



**Dairy Farm International Holdings Ltd**

Jardine House, 33-35 Reid Street  
Hamilton HM EX, Bermuda

To: Business Editor

6th August 2009

For immediate release

*The following announcement was issued today to a Regulatory Information Service approved by the Financial Services Authority in the United Kingdom.*

**DAIRY FARM INTERNATIONAL HOLDINGS LIMITED  
HALF-YEARLY RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE 2009**

**Highlights**

- Underlying earnings per share up 10%
- Interim dividend up 13%
- Good performance in major markets
- Continued investment in business expansion

“Dairy Farm’s major businesses are expected to trade well in the second half of 2009 and produce a satisfactory result for the full year.”

Simon Keswick, *Chairman*

6th August 2009

**Results**

	(unaudited) Six months ended 30th June		
	2009 US\$m	2008 US\$m	Change %
Sales			
- subsidiaries	<b>3,353</b>	3,315	+1
- including associates	<b>3,815</b>	3,775	+1
Underlying profit attributable to shareholders	<b>156</b>	141	+10
Non-trading items	-	13	n/a
Profit attributable to shareholders	<b>156</b>	154	+1
Underlying PBIT to sales	<b>5.6%</b>	5.2%	
	<b>US¢</b>	US¢	%
Underlying earnings per share	<b>11.58</b>	10.50	+10
Basic earnings per share	<b>11.58</b>	11.45	+1
Interim dividend per share	<b>4.50</b>	4.00	+13

The interim dividend of US¢4.50 per share will be payable on 21st October 2009 to shareholders on the register of members at the close of business on 28th August 2009. The ex-dividend date will be on 26th August 2009, and the share registers will be closed from 31st August to 4th September 2009, inclusive.

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Issued by: **Dairy Farm Management Services Ltd**

*Incorporated in Bermuda with limited liability*

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**DAIRY FARM INTERNATIONAL HOLDINGS LIMITED**  
**HALF-YEARLY RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE 2009**

**OVERVIEW**

Despite challenging economic conditions during the half year, the strength of Dairy Farm's position as a provider of everyday needs enabled the Group to achieve further growth in sales and profits.

**PERFORMANCE**

Sales, including 100% of associates, increased by 1% to US\$3.8 billion in the first six months of 2009, while underlying net profit was 10% higher at US\$156 million. At constant rates of exchange the increases were 7% and 16%, respectively. Underlying earnings per share for the period were US¢11.58, up 10%. Profit attributable to shareholders was little changed as the first half of 2008 benefited from a non-trading gain of US\$13 million.

Following the payment of the 2008 final dividend of US\$135 million, net borrowings increased from US\$4 million at the previous year end to US\$71 million at the end of June.

The Board has declared an increased interim dividend of US¢4.50 per share, up 13%.

**OPERATIONS**

The Group continued to expand its operations during the first half of 2009 with a net addition of 207 stores, bringing the total number in operation to 4,847. In large format stores, Dairy Farm opened eight new Giant hypermarkets, and at the end of June it operated 47 in Malaysia, 31 in Indonesia, seven in Singapore and one in Brunei.

**North Asia**

In Hong Kong, both Wellcome supermarkets and Mannings health and beauty stores produced good profit growth. The 7-Eleven and IKEA businesses traded well in their market segments, but being more exposed to discretionary spending their profits fell short of those achieved in the first half of 2008. In Taiwan, Wellcome supermarkets expanded its chain of new smaller format stores, and did well to increase its profit in a challenging market. IKEA Taiwan produced further growth and reached profitability at the operating level.

In Southern China, 7-Eleven's sales and profit were adversely affected by the deterioration in the Guangdong economy. The expansion of Mannings in mainland China continued, and its base of stores in Guangdong is now complemented by outlets in cities such as Beijing, Shanghai, Nanjing and Chongqing.

Hong Kong restaurant associate, Maxim's, produced a reasonable result despite a decline in consumer spending in a difficult market. Expansion plans progressed with the completion of a new manufacturing facility in Southern China and the development of a further facility in Hong Kong.

### **East Asia**

The Group's Malaysian businesses were again able to increase profitability. Further hypermarkets, supermarkets and health and beauty stores were added in Peninsular and East Malaysia. In Brunei, the Giant hypermarket improved its performance, while the number of Guardian health and beauty stores was increased.

