



Dairy Farm International Holdings Ltd

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

To: Business Editor

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

Interim Management Statement

4th May 2016 – Dairy Farm International Holdings Limited has today issued an Interim Management Statement for the first quarter of 2016.

The overall trading environment during the period was little changed from that seen in the second half of last year. Subdued sales growth, ongoing margin challenges and unfavourable exchange rate movements were offset by contributions from Yonghui and San Miu as well as good performances from IKEA and Maxim's. As a result, underlying earnings remained broadly in line with the first quarter of last year. The Group expects similar trading conditions over the next few months.

In the Food Division, like-for-like sales were mixed, although positive in our key market of Hong Kong, while flat in Singapore and negative in Malaysia and Indonesia. Margins remained under pressure in most markets as a combination of food price deflation and aggressive competitive activity weighed on average selling prices. Margin pressure, further aggravated by increasing costs and unfavourable exchange rate movements, led to a decline in operating profits for the Division. The results did, however, benefit from first quarter contributions from the recent investments in Yonghui and San Miu.

In the Health and Beauty Division, like-for-like sales were flat in Hong Kong and negative in Malaysia and Macau, although good growth was achieved in a number of other markets. Profitability was, however, negatively impacted by increased promotional activity and adverse exchange rate movements.

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

Incorporated in Bermuda with limited liability

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Both the Home Furnishings and Restaurants Divisions achieved increased sales and profits. IKEA performed well in all three of its markets, and Maxim's maintained its consistent record of sales and profit growth.

Net debt was little changed at the end of the first quarter. The Group expects to complete in the near future its further US\$200 million investment in Yonghui, to maintain its 19.99% shareholding following a 10% placing by Yonghui to internet retailer JD.com.

Dairy Farm is a leading pan-Asian retailer. The Group, together with its associates and joint ventures, operates over 6,500 outlets – including supermarkets, hypermarkets, convenience stores, health and beauty stores, home furnishings stores and restaurants – employing over 180,000 people, and had total annual sales in 2015 exceeding US\$17 billion. Dairy Farm International Holdings Limited is incorporated in Bermuda and has a standard listing on the London Stock Exchange as its primary listing, with secondary listings in Bermuda and Singapore. It is a member of the Jardine Matheson Group.

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This and other Group announcements can be accessed through the internet at 'www.dairyfarmgroup.com'.