



2007 First Half Results

15 August 2007





1st Half 2007 Financial Highlights

- 1H 07 Net Profit registered a solid increase of 93.1% from US\$8.54 million to US\$16.49 million.
- 1H 07 Operating Profit increased substantially to US\$22.86 million, aided by a US\$11.3 million one-off gain from the 2nd tranche divestment of Slumberland Asia Pacific shares to Hilding Anders.
- Core Operating Profit increased by 24.4% to US\$10.68 million driven mainly by strong growth from Logistics (up 21.7%) and Marketing (up 38.4%)
- Our business in China continued to maintain its strong growth momentum, aided by a buoyant economy. 1H 07 operating profit grew 33.5% vs 1H 06 whilst China revenue now accounts for 18.3% of Group total, compared to 15.5% in 1H 06



1st Half 2007 Financial Highlights

- In April 2007, we announced the acquisition of two distribution companies in East Malaysia:
 - ❖ 67.09% interest in Sebor (Sarawak) Sdn Bhd
 - ❖ 40% interest in Sebor (Sabah) Sdn Bhd
- Strong Cash Flow from Operations at US\$27.3m vs. 1H 2006 at US\$16.5m
- IDS Board of Directors has approved a dividend payout of HK12 cents per share vs. HK7 cents for 1H 06, a 71.4% increase



1st Half 2007 Results

(US\$ million)

