

**Dairy
Farm**

**Supermarkets
&
Hypermarkets**



**Home
Furnishings**



**Convenience
stores**



Health & Beauty



Restaurants



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- **RESULTS OVERVIEW**
- **BUSINESS HIGHLIGHTS**
- **FINANCIAL RESULTS**
- **FUTURE PLANS**

Sales Strong but Margins under Pressure

- Pleasing like-for-like sales growth in most major businesses
- Record sales and profits from Health & Beauty, IKEA and Maxim's Divisions
- Mixed performance from the Food businesses
- Added net 212 new stores across all formats; 5,889 stores at year end
- Opened first Guardian Health & Beauty store in Cambodia; 5th IKEA store in Taiwan

Sales and Profit up 8% on Prior Year

(US\$ m)	<u>2012</u>	<u>2013</u>	Change %
Sales (Incl. Associates & JVs)	11,540	12,432	 8%
Underlying Net Profit	444	480	 8%
- <i>Adjusted</i> ¹	502	480	 4%
EPS (US¢)	32.86	35.52	 8%
Capex	502	336	 33%
Net Cash	521	638	 22%

Note: Sales include 100% associates & joint ventures
FY 2012 figures restated for pension costs under revised IAS19

¹ FY2012 excludes adjustment of US\$58.6m relating to reversal of prior years' supplier income in Malaysia

All Formats Recorded Encouraging Sales Growth

(US\$ m)	SALES		
	<u>2012</u>	<u>2013</u>	Change %
Food	7,758	8,240	↑ 6%
Health and Beauty	2,003	2,219	↑ 11%
Home Furnishings	375	422	↑ 13%
Restaurants	<u>1,404</u>	<u>1,551</u>	↑ 10%
	<u>11,540</u>	<u>12,432</u>	↑ 8%

Note: Sales include 100% associates & joint ventures

Margin Pressure (esp. in Food) Holding Back Results

(US\$ m)	ADJUSTED OPERATING PROFIT				
	<u>2012</u>	<u>Margins</u>	<u>2013</u>	<u>Margins</u>	
Subsidiaries					
Food ¹	356	4.8%	319	4.1%	↓ 0.7 pts
Health and Beauty	188	9.5%	198	9.1%	↓ 0.4 pts
Home Furnishings	<u>37</u>	10.1%	<u>43</u>	10.3%	↑ 0.2 pts
	581	5.9%	560	5.4%	↓ 0.5 pts
Maxim's (100%)	<u>169</u>	12.0%	<u>183</u>	11.8%	↓ 0.2 pts
	<u><u>750</u></u>		<u><u>743</u></u>		

