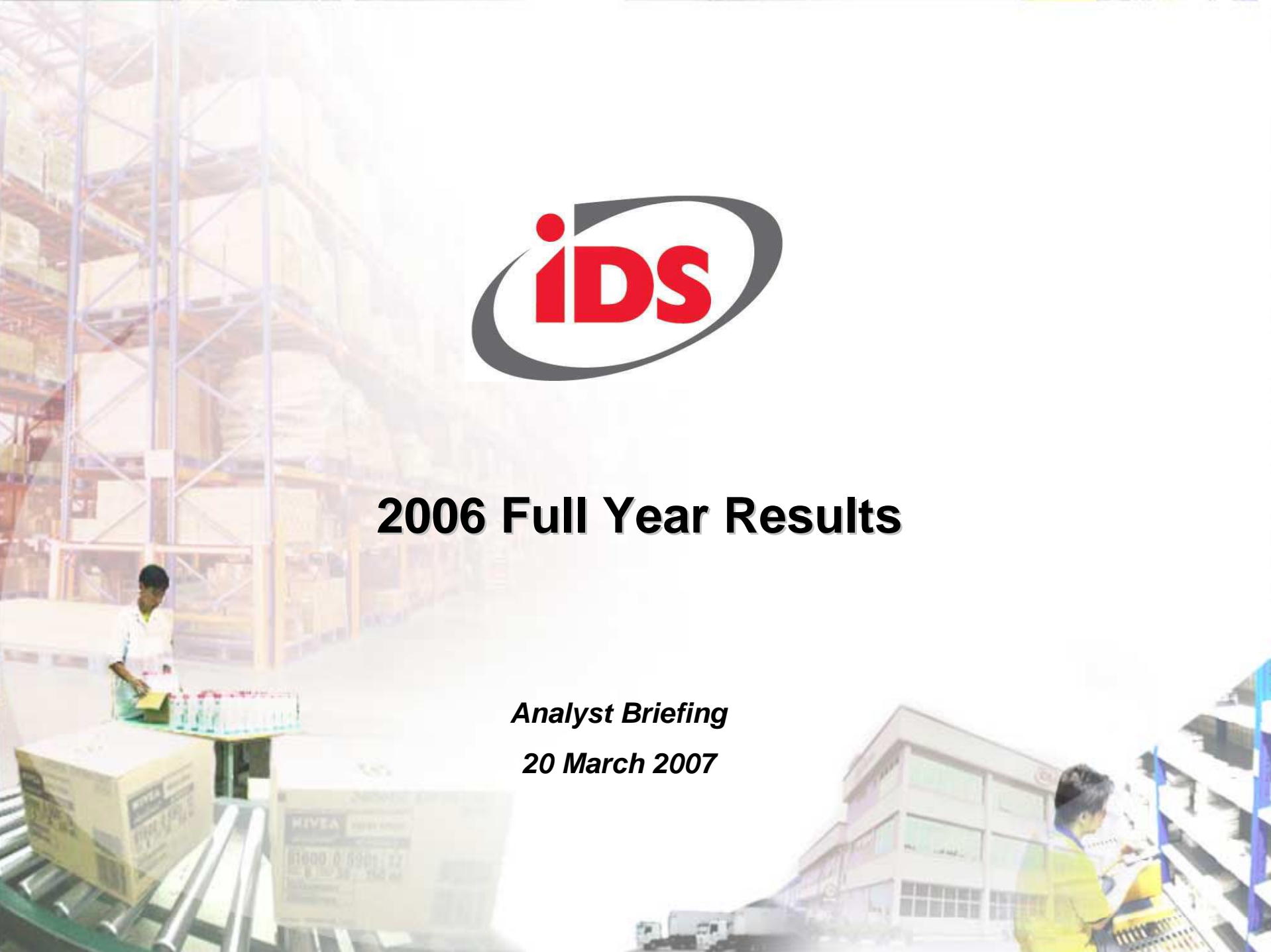




2006 Full Year Results

Analyst Briefing

20 March 2007





2006 Full Year Financial Highlights

- IDS registered a solid set of financial results in 2006:

| | <u>2006 vs. 2005</u> |
|-------------------------|----------------------|
| ▪ Revenue | +20.9% |
| ▪ Core Operating Profit | +26.1% |
| ▪ Operating Profit | +42.7% |
| ▪ Net Profit | +73.9% |
- 2006 Net Profit increased 73.9% from US\$13.33 million to US\$23.19 million
- The Group completed its first two acquisitions in last quarter 2006 – a third party logistics operator in Malaysia and a garment logistics company in the US
- IDS divested 12.5% of our shareholding in Slumberland Asia Pacific to Hilding Anders, registering an US\$8 million gain



2006 Full Year Financial Highlights

- China continued to record solid growth with revenue and operating profit up 55.2% and 102.4% respectively. China now contributes 15.7% of total Group revenue.
- Logistics continued to show robust OP growth of 23.4%. Manufacturing OP rebounded by 29.6% in spite of flat top-line, while Marketing OP grew by 9.3%
- Cash Flow from Operations surged US\$49.4 million from US\$19.7 million in 2005. After capex, cash flow in 2006 was US\$37 million
- IDS Board of Directors has proposed a dividend payout of HK28 cents per share. Together with interim dividend of HK7 cents per share, total dividend for year 2006 amounts to HK35 cents per share, an increase of 75% against last year



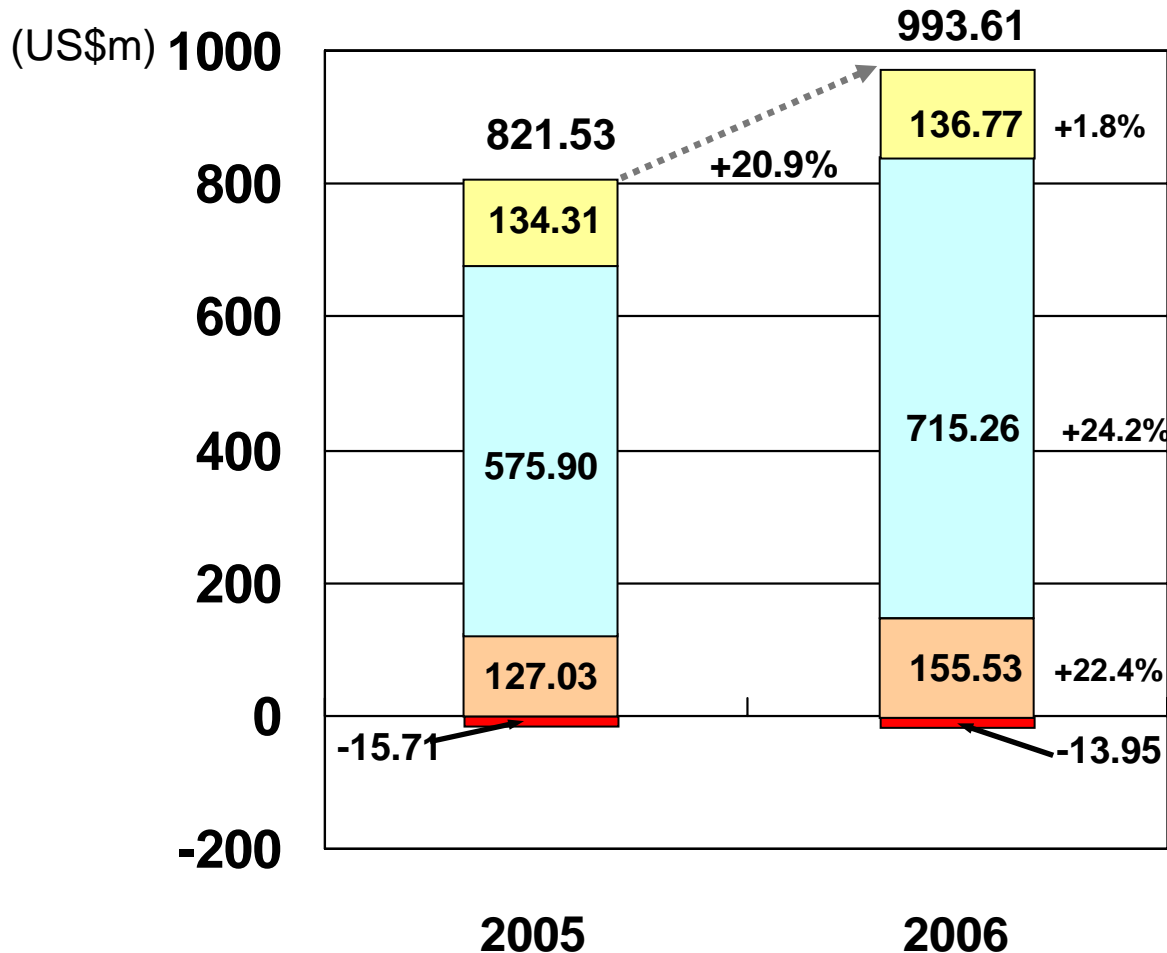
2006 Full Year Results

(US\$ million)