The overall results in Indonesia continued to improve with good performance from the supermarket sector, although earnings from hypermarkets weakened slightly. In Vietnam, expansion opportunities are being sought.

### **South Asia**

The Singapore businesses were able to report an overall improvement in a challenging environment, due in part to Government measures to stimulate the economy. Hypermarkets achieved continued sales growth and supermarkets also performed well.

The Group's supermarket and health and beauty joint ventures in India concentrated on consolidating their positions in this developing market.

### **PEOPLE**

Jonathan Gould retired from the Board at the end of June 2009, and was succeeded by Giles White on 1st July 2009.

**PROSPECTS**

Dairy Farm's major businesses are expected to trade well in the second half of 2009 and produce a satisfactory result for the full year.

Simon Keswick

*Chairman*

6th August 2009

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**Dairy Farm International Holdings Limited**  
**Consolidated Profit and Loss Account**


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	(unaudited) Six months ended 30th June <b>2009</b> US\$m	2008 US\$m	Year ended 31st December 2008 US\$m
Sales <i>(note 2)</i>	<b>3,353.3</b>	3,315.1	6,732.5
Cost of sales	<b>(2,319.4)</b>	(2,308.7)	(4,674.2)
Gross margin	<b>1,033.9</b>	1,006.4	2,058.3
Other operating income	<b>14.9</b>	23.0	34.1
Selling and distribution costs	<b>(738.7)</b>	(735.9)	(1,475.4)
Administration and other operating expenses	<b>(123.3)</b>	(107.6)	(229.2)
Operating profit <i>(note 3)</i>	<b>186.8</b>	185.9	387.8
Financing charges	<b>(11.5)</b>	(12.2)	(23.9)
Financing income	<b>2.0</b>	5.4	9.8
Net financing charges	<b>(9.5)</b>	(6.8)	(14.1)
Share of results of associates and joint ventures <i>(note 4)</i>	<b>10.4</b>	11.3	30.2
Profit before tax	<b>187.7</b>	190.4	403.9
Tax <i>(note 5)</i>	<b>(32.3)</b>	(36.1)	(70.7)
Profit for the period	<b>155.4</b>	154.3	333.2
Attributable to:			
Shareholders of the Company	<b>156.0</b>	154.2	333.0
Minority interests	<b>(0.6)</b>	0.1	0.2
	<b>155.4</b>	154.3	333.2
	US¢	US¢	US¢
<b>Earnings per share <i>(note 6)</i></b>			
- basic	<b>11.58</b>	11.45	24.73
- diluted	<b>11.57</b>	11.44	24.71

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**Dairy Farm International Holdings Limited**  
**Consolidated Statement of Comprehensive Income**


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	(unaudited) Six months ended 30th June <b>2009</b> US\$m	2008 US\$m	Year ended 31st December 2008 US\$m
Profit for the period	<b>155.4</b>	154.3	333.2
Other comprehensive income			
Revaluation of other investments			
- gains arising during the period	-	3.0	2.2
- transfer to profit and loss	-	-	(0.2)
Actuarial losses on employee pension plans	-	-	(69.5)
Net exchange translation differences			
- gains/(losses) arising during the period	<b>10.5</b>	1.4	(14.3)
- transfer to profit and loss	-	(1.0)	(2.0)
Cash flow hedges			
- (losses)/gains arising during the period	<b>(2.1)</b>	3.2	(3.0)
Tax relating to components of other comprehensive income	<b>0.5</b>	0.8	11.9
Other comprehensive income for the period	<b>8.9</b>	7.4	(74.9)
Total comprehensive income for the period	<b>164.3</b>	161.7	258.3
Attributable to:			
Shareholders of the Company	<b>164.6</b>	161.5	258.8
Minority interests	<b>(0.3)</b>	0.2	(0.5)
	<b>164.3</b>	161.7	258.3

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**Dairy Farm International Holdings Limited**  
**Consolidated Balance Sheet**

