

# Dairy Farm



fresh



trendy



convenient



healthy



# 2007 Highlights



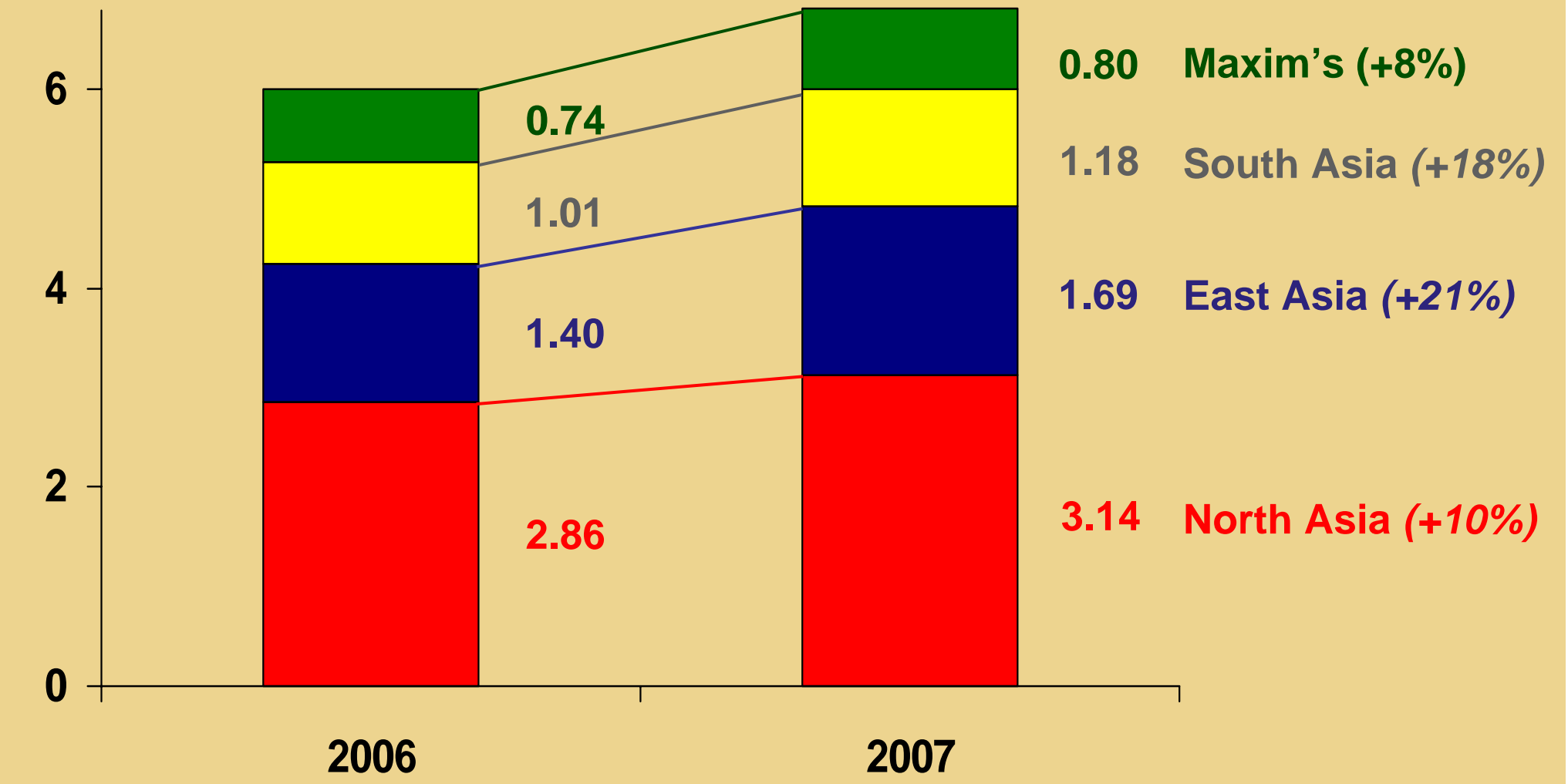
- Sales US\$6,810m (+13%)
- PATAM US\$258m (+22%)
- EPS US19.19¢ (+22%)
- Final dividend US8.5¢ (+25%)
- Store network 4,191 (+618 vs *Dec 06*)

# Sales



## 2007 Group Sales: US\$6.8b (+13%)

(US\$b)



- Sales growth and profit increase
  - Cost discipline and productivity
  - Escalating rental
  - Inflation
- Upper end segment stores
  - Market Place: third store at Langham Place
  - ThreeSixty: second store at Elements
- C-stores
  - Expand range: fast food, ready-to-eat and fresh

- Solid sales and profit growth
  - Economies of scales
- Maintain new store growth
  - 13 hypermarkets
  - 4 supermarkets
  - 61 Guardian pharmacies
  - Total 389 outlets at year end
- East Malaysia
  - Strong growth

- Strong results from supermarkets and 7-Eleven
- Shell / 7-Eleven rebadge completed
- Giant hypermarkets much improved

- Strengthened management team
- Re-branding Hero supermarkets to Giant
- 10 new Giant hypermarkets in 2008
- Aggressive expansion for Guardian and Starmart

