



2007 Full Year Results

Analyst Presentation, Hong Kong
13 March 2008



2007 Financial Highlights

- **The IDS Growth Story continues. 2007 was another good year of financial growth with Revenue increasing to US\$1.3b, up 30.4%**

(USD 'm)	<u>2007 vs. 2006</u>
▪ Revenue	+30.4%
▪ Core Operating Profit	+24.7% (w/o Slumberland +41.8%)
▪ Operating Profit	+44.6%
▪ Net Profit	+21.4%

- **Net Profit reached US\$28.15m, a 21.4% increase. This was achieved in spite of significant increases in interest and tax of US\$8.16m**
- **All business streams registered double-digit organic growth. Core OP increased 24.7% to US\$25.08m. Excluding Slumberland (an associate company wef June 2007) Core OP grew 41.8%**
- **Operating profit registered a substantial increase to US\$39.13m due in part to the divestment of a further 17.5% in Slumberland**



2007 Financial Highlights

- **China registered the highest year-on-year Revenue growth and contributed 17.7% of total Group Revenue in 2007**
- **Three M&A projects were successfully completed in 2007. This included a significant entry into the UK logistics market and two distribution acquisitions in East Malaysia**
- **Cash flow from operations generated US\$55.51 million. After Capex, cash flow in 2007 was US\$26.8 million**
- **Final dividend payout of HK30 cents per share. 2007 total dividend at HK42 cents per share is an increase of 20.0% vs 2006**



2007 Financial Results

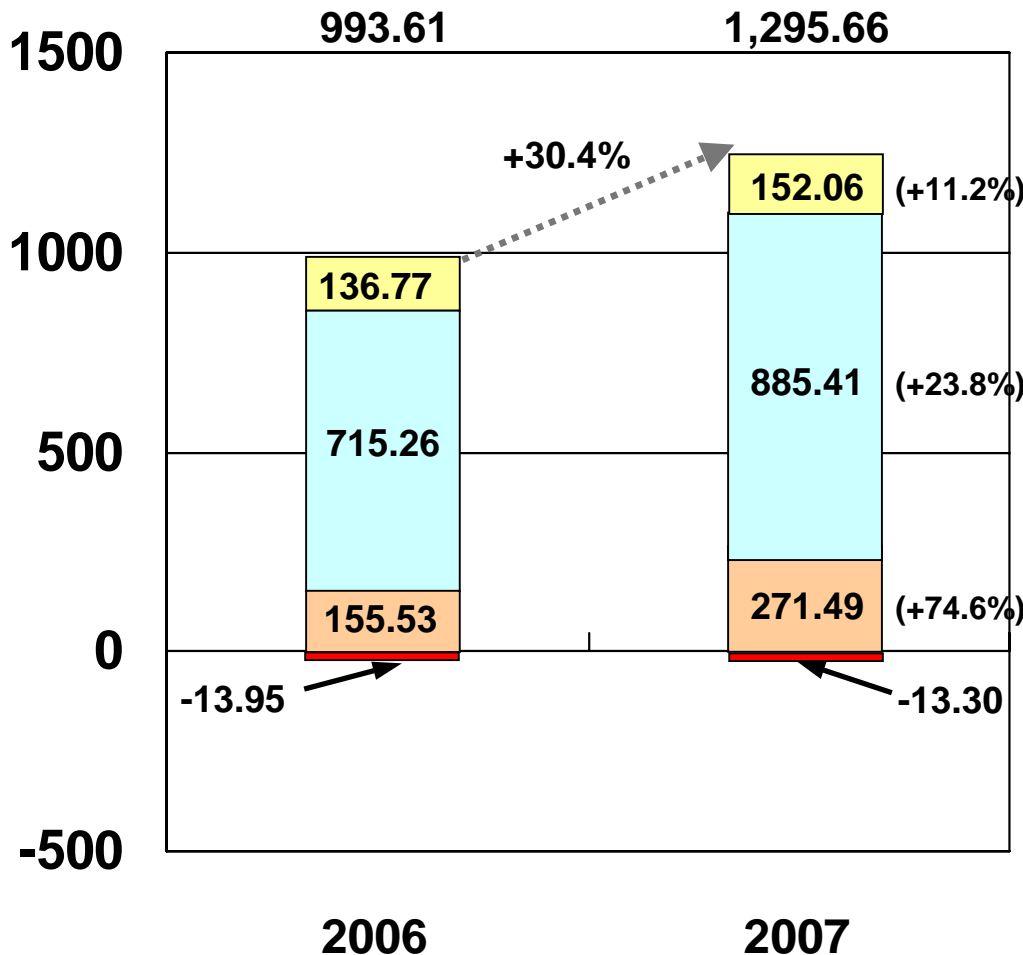
(US\$ million)

