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PRESS RELEASE

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Parkson Retail Asia reports net profit of S$10.2 million for 2Q FY2015

For the three months ended 31 December 2014 ("**2QFY2015**"):

- Gross Sales Proceeds ("**GSP**") increased by 1.2% year-on-year ("**Y-o-Y**") due to sales contributions from eight new stores and three renovated stores
- Revenue remained comparable with the corresponding period of financial year 2014 ("**2QFY2014**")
- Same-Store Sales Growth ("**SSSG**") in Myanmar continued to achieve strong double-digit Y-o-Y growth of 28.9%
- Indonesia's SSSG grew 8.8% Y-o-Y as consumer sentiment remained robust
- Weak consumer confidence in Malaysia and Vietnam resulted in negative SSSG of -6.7% and -5.8% respectively
- Merchandise gross margin improved by 50 bps to 24.2%
- For the six months ended 31 December 2014 ("**1HFY2015**"), overall profit before tax ("**PBT**") achieved a slight increase of 0.4% on a same-store, same-currency basis.

Three Months and First Half Financial Year ended 31 December

S$ million	**2Q FY2015**	**2Q FY2014**	**Change (%)**	**1H FY2015**	**1H FY2014**	**Change (%)**
Gross Sales Proceeds ("GSP")	289.6	286.0	1.2	570.3	562.2	1.4
Revenue	117.5	117.4	0.1	227.5	226.1	0.6
Profit Before Tax ("PBT")	14.5	18.0	(19.7)	24.9	32.5	(23.4)
Net Profit Attributable to Owners	10.2	13.6	(24.6)	17.1	23.8	(28.2)

Singapore, 9 February 2015 – Parkson Retail Asia Limited ("**Parkson**" or the "**Company**", and together with its subsidiaries, the "**Group**"), a leading and award-winning Asian department store operator listed on the Mainboard of the Singapore Exchange, announced today a net profit of S$10.2 million earned in 2QFY2015. This represents a

24.6% Y-o-Y decline from S$13.6 million in 2QFY2014 largely due to losses incurred by new stores during their gestation period, the de-leveraging impact from the negative SSSG of the Group's Malaysia and Vietnam operations, and the accrual of closure costs for a store in Vietnam. However, GSP increased by 1.2% to S$289.6 million for 2QFY2015 due to sales contributions from eight new stores and three renovated stores operating in the FY2015 period. Revenue remained comparable with 2QFY2014.

Commenting on the results, Parkson's Group Chief Executive Officer Mr. Toh Peng Koon said: "We are encouraged by the topline contribution from our new and renovated stores in the first half of FY2015, and while these stores are still in the gestation period we have implemented strategic measures to shorten their paths to profitability. While we experienced challenges in Malaysia and Vietnam, we were pleased to see year-on-year growth in same store sales for our Myanmar and Indonesia operations, driven by strong consumer sentiment in these countries as the rising middle class sustains consumption levels. Our Yangon store has recorded strong ramp-up in sales after its first year of operations and continues on a double-digit growth trend.

"Building on our success in FY2014, we have managed to improve our merchandise gross margin through more efficient promotions and tighter shrinkage control. We continue to see healthy cash flow from our operations, and our liquidity position was further strengthened in the quarter with the disposal of our previously-held equity interest in Odel PLC."

Financial Review for 2QFY2015

Recorded GSP increased 1.2% Y-o-Y to S$ 289.6 million in 2QFY2015 from S$286.0 million from the corresponding period in FY2014. The increase in GSP was attributed to sales contribution from the 8 new stores and 3 renovated stores which operating in the FY2015 period. Recorded revenue of S$117.5 million for 2QFY2015 was comparable to the same quarter in FY2014.