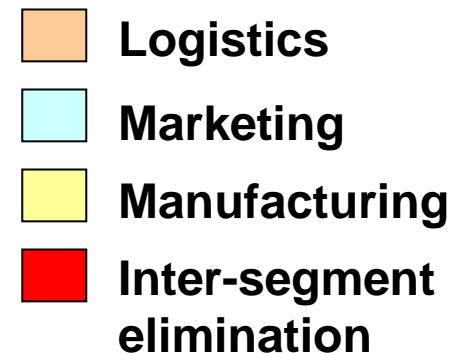
| | <u>2006</u> | <u>2005</u> | <u>Change (%)</u> |
|---------|-------------|-------------|-------------------|
| Revenue | 993.61 | 821.53 | 20.9% |



2006 Full Year Revenue Segmental Results



- Logistics showed strong top line growth of 22.4%
- Marketing growth of 24.2% driven by aggressive expansion in China
- Manufacturing top line growth was soft at 1.8% but OP grew nearly 30%





2006 Full Year Results

(US\$ million)

Full Year ended 31 Dec

| | <u>2006</u> | <u>2005</u> | <u>Change (%)</u> |
|------------------------------|---------------|---------------|-------------------|
| Revenue | 993.61 | 821.53 | 20.9% |
| Gross Profit | 257.93 | 216.96 | 18.9% |
| Core Operating Profit | 20.11 | 15.95 | 26.1% |
| <i>Other gains</i> | <i>6.95</i> | <i>3.01</i> | |
| Operating Profit | 27.06 | 18.96 | 42.7% |



2006 Full Year Results

| (US\$ million) | Full Year ended 31 Dec | | <u>Change (%)</u> |
|----------------------------------|--------------------------|--------------------------|--------------------------|
| | <u>2006</u> | <u>2005</u> | |
| Revenue | 993.61 | 821.53 | 20.9% |
| Gross Profit | 257.93 | 216.96 | 18.9% |
| Core Operating Profit | 20.11 | 15.95 | 26.1% |
| <i>Other gains</i> | 6.95 | 3.01 | |
| Operating Profit | 27.06 | 18.96 | 42.7% |
| <i>Finance cost</i> | (1.44) | (0.86) | |
| <i>Taxation</i> | (1.73) | (3.83) | |
| <i>Minority interests</i> | (0.70) | (0.95) | |
| Net Profit | <u>23.19</u> | <u>13.33</u> | 73.9% |
| <i>Final dividend</i> | <i>HK28 cents</i> | <i>HK14 cents</i> | |
| <i>Interim dividend</i> | <i>HK7 cents</i> | <i>HK6 cents</i> | |
| <i>Full Year dividend</i> | <i>HK35 cents</i> | <i>HK20 cents</i> | 75.0% |



2007 Outlook

- Key focus to solidify our leadership position in China and in Logistics
- Acquisitions made in 2006 and new contracts won will contribute to growth in 2007. Generate new business for IDS International
- Significant investments will be made in technology, China and the USA in 2007
- Drive aggressive organic growth across the Group with emphasis on Regional Business Development
- Accelerate M&A efforts to fill in the mosaic across the region and build stronger USA presence
- Continue to strengthen our Country Resource Teams (CRT) to optimize G&A expenses
- Full roll-out of the IDS Leadership, Management & Talent Development (LMT) Program



Our Growth Story



IDS – Our Growth Story 2002 - 2006

5-Year Financial Growth 2002 - 2006

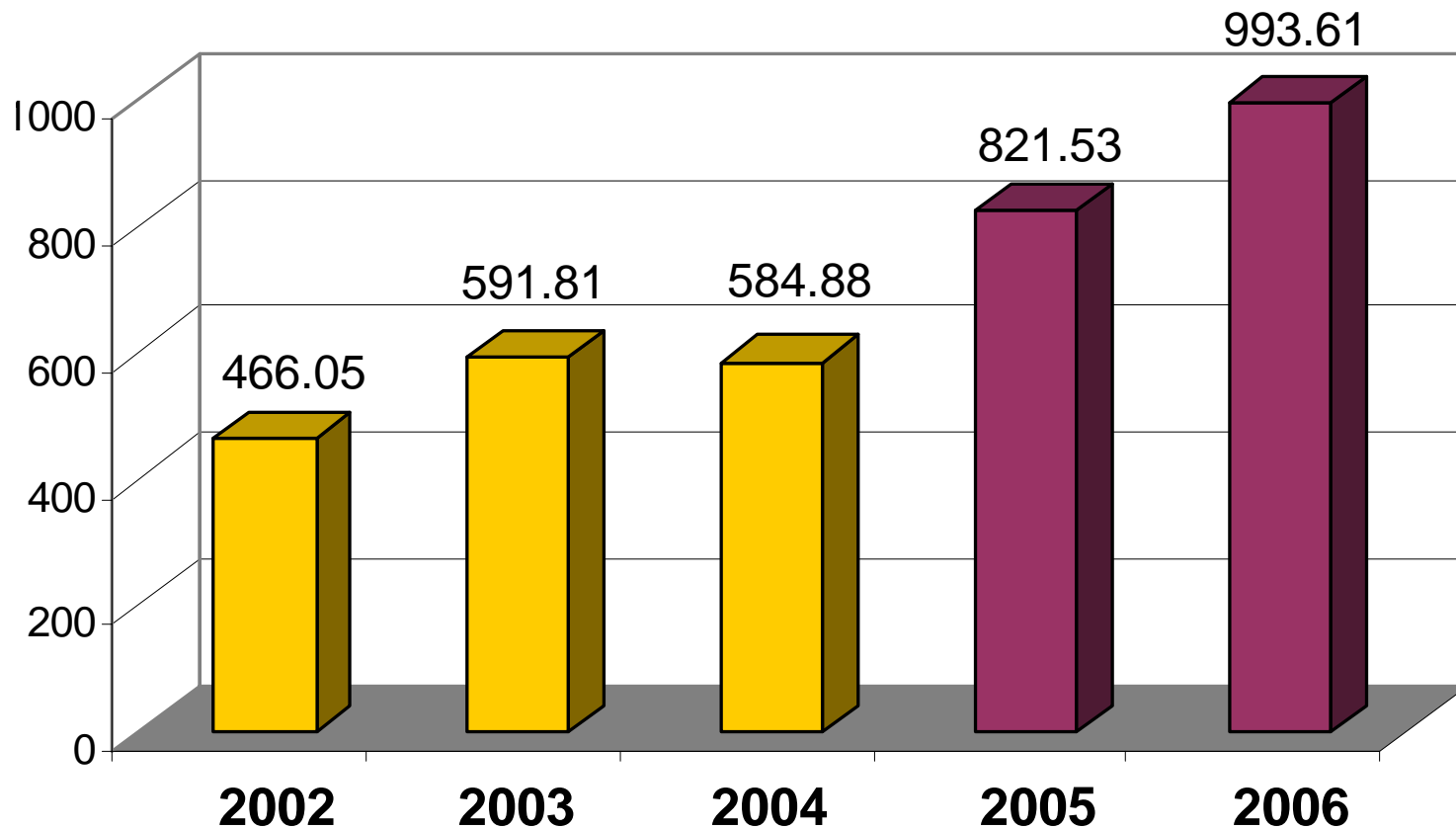
| (US\$m) | <u>2002</u> | <u>2006</u> | CAGR |
|-----------------------|-------------|-------------|-------|
| Revenue | 466.05 | 993.61 | 20.8% |
| Gross Profit | 132.35 | 257.93 | 18.2% |
| Core Operating Profit | 4.89 | 20.11 | 42.4% |
| Operating Profit | 5.57 | 27.06 | 48.5% |
| Net Profit | 2.98 | 23.19 | 67.1% |