	<u>2007</u>	<u>2006</u>	<u>Change (%)</u>
Revenue	1,295.66	993.61	30.4%

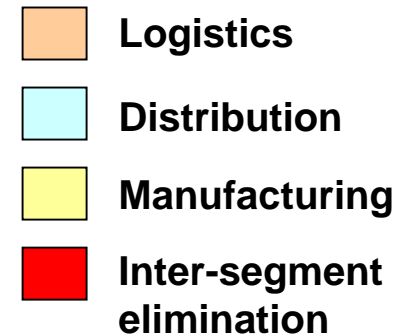


2007 Revenue - By Business Streams

(US\$m)



- Logistics revenue surged 74.6%, contributed by strong organic growth and major acquisitions
- Distribution registered steady growth of 23.8% with strong all-round performance
- Manufacturing rebounded strongly in 2H 2007 driven by strong Listerine volume, Henkel and new wins





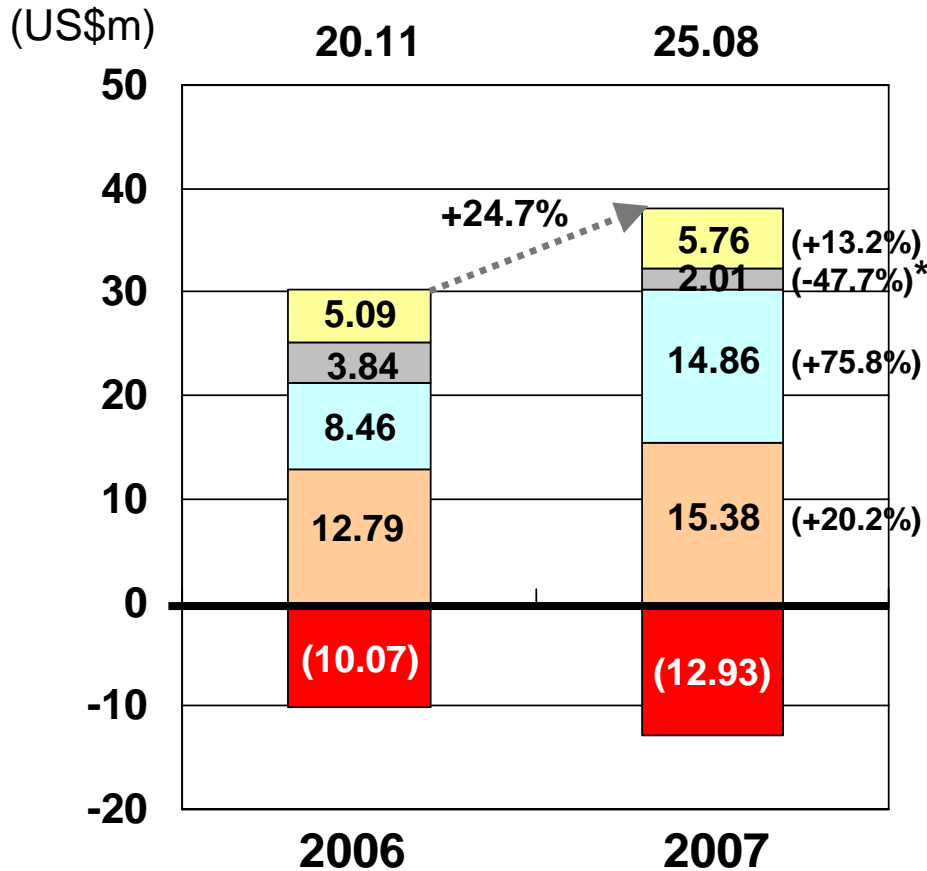
2007 Financial Results

(US\$ million)

