Dairy Farm International Holdings Ltd
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To: Business Editor

30th July 2015
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
HALF-YEARLY RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE 2015

Highlights

- Sales of continuing businesses up 3%, and at constant rates of exchange up 7%
- Underlying profit 14% lower
- Continuing margin weakness in Food despite sales growth
- Investment in Yonghui Superstores in China completes
- Acquisition of San Miu supermarkets in Macau

"While sales have been broadly positive across most businesses, margin pressures continue to impact the financial performance of the Food business. The Group's results were impacted further by adverse exchange rate movements. We are pleased to have completed the investments in Yonghui and in San Miu. We are focusing on delivering a clear value proposition to our customers as part of our modern retail offering, and we remain well positioned to take advantage of our regional footprint, our competitive position in key markets and our strong financial position."

Ben Keswick
Chairman

Results

	(unaudited) Six months ended 30th June **2015** **US$m**	2014 US$m	Change %
Sales			
- subsidiaries	**5,593**	5,299	+6
- including associates and joint ventures+	**8,011**	6,312	+27
Underlying profit attributable to shareholders*	**193**	224	–14
Profit attributable to shareholders	**192**	234	–18
	US¢	US¢	%
Underlying earnings per share*	**14.25**	16.56	–14
Basic earnings per share	**14.16**	17.28	–18
Interim dividend per share	**6.50**	6.50	-

+ on a 100% basis.

* the Group uses 'underlying profit' in its internal financial reporting to distinguish between ongoing business performance and non-trading items, as more fully described in note 7 to the condensed financial statements. Management considers this to be a key measure which provides additional information to enhance understanding of the Group's underlying business performance.

The interim dividend of US¢6.50 per share will be payable on 14th October 2015 to shareholders on the register of members at the close of business on 21st August 2015.

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DAIRY FARM INTERNATIONAL HOLDINGS LIMITED
HALF-YEARLY RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE 2015

OVERVIEW

Dairy Farm achieved modest like-for-like sales growth in most of its major markets with all divisions reporting improvements in sales in the first half of 2015. Underlying profit, however, was down 14% largely due to margin pressures across our Food businesses and disappointing trading in Guardian in Malaysia. Adverse exchange rates also affected the Group's results on translation into US dollars. The investments in Yonghui in China, which completed earlier than expected in April, and San Miu in Macau, both contributed positively to the first half results.

RESULTS

Sales for the period including 100% of associates and joint ventures rose 27% to US$8.0 billion, including contributions from Yonghui and San Miu from the dates of acquisition. Sales for continuing businesses rose 3% to US$6.5 billion, while at constant rates of exchange the increase would have been 7%. Underlying net profit at US$193 million was down 14%, while underlying earnings per share were also 14% lower at US¢14.25. The underlying net profit reflected weaker operational performance, principally in Food, partially offset by the first contribution from Yonghui. The profit attributable to shareholders of US$192 million was after a US$1 million non-trading acquisition expense, and compares with US$234 million in the same period last year.

Operating cash flow for the period remained sound with a net inflow of US$315 million, compared to US$313 million in the prior year. The Group has increased its focus on net working capital, and stock was 3% lower at US$984 million compared to US$1,011 million at the end of December 2014, despite the increased sales.

As at 30th June 2015 the Group had net debt of US$589 million, compared with net cash of US$475 million at the prior year end. The increase in borrowings was principally to fund the RMB5.7 billion (US$909 million) investment in Yonghui. The other significant cash outflows in the first half related to the 2014 final dividend of US$223 million, capital expenditure of US$147 million, and the investment in San Miu which completed in late March, partially offset by net proceeds from the sale of a minority equity interest in our Food business in Malaysia.

The Board has maintained an unchanged interim dividend of US¢6.50 per share.

PERFORMANCE

Despite solid sales growth, cost pressures and food price deflation on certain commodities combined to squeeze margins in the first six months for the Group’s Food businesses. In Hong Kong, there were higher rental and labour costs. In Singapore profits were significantly lower due to competitive pressures, higher rents and a weaker Singapore dollar. Sales were buoyant in Malaysia, but there was continued margin investment to attract customers. There was good like-for-like sales growth in Indonesia, but profitability declined materially due to higher labour costs following a further increase in the minimum wage, a rise in shrinkage costs associated with greater fresh sales and more rigorous stock management, and store rationalization. In the Philippines, the upscale and community supermarkets enjoyed sales growth, but the hypermarkets struggled.

The convenience store businesses in Hong Kong and Macau performed satisfactorily. Sales in Singapore, however, were weaker due to a reduction in the number of stores and the impact of recently introduced regulations restricting late night sale of alcohol.

The Health and Beauty division produced higher sales. Hong Kong and Macau performed well despite some impact from a decline in tourist arrivals. In mainland China, there was further growth in the store base and an improvement in results. In Malaysia, profitability was lower following the introduction of GST on 1st April. In Indonesia, the results were impacted by wage and rent increases, while sales growth remained good. In the Philippines progress was made on the integration of Rose Pharmacy.

In Home Furnishings, the IKEA stores in both Hong Kong and Taiwan traded well, and the new IKEA store in Indonesia continues to perform in line with expectations.

In the Restaurant division, Maxim’s maintained its consistent performance with increased sales and profits in Hong Kong and mainland China. The group is growing its presence in mainland China and continuing to expand its Starbucks network in Vietnam.

