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Media Release

Duty Free International's FY2019 net profit attributable to shareholders increased 11.6%

- **Net profit after tax for FY2019 increased 9.0% to RM52.6 million**
- **Net profit attributable to shareholders increased 11.6% to RM46.5 million**
- **Maintains healthy balance sheet with net assets of RM576.6 million, cash and bank balances at RM305.6 million**

Singapore, 25 April 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, has announced its financial results for the fourth quarter (“4Q2019”) and full year (“FY2019”) that ended on 28 February 2019.

Financial Results

The Group’s 4Q2019 revenue remained relatively stable at RM167.5 million when compared to the corresponding quarter last year (4Q2018: RM168.6 million). Profit before income tax for 4Q2019 was recorded at RM15.6 million, which was a slight decrease of RM1.4 million from 4Q2018. The decrease was mainly attributed to a higher provision for inventories written down and increased transportation costs. However, these negative effects were partially offset by lower net foreign exchange loss as well as an increase in interest income.

The unrealised foreign exchange loss of RM2.1 million in 4Q2019 was mainly due to currency translations to Malaysian Ringgit of the Group's deposits in various financial institutions, whereby the Malaysian Ringgit had strengthened against the Singapore Dollar and US Dollar by approximately 1.0% and 2.4% respectively, quarter-on-quarter ("q-o-q"). The unrealised foreign exchange loss in 4Q2018 was RM5.7 million.

FINANCIAL HIGHLIGHTS						
In RM million except otherwise stated	4Q2019	4Q2018	% Change	FY2019	FY2018	% Change
Revenue	167.5	168.6	(0.6)	556.3	611.6	(9.0)
Profit before income tax	15.6	17.0	(8.2)	67.5	69.0	(2.2)
Net Profit after income tax	11.9	11.5	3.1	52.6	48.2	9.0
Net Profit attributable to Owners of the Company	10.0	9.3	7.2	46.5	41.7	11.6

The Group's FY2019 revenue decreased slightly at RM556.3 million from RM611.6 million in FY2018. Profit before income tax was relatively stable, while net profit increased RM4.4 million or 9.0% to RM52.6 million in FY2019 as compared to RM48.2 million in FY2018. The decrease in profit before income tax was mainly due to lower revenue recorded, lower gain arising from changes in fair value of option and higher professional fees. Furthermore, rental of premises for outlets in KLIA and KLIA 2 increased by RM1.9 million for FY2019.

Nevertheless, there was a net foreign exchange gain of RM5.3 million for the year, as compared to the preceding year's RM17.8 million net foreign exchange loss, as well as an increase of RM3.4 million in other operating income which resulted from interest income.

Financial Position and Cashflow Highlights

DFI maintained a healthy balance sheet with net assets of RM576.6 million, of which cash and bank balances was RM305.6 million as at 28 February 2019. The increase of its inventories from RM135.4 million as at 28 February 2018 to RM170.8 million at 28 February 2019, was mainly due to an increase of overall purchases and partly due to consolidation of inventories of the newly acquired Brand Connect Group.

The Group's net cash generated from operating activities for 4Q2019 was RM70.0 million (net cash generated in 4Q2018: RM44.7 million). Net cash used in investing activities of RM2.5 million (4Q2018: RM1.7 million) was mainly due to interest received of RM3.1 million which was partially offset by the purchase of plant and equipment of RM0.5 million. Net cash generated from financing activities for 4Q2019 was RM5.0 million, mainly from proceeds from other short term borrowings (net cash generated in 4Q2018: RM56.5 million). At the end of 4Q2018, the overall cash and cash equivalents of the Group increased by RM77.5 million, ending the period with RM296.4 million.

Business Outlook

The business environment in which the Group operates is expected to remain challenging. As the Group continues to pursue its strategies of improving operational efficiency and expanding its customer base through product and service quality, it will put in place strategies to strengthen its distribution and marketing channels to remain competitive and profitable in the next twelve months.

- 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 more than 39 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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