



**Attention: Business News Editor**

**Press Release  
(For Immediate Release)  
24 February 2004**

**Dairy Farm South Asia Posts Strong Double-Digit Growth  
Sales Up 24%, Profit Before Interest and Tax Rose 48% in 2003**

**Singapore, 24 February 2004** – Dairy Farm South Asia is pleased to announce that it has achieved strong growth with a 48% improvement in profit before interest and tax (PBIT)\* in US dollar terms for the year ended 31 December 2003. Sales increased 24% compared to the previous year.

Dairy Farm South Asia Regional Director, Mr Michael Kok said: "South Asia continued to perform well and achieved its fifth consecutive year of double-digit growth in sales and PBIT. This was due mainly to improved performances attained by most banners in Singapore and Malaysia.

"In 2003, we expanded our presence in South Asia with three major bolt-on acquisitions and spent over US\$21 million to open 127 new stores. Our acquisitions of the Tops supermarket chains in Malaysia and Indonesia, and the Shop N Save supermarket chain in Singapore, are expected to add significant value and contribution to our grocery businesses in these countries."

As at 31 December 2003, Dairy Farm operated 956 stores in South Asia, with 433 in Singapore, 186 in Malaysia, 222 in Indonesia and 115 in India.

**\*Note:**

**Sales include 100% of associates and joint ventures, while PBIT includes share of profits of associates and joint ventures in Indonesia and India.**

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## **Singapore**

Singapore's sales and profit improved with good growth attained by most of its retail banners. Cold Storage continued to post higher sales and better margins with the introduction of more own label offerings and competitive pricing, and good cost control.

Giant hypermarkets and 7-Eleven convenience stores both had a good year. Giant opened its fourth store at Sembawang Shopping Centre to serve the northern region population. Agreement was signed with Marina Square shopping centre to open the fifth hypermarket by the end of 2004. 7-Eleven opened its 206<sup>th</sup> store and remains a strong contributor to the company.

The SARS outbreak during the second quarter of 2003 led to strong consumer demand for pharmaceutical and healthcare products, together with high demand for fresh food, and this translated into stronger sales for Cold Storage supermarkets, Giant hypermarkets and Guardian health and beauty stores.

Dairy Farm opened 54 stores in Singapore last year – two Cold Storage supermarkets, one G'Value store, one Giant hypermarket, 11 Guardian health and beauty stores, 35 7-Eleven stores and four Photo Finish stores. In addition, 35 Shop N Save supermarkets were acquired in November 2003. The group is the biggest retailer in Singapore with 433 stores at the end of December 2003.

Mr Kok said: "With the addition of Shop N Save, we are able to expand our services in the public housing estates with a wider consumer base. Shop N Save is an established brand name with loyal clientele. We intend to retain and build on the Shop N Save brand, and we will focus on its smooth integration with our Cold Storage supermarket business early this year."

## **Malaysia**

Giant hypermarkets and supermarkets and Guardian health and beauty stores achieved good organic growth and recorded significant increases in sales and profit. The Cold Storage supermarkets also performed well.

The group's supermarket business was boosted by the acquisition of 32 Tops stores in both West and East Malaysia in May 2003. The Tops stores have since been

integrated and rebranded as Giant and Cold Storage supermarkets. With this addition, the group has a stronger presence in the secondary towns outside the Klang Valley.

Dairy Farm South Asia opened 33 stores in Malaysia in 2003 – five Giant stores, 27 Guardian stores and one Photo Finish store. It operated a total of 186 stores in Malaysia at year end.

“Malaysia continues to be a major source of growth for South Asia and we plan to continue to build the brand awareness and market presence of all our banners there,” said Mr Kok.

## **Indonesia**

Dairy Farm’s associate, PT Hero Supermarkets, continued to face a challenging year due to increased competition. Twenty-two Tops supermarkets were acquired in May 2003 and rebranded as Hero supermarkets, further strengthening the group’s market presence. During the year, the repositioning of Hero continued to make good progress.

Giant turned in a robust performance and made significant progress following the opening of four stores – three in Jakarta and one in Bandung. Guardian opened eight stores last year, achieving profit growth from higher sales and better margins.

PT Hero opened 18 new stores last year (two Hero supermarkets, four Giant outlets, eight Guardian drugstores and four Starmart mini-marts) bringing the total to 222 at year end.

The Group will continue to expand all formats in 2004.

## **India**

Although loss-making, Dairy Farm’s two joint ventures, Foodworld supermarket and Health and Glow health and beauty stores posted improved operating performances. This followed measures to streamline operations and to boost sales. Twelve Foodworld supermarkets and 10 Health and Glow stores were opened last year.

These two joint ventures operated 115 stores in India as at 31 December 2003. In 2004, further efforts will be made to improve margins and to expand selectively including the opening of the first two Health and Glow stores in Mumbai.

## **General Outlook**

Mr Kok said: "The global and Asian economies have started recovering and, barring unforeseen circumstances, are expected to fare better in 2004. However, the impact of the recent public health issues is uncertain. We will continue with our plan for steady organic growth in all banners in each of the countries where we operate."

Dairy Farm is a leading pan-Asian retailer. At 31st December 2003, the Group and its associates operated 2,570 outlets - including supermarkets, hypermarkets, health and beauty stores, convenience stores, home furnishings stores and restaurants - employed 56,800 people, and had 2003 total sales of US\$ 4.5 billion. Dairy Farm is a member of the Jardine Matheson Group.

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This and other Dairy Farm Group announcements can be accessed through its website at [www.dairyfarmgroup.com](http://www.dairyfarmgroup.com).

**Dairy Farm South Asia Operations as at 31 December 2003**

**Total number of stores: 956**

**A. SINGAPORE – 433 stores**

**Cold Storage** – 31 supermarkets (including four gourmet supermarkets)

**Shop N Save** – 35 supermarkets (Acquired in Nov 2003)

**G'Value** – 9 value supermarkets

**Giant** – 4 hypermarkets

**Guardian** – 107 health and beauty stores (52 with pharmacies)

**7-Eleven** – 206 convenience stores

**Photo Finish** – 38 photo developing and printing stores

**B. MALAYSIA – 186 stores**

**Giant** – 9 hypermarkets and 41 supermarkets

**Cold Storage** – 6 supermarkets

**Guardian** – 123 health and beauty stores

**Photo Finish** – 7 photo developing and printing stores

**C. INDONESIA – 222 stores**

**Hero** – 105 supermarkets

**Giant** – 6 hypermarkets

**Guardian** – 72 health and beauty stores

**Starmart** – 39 convenience stores

**D. INDIA – 115 stores**

**Foodworld** – 92 supermarkets

**Health and Glow** – 23 health and beauty stores