

THE HOUR GLASS

(Incorporated in the Republic of Singapore)

(Company Registration No: 197901972D)

The Hour Glass Group Posts Strong 1H FY2012 Results, Braces Itself for Uncertain Outlook

Unaudited First Half Results	Group		
	30 Sep '11	30 Sep '10	Change
For the Period ended:	\$'000	\$'000	%
Revenue	279,888	232,898	20%
Operating Profit	25,091	17,072	47%
Profit After Taxation	20,055	15,992	25%
Earnings per Share (cents)	8.22	6.67	23%

Highlights of 1H FY2012 Financial Performance

- Expanded retail network pushes revenue 20% higher to \$279.9 million
- Profit after taxation rises 25% to \$20.1 million

SINGAPORE, 11 November 2011: The Hour Glass Ltd, one of Asia's leading specialist luxury watch retailers, said today that the full operation of new retail stores and the successful introduction of its distinctive retail concepts contributed to its improved 1H FY2012 performance.

1H FY2012 Results

1. The full six-month operations of the Group's new boutiques at Knightsbridge, Raffles Place and Marina Bay Sands in 1H FY2012 improved its performance, despite the weakening external macroeconomic environment.

2. For the first half year ended 30 September 2011 (1H FY2012), the Group's operating profit grew 47% to \$25.1 million on the back of a 20% increase in revenue to \$279.9 million and enhanced gross margins to 22.0% from the merchandise sales mix. Net profit after taxation jumped 25% to \$20.1 million. Earnings per share rose to 8.22 Singapore cents.

3. Mr Michael Tay, the Executive Director of The Hour Glass said: "The Group's vision to be the watch world's leading cultural retail enterprise saw it deliver ground breaking and industry defining retail concepts, balanced with a well-honed business strategy enabling us to deliver an outstanding set of results. We will continue to leverage on these core strategies to navigate this increasingly uncertain macro environment."

4. The Group's balance sheet remains strong with consolidated net assets of \$258.0 million with cash and cash equivalents of \$50.3 million.

Defining New Luxury Retail Experiences

5. Continuing its drive to create innovative and differentiated luxury retail experiences, the Group launched Malmaison by The Hour Glass earlier this year. Malmaison, inspired by Napoleon Bonaparte's 19th century Château de Malmaison, is a unique, stimulating and differentiated retail store that went on to bag the 2011 '*Best Retail Concept of the Year*' award by the Singapore Retailers Association.

6. Malmaison was delivered in the same spirit as L'Atelier by The Hour Glass, a boutique whose design and environment pays tribute to the patrimony of traditional watchmaking. Recently, L'Atelier secured the prize for "*Most innovative Retail Concept*", conferred by the prestigious Federation of Asia-Pacific Retail Associations (FAPRA).

Outlook

7. The deleveraging in all major developed economies has contributed to a deterioration of the economic outlook and consumer sentiment, which may spillover into the Asian economies. Regardless of the outcome, the Group is mindful of the need to adopt a cautiously optimistic approach, seizing opportunities as they surface.

8. Following its proven strategy of delivering the best of high watchmaking and conceptualising new and award-winning retail ideas, the Group will continue to identify new growth channels. Barring any unforeseen circumstances, the Group expects to be profitable for the financial year.

ISSUED BY

THE HOUR GLASS LIMITED

11 November 2011

About The Hour Glass

Established since 1979, The Hour Glass is the most geographically diverse, multi-brand specialist luxury watch retailer in the region, representing a stable of over 50 brands across 23 boutiques in eight cities throughout the Asia Pacific.

The Hour Glass prides itself as the world's leading cultural retail enterprise, having pioneered the development and promotion of contemporary horological culture, playing a significant role in raising horology awareness and appreciation in the region.

Monocle and Wallpaper magazine both recognised The Hour Glass as Asia's premier watch retailer. In 2008, The Hour Glass emerged the winner of the Singapore Prestige Brand Award whilst in 2010, L'Atelier by The Hour Glass – a boutique dedicated to expressing the culture and patrimony of traditional watchmaking garnered the 'Best Retail Concept of the Year' accolade by the Singapore Retailers Association as well as the 'Most innovative retail concept of the Year' award by the Federation of Asia-Pacific Retail Associations (FAPRA). In the same year, Vanity Fair magazine named The Hour Glass as one of the twelve most influential retailers in the world.

In February 2011, The Hour Glass broke new ground with the opening of Malmaison. Spanning over 8,000sqft, this multi-category luxury emporium is a sanctuary for objects of authentic luxury housed in an elegant yet eclectic setting. Besides housing the finest items of haute horology, a wide spectrum of refined objects d'art, jewellery, fragrances, exclusive collectible literature and bespoke services for the sartorially inclined, form the backbone of the exceptional Malmaison experience. Malmaison garnered the 2011 "Best Retail Concept of the Year" award which is accorded by the Singapore Retailers Association, marking the second consecutive win for The Hour Glass in the same category.

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