Revenue 2002-2006

USD'M

CAGR: 20.84%

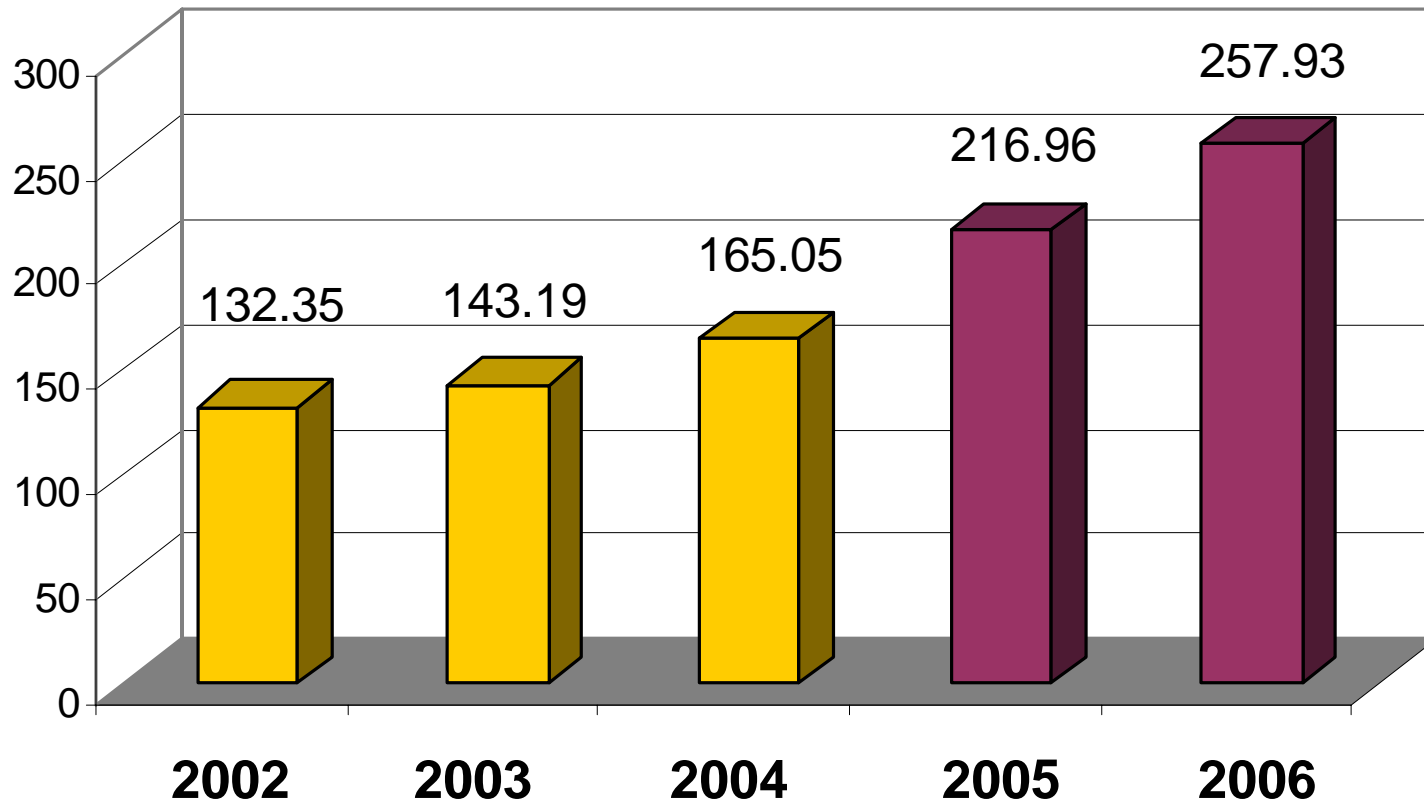




Gross Profit 2002-2006

USD'M

CAGR: 18.15%

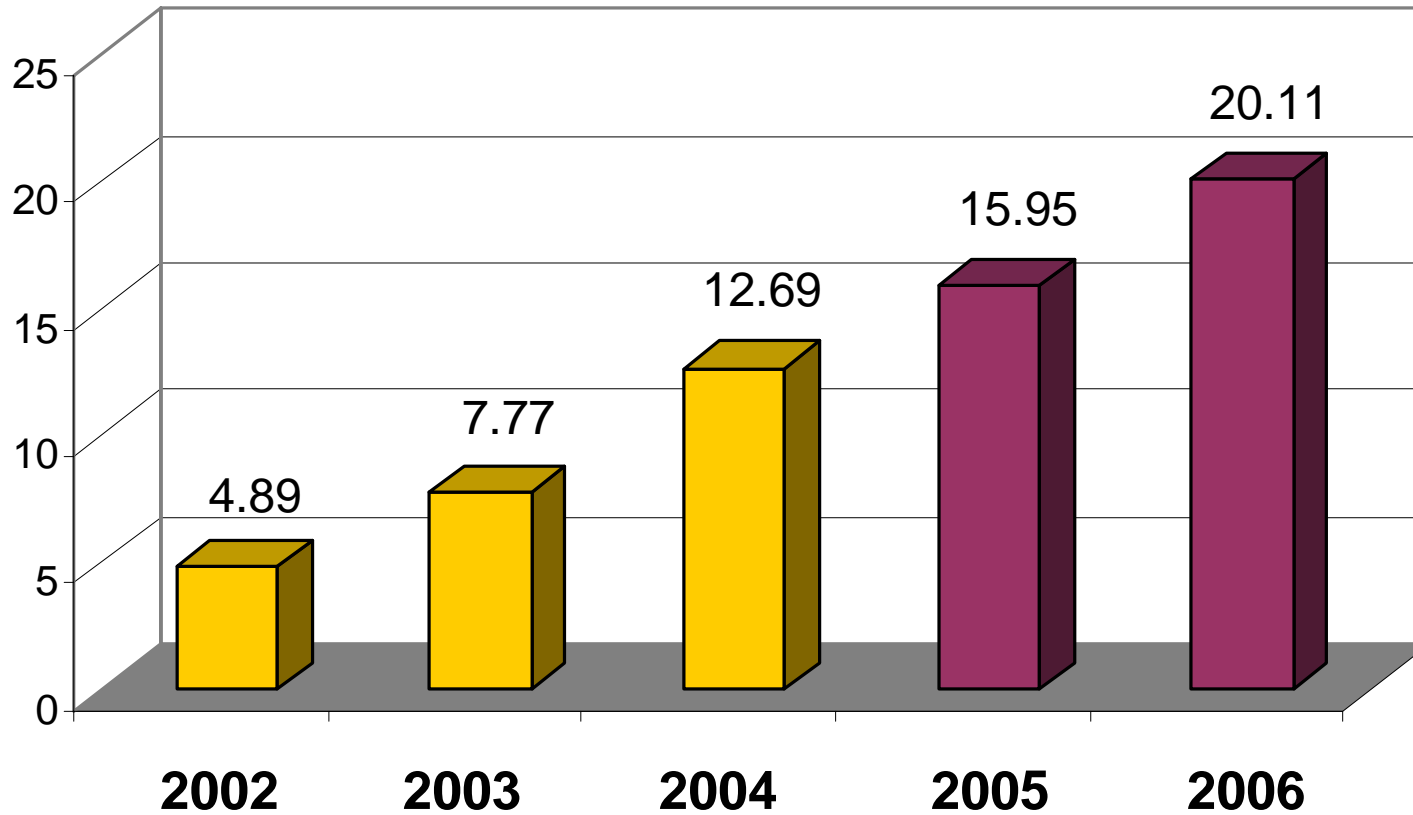




Core Operating Profit 2002-2006

USD'M

CAGR: 42.4%

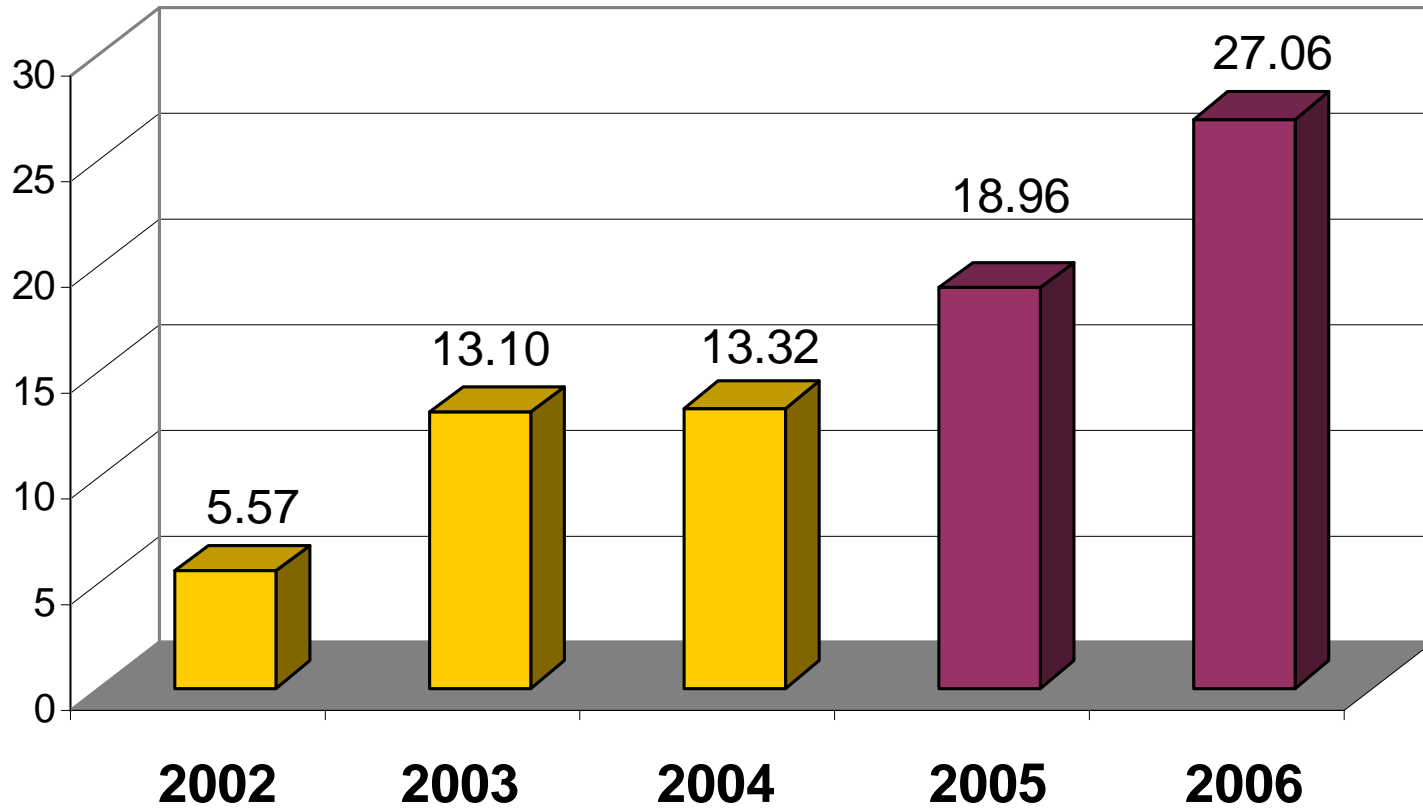




Operating Profit 2002-2006

