



2009 Full Year Results

Analyst Briefing

15 March 2010



2009 Financial Highlights

- In spite of severe economic challenges with revenue growth of only 7%, IDS recorded a strong rebound in 2009 on the back of robust Asian performance, delivering a Net Profit of US\$29.83 million, 21.6% above 2008
- IDS recorded solid performance in all key financials, demonstrating positive operating leverage:

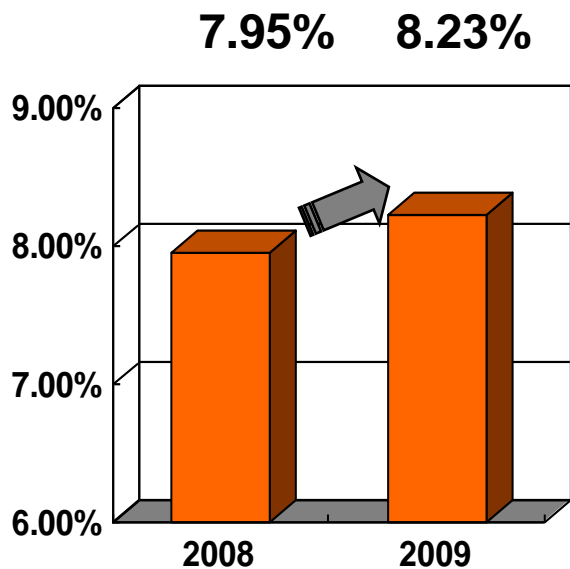
(\$US m)	<u>2009</u>	<u>2008</u>	<u>09 vs. 08</u>
Revenue	1,802.1	1,683.8	7.0%
Core Operating Profit	25.25	20.97	20.4%
Operating Profit	45.50	34.62	31.4%
Net Profit	29.83	24.52	21.6%

- 2009 strong results was driven by robust Asian growth - whilst revenue registered a modest 10% growth (US\$1.7 billion) Operating Profit increased 25.5% (US\$53.69 million). Significant improvements in operating margins registered across all business streams

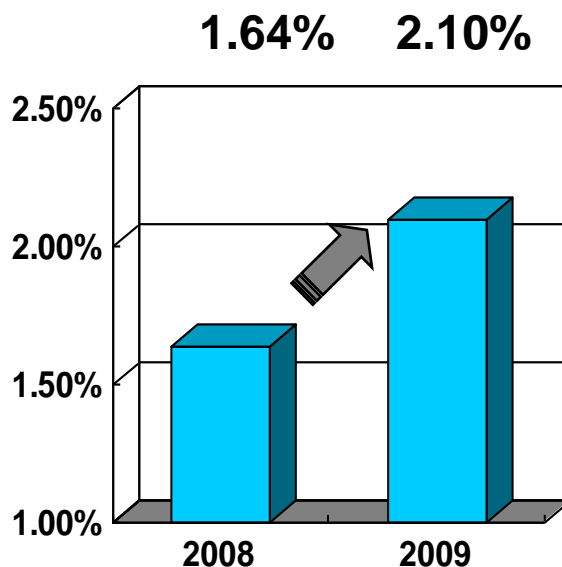


Asia - Operating Margin Improvement

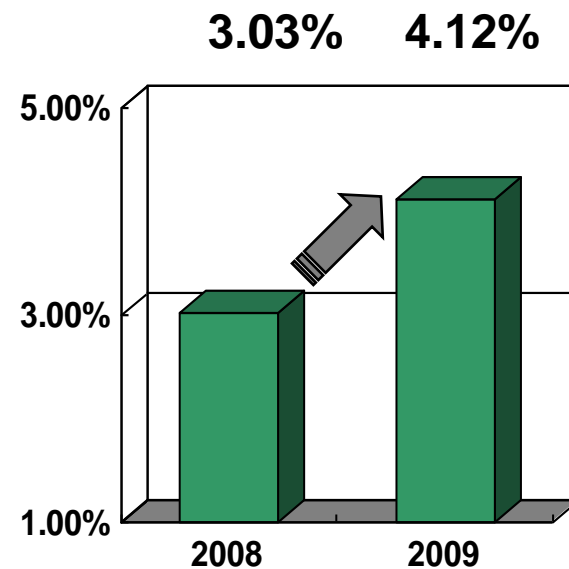
- Asia's Operating Profit margin improved from 2.77% in 2008 to 3.16% in 2009
- All business streams registered significant margin improvements, reflecting commendable operating leverage