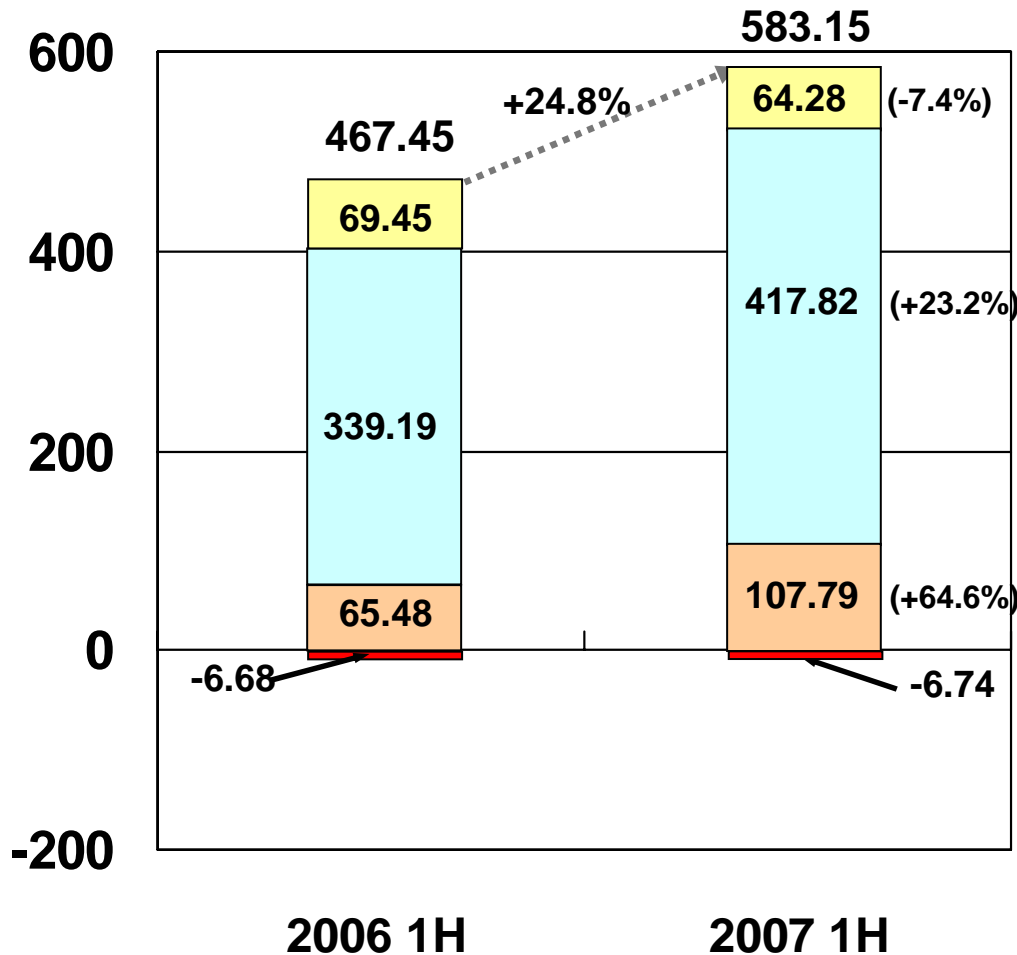
Six months ended 30 June

	<u>2007</u>	<u>2006</u>	<u>Change (%)</u>
Revenue	583.15	467.45	24.8%

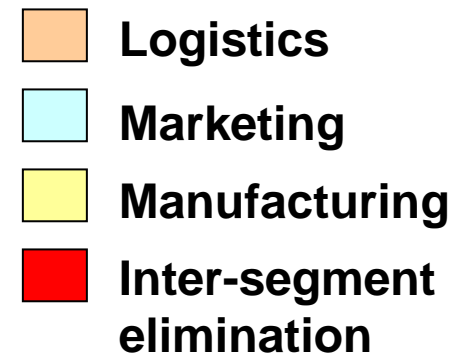


1st Half 2007 Revenue Segment Results

(US\$m)



- Logistics revenue surged 64.6%, driven mainly by strong organic growth and the US
- Marketing registered solid growth of 23.2% with across-the-board improvement
- Manufacturing experienced a sluggish 1H but expected to significantly improve in 2H

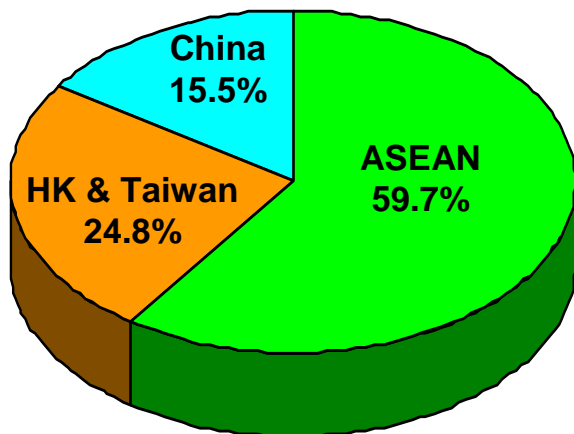




Geographical Revenue

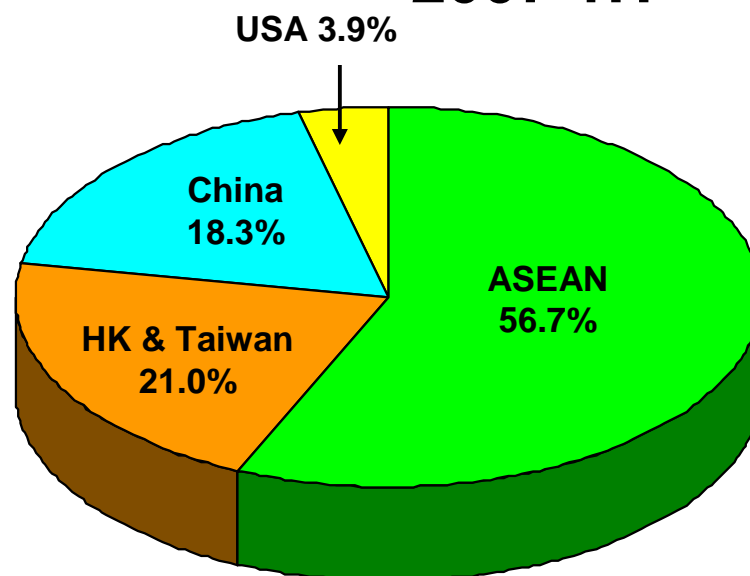
- China now contributes 18.3% of total Group Revenue
- USA will increasingly contribute to top line growth

2006 1H



US\$467.45m

2007 1H



US\$583.15m



1st Half 2007 Results

(US\$ million)

