

# THE HOUR GLASS

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

## The Hour Glass Group 1H FY2014 Revenue Up 14%: Gaining market share despite challenging business conditions

Unaudited First Half Results	Group		
	30 Sep '13 \$'000	30 Sep '12 \$'000	Change %
Revenue	<b>315,057</b>	275,764	<b>+14%</b>
Operating Profit	<b>23,961</b>	25,391	<b>-6%</b>
Profit After Taxation	<b>18,926</b>	20,109	<b>-6%</b>
Earnings per Share (cents)	<b>7.77</b>	8.25	<b>-6%</b>

### Highlights of 1H FY2014 Financial Performance

- 1st Half revenue grew 14%
- Profit after tax decreased 6% to \$18.9 million as a result of lower margins, higher staff costs and rental expenses

SINGAPORE, 14 November 2013: The Hour Glass, one of Asia's leading specialty luxury groups, reported a 14% growth in revenue for the six months ended 30 September 2013 ("1H FY2014"). The weak macroeconomic environment coupled with rising operating costs dented the Group's profitability, resulting in a 6% drop in operating profit.

### **1H FY2014 Results**

1. Group revenue totaled \$315.1 million in 1H FY 2014, driven by innovative marketing and merchandising campaigns plus the addition of new boutiques.
2. Store openings for the Group's specialty watch division at the Landmark Atrium in Hong Kong and Edward Street in Brisbane, Australia, plus two points of sales for Ladurée in Singapore under its luxury enterprise division contributed to revenue growth.
3. Rising operating costs, challenging Asian economies, weakening consumer sentiment led to pressure on margins, resulting in a decrease in profit after tax to \$18.9 million. In spite of the foregoing, the Group managed to hold its ground. Earnings per share for the first six months amounted to 7.77 cents.
4. Mr Michael Tay, the Executive Director of The Hour Glass said: "We recognised early on in the financial year that demand was being compromised by a spate of negative news flow concerning the health of Asian economies. Hence, we decided to take the initiative to aggressively increase our advertising and marketing activities and drive promotional sales campaigns during the period. One such initiative was The Hour Glass pop-up store held during the Singapore F1 season."
5. The Group's balance sheet remains robust with consolidated net assets of \$330 million with cash and cash equivalents of \$72 million.

### **Outlook**

6. Global economic uncertainty and slowing Asian economies are expected to affect consumer sentiment and the demand for hard luxury goods. Barring any unforeseen circumstances, the Group is cautiously optimistic of its outlook for the remainder of the financial year.

END

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**THE HOUR GLASS LIMITED**

14 November 2013

## **About The Hour Glass**

Established in 1979, The Hour Glass is one of Asia's premier luxury retail groups. As a purveyor of luxury products, The Hour Glass has been at the forefront of luxury retail development creating new frontiers that provide a differentiated store experience and offering.

A specialist luxury watch retailer, The Hour Glass represents a stable of over 50 brands across 29 boutiques in ten 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 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 was accorded by the Singapore Retailers Association, marking the second consecutive win for The Hour Glass in the same category. 2012 marked another milestone for Malmaison by winning the "Best Shopping Experience" award by the Singapore Tourism Board. And 2013 denotes another highlight for Malmaison with the 'Most Innovative Retail Concept of the Year' award by the Federation of Asia-Pacific Retail Associations (FAPRA), the second win after L'Atelier.

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.

Upping the ante in the luxury retail scene in 2013, The Hour Glass introduces the globally renowned Ladurée brand of macarons in Singapore. This collaboration extends the role of The Hour Glass as the leading purveyor of luxury products and also marks Ladurée's foray into the South East Asia market.

## **For further media queries, please contact:**

Joseph Rajendran / Casuarina Peck

Tranz Communications

Phone: +65 9228 7801 / 65 9363 5609

Email: [joseph@tranzcomm.com](mailto:joseph@tranzcomm.com) / [casuarina@tranzcomm.com](mailto:casuarina@tranzcomm.com)