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

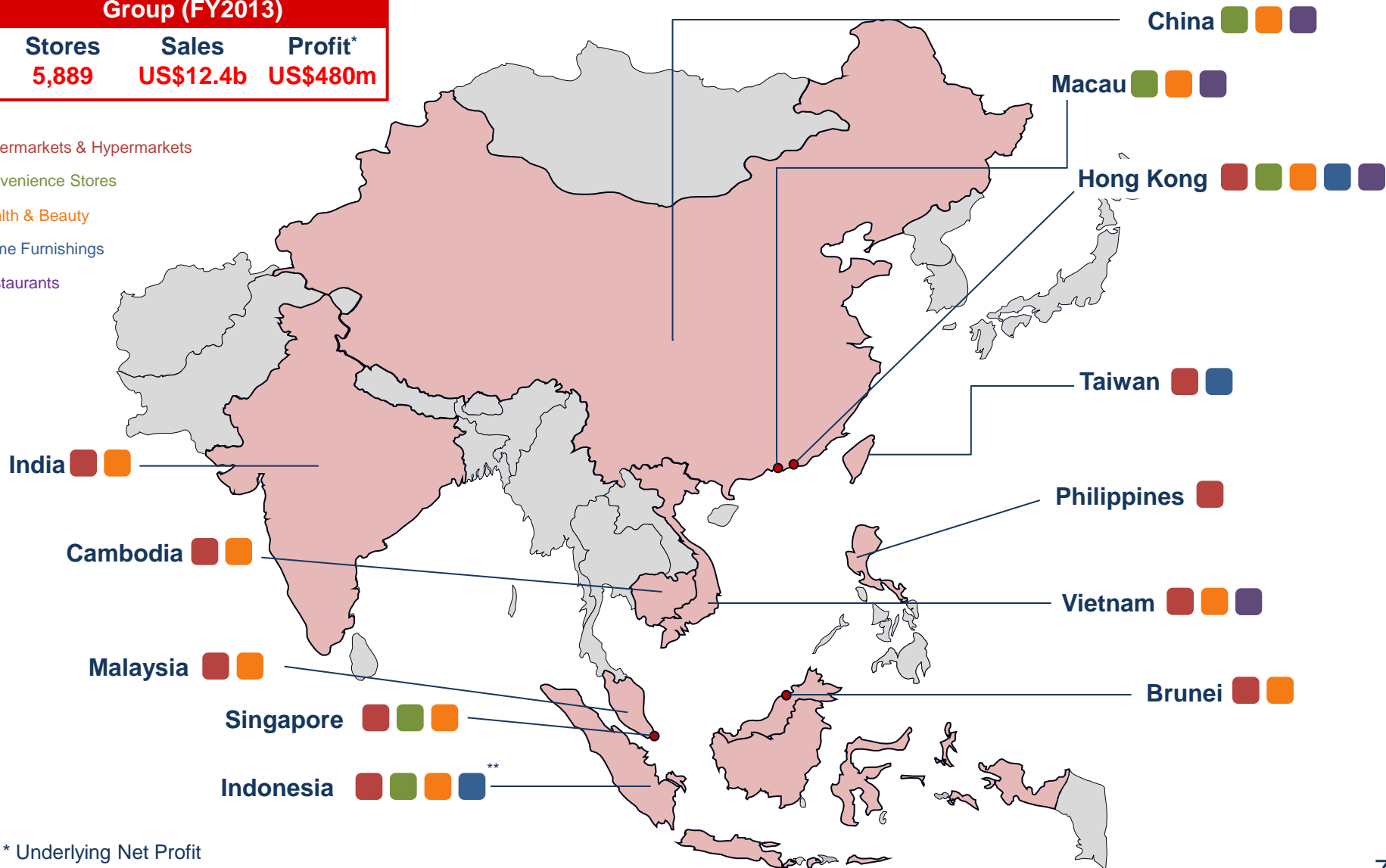
¹ FY2012 excludes adjustment of US\$66.9m relating to reversal of prior years' supplier income in Malaysia

Dairy Farm Operates in 12 Different Markets Today

Group (FY2013)

Stores	Sales	Profit*
5,889	US\$12.4b	US\$480m

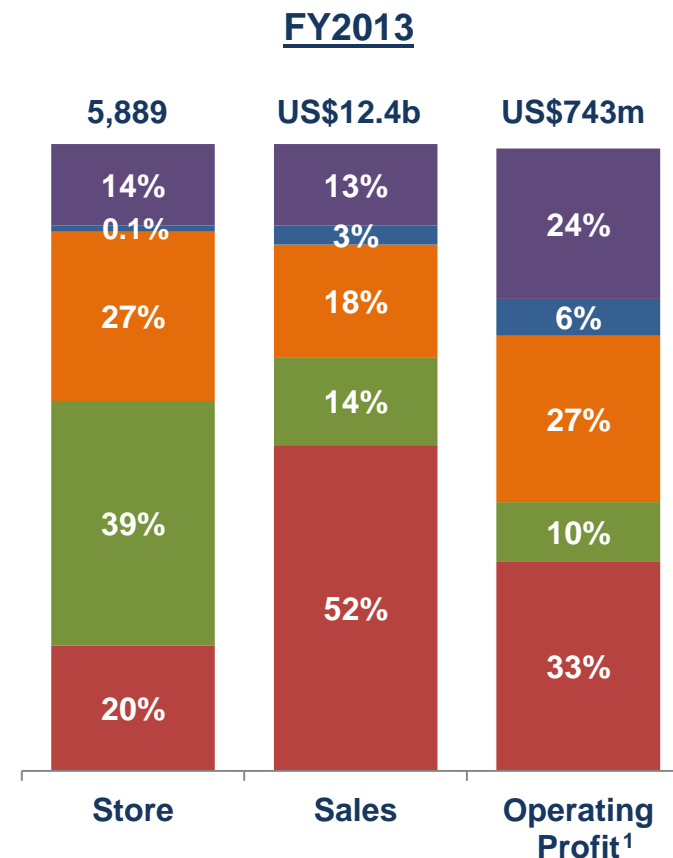
- Supermarkets & Hypermarkets
- Convenience Stores
- Health & Beauty
- Home Furnishings
- Restaurants



