

FJ BENJAMIN

F J BENJAMIN HOLDINGS LTD
(Co. Reg. No. 197301125N)

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Board of Directors of F J Benjamin Holdings Ltd is pleased to announce the unaudited results of the Group for the financial year ended 30 June 2006.

	-----GROUP-----		
	FY 2006	Restated FY 2005	Change
	\$'000	\$'000	%
TURNOVER	187,235	145,658	29
Other income including interest income, net	5,251	4,142	27
	<u>192,486</u>	<u>149,800</u>	28
COSTS AND EXPENSES			
Cost of sales	110,471	91,073	21
Staff costs	27,200	19,974	36
Rental of premises	15,246	12,683	20
Advertising and promotion	7,300	5,445	34
Depreciation of property, furniture, fixtures and equipment	3,869	3,381	14
Other operating expenses, net	15,298	13,650	12
TOTAL COSTS AND EXPENSES	<u>179,384</u>	<u>146,206</u>	23
OPERATING PROFIT	13,102	3,594	265
Exceptional items, net - Note 1	1,221	1,456	(16)
Interest on borrowings	(1,908)	(1,435)	33
Share of results of associates	1,964	2,081	(6)
PROFIT BEFORE TAXATION	<u>14,379</u>	<u>5,696</u>	152
Taxation	(4,208)	(1,434)	193
NET PROFIT FOR THE FINANCIAL YEAR	<u>10,171</u>	<u>4,262</u>	139

OPERATING PROFIT IS STATED AFTER CHARGING/(CREDITING):-

	-----GROUP-----	
	FY 2006	FY 2005
	\$'000	\$'000
Exchange translation gain	(630)	(952)
Gain on sale of unquoted investment	(258)	-
Investment income	(30)	(36)
Loss on disposal of furniture, fixtures and equipment	66	105
Allowance for bad and doubtful debts	65	263
Allowance for stocks obsolescence and stocks written off	2,053	2,044
Reversal of allowance for stocks obsolescence	(375)	(138)
(Write back) / allowance for diminution in value of quoted investment	(48)	131
Under provision of tax in respect of prior financial years	180	103
	<u>180</u>	<u>103</u>

Note 1 - Exceptional items, net

	-----GROUP-----	
	FY 2006	FY 2005
	\$'000	\$'000
Write back of impairment in value of property, furniture, fixtures and equipment, net	(2,071)	(443)
Allowance for foreseeable losses	850	-
Closure cost	-	195
Realisation of translation gain from winding up of subsidiary	-	(1,208)
	<u>(1,221)</u>	<u>(1,456)</u>
The above is stated after charging/(crediting):		
Allowance for stocks obsolescence	-	195
	<u>-</u>	<u>195</u>

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	-----GROUP-----		-----COMPANY-----	
	FY 2006 \$'000	Restated FY 2005 \$'000	FY 2006 \$'000	Restated FY 2005 \$'000
NON-CURRENT ASSETS				
Property, furniture, fixtures and equipment	69,370	69,019	35,857	34,380
Investment in subsidiaries	-	-	75,537	71,531
Investment in associates	9,551	7,986	-	-
Other receivables	4,672	5,049	-	150
Other investments	332	283	332	283
Deferred tax assets	601	527	-	-
	<u>84,526</u>	<u>82,864</u>	<u>111,726</u>	<u>106,344</u>
CURRENT ASSETS				
Stocks	43,708	32,617	-	-
External trade debtors	17,474	12,023	-	-
Trade debts due from related companies	11,600	7,685	-	-
Tax recoverable	1,579	1,330	241	595
Other debtors	7,961	5,137	190	95
Cash on hand and at banks	24,929	14,765	19,893	7,714
	<u>107,251</u>	<u>73,557</u>	<u>20,324</u>	<u>8,404</u>
CURRENT LIABILITIES				
Trade and other creditors	52,023	36,005	2,676	880
Finance lease creditors	115	134	79	75
Bank borrowings	19,910	20,894	-	899
Provision for taxation	2,679	505	69	186
	<u>74,727</u>	<u>57,538</u>	<u>2,824</u>	<u>2,040</u>
NET CURRENT ASSETS	32,524	16,019	17,500	6,364
NON-CURRENT LIABILITIES				
Finance lease creditors	238	338	135	214
Bank borrowings	17,949	18,361	11,200	11,200
Other liabilities	2,583	2,535	-	-
Deferred tax liabilities	440	400	400	400
	<u>21,210</u>	<u>21,634</u>	<u>11,735</u>	<u>11,814</u>
NET ASSETS	95,840	77,249	117,491	100,894
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY				
Share capital	99,360	57,000	99,360	57,000
Share premium	-	26,685	-	26,685
Warrant reserve	25,175	28,025	25,175	28,025
Exchange translation reserve	(9,109)	(7,204)	-	-
Accumulated losses	(19,710)	(27,257)	(7,044)	(10,816)
	<u>95,716</u>	<u>77,249</u>	<u>117,491</u>	<u>100,894</u>
Preference shares issued by a subsidiary	124	-	-	-
	<u>95,840</u>	<u>77,249</u>	<u>117,491</u>	<u>100,894</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30-Jun-06		As at 30-Jun-05	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
20,025	-	21,028	-

