



F J BENJAMIN REPORTS TURNAROUND IN 2QFY18

- *Group net profit of \$961,000 compares with loss of \$7.3 million in 2Q17*
- *Gross profit margin improves from 39% to 46%*
- *Group seeking opportunities to broaden focus within consumer and lifestyle segments*

SINGAPORE, 5 February 2018 – F J Benjamin Holdings today announced Group net attributable profit of \$961,000 for its second quarter ended 31 December 2017 (2QFY18), representing a significant turnaround from a loss of \$7.3 million previously.

Group revenue fell 19% to \$50.5 million reflecting the absence of several loss-making brands and businesses which were terminated as part of a restructuring exercise that is now completed. The \$12.0 million decline in revenue comprised \$6.8 million of discontinued businesses and an \$8.2 million reduction in shipments to the Group's Indonesian associate company which started buying directly from some of its principals in April 2017. The decline in sales was partially offset by a \$3.3 million increase in ongoing businesses.

Group CEO Nash Benjamin said: "We are pleased to report a return to profitability after a painful restructuring exercise which is now completed. With consumer sentiment improving in Southeast Asia, management is working hard to grow our business organically whilst exploring suitable opportunities in the consumer and lifestyle segments."

By business segment, Group turnover from the fashion business rose 13% to \$34.6 million after excluding purchases by its Indonesian associate, discontinued brands and adjusting for translation loss. Growth came from existing and new stores opened after 2QFY17. Revenue from timepiece business declined by 17% to \$3.8 million.

Gross profit margin was up seven percentage points to 46% in 2QFY18 from 39% in the previous corresponding quarter as a result of tighter inventory management and improved full price sell throughs.

Group operating expenses fell 20% to \$22.3 million following cost controls and closure of non-performing stores which yielded savings of \$5.7 million. Staff costs fell 17% to \$6.8 million, rental of premises declined 24% to \$7.9 million while other operating expenses were down 18% to \$5.9 million.

As at 31 December 2017, inventory was reduced by six per cent to \$38.2 million.

For the quarter under review, Group generated positive cash flows of \$10.3 million from operating activities. Net gearing stood at 46% at 31 December 2017 against 53% as at 30 June 2017.

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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. Listed on the Singapore Exchange since 1995 (Ticker: F10), F J Benjamin has a strong footprint in Southeast Asia, with offices in Singapore, Indonesia and Malaysia, and manages over 20 iconic brands, operates over 250 stand-alone stores and over 1,400 points of sale in these markets. The Group's international brand portfolio includes fashion, lifestyle and timepiece brands.

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