

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 second quarter ended 31 December 2005 (Q2 2006).

	-----GROUP-----		Change %
	Q2 2006 \$'000	Restated Q2 2005 \$'000	
TURNOVER	52,104	38,228	36
Other income including interest income, net	1,538	942	63
	<u>53,642</u>	<u>39,170</u>	37
COSTS AND EXPENSES			
Cost of sales	30,553	23,675	29
Staff costs	6,958	5,014	39
Rental of premises	3,986	3,146	27
Advertising and promotion	2,796	1,670	67
Depreciation of property, furniture, fixtures and equipment	985	834	18
Other operating expenses, net	3,760	3,065	23
TOTAL COSTS AND EXPENSES	<u>49,038</u>	<u>37,404</u>	31
OPERATING PROFIT	4,604	1,766	n/m
Interest on borrowings	(465)	(352)	32
Share of results of associated companies	1,095	445	n/m
PROFIT BEFORE TAXATION	<u>5,234</u>	<u>1,859</u>	n/m
Taxation	(1,500)	(539)	n/m
NET PROFIT FOR THE FINANCIAL PERIOD	<u>3,734</u>	<u>1,320</u>	n/m
Attributable to:			
Shareholders of the Company	3,734	1,320	
Minority interest	-	-	

n/m: denotes percentage more than 100%

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

Exchange translation gain	(619)	(108)
Loss on disposal of furniture, fixtures and equipment	-	69
Allowance for bad and doubtful debts	3	16
Allowance for stocks obsolescence and stocks written off	541	400
Allowance for diminution in value of quoted investment	-	10
Under provision of tax in respect of prior financial years	82	-

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-----	
	31-Dec-05 \$'000	Restated 30-Jun-05 \$'000	31-Dec-05 \$'000	Restated 30-Jun-05 \$'000
NON-CURRENT ASSETS				
Property, furniture, fixtures and equipment	68,943	69,019	34,125	34,380
Interest in subsidiaries	-	-	45,004	44,420
Interest in joint ventures	-	-	-	150
Interest in associated companies	11,139	10,426	-	-
Other investments	312	283	312	283
Deferred tax assets	304	527	-	-
	<u>80,698</u>	<u>80,255</u>	<u>79,441</u>	<u>79,233</u>
CURRENT ASSETS				
Stocks	39,135	32,617	-	-
External trade debtors	21,721	12,023	-	-
Trade debts due from an associated company	8,179	7,685	-	-
Other debtors	7,345	6,193	718	690
Cash on hand and at banks	14,040	14,765	6,663	7,714
	<u>90,420</u>	<u>73,283</u>	<u>7,381</u>	<u>8,404</u>
CURRENT LIABILITIES				
Trade and other creditors	49,091	36,087	1,815	880
Finance lease creditors	128	134	76	75
Bank borrowings	21,631	20,894	183	899
Provision for taxation	2,134	505	398	186
	<u>72,984</u>	<u>57,620</u>	<u>2,472</u>	<u>2,040</u>
NET CURRENT ASSETS	17,436	15,663	4,909	6,364
NON-CURRENT LIABILITIES				
Finance lease creditors	278	338	174	214
Bank borrowings	18,295	18,361	11,200	11,200
Deferred tax liabilities	400	400	400	400
	<u>18,973</u>	<u>19,099</u>	<u>11,774</u>	<u>11,814</u>
NET ASSETS	79,161	76,819	72,576	73,783
SHAREHOLDERS' EQUITY				
Share capital	57,000	57,000	57,000	57,000
Share premium	26,685	26,685	26,685	26,685
Warrant reserve	28,025	28,025	28,025	28,025
Exchange translation reserve	(7,486)	(7,204)	-	-
Accumulated losses	(25,187)	(27,687)	(39,134)	(37,927)
	<u>79,037</u>	<u>76,819</u>	<u>72,576</u>	<u>73,783</u>
Minority interest	124	-	-	-
	<u>79,161</u>	<u>76,819</u>	<u>72,576</u>	<u>73,783</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 31-Dec-05		As at 30-Jun-05	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
21,759	-	21,028	-