Amount repayable after one year

As at 30-Jun-06		As at 30-Jun-05	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
18,187	-	18,699	-

Details of any collateral

The bank borrowings are secured by a fixed charge over the freehold land and buildings and leasehold building of the Group.

Net borrowings

Net borrowings after deducting cash and bank balances amounted to \$13,283,000 (30 June 2005: \$24,962,000).

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	-----GROUP-----	
	FY 2006	Restated FY 2005
	\$'000	\$'000
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before taxation	14,379	5,696
Adjustments for:		
Depreciation of property, furniture, fixtures and equipment	3,869	3,381
Share of results of associates	(1,964)	(2,081)
Currency realignment	76	115
Loss on disposal of furniture, fixtures and equipment	66	105
Write back of impairment in value of property, furniture, fixtures and equipment, net	(2,071)	(443)
Gain on disposal of other investment	(258)	-
Translation gain from winding up of a subsidiary	-	(1,208)
(Write back) / allowance for diminution in value of investment	(48)	131
Fair value of loan	(160)	-
Interest income	(278)	(89)
Dividend income	(30)	(36)
Interest expense	1,908	1,435
OPERATING PROFIT BEFORE REINVESTMENT IN WORKING CAPITAL	15,489	7,006
Increase in debtors	(12,164)	(3,290)
Increase in stocks	(11,636)	(8,364)
Increase in creditors	17,095	10,407
CASH FROM OPERATIONS	8,784	5,759
Taxation paid	(1,089)	(230)
NET CASH FROM OPERATING ACTIVITIES	7,695	5,529
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of furniture, fixtures and equipment	(4,107)	(3,396)
Proceeds from sale of furniture, fixtures and equipment	7	80
Loan to associates	(802)	(638)
Capital distribution to minority interest	-	(62)
Disposal of joint venture entity, net of cash disposed	(289)	-
Proceeds from disposal of other investment	258	-
Dividend received	30	36
Interest received	278	89
NET CASH USED IN INVESTING ACTIVITIES	(4,625)	(3,891)
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issuance of ordinary shares	12,825	-
Proceeds from issuance of preference shares by a subsidiary	124	-
(Repayments of) / proceeds from bank borrowings	(2,288)	5,070
Repayments of finance lease	(119)	(222)
Interest paid	(1,908)	(1,435)
Dividend paid to shareholders	(2,508)	(1,710)
NET CASH FROM FINANCING ACTIVITIES	6,126	1,703
Net increase in cash and cash equivalents	9,196	3,341
Cash and cash equivalents at beginning of the year	12,952	9,596
Net effect of exchange rate changes on opening cash and cash equivalents	76	15
CASH AND CASH EQUIVALENTS AT END OF YEAR	22,224	12,952
Cash and cash equivalents comprise the following:		
Cash and bank balances	24,929	14,765
Bank overdrafts	(2,705)	(1,813)
	22,224	12,952