	(unaudited) At 30th June 2009 US\$m	2008 US\$m	At 31st December 2008 US\$m
<b>Net Operating Assets</b>			
Intangible assets	316.9	338.0	304.2
Tangible assets	659.4	633.9	636.9
Associates and joint ventures	130.0	127.8	128.7
Other investments	2.3	3.3	2.3
Non-current debtors	106.6	110.1	105.3
Deferred tax assets	17.6	15.4	18.0
Pension assets	9.5	72.1	8.8
Non-current assets	<u>1,242.3</u>	<u>1,300.6</u>	<u>1,204.2</u>
Stocks	636.0	577.7	649.0
Current debtors	120.9	108.6	120.6
Current tax assets	6.6	7.6	4.9
Bank balances and other liquid funds	433.3	351.8	462.9
	<u>1,196.8</u>	<u>1,045.7</u>	<u>1,237.4</u>
Non-current assets classified as held for sale ( <i>note 8</i> )	81.6	32.7	65.2
Current assets	<u>1,278.4</u>	<u>1,078.4</u>	<u>1,302.6</u>
Current creditors	(1,474.3)	(1,452.2)	(1,537.9)
Current borrowings	(79.9)	(34.8)	(62.6)
Current tax liabilities	(72.3)	(67.2)	(65.0)
Current provisions	(1.8)	(2.0)	(2.0)
Current liabilities	<u>(1,628.3)</u>	<u>(1,556.2)</u>	<u>(1,667.5)</u>
Net current liabilities	<b>(349.9)</b>	<b>(477.8)</b>	<b>(364.9)</b>
Long-term borrowings	(424.3)	(444.9)	(404.5)
Deferred tax liabilities	(35.8)	(42.8)	(36.6)
Pension liabilities	(30.0)	(27.2)	(27.0)
Non-current creditors	(19.9)	(1.1)	(20.7)
Non-current provisions	(16.9)	(17.1)	(17.0)
Non-current liabilities	<u>(526.9)</u>	<u>(533.1)</u>	<u>(505.8)</u>
	<u>365.5</u>	<u>289.7</u>	<u>333.5</u>
<b>Total Equity</b>			
Share capital	74.8	74.8	74.8
Share premium and capital reserves	35.0	31.4	32.6
Revenue and other reserves	253.4	180.1	223.5
Shareholders' funds	<u>363.2</u>	<u>286.3</u>	<u>330.9</u>
Minority interests	2.3	3.4	2.6
	<u>365.5</u>	<u>289.7</u>	<u>333.5</u>

**Dairy Farm International Holdings Limited**  
**Consolidated Statement of Changes in Equity**

	Attributable to shareholders of the Company							Total US\$m	Attributable to minority interests US\$m	Total Equity US\$m
	Share capital US\$m	Share premium US\$m	Capital reserves US\$m	Revenue reserves US\$m	Asset revaluation reserves US\$m	Hedging reserves US\$m	Exchange reserves US\$m			
<i>Six months ended 30th June 2009</i>										
As at 1st January 2009	74.8	7.4	25.2	248.8	16.8	(3.6)	(38.5)	330.9	2.6	333.5
Total comprehensive income	-	-	-	156.0	-	(1.6)	10.2	164.6	(0.3)	164.3
Dividends paid by the Company	-	-	-	(134.7)	-	-	-	(134.7)	-	(134.7)
Issue of shares	-	1.6	-	-	-	-	-	1.6	-	1.6
Employee share option schemes	-	-	0.8	-	-	-	-	0.8	-	0.8
Transfer	-	-	-	0.2	(0.2)	-	-	-	-	-
<b>At 30th June 2009</b>	<b>74.8</b>	<b>9.0</b>	<b>26.0</b>	<b>270.3</b>	<b>16.6</b>	<b>(5.2)</b>	<b>(28.3)</b>	<b>363.2</b>	<b>2.3</b>	<b>365.5</b>
<i>Six months ended 30th June 2008</i>										
As at 1st January 2008	74.8	7.0	23.3	140.0	17.2	(1.3)	(22.9)	238.1	3.0	241.1
Total comprehensive income	-	-	-	157.9	0.1	3.2	0.3	161.5	0.2	161.7
Dividends paid by the Company	-	-	-	(114.4)	-	-	-	(114.4)	-	(114.4)
Issue of shares	-	0.2	-	-	-	-	-	0.2	-	0.2
Employee share option schemes	-	-	0.9	-	-	-	-	0.9	-	0.9
Change in attributable interest	-	-	-	-	-	-	-	-	0.2	0.2
Transfer	-	-	-	0.2	(0.2)	-	-	-	-	-
<b>At 30th June 2008</b>	<b>74.8</b>	<b>7.2</b>	<b>24.2</b>	<b>183.7</b>	<b>17.1</b>	<b>1.9</b>	<b>(22.6)</b>	<b>286.3</b>	<b>3.4</b>	<b>289.7</b>



