



2014 Full Year Results Presentation

6th March, 2015



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Agenda

- Results Overview
- Business Highlights
- Financial Results
- Outlook



Good Results in Most Formats but Challenging Trading Conditions in Food

- Sales up 5% with growth in all divisions
- Underlying profit 4% above last year
- Record results from Health & Beauty, Home Furnishings and Restaurants
- Announced 19.99% investment in Yonghui Superstores in China
- Acquired 49% interest in Rose Pharmacy in the Philippines



Both Sales and Profits Recorded Solid Growth

(US\$ m)	2013	2014	Change %
Sales (Incl. Associates & JVs) ^{1,2}	12,432	13,103	↑ 5%
Underlying Net Profit ²	480	500	↑ 4%
Underlying EPS (US¢)	35.52	36.98	↑ 4%
Normal Capex ³	318	345	↑ 8%
Net Cash	638	475	↓ 26%
Final Dividend Per Share (US¢)	16.5	16.5	—

Note: 1 Sales include 100% associates & joint ventures

2 Forex adjusted sales and underlying profit growth would be 7% and 5% respectively

3 Excluding corporate investments



Strong Sales Growth in Most Formats

(US\$ m)	SALES		Change %		Constant Rate Change %	
	2013	2014				
Food	8,240	8,404	↑	2%	↑	5%
Supermarkets & Hypermarkets	6,459	6,544	↑	1%	↑	5%
Convenience Stores	1,781	1,860	↑	4%	↑	5%
Health and Beauty	2,219	2,455	↑	11%	↑	12%
Home Furnishings	422	497	↑	18%	↑	20%
Restaurants	1,551	1,747	↑	13%	↑	13%
	<u>12,432</u>	<u>13,103</u>	↑	5%	↑	7%

Note: Sales include 100% associates & joint ventures



Margin Pressures Moderating in 2H2014

(US\$ m)	OPERATING PROFIT ¹		Margin ² Change
	2013	2014	
Subsidiaries			
Food	319	299	↓ 0.4 pts
Supermarkets & Hypermarkets	248	226	↓ 0.5 pts
Convenience stores	71	73	↓ 0.1 pts
Health and Beauty	198	219	—
Home Furnishings	43	50	↓ 0.1 pts
	560	568	↓ 0.2 pts
Restaurants (Maxim's –100%)	183	191	↓ 0.9 pts
	743	759	↓ 0.3 pts

Note: 1 Operating Profit include only subsidiaries; and 100% of Maxim's (after interest); exclude support office cost and non-trading items

