

F J BENJAMIN REPORTS 3Q2016 RESULTS

- *Group turnover was S\$61.0 million in 3Q2016 compared to S\$69.7 million in 3Q2015 primarily due to rationalisation of the business and weakening translation of the Ringgit;*
- *Gross profit margin remained healthy at 41% in 3Q2016 compared to 43% in 3Q2015;*
- *Focus on cost management resulted in improvements in most categories of expenses, decreasing operating expenses by 12% or S\$4.1 million to S\$31.1 million;*
- *Net loss attributable to shareholders narrowed to S\$5.1 million in 3Q2016 compared to S\$7.0 million in 3Q2015.*

Singapore, 12 May 2016 – F J Benjamin Holdings (“F J Benjamin” or the “Group”), Singapore’s leading fashion and lifestyle group, today announced that Group turnover declined 13% or S\$8.7 million to S\$61.0 million for the three months ended 31 March 2016 (“3Q2016”) from S\$69.7 million in the previous corresponding period (“3Q2015”), due to a S\$5.8 million drop in revenue arising from the closure of non performing stores and discontinued business, and S\$3 million from the weakening translation of the Malaysian currency.

“Along with other leading industry players, we continue to face lower foot traffic in malls. Consumer spending continues to be under pressure with the prevailing slowdown of regional economies and currency volatility,” said Mr. Nash Benjamin, Chief Executive Officer of F J Benjamin.

Key Financial Highlights

S\$'000	3Q2016	3Q2015	Comparison
Turnover	60,971	69,711	13% lower
Gross profit	24,726	30,039	18% lower
Gross profit margin	41.0%	43.0%	2.0 ppt lower
Operating loss	(5,911)	(3,189)	85% decline
Net loss after tax	(5,101)	(5,523)	Improved 8%
Net loss attributable to shareholders	(5,101)	(6,986)	Improved 27%

The Group's gross profit margin dropped 2 percentage points year-on-year from 43% to 41% in the current quarter as the Group increased promotional activities in Malaysia to drive sales in 3Q2016.

Group operating loss was S\$5.9 million compared to S\$3.2 million in the previous corresponding period. With the Group's strategic focus on cost management, most categories of expenses have showed improvements from the previous corresponding quarter except for other operating expenses which included an allowance for inventory obsolescence of S\$2.0 million compared to a reversal of allowance for obsolescence of S\$1.6 million in 3Q2015. This resulted in a 12% or S\$4.1 million reduction in the Group's operating expenses which amounted to S\$31.1 million in 3Q2016, compared to S\$35.2 million in 3Q2015.

Compared to the previous corresponding period, the Group's cost-to-revenue ratio remained constant at 51% and net loss attributable to shareholders narrowed to S\$5.1 million compared to S\$7.0 million in 3Q2015.

Inventory holdings decreased by 10% to \$67.0 million from \$74.3 million in June 2015. Comparing to same seasonal period as at March 31, 2015, inventory holdings were lowered by \$10.7 million.

Net borrowings was \$45.1 million from \$46.1 million as at 30 June 2015. Net gearing stood at 64%.

The Group generated positive cash flows of \$5.7 million from operating activities, spent \$0.9 million on shop fittings, and repaid bank borrowings and interest expenses of \$4.8 million in 3Q16.

Outlook

Commenting on the Group's outlook, Mr Benjamin said: "The operating environment for retailers is expected to remain challenging given the headwinds facing the sector and global economies. The Group continues to execute its strategy of finding the best brands to bring to customers, rationalising shop fronts and controlling cost as well as finding the right business model for the future.

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About F J Benjamin Holdings Ltd (www.fjbenjamin.com) – With a rich heritage dating back to 1959, F J Benjamin Holdings Ltd is a consumer driven leader in brand building and management through distribution and retail. Listed on the Singapore Exchange in 1995 (Ticker: F10), F J Benjamin has a strong footprint in Southeast Asia, with offices in Singapore, Indonesia and Malaysia, which proactively manage over 20 iconic brands and operates 218 stores. The Group's international brand portfolio includes fashion, lifestyle and timepiece brands.

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