BUSINESS DEVELOPMENTS

In February, Dairy Farm met the local regulatory requirements in Malaysia with the divestment of 30% of the ordinary shares in its food retail business, GCH Malaysia.

In March, the Group acquired the Macau-based supermarket chain, San Miu Supermarket Limited, which operates 15 stores. The acquisition reinforces Dairy Farm’s retail presence in Macau, complementing its existing well-established convenience store and health and beauty businesses. In April, the Group completed the purchase of a 19.99% interest in Yonghui Superstores Company Limited in mainland China following receipt of the required regulatory approvals. Both new businesses performed in line with expectations.

The Group established an on-line presence in Guardian Singapore, which is the first of several planned new moves into e-commerce. New finance and merchandising systems are also being introduced in stages across the Group, and investment is continuing to be made in existing stores to enhance the shopping experience, in the supply chain, and in building the people capability needed to support the Company’s growth objectives.

At the end of June, Dairy Farm operated over 6,400 outlets across all formats, including the newly added San Miu and Yonghui stores, and employed in excess of 170,000 colleagues.

PEOPLE

Giles White will be retiring as a Director on 31st July 2015 and we would like to thank him for his significant contribution to the Board. He will be succeeded by Jeremy Parr, formerly a senior partner of the international law firm Linklaters, who joins the Board on 1st August 2015.

PROSPECTS

While sales have been broadly positive across most businesses, margin pressures continue to impact the financial performance of the Food business. The Group’s results were impacted further by adverse exchange rate movements. We are pleased to have completed the investments in Yonghui and in San Miu. We are focusing on delivering a clear value proposition to our customers as part of our modern retail offering, and we remain well positioned to take advantage of our regional footprint, our competitive position in key markets and our strong financial position.

Ben Keswick
Chairman

Dairy Farm International Holdings Limited
Consolidated Profit and Loss Account

	(unaudited) Six months ended 30th June						Year ended 31st December		
	2015			2014			2014		
	Underlying business performance **US$m**	Non-trading items **US$m**	Total **US$m**	Underlying business performance US$m	Non-trading items US$m	Total US$m	Underlying business performance US$m	Non-trading items US$m	Total US$m
Sales *(note 2)*	**5,593.4**	**-**	**5,593.4**	5,299.0	-	5,299.0	11,008.3	-	11,008.3
Cost of sales	**(3,961.5)**	**-**	**(3,961.5)**	(3,721.5)	-	(3,721.5)	(7,717.3)	-	(7,717.3)
Gross margin	**1,631.9**	**-**	**1,631.9**	1,577.5	-	1,577.5	3,291.0	-	3,291.0
Other operating income	**79.6**	**-**	**79.6**	75.2	11.0	86.2	155.3	13.4	168.7
Selling and distribution costs	**(1,302.0)**	**-**	**(1,302.0)**	(1,213.0)	-	(1,213.0)	(2,508.4)	-	(2,508.4)
Administration and other operating expenses	**(207.7)**	**(1.2)**	**(208.9)**	(194.4)	(0.6)	(195.0)	(413.6)	(3.7)	(417.3)
Operating profit *(note 3)*	**201.8**	**(1.2)**	**200.6**	245.3	10.4	255.7	524.3	9.7	534.0
Financing charges	**(6.7)**	**-**	**(6.7)**	(3.2)	-	(3.2)	(8.6)	-	(8.6)
Financing income	**1.1**	**-**	**1.1**	4.7	-	4.7	6.7	-	6.7
Net financing (charges)/income	**(5.6)**	**-**	**(5.6)**	1.5	-	1.5	(1.9)	-	(1.9)
Share of results of associates and joint ventures *(note 4)*	**31.7**	**-**	**31.7**	21.6	-	21.6	68.9	-	68.9
Profit before tax	**227.9**	**(1.2)**	**226.7**	268.4	10.4	278.8	591.3	9.7	601.0
Tax *(note 5)*	**(39.5)**	**-**	**(39.5)**	(43.6)	(0.3)	(43.9)	(93.0)	(0.3)	(93.3)
Profit after tax	**188.4**	**(1.2)**	**187.2**	224.8	10.1	234.9	498.3	9.4	507.7
Attributable to:									
Shareholders of the Company	**192.7**	**(1.2)**	**191.5**	224.0	9.7	233.7	500.1	9.0	509.1
Non-controlling interests	**(4.3)**	**-**	**(4.3)**	0.8	0.4	1.2	(1.8)	0.4	(1.4)
	188.4	**(1.2)**	**187.2**	224.8	10.1	234.9	498.3	9.4	507.7
	US¢		**US¢**	US¢		US¢	US¢		US¢
Earnings per share *(note 6)*									
- basic	**14.25**		**14.16**	16.56		17.28	36.98		37.65
- diluted	**14.25**		**14.16**	16.56		17.28	36.97		37.63

Dairy Farm International Holdings Limited
Consolidated Statement of Comprehensive Income