# Wellcome Taiwan



- Satisfactory results
- Extended market position
- Upper end
  - Added two Market Place stores
- Lower end
  - 25 “Express Fresh” mini-markets

- Mannings and 7-Eleven
  - Profitable in 2007
  - Modest store network
  - Continues to add stores

- Strong sales and profit growth
- Increased customer count and basket size
- Well-controlled operating costs
- Shatin store renovation

- 2007 - Year of consolidation
- Tightened operational procedures
- Focus on
  - Kaohsiung store
  - Hsin Chuang store

- Higher profits from:
  - Mooncakes
  - Fast food
  - Cake shops
  - Starbucks
- Acquisition of 53 Arome cake shops
- DF / Maxim's co-operation stepped up

## Mannings

- Profitable at store level
  - Better gross margin
  - Strong like-for-like sales
- 30 stores in Guangdong
- Licences for other parts of China

## 7-Eleven

- 440 stores, +55% vs LY
- Integration cost for Quik stores
- Good prospects

# Developing markets: India



- Foreign retailers still restricted
- Market attractiveness reduced in short-term
  - Rising rental
  - Price control
  - Regulatory requirements
- Measured pace of expansion
- Store remodelling and improving retail standards
- Emerge as long-term player

# Developing markets: Vietnam



- Supermarkets rebranded as “Wellcome”
- Evaluating expansion strategies

# Developing markets: Brunei



- Flagship Giant hypermarket in March
- 7 Guardian health and beauty stores

# Developing markets: Exit



- South Korea
  - No controlling interest
  - Sold to JV partner in February 2008
  - US\$14m profit in 2008
- Thailand
  - Lack of critical mass of stores
  - Sites in shopping centres difficult to secure
  - Closed end 2007