**Dairy Farm International Holdings Limited**  
**Consolidated Statement of Changes in Equity** *(continued)*

	Attributable to shareholders of the Company							Total	Attributable to minority interests	Total Equity
	Share capital	Share premium	Capital reserves	Revenue reserves	Asset revaluation reserves	Hedging reserves	Exchange reserves			
	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m
<i>Year ended 31st December 2008</i>										
As at 1st January 2008	74.8	7.0	23.3	140.0	17.2	(1.3)	(22.9)	238.1	3.0	241.1
Total comprehensive income	-	-	-	276.7	-	(2.3)	(15.6)	258.8	(0.5)	258.3
Dividends paid by the Company	-	-	-	(168.3)	-	-	-	(168.3)	-	(168.3)
Issue of shares	-	0.4	-	-	-	-	-	0.4	-	0.4
Employee share option schemes	-	-	1.9	-	-	-	-	1.9	-	1.9
Change in attributable interest	-	-	-	-	-	-	-	-	0.1	0.1
Transfer	-	-	-	0.4	(0.4)	-	-	-	-	-
At 31st December 2008	74.8	7.4	25.2	248.8	16.8	(3.6)	(38.5)	330.9	2.6	333.5

Total comprehensive income for the six months ended 30th June 2009 included in revenue reserves represents profit attributable to shareholders of the Company of US\$156.0 million.

Total comprehensive income for the six months ended 30th June 2008 included in revenue reserves comprises profit attributable to shareholders of the Company of US\$154.2 million, fair value gain on revaluation of other investments of US\$3.0 million and deferred tax asset on employee benefit plan of US\$0.7 million.

Total comprehensive income for the year ended 31st December 2008 included in revenue reserves comprises profit attributable to shareholders of the Company of US\$333.0 million, fair value gain on revaluation of other investments of US\$1.7 million and actuarial losses on employee benefit plans of US\$58.0 million.

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**Dairy Farm International Holdings Limited**  
**Consolidated Cash Flow Statement**


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	(unaudited)	Year ended	
	Six months ended	31st	
	30th June	December	
	2009	2008	2008
	US\$m	US\$m	US\$m
<b>Operating activities</b>			
Operating profit ( <i>note 3</i> )	<b>186.8</b>	185.9	387.8
Depreciation and amortization	<b>68.5</b>	68.4	136.4
Other non-cash items	<b>2.3</b>	(11.5)	(2.5)
(Increase)/decrease in working capital	<b>(33.7)</b>	16.3	36.9
Interest received	<b>2.4</b>	6.6	10.8
Interest and other financing charges paid	<b>(11.4)</b>	(12.3)	(23.8)
Tax paid	<b>(25.9)</b>	(17.8)	(47.5)
	<b>189.0</b>	235.6	498.1
Dividends from associates and joint ventures	<b>9.0</b>	9.6	25.1
Cash flows from operating activities	<b>198.0</b>	245.2	523.2
<b>Investing activities</b>			
Purchase of tangible assets	<b>(120.3)</b>	(100.7)	(215.6)
Store acquisitions ( <i>note 10a</i> )	-	(2.6)	(2.6)
Purchase of subsidiaries ( <i>note 10b</i> )	-	(42.0)	(42.0)
Purchase of associates and joint ventures	-	(6.2)	(6.6)
Purchase of land use rights ( <i>note 10c</i> )	<b>(9.4)</b>	(34.9)	(33.7)
Purchase of other intangible assets	<b>(4.3)</b>	(3.9)	(7.9)
Sale of associates and joint ventures ( <i>note 10d</i> )	-	20.5	20.5
Sale of other investments	-	0.8	1.0
Sale of other tangible assets	<b>0.4</b>	0.5	1.0
Cash flows from investing activities	<b>(133.6)</b>	(168.5)	(285.9)
<b>Financing activities</b>			
Issue of shares	<b>1.6</b>	0.2	0.4
Drawdown of borrowings	<b>610.7</b>	605.8	991.0
Repayment of borrowings	<b>(569.5)</b>	(612.9)	(990.3)
Dividends paid by the Company ( <i>note 9</i> )	<b>(134.7)</b>	(114.4)	(168.3)
Cash flows from financing activities	<b>(91.9)</b>	(121.3)	(167.2)
Effect of exchange rate changes	<b>0.5</b>	2.2	(1.7)
Net (decrease)/increase in cash and cash equivalents	<b>(27.0)</b>	(42.4)	68.4
Cash and cash equivalents at beginning of period	<b>453.2</b>	384.8	384.8
Cash and cash equivalents at end of period	<b>426.2</b>	342.4	453.2