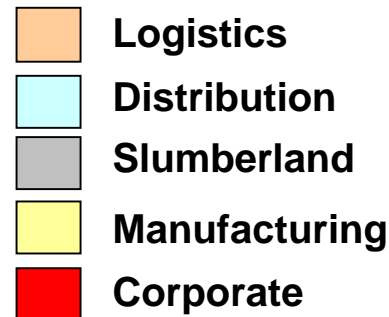
	<u>2007</u>	<u>2006</u>	<u>Change (%)</u>
Revenue	1,295.66	993.61	30.4%
Gross Profit	375.79	257.93	45.7%
Core Operating Profit	25.08	20.11	24.7%
<i>Core OP (w/o Slumberland)</i>	<i>23.07</i>	<i>16.27</i>	<i>41.8%</i>



2007 Core Operating Profit - By Business Streams



- Logistics OP up 20.2%, OP margin for Asian operations maintained at 8%. Significant investments in USA in people & technology affected overall Logistics OP
- Excluding Slumberland, Distribution registered substantial OP growth of 75.8% with margin improved from 1.3% to 1.7%
- Manufacturing registered 13.2% OP growth. Margin improved to 3.8%



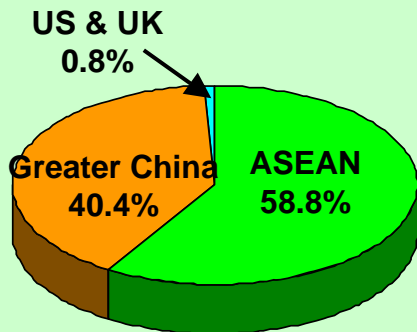
*Jan – May 07 only. Slumberland became an associated company of IDS wef June 07



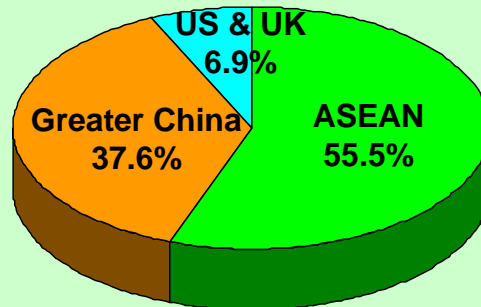
2007 Financial Results

- By Geography

Revenue

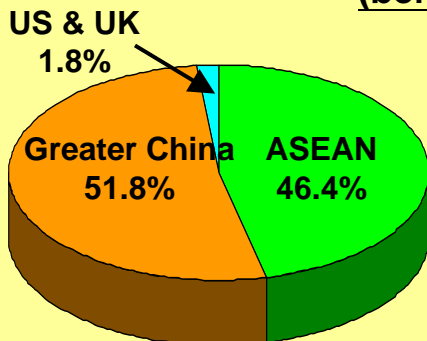


2006 - US\$994m

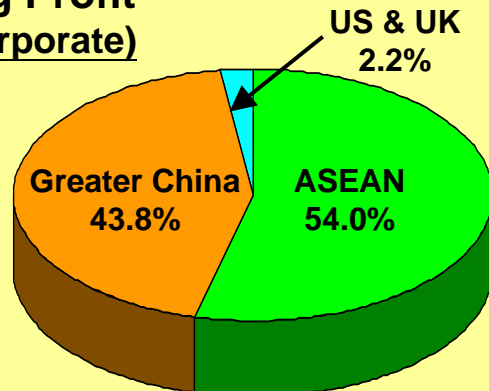


2007 - US\$1,296m

Operating Profit (before Corporate)