* Underlying Net Profit

** To be opened in 2014

Food and Health & Beauty Account for 70% of Profits



Note: Sales include 100% associates & joint ventures
Only selected key brands in each category are presented

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

Supermarkets & Hypermarkets a Core Priority

- Strong performance in Hong Kong
- Solid sales growth in Indonesia (in local currency term)
- 21 new stores in Indonesia in 2013
- Stabilisation year in Malaysia; margins under pressure
- Singapore impacted by margin challenges
- Investment planned in supply chain



Convenience Store Format Offers Further Growth Potential

- Excellent performance in Hong Kong and Macau
- 7-Eleven China profitable – significant new unit potential
- Singapore difficult as franchisees return stores
- Heavy emphasis on Ready-To-Eat and services for future growth



Health & Beauty Opportunity is Very Significant

- Positive LFLs in all 9 markets
- China profitable at store level
- Significant systems investment underway to support more cohesive consumer offer
- First “Guardian” store opened in Cambodia in December
- 144 gross builds in 2013



Indonesia a Major Source of Growth for Home Furnishings

- Double digit sales and profit growth in 2013
- 5th Taiwan store (Tai Chung) successfully opened
- First IKEA in Indonesia on schedule for opening in 4Q2014














Restaurants has Real Growth Potential in China

- Solid growth in both sales and profits
- Pleasing progress in China
- First three Starbucks opened in Vietnam; more to open in 2014



