



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

5th November 2014 – Dairy Farm International Holdings Limited has today issued its Interim Management Statement covering the period from 1st July to 4th November 2014.

The Group's overall performance was subdued during the period under review. Increased sales and profits were achieved in the Health and Beauty, Home Furnishings and Restaurants divisions, despite continuing pressure on margins. By contrast, the Food business experienced lower profitability as a result of challenging trading conditions and cost inflation. As a consequence, the Group's underlying earnings were lower than in the previous year.

The Food businesses in North Asia experienced increased profitability, but this was more than offset by reduced contributions from Singapore, the Philippines, Malaysia and Indonesia, due to sluggish sales and significant cost inflation, particularly in relation to labour and utilities.

The performance of the Health and Beauty business somewhat mirrored the Food business, with stronger results from Greater China, primarily Hong Kong, and more challenging circumstances elsewhere. Nevertheless, the division is making solid progress in building its footprint across Asia with notable store expansion in China, Vietnam and Indonesia.

IKEA has performed well in both Hong Kong and Taiwan, with the latter benefiting from the contribution of the new store opened in Tai Chung in September 2013. IKEA opened its first Indonesian store in Jakarta on 15th October 2014 and early trading has been encouraging.

Maxim's continued to see growth in its operations, with particular gains in mainland China, despite sales of mooncakes being impacted by reduced mid-Autumn festival gifting.

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

Incorporated in Bermuda with limited liability

5/F Devon House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong

The Group announced in August that it had reached agreement to establish a strategic partnership with Yonghui Superstores Co., Ltd ('Yonghui') and to acquire a 19.99% shareholding in the company for an investment of RMB5.69 billion (approximately US\$925 million). Yonghui is one of the China's fastest growing food retailers, and both companies have agreed to work closely together to drive mutual benefits. The investment, which will provide Yonghui with expansion capital and give Dairy Farm exposure to the growing PRC food retail sector, is subject to regulatory approval in China and is expected to close in 2015. Also in August, the Group completed the purchase of an additional 16% interest in Rustan Supercenters, Inc. in the Philippines, thereby increasing its shareholding to 66%.

Trading conditions in the Group's Food businesses are expected to remain challenging for the rest of the year and margin pressure will continue to be a factor across the Group.

Dairy Farm has maintained a strong balance sheet with a significant net cash position at the end of October.

Dairy Farm is a leading pan-Asian retailer. The Group, together with its associates and joint ventures, operate some 5,800 outlets – including supermarkets, hypermarkets, convenience stores, health and beauty stores, home furnishings stores and restaurants – employing over 100,000 people, and had total annual sales in 2013 exceeding US\$12 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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For further information, please contact:

Dairy Farm Management Services Limited
Neil Galloway

(852) 2299 1896

Brunswick Group Limited
Siobhan Xiaohui Zheng

(852) 3512 5044

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