

## **Media Release**

# **Duty Free International's revenue for 4Q2018 improved by 13.8% while FY2018 remained flat**

- **4Q2018 revenue increased 13.8% to hit RM170.8 million**
- **Unrealised foreign exchange loss at RM5.7 million due to currency translation of the Group's foreign currency deposits to Malaysian Ringgit**
- **Healthy balance sheet with net assets of RM599.7 million and cash and bank balances of RM373.0 million**

**Singapore, 25 April 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 fourth quarter (“4Q2018”) and full year (“FY2018”) that ended on 28 February 2018.

### **Financial Results**

The Group's 4Q2018 revenue increased 13.8% to reach RM170.8 million when compared to the corresponding quarter last year (4Q2017: RM150.0 million). This improvement was largely due to an increased in demand for certain products and sales mix.

Profit before income tax for 4Q2018 was recorded at RM17.0 million, which was a decrease of RM8.1 million from 4Q2017. The decrease was mainly attributed to an unrealised foreign exchange loss of RM5.7 million for the current quarter and an absence of the RM4.0 million

gain arising from changes in fair value of call option in the corresponding quarter of the last financial year. The unrealised foreign exchange loss in the current quarter was 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, US Dollar and Euro Dollar by approximately 2.3%, 4.2% and 1.2% respectively, quarter-on-quarter ("q-o-q"). This unrealised foreign exchange loss negated a realised foreign gain of RM1.1 million for 4Q2018.

<b>FINANCIAL HIGHLIGHTS</b>						
<b>In RM million except otherwise stated</b>	<b>4Q2018</b>	<b>4Q2017</b>	<b>% Change</b>	<b>FY2018</b>	<b>FY2017</b>	<b>% Change</b>
<b>Revenue</b>	170.8	150.0	13.8	620.1	632.6	(2.0)
<b>Profit before income tax</b>	17.0	25.1	(32.2)	69.0	97.8	(29.5)
<b>Net Profit after income tax</b>	11.5	19.5	(40.7)	48.2	77.0	(37.3)
<b>Net Profit attributable to Owners of the Company</b>	9.3	17.8	(47.8)	41.7	72.7	(42.7)

The Group's FY2018 revenue remained relatively stable at RM620.1 million. The decrease of RM28.8 million or 29.5% in profit before income tax was mainly due to the net foreign exchange loss of RM17.8 million for the year, as compared to the preceding year's RM9.9 million net foreign exchange gain. The net foreign exchange loss in the current year was due to the strengthening of the Malaysian Ringgit against the Singapore Dollar, US Dollar and Euro Dollar, which resulted in an exchange loss arising from the currency translation of the Group's foreign currency deposits.

However, this currency translation loss was partially offset by an increase of RM1.8 million in other operating income, a recognition of gain arising from changes in fair value of option amounting to RM3.9 million, lower financial expenses of RM1.0 million, lower professional fees of RM0.9 million and lower operating expenses of RM4.2 million for FY2018.

The total dividend declared per ordinary share was at S\$0.0185 for the financial year, which amounted to approximately RM68.8 million (or equivalent to S\$22.6 million). This translates to a dividend yield of approximately 6.85% based on the closing share price of S\$0.27 as at 28 February 2018.

DFI maintained a healthy balance sheet with net assets of RM599.7 million, of which cash and bank balances increased from RM272.2 million as at 28 February 2017 to RM373.0 million as at 28 February 2018. The Group also reduced its inventories from RM200.0 million to RM135.4 million in the same period.

### **Business Outlook**

With the rising inflationary costs and cautious consumer purchasing sentiment, the business environment in which the Group operates in is expected to remain challenging. The Group continuously initiate measures to mitigate business risks surrounding the operating environment as well as strategies to strengthen its customer base and distribution channels so as to remain competitive and profitable in the next twelve months.

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**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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