Profit & Loss Account

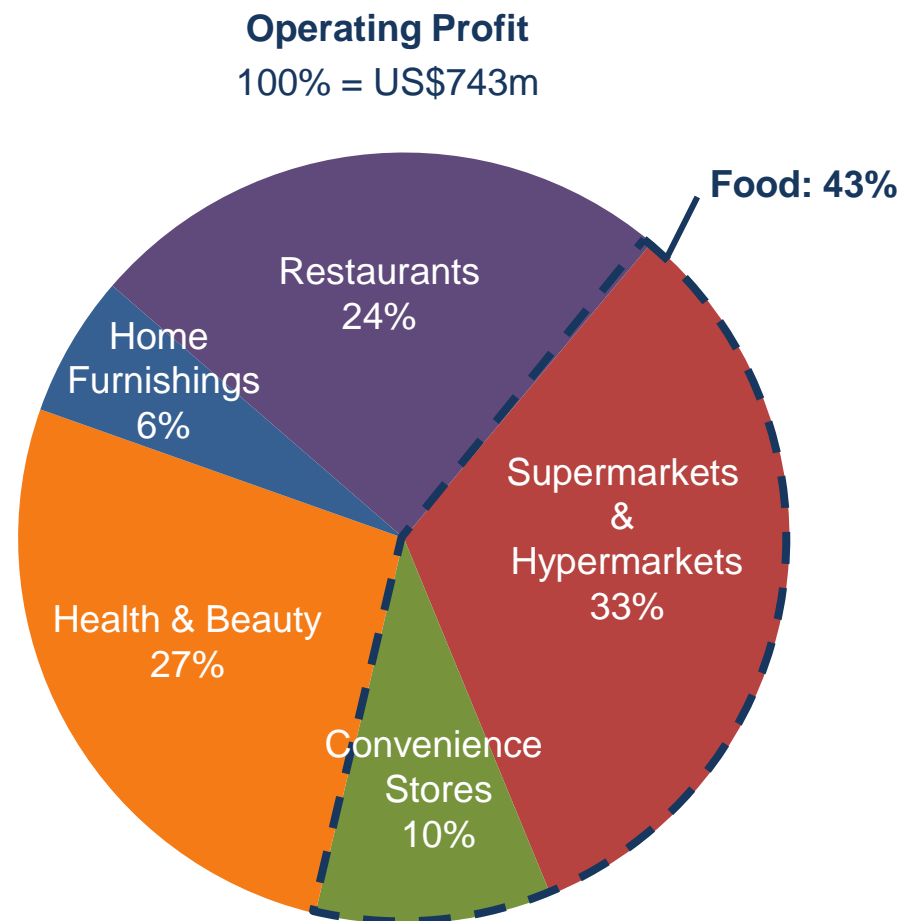
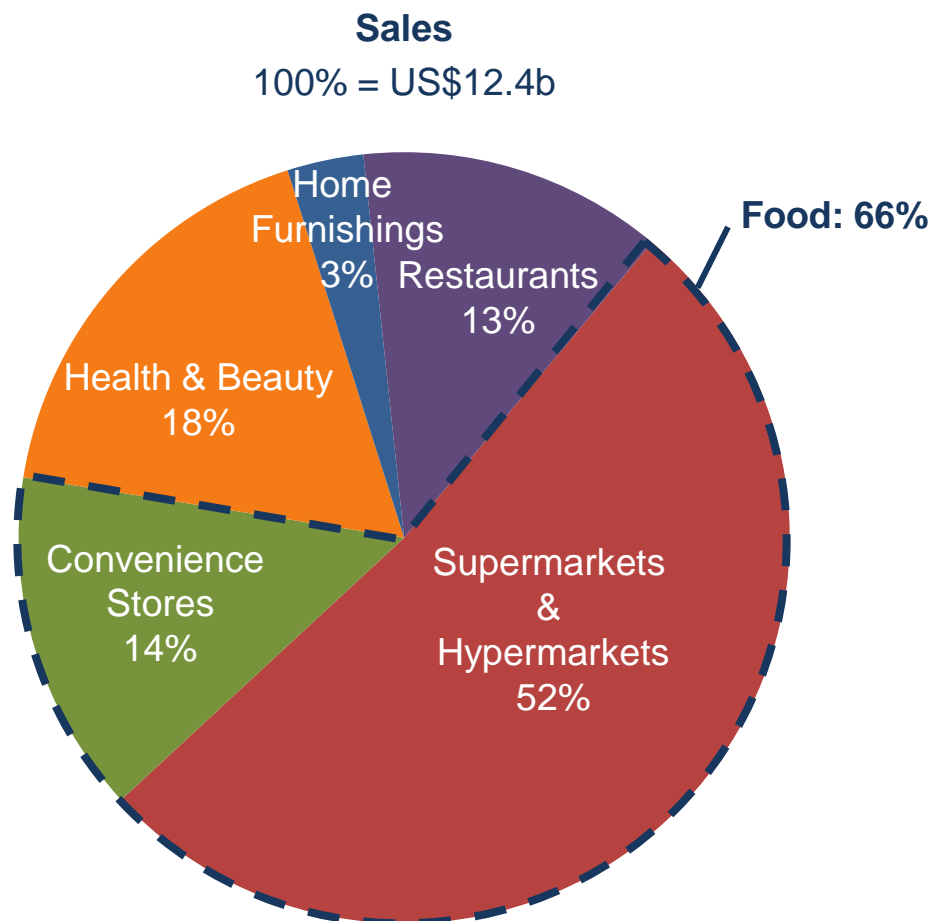
(US\$ m)	<u>2012</u>	<u>2013</u>	Change %
Sales			
- Including Associates & JVs	11,540	12,432	 8%
- Subsidiaries	9,801	10,357	 6%
Operating Profit ¹	480	551	 15%
- <i>Adjusted</i> ²	<i>581</i>	<i>560</i>	 4%
Share of Results of Associates	63	67	 6%
Net Finance Charges	(11)	(3)	 73%
Profit Before Tax	<u>532</u>	<u>615</u>	 16%
Tax	(82)	(102)	 24%
Profit After Tax	<u>450</u>	<u>513</u>	 14%
Underlying Net Profit	444	480	 8%
<i>Adjusted Underlying Net Profit</i>	<i>502</i>	<i>480</i>	 4%

Note: 2012 figures restated for pension costs under revised IAS 19

1 Include support office cost; FY2013 includes \$29m non-trading gain, principally in relation to sale of property in Indonesia

2 Exclude support office cost and non-trading items; FY2012 excludes adjustment of US\$66.9m relating to reversal of prior years' supplier income in Malaysia

FY2013 Sales and Operating Profit by Formats



Note: Sales include 100% associates & joint ventures

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

Profit & Loss Commentary

- Currency impact in Indonesia (-11%), Malaysia (-3%), Singapore (-1%)
- Non-trading gain of US\$29m principally related to property sale in Indonesia
- Full Year of results in Philippines and Cambodia
- Year of rebuilding in Malaysia following supplier income issues in 2012

Balance Sheet

(US\$ m)	<u>2012</u>	<u>2013</u>
Intangible Assets	440	408
Property	471	453
Other Fixed Assets	606	636
Associates and Joint Ventures	338	370
Net Working Capital	(1,035)	(1,041)
Net Cash	521	638
Others	(102)	(87)
Total Equity	<u>1,239</u>	<u>1,377</u>
Trade Creditors to Stock Ratio	1.6x	1.6x

