Dairy Farm International Holdings Ltd
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To: Business Editor

1st August 2013
For immediate release

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

DAIRY FARM INTERNATIONAL HOLDINGS LIMITED
HALF-YEARLY RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE 2013

Highlights
- Underlying profit 5% lower
- Strong performances in Hong Kong, but margin challenges in Malaysia and Singapore
- Good progress on building brand strength in key markets
- PT Hero US$304 million rights issue

"While trading conditions remain challenging in some areas, progress is being made in addressing margin pressures and the Group continues to invest for long-term growth in all its key businesses. After a weaker first half, the outlook is for a modest improvement in the remainder of the year."

Ben Keswick, *Chairman*
1st August 2013

Results

	(unaudited) Six months ended 30th June **2013** **US$m**	2012 US$m restated†	Change %
Sales			
- subsidiaries	**5,102**	4,769	+7
- including associates and joint ventures*	**6,033**	5,469	+10
Underlying profit attributable to shareholders	**228**	241	–5
Non-trading items	**1**	2	n/a
Profit attributable to shareholders	**229**	243	–6
	US¢	US¢	%
Underlying earnings per share	**16.89**	17.84	–5
Basic earnings per share	**16.95**	18.00	–6
Interim dividend per share	**6.50**	6.50	-

* on a 100% basis.
† the accounts have been restated due to a change in accounting policy upon adoption of IAS 19 (amended 2011) 'Employee Benefits', as set out in note 1 to the condensed financial statements.

The interim dividend of US¢6.50 per share will be payable on 16th October 2013 to shareholders on the register of members at the close of business on 23rd August 2013. The ex-dividend date will be on 21st August 2013, and the share registers will be closed from 26th to 30th August 2013, inclusive.

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DAIRY FARM INTERNATIONAL HOLDINGS LIMITED
HALF-YEARLY RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE 2013

OVERVIEW

In the first half of 2013, Dairy Farm delivered solid like-for-like sales growth in most major businesses. Hong Kong in particular performed well, but difficult markets in Malaysia and Singapore led to increased costs and reduced margins, resulting in a modest decline overall in earnings. Good progress was made on building brand strength in key markets, including the absorption of the Shop N Save brand into Giant in Singapore.

RESULTS

Sales, including 100% of associates and joint ventures, increased by 10% to US$6.0 billion in the first six months of 2013. Underlying net profit was US$228 million, a decline of 5% from the same period last year in part due to the overstatement of supplier income that had taken place, while underlying earnings per share decreased by 5% to US¢16.89. The profit attributable to shareholders of US$229 million, which included a non-trading gain of US$1 million arising from the disposal of a small piece of surplus land in Malaysia, decreased by 6% as the first half of 2012 benefited from a non-trading gain of US$2 million.

The Group's financial position remains healthy with net cash of US$421 million at 30th June 2013. This follows the payment of the 2012 final dividend of US$223 million and capital expenditure of US$180 million in the first half of the year.

The Board has maintained an interim dividend of US¢6.50 per share, unchanged from the previous year.

TRADING PERFORMANCE

The Group's Health and Beauty businesses produced satisfactory growth in the first half of this year with continued strong performances from Mannings Hong Kong and Macau. Mannings in mainland China also achieved an improved result following the rationalization of its store network and enhancement of its offering. The Guardian businesses in Singapore and Malaysia produced lower profits in more difficult trading environments, while Guardian in Indonesia delivered a small increase in earnings.

The Group's overall Food businesses recorded a decline in profits despite an increase in sales. In Hong Kong, Wellcome supermarkets continued to perform strongly, achieving good sales over the Chinese New Year. 7-Eleven also produced increased sales and margins. In Taiwan, Wellcome supermarkets suffered a decline in earnings in a competitive market. In Southern China, 7-Eleven achieved higher sales and is continuing its stores expansion plan.

In Singapore, the Food businesses achieved satisfactory sales improvements. While the results were impacted by significant increases in operating costs, there was further profit growth from Cold Storage supermarkets. The supermarkets in Cambodia traded well, and progress was made in the Philippines in strengthening operations and brand positioning.

In Malaysia, the Giant hypermarkets and supermarkets maintained sales at a similar level to last year, but recorded sharply lower profits in the face of more aggressive promotional activity and lower supplier income. Steps are being taken by the new management team to rebuild Giant's market position and address the decline in profitability.

The Food businesses in Indonesia achieved good growth in sales, particularly the Giant hypermarkets, although the profit contribution was affected by a significant increase in the minimum wage and a weaker rupiah exchange rate.

The IKEA businesses in Hong Kong and Taiwan traded well and saw further profitable growth.

Restaurant associate, Maxim's, maintained its good performance in the first half with improved sales and profits in Hong Kong.

BUSINESS DEVELOPMENTS

The Group continues to build its reputation as an innovator across all retail categories. A joint venture has been established to operate mini-marts in Malaysia, with the first two stores opened in June this year trading as 'G EKSPRES'. In Singapore, the Shop N Save supermarkets were rebranded as Giant from April so as to increase the brand focus, and a good sales response was recorded.