# Highlights

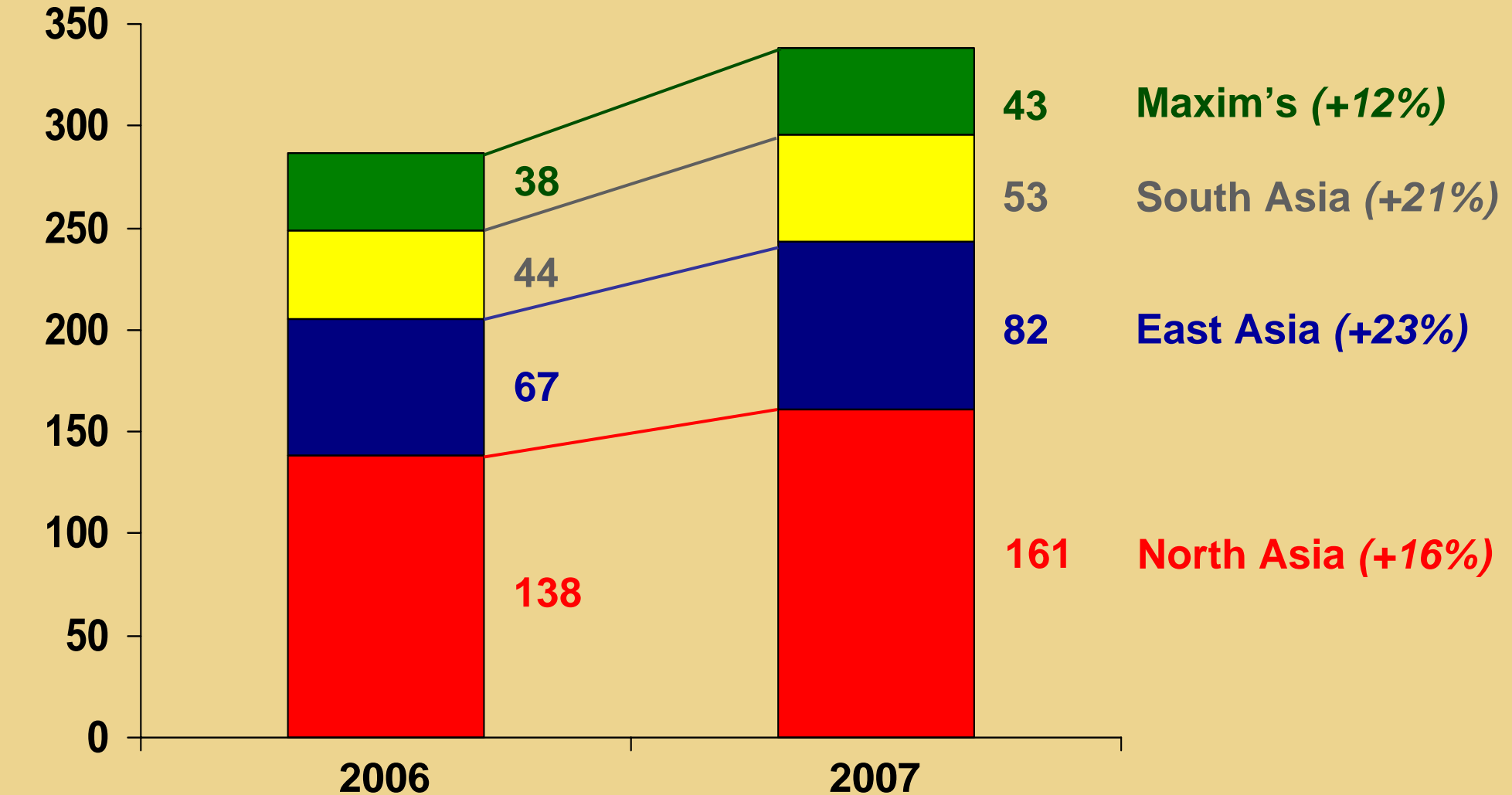


<i>(US\$m)</i>	<u>2006</u>	<u>2007</u>	<u>Change</u>	
Sales incl. associates	6,010	<b>6,810</b>	800	13%
EBITDA	344	<b>399</b>	55	16%
<i>% to sales</i>	6.6%	<b>6.8%</b>		
PBIT	269	<b>314</b>	45	17%
PATAM	211	<b>258</b>	47	22%
EPS (US¢)	15.70	<b>19.19</b>	3.49	22%

# PBIT by region



(US\$m)

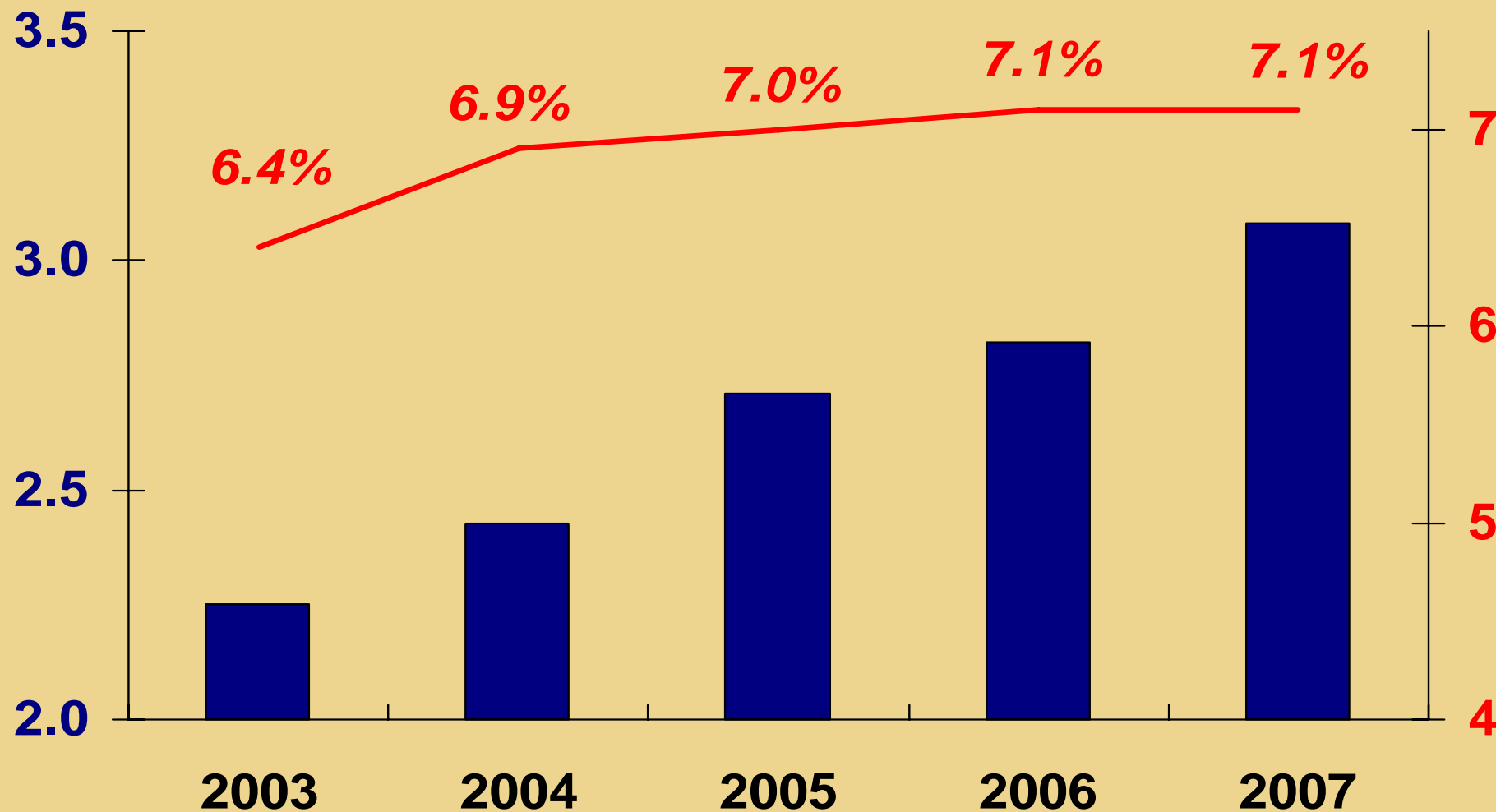


# North Asia



SALES (US\$b)

