

THE HOUR GLASS

(Incorporated in the Republic of Singapore)
(Company Registration No: 197901972D)

The Hour Glass Group 1H FY2013 Revenue Slips: New Store Openings in Preparation for Longer Term Growth

Unaudited First Half Results	Group			
	30 Sep '12 \$'000		30 Sep '11 \$'000	Change %
For the Period ended:				
Revenue	275,764		279,888	-1%
Operating Profit	25,391		25,091	1%
Profit After Taxation	20,109		20,055	0%
Earnings per Share (cents)	8.25		8.22	1%

Highlights of 1H FY2013 Financial Performance

- 1st Half revenue contracted by 1%
- Profit after tax remains flat at \$20.1 million as rental, selling & promotion expenses continued to rise
- Gross margin improves to 23.0%

SINGAPORE, 8 November 2012: The Hour Glass Group, one of Asia's leading specialist luxury watch retailers, reported flat operating profits on marginally lower revenue for the six months ended 30 September 2012 ("1H FY2013").

1H FY2013 Results

1. The Group's revenue edged lower in tandem with the dampened economic outlook and deteriorating consumer sentiment. Operating expenses increased with higher rentals and selling and promotion expenses, in line with our retail network expansion.

2. For the second quarter ended 30 September 2012, profit after tax slipped 6% to \$10.3 million on the back of a 2% easing in revenue to \$140.4 million. For the full six months, the Group ended with a flat profit after tax of \$20.1 million on lower revenue of \$275.8 million. Earnings per share for the first six months improved marginally to 8.25 cents.

3. Mr Michael Tay, the Executive Director of The Hour Glass said: "Deteriorating economic fundamentals contributed significantly to our current financial performance and outlook. In keeping with our core modus operandi of augmenting our business during periods of cyclical contraction, we continue to expand our retail network and bolster our luxury offerings in preparation for a sustained recovery in the medium to longer term."

4. The Group's balance sheet remains robust with consolidated net assets of \$297.0 million with cash and cash equivalents of \$52.6 million.

Outlook

5. The Group is on schedule to open new stores at Landmark Atrium in Hong Kong and on Edward Street in Brisbane, Australia before the end of the year. The existing store in the Gold Coast, Australia will be closed effective January 2013.

6. These developments are in addition to the Group's latest announcement on the establishment of a travel retail related joint venture in Phuket, Thailand with the Royal Paragon Group. Trading under "PMT The Hour Glass", this 8,000 sq ft multi-brand store will be tapping into the burgeoning inbound tourism market.

7. Continued global economic uncertainty is expected to affect consumer sentiment and the demand for the hard luxury goods sector.

8. Barring any unforeseen circumstances, the Group is cautiously optimistic of its outlook for the remainder of the financial year.

END

ISSUED BY

THE HOUR GLASS LIMITED

8 November 2012

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 24 boutiques in eight cities throughout Asia Pacific.

The Hour Glass prides itself as the watch world's leading cultural retail enterprise, pioneering the development, promotion and appreciation of contemporary horological culture.

Monocle and Wallpaper magazines recognise 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 8,000 sq ft, this multi-category emporium is a sanctuary for objects of authentic luxury housed in an elegant yet eclectic setting. Besides housing the finest of haute horology, a wide spectrum of refined objects d'art, jewellery, fragrances, 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. And 2012 marks another milestone for Malmaison winning the "Best Shopping experience" award by the Singapore Tourism Board.

More Passion by The Hour Glass is the Group's third multi-brand watch concept boutique that opened in September 2012. More Passion celebrates the rediscovery of traditional craft and the culture of contemporary artisanship, particularly referencing the Nouvelle Vague design movement.

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