USD'M

CAGR: 48.5%

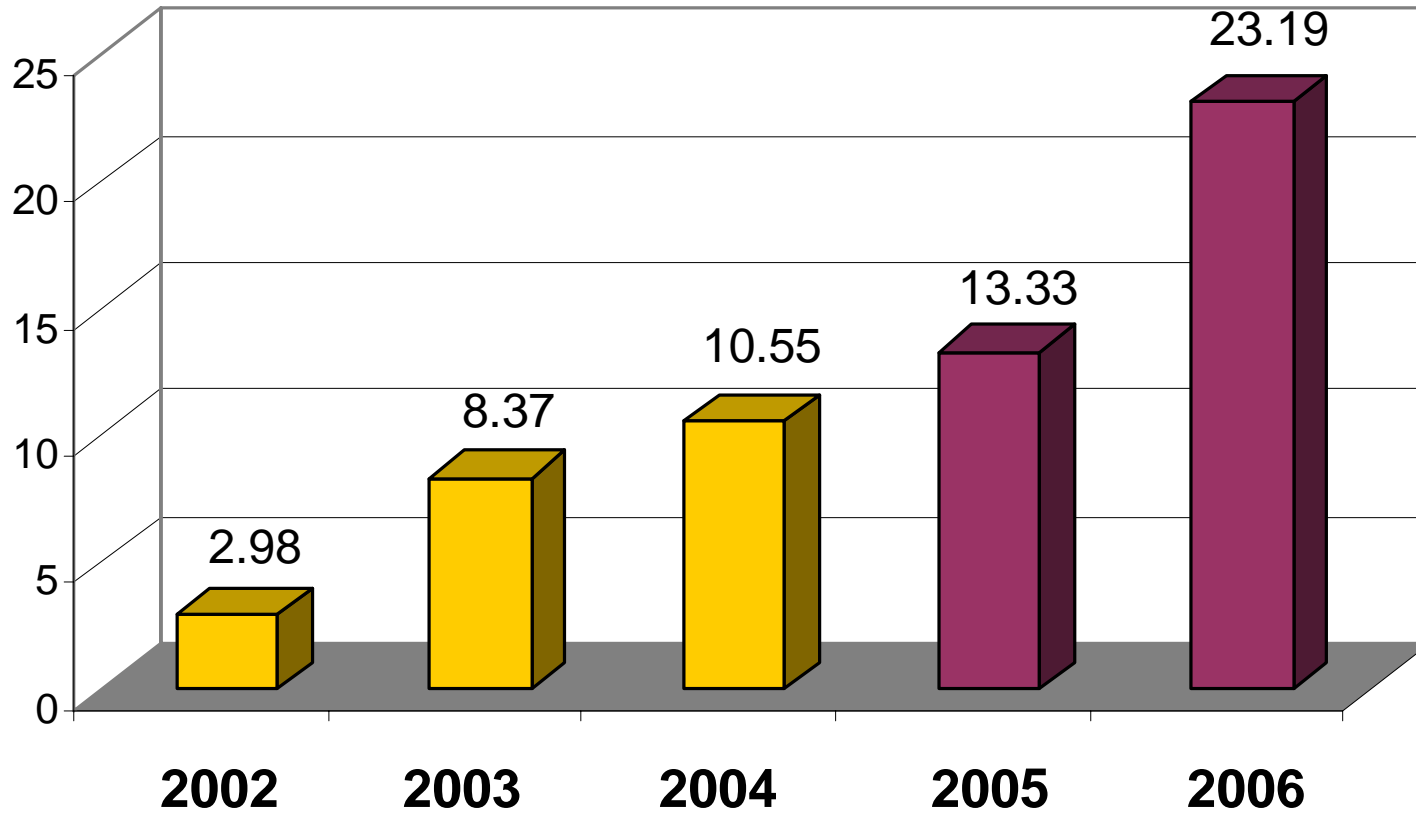




Net Profit 2002-2006

USD'M

CAGR: 67.1%





IDS – Looking Ahead To Strategic Plan 2008 - 2010

Kicked-off the planning process for our 2008 – 2010 Strategic Plan Road map for our next stage of Explosive Growth

