



THE HOUR GLASS

Contemporary Horological Art

(Incorporated in the Republic of Singapore)

(Company Registration No: 197901972D)

The Hour Glass Group 1H FY2011 Revenue Edges Higher

Unaudited First Half Results

For the Period ended:	Group		
	30 Sep 10	30 Sep 09	Increase
	S\$'000	S\$'000	%
Revenue	232,898	224,229	4%
Operating Profit	15,626	13,531	15%
Profit After Taxation	15,992	11,628	38%
Earnings per Share (cents)	6.67	4.89	36%

Highlights of 1H FY2011 Financial Performance

- Revenue increased 4% to S\$232.9 million
- Profit after taxation grew 38% to S\$16.0 million

SINGAPORE, 11 November 2010: The Hour Glass Group, one of Asia's leading luxury watch retailers, improved its operating performance for the half year ended 30 September 2010 (1H FY2011). The Group registered gains in both revenue and net profitability amidst rebounding Asian markets.

1H FY2011 Results

1. The Group posted growth in its revenues of 4% to S\$232.9 million for 1H FY2011. Gross profit margins edged higher to 20.5%. Profit after tax for the first half year increased 38% to S\$16.0 million and earnings per share was 6.67 Singapore cents.

2. The Group said these gains were achieved by its enlarged multi-brand retail network in Singapore and improving contributions from its key brands. During the current period, the Group also recorded a positive net fair valuation adjustment of S\$2.6 million arising from the change in use of a property in Hong Kong.

3. Mr Michael Tay, the Executive Director of The Hour Glass said: "There has been an improvement in sentiment with most economic indicators continuing to point to future growth. We believe the top end of the luxury segment in Asia to be the prime beneficiary."

4. As at 30 September 2010, the Group's balance sheet remains robust with consolidated net assets of S\$222.1 million and cash and cash equivalents of S\$34.1 million.

Outlook

5. In October 2010, the Group ceased its Australian distribution and franchise rights with Montblanc. This will have no material impact on the Group as it continues to deepen its focus on its multi-brand watch retail network in Australia.

6. The Hour Glass has developed a new multi-brand, multi-category 7,600 square feet luxury concept store which will open in January 2011 at Knightsbridge in

Singapore. A first of its kind in the world, this new retail format will present a highly differentiated product range which will also include many new-to-market brands.

7. Looking ahead, the Group will continue with its strategy of developing unique retail concepts. The opening of the Knightsbridge store, the emphasis on strengthening its overall boutique experience and heightening the standards of its customer service will establish the foundation for the next phase of growth for the Group.

ISSUED BY

THE HOUR GLASS LIMITED

11 November 2010

About The Hour Glass Limited

Established in 1979, The Hour Glass Limited has grown over the years to emerge as Asia's best managed specialist luxury watch retailer. The Company's success is based on its astute business strategy comprising strategic brand partnerships, marketing and merchandising management, efficient inventory processing and an executive management team with best practices.

The Hour Glass prides itself for its proven merchandising strategy. Its ability to identify and invest in the right mix of brands and products has paid off handsomely. In particular, the Company's move into the luxury performance sports watch and the high grade technical watch segment has proven to be very successful.

Representing a stable of over 50 brands across 25 boutiques in eight cities throughout the Asia Pacific, The Hour Glass is the most geographically diverse, multi-brand specialist luxury watch retailer in the region.

The Hour Glass also prides itself as the world's leading cultural retail enterprise, having pioneered the development and promotion of contemporary horological culture in this region. Through the launch of TEMPUS – The Great Watchscapade in 2004 and TEMPUS – The Temple of Time in 2007, The Hour Glass is lauded as having contributed to the enhancement of global horological awareness.

The Hour Glass won the "Most Transparent Company Award" for Mainboard Small CAPS at the Securities Investors' Associations Investors' Choice Award, a prestigious award endorsed by the Singapore Stock Exchange, Standard & Poor's, PricewaterhouseCoopers, the Business Times and the Asian Corporate Governance Association in 2006 and in the same year, was also awarded the Brand Laureate prize for brand excellence in the fine timepiece category by the distinguished Asia Pacific Brands Foundation. Wallpaper magazine recognised The Hour Glass as Asia's premier watch retailer in 2007 and in the following year, The Hour Glass emerged the winner of the 2008 Singapore Prestige Brand Award. In 2010, Vanity Fair named The Hour Glass as one of the twelve most influential retailers in the world.

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