

2014 INTERIM RESULTS

KERRY

LOGISTICS

Stock code: 636

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TURNOVER (HK\$)

9,984
million

+5%



CORE NET PROFIT (HK\$)

490
million

+8%



IL
SEGMENT PROFIT

+14%

IFF
SEGMENT PROFIT

+8%

INTERIM DIVIDEND
6 HK CENTS PER SHARE

NET VALUATION GAINS
ON INVESTMENT
PROPERTIES (HK\$)

144 million

-68%

SHARE OF RESULTS
OF ASSOCIATES (HK\$)

44 million

-39%

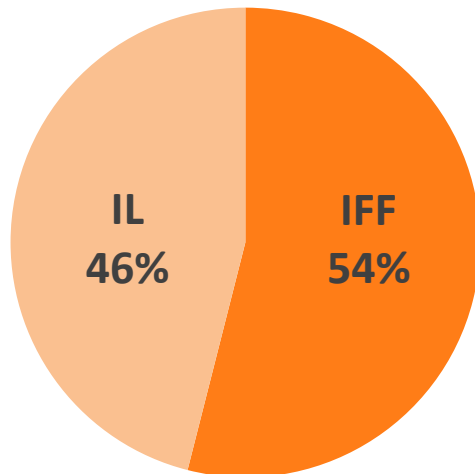
NET ASSET
VALUE PER
SHARE (HK\$)

8.25

GEARING

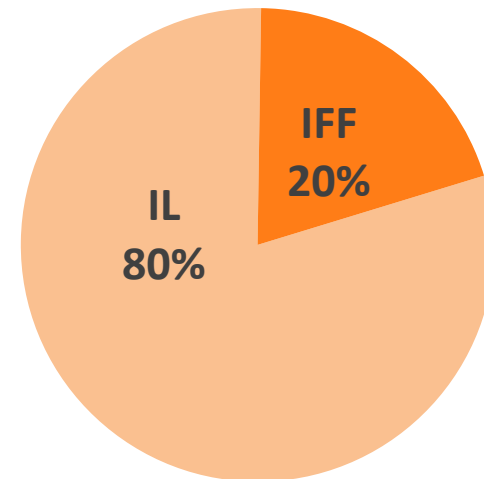
24.7%

Turnover



HK\$ 9,984m (+5%)

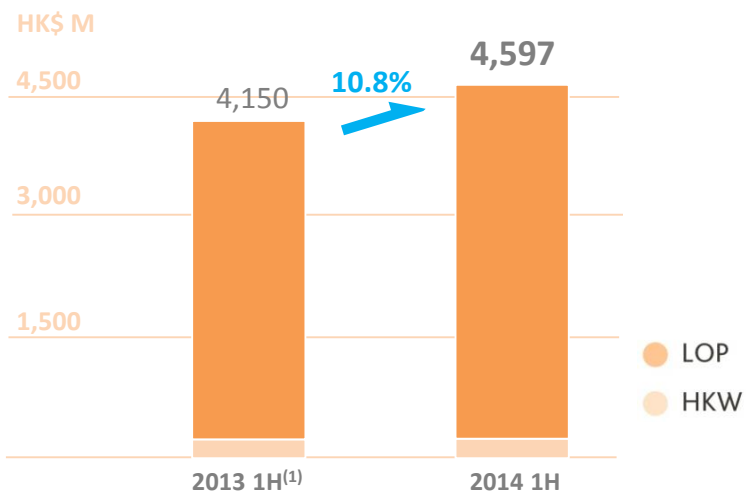
Segment Profit



HK\$ 861m (+12%)

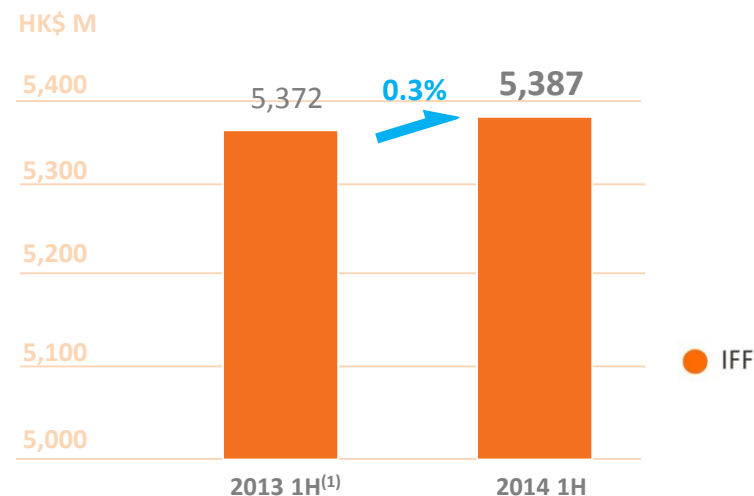
Integrated Logistics (IL) consists of Logistics Operations (LOP) and Hong Kong Warehouse (HKW)

