



PRESS RELEASE

**IDS Group Announces Acquisition of Indonesian Logistics Company**

*Builds logistics platform to complement existing businesses in Indonesia*

Hong Kong, 9 October 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 an agreement with PT WestSide Agritama (WestSide), a 3<sup>rd</sup>-Party Logistics (3PL) service provider in Indonesia, to acquire the entire share capital of the company for a consideration of US\$5.0 million. The consideration was determined based on the net asset value of the company. The Group intends to finance the transaction through internal cash reserves and bank borrowings.

Established in 1997, WestSide specializes in offering logistics solutions for the food and retailing sectors. Its key customers include the Matahari Supermarket Group, Aqua Danone and Greenfields Milk. It runs a network of three distribution centers in Jakarta, Surabaya and Bali, with a total floor space of over 150,000 square feet and a fleet of 53 vehicles. It also has strong expertise in running cold-chain logistics for fresh produce, chilled and frozen products.

“We have been looking for an entry into the Logistics business in Indonesia over the past few years,” said Mr. Ben Chang, Group Managing Director of IDS. “I am delighted that we now have a sound logistics network in Indonesia that will complement the growth of our existing distribution and manufacturing businesses. This will add scale to our operations.”

At the moment, IDS runs a contract manufacturing business and a healthcare distribution business in Indonesia and services a number of multinational customers such as Henkel, L’Oreal, Unilever and Smiths Medical. With the inclusion of a full-fledged logistics operation, IDS can now offer a comprehensive value-chain proposition in Indonesia.

“By leveraging our expertise across the region, we are well positioned to provide customized logistics solutions and optimize the supply chain for our customers in Indonesia,” said Gerard Raymond, Executive VP of IDS. “In fact, a number of our existing customers have expressed interest in partnering with us already.”

“With a population of 250 million, we see enormous potential in Indonesia. The acquisition will give critical mass and bring synergies to our operations in Indonesia, which we expect will enter a stage of rapid growth,” 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 for a wide spectrum of customers in the 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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