



F J BENJAMIN

F J BENJAMIN 2QFY15 NET PROFIT RISES TO \$1.2 MILLION

- *Turnover down 17% to \$87.1 million amid decline in retail sales in October and November 2014*
- *Better inventory management helps lift gross margins to 40%*

Singapore, 5 February 2015 – F J Benjamin Holdings, Singapore’s leading fashion and lifestyle group, today announced higher net profit for its second quarter ended 31 December 2014 (2QFY15) amid lacklustre retail sales in Singapore and Malaysia.

Net profit after tax increased to \$1.2 million compared to \$531,000 in the second quarter of the last financial year.

Group turnover in 2QFY15 fell 17% to \$87.1 million from \$104.6 million in the previous corresponding period as retail sales in October and November in Singapore and Malaysia were hurt by significant declines in footfall into the stores by both locals and tourists.

Gross profit margins improved from 38% to 40% during the quarter with better inventory management and fewer promotions compared to the previous corresponding quarter.

Other income doubled to \$6 million and comprised mainly from the gain on the partial sale of mandatory convertible bonds issued by the Group’s Indonesian associated company.

Group operating expenses totalled \$39.8 million compared to \$40.0 million in 2QFY14. Cost-to-revenue rose to 45.6% against 38.2% in the same

period last year, reflecting the lower sales and the fixed nature of overheads such as staff cost and rental.

By business segment, Group turnover from the fashion business decreased by 10% to \$69.2 million while the timepiece business declined by 36% to \$17.6 million.

Geographically, sales in Southeast Asia fell 10% to \$80.9 million as the retail industry in Singapore and Malaysia continued to see falling sales, contributed partly by the decline in tourist arrivals from mainland China and Indonesia.

The severe flooding in Malaysia in December also further dampened consumer spending. The fashion business in Southeast Asia fell 9% while the timepiece business decreased by 16%.

In Indonesia, business continued to fare better and registered increased sales of 5% despite the challenging trading conditions.

With the continued decline of business in North Asia, the Group is in the process of downsizing its operations in both Hongkong and Taiwan, which will be completed by 3Q15.

The Group opened its first Superdry store in Singapore in December, registering positive results.

The increased volatility in the global economy, in particular softer growth in China, will continue to weigh down on Asia's economic outlook and affect consumer sentiment. In view of this, the Group continues to focus on improving productivity through store rationalisation, managing inventory levels and capitalising on cost efficiencies.

The Group's net gearing was 60% as at 31 December 2014 against 78% at 30 June 2014. Earnings per share stood at 0.22 cents against 0.10 cents in 2QFY14.

- 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, VNC and timepiece brands such as Alpina, Bell & Ross, Converse, Chronoswiss, Frederique Constant, Guess? Watches, Gc, Nautica, Victorinox Swiss Army and Vulcain.

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