EBITDA % \*



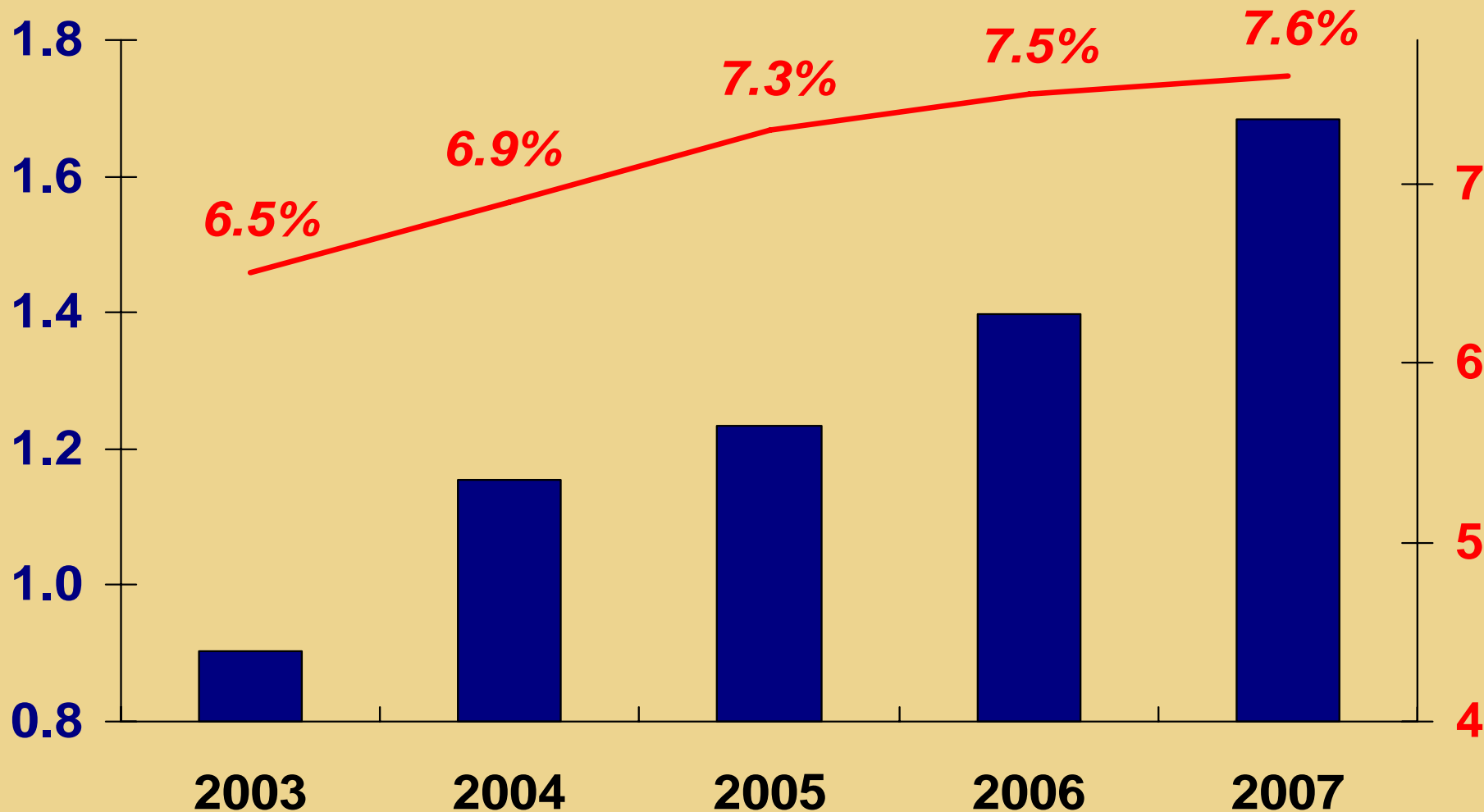
\* Before pre-opening expenses & closure costs

# East Asia



SALES (US\$b)