Malaysia's consumer sentiment index ("**CSI**") for the fourth quarter of calendar year 2014 remained below the 100-point confidence threshold for the second consecutive quarter. This was due to a combination of factors including the macro-economic headwinds Malaysia faced from the fall in crude oil prices and its depreciating currency, as well as the worse-than-expected flood situation in its east coast and reduced tourist arrivals from China. The retail environment in Vietnam, which saw the entry of competing retailers, remained weak in 2QFY2015. These factors led to negative Y-o-Y SSSG of -5.6% in Malaysia and -5.7% in Vietnam for 1HFY2015, although the overall SSSG performance was partially mitigated by continued positive SSSG in Indonesia and Myanmar. Indonesia registered SSSG of 7.3% for 1HFY2015 compared with 5.8% growth in 1HFY2014, as consumer sentiment remained robust with the CSI remaining above the 100-point confidence threshold. The store in Myanmar also recorded strong Y-o-Y SSSG of 30.8% in 1HFY2015 with the continued ramp-up of sales after the first year of operations.

As previously announced, the Group completed the divestment of its 47.46% equity interest in Odel PLC on 4 November 2014, for a total cash consideration of LKR2,841,319,008 (S$27.9 million). This divestment was made pursuant to a mandatory offer made by Softlogic

Holdings PLC Group. Accordingly, the Group recorded a gain on disposal of S$1.4 million in 2QFY2015 and 1HFY2015.

Recorded 2QFY2015 PBT declined 19.7% Y-o-Y to S$14.5 million, which was largely due to losses incurred by new stores, the de-leveraging impact from the negative SSSG of the Group’s Malaysia and Vietnam operations and the accrual of closure costs for the Landmark-Keangnam store, partially offset by a gain on disposal of the Group’s equity stake in Odel PLC.

Financial Review for 1HFY2015

For 1HFY2015, recorded GSP increased 1.4% Y-o-Y to S$570.3 million from S$562.2 million in the corresponding period of the previous year. Recorded revenue of S$227.5 million for 1HFY2015 represented a slight increase from the corresponding period in FY2014. On a same store basis, GSP for 1HFY2015 would have registered a 4.8% drop Y-o-Y while revenue would have decreased Y-o-Y by 4.3% due to negative SSSG recorded by the Malaysia and Vietnam operations and local currency weakness of the Indonesian Rupiah. On a same store basis and same currency basis, GSP and revenue for 1HFY2015 would have declined Y-o-Y by 3.7% and 3.2% respectively.

Recorded 1HFY2015 PBT declined by 23.4% Y-o-Y to S$24.9 million. On a same store basis, PBT recorded a lesser decline of 0.6%. On a same store basis and same currency basis, however, PBT recorded a slight increase of 0.4% Y-o-Y.

Strong balance sheet

The Group’s financial position remains healthy, with a working capital of S$96.9 million and total equity of S$237.9 million as at 31 December 2014. Despite facing challenging environments in 1HFY2015, the Group generated healthy net cash from operations of S$57.7 million during the period and improved its cash balance to $201.8 million as at 31 December 2014, up from a cash balance of S$163.8 million as at 30 September 2014.

Outlook

Commenting on the Group’s outlook for the second half of FY2015, Mr. Toh Peng Koon said: “With the closure of our Landmark-Keangnam store in Vietnam, we’ve managed to remove a major drag on our operating performance there. While we expect Malaysia’s consumer sentiment to remain muted in the near term, consumer buying prior to the introduction of the Goods and Services Tax on 1st April 2015 may provide us with some buffer. We feel confident that the strategies we have initiated to improve our fundamentals will reap the desired results going forward. With our healthy balance sheet and strong cash generation from our operations, we are well-positioned to continue to identify and make prudent investments necessary to growing our business.”

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About Parkson Retail Asia Limited

Parkson Retail Asia Limited ("Parkson" or the "Company") is a Southeast Asia-based department store operator with an extensive network of 64 stores (including one supermarket) as at 31 December 2014, spanning approximately 671,000 sqm of retail space across cities in Malaysia, Vietnam, Indonesia, and Myanmar. Collaborating with numerous international brands such as Polo Ralph Lauren Children, Burberry Kids, Etro, Lacoste, Timberland, La Mer, Chanel, Christian Dior and Swarovski, Parkson offers consumers in the middle and upper-middle income segment a wide range of merchandise.

Established in 1987, Parkson operates an efficient and competitive business model through a blend of concessionaire sales model, anchor tenant, customised product mix and state-of-the-art management tools.