	2015 US$m	(unaudited) Six months ended 30th June 2014 US$m	Year ended 31st December 2014 US$m
Profit for the period	**187.2**	234.9	507.7
Other comprehensive (expense)/income			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plans	**-**	(8.8)	(16.0)
Tax relating to items that will not be reclassified	**-**	2.2	2.0
	-	(6.6)	(14.0)
Share of other comprehensive expense of associates and joint ventures	**-**	-	(0.9)
	-	(6.6)	(14.9)
Items that may be reclassified subsequently to profit or loss:			
Net exchange translation differences			
- net (loss)/gain arising during the period	**(56.1)**	16.4	(41.1)
- transfer to profit and loss	**-**	-	4.4
	(56.1)	16.4	(36.7)
Revaluation of other investments			
- gain/(loss) arising during the period	**0.5**	(0.5)	(0.6)
Cash flow hedges			
- net (loss)/gain arising during the period	**(0.7)**	(0.3)	1.9
- transfer to profit and loss	**(1.1)**	-	(0.3)
	(1.8)	(0.3)	1.6
Tax relating to items that may be reclassified	**0.2**	0.1	(0.2)
Share of other comprehensive income/ (expense) of associates and joint ventures	**6.3**	1.1	(1.8)
	(50.9)	16.8	(37.7)
Other comprehensive (expense)/income for the period, net of tax	**(50.9)**	10.2	(52.6)
Total comprehensive income for the period	**136.3**	245.1	455.1
Attributable to:			
Shareholders of the Company	**146.8**	243.5	457.2
Non-controlling interests	**(10.5)**	1.6	(2.1)
	136.3	245.1	455.1

Dairy Farm International Holdings Limited
Consolidated Balance Sheet

	2015	(unaudited) At 30th June 2014	At 31st December 2014
	US$m	US$m	US$m
Net operating assets			
Intangible assets	**742.6**	429.7	566.1
Tangible assets	**1,159.8**	1,140.7	1,219.2
Associates and joint ventures	**1,322.7**	371.0	388.0
Other investments	**5.6**	5.3	5.2
Non-current debtors	**174.3**	139.3	179.7
Deferred tax assets	**22.6**	23.5	27.7
Pension assets	**-**	4.6	-
Non-current assets	**3,427.6**	2,114.1	2,385.9
Stocks	**984.1**	993.4	1,011.0
Current debtors	**241.1**	212.9	252.1
Current tax assets	**7.5**	4.9	4.0
Bank balances and other liquid funds	**368.9**	656.1	662.0
	1,601.6	1,867.3	1,929.1
Non-current assets held for sale *(note 8)*	**1.8**	3.7	1.3
Current assets	**1,603.4**	1,871.0	1,930.4
Current creditors	**(2,389.4)**	(2,291.8)	(2,412.9)
Current borrowings	**(859.8)**	(70.9)	(93.4)
Current tax liabilities	**(63.2)**	(72.2)	(52.9)
Current provisions	**(6.3)**	(9.4)	(6.3)
Current liabilities	**(3,318.7)**	(2,444.3)	(2,565.5)
Net current liabilities	**(1,715.3)**	(573.3)	(635.1)
Long-term borrowings	**(98.3)**	(17.1)	(93.8)
Deferred tax liabilities	**(41.0)**	(44.5)	(46.7)
Pension liabilities	**(37.7)**	(28.6)	(37.7)
Non-current creditors	**(50.4)**	(17.5)	(16.5)
Non-current provisions	**(30.7)**	(31.7)	(33.6)
Non-current liabilities	**(258.1)**	(139.4)	(228.3)
	1,454.2	1,401.4	1,522.5
Total equity			
Share capital	**75.1**	75.1	75.1
Share premium and capital reserves	**60.6**	58.5	59.1
Revenue and other reserves	**1,231.1**	1,169.8	1,294.5
Shareholders’ funds	**1,366.8**	1,303.4	1,428.7
Non-controlling interests	**87.4**	98.0	93.8
	1,454.2	1,401.4	1,522.5

Dairy Farm International Holdings Limited
Consolidated Statement of Changes in Equity

	Attributable to shareholders of the Company							Attributable to non-controlling interests	
	Share capital **US$m**	Share premium **US$m**	Capital reserves **US$m**	Revenue reserves **US$m**	Hedging reserves **US$m**	Exchange reserves **US$m**	Total **US$m**	**US$m**	Total equity **US$m**
Six months ended 30th June 2015 (unaudited)									
At 1st January 2015	75.1	30.5	28.6	1,461.6	1.7	(168.8)	1,428.7	93.8	**1,522.5**
Total comprehensive income	-	-	-	191.9	(1.6)	(43.5)	146.8	(10.5)	**136.3**
Dividends paid by the Company *(note 9)*	-	-	-	(223.1)	-	-	(223.1)	-	**(223.1)**
Employee share option schemes	-	-	1.5	-	-	-	1.5	-	**1.5**
Change in interests in subsidiaries	-	-	-	12.9	-	-	12.9	4.1	**17.0**
Transfer	-	0.6	(0.6)	-	-	-	-	-	**-**
At 30th June 2015	**75.1**	**31.1**	**29.5**	**1,443.3**	**0.1**	**(212.3)**	**1,366.8**	**87.4**	**1,454.2**
Six months ended 30th June 2014 (unaudited)									
At 1st January 2014	75.1	30.5	26.0	1,281.1	0.3	(132.0)	1,281.0	96.4	1,377.4
Total comprehensive income	-	-	-	227.9	(0.3)	15.9	243.5	1.6	245.1
Dividends paid by the Company *(note 9)*	-	-	-	(223.1)	-	-	(223.1)	-	(223.1)
Employee share option schemes	-	-	2.0	-	-	-	2.0	-	2.0
At 30th June 2014	75.1	30.5	28.0	1,285.9	-	(116.1)	1,303.4	98.0	1,401.4

(Consolidated Statement of Changes in Equity continued on page 9)

Dairy Farm International Holdings Limited
Consolidated Statement of Changes in Equity *(continued)*