Cash Flow

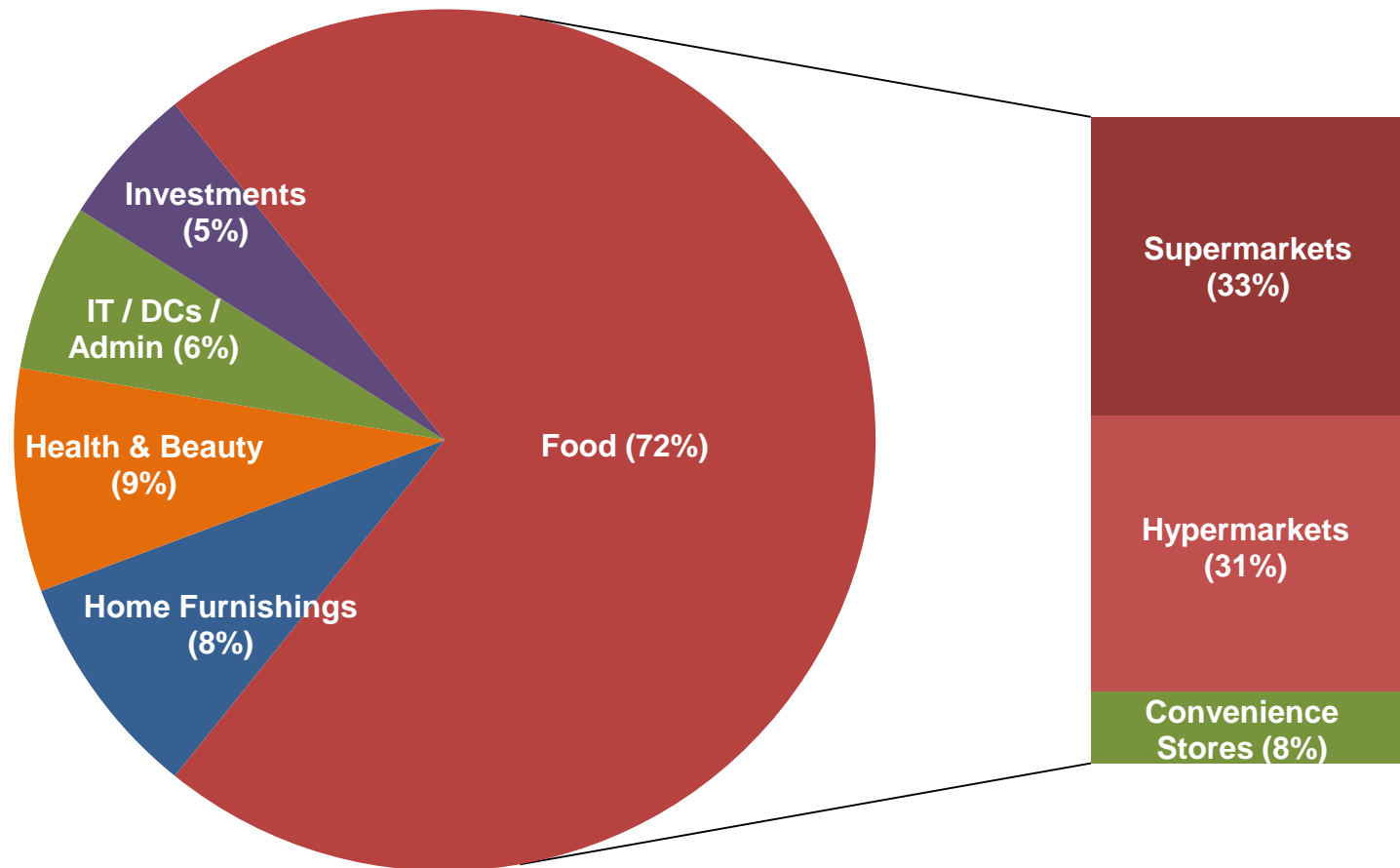
(US\$ m)	<u>2012</u>	<u>2013</u>	Change %
Operating Cash Flow	698	683	↓ 2%
Normal Capex	(358)	(318)	↓ 11%
Free Cash Flow	340	365	↑ 7%
Asset Sales	6	51	↑ 750%
Investment Capex	(144)	(18)	↓ 88%
Capital Contribution from Non-controlling Interest	2	56	
Sales of Interest in PT Hero Indonesia	139	-	
Dividends Paid	(290)	(311)	↑ 7%
Net Cash Flow	<u>53</u>	<u>143</u>	↑ 170%