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**Dairy Farm International Holdings Limited**  
**Notes to Condensed Financial Statements**


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**1. ACCOUNTING POLICIES AND BASIS OF PREPARATION**

The condensed financial statements have been prepared in accordance with IAS 34, 'Interim Financial Reporting'. The condensed financial statements have not been audited or reviewed by the Group's auditor pursuant to the UK Auditing Practices Board guidance on the review of interim financial information.

In 2009, the Group adopted the following standards, and amendments and interpretations to existing standards which are relevant to its operations:

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IFRS 8	Operating Segments
IAS 1 (revised 2007)	Presentation of Financial Statements
IAS 23 (revised 2007)	Borrowing Costs
Amendments to IFRS 1 and IAS 27	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendment to IFRS 2	Vesting Conditions and Cancellations
Amendments to IFRS 7	Improving Disclosures about Financial Instruments
IFRIC 13	Customer Loyalty Programmes
IFRIC 16	Hedges of a Net Investment in a Foreign Operation
Improvements to IFRS (2008)	

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With the exception of amendments to IFRS 1 and IAS 27 and IFRIC 13, there are no changes in accounting policies that affect the Group's financial statements resulting from adoption of the above standards, amendments and interpretations as they are consistent with the policies already adopted by the Group.

IFRS 8 'Operating Segments' supersedes IAS 14 'Segment Reporting' and requires the reporting of financial and descriptive information about an entity's reportable segments on the basis of internal reports that are regularly reviewed by its management. There is no change in the Group's reportable segments from 2008 as they remain consistent with the internal reporting provided to management. The Group's reportable segments are set out on page 13. No operating segments have been aggregated to form the reportable segments.

As a result of adoption of IAS 1 (revised 2007), two new primary statements, 'Consolidated Statement of Comprehensive Income' and 'Consolidated Statement of Changes in Equity' have been presented in these interim financial statements. The former replaces the 'Consolidated Statement of Recognized Income and Expense' presented in the 2008 annual financial statements. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

Amendments to IFRS 1 and IAS 27 'Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate' remove the definition of the cost method from IAS 27 and allow an entity to recognize a dividend from subsidiary, jointly controlled entity or

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION *(continued)*

associate in profit and loss in its separate financial statements when its right to receive the dividend is established. There is no impact on the consolidated financial statements as the changes only affect the separate financial statements of the investing entity.

IFRIC 13 ‘Customer Loyalty Programmes’ addresses the accounting by entities that grant loyalty award credits to customers who buy goods or services. It requires that the consideration receivable from the customer is allocated between the separately identifiable components of the sale transaction using fair values. There is no significant impact on the results of the Group on adoption of this interpretation.

The Group also early adopted the following standard and amendment to an existing standard which are relevant to its operations:

IFRS 3 (revised 2008)	Business Combinations
Amendment to IAS 27	Consolidated and Separate Financial Statements

IFRS 3 (revised) and the related amendment to IAS 27 (both effective prospectively from 1st July 2009) require the immediate expensing of all acquisition-related costs, the inclusion in the cost of acquisition of the fair value at acquisition date of any contingent purchase consideration, the remeasurement of previously held equity interest in the acquiree at fair value in a business combination achieved in stages, and accounting for changes in a parent’s ownership interest in a subsidiary that do not result in the loss of control as equity transactions. The early adoption of IFRS 3 (revised) and the related amendment to IAS 27 has resulted in changes in the Group’s accounting policies for goodwill and change in attributable interests in subsidiaries. Until 31st December 2008, acquisition-related costs were included in the cost of a business combination; contingent purchase consideration was recognized in goodwill as incurred; the difference between the cost of acquisition and the carrying amount of the proportion of minority interest acquired in respect of an increase in attributable interest in a subsidiary was recognized as goodwill or credited to the consolidated profit and loss account as discount on acquisition, where appropriate; and the difference between the proceeds and the carrying amount of the proportion sold in respect of a decrease in attributable interest in a subsidiary was recognized in the consolidated profit and loss account as profit or loss on disposal. The Group continues to measure minority interest in an acquiree in a business combination at the minority interest’s proportionate share of the acquiree’s identifiable net assets.