	Attributable to shareholders of the Company							Attributable to non-controlling interests	Total equity
	Share capital US$m	Share premium US$m	Capital reserves US$m	Revenue reserves US$m	Hedging reserves US$m	Exchange reserves US$m	Total US$m	US$m	US$m
Year ended 31st December 2014									
At 1st January 2014	75.1	30.5	26.0	1,281.1	0.3	(132.0)	1,281.0	96.4	1,377.4
Total comprehensive income	-	-	-	492.6	1.4	(36.8)	457.2	(2.1)	455.1
Dividends paid by the Company	-	-	-	(311.0)	-	-	(311.0)	-	(311.0)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(0.2)	(0.2)
Employee share option schemes	-	-	2.6	-	-	-	2.6	-	2.6
New subsidiaries	-	-	-	-	-	-	-	0.9	0.9
Change in interest in a subsidiary	-	-	-	(1.1)	-	-	(1.1)	(1.2)	(2.3)
At 31st December 2014	75.1	30.5	28.6	1,461.6	1.7	(168.8)	1,428.7	93.8	1,522.5

Total comprehensive income for the six months ended 30th June 2015 included in revenue reserves comprises profit attributable to shareholders of the Company of US$191.5 million *(2014: US$233.7 million)* and net fair value gain on other investments of US$0.4 million *(2014: net fair value loss of US$0.4 million)*. Cumulative net fair value gain on other investments amounted to US$4.5 million.

Total comprehensive income for the year ended 31st December 2014 included in revenue reserves comprises profit attributable to shareholders of the Company of US$509.1 million and net fair value loss on other investments of US$0.5 million. Cumulative net fair value gain on other investments amounted to US$4.1 million.

Dairy Farm International Holdings Limited
Consolidated Cash Flow Statement

	2015 US$m	(unaudited) Six months ended 30th June 2014 US$m	Year ended 31st December 2014 US$m
Operating activities			
Operating profit *(note 3)*	**200.6**	255.7	534.0
Depreciation and amortization	**105.9**	95.9	202.8
Other non-cash items	**7.8**	(7.1)	4.0
Decrease/(increase) in working capital	**21.7**	(25.7)	(17.4)
Interest received	**1.1**	4.9	7.2
Interest and other financing charges paid	**(6.5)**	(3.2)	(8.6)
Tax paid	**(35.2)**	(27.8)	(93.8)
	295.4	292.7	628.2
Dividends from associates and joint ventures	**19.3**	20.6	47.7
Cash flows from operating activities	**314.7**	313.3	675.9
Investing activities			
Purchase of subsidiaries *(note 11(a))*	**(114.2)**	(0.4)	(23.8)
Purchase of associates and joint ventures *(note 11(b))*	**(913.9)**	-	(94.1)
Purchase of intangible assets	**(14.0)**	(21.7)	(47.5)
Purchase of tangible assets	**(133.0)**	(162.5)	(297.0)
Sale of associates and joint ventures	**-**	-	2.7
Sale of properties *(note 11(c))*	**-**	21.3	26.3
Sale of tangible assets	**0.3**	0.5	0.9
Cash flows from investing activities	**(1,174.8)**	(162.8)	(432.5)
Financing activities			
Change in interests in subsidiaries *(note 11(d))*	**16.9**	-	(2.3)
Drawdown of borrowings *(note 11(e))*	**1,836.7**	709.9	1,311.3
Repayment of borrowings	**(1,061.3)**	(716.0)	(1,290.8)
Dividends paid by the Company *(note 9)*	**(223.1)**	(223.1)	(311.0)
Dividends paid to non-controlling interests	**-**	-	(0.2)
Cash flows from financing activities	**569.2**	(229.2)	(293.0)
Net decrease in cash and cash equivalents	**(290.9)**	(78.7)	(49.6)
Cash and cash equivalents at beginning of period	**656.6**	711.2	711.2
Effect of exchange rate changes	**(3.5)**	4.4	(5.0)
Cash and cash equivalents at end of period *(note 11(f))*	**362.2**	636.9	656.6

Dairy Farm International Holdings Limited
Notes to Condensed Financial Statements

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION

The condensed financial statements have been prepared in accordance with IAS 34 ‘Interim Financial Reporting’. The condensed financial statements have been prepared on a going concern basis. The condensed financial statements have not been audited or reviewed by the Group’s auditors pursuant to the UK Auditing Practices Board guidance on the review of interim financial information.

The following amendments which are effective in the current accounting period and relevant to the Group’s operations are adopted in 2015:

Amendments to IAS 19	Defined Benefit Plans: Employee Contributions
Annual Improvements to IFRSs	2010 - 2012 Cycle 2011 - 2013 Cycle

Amendments to IAS 19 ‘Employee Benefits’ clarify the accounting requirements for contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

Annual Improvements to IFRSs 2010 – 2012 Cycle and 2011 – 2013 Cycle comprise a number of non-urgent but necessary amendments to IFRSs. The amendments which are relevant to the Group’s operations include the followings:

Amendment to IFRS 2 ‘Share-based Payment’ clarifies the definition of a ‘vesting condition’ and separately defines ‘performance condition’ and ‘service condition’.

Amendment to IFRS 3 ‘Business Combinations’ clarifies that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in IAS 32 ‘Financial Instruments: Presentation’. The standard is further amended to clarify that all non-equity contingent consideration, both financial and non-financial, is measured at fair value at each reporting date, with changes in fair value recognized in profit and loss.