- The IDS Growth Story will continue into our next 3-Year Strategic Plan 2008 – 2010 building on:
 - The strong growth record established in the last 5 years
 - Business fundamentals established during our current 3-Yr Strat Plan
- Two major areas of growth:
 - 1) Global Logistics Expansion
 - 2) Dominance in China

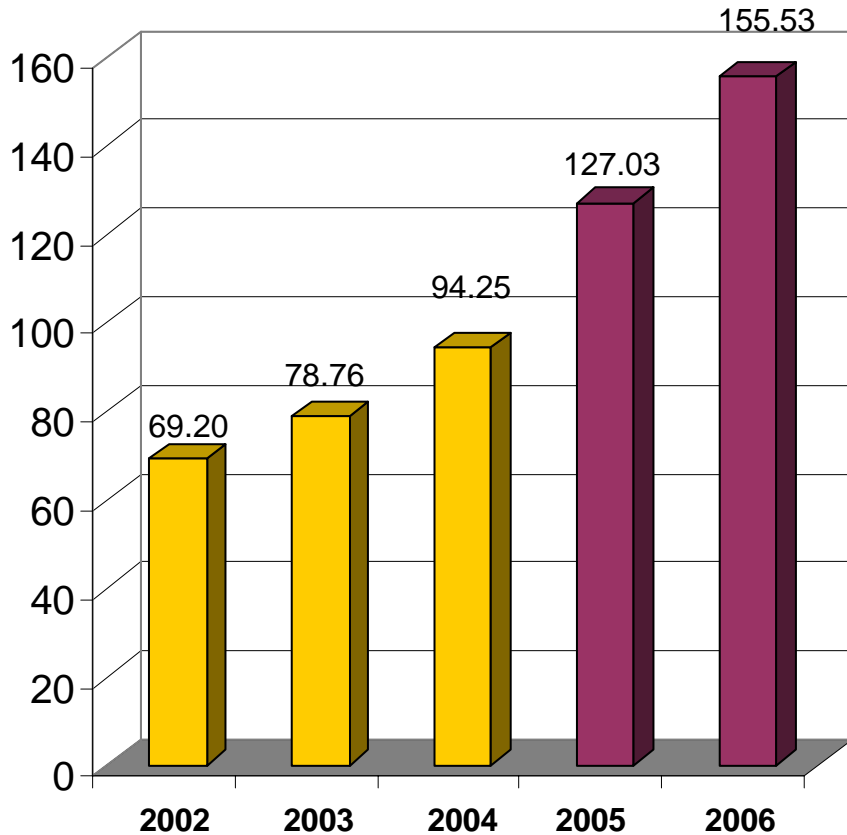


1) Global Logistics Expansion

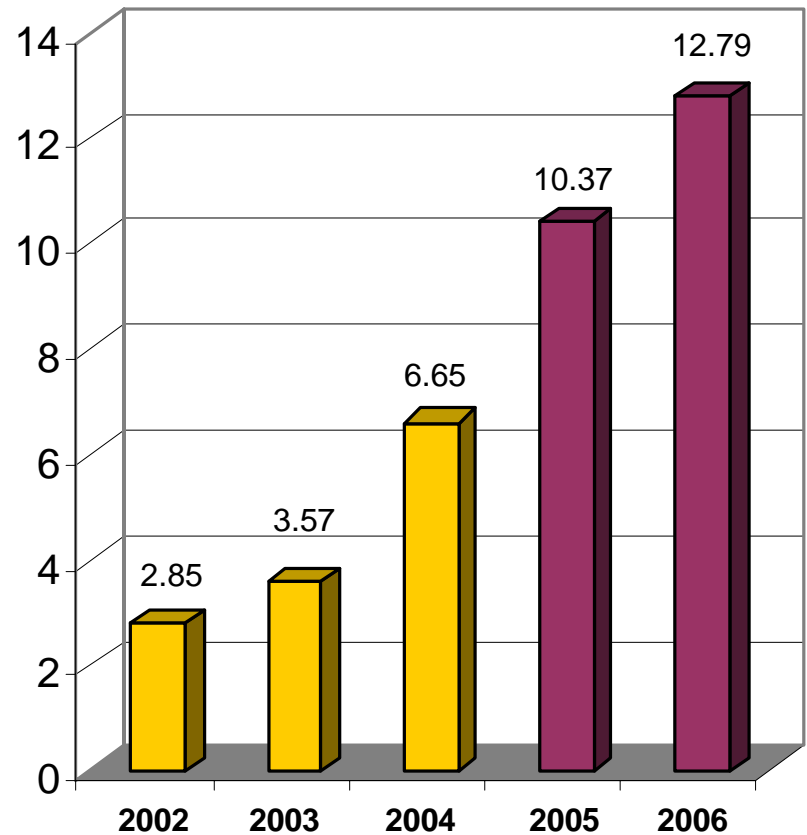
Logistics Growth 2002 - 2006

USD'M

Revenue
CAGR: 22.4%



Operating Profit
CAGR: 45.6%



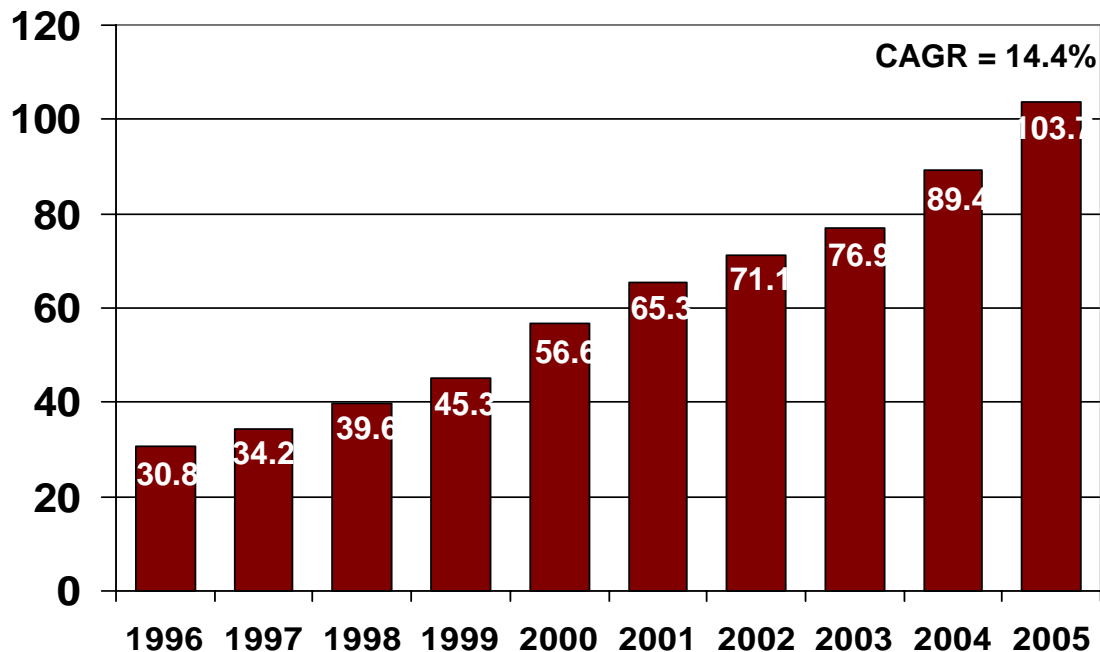


1) Global Logistics Expansion

Clear Trend towards Outsourcing

(US\$ Billion)