Logistics



Distribution



Manufacturing



2009 - Robust Asian Growth

- Greater China registered revenue and operating profit growth of US\$177 million (26.8%) and US\$6.86 million (34%) respectively. China continued to be our fastest growing and largest market with Operating Profit growth of 27.6%. Hong Kong also delivered strong results and Taiwan more than tripled its Operating Profit
- Despite a revenue decrease of US\$20.8 million (2.4%) vs. 2008, ASEAN delivered an increase of US\$4.04 million (17.8%) in Operating Profit. Thailand and Malaysia continued to deliver the bulk of ASEAN's OP with strong performance coming from all other countries including an Indonesian rebound
- Asian gains supported by modest but strategically important M&A activities and new business wins
 - Acquisitions in a Freight Forwarding company, Roots – a Canadian lifestyle fashion brand, Indonesian 3PL and 2 East Malaysian M&A
 - Several new contract wins including Colgate-Palmolive, F&N, Friesland Campina, Muji, SSL and DSG. Key renewals include Nike, P&G, Philip Morris and Carrefour



2009 - Challenging US & UK Results

- Continued softness in US & UK consumer sentiment significantly impacted our financial performance. Revenue registered a 27.2% decline and Operating Profit worsened to nearly US\$13 million from a loss of US\$7.6 million in 2008
- US continued to be a major challenge with excess DC capacities (and therefore fixed occupancy costs). Despite cost cutting measures and rationalization program instituted in the past year, labor and operating costs remain high. Increase in labor productivity, DC investments, Li & Fung volumes and recent new wins will yield better results in 2010
- UK turnaround is clearly evident through strengthened relationship with Marks & Spencer and Republic. 2010 is expected to be profitable as a result of DC investments, higher labor productivity and significant increase in freight forwarding volumes



2009 Full Year Results

US\$'M

	<u>2009</u>	<u>2008</u>	<u>Change (%)</u>
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Revenue	1,802.06	1,683.79	7.0%
Asia	53.69	42.80	25.5%
US & UK	(12.99)	(7.57)	-71.7%
Corporate	(15.45)	(14.26)	-8.3%
Core operating profit	25.25	20.97	20.4%



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Operating profit	<u>45.50</u>	<u>34.62</u>	31.4%
Interest	(4.27)	(6.47)	34.1%
Associates	0.08	2.10	-96.4%
Profit before taxation	<u>41.31</u>	<u>30.25</u>	36.5%
Taxation	(10.53)	(4.92)	-113.7%
Profit after taxation	<u>30.78</u>	<u>25.33</u>	21.5%
Minority interests	(0.95)	(0.81)	-18.0%
Net profit	<u>29.83</u>	<u>24.52</u>	21.6%



2009 Final Dividends

- The IDS Board of Directors has proposed a final dividend of 30 HK cents per share.
- Including the 2009 Interim dividend of 14 HK cents per share, total dividend for 2009 amounts to 44 HK cents per share, or 22.2% increase from the 36 HK cents per share declared in 2008.
- Payout ratio (% of Net Profit) maintain at approximately 60%



2010 Outlook



2010 Outlook

- With the strong rebound registered in 2009, IDS is expected to be back on our profitable growth path in 2010.
- Asia will continue with robust growth on the back of a strong China. Commensurate with its immense opportunities, IDS will increase our investment in people, technology and infrastructure.
- Drive labor productivity and service level through our purpose built Logistics facilities, including our state-of-the-art healthcare facilities.