Cash Flow Commentary

- Negative working capital movements of US\$48m
- Sale of properties (principally in PT Hero)
- Investment in Malaysia (G EKSPRES)
- Minority subscription of PT Hero's rights issue
- Dividends of US\$311m

Capex

US\$336m

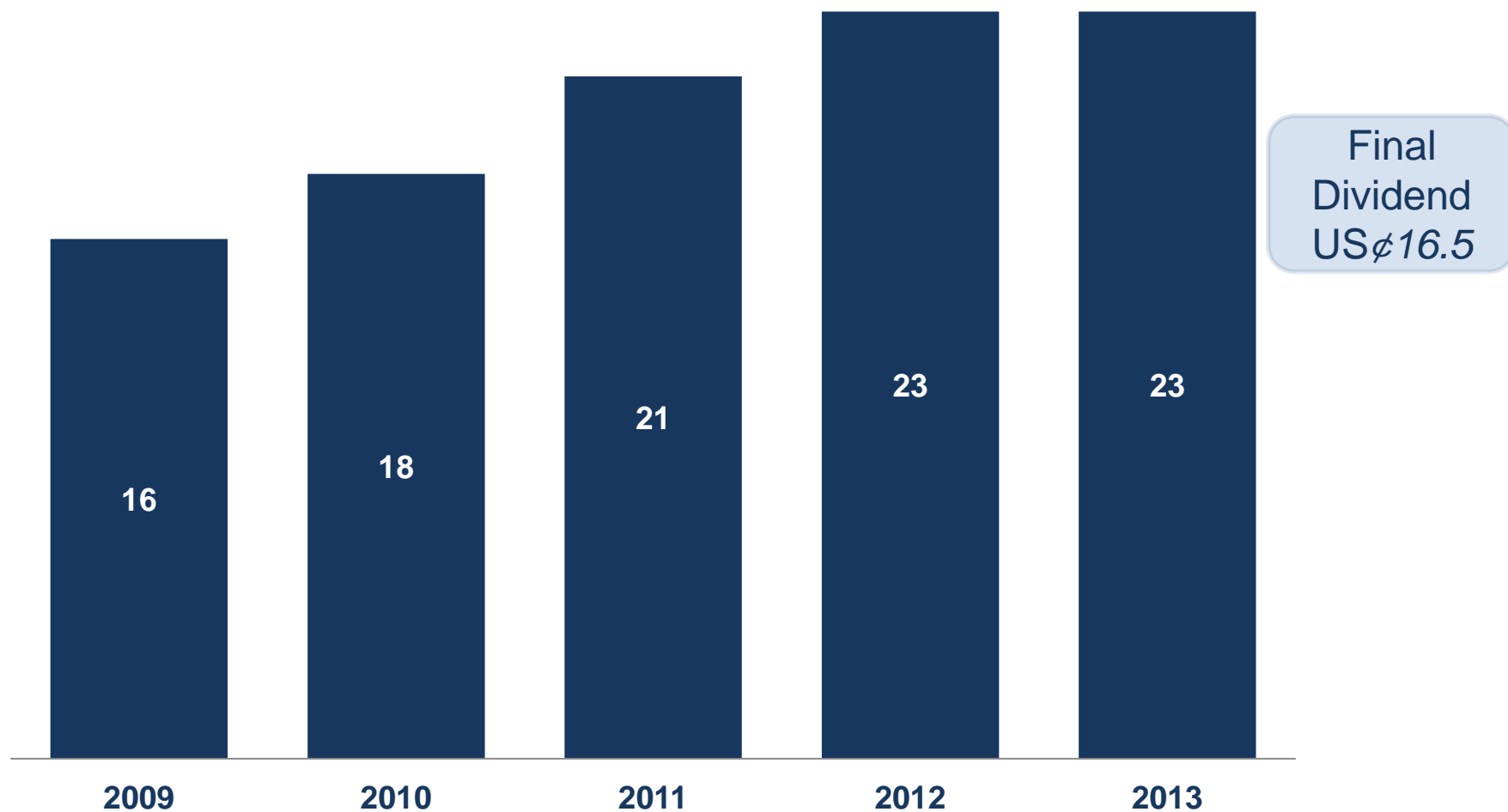


Ongoing Capex

- Store network
 - Expansion and refurbishment
- IT infrastructure & systems
- Supply chain
 - Including Distribution Centres