1(d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share Capital \$'000	Share Premium \$'000	Warrant Reserve \$'000	Exchange Translation Reserve \$'000	(Accumulated Losses) \$'000	Minority interest \$'000	Preference shares issued by a subsidiary \$'000	Total Equity \$'000
GROUP								
At 30 June 2005 as previously reported	57,000	26,685	28,025	(7,204)	(27,128)	-	-	77,378
Effect of adopting FRS 16	-	-	-	-	(129)	-	-	(129)
At 30 June 2005 as restated	57,000	26,685	28,025	(7,204)	(27,257)	-	-	77,249
Effect of adopting FRS 39	-	-	-	-	(116)	-	-	(116)
At 1 July 2005 as restated	57,000	26,685	28,025	(7,204)	(27,373)	-	-	77,133
Net profit for the financial year	-	-	-	-	10,171	-	-	10,171
Exchange differences arising from consolidation recognised in equity	-	-	-	(1,905)	-	-	-	(1,905)
Total recognised income and expenses for the year	-	-	-	(1,905)	10,171	-	-	8,266
Dividend paid	-	-	-	-	(2,508)	-	-	(2,508)
Transfer of share premium to share capital account (Note 1)	26,685	(26,685)	-	-	-	-	-	-
Exercise of warrants	15,675	-	(2,850)	-	-	-	-	12,825
Preference shares issued by a subsidiary	-	-	-	-	-	-	124	124
At 30 June 2006	99,360	-	25,175	(9,109)	(19,710)	-	124	95,840
At 30 June 2004 as previously reported	57,000	26,685	28,025	(5,599)	(29,707)	62	-	76,466
Effect of adopting FRS 16	-	-	-	-	(102)	-	-	(102)
At 30 June 2004 as restated	57,000	26,685	28,025	(5,599)	(29,809)	62	-	76,364
Net profit for the financial year	-	-	-	-	4,262	-	-	4,262
Exchange differences arising from consolidation recognised in equity	-	-	-	(1,461)	-	-	-	(1,461)
Exchange differences arising from the conversion of quasi equity loan to share capital	-	-	-	1,064	-	-	-	1,064
Liquidation of subsidiary	-	-	-	(1,208)	-	(62)	-	(1,270)
Total recognised income and expenses for the year	-	-	-	(1,605)	4,262	(62)	-	2,595
Dividend paid	-	-	-	-	(1,710)	-	-	(1,710)
At 30 June 2005	57,000	26,685	28,025	(7,204)	(27,257)	-	-	77,249

	Share Capital \$'000	Share Premium \$'000	Warrant Reserve \$'000	Exchange Translation Reserve \$'000	(Accumulated Losses) \$'000	Total Equity \$'000
<u>COMPANY</u>						
At 30 June 2005 as previously reported	57,000	26,685	28,025	(6,609)	(27,518)	77,583
Effects of adopting FRS 27	-	-	-	6,609	16,702	23,311
At 30 June 2005 as restated	57,000	26,685	28,025	-	(10,816)	100,894
Net profit for the financial year	-	-	-	-	6,280	6,280
Dividend paid	-	-	-	-	(2,508)	(2,508)
Transfer of share premium to share capital account (Note 1)	26,685	(26,685)	-	-	-	-
Exercise of warrants	15,675	-	(2,850)	-	-	12,825
At 30 June 2006	99,360	-	25,175	-	(7,044)	117,491
	-	-	-	-	-	-
At 30 June 2004 as previously reported	57,000	26,685	28,025	(2,947)	(32,200)	76,563
Effects of adopting FRS 21	-	-	-	1,060	(1,060)	-
Effects of adopting FRS 27	-	-	-	1,887	(516)	1,371
At 30 June 2004 as restated	57,000	26,685	28,025	-	(33,776)	77,934
Net profit for the financial year	-	-	-	-	24,670	24,670
Dividend paid	-	-	-	-	(1,710)	(1,710)
At 30 June 2005	57,000	26,685	28,025	-	(10,816)	100,894

Note 1

With effect from 30 Jan 2006, the concepts of "par value" and "authorised capital" were abolished under the Companies (Amendment) Act 2005 and the amount standing to the credit of the Company's share premium account as at 30 Jan 06 became part of the Company's share capital as at that date.

1(d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

During the year, the Company issued 28,500,000 ordinary shares at \$0.45 each upon the exercise of warrants.

As at 30 June 2006, there were 256,500,000 outstanding warrants. The number of shares that may be issued on exercising of all the outstanding warrants were as follows:

As at 30 June 2006 : 256,500,000

As at 30 June 2005 : 285,000,000

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in item 5 below, the Group has applied the same accounting policies and methods of computation as in the most recent audited annual financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reason for, and the effect of, the change.

