

# THE HOUR GLASS

(Incorporated in the Republic of Singapore)  
(Company Registration No: 197901972D)

## The Hour Glass Group FY2015 Results: Continuing Growth Momentum

Unaudited Full Year Results  For the Year ended:	Group			
	31 Mar '15 \$'000		31 Mar '14 \$'000	Change %
Revenue	734,938		682,797	8%
Operating Profit	75,404		70,828	6%
Profit After Taxation	59,715		56,366	6%
Earnings per Share (cents)	8.22		7.79	6%

### Highlights of FY2015 Financial Performance

- Revenue, Profit after tax rise against retreating Asian luxury market
- Gross margins stable at 22.6%

**SINGAPORE, 27 May 2015** - The Hour Glass Limited, one of Asia's leading specialist luxury watch retail groups, outperformed a contracting regional luxury market to deliver a 6% growth in profit after taxation on the back of an 8% rise in revenues for the full year ended 31 March 2015 ("FY2015").

An unrelenting emphasis on improving the quality of its retail network and merchandise mix coupled with a rigorous attention to cost management helped the Group deliver on its performance. The latest financial performance extends the Group's track record in improving its profitability over the past decade.

### **Operational efficiency**

The Group posted profit after tax of \$59.7 million on the back of revenues of S\$734.9 million for FY2015. These results were delivered against a backdrop of slower macroeconomic growth in Asia and a tapering of Mainland Chinese spending on luxury goods.

A testimony to the Group's merchandising strategy, gross margins maintained at a healthy 22.6% compared with 23.0% the year earlier. The Group held its expenses at 13.9% of its sales in FY2015. Earnings per share amounted to 8.22 Singapore cents, compared to 7.79 cents the year earlier.

Mr Michael Tay, Group Managing Director of The Hour Glass, said: "Navigating a unique specialist luxury watch retailer like The Hour Glass through a demanding business environment requires consistency and tenacity. These are the qualities that have enabled the Group to continue to grow as we remain focused on business sustainability over the long term."

The Group's balance sheet strengthened with consolidated net assets at \$408.7 million and with cash and cash equivalents of \$98.3 million.

### **New stores in the region**

New store openings, expansion of its newly acquired 'Watches of Switzerland' brand and store refurbishments will remain at the heart of the Group's network development strategy to entrench its leadership in the regional specialist luxury watch retail market.

In Singapore, the Group has just opened a Girard-Perregaux boutique at the Marina Bay Sands and this comes after it secured the exclusive distribution and retail rights for Southeast Asia. Also opening in Singapore in the first half of FY2016 will be a 1,700 square feet multi-brand store at the Paragon Shopping Centre.

In Malaysia, the Group will be opening two new retail stores. The first store, 'Arcade by The Hour Glass', is a multi-category luxury retail store that will make its debut in The Gardens, Mid Valley City in Kuala Lumpur. The second will be the opening of a Watches of Switzerland outlet in the same mall. This will mark the first time that Watches of Switzerland expands outside Singapore.

In Thailand, the Group will be opening a 1,800 square feet boutique in Emquartier in the second quarter, expanding its retail footprint to five key standalone stores in Bangkok.

The Board of Directors recommends a dividend of 2.20 Singapore cents per share for FY2015 (FY2014: 2.00 cents per share on a post sub-division basis).

Into FY2016, barring any unforeseen circumstances, the Group expects to remain profitable.

ISSUED BY

**THE HOUR GLASS LIMITED**

27 May 2015

## **About The Hour Glass**

Established in 1979, The Hour Glass is one of Asia's premier luxury retail groups with 38 boutiques in nine key cities throughout the Asia Pacific region. The Hour Glass prides itself as the world's leading cultural retail enterprise; pioneering the promotion and appreciation of contemporary luxury and horological culture. Having been recognised by international publications such as Monocle, Wallpaper and Vanity Fair as one of the most influential specialty retailers in the world, The Hour Glass has been accorded the 'Best Watch Retail' honours by Singapore Tatler in 2014.

The Hour Glass has achieved international acclaim in the industry for its approach towards redefining specialty watch retail which includes the creation of thematic salons and placing an emphasis on developing consumer oriented cultural engagement platforms to promote the values of authentic luxury. L'Atelier, a boutique dedicated to expressing the patrimony of traditional watchmaking; and Malmaison, a first multi-category luxury emporium in its stable to retail the finest and carefully curated collections in horology, sartorial tailoring, fragrances and leather goods – were bestowed the 'Best Retail Concept of the Year' award by Singapore Retailers Association in 2010 and 2011 respectively. Malmaison lauded for its unique and differentiated shopping experience, bagged the highly coveted 'Best Shopping Experience' award by Singapore Tourism Board in 2012. L'Atelier and Malmaison were also awarded 'Most Innovative Retail Concept of the Year' by the Federation of Asia-Pacific Retail Associations (FAPRA) in 2010 and 2013 respectively.

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