There were further range additions in Health and Beauty, and in the convenience store formats there was an increase in ready-to-eat options. Progress has also been made on our strategic priority of streamlining the supply chain in all markets and driving efficiencies across the Group.

The construction of the fifth Taiwanese IKEA store in Tai Chung and the first Indonesian store in Tangerang is progressing well and they are expected to open later in 2013 and 2014, respectively. Maxim's opened its first Starbucks store in Vietnam in February this year, with encouraging trading results.

In early July, PT Hero completed a Rp2.98 trillion (US$304 million) rights issue to support its expansion plans in Indonesia and repay debt.

PEOPLE

Alec Tong will leave his position as Group Finance Director at the end of the third quarter to move to another role within the Jardine Matheson group. The Board would like to thank him for his significant contribution to the Group and wish him well in his new role. He will be succeeded by Neil Galloway, who joins the Group from The Hongkong and Shanghai Hotels, Limited.

Simon Keswick stepped down as Chairman in May, and remains a non-executive Director. We are very grateful for his tremendous contribution since he was appointed as Chairman in 1986.

PROSPECTS

While trading conditions remain challenging in some areas, progress is being made in addressing margin pressures and the Group continues to invest for long-term growth in all its key businesses. After a weaker first half, the outlook is for a modest improvement in the remainder of the year.

Ben Keswick
Chairman
1st August 2013

Dairy Farm International Holdings Limited
Consolidated Profit and Loss Account

	(unaudited) Six months ended 30th June						Year ended 31st December		
	2013			2012			2012		
	Underlying business performance **US$m**	Non-trading items **US$m**	Total **US$m**	Underlying business performance US$m restated	Non-trading items US$m	Total US$m restated	Underlying business performance US$m restated	Non-trading items US$m	Total US$m restated
Sales *(note 2)*	**5,101.7**	-	**5,101.7**	4,768.7	-	4,768.7	9,800.6	-	9,800.6
Cost of sales	**(3,600.7)**	-	**(3,600.7)**	(3,350.5)	-	(3,350.5)	(6,970.5)	-	(6,970.5)
Gross margin	**1,501.0**	-	**1,501.0**	1,418.2	-	1,418.2	2,830.1	-	2,830.1
Other operating income	**74.7**	**0.8**	**75.5**	67.9	2.4	70.3	145.4	3.0	148.4
Selling and distribution costs	**(1,135.9)**	-	**(1,135.9)**	(1,046.7)	-	(1,046.7)	(2,152.5)	-	(2,152.5)
Administration and other operating expenses	**(182.9)**	-	**(182.9)**	(160.9)	(0.3)	(161.2)	(345.8)	(0.3)	(346.1)
Operating profit *(note 3)*	**256.9**	**0.8**	**257.7**	278.5	2.1	280.6	477.2	2.7	479.9
Financing charges	**(6.9)**	-	**(6.9)**	(7.7)	-	(7.7)	(14.0)	-	(14.0)
Financing income	**1.7**	-	**1.7**	1.4	-	1.4	2.7	-	2.7
Net financing charges	**(5.2)**	-	**(5.2)**	(6.3)	-	(6.3)	(11.3)	-	(11.3)
Share of results of associates and joint ventures *(note 4)*	**22.1**	-	**22.1**	23.1	-	23.1	63.5	-	63.5
Profit before tax	**273.8**	**0.8**	**274.6**	295.3	2.1	297.4	529.4	2.7	532.1
Tax *(note 5)*	**(43.3)**	-	**(43.3)**	(53.6)	-	(53.6)	(82.5)	-	(82.5)
Profit after tax	**230.5**	**0.8**	**231.3**	241.7	2.1	243.8	446.9	2.7	449.6
Attributable to:									
Shareholders of the Company	**228.3**	**0.8**	**229.1**	240.9	2.1	243.0	443.8	2.7	446.5
Non-controlling interests	**2.2**	-	**2.2**	0.8	-	0.8	3.1	-	3.1
	230.5	**0.8**	**231.3**	241.7	2.1	243.8	446.9	2.7	449.6
	US¢		**US¢**	US¢		US¢	US¢		US¢
Earnings per share *(note 6)*									
- basic	**16.89**		**16.95**	17.84		18.00	32.86		33.07
- diluted	**16.87**		**16.93**	17.81		17.96	32.81		33.01

Dairy Farm International Holdings Limited
Consolidated Statement of Comprehensive Income

	(unaudited) Six months ended 30th June		Year ended 31st December
	2013 **US$m**	2012 US$m restated	2012 US$m restated
Profit for the period	**231.3**	243.8	449.6
Other comprehensive (expense)/income			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plans	**7.2**	2.2	(5.8)
Tax on items that will not be reclassified	**(1.8)**	(0.4)	1.3
	5.4	1.8	(4.5)
Share of other comprehensive income of associates and joint ventures	**-**	-	1.5
	5.4	1.8	(3.0)
Items that may be reclassified subsequently to profit or loss:			
Net exchange translation differences - net (loss)/gain arising during the period	**(23.9)**	(14.7)	0.6
Revaluation of other investments - gains arising during the period	**0.3**	0.8	1.2
Cash flow hedges - net gain/(loss) arising during the period	**0.9**	0.2	(2.3)
Tax relating to items that may be reclassified	**(0.2)**	(0.2)	0.1
Share of other comprehensive (expense)/income of associates and joint ventures	**(6.0)**	4.2	4.8
	(28.9)	(9.7)	4.4
Other comprehensive (expense)/income for the period, net of tax	**(23.5)**	(7.9)	1.4
Total comprehensive income for the period	**207.8**	235.9	451.0
Attributable to:			
Shareholders of the Company	**206.4**	235.5	449.2
Non-controlling interests	**1.4**	0.4	1.8
	207.8	235.9	451.0