EBITDA % \*



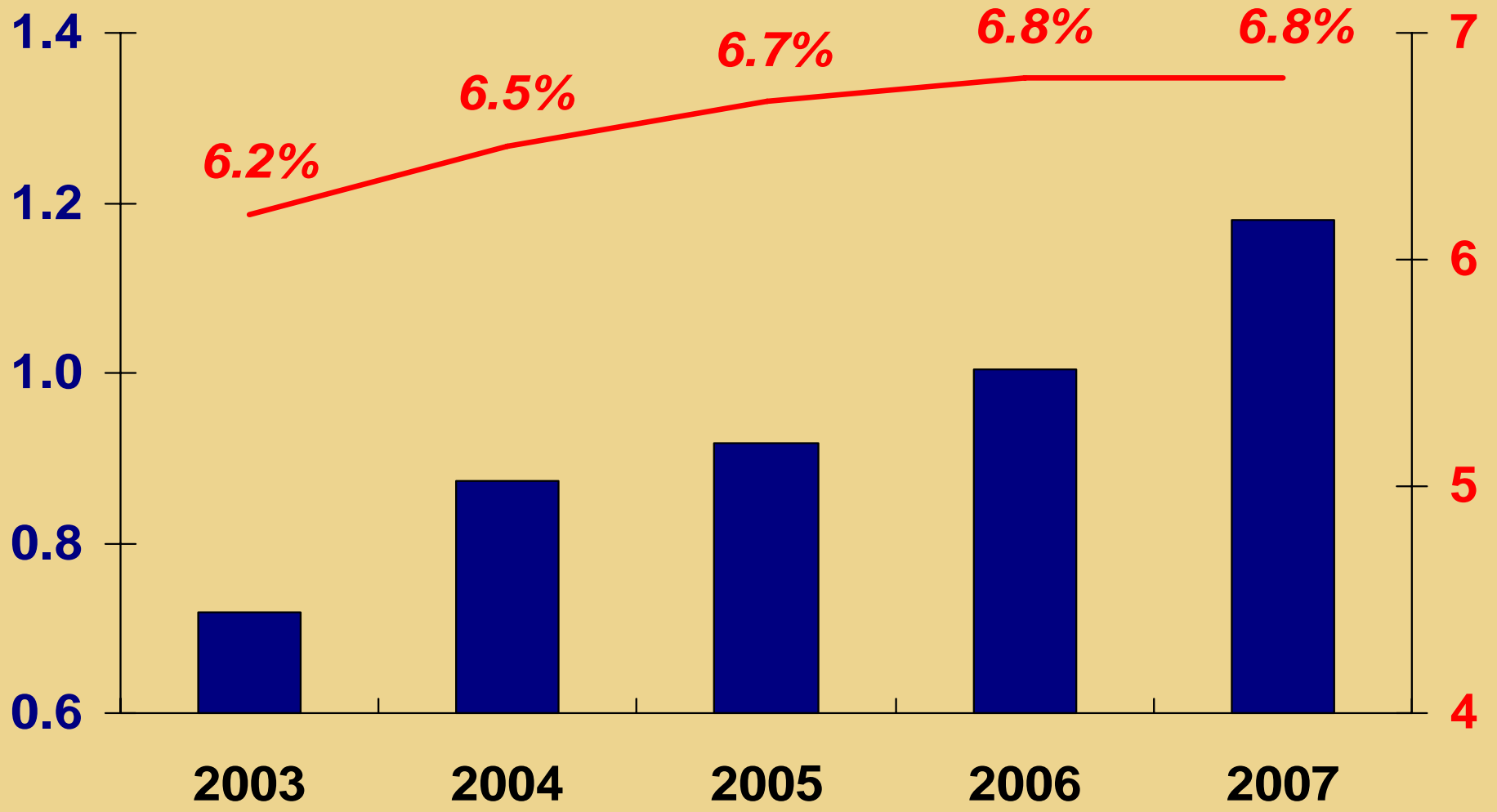
\* Before pre-opening expenses & closure costs

# South Asia



SALES (US\$b)

EBITDA % \*



\* Before pre-opening expenses & closure costs

# Retail PBIT by format



<i>(US\$m)</i>	<u>2006</u>	<u>2007</u>	<u>Change</u>	
Super / hypermarkets	132	<b>152</b>	20	15%
H&B stores	63	<b>72</b>	9	14%
C-stores	52	<b>60</b>	8	14%
IKEA	(4)	<b>5</b>	9	n/a

# PATAM



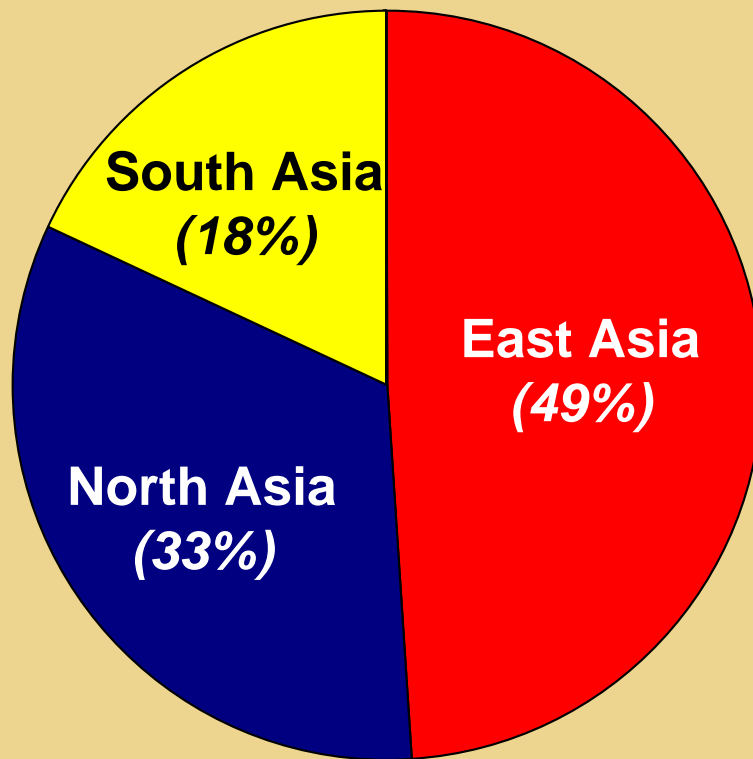
<i>(US\$m)</i>	<u>2006</u>	<u>2007</u>	<u>Change</u>
PBIT	269	314	45
Net interest expense	(6)	(3)	3
Tax	(52)	(54)	(2)
Minorities	-	1	1
PATAM	<u>211</u>	<u>258</u>	47