2 Margin represents operating profit to sales



Well-defined Strategies to Achieve Our Vision

Vision

Pioneers in **ASIAN RETAIL**

Mission

Bringing to **ASIAN CONSUMERS**
the Benefits of **Modern Retail**

Strategies

Brands

Retail brands that win consumer loyalty

Format Leadership

For each of our businesses

Operations

Excellence in retail operations and supply chain

Profitable Growth



Based on attractive format economics

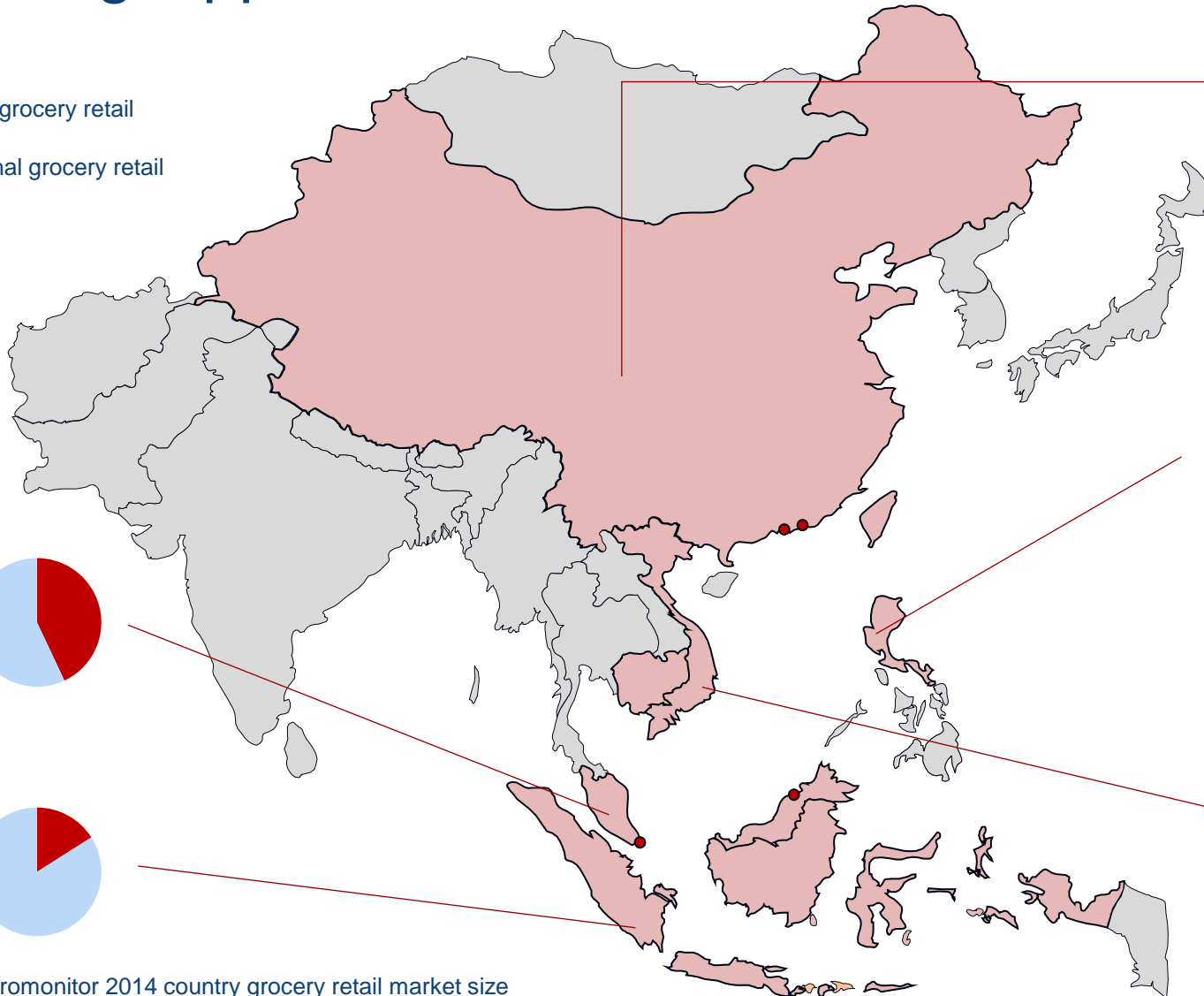
Passionate People

Who love retail

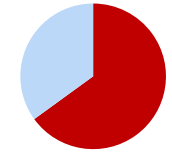


Still Big Opportunities for Modern Retail

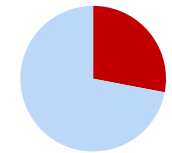
 Modern grocery retail
 Traditional grocery retail