Amount repayable after one year

As at 31-Dec-05		As at 30-Jun-05	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
18,573	-	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 \$26,292,000 (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-----	
	Q2 2006 \$'000	Q2 2005 \$'000
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before taxation	5,234	1,859
Adjustments for:		
Depreciation of property, furniture, fixtures and equipment	985	834
Share of results of associated companies	(1,095)	(445)
Currency realignment	(352)	20
Loss on disposal of furniture, fixtures and equipment	-	69
Allowance for diminution in value of investment	-	10
Interest income	(93)	(13)
Interest expense	465	352
OPERATING PROFIT BEFORE REINVESTMENT IN WORKING CAPITAL	5,144	2,686
(Increase)/decrease in debtors	(3,373)	1,640
Increase in stocks	(4,175)	(6,190)
Increase in creditors	6,262	6,072
CASH GENERATED FROM OPERATIONS	3,858	4,208
Taxation refund	86	289
NET CASH GENERATED FROM OPERATING ACTIVITIES	3,944	4,497
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of furniture, fixtures and equipment	(1,295)	(1,057)
Loan to associated companies	-	(984)
Interest received	93	13
NET CASH USED IN INVESTING ACTIVITIES	(1,202)	(2,028)
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from / (repayments to) bank borrowings	1,457	(106)
Repayment to finance lease creditors	(33)	(50)
Interest paid	(465)	(352)
Dividend paid	(2,508)	(1,710)
NET CASH USED IN FINANCING ACTIVITIES	(1,549)	(2,218)
Net increase in cash and cash equivalents	1,193	251
Cash and cash equivalents at beginning of the period	12,259	10,398
Net effect of exchange rate changes on opening cash and cash equivalents	1	(24)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	13,453	10,625
Cash and cash equivalents comprise the following:		
Cash and bank balances	14,040	10,926
Bank overdrafts	(587)	(301)
	13,453	10,625

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	Total Shareholders' Equity \$'000
<u>GROUP</u>							
Balance as at 30 September 2005	57,000	26,685	28,025	(7,018)	(26,413)	124	78,403
Net profit for the financial period	-	-	-	-	3,734	-	3,734
Exchange differences arising from consolidation	-	-	-	(468)	-	-	(468)
Dividend paid	-	-	-	-	(2,508)	-	(2,508)
Balance as at 31 December 2005	<u>57,000</u>	<u>26,685</u>	<u>28,025</u>	<u>(7,486)</u>	<u>(25,187)</u>	<u>124</u>	<u>79,161</u>
Balance as at 30 September 2004	57,000	26,685	28,025	(5,844)	(29,702)	62	76,226
Net profit for the financial period	-	-	-	-	1,320	-	1,320
Exchange differences arising from consolidation	-	-	-	(1,574)	-	(3)	(1,577)
Exchange difference arising from a monetary item that in substance forms part of the net investment in a foreign subsidiary	-	-	-	689	-	-	689
Dividend paid	-	-	-	-	(1,710)	-	(1,710)
Balance as at 31 December 2004	<u>57,000</u>	<u>26,685</u>	<u>28,025</u>	<u>(6,729)</u>	<u>(30,092)</u>	<u>59</u>	<u>74,948</u>
<u>COMPANY</u>							
Balance as at 30 September 2005	57,000	26,685	28,025	-	(36,992)	-	74,718
Net profit for the financial period	-	-	-	-	366	-	366
Dividend paid	-	-	-	-	(2,508)	-	(2,508)
Balance as at 31 December 2005	<u>57,000</u>	<u>26,685</u>	<u>28,025</u>	<u>-</u>	<u>(39,134)</u>	<u>-</u>	<u>72,576</u>
Balance as at 30 September 2004	57,000	26,685	28,025	(860)	(37,919)	-	72,931
Exchange difference arising from a monetary item that in substance forms part of the net investment in a foreign subsidiary	-	-	-	860	(860)	-	-
Net profit for the financial period	-	-	-	-	75	-	75
Dividend paid	-	-	-	-	(1,710)	-	(1,710)
Balance as at 31 December 2004	<u>57,000</u>	<u>26,685</u>	<u>28,025</u>	<u>-</u>	<u>(40,414)</u>	<u>-</u>	<u>71,296</u>

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.

