



Dairy Farm International Holdings Ltd

Jardine House, 33-35 Reid Street
Hamilton HM EX, Bermuda

To: Business Editor

For immediate release

The following announcement was issued today to a Regulatory Information Service approved by the Financial Conduct Authority in the United Kingdom.

DAIRY FARM INTERNATIONAL HOLDINGS LIMITED

Interim Management Statement

4th November 2015 – Dairy Farm International Holdings Limited has today issued its Interim Management Statement for the third quarter of 2015.

For the period under review the Group faced more difficult economic conditions, and the focus was on building market share and investing for the long-term health of its businesses. A combination of softer sales growth and steep cost increases produced further margin weakness. This, coupled with unfavourable movements in exchange rates continuing to affect the Group's US dollar reported results, has led to lower underlying earnings for the period. The Group expects similar trading conditions to prevail for the remainder of the year.

The Food business saw satisfactory results in North Asia, while continuing to face a more challenging trading environment in Southeast Asia. In Singapore, there was further erosion in margins and profitability, principally due to weak performances from newly opened Cold Storage stores and the impact on 7-Eleven of restrictions on alcohol sales. In Malaysia, the introduction of GST and softer consumer confidence have dampened retail spending. In Indonesia, despite good sales momentum in July and August, higher labour costs and price investments to attract customers have reduced margins.

The Health and Beauty Division continued to perform well in Hong Kong, despite the well publicized slowdown in Mainland tourist arrivals, and has seen improvements in profitability in Singapore. The overall results were, however, held back by poorer performances in Malaysia and Indonesia.

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Issued by: **Dairy Farm Management Services Ltd**

Incorporated in Bermuda with limited liability

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Both the Home Furnishings and Restaurants Divisions have increased sales and profits. IKEA performed well in both Hong Kong and Taiwan, and the new IKEA store in Indonesia continues to trade ahead of expectations. Maxim's maintained its consistent performance.

The Group is to invest a further US\$210 million in Yonghui Superstores Co., Ltd ('Yonghui') in early 2016 so as to maintain its 19.99% interest following a placement by Yonghui of a 10% shareholding to internet retailer, JD.com. The investment by JD.com will provide Yonghui with additional opportunities for expansion into e-commerce.

With respect to recent investments, there have been positive contributions from San Miu in Macau and from Yonghui in China, despite the challenging trading environment. Meanwhile, progress continues on the integration and repositioning of the Rose Pharmacy business in the Philippines.

Notwithstanding the challenging conditions, Dairy Farm was able to maintain its cashflow from operating activities through better working capital management.

Dairy Farm is a leading pan-Asian retailer. The Group, together with its associates and joint ventures, operates over 6,400 outlets – including supermarkets, hypermarkets, convenience stores, health and beauty stores, home furnishings stores and restaurants – employing over 170,000 people, and had total annual sales in 2014 exceeding US\$13 billion. Dairy Farm International Holdings Limited is incorporated in Bermuda and has a standard listing on the London Stock Exchange as its primary listing, with secondary listings in Bermuda and Singapore. It is a member of the Jardine Matheson Group.

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This and other Group announcements can be accessed through the internet at 'www.dairyfarmgroup.com'.