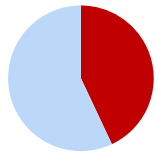
China



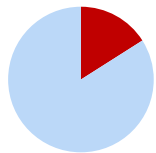
Philippines



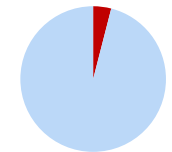
Malaysia



Indonesia



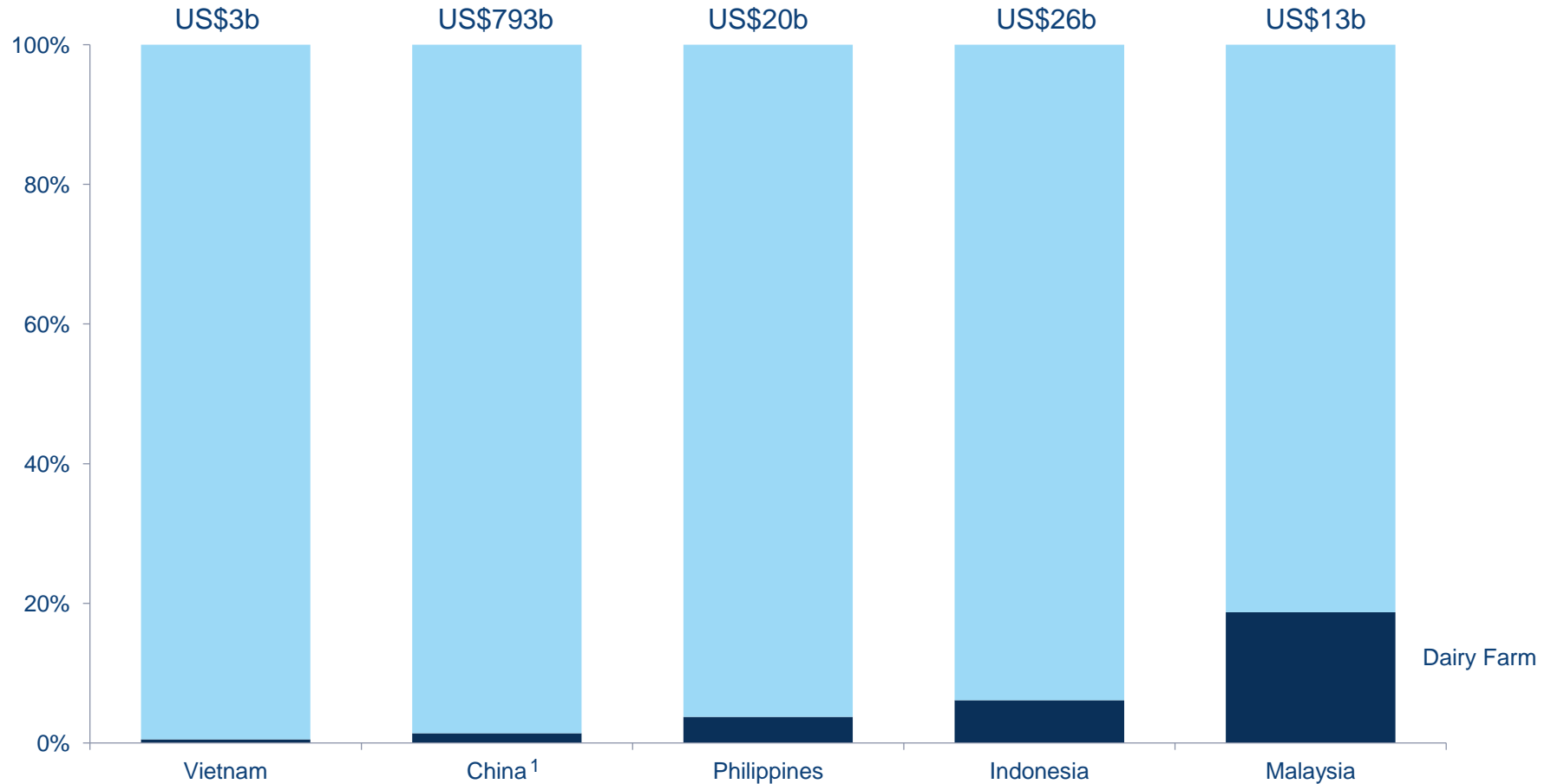
Vietnam



Source: Euromonitor 2014 country grocery retail market size



...and for Dairy Farm in Particular



Note: 1 Dairy Farm China number includes Yonghui Superstores
Source: Euromonitor 2014 country grocery retail market size



Repositioning the Group for Long Term Growth

- Strategic partnership with Yonghui Superstores Co. in China
- Entered Philippines' health and beauty market
- Additional 16% investment in Rustan's, Philippines
- Restructured Malaysian operations with local Bumi partner
- Exited India
- Ongoing IT and supply chain investments (new distribution centres, standard group systems)



Yonghui Partnership

- A leading food retailer in China with sales of RMB 36.7b in 2014
- Dairy Farm to invest 19.99% of equity for RMB 5.7b
- Transaction is expected to close in 1H2015
- Partnership across procurement, private label, fresh food and store development





