



**Attention: Business News Editor
Press Release
(For Immediate Release)
3 August 2004**

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**Dairy Farm South Asia Posts Strong Growth in 2004 First Half
Sales increased 33%, profit before interest and tax rose 51%**

Singapore, 3 August 2004 – Dairy Farm South Asia announced that its recurring profit before interest and tax (PBIT)* increased 51% in US dollars terms for the six months ended 30 June 2004, compared to the corresponding period in the previous year. Sales grew 33% for the same period. The results maintain a six-year trend of double-digit sales and profit growth for South Asia.

Dairy Farm South Asia Regional Director Michael Kok said: “We are pleased with the first half results of our South Asia businesses. Singapore’s result was enhanced by contributions from the Shop N Save supermarket chain acquired in late 2003. Most of the other banners also enjoyed strong customer support and performed well. In Malaysia, the results reflected the strong performances of our existing Giant and Guardian stores as well as the contributions from four new hypermarkets and 18 new Guardian stores.”

Commenting on store expansion activities, Mr Kok said: “We have opened 63 new stores in the first half. We will continue to roll out new stores and have committed to open another 60 stores in Singapore, Malaysia, Indonesia and India in the second half.”

As at 30 June 2004, Dairy Farm operated 993 stores in South Asia with 447 stores in Singapore, 208 in Malaysia, 221 in Indonesia, 117 in India and 1,687 outlets in other regions of Asia.

***Note:**

Sales figure includes 100% of associate companies, while PBIT figure includes share of profits of associate companies in Indonesia and India.

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Issued by: DFI South Asia Pte Ltd

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Singapore

Singapore achieved double-digit growth in sales and PBIT through the rollout of new stores and the integration of the Shop N Save supermarket chain that was acquired in November last year. The local banners, including Cold Storage Supermarket, continued to step up cost efficiency measures and shrinkage control to improve profitability.

The integration of Shop N Save has been completed and is performing better than expected. The ongoing focus is to improve its operational efficiency and its range and quality of consumer services and product offerings.

7-Eleven, the country's leading convenience store chain, remained a strong earnings contributor. Sales growth was accelerated by an expanded network of 221 stores, compared to 181 in June last year. 7-Eleven continued to differentiate itself in a competitive market through the introduction of innovative retail ideas and services, including opening more popular "high street" stores in the city central.

Guardian continues to be the leading health and beauty chain, with the highest number of dispensing services offered by a private operator in Singapore. It attained growth of sales and profit by opening new stores and conducting aggressive promotional activities.

Giant continued to increase its presence throughout Asia and now operates 26 stores in the region including four in Singapore. Giant will add several stores in Singapore within the next 12 months.

Dairy Farm is the leading retail group in Singapore with 447 stores. In the first half of 2004, 27 stores – mostly 7-Eleven and Guardian – were opened in Singapore with plans for more than 20 new stores in the second half of the year.

Malaysia

Giant, Guardian and Cold Storage stores achieved excellent sales growth with double-digit increases due mainly to the opening of new stores. The Tops supermarket chain, acquired in May 2003, has been converted to Cold Storage and Giant stores. They have expanded the Group's presence in the secondary towns of West Malaysia and also in East Malaysia, and have made a positive impact on sales and profit.

As at end June, Dairy Farm had 208 stores in Malaysia of which 23 new outlets - 18 Guardian outlets, four Giant hypermarkets and one Giant supermarket – were opened in the first half of this year. Plans are in place to open about 17 new stores, mostly in the suburbs, in the second half of 2004.

Indonesia

Despite challenging market conditions, Dairy Farm's associate, PT Hero Supermarkets posted higher sales with the opening of new stores, including three Giant hypermarkets. The Tops stores that were acquired last year have been converted to Hero supermarkets, and have helped capture a bigger market share. We continue to put in efforts to reposition the enlarged Hero supermarket chain in response to competition. The Giant hypermarket concept has proven to be popular with consumers in Indonesia, and the nine stores delivered a robust performance in the first half of 2004.

PT Hero operated 221 stores in Indonesia as at end June. This network will be bolstered by the expansion of 21 stores in the second half of the year, including two Giant hypermarkets and nine Guardian stores.

India

Dairy Farm's two joint ventures, Foodworld supermarkets and Health & Glow health and beauty stores, both managed by our local partner, continued to underperform. Efforts are being made to improve the performance of both chains. These two joint ventures operated 117 stores in India as at end June.

General Outlook

Commenting on the outlook for the second half of 2004, Mr Michael Kok said: “We have strengthened our operations and built a firm foundation for steady organic growth across all banners. Barring unforeseen circumstances, we are optimistic that the retailing sectors for food, health & beauty and convenience stores will be steady in the second half.”

Dairy Farm is a leading pan-Asian retailer. At 30 June 2004, the Group and its associates operated 2,680 outlets - including supermarkets, hypermarkets, health and beauty stores, convenience stores, home furnishings stores and restaurants - employed 57,400 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.

Dairy Farm South Asia Operations as at 30 June 2004

Total number of stores: 993

A. SINGAPORE - 447

Cold Storage – 29 supermarkets

Market Place - 4 specialty supermarkets

Shop N Save – 36 supermarkets

G'Value – 9 value supermarkets

Giant – 4 hypermarkets

Guardian – 111 health and beauty stores (56 with dispensing/pharmacy services)

7-Eleven – 221 convenience stores

Photo Finish – 33 photo developing and printing stores

B. MALAYSIA – 208

Giant – 13 hypermarkets and 41 supermarkets

Cold Storage – 6 supermarkets

Guardian – 141 health and beauty stores

Photo Finish – 7 photo developing and printing stores

C. INDONESIA – 221

Hero – 100 supermarkets

Giant – 9 hypermarkets

Guardian – 73 health and beauty stores

Starmart – 39 convenience stores

D. INDIA – 117

Foodworld – 92 supermarkets

Health and Glow – 25 health and beauty stores