



F J BENJAMIN REPORTS REDUCED LOSSES IN FY2015

- *Gross profit margin increased from 39.1% to 41.5%, as a result of lower markdowns and strict inventory management*
- *Steady progress from rationalisation of operations which is expected to complete by the first half of FY2016*
- *Financial gearing improved from 78% to 54%*

	FY2015	FY2014	Change
Turnover (S\$'000)	293,407	368,200	(20)%
Gross profit (S\$'000)	121,839	144,145	(15)%
Gross profit margin	41.5%	39.1%	+ 2.4 ppt
Operating loss (S\$'000)	(9,457)	(13,312)	(29)%
Net loss after tax (S\$'000)	(15,632)	(22,096)	(29)%
EPS (Basic) (cents)	(2.99)	(3.89)	n.m.

Singapore, 27 August 2015 – F J Benjamin Holdings (“F J Benjamin” or the “Group”), Singapore’s leading fashion and lifestyle group, today announces its results for the financial year ended 30 June 2015 (“FY2015”). Against the backdrop of weak consumer sentiment, the Group repositioned its operations to focus on its core Southeast Asia portfolio of Singapore, Malaysia and Indonesia. This has resulted in a 29% decrease in operating losses to S\$9.5 million from S\$13.3 million.

While Group turnover fell 20% to S\$293.4 million and gross profit declined 15% to S\$121.8 million, gross margin improved 2.4 percentage points to 41.5% as a result of lower markdowns and strict inventory management. Compared to FY2014, the net loss for the financial year was down 29%. Net

debt was reduced to S\$46.1 million from S\$80.0 million in the prior year, reducing gearing to 54%, largely due to the repayment of term loans and bills payable to banks.

Mr Nash Benjamin, Chief Executive Officer of F J Benjamin said, *“It has been a difficult two years for the Group with the reduction of business primarily in North Asia, the decline in regional tourist arrivals and currency depreciation. We have taken pro-active action to rationalise our store portfolio and have trimmed costs. In doing so, we have incurred impairments for store closures, the early termination of leases, stock provisions and redundancies. While this has negatively impacted Group turnover, it has yielded significant improvement in the productivity of our stores across the region. Our present store count stands at 218 as at 30 June 2015.*

“The rationalisation exercise commenced in the first quarter of FY2015 and is now largely complete; we have two remaining stores which are due to close by the end of first half of FY2016. We are appreciative of our brand partners, who have supported us throughout this exercise.”

Performance

In Southeast Asia, turnover from the fashion business (excluding purchases by the Indonesia associate and discontinued brands) decreased by 8% to S\$192.5 million, while the timepiece business rose 5% to S\$25.8 million. Purchases by the Indonesia associate declined by 20% as a result of better inventory management.

In North Asia, the process of downsizing the Group’s operations and realignment of brand portfolio resulted in a drop of sales to S\$30.1 million. The downsizing was completed in 3Q2015.

The domestic sales in Indonesia continue to do well, registering sales growth of 2% despite the challenging trading conditions and weakening rupiah.

Looking to FY2016

At the start of FY2016, the Group outsourced its Singapore hub warehousing to third parties, resulting in cost savings and supply chain efficiencies, which will keep improving.

The Group has also undertaken a restructuring of its in-house brand Raoul to improve performance on a reduced cost basis.

“Whilst the retail outlook remains weak with currency fluctuations and geopolitical issues, we remain committed to the long-term growth potential of the Southeast Asia region. We will continue to prudently manage our business and brand portfolio, while sourcing for appropriate new opportunities and partnerships for F J Benjamin,” said Mr Benjamin.

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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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