reduced spending by Chinese consumers. In addition, rent and labour costs in Singapore continue to increase, putting pressure on operating margins.”

Mr Benjamin added that the Group would continue to invest for the future by adding new brands to its portfolio and increasing its footprint this year primarily in the luxury segment which has proven to be relatively resilient. In recent months, F J Benjamin has secured distribution rights for Tom Ford and Valextra, and will open a Goyard store in Singapore in the fourth quarter of 2013. The company has also secured rights for Superdry, an exciting and dynamic brand, and will open three stores in Malaysia this financial year.

In the current financial year ending 30 June 2014, plans are for a net total of 14 new stores in Singapore and Malaysia, and nine new stores in Indonesia. This will bring the Group’s regional retail footprint to 453,823 sq ft from 416,355 sq ft previously, up almost nine percent, and a total of 235 stores by end of FY 2014.

For the period under review, Group operating expenses rose three percent to \$163.6 million, with the increase contributed by higher rental for new stores and other operating expenses. Cost-to-revenue ratio rose to 44% from 40% a year ago.

Overall, Group's turnover from the fashion business rose four percent to \$262.9 million. Meanwhile the timepiece business declined 22% to \$109.9 million.

In North Asia, the timepiece business fell 31% to \$53.5 million. In Hong Kong and China, turnover was down by 26% and 47% respectively.

In Indonesia, the Group continued to see growth with domestic sales up 13%, and gross margins higher compared to last year.

RAOUL, the Group's in-house fashion brand, registered growth and announced appointments of franchisees for China and Sri Lanka in May and July this year.

F J Benjamin's net gearing increased to 53% from 39% in FY 2013 as it continued to invest for future growth and expansion. Earnings per share stood at 0.78 cents against 2.44 cents a year ago.

Directors have recommended a first and final dividend of 0.5 cents per share (tax-exempt one-tier) to be paid out on 27 November 2013.

- 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 fashion and lifestyle brands like Banana Republic, Catherine Deane, Celine, Gap, Givenchy, Goyard, Guess, La Senza, RAOUL, Sheridan, Superdry, Tom Ford, Valextra, and timepiece brands such as Bell & Ross, Converse, Chronoswiss, Girard-Perregaux, Guess? Watches, Gc, Marc Ecko, Nautica, Rado and Victorinox Swiss Army.

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