Rose Pharmacy Acquisition

- Dairy Farm acquired 49% interest in Rose Pharmacy
- Rose Pharmacy: a leading local pharmacy chain
 - 241 stores
 - Strong in Visayas / Mindanao
- Plan to broaden health and beauty offer





Supermarkets & Hypermarkets

- Gained market share in Hong Kong
- Growth of upscale supermarkets in Taiwan
- Continuing turnaround in Malaysia
- Cost increases in Indonesia





Key Priorities

- Strengthening fresh offer across food formats
- Expanded corporate brand programme
- Widen advantage on imported range





Convenience Stores

- Strong performance in Hong Kong and Macau
- 39 net new stores in Southern China
- Store consolidation in Singapore





Key Priorities

- Develop Ready-to-Eat
- New services
- Innovative marketing

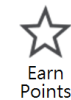


7-Fans Introduction | Features | Support



Shop and top up with 7-Fans e-wallet

The 7-Fans e-wallet allows you to shop, earn points and redeem rewards, say goodbye to spare change as you can reload with cash at any 7-Eleven store in Hong Kong, all in one go.



Earn Points



Pay



Redeem Coupons

All In One Go





Health and Beauty

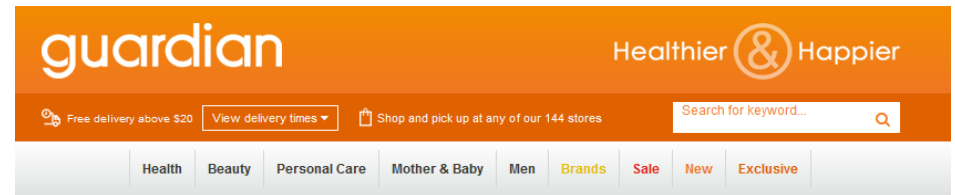
- Record sales and profits
- China strong
- E-commerce launched in Singapore
- Pilot partnership with Melawai Pharmacy in Jakarta









Key Priorities

- Corporate brand
- E-commerce
- Leverage health equity



Top Offers

 NEW 2ND BUY @ 60% OFF* GOODAL Goodal Trans Foam Cleansing Oil \$32.90 ★★★★★ Add to cart	 2ND BUY @ 60% OFF* HIMALAYA Anti Wrinkle Cream \$14.95 ★★★★★ Add to cart	 NEW 2ND BUY @ 60% OFF* NIVEA MEN Brightening Mud Serum Foam \$12.90 ★★★★★ Add to cart	 2ND BUY @ 60% OFF* SHAKLEE Fiber Plan 75Stabs \$26.25 ★★★★★ Add to cart
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Health and beauty essentials for your travel needs.

[Shop now »](#)



Home Furnishings

- Record sales and profits
- Hong Kong and Taiwan strong
- Indonesia now open





Maxim's

- Focus on HK and China
- Category innovation such as Urban Bakery, Wildfire, and The Cheesecake Factory
- Continued expansion of Starbucks in Vietnam





Profit & Loss Account

(US\$ m)	2013	2014	Change %
Sales			
- Including Associates & JVs	12,432	13,103	↑ 5%
- Subsidiaries	10,357	11,008	↑ 6%
Operating Profit ¹	551	534	↓ 3%
Share of Results of Associates and JVs	67	69	↑ 3%
Net Finance Charge	(3)	(2)	
Profit Before Tax	615	601	↓ 2%
Tax	(102)	(93)	↓ 9%
Profit After Tax	513	508	↓ 1%
Underlying Net Profit	480	500	↑ 4%
Dividend Per Share (US¢)	23.0	23.0	—

¹ Include support office cost and non-trading items



Balance Sheet

(US\$ m)	<u>31/12/2013</u>	<u>31/12/2014</u>
Intangible Assets	408	566
Property	453	520
Other Fixed Assets	636	701
Associates and Joint Ventures	370	388
Net Working Capital	(1,041)	(1,027)
Net Cash	638	475
Others	(87)	(100)
Total Equity	<u>1,377</u>	<u>1,523</u>
Trade Creditors to Stock Ratio	1.6x	1.6x