Dairy Farm International Holdings Limited
Consolidated Balance Sheet

	2013 US$m	(unaudited) At 30th June 2012 US$m restated	At 31st December 2012 US$m restated
Net operating assets			
Intangible assets	**434.1**	391.2	439.8
Tangible assets	**1,069.3**	911.9	1,069.5
Associates and joint ventures	**351.7**	316.9	337.9
Other investments	**5.6**	4.8	5.2
Non-current debtors	**133.4**	130.8	132.7
Deferred tax assets	**22.6**	18.3	25.2
Pension assets	**-**	1.9	-
Non-current assets	**2,016.7**	1,775.8	2,010.3
Stocks	**986.0**	932.2	958.4
Current debtors	**218.6**	218.2	195.6
Current tax assets	**21.4**	1.6	11.6
Bank balances and other liquid funds	**766.7**	436.7	667.2
	1,992.7	1,588.7	1,832.8
Non-current assets classified as held for sale *(note 8)*	**3.7**	47.2	7.6
Current assets	**1,996.4**	1,635.9	1,840.4
Current creditors	**(2,196.5)**	(2,035.5)	(2,275.5)
Current borrowings	**(241.6)**	(174.9)	(55.5)
Current tax liabilities	**(62.0)**	(82.1)	(54.5)
Current provisions	**(4.6)**	(5.0)	(5.1)
Current liabilities	**(2,504.7)**	(2,297.5)	(2,390.6)
Net current liabilities	**(508.3)**	(661.6)	(550.2)
Long-term borrowings	**(104.5)**	(31.3)	(90.9)
Deferred tax liabilities	**(49.0)**	(43.8)	(48.3)
Pension liabilities	**(28.7)**	(31.5)	(40.2)
Non-current creditors	**(18.1)**	(16.4)	(17.6)
Non-current provisions	**(25.0)**	(22.3)	(23.9)
Non-current liabilities	**(225.3)**	(145.3)	(220.9)
	1,283.1	968.9	1,239.2
Total equity			
Share capital	**75.1**	75.0	75.0
Share premium and capital reserves	**55.6**	51.7	53.1
Revenue and other reserves	**1,047.0**	830.9	1,065.1
Shareholders' funds	**1,177.7**	957.6	1,193.2
Non-controlling interests	**105.4**	11.3	46.0
	1,283.1	968.9	1,239.2

Dairy Farm International Holdings Limited
Consolidated Statement of Changes in Equity

	Attributable to shareholders of the Company							Attributable to non-controlling interests	Total equity
	Share capital **US$m**	Share premium **US$m**	Capital reserves **US$m**	Revenue reserves **US$m**	Hedging reserves **US$m**	Exchange reserves **US$m**	Total **US$m**	**US$m**	**US$m**
Six months ended 30th June 2013 (unaudited)									
At 1st January 2013									
- as previously reported	75.0	25.8	27.3	1,077.1	(0.9)	(11.6)	1,192.7	46.1	**1,238.8**
- change in accounting policy for employee benefits	-	-	-	0.5	-	-	0.5	(0.1)	**0.4**
- as restated	75.0	25.8	27.3	1,077.6	(0.9)	(11.6)	1,193.2	46.0	**1,239.2**
Total comprehensive income	-	-	-	233.7	0.7	(28.0)	206.4	1.4	**207.8**
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(0.2)	**(0.2)**
Dividends paid by the Company *(note 9)*	-	-	-	(223.1)	-	-	(223.1)	-	**(223.1)**
Exercise of options	0.1	-	-	-	-	-	0.1	-	**0.1**
Employee share option schemes	-	-	2.5	-	-	-	2.5	-	**2.5**
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	58.5	**58.5**
Transaction costs in relation to capital contribution from non-controlling interests	-	-	-	(1.4)	-	-	(1.4)	(0.3)	**(1.7)**
Transfer	-	4.0	(4.0)	-	-	-	-	-	-
At 30th June 2013	**75.1**	**29.8**	**25.8**	**1,086.8**	**(0.2)**	**(39.6)**	**1,177.7**	**105.4**	**1,283.1**
Six months ended 30th June 2012 (unaudited)									
At 1st January 2012									
- as previously reported	75.0	19.6	30.6	815.0	1.1	(18.6)	922.7	7.6	930.3
- change in accounting policy for employee benefits	-	-	-	0.4	-	-	0.4	(0.1)	0.3
- as restated	75.0	19.6	30.6	815.4	1.1	(18.6)	923.1	7.5	930.6
Total comprehensive income	-	-	-	245.5	0.1	(10.1)	235.5	0.4	235.9
Dividends paid by the Company *(note 9)*	-	-	-	(202.5)	-	-	(202.5)	-	(202.5)
Employee share option schemes	-	-	1.5	-	-	-	1.5	-	1.5
Subsidiary acquired	-	-	-	-	-	-	-	3.4	3.4
At 30th June 2012	75.0	19.6	32.1	858.4	1.2	(28.7)	957.6	11.3	968.9

