PARKSON
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PRESS RELEASE

Contact information:
Bell Pottinger
Tel: (65) 6333 3449 Fax: (65) 6438 3442
Chelsea Phua – cphua@bell-pottinger.com / (65) 8322 6409
Jack Chong – jchong@bell-pottinger.com / (65) 9107 8038

Parkson Retail Asia delivers net profit of S$10.3 million

- ***Gross Sales Proceeds declined 2.5% and revenue decreased 4.1%***
- ***Same-Store Sales Growth in Vietnam improved from -6.3% to -1.1%***
- ***Indonesia posts 3.9% Same-Store Sales Growth despite inflationary pressure affecting consumer sentiment***
- ***Merchandise gross margin remains at healthy level of 23.1%***

First quarter ended 30 September

S$ million	**1Q FY2014**	**1Q FY2013**	**Change (%)**	***1Q FY2014**	***1Q FY2013**	**Change (%)**
Gross Sales Proceeds	**276.1**	**283.1**	**(2.5)**	**267.3**	**265.2**	**0.8**
Revenue	**108.7**	**113.4**	**(4.1)**	**105.4**	**106.6**	**(1.1)**
Profit Before Tax	**14.5**	**16.7**	**(12.9)**	**13.7**	**15.0**	**(9.1)**
Net Profit Attributable to Owners	**10.3**	**11.6**	**(11.4)**	**9.7**	**10.5**	**(7.5)**

***** Figures are on a like-for-like comparable basis which excludes 3 stores temporarily closed for renovation in 1QFY2014 and 1 store permanently closed in preceding 4QFY2013

Singapore, 14 November 2013 – Parkson Retail Asia Limited ("**Parkson**" or the "**Company**", and together with its subsidiaries, the "**Group**"), a leading and award-winning Asian department store operator listed on the Mainboard of the Singapore Exchange ("SGX-ST"), announced today a net profit of S$10.3 million earned in the first quarter of the financial year ended 30 June 2014 ("1QFY2014"). Gross Sales Proceeds ("GSP") and revenue decreased 2.5% and 4.1% in 1QFY2014, compared to the corresponding period in the previous financial year ("1QFY2013").

Recorded 1QFY2014 GSP dropped to S$276.1 million from S$283.1 million in 1QFY2013. Overall, the Group's revenue was S$108.7 million for 1QFY2014, compared to S$113.4

million in 1QFY2013. The decline in GSP and revenue was attributed to decline in Same-Store Sales Growth (“SSSG”) in Malaysia and Vietnam, temporary closure of 3 stores for renovation in Malaysia in this quarter and the permanent closure of one store in Malaysia in the preceding quarter (“4QFY2013”) and currency weakness especially of the Indonesian Rupiah. However, on a like-for-like comparable basis, GSP would have registered a 0.8% growth while revenue would only decrease 1.1%. Further adjustment to exclude the impact of currency fluctuations would yield an improvement in GSP and revenue of 3.6% and 1.7% respectively.

Group Chief Executive Officer of Parkson, Mr. Toh Peng Koon said, “Despite macroeconomic challenges to the retail industry, we have remained resilient, delivering our ninth consecutive quarter of profitability since listing. In Vietnam, we are optimistic of gradual improvement in retail spending amid signs of economic stability which should improve our performance there in the second half of the financial year. Our market share and brand have served us well in soaking up most of the gradual recovery of Vietnam’s retail spending. Operations in Indonesia and Malaysia are facing temporary headwinds as consumer sentiment adjusts to inflation but we do not foresee further major macroeconomic shifts which will impact our performance materially. We have accounted for most of our start-up costs in Myanmar for this quarter and can expect to see sales improve further in the following quarters.”

Details of Financial Review

SSSG for Vietnam operations improved from -6.3% in 1QFY2013 to -1.1% in 1QFY2014. Consumption spending in Indonesia remained resilient with 3.9% SSSG recorded despite the weakened consumer demand caused by a significant hike in the price of subsidized fuel and the weakening Indonesian Rupiah. For Malaysian operations, SSSG was relatively flat at -0.1% due to weakened consumer sentiment caused by central bank tightening measures to curb household debt and a hike in the price of subsidized fuel.

