

NEWS CLIPPING

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7-Eleven M'sia: 100% dividend payout

> Higher revenue driven by growth in new stores, improved merchandise mix and consumer promotion activity

PETALING JAYA: 7-Eleven Malaysia Holdings Bhd, which announced a 100% earnings dividend payout for the second consecutive year yesterday, saw revenue for the fourth quarter ended Dec 31, 2015, grow by RM18.6 million or 3.9% to RM499.7 million from RM481.1 million in the previous year's corresponding quarter.

The improvement was driven by the growth in new stores, improved merchandise mix and consumer promotion activity. This was achieved despite on-going retail market negativity caused by

the Goods and Services Tax (GST) implementation and weak consumer confidence/spending.

Gross profit of RM157.8 million improved by RM8.9 million or 6.0% compared to the corresponding quarter in the previous year and this was mainly attributed to the revenue growth of 3.9% and gross profit margin expansion of 0.7% points.

Other operating income decreased by 4.4% compared to the corresponding quarter in the previous year due to one-off rebate from a major vendor in the corresponding quarter of 2014,

which was non-recurrent in 2015.

Selling and distribution expenses for the quarter increased by RM13.7 million or 10.3%, mainly caused by new store expansion resulting in higher staff cost, rental cost, store depreciation expense and store maintenance cost.

Administrative and other operating expenses for the quarter decreased marginally by 1.0%.

The profit before tax of RM19.8 million declined by 22.7% or RM5.8 million compared to the corresponding quarter in 2014 despite positive sales growth due to higher selling and distribution

expenses from new store expansion in the current quarter.

Total dividend declared for the financial year ended Dec 31, 2015 is

4.7 sen per ordinary share (previous financial year ended Dec 31, 2014: 5.1 sen).

The 4th quarter 2015 has highlighted the significantly negative effect that the introduction of GST and low consumer sentiment has had on total

FMCG retail spending. However, effective execution of our growth strategies has enabled us to remain in a strong position. We are also pleased to declare a 100% earnings dividend payout. We remain

confident that continuous store expansion, refurbishment, promotional activity, improved merchandise mix and expanded in-store services will continue to deliver positive results despite the obvious headwinds," 7-Eleven Malaysia CEO Gary Brown said in a separate statement yesterday.

Net profit for the 12-month period ended Dec 31, 2015 saw net profit drop to RM55.8 million, from RM63.1 million for the same period in 2014.

This was despite revenue growing by 5% to RM2 billion, from RM1.9 billion for the same period in 2014.

As of Dec 31, 2015, 199 new stores were opened in 2015 resulting in a total store network of 1,944 stores as of the same date.