(Consolidated Statement of Changes in Equity continued on page 9)

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

	Attributable to shareholders of the Company							Attributable to non-controlling interests	
	Share capital US$m	Share premium US$m	Capital reserves US$m	Revenue reserves US$m	Hedging reserves US$m	Exchange reserves US$m	Total US$m	US$m	Total equity US$m
Year ended 31st December 2012									
At 1st January 2012									
- as previously reported	75.0	19.6	30.6	815.0	1.1	(18.6)	922.7	7.6	930.3
- change in accounting policy for employee benefits	-	-	-	0.4	-	-	0.4	(0.1)	0.3
- as restated	75.0	19.6	30.6	815.4	1.1	(18.6)	923.1	7.5	930.6
Total comprehensive income	-	-	-	445.1	(2.0)	6.1	449.2	1.8	451.0
Dividends paid by the Company	-	-	-	(290.3)	-	-	(290.3)	-	(290.3)
Unclaimed dividends forfeited	-	-	-	0.3	-	-	0.3	-	0.3
Employee share option schemes	-	-	2.9	-	-	-	2.9	-	2.9
Subsidiary acquired	-	-	-	-	-	-	-	3.4	3.4
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	2.5	2.5
Change in interests in a subsidiary	-	-	-	108.0	-	-	108.0	30.8	138.8
Transfer	-	6.2	(6.2)	(0.9)	-	0.9	-	-	-
At 31st December 2012	75.0	25.8	27.3	1,077.6	(0.9)	(11.6)	1,193.2	46.0	1,239.2

Total comprehensive income for the six months ended 30th June 2013 included in revenue reserves comprises profit attributable to shareholders of the Company of US$229.1 million *(2012: US$243.0 million)* and net fair value gain on other investments of US$0.3 million *(2012: US$0.7 million)*. Cumulative net fair value gain on other investments amounted to US$4.4 million.

Total comprehensive income for the year ended 31st December 2012 included in revenue reserves comprises profit attributable to shareholders of the Company of US$446.5 million and net fair value gain on other investments of US$1.0 million. Cumulative net fair value gain on other investments amounted to US$4.1 million.

Dairy Farm International Holdings Limited
Consolidated Cash Flow Statement

	2013 US$m	(unaudited) Six months ended 30th June 2012 US$m restated	Year ended 31st December 2012 US$m restated
Operating activities			
Operating profit *(note 3)*	**257.7**	280.6	479.9
Depreciation and amortization	**96.5**	92.4	191.3
Other non-cash items	**5.8**	3.9	83.8
(Increase)/decrease in working capital	**(92.4)**	(81.5)	37.7
Interest received	**1.8**	1.7	2.8
Interest and other financing charges paid	**(7.0)**	(8.2)	(14.6)
Tax paid	**(43.7)**	(51.3)	(120.6)
	218.7	237.6	660.3
Dividends from associates and joint ventures	**20.0**	15.5	37.4
Cash flows from operating activities	**238.7**	253.1	697.7
Investing activities			
Purchase of tangible assets	**(152.6)**	(126.1)	(289.6)
Purchase of a subsidiary *(note 11(a))*	**-**	(32.1)	(32.1)
Purchase of associates and joint ventures *(note 11(b))*	**(17.7)**	(111.5)	(112.0)
Purchase of intangible assets	**(9.6)**	(18.9)	(68.5)
Sale of properties	**4.6**	-	4.1
Sale of tangible assets	**0.5**	0.9	2.1
Cash flows from investing activities	**(174.8)**	(287.7)	(496.0)
Financing activities			
Capital contribution from non-controlling interests *(note 11(c))*	**56.8**	-	2.5
Sale of interest in a subsidiary	**-**	-	138.8
Drawdown of borrowings	**1,013.6**	632.6	1,188.3
Repayment of borrowings	**(838.0)**	(691.5)	(1,301.0)
Dividend paid to non-controlling interests	**(0.2)**	-	-
Dividends paid by the Company *(note 9)*	**(223.1)**	(202.5)	(290.3)
Cash flows from financing activities	**9.1**	(261.4)	(261.7)
Net increase/(decrease) in cash and cash equivalents	**73.0**	(296.0)	(60.0)
Cash and cash equivalents at beginning of period	**664.9**	718.7	718.7
Effect of exchange rate changes	**(3.5)**	1.2	6.2
Cash and cash equivalents at end of period	**734.4**	423.9	664.9

Dairy Farm International Holdings Limited
Notes to Condensed Financial Statements

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 auditors pursuant to the UK Auditing Practices Board guidance on the review of interim financial information.