2006 - US\$30.2m



2007 - US\$38.0m

- China revenue up from US\$143m (14.3% of total) to US\$213m, contributing 17.7% of total Group revenue in 2007
- Full year US and 4-month UK Revenue contributed US\$89.3 million, or 6.9% of total Group Revenue in 2007
- US & UK in 2007 was year of significant investments in people and technology. Soft OP results were not unexpected in 2007. Positioning for rebound in 2008 and quantum leap in 2009 and beyond



2007 Full Year Results

(US\$ million)

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Revenue	1,295.66	993.61	30.4%
Gross Profit	375.79	257.93	45.7%
Core Operating Profit	25.08	20.11	24.7%
<i>Other gains</i>	14.05	6.95	
Operating Profit	39.13	27.06	44.6%
<i>Finance cost</i>	(4.71)	(1.44)	
<i>Associated company</i>	1.40	-	
<i>Taxation</i>	(6.62)	(1.73)	
<i>Minority interests</i>	(1.05)	(0.70)	
Net Profit	<u>28.15</u>	<u>23.19</u>	21.4%
<i>Final dividend</i>	<i>HK30 cents</i>	<i>HK28 cents</i>	
<i>Interim dividend</i>	<i>HK12 cents</i>	<i>HK7 cents</i>	
<i>Full Year dividend</i>	<i>HK42 cents</i>	<i>HK35 cents</i>	20.0%



- **Launch of Strategic Plan 2008-2010: Building Scale - “Moving from an Era of Creation” to an “Era of Extraction”**
- **Two-pronged focus on aggressive organic growth and step up efforts in M&A**
- **Aggressively develop China and IDS International**
- **Continue to position IDS USA & UK primarily as extension of our Asian Logistics network, building on Export Logistics opportunities, emphasis in creating international end-to-end Value-Chain solutions for our customers**
- **Ensure success of new matrix organization structure. Primary emphasis on Country operations and financial accountability with strong Regional support from Customer Units, Stream Operations and Corporate HR, Finance & IT**
- **Next stage roll out of the IDS LMT (Leadership, Management & Talent) Development program, including launch of “New IDS Manager” training program**



Strategic Planning at IDS

“We deliver what we promise!”



2007 Financial Highlights

2007 was also a fitting culmination and a solid finish to our Strategic Plan 2005-2007

(USD 'm)	<u>2007 vs. 2006</u>
▪ Revenue	+30.4%
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2007 Financial Highlights

2007 was also a fitting culmination and a solid finish to our Strategic Plan 2005-2007

(USD 'm)	<u>2007 vs. 2006</u>	<u>SP2005-2007 CAGR vs. 2004</u>
▪ Revenue	+30.4%	+30.4%
▪ Core Operating Profit	+24.7%	+25.5%
▪ Operating Profit	+44.6%	+43.2%
▪ Net Profit	+21.4%	+38.3%