There has been no change in the Company's share capital during the period reported.

As at 31 December 2005, there were 285,000,000 outstanding warrants. The number of shares that may be issued on exercising of all the outstanding warrants were as follows:

As at 31 December 2005 : 285,000,000

As at 31 December 2004 : 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 Increase/(decrease) \$'000	FRS 39 \$'000	Net \$'000
Net profit for Q2 2006	(4)	20	16
Net profit for Q2 2005	(7)	-	(7)
Accumulated losses as at 1 July 2005	133	426	559
Accumulated losses as at 1 July 2004	106	-	106
Balance sheet items as at 31 Dec 2005:			
- Interest in associated companies	(97)	(304)	(401)
- Trade and other creditors	44	20	64

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 statement 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	
	Q2 2006 Cents	Q2 2005 Cent
(a) Based on the weighted average number of ordinary shares in issue; and	1.31	0.46
(b) On a fully diluted basis	1.31	0.46

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 Cents	COMPANY Cents
Net asset value per ordinary share based on issued share capital as at:		
(a) current financial period reported on	27.73	25.47
(b) immediately preceding financial year	26.95	25.89

- 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.**

Review of Results for Second Quarter – 3 Months Ended 31 December 2005 (Q2 06)

Group operating revenue at S\$52.1 million for the second quarter registered a 36% growth against the same period in 2004. Net profit after tax rose from S\$1.3 million to S\$3.7 million.

In line with economic growth and better job prospects, there is an overall improvement in consumer sentiment in Singapore and the region. Boosted by strong sales for its core brands, the Southeast Asian markets enjoyed a buoyant quarter. Growth of 40% in the fashion business came from higher sales of GUESS, RAOUL and LA SENZA at existing retail outlets and contributions from other new outlets. The timepiece business grew by 27% contributed mainly by the strong sales of GIRARD-PERREGAUX and GUESS watches.

Timepiece turnover in Hong Kong, Taiwan and China grew 25% with GIRARD-PERREGAUX timepieces achieving a 42% growth in China.

In Australia, a new LA SENZA store was opened in September 2005 under a partnership arrangement with local partners. The wholesale distribution of BABY GUESS/ GUESS KIDS was also transferred to the partnership in Australia. There was a marginal growth in sales recognized despite accounting for only 51% of Group's share in the partnership.

Indonesia continued to be a growth market with domestic sales increasing by 39% over Q2 05. Operations remained profitable, notwithstanding the higher fuel prices and the weakening of the Rupiah.

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

	<u>Q2 06</u>	<u>Q2 05</u>
Gross profit margin	41.4%	38.1%
Net profit before tax	S\$5.2 million	S\$1.9 million
Net profit margin after tax	7.2%	3.5%

The Group's Balance Sheet remains strong with cash of S\$14 million against total borrowings of S\$40 million. It registered a gearing of 0.33 times and a net asset value per ordinary share of 27.73 cents.

Half – year ended 31 December 2005

Group turnover at S\$98.0 million increased by 34% from S\$73.3 million in 2005.

Group profit after taxation increased from S\$1.4 million for the half year ended 31 December 2004 to S\$5.0 million for the half year ended 31 December 2005.

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

No forecast or prospect statement was made on the Group's second quarter results.

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.

With improving consumer sentiments, the market outlook remains positive. The Group will continue to work towards strengthening its earnings base and sustaining growth by expanding its core business activities whilst keeping a tight control on costs.

On 19 January 2006, the Group entered into a franchise agreement with Gap Inc. to hold the exclusive rights to develop, operate and market branded apparel and accessories stores operating under the “Gap”, “babyGap”, “GapKids” and “Banana Republic” brands and trade marks in Singapore and Malaysia. The first Gap store is targeted to open in Singapore in the third quarter of 2006. The first Banana Republic store is targeted to open in Singapore in the second quarter of 2007.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period report on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

Not applicable.

13. Third quarter results for financial year ending 30 June 2006.

The Company expects to announce its results for the third quarter of FY 2006 in the week of 8 May 2006.

BY ORDER OF THE BOARD

Karen Chong Mee Keng
Joint Company Secretary
13 February 2006