First Half 2009 Results

Analyst Presentation
Hong Kong
11 August 2009

1st Half 2009 Financial Highlights

- Group performance was impacted by a very challenging business environment and a cliff-drop decline of consumer sales in the US & UK. Revenue for 1H 09 was almost flat at US$847 million, a modest 3.7% increase from 1H 08

- Asia delivered a strong 19.3% growth in Operating Profit to US$24.20 million on the back of new business wins and effective cost control. Improvement in operating margins was registered across all business streams

- Solid performance from Greater China, Operating Profit up 27.5% to US$11.59 million. ASEAN Operating Profit of US$12.61 million in 1H09, up 12.7% vs. 1H08 was dampened by currency exchange rates (OP was +25.6% in local currency basis)

1st Half 2009 Financial Highlights

- US and UK business saw significant revenue decrease. Revenue was down 38.1%, resulting in an operating loss of US$8.26 million, compared to a loss of US$3.34 million last year
- As a result, Core Operating Profit dropped 12.5% whilst the Group's Operating Profit for 1H 09 registered a soft gain of 2.0% vs 1H08 to US$24.80 million
- Completed the acquisition of an additional 20% interest in Sebor Sabah, making IDS the 60% majority shareholder and a further 20% divestment in Slumberland Asia Pacific. Remaining 10% in SAP will be divested in Jan next year
- 1H09 Net Profit was US$18.46 million, down 4.8% from US$19.39 million in 1H08
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2009 Interim Dividend

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1st Half 2009 Results

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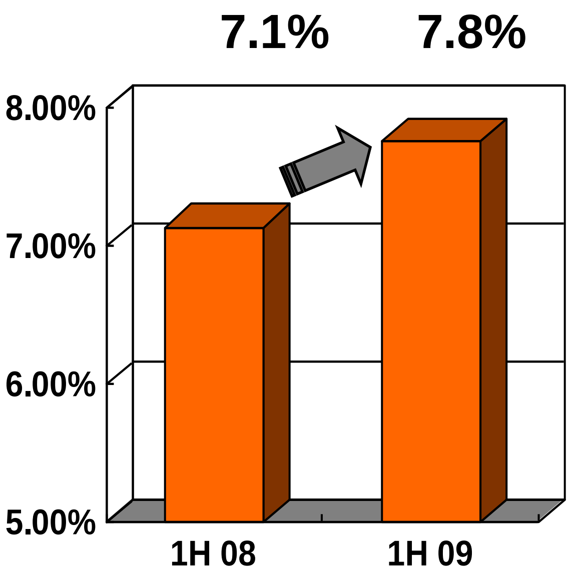
Asia	24.20	20.29	*19.3%*
US & UK	(8.26)	(3.34)	*-147.6%*
Corporate	(7.02)	(6.75)	*-4.0%*
Core operating profit	**8.92**	**10.20**	*-12.5%*

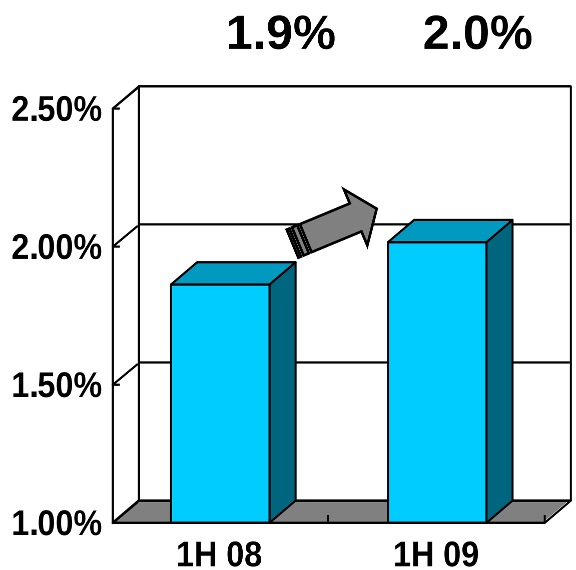
Asia - Operating Margin Improvement

- **Asia's Operating Profit margin improved from 2.73% in 1H08 to 3.03% in 1H09. FY 2008 OP margin was 2.77%**
- **All business streams *(per charts below)* registered margin improvements, reflecting commendable operating leverage**