The weak overall SSSG for Malaysia and Vietnam, the temporary closure of stores in Malaysia and the currency weakness especially of the Indonesian Rupiah contributed to Net Profit Attributable to Owners (“Net Profit”) for 1QFY14 decreasing 11.4% Year-on-Year (“YoY”) to S$10.3 million from S$11.6 million in 1QFY2013.

Profits before tax (“PBT”) for Vietnam operations suffered a loss of S$0.175 million due to the sales decline which was compounded by cost pressures. PBT for Malaysia declined 9.2% due to the weak SSSG while PBT for Indonesia declined 13.3% due to pre-opening expenses incurred on new store and the translation effect of the weakened Indonesian Rupiah.

Myanmar operations, which commenced in May 2013, incurred a loss of S$0.21 million in 1QFY2014 due to accrual of pre-opening expenses and lower sales in the initial start-up stage.

The Group’s share of profits of the associate, Odel PLC (“Odel”), increased 13.6% to $0.3 million due to increased interest income earned from funds raised from a rights issue exercise.

Merchandise gross margin, a combination of commission from concessionaires and direct sales margin, continues to remain healthy at 23.1%.

During the quarter, the Group opened one new store in the city of Bekasi, Indonesia.

The Group's financial position remains healthy, with a working capital of S$106.3 million and total equity of S$258.0 million as at 30 September 2013. Group cash balance also remained strong at $191.4 million.

Outlook

Consumer discretionary spending in Malaysia and Indonesia are expected to pick up in the next quarter of the financial year ("2QFY2014") due to the year-end festive and holiday spending. The Malaysia operations will also benefit from the re-opening, in 2QFY2014, of the stores closed for renovation and the start of the Visit Malaysia Year 2014, in the second half of the financial year ("2HFY2014"), which will see increased tourist spending. The gradual recovery in consumer discretionary spending for Vietnam will continue into the next quarters leading to improvement of the Vietnam operations in 2HFY2014.

The Group will continue its strategy of tapping the middle to higher income consumers in the markets through the expansion of its store network across its markets. The target is to open 10 new stores in FY2014 across Malaysia, Vietnam, Indonesia and Cambodia with a total gross floor area of approximately 144,776 square meters. The Group continues to strive for optimal concessionaire margin mix in each of its key markets while carefully controlling for labour and marketing expenses.

Commenting on the Group's outlook for the year, Mr Toh Peng Koon said, "As we look ahead to the new financial year, we expect our key markets to make moderate recoveries in sales growth. We are adding new stores in our key markets to tap further into the growing ranks of Asia consumers. Our Malaysia operations will benefit from the re-opening of the stores previously closed for renovation and the start of the Visit Malaysia Year 2014 which will see increased tourist spending. With the opening of the new Parkson stores in Indonesia, we will firmly establish our brand and footprint in Indonesia. We remain optimistic about the success of our expansion plan and look forward to future quarters of improving performance."

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 57 stores (including one supermarket) as at 30 September 2013, spanning approximately 573,510 sqm of retail space across cities in Malaysia, Vietnam, Indonesia, and Myanmar. In May 2013, in line with its strategy of tapping on Asia's fastest growing markets, Parkson opened its first store in Yangon, Myanmar. Parkson also has a presence in Sri Lanka through the Company's equity stake of 47.46% in a leading retailer, Odel PLC, an upmarket fashion and lifestyle retailer. Collaborating with numerous international brands such as Polo Ralph Lauren Children, Burberry Kids, Etro, Lacoste, Timberland, La Mer, Chanel, Christian Dior and Swarovski, Parkson offers 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$852 million, S$1,037 million, and S$1,092 million respectively, for FY2011, FY2012 and FY2013.