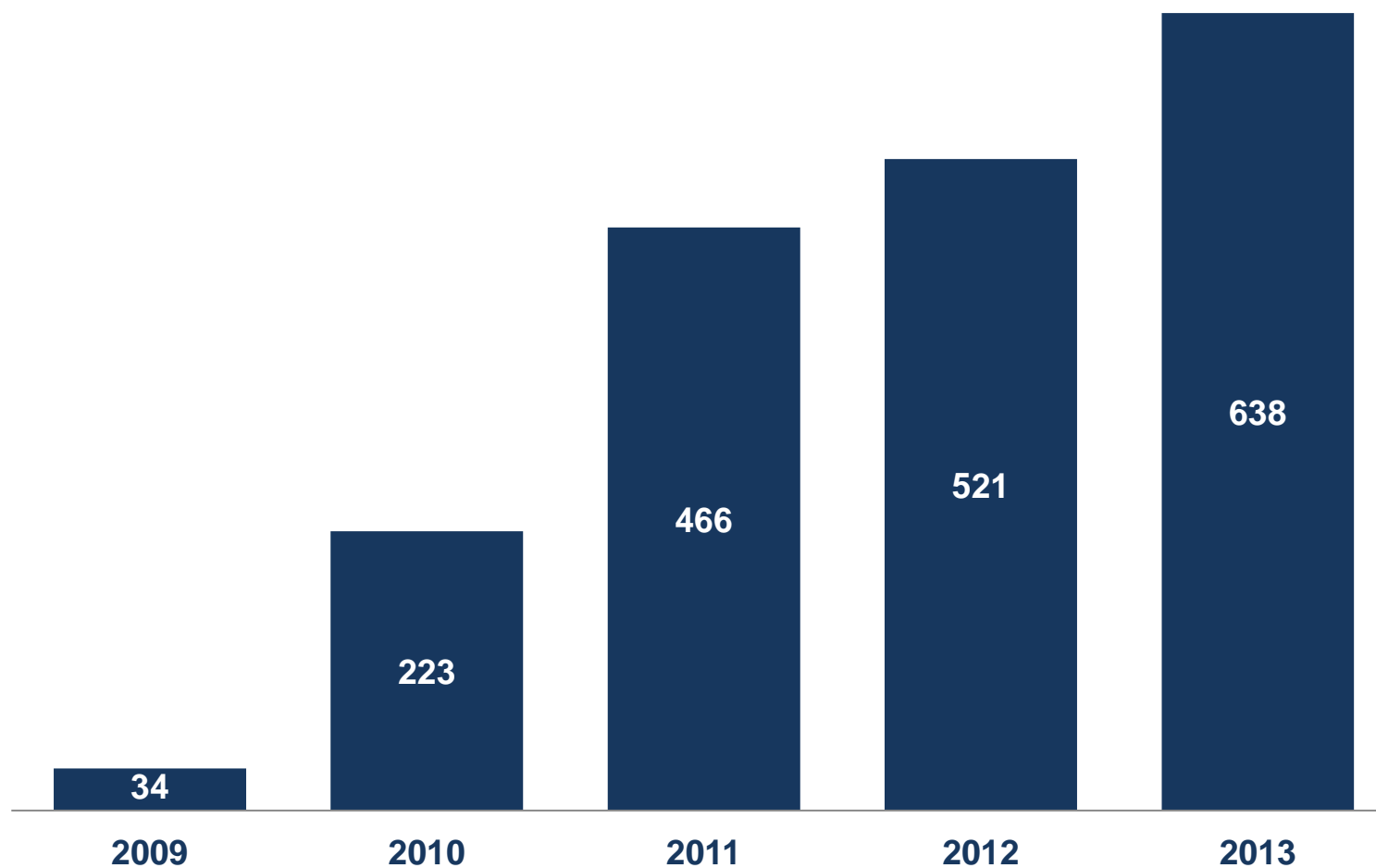
Dividends Per Share

(US¢)