The Growth Of Logistics in the USA

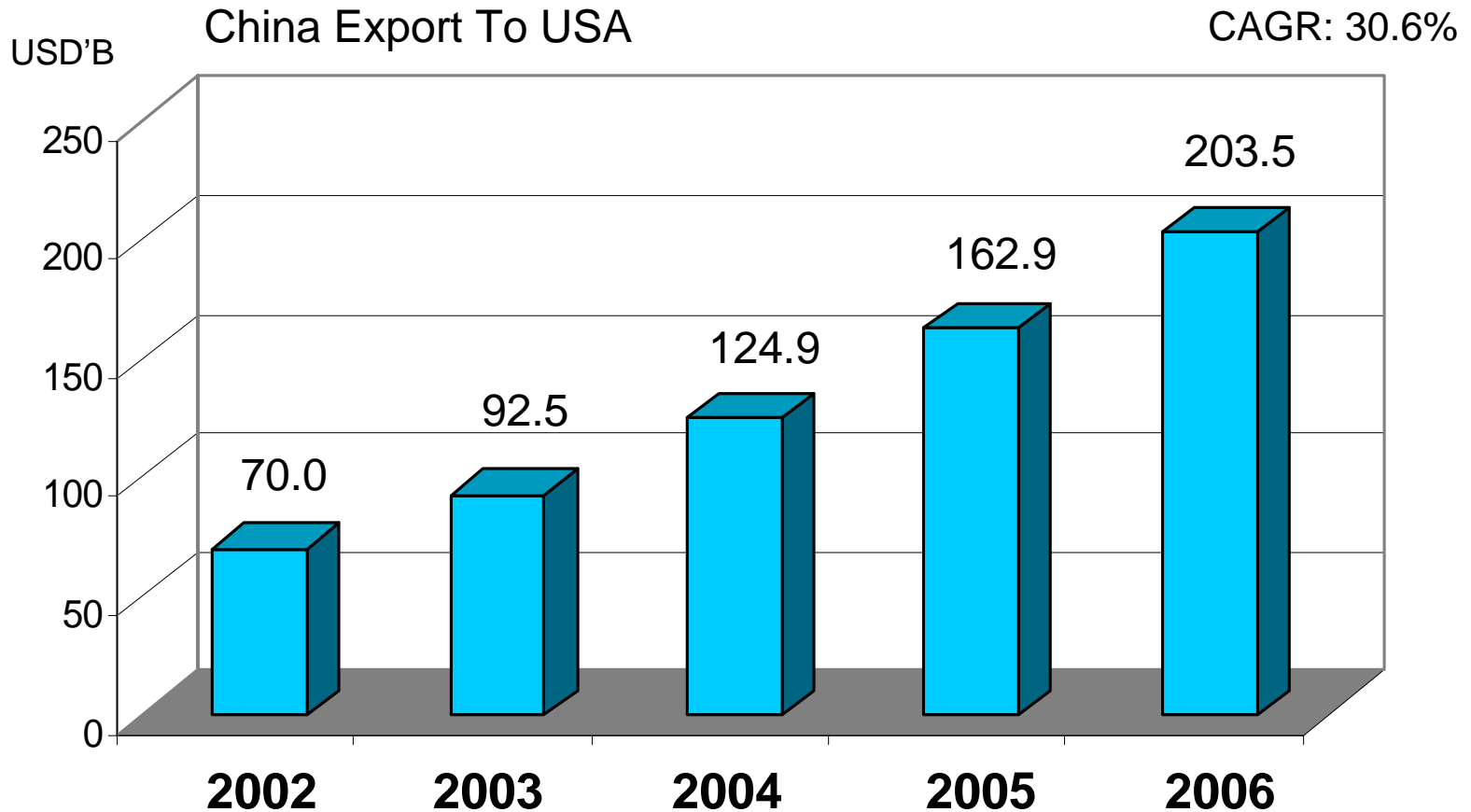


- Growth in logistics outstripped every business sector in the last 10 years
- Between 2001 & 2005, top 100 Fortune 500 companies increased outsourcing from 73% to 82%
- During the same period, the top 300 – 500 Fortune 500 companies increased outsourcing from 28% to 53%



1) Global Logistics Expansion

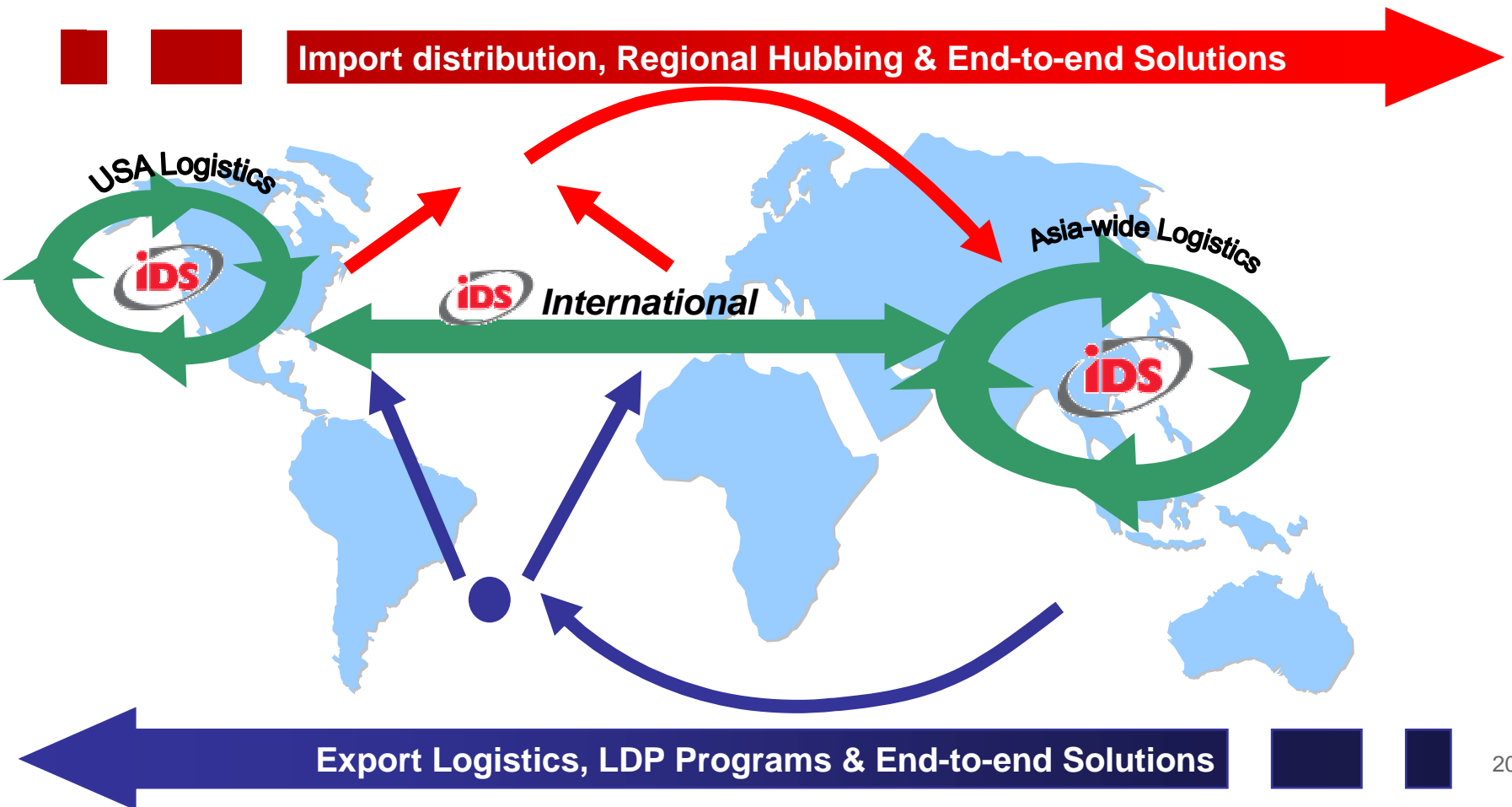
Export Logistics will grow significantly