Amendment to IFRS 8 ‘Operating Segments’ requires disclosure of the judgements made by management in aggregating operating segments. This includes a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics.

Amendment to IAS 24 ‘Related Party Disclosures’ includes, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (‘the management entity’). The reporting entity is not required to disclose the compensation paid by the management entity to the management entity’s employees or directors, but it is required to disclose the amounts charged to the reporting entity by the management entity for services provided.

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1. ACCOUNTING POLICIES AND BASIS OF PREPARATION *(continued)*

Amendment to IFRS 3 'Business Combinations' clarifies that IFRS 3 does not apply to the accounting for the formation of any joint arrangement under IFRS 11. The amendment also clarifies that the scope exemption only applies in the financial statements of the joint arrangement itself.

Amendment to IFRS 13 'Fair Value Measurement' clarifies that the portfolio exception in IFRS 13, which allows an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts within the scope of IAS 39 or IFRS 9.

There have been no changes to the accounting policies described in the 2014 annual financial statements upon the adoption of the above amendments to existing standards. The adoption of these amendments do not have any significant impact on the results or financial position of the Group.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

2. SALES

	Including associates and joint ventures		Subsidiaries	
	Six months ended 30th June			
	2015	2014	**2015**	2014
	US$m	US$m	**US$m**	US$m
Analysis by operating segment:				
Food	**5,602.9**	4,131.2	**4,131.2**	3,909.5
- Supermarkets/hypermarkets	**4,684.0**	3,226.9	**3,212.3**	3,005.2
- Convenience stores	**918.9**	904.3	**918.9**	904.3
Health and Beauty	**1,284.1**	1,185.1	**1,191.1**	1,163.3
Home Furnishings	**271.1**	226.2	**271.1**	226.2
Restaurants	**853.1**	769.0	**-**	-
	8,011.2	6,311.5	**5,593.4**	5,299.0

Sales including associates and joint ventures comprise 100% of sales from associates and joint ventures.

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board for the purpose of resource allocation and performance assessment. Dairy Farm operates in four segments: Food, Health and Beauty, Home Furnishings and Restaurants. Food comprises supermarket, hypermarket and convenience store businesses. Health and Beauty comprises the health and beauty businesses. Home Furnishings is the Group's IKEA businesses. Restaurants is the Group's catering associate, Maxim's, a leading Hong Kong restaurant chain.

3. OPERATING PROFIT

	Six months ended 30th June	
	2015	2014
	US$m	US$m
Analysis by operating segment:		
Food	**111.5**	148.3
- Supermarkets/hypermarkets	**85.1**	117.5
- Convenience stores	**26.4**	30.8
Health and Beauty	**89.4**	97.3
Home Furnishings	**26.0**	19.7
	226.9	265.3
Support office	**(25.1)**	(20.0)
	201.8	245.3
Non-trading items:		
- acquisition-related costs in business combination	**(1.2)**	-
- profit on sale of properties	**-**	11.0
- expenses relating to transfer of listing segment of the Company's shares	**-**	(0.6)
	200.6	255.7

4. SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

	Six months ended 30th June	
	2015	2014
	US$m	US$m
Analysis by operating segment:		
Food - Supermarkets/hypermarkets	**4.3**	(5.4)
Health and Beauty	**(2.1)**	(0.2)
Restaurants	**29.5**	27.2
	31.7	21.6

Results are shown after tax and non-controlling interests in the associates and joint ventures.

Results in Food in 2015 included share of results of Yonghui Superstores Co., Ltd ('Yonghui') since the Group acquired its 19.99% interest in April 2015 *(note 11(b))*, while in 2014, it included 50% share of results of Rustan Supercenters, Inc. ('Rustan'). Rustan became a subsidiary of the Group from August 2014 onwards.

5. TAX

	Six months ended 30th June	
	2015	2014
	US$m	US$m
Tax charged to profit and loss is analyzed as follows:		
Current tax	**(39.2)**	(43.5)
Deferred tax	**(0.3)**	(0.4)
	(39.5)	(43.9)
Tax relating to components of other comprehensive (expense)/income is analyzed as follows:		
Remeasurements of defined benefit plans	**-**	2.2
Revaluation of other investments	**(0.1)**	0.1
Cash flow hedges	**0.3**	-
	0.2	2.3

Tax on profit has been calculated at rates of taxation prevailing in the territories in which the Group operates. Share of tax charge of associates and joint ventures of US$8.6 million *(2014: US$5.9 million)* and no tax credit *(2014: US$0.6 million)* are included in share of results of associates and joint ventures.

6. EARNINGS PER SHARE

Basic earnings per share are calculated on profit attributable to shareholders of US$191.5 million *(2014: US$233.7 million)*, and on the weighted average number of 1,352.1 million *(2014: 1,352.1 million)* shares in issue during the period.

Diluted earnings per share are calculated on profit attributable to shareholders of US$191.5 million *(2014: US$233.7 million)*, and on the weighted average number of 1,352.6 million *(2014: 1,352.7 million)* shares in issue after adjusting for 0.5 million *(2014: 0.6 million)* shares which are deemed to be issued for no consideration under the Share-based Long-term Incentive Plans based on the average share price during the period.