2005 – 2007 Strategic Plan

Flashback Apr 2005

Strategic Plan 2005 – 2007 Breakthrough Goal

**To double Net Profit from US\$10.6m in
2004 to US\$21.2m in 2007**

**2007 Net Profit: US\$28.15million
This is 2.7 times 2004 Profit**



Strategic Planning at IDS

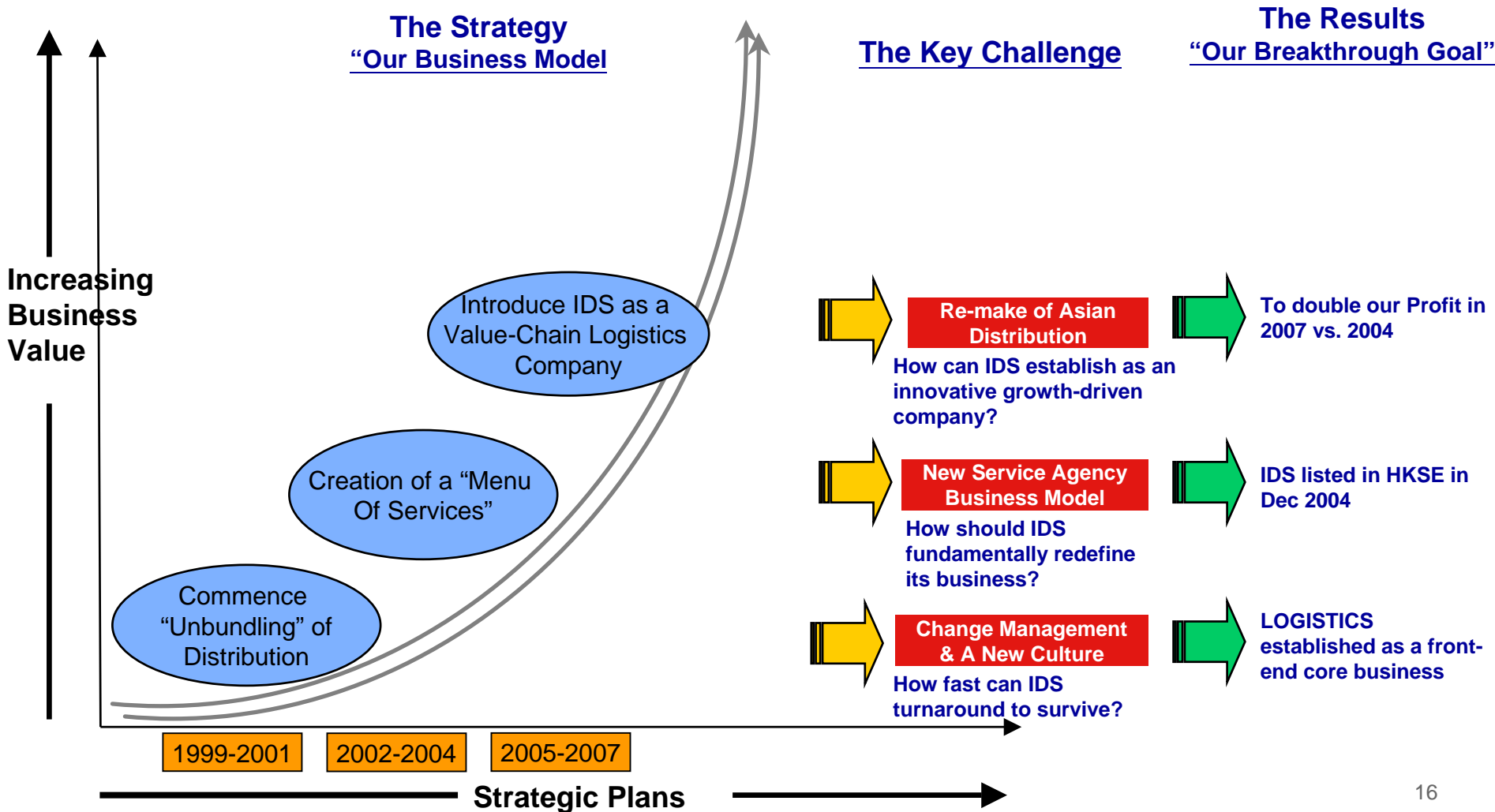
The Success of IDS has been driven by the disciplined planning and rigorous execution of the 3 cycles of Strategic Plans 1999-2001, 2002-2004 and 2005-2007

Each cycle of Strategic Plan has seen IDS undergo **Business Transformation through:**

- **aggressive evolution of our business model**
- **performance-driven delivery of our services**
- **focused expansion of our customer base & geography**



IDS Strategic Plan Cycles





Building Scale: Moving From an Era of Creation to an Era of Extraction

The Key Challenge:

**Asian Dominance & Global Expansion
How can we execute
Faster, Better, Deeper & Broader?**

The Strategy – Our Business Model:

