

# THE HOUR GLASS

(Incorporated in the Republic of Singapore)

(Company Registration No: 197901972D)

## The Hour Glass Group FY2012 Profit After Tax Up 30%

### Stellar Performance Despite Growing Weakness in the Global Economy

*Expansion of pan-Asian network with new store openings*

#### Unaudited Full Year Results

For the Year ended:	Group		
	31 Mar '12	31 Mar '11	Change
	\$'000	\$'000	%
Revenue	<b>607,009</b>	517,617	17%
Profit Before taxation	<b>69,338</b>	54,283	28%
Profit After Taxation	<b>56,167</b>	43,181	30%
Earnings per Share (cents)	<b>23.31</b>	18.10	29%

#### Highlights of FY2012 Financial Performance

- FY 2012 performance reflected full year contribution from new boutiques, customer acceptance of Group's new multi-brand retail concepts
- Year-on-year revenue up 17% crossing \$600 million for the first time
- Profit after tax up 30% to a record \$56.2 million

**SINGAPORE, 24 May 2012** – The Hour Glass Ltd, one of Asia’s leading specialist luxury watch retailers, said today the successful expansion of its retail network, introduction of fresh design concepts and a well-honed merchandising strategy helped it deliver another year of stellar growth.

### **FY2012 Results**

1. For the year ended 31 March 2012, the Group’s profit after tax jumped 30% to \$56.2 million on the back of a 17% increase in turnover to \$607.0 million, setting a new sales and earnings benchmark. The Group benefitted from full year contributions from new boutiques at Knightsbridge, Raffles Place and Marina Bay Sands in Singapore. These new store additions were part of the Group’s three-year growth plan which began in 2009.

2. In FY 2012, the Group was able to improve gross margins to 24.1% for the full year (FY 2011: 22.4%) due to a dedicated focus on its portfolio of brands, despite the dwindling strength of the global economy.

3. The Group’s balance sheet strengthened further with cash and cash equivalents amounting to \$53.7 million at 31 March 2012 and further reduced its debt-to-equity ratio to 1% (FY 2011: 5.7%).

4. Mr Michael Tay, the Executive Director of The Hour Glass, said: “Our ability to emerge as one of Asia’s most reputable specialist retailers is the result of a dedicated long range business strategy executed with passion and precision; very little of what we have accomplished had come about by chance.”

5. “The prevailing anaemic economic conditions have resulted in a period of heightened uncertainty and lower levels of consumer sentiment. We believe the best approach for our business is to focus on balancing our portfolio of specialty and luxury watch brands that parallel and reflect our Group’s values, long term objectives and strategy.”

### **New roadmap sees more boutique openings**

6. The Group has already embarked on executing its next roadmap, which is expected to guide it over the next 24 months. One of its first development initiatives will entail the opening of a new multi-brand boutique at Paragon Shopping Centre in Singapore – “*More Passion*” by The Hour Glass. “*More Passion*” is inspired by the 1950’s Italian modernist movement which began a gentle revolution in the culture of experimentation in European post-war design. Its official launch is slated for September 2012.

7. In addition, The Hour Glass will be expanding its pan-Asian retail network with two new boutiques in November 2012. The Group is opening its doors for the first time in Brisbane, Australia with a 1,600 sq ft store, as well as an additional 1,000 sq ft boutique in Central, Hong Kong.

### **Outlook**

8. Looking ahead, the Group is aware of the weak economic conditions in the developed markets and the slowdown in the global luxury goods sector.

9. In this context, the Group will combine its understanding of the luxury watch retail business with its strong experience in operational execution to enable it to continue its positive growth trend.

ISSUED BY

**THE HOUR GLASS LIMITED**

24 May 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 50 brands across 23 boutiques throughout the Asia Pacific.

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

Monocle and Wallpaper magazines 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 8,000 sqft, 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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