# Capex

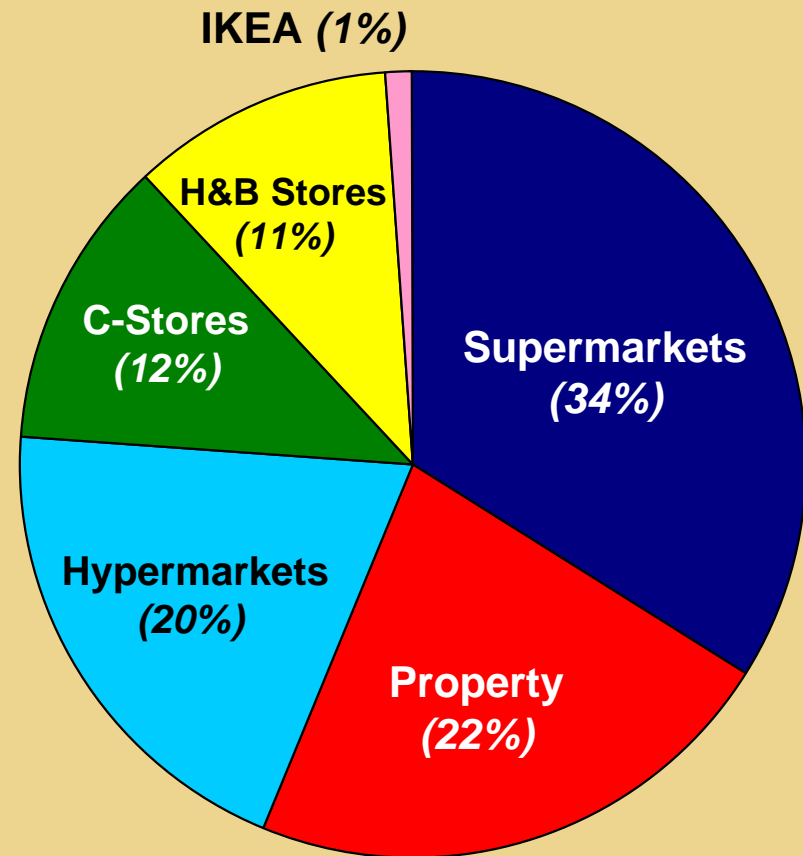


Total: US\$223m

By region



By format

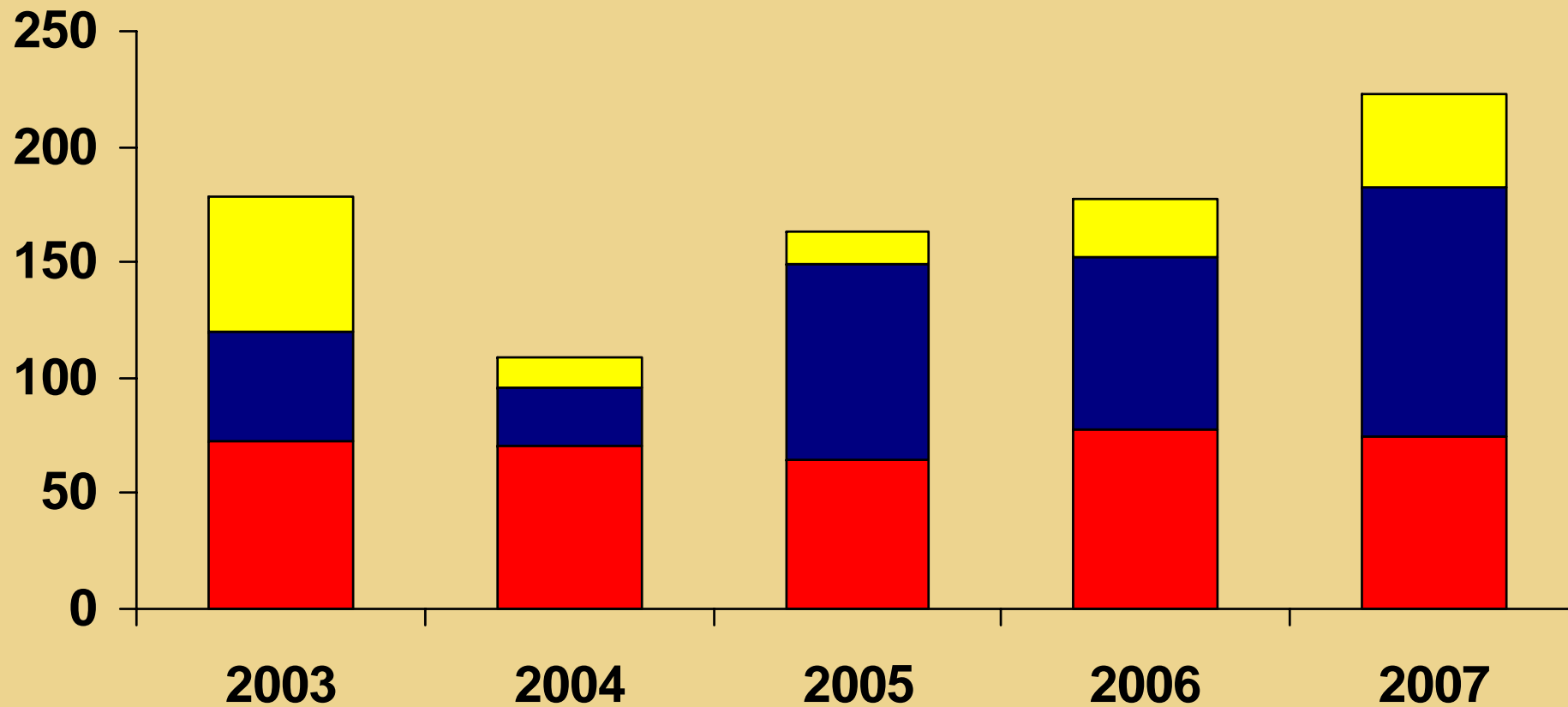


# Total capex



(US\$m)

