F J BENJAMIN REPORTS NET LOSS OF $22.1 MILLION FOR FY 2014

- *Business sustains record loss in 4Q amid slowdown in luxury spending in North Asia, rising costs and deep discounting in Singapore*
- *FY14 turnover slips 1% to $368.2 million, gross margins down from 43% to 39%*
- *Fashion business turnover grows 5%, timepiece down 16%*

Singapore, 22 August 2014 – F J Benjamin Holdings today announced net loss of $22.1 million for its financial year ended 30 June 2014 (FY14) with a record operating loss in the fourth quarter (4Q14) of $12.9 million.

Profitability was hard hit by a slowdown in luxury spending in North Asia, protracted deep discounting among Southeast Asia retailers, rising costs in Singapore coupled with a sharp fall in spending by tourists from Indonesia and China. Net loss for the year was also compounded by non-cash items totalling $5.1 million and lower share of result from associate which included an unrealised translation loss of $2.7 million Excluding this non-cash items, operating loss after tax was $14.3 million.

Demand for the Group's portfolio of fashion and timepiece brands was particularly depressed in the fourth quarter, with tourist arrivals and spending dampened by the fallout from the MH370 incident. Consequently, revenue for 4Q14 fell 14% to $77.3 million from $89.6 million in 4Q13.

For the full year, Group revenue slipped marginally by one percent to $368.2 million from $373.4 million in FY13. The aggressive markdowns by retailers in Singapore and Malaysia in efforts to clear inventory eroded

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profitability for the Group's lifestyle brands. The squeeze on gross margin - from 43% in FY13 to 39% - reduced gross profit by $15.1 million for the full year. Nearly half of that, or $6.9 million, occurred in 4Q14, with North Asia accounting for 71% of the decline or $4.9 million, and Southeast Asia, the balance of 29% or $2 million.

Nash Benjamin, Chief Executive Officer of F J Benjamin Holdings, said: "The fourth quarter was the worst we've seen in decades. We faced pressures on all fronts with falling demand and rising costs. Across the Group, we have taken steps to reduce inventory, downsize and close underperforming stores, and cut costs; this will improve our productivity going forward. Like all retailers in Singapore, we will have to manage the triple whammy of lower demand, rising costs and labour shortage.

"Looking ahead, we don't expect a meaningful upturn in sentiment and consumer spending in the near to medium term. However, we believe that our strategy of expanding in the larger and growing markets of Malaysia and Indonesia, and strengthening our brand portfolio across the region will improve operating results in the coming months."

FY14 net loss took into account a fair value loss of $1.5 million for the Group's investment in St James Holdings Ltd, impairment of fixed assets for non-performing stores of $1.4 million, tax recoverable written off of $2.2 million and share of unrealised translation loss of $2.7million booked by an associated company in Indonesia.

Group operating expenses rose two percent to $167.0 million, with cost-to-revenue ratio at 45.3% compared to 43.8% in the last financial year. The increase in expenses was due to higher staff costs, rental and depreciation charge.

By business segment, Group turnover from the fashion business rose five percent to $275.2 million while timepiece fell 16% to $92.1 million.

Geographically, the retail fashion business in Southeast Asia rose by five percent to $259.2 million while timepiece distribution was up two percent. In Singapore, the Group's biggest market, business was buffeted by rising costs and falling sales as tourist arrivals slowed. The rupiah depreciation has made shopping more expensive for Indonesian visitors while tourist arrivals from China, the second biggest source market for Singapore, dropped 27% in the first five months of the year.

North Asia, where F J Benjamin operates a timepiece distribution business, fared worse. Full year revenue for Hong Kong was 33% lower while China and Taiwan were down 43% and 45% respectively. The loss of sales for Girard Perregaux watches following the expiry of the distribution agreement in February 2014, contributed to the lower turnover.

Indonesia held up well, with domestic sales rising by 13% and gross margin remaining constant. However, the depreciation in the rupiah, resulted in a negative share of result from associate of $1.7 million.

The Group recently announced an alliance with Saratoga, an Indonesian investment and business group controlled by Edwin Soeryadjaya and Sandiaga S Uno, which involved an investment of 25% in both equity and debt instruments in the Group's Indonesian business. The Group will realise a net gain of approximately $11.5 million from the transactions. This alliance is an important and strategic milestone for the Group as Saratoga will assist and enhance the Group's rate of growth in Indonesia.

F J Benjamin continues to invest in its luxury business with new brands. It opened its first freestanding TOM FORD store in the region at Marina Bay Sands in April and its first Loewe store in Kuala Lumpur in June.

The third Superdry store opened at the Sunway Pyramid mall in Kuala Lumpur in May, while another will open in Singapore in December. The Group also added two Swiss watch brands, Frederique Constant and Alpina, in July.

Group net gearing stood at 78%. Net cash generated from operating activities was $12.2 million compared to net cash used in operating activities of $9.3 million a year ago.

The board of directors has recommended a first and final dividend of 0.25 cents per share (tax-exempt one-tier) to be paid out on 19 November 2014.

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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 luxury and lifestyle brands Banana Republic, Catherine Deane, Celine, Gap, Givenchy, Goyard, Guess, La Senza, Loewe, Raoul, Sheridan, Superdry, Tom Ford, Valextra, and timepiece brands such as Alpina, Bell & Ross, Chronoswiss, Frederique Constant, Guess? Watches, Gc, Nautica, Victorinox Swiss Army and Vulcain.

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