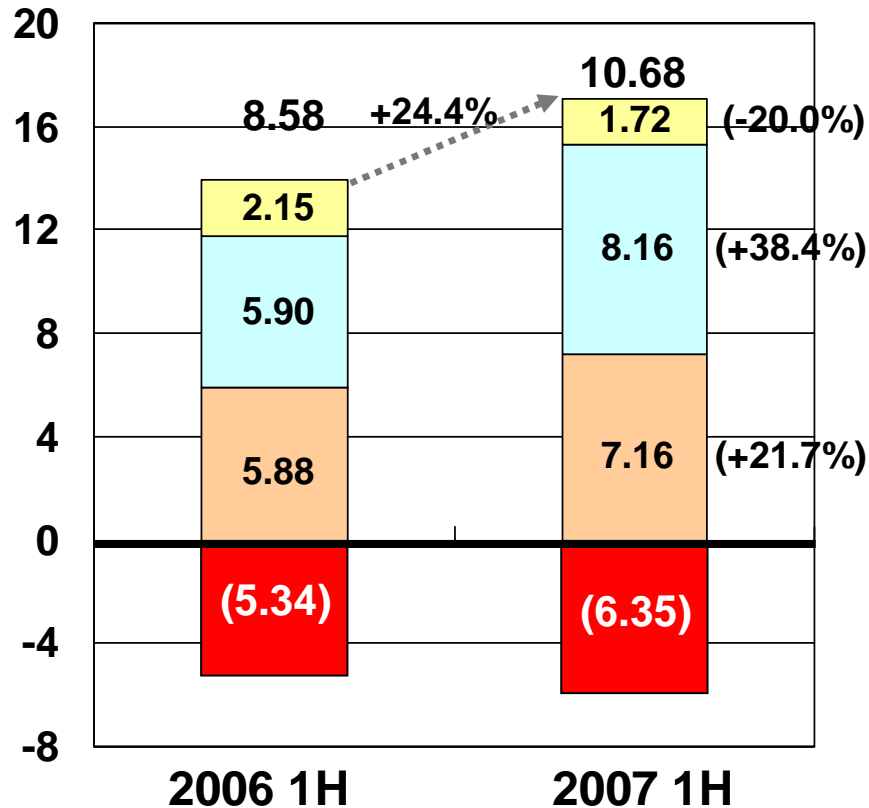
Six months ended 30 June

	<u>2007</u>	<u>2006</u>	<u>Change (%)</u>
Revenue	583.15	467.45	24.8%
Gross Profit	164.69	114.58	43.7%
Core Operating Profit	10.68	8.58	24.4%
<i>Other gains</i>	12.18	---	
Operating Profit	22.86	8.58	166.3%



1st Half 2007 Core Operating Profit

(US\$m)



- Logistics OP up 21.7%, OP margin was adversely impacted by heavy investments in the US
- Marketing registered substantial OP growth of 38.4% with solid OP margin increase from 1.7% to 2.0%
- Manufacturing suffered a 20.0% OP decline vs last year but will significantly improve in 2H





1st Half 2007 Results

(US\$ million)

Six months ended 30 June

	<u>2007</u>	<u>2006</u>	<u>Change (%)</u>
Revenue	583.15	467.45	24.8%
Gross Profit	164.69	114.58	43.7%
Core Operating Profit	10.68	8.58	24.4%
<i>Other gains</i>	12.18	---	
Operating Profit	22.86	8.58	166.3%
<i>Finance cost</i>	(1.82)	(0.52)	
<i>Taxation</i>	(3.79)	1.01	
<i>Minority interests</i>	(0.85)	(0.54)	
Net Profit	16.49	8.54	93.1%
<i>Interim Dividend</i>	HK12 cents	HK7 cents	71.4%



M&A Update – PB Logistics

- SPA signed on 15 Aug to acquire PB Logistics (PBL), a UK based 3PL specializing in apparel and footwear segment
- PBL was established in 1987 and by end 2007 will operate about 1.8 million sq ft of warehousing facilities in various locations at Leicester, Sheffield, Keighley and Leeds
- PBL services key UK retailers including Marks & Spencer, Monsoon, Accessorize, Brooks Brothers and Republic, and vendors to retailers including the footwear, accessories and beauty business of the Peter Black Group (PB Group)
- Total consideration is approximately £11.53 million equivalent to about 12X PAT of YE 31 Jan 07. Completion expected 31 August 07



M&A Update – PB Logistics

- With our entry into the UK, IDS now has the operational footprint to provide end-to-end Logistics services between Asia and Europe. This is in line with our strategy of global logistics expansion
- Li & Fung Limited, a sister company of IDS, has announced the acquisition of the footwear, accessories and beauty business of the PB Group. It is expected that PBL will continue to provide logistics services to the PB Group
- Strong potential exist for IDS to provide logistics services to L&F's operations in Europe and to the current FMCG / Healthcare customer base of IDS



2007 Full Year Outlook

- Strong momentum of 1H 07 financials is expected to continue with the traditionally stronger 2H 07. IDS expects to end 2007 with a solid set of financial results driven by China, Logistics and Distribution
- 1H investment in the US will begin to yield stronger results in 2H. Entry into Europe with PB Logistics acquisition provides global logistics footprint for robust growth in next SP 2008-2010
- Strongest growth potential exists in China-origin end-to-end logistics program solutions into USA/Europe



2007 Full Year Outlook

- Full roll out of our Leadership, Management & Talent (LMT) Development program including the Management Trainee Program (MTP) will ensure sufficient in-bred talent pool for our next 3-Year SP2008-2010
- Stronger focus on M&A activities in 2H 07 will provide start to SP2008-2010. Will institutionalize and further strengthen SOP for deal evaluation and integration
- Final stage development of the IDS SP2008-2010 to include comprehensive communication plan throughout the organization to ensure alignment and complete focus on the 2010 Breakthrough goal and transformational goals & drivers