In addition, on implementation of IFRS 8, the Group early adopted an amendment to IFRS 8 ‘Operating Segments’ (effective from 1st January 2010) included in the 2009 improvement project. The amendment clarifies that a measure of total assets should be disclosed in the financial statements only if that amount is regularly provided to management.

There have been no other changes to the accounting policies described in the 2008 annual financial statements. Certain comparative figures have been reclassified to conform with the current period presentation.

## 2. SALES

	Including associates and joint ventures		Subsidiaries only	
	Six months ended 30th June			
	2009 US\$m	2008 US\$m	2009 US\$m	2008 US\$m
<b>Analysis by operating segments:</b>				
North Asia	1,757.6	1,695.6	1,757.6	1,685.3
East Asia	915.7	960.8	915.7	960.8
South Asia	706.0	699.8	680.0	669.0
Maxim's	436.0	418.9	-	-
	<b>3,815.3</b>	3,775.1	<b>3,353.3</b>	3,315.1
<i>Analysis by business:</i>				
Supermarkets/hypermarkets	2,079.6	2,094.2	2,062.6	2,073.6
Health and beauty stores	568.3	526.5	559.3	506.0
Convenience stores	614.4	608.9	614.4	608.9
Home furnishings stores	117.0	126.6	117.0	126.6
Restaurants	436.0	418.9	-	-
	<b>3,815.3</b>	3,775.1	<b>3,353.3</b>	3,315.1

*Dairy Farm operates in four operating segments: North Asia, East Asia, South Asia and Maxim's. North Asia comprises Hong Kong, Mainland China, Macau, Taiwan and Korea. East Asia comprises Malaysia, Indonesia, Vietnam and Brunei. South Asia comprises Singapore, India and Thailand. Maxim's is the Group's major associate, a Hong Kong leading restaurant chain.*

## 3. OPERATING PROFIT

	Six months ended 30th June	
	2009 US\$m	2008 US\$m
<b>Analysis by operating segments:</b>		
North Asia	95.4	90.4
East Asia	65.9	60.8
South Asia	39.3	33.1
	<b>200.6</b>	184.3
Support office	(13.8)	(13.3)
	<b>186.8</b>	171.0
Non-trading items in North Asia:		
- Gain on sale of associates and joint ventures	-	14.2
- Gain on sale of other investments	-	0.7
	<b>186.8</b>	185.9
<i>Analysis by business:</i>		
Supermarkets/hypermarkets	112.1	98.3
Health and beauty stores	49.2	45.1
Convenience stores	27.3	29.8
Home furnishings stores	4.7	5.6
Property	7.3	5.5
	<b>200.6</b>	184.3

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## 4. SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

	Six months ended 30th June	
	2009	2008
	US\$m	US\$m
<b>Analysis by operating segments:</b>		
Maxim's	11.9	13.7
South Asia	(1.5)	(2.4)
	<b>10.4</b>	<b>11.3</b>
<i>Analysis by business:</i>		
Restaurants	11.9	13.7
Supermarkets	(1.4)	(2.2)
Health and beauty stores	(0.1)	(0.2)
	<b>10.4</b>	<b>11.3</b>

*Results are shown after tax and minority interests in the associates and joint ventures.*

## 5. TAX

	Six months ended 30th June	
	2009	2008
	US\$m	US\$m
Tax charged to profit and loss is analyzed as follows:		
Current tax	31.8	37.7
Deferred tax	0.5	(1.6)
	<b>32.3</b>	<b>36.1</b>
<b>Analysis by operating segments:</b>		
North Asia	13.9	11.9
East Asia	12.2	18.1
South Asia	6.2	6.1
	<b>32.3</b>	<b>36.1</b>
Tax relating to components of other comprehensive income is analyzed as follows:		
Cash flow hedges	0.5	-
Effect of tax rate change:		
- Actuarial gains on employee benefit plans	-	0.7
- Revaluation of fixed assets	-	0.1
	<b>0.5</b>	<b>0.8</b>

*Tax on profits has been calculated at rates of taxation prevailing in the territories in which the Group operates. Share of tax of associates and joint ventures of US\$2.9 million (2008: US\$2.9 million) related to Maxim's are included in share of results of associates and joint ventures.*

## 6. EARNINGS PER SHARE

Basic earnings per share are calculated on profit attributable to shareholders of US\$156.0 million (2008: US\$154.2 million) and on the weighted average number of 1,346.9 million (2008: 1,346.2 million) shares in issue during the period. The weighted average number excludes the shares held by the Trustee under the Senior Executive Share Incentive Schemes.