Cash Flow

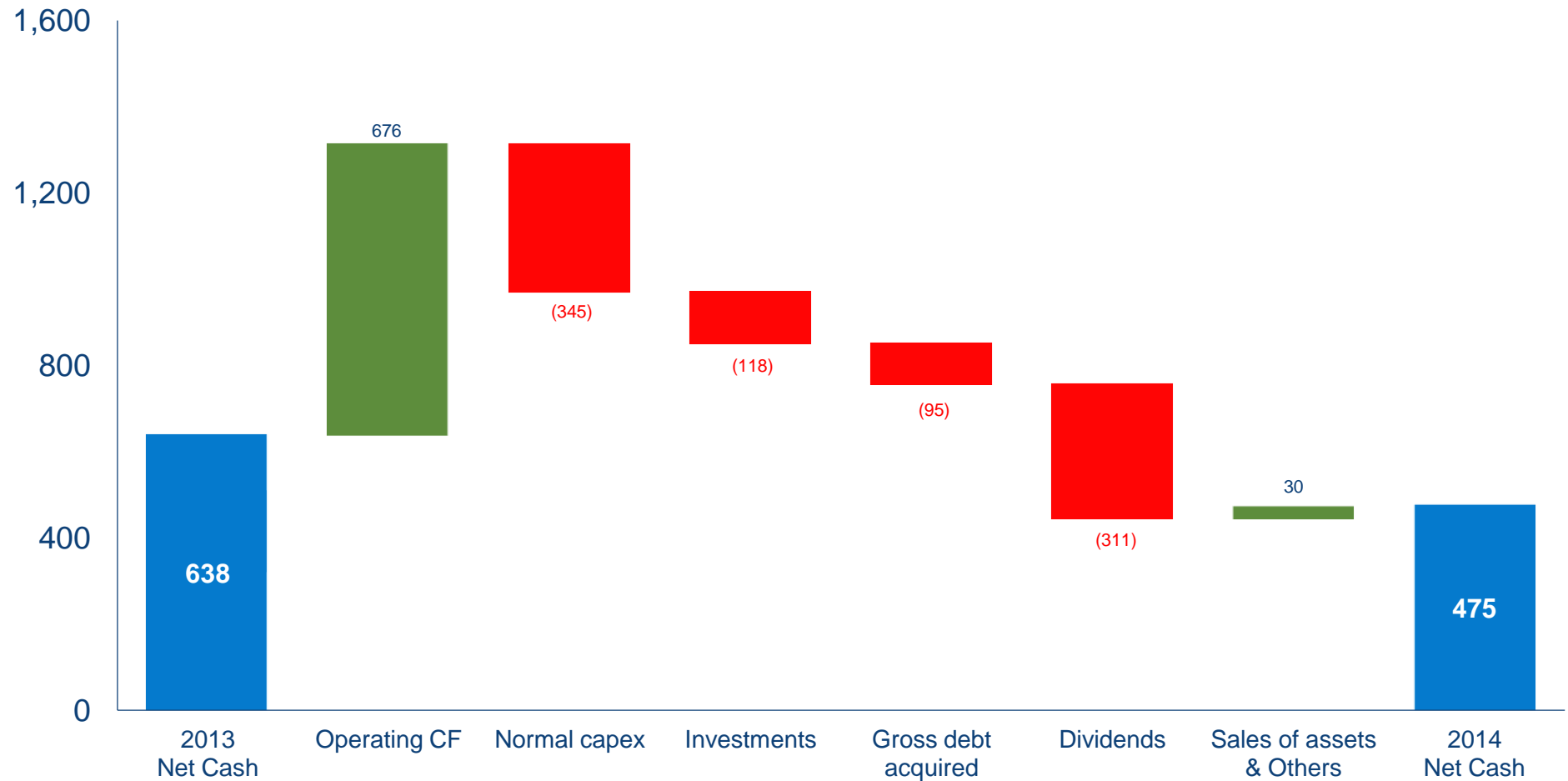
(US\$ m)

