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Media Release

Improvement in Duty Free International's FY2017 net profit

- **Net profit attributable to shareholders increased by 17.8% to RM72.7 million**

Singapore, 26 April 2017 – 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 their financial results for the financial year ended 28 February 2017 ("FY2017") which saw their net profit after tax rising by 24.8% to RM77.0 million from RM61.7 million for the financial year ended 29 February 2016 ("FY2016").

Group Financial Results

FINANCIAL HIGHLIGHTS						
In RM million except otherwise stated	**4Q2017**	**4Q2016**	**% Change**	**FY2017**	**FY2016**	**% Change**
Revenue	150.0	162.0	(7.4)	632.6	604.5	4.6
Profit before income tax	25.1	28.7	(12.6)	97.8	84.5	15.7
Net Profit after income tax	19.5	20.9	(7.1)	77.0	61.7	24.8
Net Profit attributable to shareholders	17.8	20.9	(14.9)	72.7	61.7	17.8

In the fourth quarter ended 28 February 2017 ("4Q2017"), revenue fell slightly by 7.4% to RM150.0 million from 162.0 million in the fourth quarter ended 29 February 2016 ("4Q2016"). The decrease was mainly due to a slowdown in tourism traffic to and from Thailand following the flood in Southern Thailand during the quarter and the after effects of the demise of Thai King Bhumibol in October 2016, as well as the imposition of a Goods and Services Tax at border outlets and duty free zones with effect from 1 January 2017. On a full year basis, the Group reported an increase of 4.6% in revenue to RM632.6 million for FY2017, from RM604.5 million in FY2016.

The profit before income tax in 4Q2017 of RM25.1 million, was RM3.6 million lower compared to RM28.7 million in 4Q2016 mainly due to a decrease in revenue as mentioned above, coupled with an increase in management fee and lower reversal of inventories written down in the current quarter. On a full year basis, the Group reported an increase of 15.7% in profit before income tax to RM97.8 million for FY2017, from RM84.5 million in FY2016. The increase was mainly due to the overall increase in revenue and an increase in net foreign exchange gain of RM9.9 million compared to the net foreign exchange loss of RM7.0 million in FY2016. There was a recognition of gain arising from changes in the fair value of options amounting to RM4.0 million, as well as lower professional fees incurred by RM1.6 million in FY2017 when compared to FY2016. The abovementioned however, was partially offset by higher rental expenses and higher employee benefits expenses for FY2017.

Commenting on the FY2017 results, Mr Lee Sze Siang, Executive Director of DFI said: ***"We continue to face the challenges of the current economy and the volatility of the USD-Ringgit exchange rate, as well as the impact of unforeseen occurrences of the flood in Southern Thailand and effects of the demise of Thai King Bhumibol. Nevertheless, we have already started the process of improving our business operations, enhancing our merchandise mix and revamping our outlets. As we continue to focus on improving our operational efficiency and better managing our costs, we are confident of overcoming the challenging and competitive business environment."***

Financial Position and Cashflow Highlights

The Group's inventories decreased by RM97.2 million from RM297.2 million as at 29 February 2016 to RM200.0 million as at 28 February 2017. This is the result of an increase in the sales volume coupled with a decrease of overall purchases during the period under review.

The Group generated an operating cash flow of RM123.2 million for FY2017. Net cash generated from investing activities was RM1.8 million for FY2017, mainly from interest received of RM5.6 million which was partially offset by purchase of plant and equipment totalling to RM3.9 million. In FY2017, net cash generated from financing activities was RM91.5 million, mainly due the proceeds raised from the issuance of new shares of RM87.8 million, from the disposal of equity shares of subsidiary and issuance of options of RM87.7 million, and from the placement of treasury shares of RM5.0 million. This was largely offset by the repayment of term loan of RM16.0 million, the repayment of other short term borrowings of RM29.1 million and dividends paid to shareholders of RM43.2 million. As a result, the overall cash and cash equivalents of the Group increased by RM216.5 million in FY2017, ending the period with cash and cash equivalents of RM261.5 million.

Outlook

The Group expects its operating environment to remain challenging and competitive, with the fluctuation in foreign currencies, especially the US Dollar against Ringgit Malaysia, and with the rise of inflationary cost and weak consumers' purchasing sentiment. Nevertheless, the Group will continue to review its strategies to enhance its business performance and operational efficiency.

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 Berhad

DFZ Capital Berhad, a group subsidiary of DFI with an operating history of 38 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 zone, seaports, border towns, duty free islands and other tourist destinations.

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

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