The Group has adopted the relevant new/revised Singapore Financial Reporting Standards (FRS) with effect from 1 July 2005, in particular, FRS 16 - Property, Plant and Equipment, FRS 21 - The Effects of Changes in Foreign Exchange Rates, FRS 27 - Consolidated and Separate Financial Statements and FRS 39 - Financial Instruments - Recognition and Measurement.

In accordance with the transitional provisions of FRS 39, the effect of recognition, derecognition and measurement of financial instruments for periods prior to 1 July 2005, are not restated. Consequently, the comparative figures have not been restated.

The implementation of FRS 16, FRS 21 and FRS 27 is applied retrospectively, hence comparative figures have been restated accordingly.

The effect of implementation of the above new/revised FRS to the Group is as follows:-

	FRS 16	FRS 39	
	Increase/(decrease)		Net
	\$'000	\$'000	\$'000
Net profit for FY 2006	(18)	159	141
Net profit for FY 2005	(27)	-	(27)
Accumulated losses as at 1 July 2005	129	116	245
Accumulated losses as at 1 July 2004	102	-	102
Balance sheet items as at 1 July 2005:			
- Investment in associates	(85)	344	259
- Other receivables	-	(688)	(688)
- Trade and other debtors	-	312	312
- Trade and other creditors	44	84	128

The Company had previously accounted for investments in subsidiaries using the equity method in its separate financial statements as allowed by FRS 27 - Consolidated Financial Statements and Accounting for Investments in Subsidiaries. With the introduction of the revised FRS 27 - Consolidated and Separate Financial Statements, this option has been removed, and the Company has elected to account for its investments at cost less impairment, if any. Furthermore, in accordance with revised FRS 21, the exchange difference arising from a monetary item that in substance forms part of the net investment in a foreign subsidiary, is recognised in the profit and loss account instead of equity in separate financial statements of the Company.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	GROUP	
	FY 2006	Restated FY 2005
	Cents	Cents
(a) Based on the weighted average number of ordinary shares in issue; and	3.53	1.50
(b) On a fully diluted basis	3.53	1.50

Earnings per share is computed based on the weighted average number of ordinary shares in issue during the financial year of 288,045,205 (FY 2005: 285,000,000).

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.

	GROUP	COMPANY
	Cents	Cents
Net asset value per ordinary share based on issued share capital as at:		
(a) current financial period reported on	30.53	37.48
(b) immediately preceding financial year (restated)	27.10	35.40

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
- (a) any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Full year ended 30 June 2006.

The Group continued to deliver strong growth with net profit before tax of S\$14.4 million from S\$5.7 million, a 152% increase over last financial year. Group revenue rose by 29% from S\$145.7 million to S\$187.2 million. Out of this increase in turnover of S\$41.6 million, S\$10.2 million was generated from new stores opened during the financial year under review including stores that were opened in FY05 with less than 12 months of operations. The balance of S\$31.4 million came from organic growth from existing brands.

Boosted by strong sales from its core brands, the Group's Southeast Asian business enjoyed a buoyant year. Revenue growth of 37% in the fashion business came from higher sales of GUESS, GUESS handbags, RAOUL and LA SENZA. Revenue of timepiece business grew by 14% contributed mainly by the strong sales of GIRARD-PERREGAUX and GUESS watches.

Timepiece turnover in Hong Kong, Taiwan and China grew 27% with GIRARD-PERREGAUX timepieces achieving a 22% growth in China.

In Australia, a new La Senza store was opened in September 2005 under a partnership arrangement with local partners. Sales from the existing distribution of BABY GUESS/GUESS KIDS were flat.

Indonesia continued to be a growth market with domestic sales increasing by 42%. Operations remained profitable, notwithstanding the higher fuel prices.

The Group reported an exceptional net gain of S\$1.2 million, mainly from the net write-back of impairment offset by the provision of contractual royalty on a discontinued business.

The positive effect of growth in business is discernable from the following key performance indicators:

	<u>FY 2006</u>	<u>FY 2005</u>
Gross profit margin	41.0%	37.5%
Net Profit after tax	S\$10.2 million	S\$4.3 million
Net profit margin after tax	5.4%	2.9%

The Group's Balance Sheet remains sound with cash of S\$24.9 million against total borrowings of S\$38.2 million. It registered a low gearing of 0.14 times and a net asset value per ordinary share of 31 cents.

