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Parkson Retail Asia records S$236.0 million in 1HFY2013 revenue

- ***Resilient sales growth with 1HFY2013 Gross Sales Proceeds rising 5.3% to S$579.9 million from S$550.9 million in the previous year***
- ***Same Store Sales growth for Malaysia and Indonesia in 1HFY2013 at 4.2% and 6.7%, against the previous year respectively***
- ***Delayed festive spending owing to the late start of Chinese New Year and Tet to boost financial performance in next quarter***
- ***5 new stores planned for Malaysia, Vietnam, Indonesia and Myanmar and with entry into new market – Cambodia in 4Q2013***
- ***Expecting 2HFY2013 performance to be strong***

Financial year ended 30 June

S$ million	2Q FY2013	2Q FY2012	Change (%)	1H FY2013	1H FY2012	Change (%)
Revenue	122.1	119.4	2.2	236.0	225.5	4.6
Profit before tax	18.7	20.2	(7.6)	35.3	38.7	(8.7)
Net profit	13.0	13.7	(5.5)	24.2	27.0	(10.4)
Profit attributable to the owners of the Company	13.2	13.6	(3.3)	24.8	26.9	(7.8)

Singapore, 7 February 2013 – Singapore Exchange Mainboard-listed ("SGX-ST") **Parkson Retail Asia Limited** ("**Parkson**" or the "**Company**", and together with its subsidiaries, the "**Group**"), a leading and award-winning Asian department store operator, announced today that its revenue for the six months ended 31 December 2012 ("1HFY2013") increased 4.6% to S$236.0 million from S$225.5 million in the corresponding period of the previous financial year ("1HFY2012").

Group sales continues its upward trajectory with 1HFY2013 Gross Sales Proceeds ("GSP") rising 5.3% Year-over-Year ("YOY) to S$579.9 million from S$550.9 million. Revenue for 2QFY2013 increased 2.2% to S$122.1 million from S$119.4 million in 2QFY2012, while GSP increased 2.4% to S$296.2 million from S$289.2 million, in the previous year.

Same Store Sales ("SSS") YoY growth for Malaysia and Indonesia continue to ride on the country's positive economic growth at 2.8% and 4.5% for 2QFY2013 and 4.2% and 6.7% for 1HFY2013. Policies implemented by the Vietnamese government to tame inflation and reduce trade deficit have led to slower investment and economic growth. The negative knock-on effect on consumer sentiment has crimped SSS growth in Vietnam, resulting in an 8.4% and 7.4% dip for 2QFY2013 and 1HFY2013 respectively. Strong fundamentals in the form of a resilient financial position and market leadership will allow the Group to tap into the long-term potential of the Vietnamese consumer market.

Net profit attributable to the owners of the Company recorded for 2QFY2013 and 1HFY2013 fell 3.3% and 7.8%, to S$13.2 million from S$13.6 million, and, to S$24.8 million from S$26.9 million, in the previous year respectively.

Delayed festive spending owing to the late start of the Chinese New Year and Tet has affected SSS growth across Malaysia, Vietnam, and to a lesser extent Indonesia. The weakness in the Vietnam operations will continue to weigh on the bottom line pending recovery of the economy.

Commenting on the company's performance, Datuk Alfred Cheng, Group Managing Director and Executive Director of Parkson said, "We have experienced strong performance in Malaysia and Indonesia as their economies cap the year with a strong finish in the last quarter. Despite the softness in Vietnam's economy, we remain positive on its long-term fundamentals. Overall, we expect our sales to gather momentum in the following months due to Chinese New Year and Tet."

Net cash generated from operating activities increased 6.2% for 1HFY2013, to S$78.2 million from S$73.7 million in 1HFY2012. The group's financial position remains healthy with a working capital of S$84.5 million and total equity of S$241.6 million at the end of 1HFY2013. The Group cash balance is strong at S$210.7 million as at 31 December 2012. Group Earnings per share ("EPS") and Net Asset value per share ("NAV") for 1HFY2013 stood at 3.66 cents and S$0.35 respectively.