	2013	2014	Change %
Operating Cash Flow	683	676	↓ 1%
Normal Capex	(318)	(345)	↑ 8%
Free Cash Flow	365	331	↓ 9%
Asset Sales	51	30	↓ 41%
Investment Capex	(18)	(118)	↑ 556%
Change in Interest in Subsidiary / Capital Contribution from Non-controlling Interest	56	(2)	N/A
Net Drawdown/(Repayment) of Borrowings	(61)	20	↑ 133%
Dividends Paid	(311)	(311)	–
Net (Decrease)/Increase in Cash and Cash Equivalents	82	(50)	↓ 161%



DF Group Cash Flow

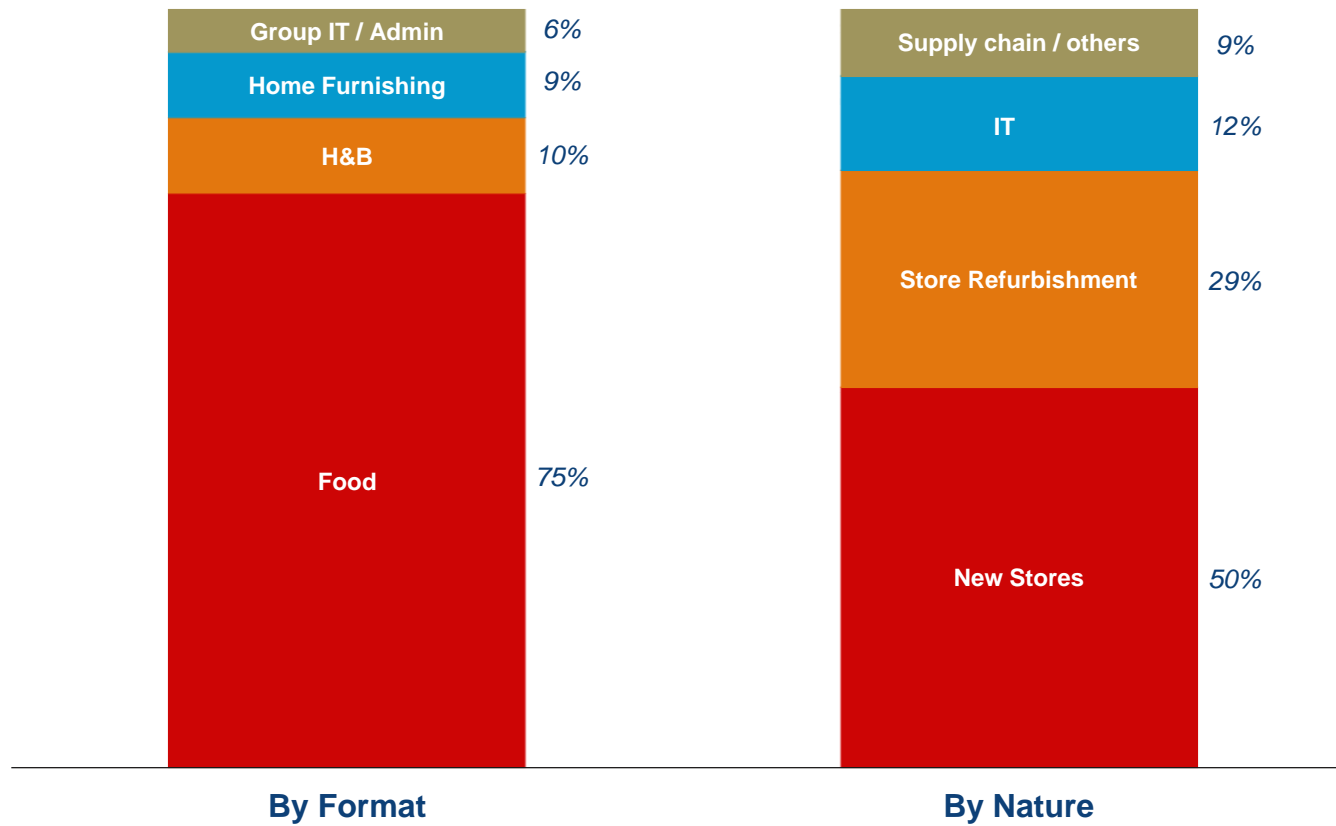
(US\$ m)