The following standards, amendments and interpretations which are effective in the current accounting period and relevant to the Group's operations are adopted in 2013:

IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement
Amendments to IFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to IFRSs 10, 11 and 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
Amendments to IAS 1	Presentation of Items of Other Comprehensive Income
IAS 19 (amended 2011)	Employee Benefits
IAS 27 (2011)	Separate Financial Statements
IAS 28 (2011)	Investments in Associates and Joint Ventures
Annual Improvements to IFRS	2009 – 2011 Cycle

There have been no changes to the accounting policies described in the 2012 annual financial statements except for the adoption of those standards listed above. As set out on page 14, the only standard adopted that impacts the consolidated profit and loss account and balance sheet is IAS 19 (amended 2011).

IFRS 10 'Consolidated Financial Statements' replaces SIC Interpretation 12 'Consolidation – Special Purpose Entities' and most of IAS 27 'Consolidated and Separate Financial Statements'. It contains a new single consolidation model that identifies control as the basis for consolidation for all types of entities. It provides a definition of control that comprises the elements of power over an investee; exposure of rights to variable returns from an investee; and ability to use power to affect the reporting entity's returns.

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

IFRS 11 'Joint Arrangements' replaces IAS 31 'Interests in Joint Ventures' and SIC 13 'Jointly Controlled Entities – Non Monetary Contributions by Venturers'. Under IFRS 11, joint arrangements are classified as either joint operations (whereby the parties that have joint control have rights to the assets and obligations for the liabilities of the joint arrangements) or joint ventures (whereby the parties that have joint control have rights to the net assets of the joint arrangements). Joint operations are accounted for by showing the party's interest in the assets, liabilities, revenue and expenses, and/or its relative share of jointly controlled assets, liabilities, revenue and expenses, if any. Accounting for joint ventures is now covered by IAS 28 (2011) as proportionate consolidation is no longer permitted.

IFRS 12 'Disclosure of Interests in Other Entities' requires entities to disclose information that helps financial statements readers to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. Disclosure required includes significant judgements and assumptions made in determining whether an entity controls, jointly controls, significantly influences or has some other interest in other entities.

IFRS 13 'Fair Value Measurement' requires entities to disclose information about the valuation techniques and inputs used to measure fair value, as well as information about the uncertainty inherent in fair value measurements. The standard applies to both financial and non-financial items measured at fair value. Fair value is now defined as 'the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date' (i.e. an exit price).

Amendments to IFRS 7 'Disclosures – Offsetting Financial Assets and Financial Liabilities' focus on disclosures of quantitative information about recognized financial instruments that are offset in the balance sheet, as well as those recognized financial instruments that are subject to master netting or similar arrangements irrespective of whether they are offset.

Amendments to IFRSs 10, 11 and 12 on transition guidance provide additional transition relief to IFRSs 10, 11 and 12, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. For disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before IFRS 12 is first applied.

Amendments to IAS 1 'Presentation of Items of Other Comprehensive Income' improve the consistency and clarity of the presentation of items of other comprehensive income. The amendments require entities to separate items presented in other comprehensive income into two groups, based on whether or not they may be reclassified to profit or loss in the future. Items that will not be reclassified − such as remeasurements of defined benefit pension plans − will be presented separately from items that may be reclassified in the future − such as deferred gains and losses on cash flow hedges. The amounts of tax related to the two groups are required to be allocated on the same basis.

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

IAS 19 (amended 2011) 'Employee Benefits' requires, for defined benefit plans, the assumed return on plan assets recognized in the profit and loss to be the same as the rate used to discount the defined benefit obligation. Previously, the Group determined income on plan assets based on their long-term rate of expected return. It also requires past service costs to be recognized immediately in profit or loss. Additional disclosures are required to present the characteristics of defined benefit plans, the amount recognized in the financial statements, and the risks arising from defined benefit plans and multi-employer plans. The Group has applied the amended standard retrospectively and the comparative financial statements have been restated in accordance with the transition provisions of the standard. Details of the effect of the change are set out in the following page.

IAS 27 (2011) 'Separate Financial Statements' supersedes IAS 27 (2008) and prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. There is no impact on the consolidated financial statements as the changes only affect the separate financial statements of the investing entity.

IAS 28 (2011) 'Investments in Associates and Joint Ventures' supersedes IAS 28 (2008) and prescribes the accounting for investments in associates and joint ventures and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

Amendment to IAS 1 'Presentation of Financial Statements' clarifies the disclosure requirements for comparative information when an entity provides a third balance sheet either as required by IAS 8, 'Accounting policies, changes in accounting estimates and errors'; or voluntarily. When an entity produces an additional balance sheet as required by IAS 8, the balance sheet should be as at the date of the beginning of the preceding period – that is, the opening position. No notes are required to support this balance sheet. When management provides additional comparative information voluntarily – for example, profit and loss account, balance sheet – it should present the supporting notes to these additional statements.

Amendment to IAS 16 'Property, Plant and Equipment' clarifies that spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment. The previous wording of IAS 16 indicated that servicing equipment should be classified as inventory, even if it was used for more than one period. Following the amendment, this equipment used for more than one period is classified as property, plant and equipment.

Amendment to IAS 32 'Financial Instruments: Presentation' clarifies that income tax related to profit distributions is recognized in the profit and loss account, and income tax related to the costs of equity transactions is recognized in equity. Prior to the amendment, IAS 32 was ambiguous as to whether the tax effects of distributions and the tax effects of equity transactions should be accounted for in the profit and loss account or in equity.