IL

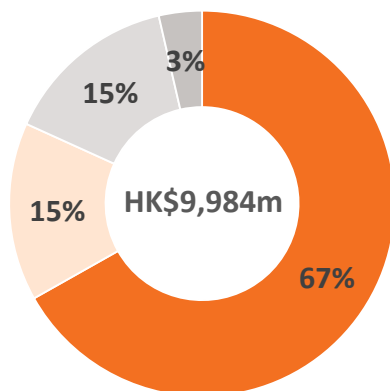


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IFF



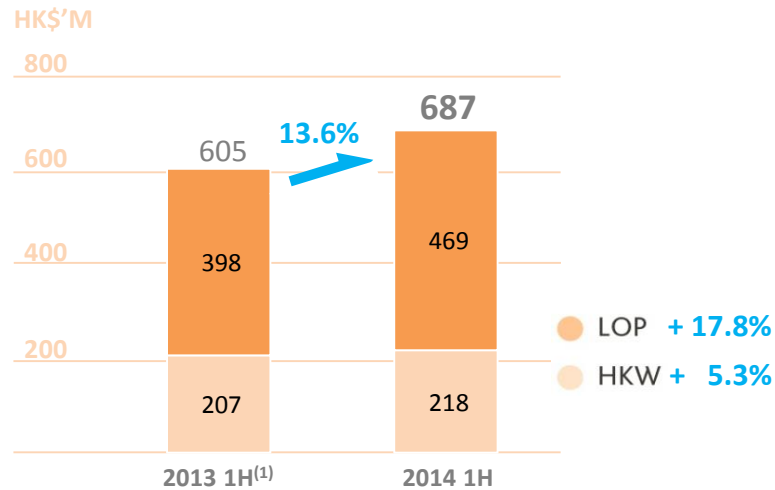
Geographical Area



HK\$ M	2013 1H ⁽¹⁾	2014 1H	YoY
Greater China	6,544	6,672	+ 2%
South & SE Asia	1,404	1,492	+ 6%
Europe	1,308	1,459	+ 12%
Others	266	361	+ 36%

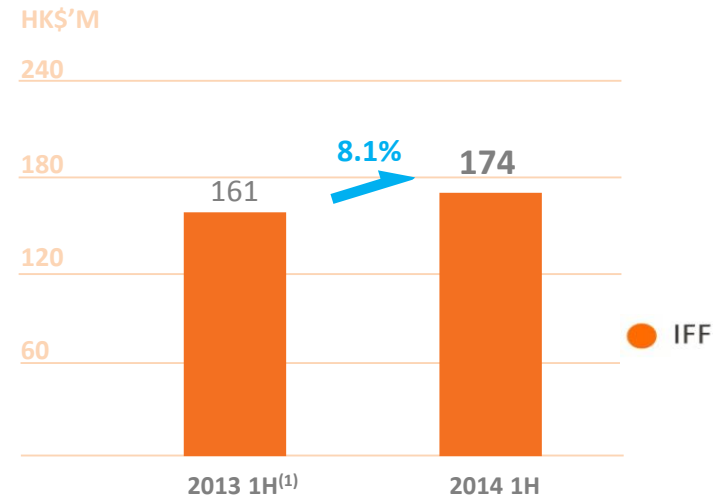
⁽¹⁾ Financial Results of 2013 1H had been restated to conform to the 2014 presentation.