Diluted earnings per share are calculated on profit attributable to shareholders of US\$156.0 million (2008: US\$154.2 million), and on the weighted average number of 1,348.3 million (2008: 1,348.0 million) shares in issue after adjusting for 1.4 million (2008: 1.8 million) shares which are deemed to be issued for no consideration under the Senior Executive Share Incentive Schemes based on the average share price during the period.

There are no non-trading items for the six months ended 30th June 2009. Additional basic and diluted earnings per share are calculated for the six months ended 30th June 2008 based on underlying profit attributable to shareholders of US\$141.4 million. A reconciliation of earnings is set out below:

	Six months ended 30th June 2008		
	US\$m	Basic earnings per share US¢	Diluted earnings per share US¢
Profit attributable to shareholders	154.2	11.45	11.44
Non-trading items ( <i>note 7</i> )	(12.8)		
Underlying profit attributable to shareholders	141.4	10.50	10.49

## 7. NON-TRADING ITEMS

Non-trading items are separately identified to provide greater understanding of the Group's underlying business performance. Items classified as non-trading items include gains and losses arising from the sale of businesses, investments and properties; impairment of non-depreciable intangible assets and other investments; provisions for the closure of businesses; acquisition-related costs in business combinations; and other credits and charges of a non-recurring nature that require inclusion in order to provide additional insight into underlying business performance.

An analysis of non-trading items after interest, tax and minority interests for the six months ended 30th June 2008 is set out below:

	US\$m
Sale of 50% shareholding in CJ Olive Young	12.2
Sale of other investments	0.6
	12.8

## 8. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

At 31st December 2008, the non-current assets classified as held for sale represented two retail properties in Malaysia. At 30th June 2009, another retail property in Malaysia was classified as held for sale. All three properties are expected to be disposed of during the second half of 2009.

## 9. DIVIDENDS

	Six months ended 30th June	
	2009	2008
	US\$m	US\$m
Final dividend in respect of 2008 of US¢10.00 (2007: US¢8.50) per share	<b>134.7</b>	114.4

*An interim dividend in respect of 2009 of US¢4.50 (2008: US¢4.00) per share amounting to a total of US\$60.6 million (2008: US\$53.9 million) is declared by the Board, and will be accounted for as an appropriation of revenue reserves in the year ending 31st December 2009.*

## 10. NOTES TO CONSOLIDATED CASH FLOW STATEMENTS

	Six months ended
	30th June 2008
	Fair value
	US\$m
(a) Store acquisitions	
Tangible assets	0.2
Current assets	0.8
Net assets acquired	1.0
Goodwill	1.6
Total cash consideration	2.6

*Total cash consideration of US\$2.6 million represented seven Guardian stores in Brunei acquired from a third party in February 2008.*



## 10. NOTES TO CONSOLIDATED CASH FLOW STATEMENTS *(continued)*

### (b) Purchase of subsidiaries

In April 2008, the Group paid US\$42.0 million in cash to acquire an additional 25.2% interest in PT Hero Supermarket, pursuant to an option agreement.

### (c) Purchase of land use rights

For the six months ended 30th June 2009, the amount represented leasehold land purchased for hypermarket development in Indonesia.

For the six months ended 30th June 2008, the amount represented leasehold land purchased for hypermarket and distribution centre developments in Malaysia.

### (d) Sale of associates and joint ventures

In February 2008, the Group completed the sale of its 50% shareholding in CJ Olive Young to its partner, CJ Corp, for a cash consideration of US\$20.5 million.

## 11. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Total capital commitments at 30th June 2009 and 31st December 2008 amounted to US\$295.5 million and US\$212.3 million respectively.