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

Amendment to IAS 34 'Interim Financial Reporting' clarifies the disclosure requirements for segment assets and liabilities in interim financial statements. A measure of total assets and liabilities is required for an operating segment in interim financial statements if such information is regularly provided to the chief operating decision maker and there has been a material change in those measures since the last annual financial statements.

The effects of adopting IAS 19 (amended 2011) were as follows:

(a) On the consolidated profit and loss for the six months ended 30th June 2012

	US$m
Decrease in operating profit	(2.2)
Decrease in tax	0.4
Decrease in profit after tax	(1.8)
Attributable to:	
Shareholders of the Company	(1.8)
Non-controlling interests	-
Decrease in basic earnings per share (US¢)	(0.13)
Decrease in diluted earnings per share (US¢)	(0.14)

(b) On the consolidated balance sheet at 31st December

	Increase/(decrease) 2012 US$m	2011 US$m
Deferred tax assets	-	(0.1)
Total assets	-	(0.1)
Revenue and other reserves	0.5	0.4
Non-controlling interests	(0.1)	(0.1)
Pension liabilities	(0.4)	(0.4)
Total equity and liabilities	-	(0.1)

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

2. SALES

	Including associates and joint ventures		Subsidiaries	
	Six months ended 30th June			
	2013	2012	**2013**	2012
	US$m	US$m	**US$m**	US$m
Analysis by operating segment:				
Health and Beauty	**1,084.0**	973.5	**1,064.2**	957.4
Food	**4,082.6**	3,692.3	**3,851.9**	3,637.3
Home Furnishings	**185.6**	174.0	**185.6**	174.0
Restaurants	**680.6**	629.3	**-**	-
	6,032.8	5,469.1	**5,101.7**	4,768.7

Sales including associates and joint ventures comprise 100% of sales from associates and joint ventures.

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board for the purpose of resource allocation and performance assessment. Prior to January 2013, Dairy Farm managed the businesses by geographical territory and operated in four operating segments: North Asia, East Asia, South Asia and Maxim's. From 2013 onwards, the Group reorganized the organization structure across the different territories into four operating segments: Health and Beauty, Food, Home Furnishings and Restaurants. Health and Beauty comprises the Group's health & beauty businesses. Food comprises supermarket, hypermarket and convenience store businesses. Home Furnishings is the Group's IKEA businesses. Restaurants is the Group's major associate, Maxim's, a leading Hong Kong restaurant chain.

3. OPERATING PROFIT

	Six months ended 30th June	
	2013	2012
	US$m	US$m
Analysis by operating segment:		
Health and Beauty	**95.8**	88.4
Food	**161.8**	192.1
Home Furnishings	**17.6**	16.9
	275.2	297.4
Support office	**(18.3)**	(18.9)
	256.9	278.5
Non-trading items:		
- profit on sale of properties	**0.8**	2.4
- acquisition-related costs in business combination	**-**	(0.3)
	257.7	280.6

4. SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

	Six months ended 30th June	
	2013	2012
	US$m	US$m
Analysis by operating segment:		
Health and Beauty	**(0.2)**	-
Food	**(3.5)**	(1.4)
Restaurants	**25.8**	24.5
	22.1	23.1

Results are shown after tax and non-controlling interests in the associates and joint ventures.

5. TAX

	Six months ended 30th June	
	2013	2012
	US$m	US$m
Tax charged to profit and loss is analyzed as follows:		
Current tax	**41.6**	51.9
Deferred tax	**1.7**	1.7
	43.3	53.6

Tax relating to components of other comprehensive income or expense is analyzed as follows:

	Six months ended 30th June	
	2013	2012
	US$m	US$m
Actuarial valuation of employee benefit plan	**(1.8)**	(0.4)
Revaluation of other investments	**(0.1)**	(0.1)
Cash flow hedges	**(0.1)**	(0.1)
	(2.0)	(0.6)

Tax on profits has been calculated at rates of taxation prevailing in the territories in which the Group operates. Share of tax charge of associates and joint ventures of US$6.3 million *(2012: US$5.6 million)* is 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$229.1 million *(2012: US$243.0 million)*, and on the weighted average number of 1,351.4 million *(2012: 1,350.2 million)* shares in issue during the period.

Diluted earnings per share are calculated on profit attributable to shareholders of US$229.1 million *(2012: US$243.0 million)*, and on the weighted average number of 1,353.2 million *(2012: 1,352.5 million)* shares in issue after adjusting for 1.8 million *(2012: 2.3 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.

Additional basic and diluted earnings per share are also calculated based on underlying profit attributable to shareholders. A reconciliation of earnings is set out below:

	Six months ended 30th June					
	2013			2012		
	US$m	Basic earnings per share **US¢**	Diluted earnings per share **US¢**	US$m	Basic earnings per share US¢	Diluted earnings per share US¢
Profit attributable to shareholders	**229.1**	**16.95**	**16.93**	243.0	18.00	17.96
Non-trading items *(note 7)*	**(0.8)**			(2.1)		
Underlying profit attributable to shareholders	**228.3**	**16.89**	**16.87**	240.9	17.84	17.81

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 or 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 non-controlling interests is set out below:

	Six months ended 30th June	
	2013	2012
	US$m	US$m
Profit on sale of properties	**0.8**	2.4
Acquisition-related costs in business combination	-	(0.3)
	0.8	2.1

8. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

At 31st December 2012, the non-current assets classified as held for sale represented a piece of surplus land in Malaysia and a retail property in Singapore. The surplus land in Malaysia was sold in June 2013 for a profit of US$0.8 million.