IL

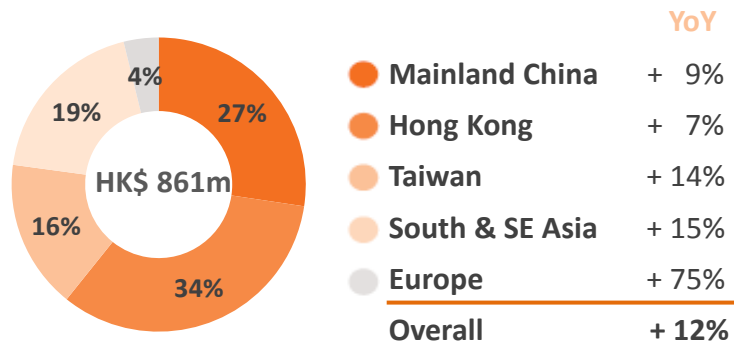


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IFF



Geographical Area

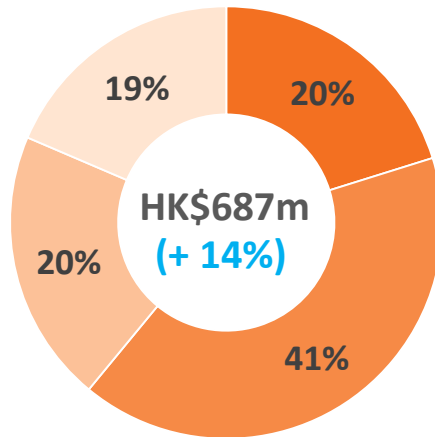


Margin

	2013 1H ⁽¹⁾	2014 1H
IL		
LOP	9.9%	10.5%
HKW	57.4%	56.7%
IFF		
	2.8%	3.0%

⁽¹⁾ Financial Results of 2013 1H had been restated to conform to the 2014 presentation.

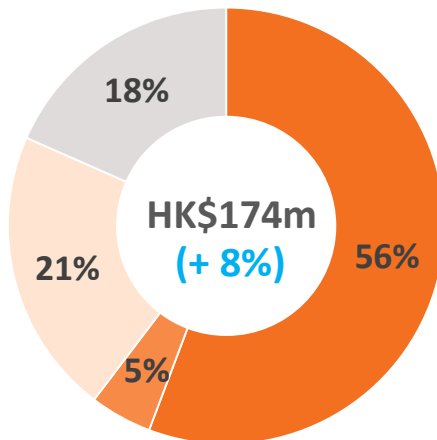
IL



	HK\$ M	YoY
Mainland China	138	+ 28%
Hong Kong	279	+ 6%
Taiwan	140	+ 13%
South & SE Asia	127	+ 20%

Integrated Logistics (IL) consists of Logistics Operations (LOP) and Hong Kong Warehouse (HKW)

IFF

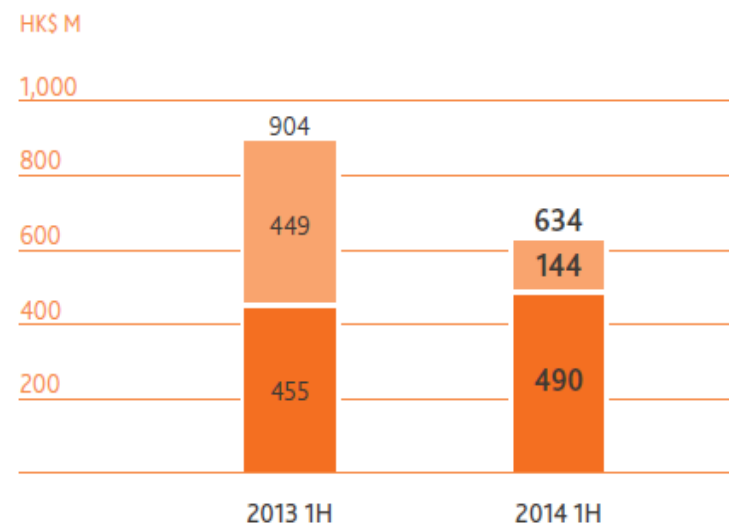


	HK\$ M	YoY
Mainland China	97	- 9%
Hong Kong	8	+ 78%
South & SE Asia	37	+ 2%
Europe	32	+ 75%

Core Net Profit

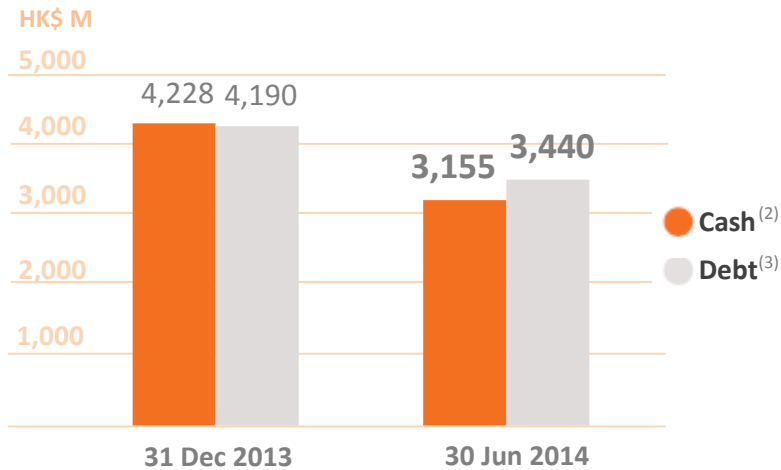
	HK\$ M	YoY
Segment Profit	861	+ 12%
Less Unallocated Expenses	(65)	- 4%
Core Operating Profit	796	+ 14%
Net finance costs	(38)	+ 51%
Results of Associates	44	- 39%
Profit before taxation	802	+ 8%
Taxation	(163)	+ 19%
Profit after taxation	639	+ 5%
Non-controlling interests	(149)	- 2%
Core Net Profit	490	+ 8%