Additional basic and diluted earnings per share are also calculated based on underlying profit attributable to shareholders. A reconciliation of earnings is set out below:

	Six months ended 30th June					
	2015			2014		
	US$m	**Basic earnings per share US¢**	**Diluted earnings per share US¢**	US$m	Basic earnings per share US¢	Diluted earnings per share US¢
Profit attributable to shareholders	**191.5**	**14.16**	**14.16**	233.7	17.28	17.28
Non-trading items *(note 7)*	**1.2**			(9.7)		
Underlying profit attributable to shareholders	**192.7**	**14.25**	**14.25**	224.0	16.56	16.56

7. NON-TRADING ITEMS

Non-trading items are separately identified to provide greater understanding of the Group's underlying business performance. Items classified as non-trading items include gains and losses arising from the sale of businesses, investments and properties; impairment of non-depreciable intangible assets and other investments; provisions for the closure of businesses; acquisition-related costs in business combinations; and other credits and charges of a non-recurring nature that require inclusion in order to provide additional insight into underlying business performance.

An analysis of non-trading items after interest, tax and non-controlling interests is set out below:

	Six months ended 30th June	
	2015	2014
	US$m	US$m
Acquisition-related costs in business combination	**(1.2)**	-
Profit on sale of properties	**-**	10.3
Expenses relating to transfer of listing segment of the Company's shares	**-**	(0.6)
	(1.2)	9.7

8. NON-CURRENT ASSETS HELD FOR SALE

At 30th June 2015, the non-current assets held for sale represented a retail property in Taiwan brought forward from 31st December 2014 and two apartments in Indonesia. The sale of these properties is expected to be completed in 2015 at amounts not materially different from their carrying values.

At 30th June 2014, the amount included a retail property in Singapore which was subsequently disposed of in 2014.

9. DIVIDENDS

	Six months ended 30th June	
	2015	2014
	US$m	US$m
Final dividend in respect of 2014 of US¢16.50 *(2013: US¢16.50)* per share	**223.1**	223.1

An interim dividend in respect of 2015 of US¢6.50 *(2014: US¢6.50)* per share amounting to a total of US$87.9 million *(2014: US$87.9 million)* is declared by the Board, and will be accounted for as an appropriation of revenue reserves in the year ending 31st December 2015.

10. FINANCIAL INSTRUMENTS

Financial instruments by category

The carrying amounts of financial assets and financial liabilities at 30th June 2015 and 31st December 2014 are as follows:

	Loans and receivables US$m	Derivatives used for hedging US$m	Available-for-sale US$m	Other financial instruments at amortized cost US$m	Total carrying amount US$m
30th June 2015					
Assets					
Other investments	-	-	5.6	-	**5.6**
Debtors	98.6	0.5	-	-	**99.1**
Bank balances and other liquid funds	368.9	-	-	-	**368.9**
	467.5	**0.5**	**5.6**	**-**	**473.6**
Liabilities					
Borrowings	-	-	-	(958.1)	**(958.1)**
Trade and other payables excluding non-financial liabilities	-	(0.2)	-	(2,435.6)	**(2,435.8)**
	-	**(0.2)**	**-**	**(3,393.7)**	**(3,393.9)**
31st December 2014					
Assets					
Other investments	-	-	5.2	-	5.2
Debtors	120.3	2.3	-	-	122.6
Bank balances and other liquid funds	662.0	-	-	-	662.0
	782.3	2.3	5.2	-	789.8
Liabilities					
Borrowings	-	-	-	(187.2)	(187.2)
Trade and other payables excluding non-financial liabilities	-	(0.3)	-	(2,425.0)	(2,425.3)
	-	(0.3)	-	(2,612.2)	(2,612.5)

The fair values of financial assets and financial liabilities approximate their carrying amounts.

10. FINANCIAL INSTRUMENTS *(continued)*

Fair value estimation

(i) Financial instruments that are measured at fair value

For financial instruments that are measured at fair value in the balance sheet, the corresponding fair value measurements are disclosed by level of the following fair value measurement hierarchy:

(a) Quoted prices (unadjusted) in active markets for identical assets or liabilities ('quoted prices in active markets')

The fair value of listed securities, which are classified as available-for-sale, is based on quoted prices in active markets at the balance sheet date. The quoted market price used for listed investments held by the Group is the current bid price.

(b) Inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly ('observable current market transactions')

The fair values of all interest rate swaps and caps, and forward foreign exchange contracts have been determined using rates quoted by the Group's bankers at the balance sheet date which are calculated by reference to market interest rates and foreign exchange rates.

The fair values of unlisted investments, which are classified as available-for-sale and mainly include club debentures, are determined by market prices at the balance sheet date.

(c) Inputs for assets or liabilities that are not based on observable market data ('unobservable inputs')

The fair value of other unlisted securities, which are classified as available-for-sale, is determined using valuation techniques by reference to observable current market transactions or the market prices of the underlying investments with certain degree of entity specific estimates.

There were no changes in valuation techniques during the period.

10. FINANCIAL INSTRUMENTS *(continued)*

Fair value estimation *(continued)*

(i) Financial instruments that are measured at fair value *(continued)*

The table below analyzes financial instruments carried at fair value at 30th June 2015 and 31st December 2014, measured by observable current market transactions:

	At 30th June **2015** **US$m**	At 31st December 2014 US$m
Assets		
Available-for-sale financial assets		
- unlisted investments	**5.6**	5.2
Derivatives designated at fair value		
- through other comprehensive (expense)/income	**0.5**	2.3
	6.1	7.5
Liabilities		
Derivatives designated at fair value		
- through other comprehensive (expense)/income	**(0.2)**	(0.3)
	(0.2)	(0.3)

(ii) Financial instruments that are not measured at fair value

The fair values of current debtors, bank balances and other liquid funds, current creditors and current borrowings are assumed to approximate their carrying amounts due to the short-term maturities of these assets and liabilities.