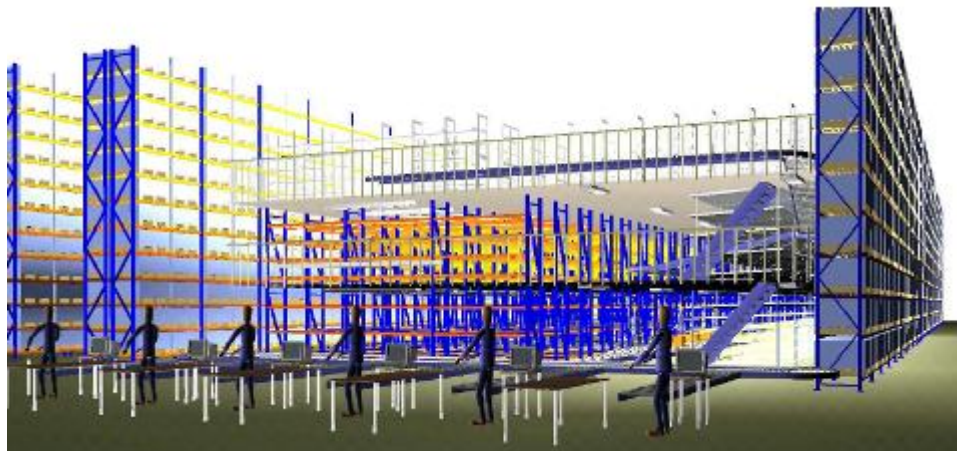


Mega DC – Kesas, Malaysia





Thailand, Philippines & Taiwan – New DC's

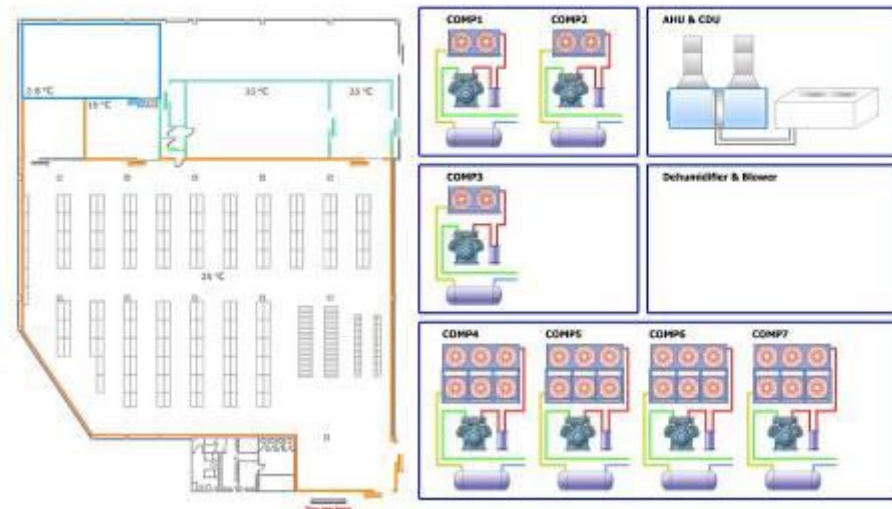




Healthcare DC - Singapore



Healthcare DC - Thailand





2010 Outlook

- Leverage our logistics expertise via our entry into Asian wholesaling of apparel and accessories

Roots Operations in Taiwan



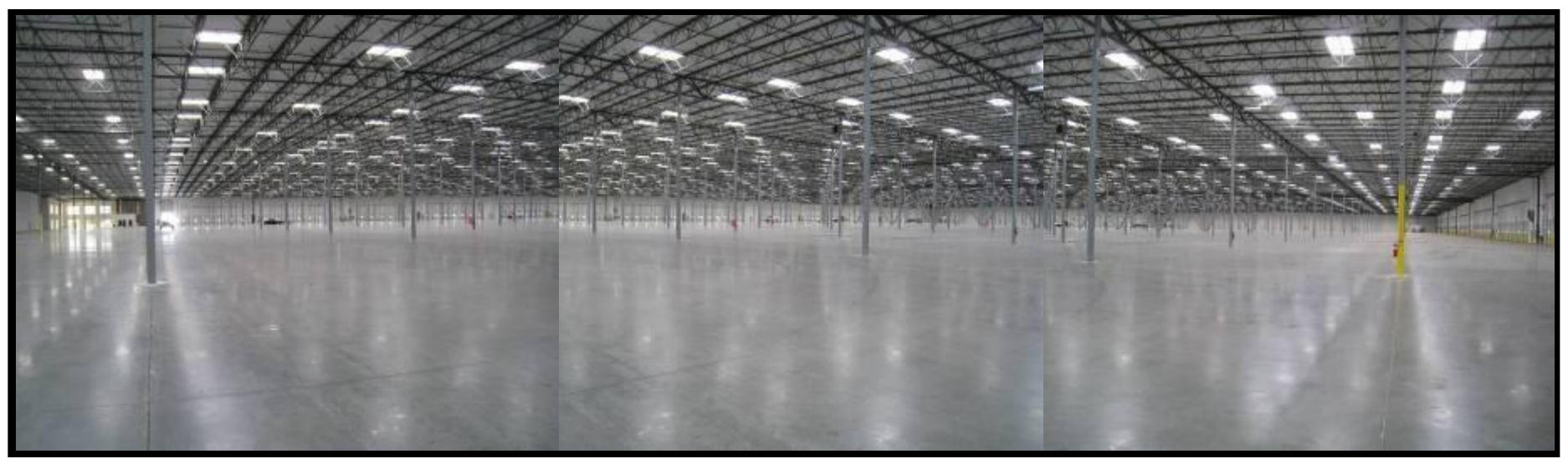
Sleep & Play Children's Wear





2010 Outlook

- Leverage our logistics expertise via our entry into Asian wholesaling of apparel and accessories.
- US & UK turnaround - Business development efforts, improve productivity, cost cutting and other rationalization programs instituted this past year expected to yield turnaround in 2010.
- Successful start-up of our new 650,000 sq. ft. facility in West Coast dedicated to L&F USA business



PROJECT
TITAN
CREATING A COMPETITIVE ADVANTAGE...
...THROUGH OPERATIONAL EXCELLENCE





**AMB Galleano
Distribution Center**
11905 Landon Drive

AMB Pharmacy Corporation





2010 Outlook

- Increased emphasis on IDS International providing end-to-end Logistics solution.
- Continuing focus on its Leadership, Management & Talent Development program
- Increased M&A activities



THANK YOU!

Q&A