



PRESS RELEASE

**IDS Group Announces Acquisition of Roots
Expansion into Asian Wholesaling of Apparel and Accessories**

Hong Kong, 21 September 2009 – Integrated Distribution Services Group Limited (or “the Group”, or “IDS”; SEHK: 2387), an Asian multinational provider of integrated-distribution services, today announced it has reached agreement with BLS Holdings, a subsidiary of the Fung Family’s privately-held Li & Fung (1937) Limited, to acquire the existing operations of the Canadian lifestyle apparel brand Roots in Asia. The consideration for the transaction will be determined based on the net asset value of the business as of 31 August 2009, with the maximum consideration of HK\$35 million. The Group intends to finance the transaction through internal cash reserves.

“This is a strategic acquisition for IDS as it marks our entry into the Asian wholesaling of apparel and accessories. We see this as a natural extension of our Asian distribution activity in Fast Moving Consumer Goods (FMCG) and Healthcare products,” said Mr. Ben Chang, Group Managing Director of IDS.

Roots is one of the best-known brands in Canada, offering a wide range of apparel, accessories and leather goods with product lines targeting different age groups, from teenagers to mid-30s. Through this acquisition, IDS will have the licensing right to source, market, distribute and sell Roots products in Asia, including Greater China, ASEAN countries, India and Japan. The acquisition will also involve taking over existing Roots distribution channels in the Greater China region.

“The Roots business in Taiwan is very strong and successful, while the operation in China and Hong Kong is at start-up phase,” said Mr. Joseph Phi, President of IDS. “There is significant room to grow the business through franchising in China and Hong Kong, and our licensing right also covers many countries in Asia with significant potential that we can explore.”

The acquisition of Roots is considered the Group's first foray into wholesaling of soft and hard goods in Asia. Besides this acquisition, the Group is also exploring various opportunities with its existing customer base in the US as well as the potential of a synergistic alliance with Li & Fung Limited's (SEHK: 0494) wholesaling business in the US and Europe to obtain global licenses to distribute branded products in Asia.

"Many of our US customers are interested in bringing their products into Asia, but they do not have access to a reliable partner. Now we can work with them to develop an Asian entry strategy, focusing initially on China," said Mr. Chang.

Riding on the trend of growing consumerism in Asia, this expanded scope of wholesaling of soft and hard goods is expected to be a significant growth driver for IDS in the future.

"We believe there are many exciting opportunities ahead. Over the next 18 months our focus will be on establishing the business fundamentals and concentrating on the apparel sector in Greater China. During our Strategic Plan cycle of 2011-13, we expect to grow this business aggressively by including more brands and products and extending into ASEAN and other countries," concluded Mr. Chang.

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About Integrated Distribution Services Group Limited

Integrated Distribution Services Group Limited ("IDS Group") is a leading integrated distribution and logistics services provider specializing in Value-Chain Logistics. Using Logistics as its fundamental enabler, IDS offers an integrated end-to-end Menu of Services from manufacturing to consumption to a wide spectrum of customers in FMCG, healthcare, footwear & apparel, retail and garment industries. Headquartered in Hong Kong, the IDS Group has an extensive logistics and distribution network in Greater China, ASEAN, the US and UK offering customized services to over 400 customers including an array of multinational brands. The IDS Group is a member of the Li & Fung Group.

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