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Media Release

Net profit attributable to shareholders surges 272.6% to RM17.1 million for 3Q2019

- **Duty Free International Limited's 3Q2019 revenue up 19.3% to RM157.0 million, with net profit for the period at RM17.1 million**
- **Second interim dividend of S\$0.01 per share declared**

Singapore, 9 January 2019 – SGX Mainboard listed Duty Free International Limited (“DFI” or the “Company”, and together with its subsidiaries, the “Group”), the largest multi-channel duty free and duty paid retail group in Malaysia with more than 40 retail outlets, today announced its financial results for the third quarter (“3Q2019”) and nine months (“9M2019”) ended 30 November 2018.

Financial Results

The Group's 3Q2019 revenue rose 19.3% to RM157.0 million from RM131.6 million for the three months ended 30 November 2017 (“3Q2018”). The increase of RM25.4 million was mainly due to an increase in demand for certain products and the sales mix. There was also an increase of RM1.0 million in other operating income, attributable to interest and sundry incomes that the Group had received.

Profit before income tax grew by 142.9% to RM20.6 million from RM8.5 million in 3Q2018. This increase was mainly attributable to a higher revenue recorded as well as a net foreign exchange gain of RM1.5 million in 3Q2019 as compared to a net foreign exchange loss of RM7.5 million in 3Q2018. The net foreign exchange gain was due to currency translation to Malaysian Ringgit of the Group's deposits in various financial institutions, whereby the Malaysian Ringgit weakened against the Singapore Dollar and US Dollar by approximately 1.3% and 1.5% respectively on a quarter-on-quarter basis.

FINANCIAL HIGHLIGHTS						
In RM million except otherwise stated	3Q2019	3Q2018	% Change	9M2019	9M2018	% Change
Revenue	157.0	131.6	19.3	388.8	443.0	(12.2)
Profit before income tax	20.6	8.5	142.9	51.9	52.0	(0.3)
Net Profit after income tax	17.1	4.6	272.6	40.7	36.7	10.9
Net Profit attributable to Owners of the Company	15.2	3.3	367.3	36.6	32.4	12.9

For 9M2019, the Group registered a revenue of RM388.8 million (9M2018: RM443.0 million) while profit before income tax remained relatively unchanged. Despite a slight decrease in revenue, both net profit after income tax as well as net profit attributable to owners of the Company increased by 10.9% and 12.9% respectively. This was mainly due to the net foreign exchange gain of RM6.8 million in 9M2019, compared to a net foreign exchange loss of RM13.3 million in 9M2018. The net foreign exchange gain was attributable to the weakened Malaysian Ringgit against the Singapore Dollar and US Dollar for the period under review, as mentioned above.

The Company has also declared a second interim dividend of S\$0.01 per share for 3Q2019, which will bring the dividend per share amount declared to date to a total of S\$0.018 per share.

Financial Position and Cashflow Highlights

The Group's inventories increased slightly from RM135.4 million in the financial year ended 28 February 2018 to RM177.5 million in 3Q2019. This was the result of a consolidation of inventories of the newly acquired Brand Connect Group amounting to RM9.7 million, as well as an overall increase in purchases for 9M2019.

Total borrowings decreased from RM16.4 million as at 28 February 2018 to RM4.0 million as at 30 November 2018 mainly due to a decrease in trade facilities utilisation of RM12.3 million. The Group was in a positive working capital position of RM454.7 million as at 30 November 2018.

The Group's net cash used in operating activities for 3Q2019 was RM29.7 million (net cash generated in 3Q2018: RM32.9 million). Net cash generated from investing activities of RM2.1 million (3Q2018: RM1.0 million) was mainly due to interest received of RM2.6 million which was partially offset by the purchase of plant and equipment of RM0.6 million. At the end of 3Q2019, the overall cash and cash equivalents of the Group decreased to RM221.6 million as compared to RM267.6 million in 3Q2018.

Business Outlook

The Group expects the operating environment to remain challenging given the current economic outlook and cautious consumer spending. However, the Group will continue its efforts to identify new market opportunities and strategies to further strengthen its customer base and distribution channels through a wider product offering. The Group will also intensify marketing efforts and closely monitor key cost drivers to remain competitive and profitable for the remaining quarters of the financial year ending 28 February 2019.

- End -

Note: This media release is to be read in conjunction with the announcement issued on SGXNET on the same date.

About Duty Free International Ltd. and DFZ Capital Sdn Bhd

DFZ Capital Sdn Bhd (formerly known as DFZ Capital Berhad), a group subsidiary of DFI with an operating history of 40 years, is the largest multi-channel duty free and duty paid retailing group in Malaysia. The Company through its “ZON” brand of retail shops serves both Malaysian and international customers across all major entry and exit points in Peninsular Malaysia including operations at international and domestic airports, duty free zones, seaports, border towns, duty free islands and other tourist destinations.

For more information, please visit <http://dfi.com.sg>

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