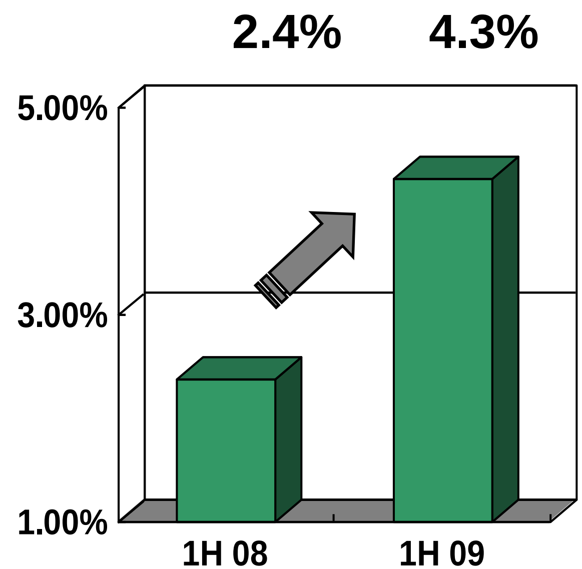
Logistics

FY08 OP margin = 7.96%



Distribution

FY08 OP margin = 1.64%



Manufacturing

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Other gains	15.88	14.11	*12.5%*
Operating profit	**24.80**	**24.31**	*2.0%*

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Operating profit	**24.80**	**24.31**	*2.0%*
Interest	(1.97)	(3.39)	*41.9%*
Associates	0.03	1.12	*-97.7%*
Profit before taxation	**22.86**	**22.04**	*3.7%*
Taxation	(3.85)	(2.17)	*-77.3%*
Profit after taxation	**19.01**	**19.87**	*-4.3%*
Minority interests	(0.55)	(0.48)	*-15.2%*
Net profit	**18.46**	**19.39**	*-4.8%*

FY 2009 Outlook

- 2H 09 expected to finish much stronger than 2H 08 driven by continued strong Asian growth and a stronger 2H turnaround of our US & UK business
- Revenue and Operating Profit growth will continue to be driven by new business wins and retention/expansion of existing accounts. Like to like same customer volumes will be substantially down vs. 2008. Significant retentions, expansion & wins include:
  - Key retentions – Carrefour & SSL in Thailand, Nike in China
  - New wins – Colgate, Muji, DSG, Remy Cointreau, *(total 47 wins)*
  - New Manufacturing plant – F&N Diary Malaysia
  - Enhanced relationships – P&G, J&J, L'Oreal, Philip Morris, Abbott, Diageo
  - Accelerated growth – Li & Fung business in the US
- US & UK second half expected to turn profitable, driven by new M&S partnership in UK, increased L&F volume in the US, new DC designs, cost cutting initiatives and labor productivity drive

FY 2009 Outlook

- M&A – currently under active negotiation to complete acquisition of a US/Asia-based freight-forwarding company and a logistics business in Indonesia, Q4 positive impact expected
- Continued focus for strong cash-flow drive – stronger OP performance, minimal Capex spending, aggressive reduction in working capital/inventory and sale and lease back of Malaysian properties
- Aggressive plan underway for a unified strategic development of IDS "Menu of Services" in E. Malaysia Corridor of Sabah, Sarawak and Brunei
- Regional healthcare distribution proposition – similar to the one built in HK last year, IDS will add 3 new state-of-the-art H/C DC's in Singapore, Thailand and Malaysia. Together with increased momentum of HK business and our recent China entry, this will position IDS for strong growth in healthcare

THANK YOU!