Various Group companies are involved in litigation arising in the ordinary course of their respective businesses. Having reviewed outstanding claims and taking into account legal advice received, the Directors are of the opinion that adequate provisions have been made in the condensed financial statements.

## 12. RELATED PARTY TRANSACTIONS

There have been no related parties transactions that have taken place in the first six months of the current financial year or any changes in the related parties transactions described in the last Annual Report that have had or could have a material effect on the financial position or performance of the Group.

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**Dairy Farm International Holdings Limited**  
**Principal Risks and Uncertainties**

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The Board has overall responsibility for risk management and internal control. The following have been identified previously as the areas of principal risk and uncertainty facing the Company, and they remain relevant in the second half of the year.

- Economic Risk
- Commercial and Financial Risk
- Concessions, Franchises and Key Contracts
- Regulatory and Political Risk
- Terrorism, Pandemic and Natural Disasters

For greater detail, please refer to page 61 of the Company's Annual Report for 2008, a copy of which is available on the Company's website [www.dairyfarmgroup.com](http://www.dairyfarmgroup.com).

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**Responsibility Statement**

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The Directors of the Company confirm to the best of their knowledge that:

- a. the condensed financial statements have been prepared in accordance with IAS 34; and
- b. the interim management report includes a fair review of all information required to be disclosed by the Disclosure and Transparency Rules 4.2.7 and 4.2.8 issued by the Financial Services Authority of the United Kingdom.

For and on behalf of the Board

Michael Kok  
Howard Mowlem

*Directors*

6th August 2009

*The interim dividend of US\$4.50 per share will be payable on 21st October 2009 to shareholders on the register of members at the close of business on 28th August 2009. The ex-dividend date will be on 26th August 2009, and the share registers will be closed from 31st August to 4th September 2009, inclusive. Shareholders will receive their dividends in United States Dollars, unless they are registered on the Jersey branch register where they will have the option to elect for sterling. These shareholders may make new currency elections for the 2009 interim dividend by notifying the United Kingdom transfer agent in writing by 2nd October 2009. The sterling equivalent of dividends declared in United States Dollars will be calculated by reference to a rate prevailing on 7th October 2009. Shareholders holding their shares through The Central Depository (Pte) Limited ('CDP') in Singapore will receive United States Dollars unless they elect, through CDP, to receive Singapore Dollars.*

## **Dairy Farm**

Dairy Farm is a leading pan-Asian retailer. At 30th June 2009, the Group and its associates operated 4,847 outlets – including supermarkets, hypermarkets, health and beauty stores, convenience stores, home furnishings stores and restaurants; employed over 76,000 people in the region; and had total annual sales in 2008 of US\$7.7 billion.

The Group operates under well-known local brands, including:

- Supermarkets – Wellcome in Hong Kong, Taiwan and Vietnam, ThreeSixty and Oliver's The Delicatessen in Hong Kong, Jasons MarketPlace in Singapore, Taiwan and Hong Kong, Cold Storage in Singapore and Malaysia, Giant in Malaysia and Indonesia, Shop N Save in Singapore, Hero in Indonesia, and Foodworld in India;
- Hypermarkets – Giant in Malaysia, Singapore, Indonesia and Brunei;
- Health and beauty stores – Mannings in Hong Kong, Macau and China, Guardian in Singapore, Malaysia, Indonesia and Brunei, and Health and Glow in India;
- Convenience stores – 7-Eleven in Hong Kong, Macau, Southern China and Singapore, and Starmart in Indonesia; and
- Home furnishings stores – IKEA in Hong Kong and Taiwan.

The Group has a 50% interest in Maxim's, Hong Kong's leading restaurant chain.

Dairy Farm International Holdings Limited is incorporated in Bermuda and has its primary share listing on the London Stock Exchange, and secondary listings on the Bermuda and Singapore stock exchanges. The Group's businesses are managed from Hong Kong by Dairy Farm Management Services Limited through its regional offices. Dairy Farm is a member of the Jardine Matheson Group.

For further information, please contact:

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As permitted by the Disclosure and Transparency Rules of the Financial Services Authority of the United Kingdom, the Company will not be posting a printed version of the Half-Yearly Results announcement to shareholders. The Half-Yearly Results announcement will remain available on the Company's website, [www.dairyfarmgroup.com](http://www.dairyfarmgroup.com), together with other Group announcements.