The fair values of long-term borrowings are based on market prices or are estimated using the expected future payments discounted at market interest rates.

11. NOTES TO CONSOLIDATED CASH FLOW STATEMENT

(a) Purchase of subsidiaries

	Six months ended 30th June	
	2015	2014
	US$m	US$m
Intangible assets	**-**	0.1
Tangible assets	**4.6**	1.2
Non-current debtors	**0.7**	-
Current assets	**25.4**	3.0
Current liabilities	**(28.7)**	(3.1)
Non-current provisions	**-**	(0.1)
Fair value of identifiable net assets acquired	**2.0**	1.1
Adjustment for fair value of previously held investment	**-**	(0.8)
Goodwill	**185.4**	1.9
Total consideration	**187.4**	2.2
Adjustment for deferred consideration	**(56.8)**	-
Cash and cash equivalents at the date of acquisition	**(16.4)**	(1.8)
Net cash outflow	**114.2**	0.4

In March 2015, the Group acquired 100% interest in San Miu Supermarket Limited, operating a supermarket chain in Macau, for a total net cash consideration of US$114.2 million.

The fair values of the identifiable assets and liabilities at the acquisition date are provisional and will be finalized within one year after the acquisition date.

The goodwill arising from the acquisition amounted to US$185.4 million and was attributable to its leading market position and retail network in Macau.

The net cash outflow in 2014 was the acquisition of the remaining 51% shareholding of Asia Investment and Supermarket Trading Company Limited in Vietnam from the joint venture partner.

None of the goodwill is expected to be deductible for tax purposes.

Sales and profit after tax since acquisition in respect of the subsidiary acquired during the period amounted to US$46.3 million and US$1.1 million, respectively. Had the acquisition occurred on 1st January 2015, consolidated sales and consolidated profit after tax for the six months ended 30th June 2015 would have been US$5,642.5 million and US$188.7 million, respectively.

11. NOTES TO CONSOLIDATED CASH FLOW STATEMENT *(continued)*

(b) Purchase of associates and joint ventures for the six months ended 30th June 2015 mainly related to the Group's acquisition of a 19.99% interest in Yonghui, a Shanghai-listed hypermarket and supermarket operator in mainland China, by way of subscription of new shares.

(c) Sale of properties

Sale of properties in 2014 included mainly the sale of two properties in Singapore, a property in Taiwan and partial proceeds received from disposal of a property in Malaysia.

(d) Change in interests in subsidiaries

In February 2015, the Group completed the sale of 30% of the ordinary share capital in GCH Retail (Malaysia) Sdn Bhd ('GCH Malaysia'), the Group's hypermarket and supermarket operator in Malaysia, to Circular Assets Sdn Bhd, a wholly-owned subsidiary of Syarikat Pesaka Antah Sdn Bhd, for net proceeds of US$33.8 million, to maintain compliance with the 'Guidelines on Foreign Participation in the Distributive Trade Services' issued by the Malaysian Ministry of Domestic Trade, Co-operatives and Consumerism. The sale represented a 15% economic interest in GCH Malaysia.

During the first six months of 2015, the Group acquired an additional 2.49% interest in PT Hero Supermarket Tbk for a total consideration of US$16.9 million.

(e) Drawdown of borrowings

Drawdown of borrowings in 2015 included US$800.0 million bank loan drawn to finance the acquisition of the 19.99% interest in Yonghui.

(f) Analysis of balances of cash and cash equivalents

	At 30th June	
	2015	2014
	US$m	US$m
Bank balances and other liquid funds	**368.9**	656.1
Bank overdrafts	**(6.7)**	(3.6)
Less: Bank deposits with maturity of three months or more	**-**	(15.6)
	362.2	636.9

12. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Total capital commitments at 30th June 2015 and 31st December 2014 amounted to US$251.1 million and US$217.9 million, respectively.

Various Group companies are involved in litigation arising in the ordinary course of their respective businesses. Having reviewed outstanding claims and taking into account legal advice received, the Directors are of the opinion that adequate provisions have been made in the condensed financial statements.

13. RELATED PARTY TRANSACTIONS

The parent company of the Group is Jardine Strategic Holdings Limited and the ultimate parent company is Jardine Matheson Holdings Limited ('JMH'). Both companies are incorporated in Bermuda.

In the normal course of business the Group undertakes a variety of transactions with JMH and its subsidiaries, associates and joint ventures. The more significant of such transactions are described below.

Under the terms of a Management Services Agreement, the Group paid a management fee of US$1.0 million *(2014: US$1.2 million)* for the first six months of 2015 to Jardine Matheson Limited ('JML'), a wholly-owned subsidiary of JMH, based on 0.5% of the Group's profit attributable to shareholders in consideration for certain management consultancy services provided by JML. The Group also paid directors' fees of US$0.2 million *(2014: US$0.2 million)* for the same period in 2015 to JML.

The Group rents properties from Hongkong Land Holdings Limited ('HKL'), a subsidiary of JMH. The gross rentals paid by the Group to HKL for the first six months of 2015 were US$1.2 million *(2014: US$1.1 million)*. The Group's 50%-owned associate, Maxim's Caterers Limited ('Maxim's'), also paid gross rentals of US$5.2 million *(2014: US$4.8 million)* to HKL for the first six months of 2015.