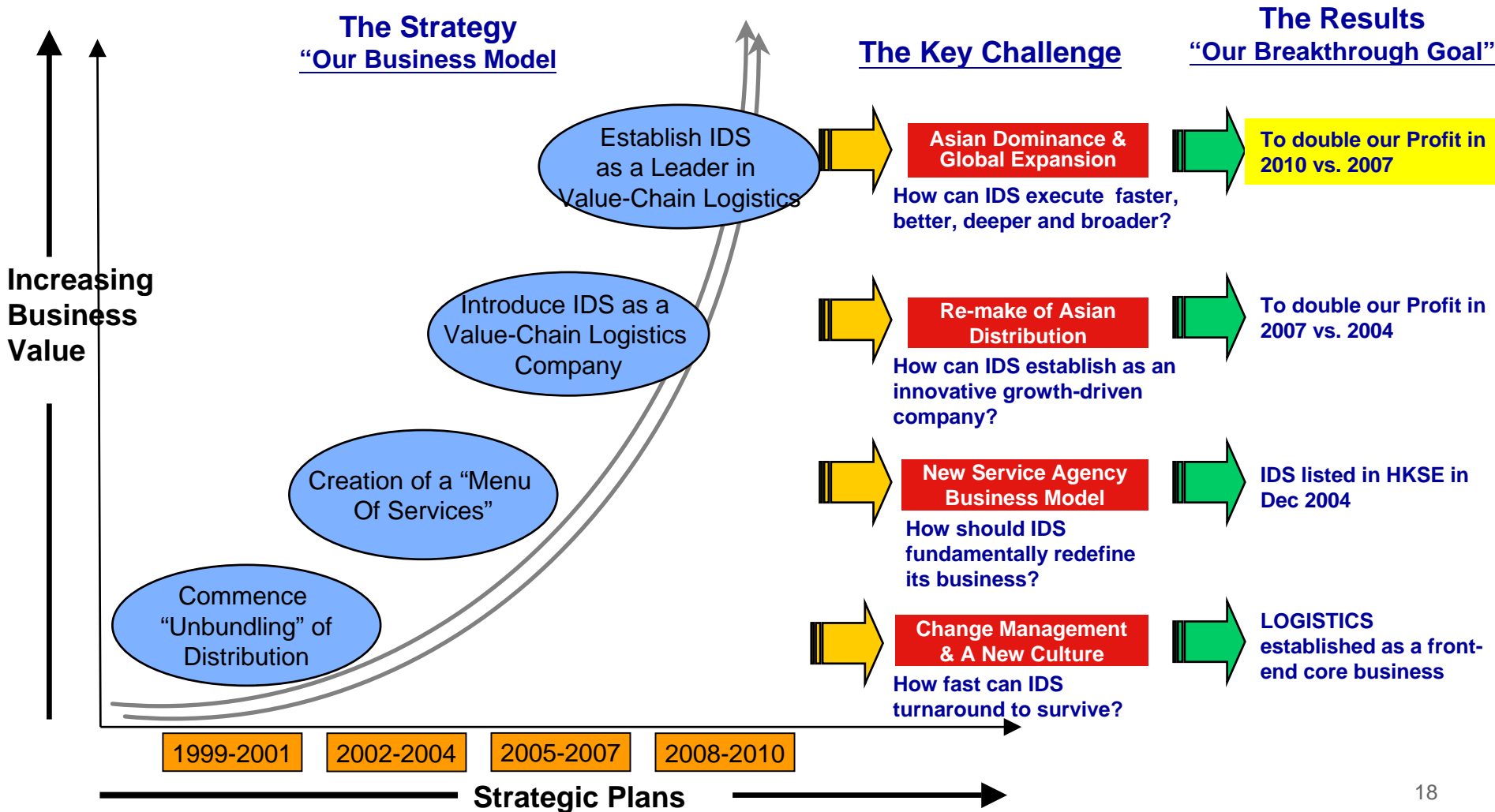
Establish IDS as the Leader in Value-Chain Logistics

The Results – Our Breakthrough Goal:

**Our Breakthrough Goal:
Double Profit by 2010 vs. 2007**

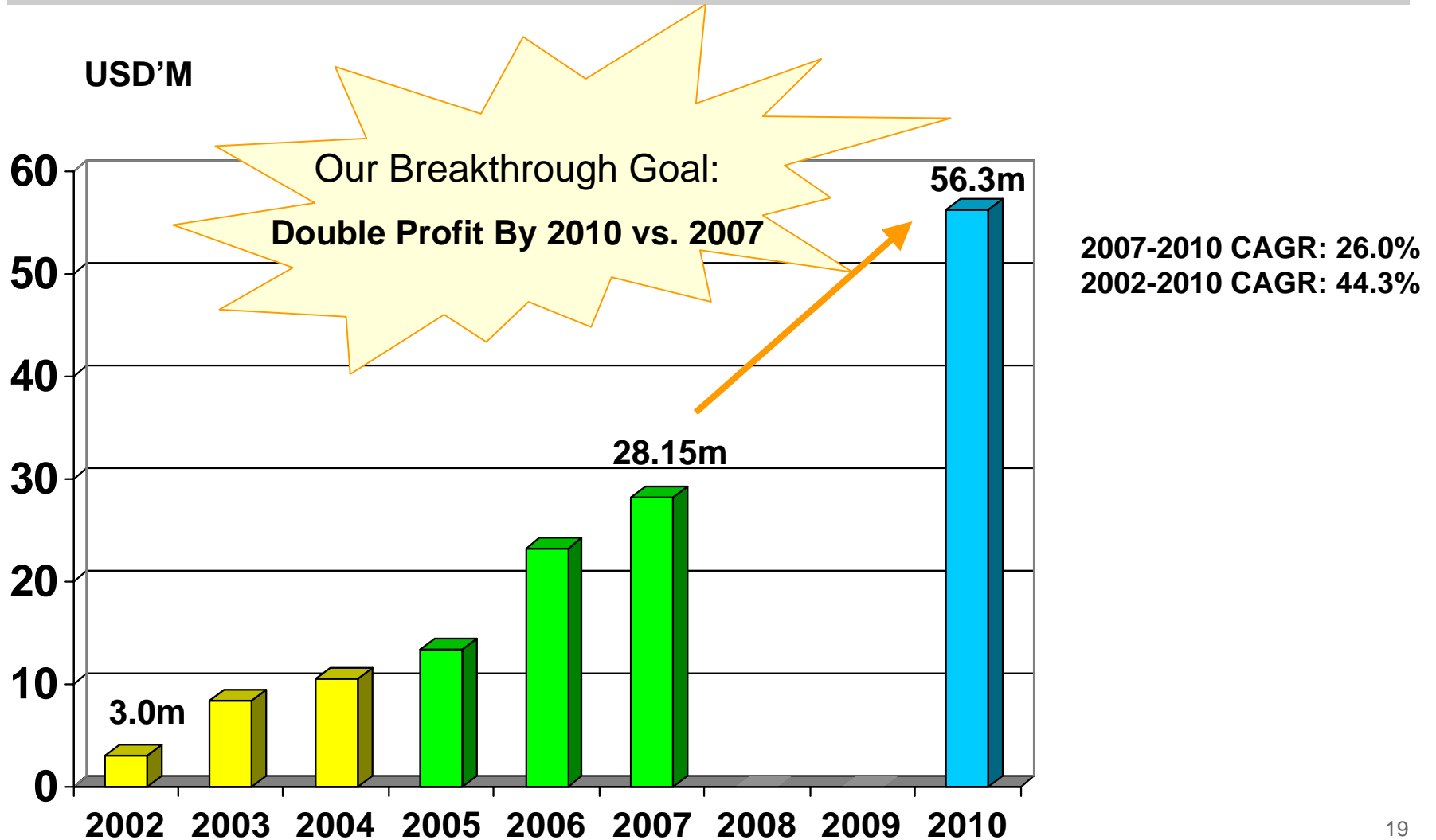


IDS Strategic Plan Cycles





Our Breakthrough Goal





THANK YOU!