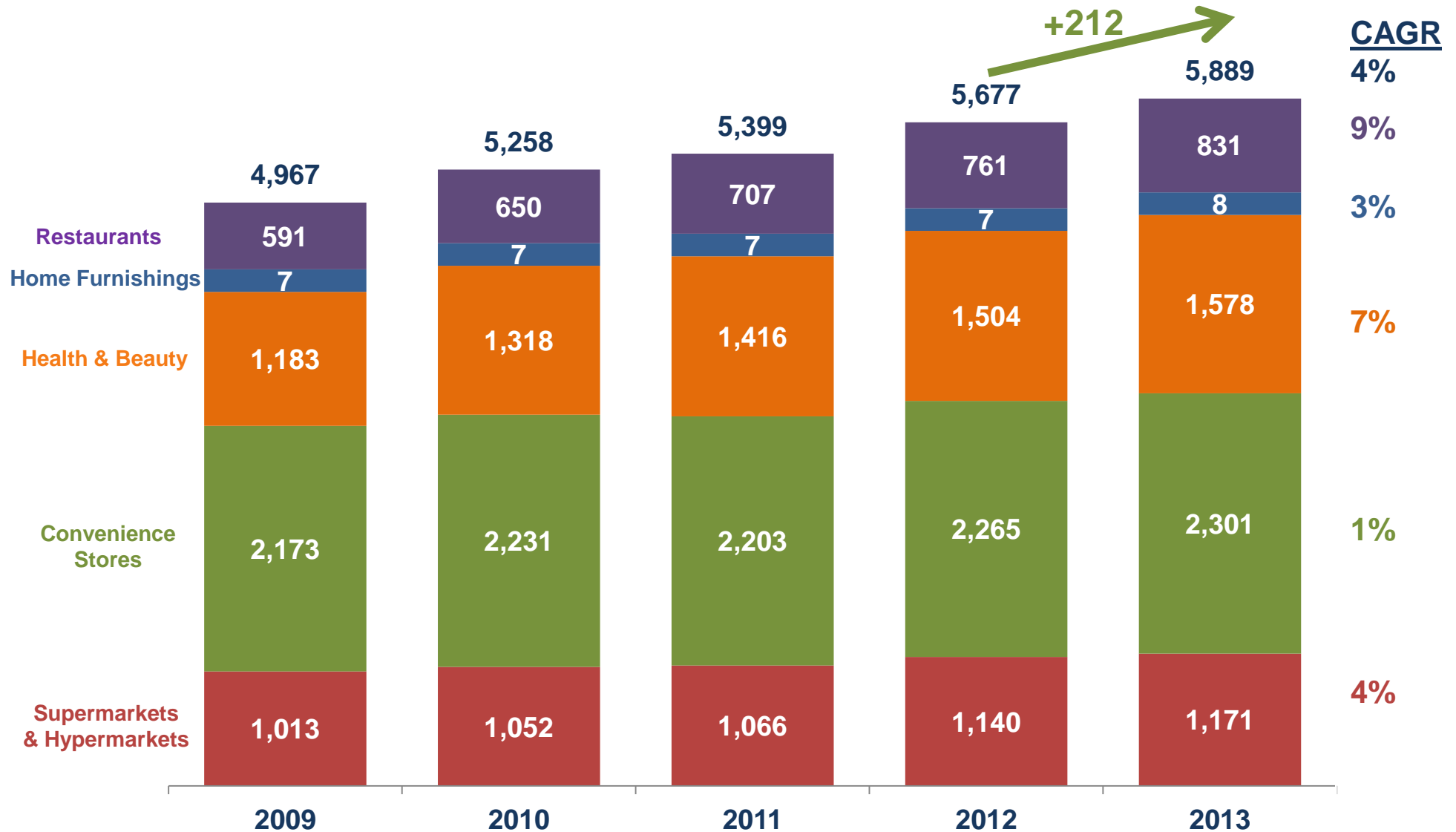


Net Cash

(US\$ m)



Store Network by Format



Bringing to Asian Consumers the Benefits of Modern Retailing



Pioneers in Asia Retail

Strategies for Growth

**Build
compelling
retail brands
that win
consumer
loyalty**

**Achieve
leadership
position for
each business**

**Execute
consistent &
high quality
operations
supported by a
reliable,
efficient &
trusted supply
chain**

**Drive strong &
sustainable
profit growth
based on
attractive
format
economics**

**Attract and
develop
passionate
people who
love retail**

Investments Planned to Support Long-Term Growth Strategy

- Focusing on customer count improvement in each business even in the face of margin pressures
- Accelerated store opening scheduled for 2014, especially in China and Indonesia
- Infrastructure investment to improve efficiencies and consumer offer
 - Distribution Centres
 - IT systems
- Strong commitment to invest in IKEA, particularly in Indonesia
- Bolt-on acquisitions remain on the agenda