1) Global Logistics Expansion

Growth Opportunities for IDS International

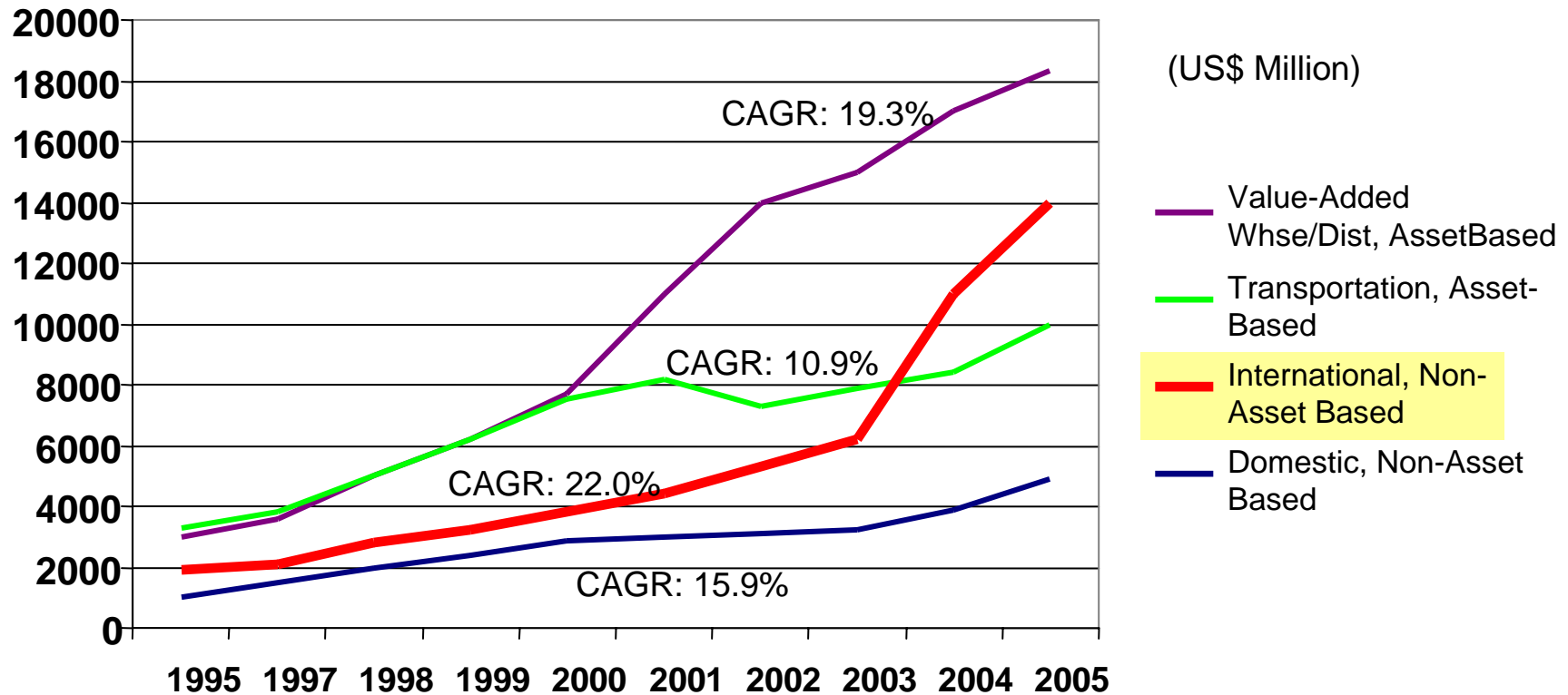




1) Global Logistics Expansion

IDS International poised for significant US growth

International Non-Asset based Logistics in the USA is growing fastest

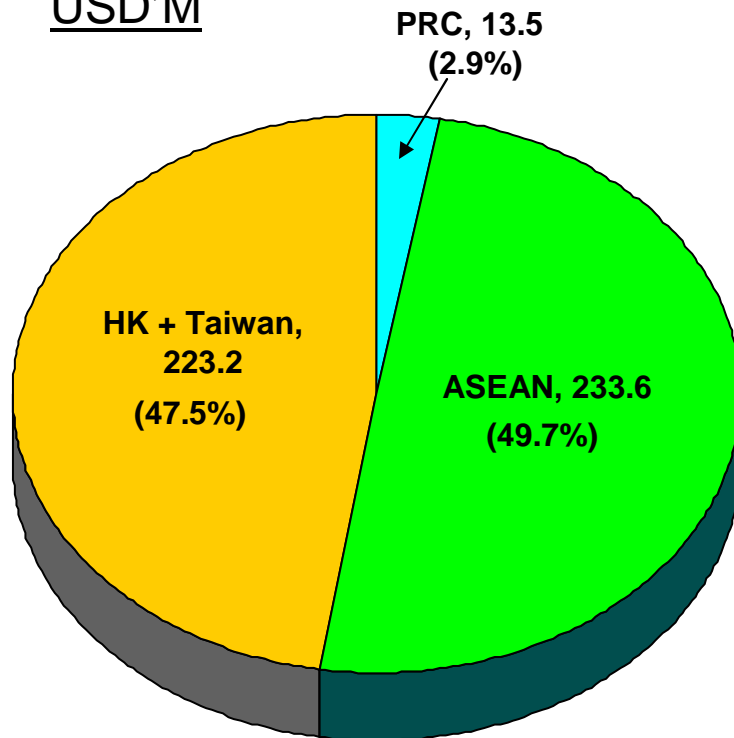




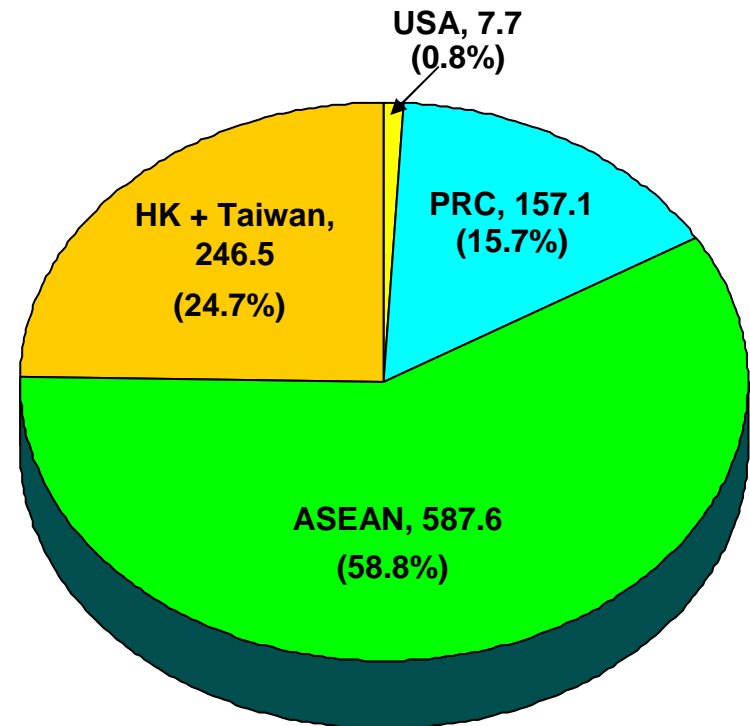
2) Dominance In China

China Revenue 2002 vs. 2006

USD'M



2002: 470.3



2006: 998.6

Note: Revenue (before inter-country elimination)