The sale of the retail property in Singapore is expected to be completed in the second half of 2013 at an amount not materially different from its carrying value of US$3.7 million.

9. DIVIDENDS

	Six months ended 30th June	
	2013	2012
	US$m	US$m
Final dividend in respect of 2012 of US¢16.50 *(2011: US¢15.00)* per share	**223.1**	202.5

An interim dividend in respect of 2013 of US¢6.50 *(2012: US¢6.50)* per share amounting to a total of US$87.9 million *(2012: US$87.8 million)* is declared by the Board, and will be accounted for as an appropriation of revenue reserves in the year ending 31st December 2013.

10. FINANCIAL INSTRUMENTS

Financial instruments by category

The carrying amounts of financial assets and financial liabilities at 30th June 2013 are as follows:

	Loan and receivables US$m	Derivatives US$m	Available-for-sale US$m	Total carrying amount US$m
Assets				
Other investments	-	-	5.6	**5.6**
Debtors	114.9	0.9	-	**115.8**
Bank balances and other liquid funds	766.7	-	-	**766.7**
	881.6	**0.9**	**5.6**	**888.1**

	Derivatives US$m	Other financial liabilities at amortized cost US$m	Total carrying amount US$m
Liabilities			
Borrowings	-	(346.1)	**(346.1)**
Trade and other payables	(0.7)	(2,209.3)	**(2,210.0)**
	(0.7)	**(2,555.4)**	**(2,556.1)**

The fair values of financial instruments approximate their carrying amounts.

Fair value estimation

(i) Financial instruments that are measured at fair value

For financial instruments that are measured at fair value in the balance sheet, the corresponding fair value measurements are disclosed by level of the following fair value measurement hierarchy:

(a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (‘quoted prices in active markets’)

The fair value of listed securities, which are classified as available-for-sale, is based on quoted prices in active markets at the balance sheet date. The quoted market price used for listed investments held by the Group is the current bid price.

10. FINANCIAL INSTRUMENTS *(continued)*

(i) Financial instruments that are measured at fair value *(continued)*

(b) Inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly ('observable current market transactions')

The fair values of all interest rate swaps and caps, cross-currency swaps, forward foreign exchange contracts and credit default swaps are determined using rates quoted by the Group's bankers at the balance sheet date which are calculated by reference to market interest rates and foreign exchange rates.

The fair values of unlisted investments, which are classified as available-for-sale and mainly include club and school debentures, are determined using prices quoted by brokers at the balance sheet date.

(c) Inputs for assets or liabilities that are not based on observable market data ('unobservable inputs')

The fair value of unlisted securities, which are classified as available-for-sale, is determined using valuation techniques by reference to observable current market transactions (including price-earnings and price-book multiples of listed securities of entities engaged in similar industries) or the market prices of the underlying investments with certain degree of entity specific estimates.

There were no changes in valuation techniques during the period.

The table below analyzes financial instruments carried at fair value at 30th June 2013, measured by observable current market transactions:

	Total **US$m**
Assets	
Available-for-sale financial assets	
- unlisted investments	**5.6**
Derivative financial instruments	**0.9**
	6.5
Liabilities	
Derivative financial instruments	**(0.7)**
	(0.7)

(ii) Financial instruments that are not measured at fair value

The fair values of current debtors, bank balances and other liquid funds, current creditors and current borrowings are assumed to approximate their carrying amounts due to the short-term maturities of these assets and liabilities.

The fair values of long-term borrowings are based on market prices or are estimated using the expected future payments discounted at market interest rates.

11. NOTES TO CONSOLIDATED CASH FLOW STATEMENT

(a) Purchase of a subsidiary

	Six months ended 30th June 2012 US$m
Intangible assets	2.7
Tangible assets	2.8
Current assets	6.0
Current liabilities	(0.2)
Provisional fair value of identifiable net assets acquired	11.3
Adjustment for non-controlling interests	(3.4)
Goodwill	25.3
Total consideration	33.2
Cash and cash equivalents acquired	(1.1)
Net cash outflow	32.1

In March 2012, the Group entered the Cambodian market with the acquisition of a 70% controlling interest in the Lucky supermarket chain for a total cash consideration of US$33.2 million. This was in line with the Group's strategy of expanding into new markets in Asia. The fair value of the identifiable assets and liabilities was finalized at the end of 2012 with no change to the provisional value.

The goodwill is not expected to be deductible for tax purposes.

(b) Purchase of associates and joint ventures for the six months ended 30th June 2013 related to the Group's investment for a 30% shareholding in Jutaria Gemilang Sdn Bhd which operates mini-marts in Malaysia.

Purchase of associates and joint ventures for the six months ended 30th June 2012 mainly related to the Group's investment in a 50% shareholding in Rustan Supercenters, Inc. which operates hypermarkets and supermarkets in the Philippines.