Normal Capex

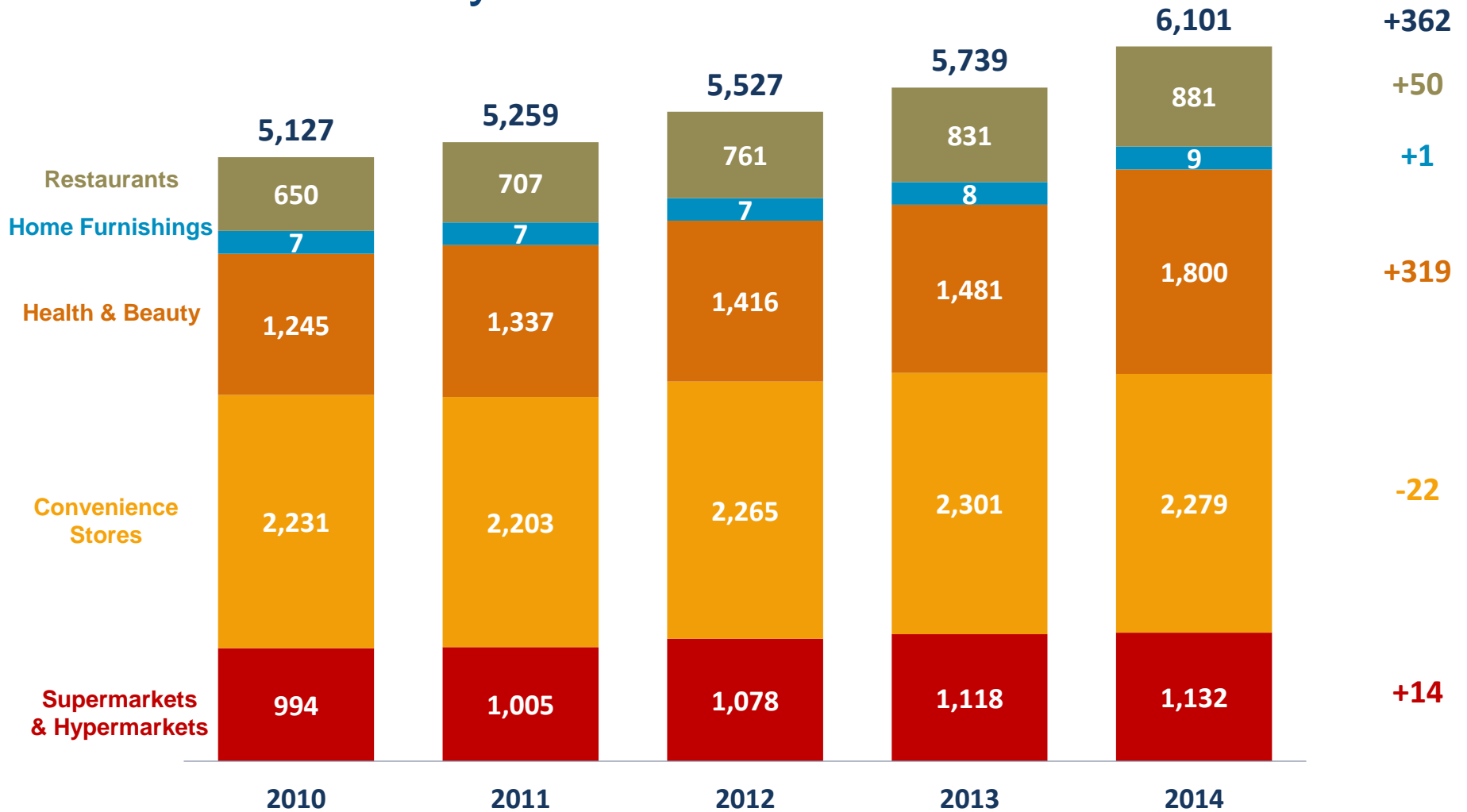
US\$345m





Store Network by Format

2014 Net Adds



Note: Store number excludes discontinued operations



Outlook

- Expect challenging trading conditions to continue in some major markets
- Continue to invest in new and existing stores, strengthen brand, improve operations and enhance shopper experience in all formats
- Primary focus on organic growth, with selective acquisitions where we can enhance current portfolio