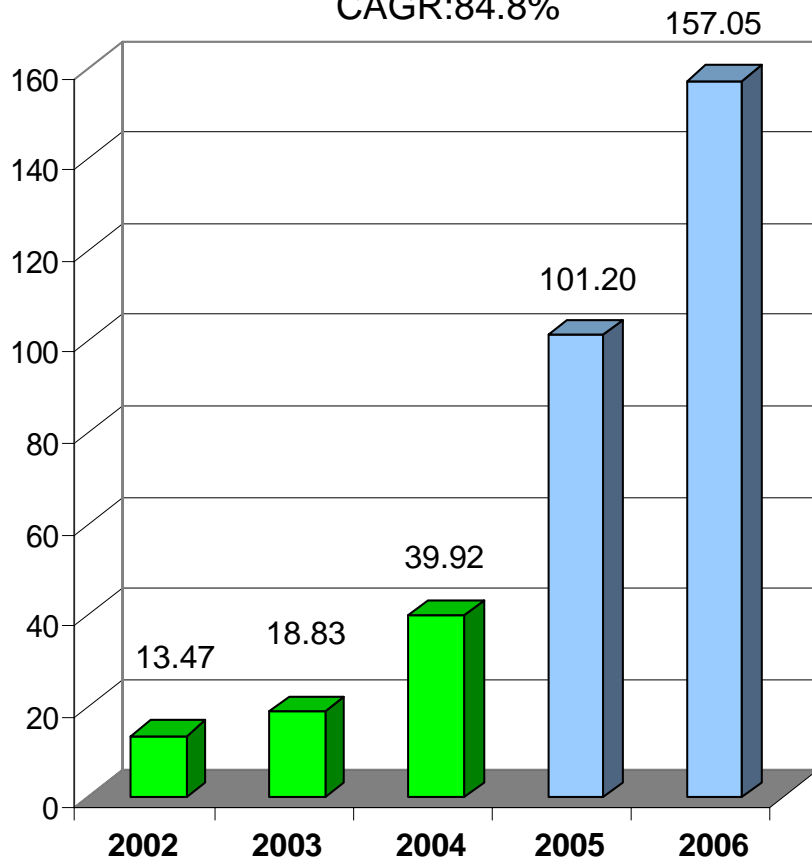
2) Dominance In China

USD'M

China Growth 2002 - 2006

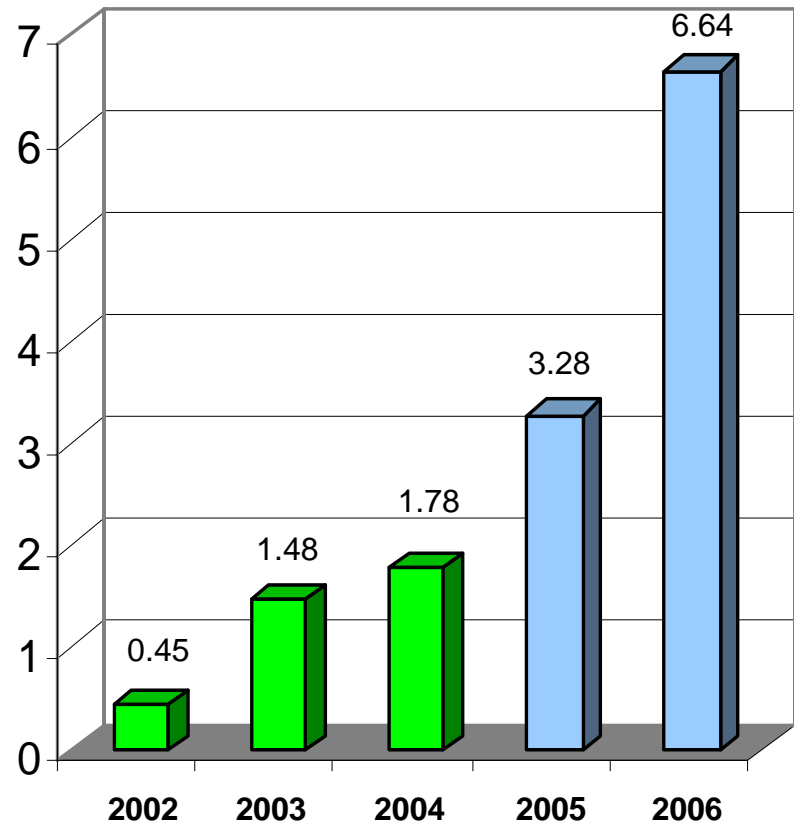
Revenue

CAGR:84.8%



Operating Profit

CAGR: 96.0%

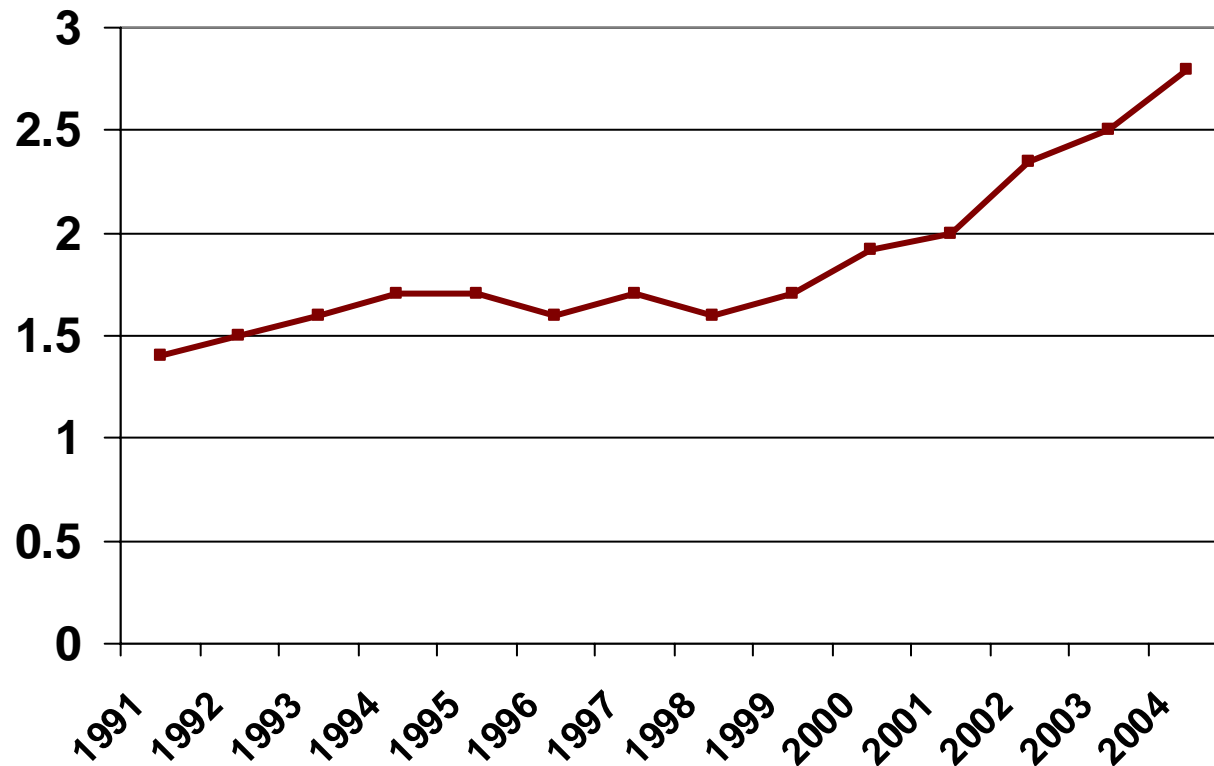




2) Dominance In China

Logistics Growth Opportunities for IDS

Coefficient of logistics demand, 1991-2004



In 2004, 1 unit GDP growth corresponds to 2,8 units of Logistics growth



2) Dominance In China

Marketing Growth Opportunities for IDS

China Network Expansion

- 17 branch offices established, grow to >25 in 2007
- Target to cover over 130 cities
- Distribution to >10,000 modern trade outlets





2007 Finishing Strong, Starting Stronger

- **We are confident that we will finish our Strategic Plan 2005 – 2007 STRONG**
- and**
- **Commence our next 3-Year Strategic Plan 2008 – 2010 even STRONGER**