(c) Capital contribution from non-controlling interests

In early July 2013, PT Hero completed a US$304.0 million rights issue to support its store expansion, repay its borrowings and fund its working capital requirements in Indonesia. Capital contribution from non-controlling interests amounted to US$56.8 million after issuance costs.

12. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Total capital commitments at 30th June 2013 and 31st December 2012 amounted to US$149.9 million and US$286.5 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.

13. RELATED PARTY TRANSACTIONS

The parent company of the Group is Jardine Strategic Holdings Limited and the ultimate parent company is Jardine Matheson Holdings Limited ('JMH'). Both companies are incorporated in Bermuda.

In the normal course of business the Group undertakes a variety of transactions with JMH and its subsidiaries, associates and joint ventures. The more significant of such transactions are described below.

Under the terms of a Management Services Agreement, the Group paid a management fee of US$1.1 million *(2012: US$1.2 million)* for the first six months of 2013 to Jardine Matheson Limited ('JML'), a wholly-owned subsidiary of JMH, based on 0.5% of the Group's profit attributable to shareholders in consideration for certain management consultancy services provided by JML. The Group also paid directors' fees of US$0.3 million for the same period in 2013 *(2012: US$0.2 million)* to JML.

The Group rents properties from Hongkong Land Holdings Limited ('HKL'), a subsidiary of JMH. The gross annual rentals paid by the Group to HKL for the first six months of 2013 were US$2.0 million *(2012: US$2.8 million)*. The Group's 50%-owned associate, Maxim's Caterers Limited ('Maxim's'), also paid gross rentals of US$4.4 million *(2012: US$4.1 million)* to HKL for the first six months of 2013.

The Group uses Jardine Lloyd Thompson Limited ('JLT'), an associate of JMH, to place certain of its insurance. Brokerage fees and commissions, net of rebates, paid by the Group to JLT for the first six months of 2013 were US$0.9 million *(2012: US$0.8 million)*.

The Group also sources information technology infrastructure and related services from Jardine OneSolution ('JOS'), a subsidiary of JMH. The total fees paid by the Group to JOS for the first six months of 2013 amounted to US$3.5 million *(2012: US$2.7 million)*.

In addition, Maxim's supplies ready-to-eat products at arm's length to certain subsidiaries of the Group. For the first six months of 2013, these amounted to US$8.6 million *(2012: US$7.5 million)*.

There were no other related party transactions that might be considered to have a material effect on the financial position or performance of the Group that were entered into or changed during the first six months of the current financial year.

Amounts of outstanding balances with associates and joint ventures are included in debtors and creditors, as appropriate.

Dairy Farm International Holdings Limited
Going Concern Statement

The Directors are required to consider whether it is appropriate to prepare financial statements on the basis that the Company and the Group are going concerns. The Group prepares comprehensive financial forecasts and, based on these forecasts, cash resources and existing credit facilities, the Directors consider that the Company and the Group have adequate resources to continue in business for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

Principal Risks and Uncertainties

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 2012, a copy of which is available on the Company's website www.dairyfarmgroup.com.

Responsibility Statement

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 Conduct Authority of the United Kingdom.

For and on behalf of the Board

Graham Allan
Alec Tong

Directors

1st August 2013

The interim dividend of US¢6.50 per share will be payable on 16th October 2013 to shareholders on the register of members at the close of business on 23rd August 2013. The ex-dividend date will be on 21st August 2013, and the share registers will be closed from 26th to 30th August 2013, 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 2013 interim dividend by notifying the United Kingdom transfer agent in writing by 27th September 2013. The sterling equivalent of dividends declared in United States dollars will be calculated by reference to a rate prevailing on 2nd October 2013. 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 2013, the Group and its associates and joint ventures operated over 5,700 outlets; employed over 97,000 people and had total annual sales in 2012 exceeding US$11 billion.

The Group operates supermarkets, hypermarkets, convenience stores, health and beauty stores and home furnishings stores under well-known brands, including:

- Supermarkets – Wellcome in Hong Kong, Taiwan and the Philippines, ThreeSixty and Oliver's The Delicatessen in Hong Kong, Jasons MarketPlace in Singapore, Hong Kong and Taiwan, Cold Storage in Singapore and Malaysia, Giant in Malaysia, Indonesia, Singapore and Brunei, Hero in Indonesia, Lucky in Cambodia, Rustan's in the Philippines, G EKSPRES in Malaysia, and Foodworld in India;

- Hypermarkets – Giant in Malaysia, Indonesia, Singapore, Brunei and Vietnam, and Shopwise in the Philippines;

- Convenience stores – 7-Eleven in Hong Kong, Singapore, Southern China and Macau, and Starmart in Indonesia;

- Health and beauty stores – Mannings in Hong Kong, mainland China and Macau, Guardian in Malaysia, Indonesia, Singapore, Brunei and Vietnam, and Health and Glow in India; 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 a premium listing on the London Stock Exchange, with secondary listings in Bermuda and Singapore. 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.

- end -

For further information, please contact:

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As permitted by the Disclosure and Transparency Rules of the Financial Conduct 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, together with other Group announcements.