- South Asia
- East Asia
- North Asia



# Cash flow



(US\$m)

	<u>2006</u>	<u>2007</u>
EBITDA	344	399
Dividends from associates	21	26
Working capital	(11)	84
Interest / tax / other	(40)	(35)
Operating cash flow	<u>314</u>	<u>474</u>
Normal capex	(159)	(209)
Free cash flow	<u>155</u>	<u>265</u>

# Cash flow



(US\$m)

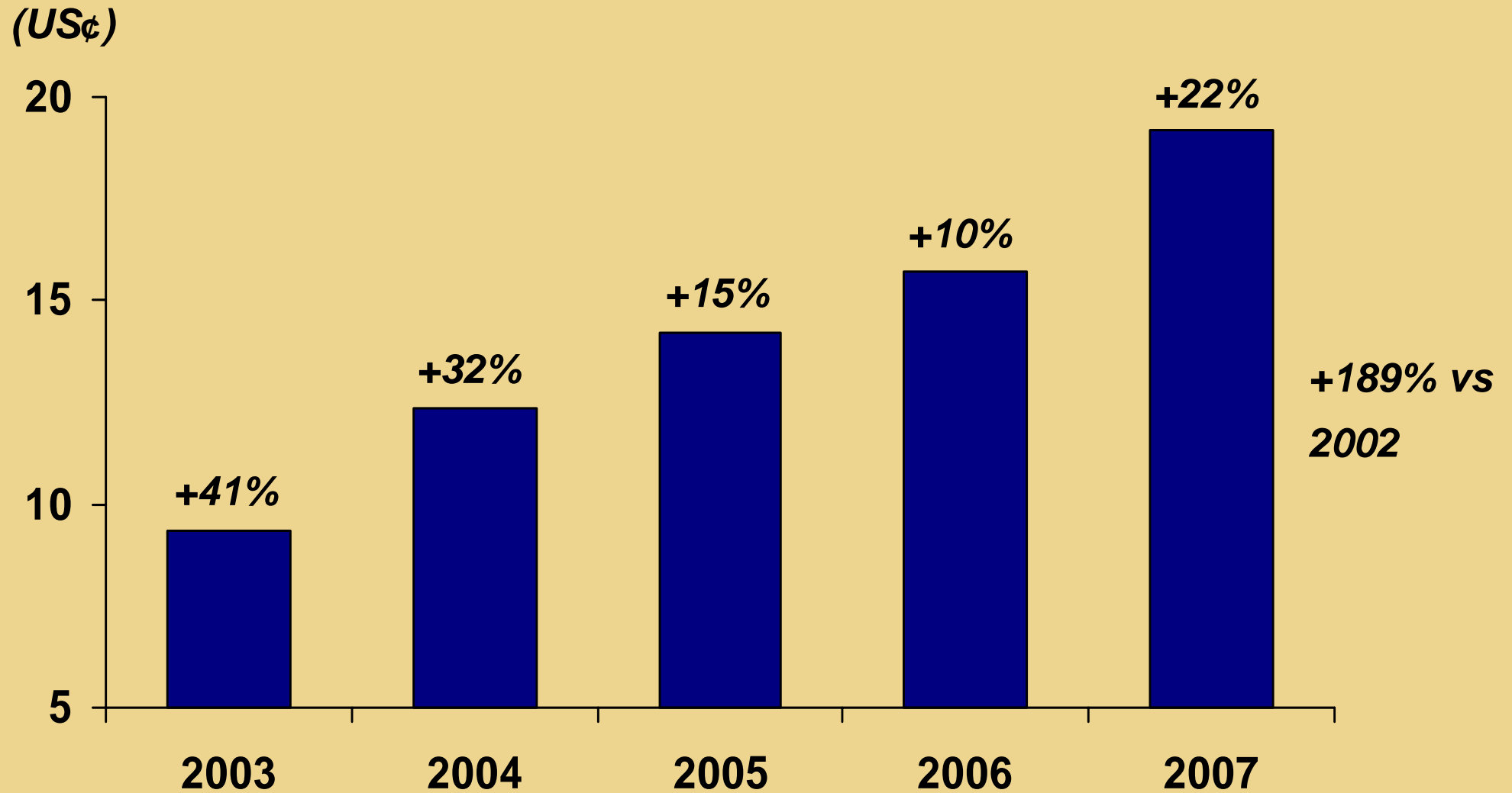
	<u>2006</u>	<u>2007</u>
Free cash flow	155	<b>265</b>
Asset sales	10	<b>6</b>
Investment capex	(18)	<b>(14)</b>
Dividends paid - ordinary	(118)	<b>(132)</b>
- special	-	<b>(215)</b>
Net cash inflow / (outflow)	<u>29</u>	<u><b>(90)</b></u>