New Markets

Following the Group's acquisition of a 42.19% stake in Odel PLC ("Odel"), Colombo-listed leading retailer in July 2012, Parkson further subscribed to its full entitlement of shares under Odel's subsequent rights issue, bringing its total shareholding of Odel to 47.46% as at December 2012.

The Group's investment in Odel has performed well with Odel recording SSS growth of 17.0% in 2QFY2013 compared against the previous year. The Sri Lankan economy remains strong due to robust consumption spending.

Parkson's first store in Myanmar – majority-owned by Parkson Myanmar – located in the bustling Pabedan Township, Yangon is expected to open for business by 4QFY2013. Further economic liberalisation undertaken by the Myanmese government has encouraged inflows of foreign investments to develop the infrastructure and financial markets. This will drive economic growth which will trickle down to the consumers in terms of higher purchasing power. Our synergistic collaboration with our joint venture partners will enable us to tap this growing middle-class population successfully.

Looking Ahead

The Malaysian and Indonesian operations are expected to register continued growth for FY2013, largely due to positive contributions from stores expansion and resilient consumer sentiment in these countries. Our strong financial position and market leadership in Vietnam will allow us to weather the economic headwinds in Vietnam until the eventual upswing of the Vietnam economy brings about a recovery in consumer spending.

The Group's performance for the next reporting period will benefit from the Chinese New Year and Tet holiday spending across all the countries where the Group operates. Strong government fiscal positions will support continued investment growth in these countries. This is expected to sustain domestic consumption and positive consumer sentiment across the region.

The Group will continue its strategy of tapping the middle to higher income consumers in its markets and will expand its store network across these countries. With two of the new stores planned for FY2013 already opened, the target is to roll out a further 5 new stores for the remaining half of FY2013 across Malaysia, Vietnam, Indonesia and Myanmar, as well as the first store in Cambodia in 4Q2013.

The Group's online retail platform, launched in China and Malaysia, is a pivotal move to tap into the increasing segment of online shoppers in these countries. The Group expects e-commerce sales to contribute a significant percentage of revenue further down the road. The online store will complement Parkson's existing physical stores and enhance its brand positioning in Asia as a current and relevant retail player.

Commenting on the Group's outlook for the year, Datuk Alfred Cheng said, "Our investments into emerging markets will take time to pay off as we gain better understanding of these under-penetrated markets. We will continue to refresh our brand offering to remain attractive to our customers while we work to deliver a consistent but localised multichannel brand offering across all our markets. The gradual global economic recovery, led by the United States and Eurozone, will give us a second wind for the remaining half of the financial year. We are confident that the second half of the financial year will be substantially better and our performance will show good growth over the same period of last year".

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About Parkson Retail Asia Limited

Parkson Retail Asia Limited ("Parkson" or the "Company") is a Southeast Asia-based department store operator with an extensive network of 56 stores (including one supermarket) as at 31 December 2012, spanning approximately 573,566 sqmof retail space across cities in Malaysia, Vietnam and Indonesia. In addition, Parkson has a presence in Sri Lanka through the Company's equity stake of 47.46% in a leading retailer, Odel PLC. Parkson collaborates with numerous international brands such as Polo Ralph Lauren Children, Burberry Kids, Etro, Lacoste, Timberland, La Mer, Chanel, Christian Dior and Swarovski, to offer consumers in the middle and upper-middle income segment a wide range of merchandise.

Established in 1987, Parkson operates an efficient and competitive business model through a blend of concessionaire sales model, anchor tenant, customised product mix and state-of-the-art management tools. Merchandise sales generated from its stores amounted to S$767 million, S$852 million and S$1,047 million, respectively, for FY2010, FY2011 and FY2012.

Parkson was admitted to the Mainboard of the Singapore Exchange on 3 November 2011, in conjunction with its successful initial public offering ("Offering") of 147 million shares. The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch was the Sole Global Coordinator and Issue Manager for the Offering. The Joint Bookrunners and Joint Underwriters for the Offering were The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and CIMB Securities (Singapore) Pte Ltd. The Public Offer Coordinator for the Offering was CIMB Securities (Singapore) Pte Ltd, and the Co-Lead Manager was CLSA Singapore Pte Ltd.