The Group uses Jardine Lloyd Thompson Limited ('JLT'), an associate of JMH, to place certain of its insurance. Brokerage fees and commissions, net of rebates, paid by the Group to JLT for the first six months of 2015 were US$1.5 million *(2014: US$1.2 million)*.

The Group sources information technology infrastructure and related services from Jardine OneSolution ('JOS'), a subsidiary of JMH. The total fees paid by the Group to JOS for the first six months of 2015 amounted to US$4.9 million *(2014: US$4.4 million).*

The Group also consumes repairs and maintenance services from Jardine Engineering Corporation ('JEC'), a subsidiary of JMH. The total fees paid by the Group to JEC for the first six months of 2015 amounted to US$1.6 million *(2014: US$2.4 million).*

Maxim's supplies ready-to-eat products at arm's length to certain subsidiaries of the Group. For the first six months of 2015, these amounted to US$11.0 million *(2014: US$9.9 million)*.

13. RELATED PARTY TRANSACTIONS *(continued)*

In addition, Gammon Construction ('GC'), a joint venture of JMH, had been engaged in a building contract with Maxim's for a commercial building development in Cheung Sha Wan last year. The total construction fees paid by Maxim's to GC for the first six months of 2015 amounted to US$17.8 million *(2014: US$10.7 million)*.

There were no other related party transactions that might be considered to have a material effect on the financial position or performance of the Group that were entered into or changed during the first six months of the current financial year.

Amounts of outstanding balances with associates and joint ventures are included in debtors and creditors, as appropriate.

Dairy Farm International Holdings Limited
Principal Risks and Uncertainties

The Board has overall responsibility for risk management and internal control. The following have been identified previously as the areas of principal risk and uncertainty facing the Company, and they remain relevant in the second half of the year.

- Economic Risk
- Commercial Risk and Financial Risk
- Concessions, Franchises and Key Contracts
- Regulatory and Political Risk
- Terrorism, Pandemic and Natural Disasters

For greater detail, please refer to pages 108 and 109 of the Company's Annual Report for 2014, a copy of which is available on the Company's website www.dairyfarmgroup.com.

Dairy Farm International Holdings Limited
Responsibility Statement

The Directors of the Company confirm to the best of their knowledge that:

a. the condensed financial statements have been prepared in accordance with IAS 34; and

b. the interim management report includes a fair review of all information required to be disclosed by the Disclosure and Transparency Rules 4.2.7 and 4.2.8 issued by the Financial Conduct Authority in the United Kingdom.

For and on behalf of the Board

Graham Allan
Neil Galloway

Directors

30th July 2015

The interim dividend of US¢6.50 per share will be payable on 14th October 2015 to shareholders on the register of members at the close of business on 21st August 2015. The shares will be quoted ex-dividend on the Singapore Exchange and the London Stock Exchange on 19th and 20th August 2015, respectively. The share registers will be closed from 24th to 28th August 2015, inclusive.

Shareholders will receive their cash dividends in United States dollars, unless they are registered on the Jersey branch register where they will have the option to elect for sterling. These shareholders may make new currency elections for the 2015 interim dividend by notifying the United Kingdom transfer agent in writing by 25th September 2015. The sterling equivalent of dividends declared in United States dollars will be calculated by reference to a rate prevailing on 30th September 2015.

Shareholders holding their shares through CREST in the United Kingdom will receive their cash dividends only in sterling as calculated above. Shareholders holding their shares through The Central Depository (Pte) Limited ('CDP') in Singapore will receive their cash dividends in United States dollars unless they elect, through CDP, to receive Singapore dollars.

Shareholders on the Singapore branch register who wish to deposit their shares into the CDP system by the dividend record date, being 21st August 2015, must submit the relevant documents to M & C Services Private Limited, the Singapore branch registrar, no later than 5.00 p.m. (local time) on 20th August 2015.

Dairy Farm

Dairy Farm is a leading pan-Asian retailer. At 30th June 2015, the Group and its associates and joint ventures operated over 6,400 outlets and employed over 170,000 people. It had total annual sales in 2014 exceeding US$13 billion.

The Group operates under a number of well-known brands across four divisions. The principal brands are:

Food
- Supermarkets – Wellcome in Hong Kong, Taiwan and the Philippines, Yonghui in mainland China, Cold Storage in Singapore and Malaysia, Giant in Malaysia, Indonesia and Singapore, Hero in Indonesia;
- Hypermarkets – Giant in Malaysia, Indonesia, Singapore, Brunei and Vietnam, Yonghui in mainland China;
- Convenience stores – 7-Eleven in Hong Kong, Singapore, Southern China and Macau;

Health and Beauty
- Mannings in Greater China, Guardian in the rest of Asia and Rose Pharmacy in the Philippines;

Home Furnishings
- IKEA in Hong Kong, Taiwan and Indonesia; and

Restaurants
- Maxim's in Hong Kong, mainland China and Vietnam.

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. The Group's businesses are managed from Hong Kong by Dairy Farm Management Services Limited through its regional offices. Dairy Farm is a member of the Jardine Matheson Group.

- end -

For further information, please contact:

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As permitted by the Disclosure and Transparency Rules of the Financial Conduct Authority in the United Kingdom, the Company will not be posting a printed version of the Half-Yearly Results announcement to shareholders. The Half-Yearly Results announcement will remain available on the Company's website, www.dairyfarmgroup.com, together with other Group announcements.