# Balance sheet

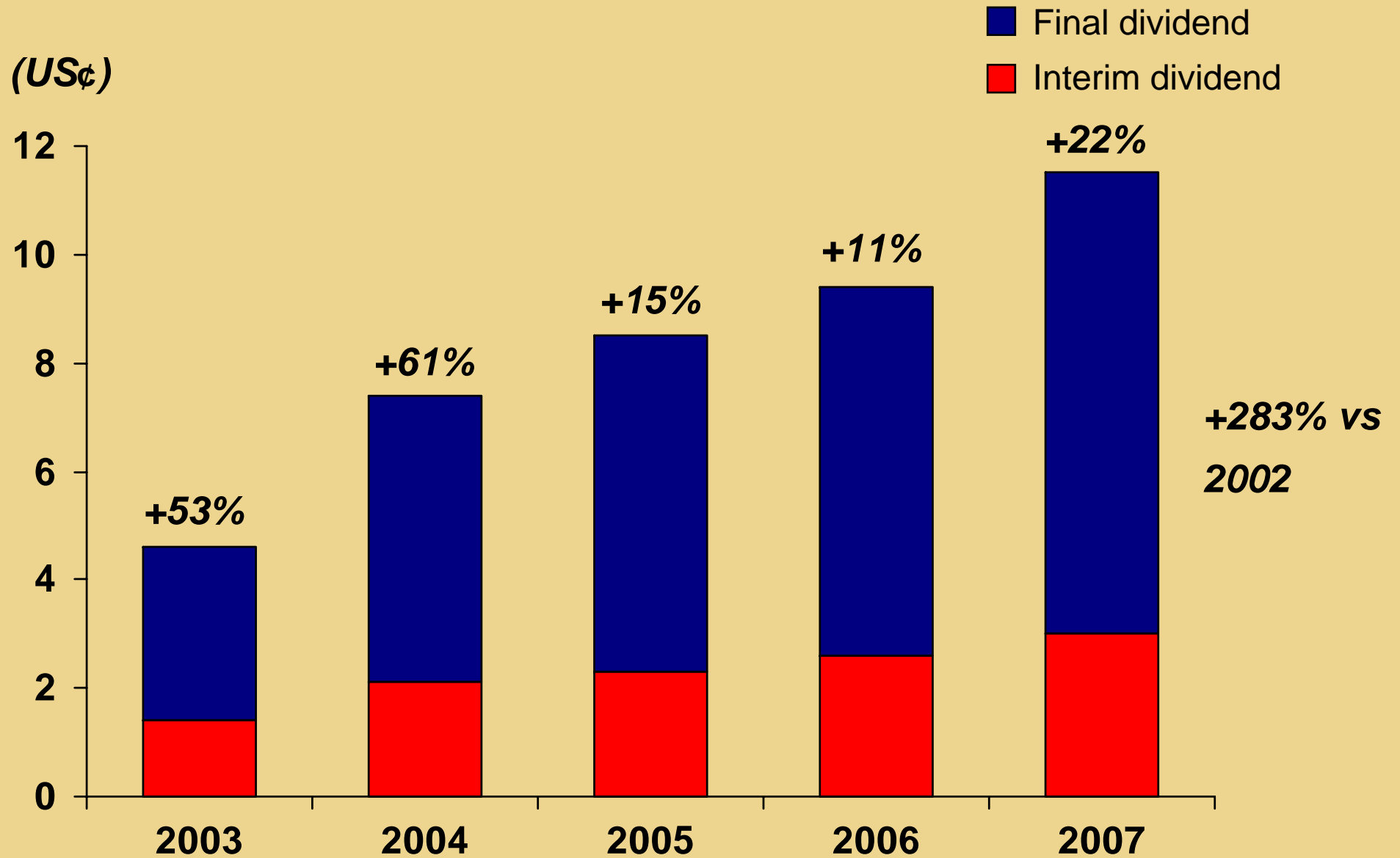


<i>(US\$m)</i>	<u><i>At 31/12/06</i></u>	<u><i>At 31/12/07</i></u>
Property	175	<b>231</b>
Other fixed assets	680	<b>805</b>
Net working capital	(547)	<b>(712)</b>
Net cash / (debt)	20	<b>(83)</b>
Total equity	<u>328</u>	<u><b>241</b></u>
<i>Net debt / equity ratio</i>	<i>n/a</i>	<b>35%</b>
<i>Net interest cover</i>	<i>61x</i>	<b>153x</b>

# Underlying earnings per share



# Ordinary dividends per share



- HK and Singapore - steady growth
- Malaysia - continue multi-year expansion
- Indonesia - set to improve
  - opportunity is big

- China
  - Max out South China
  - Expand in other major cities
- Maxim's to step up investments in China
  - Additional production capacity
  - Fast food
  - Genki Sushi
  - Lawry's The Prime Rib

- India and Vietnam
  - Significant markets in the future
- Good momentum into 2008