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Media Release

Duty Free International's 3Q2018 revenue remains stable at RM133.5 million

- **Declares a third interim dividend of S$0.01 per share**
- **Heinemann Asia Pacific exercised Second Tranche Call Option to buy DFZ Capital Sdn Bhd[1] for EUR9.85 million**

Singapore, 10 January 2018 – 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 ("3Q2018") and nine months ("9M2018") ended 30 November 2017.

Financial Results

The Group's 3Q2018 revenue remained stable at RM133.5 million when compared to the three months ended 30 November 2016 ("3Q2017"), while a decrease of RM17.8 million in profit before income tax was recorded to reach RM8.5 million. The decrease was mainly attributed to a net foreign exchange loss of RM7.5 million as compared to a net foreign exchange gain of RM9.6 million in 3Q2017. The net foreign exchange loss was due to currency translations to Malaysian Ringgit of the Group's deposits in various financial institutions, whereby the Malaysian Ringgit

[1] DFZ Capital Sdn Bhd was formerly known as DFZ Capital Berhad

strengthened against the Singapore Dollar and US Dollar by approximately 3.5% and 4.2% respectively, quarter-on-quarter ("q-o-q").

FINANCIAL HIGHLIGHTS						
In RM million except otherwise stated	**3Q2018**	**3Q2017**	**% Change**	**9M2018**	**9M2017**	**% Change**
Revenue	133.5	133.0	0.4	449.4	482.6	(6.9)
Profit before income tax	8.5	26.3	(67.7)	52.0	72.8	(28.5)
Net Profit after income tax	4.6	22.3	(79.4)	36.7	57.5	(36.2)
Net Profit attributable to Owners of the Company	3.3	21.2	(84.7)	32.4	54.9	(41.0)

For the Group's nine months ended 30 November 2017 ("9M2018") results, when compared to the nine months ended 30 November 2016 ("9M2017"), a decrease of RM20.8 million in profit before income tax was mainly due to the net foreign exchange loss of RM13.3 million, compared to a net foreign exchange gain of RM11.4 million in 9M2017. The net foreign exchange loss was due to the Malaysian Ringgit that strengthened against the Singapore Dollar and US Dollar by approximately 3.8% and 7.9% respectively, from 28 February 2017 to 30 November 2017.

However, the negative effect was partially offset by lower financial expenses of RM1.0 million, lower professional fees of RM1.0 million, lower transportation costs of RM2.4 million and also a recognition of gain arising from changes in fair value of option amounting to RM8.0 million for the period under review.

The Company has also declared a third interim dividend of S$0.01 per share for 3Q2018, which brings the dividend per share amount declared to date to a total of S$0.0185 per share.

DFI maintained a healthy balance sheet with net assets of RM578.0 million, of which cash and bank balances increased from RM272.2 million as at 28 February 2017 to RM276.4 million as at

30 November 2017. The Company also reduced its inventories from RM200.0 million to RM166.5 million in the same period.

On 30 November 2017, the Company announced that Heinemann Asia Pacific Ltd ("HAP") exercised the Second Tranche Call Option in which 5% of the issued and paid-up share capital of DFZ Capital Sdn Bhd[1] ("DFZ") was sold to HAP for a consideration of EUR9.85 million. The exercise of the call option was in accordance with the sale and purchase agreement ("SPA") dated 17 March 2016 between DFI and HAP. Under the terms of the SPA, in addition to the initial 10% equity interest and one share in DFZ that HAP acquired for a consideration of EUR19.7 million on 1 June 2016, HAP has additional call options to acquire up to 15% of the issued and paid-up share capital of DFZ. Following the exercise of the Second Tranche Call Option mentioned above, HAP's equity interest in DFZ is now 15% plus one share.

For detailed information in relation to the above, please see announcements on the Company website as follows:
http://dfi.listedcompany.com/news.html/id/516550
http://dfi.listedcompany.com/news.html/id/615086

Business Outlook

The retail industry in which the Group operates in, is expected to continue to remain challenging given current economic conditions, a volatile US Dollar versus Malaysian Ringgit exchange rate, coupled with a competitive business environment and weak consumer sentiment. The Group will continue its efforts in managing risks prudently as well as improving operational efficiency and cost control measures so as to remain competitive and profitable in the remaining quarter of the financial year ending 28 February 2018.

- 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 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 zone, seaports, border towns, duty free islands and other tourist destinations.

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

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