As a result of the improved financials for the full year ended 30 June 2006 and a positive cash position, the directors are pleased to recommend the payment of a first and final dividend of 2.4 cents per ordinary share, less tax of 20%, amounting to S\$6.0 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Group's full year result is in line with the statement made on 25 August 2005 that "barring any unforeseen circumstances, the directors expect the Group to remain profitable for the financial year ending 30 June 2006."

10. A commentary at the date of this announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The market outlook regionally remains positive, and the Group (including its associates) will continue to work towards strengthening its earning base through the following growth drivers, whilst keeping a tight control on costs –

- 1a) To grow its retail square footage of existing brands from approx. 122,500 sq ft to approx. 165,000 sq ft – 35% increment;
- b) By launching its new brand, Gap in Singapore and Malaysia, which will open 9 stores, adding on approx. 48,000 sq ft;

The above growth represents a 74% increment of committed leased shop area in the new financial year.

- 2) By continuing to grow its timepiece distribution business in the region in particular by making further inroads into China;
- 3) By further developing Raoul, its house label, in the region as well as its franchise model; and
- 4) By launching St James Power Station in collaboration with Mr Dennis Foo and EK Capital Pte Ltd, its Joint Venture Partners.

With these initiatives, the Group is well positioned to build upon steps taken in prior financial year to achieve another profitable year, barring unforeseen circumstances.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period report on?

Name of Dividend	First & Final
Dividend Type	Cash
Dividend Amount per Share (in cents)	2.40 cents per ordinary share (less) tax
Tax Rate	20%

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediate preceding financial year?

Name of Dividend	First & Final
Dividend Type	Cash
Dividend Amount per Share (in cents)	1.10 cents per ordinary share (less) tax
Tax Rate	20%

(c) Date payable

23 November 2006

(d) Books closure date

Notice is hereby given that the share transfer books and register of members of the Company will be closed on 9 November 2006 for the preparation of dividend warrants.

Registrable transfers received by the Company's Registrar, Lim Associates (Pte) Ltd up to 5.00 pm on 8 November 2006, will be registered before entitlements to the said dividend are determined. The dividends, if approved by the shareholders at the forthcoming Annual General Meeting, will be paid on 23 November 2006.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

13. Segmented revenue and results for business or geographical segments (of the group) in the from presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

	MU Retail	Ongoing Retail	Distribution	Export	Corporate and Others	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>For the financial year ended 30 June 2006</u>						
External sales	533	67,195	81,298	38,209	-	187,235
Intersegment sales	-	-	17,117	16,440	-	33,557
Segment revenue	533	67,195	98,415	54,649	-	220,792
Segment results	(772)	3,589	12,459	2,868	(5,510)	12,634
Exceptional items, net						1,221
Interest income						438
Investment income						30
Interest on borrowings						(1,908)
Share of results of associated companies						1,964
Profit before taxation						14,379
Taxation						(4,208)
Net profit for the financial year						10,171
<u>For the financial year ended 30 June 2005</u>						
External sales	1,267	50,309	62,962	31,120	-	145,658
Intersegment sales	-	-	11,952	16,280	-	28,232
Segment revenue	1,267	50,309	74,914	47,400	-	173,890
Segment results	(1,602)	1,363	6,013	2,432	(4,737)	3,469
Exceptional items, net						1,456
Interest income						89
Investment income						36
Interest on borrowings						(1,435)
Share of results of associated companies						2,081
Profit before taxation						5,696
Taxation						(1,434)
Net profit for the financial year						4,262

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to paragraph 8.

15. A breakdown of sales

	-----GROUP-----		
	FY 2006	FY 2005	Change
	\$'000	\$'000	%
Sales reported for first half year	98,018	73,381	34
Operating profit after tax before deducting minority interests reported for first half year	5,008	1,431	250
Sales reported for second half year	89,217	72,277	23
Operating profit after tax before deducting minority interests reported for second half year	5,163	2,831	82

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Total Annual Dividend (Refer to Para 16 of Appendix 7.2 for the required details)

	Latest Full Year \$'000	Previous Full Year \$'000
Ordinary	6,019	2,508
Preference	-	-
Total	6,019	2,508

17. Interested person transactions

There are no material interested person transactions entered into during the financial year.

BY ORDER OF THE BOARD

Karen Chong Mee Keng
Joint Company Secretary
28 Aug 2006