Profit Attributable to Shareholders



- Net valuation gains on investment properties
- Core net profit

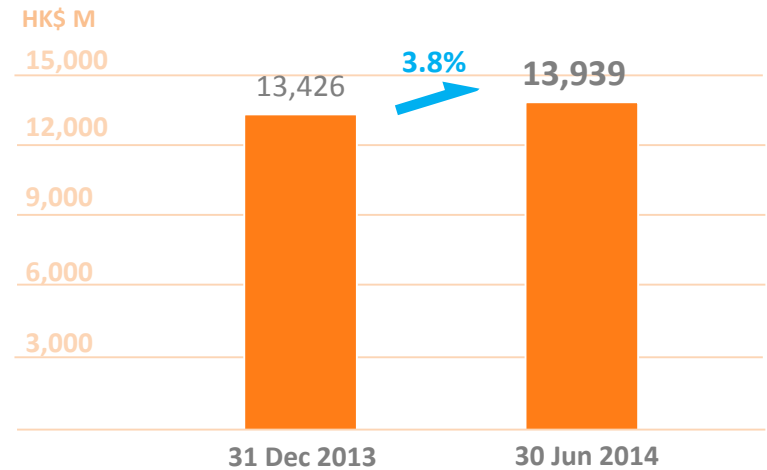
Cash & Debt



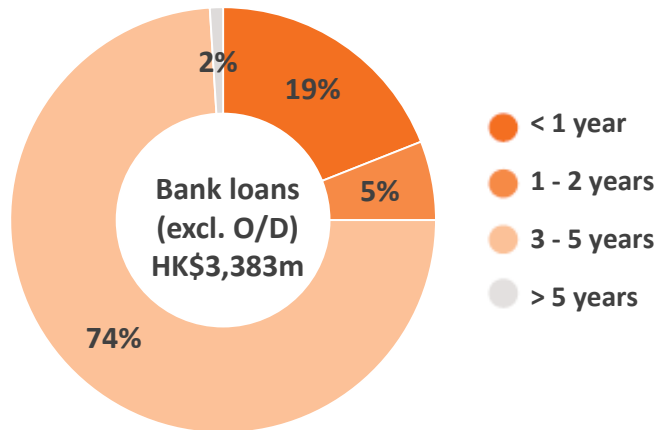
⁽²⁾ Cash and bank balance

⁽³⁾ Total bank loans and overdrafts

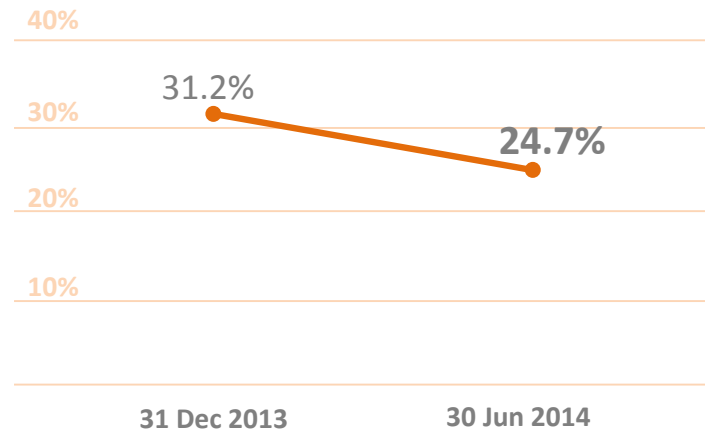
Shareholders' Equity



Debt Maturity



Gearing Ratio



IL

GREATER CHINA

- Launched Kerry Pharma in Hong Kong
- Completed logistics centres in Zhengzhou & Kunshan (729,000 sq. ft.)
- Commenced construction of logistics centre in Chengdu (592,000 sq. ft.)
- Acquired a parcel of land in Xian (273,000 sq. ft.)

ASEAN

- Completed phase II of logistics centre in Rayong, Thailand (209,000 sq.ft.)
- Commenced construction of phase I of logistics centre in Bangna, Thailand (191,000 sq. ft.)
- Increased controlled interests in express arm to 96% in Vietnam
- New 60% JV acquired a piece of land in Phnom Penh, Cambodia (site area: 6,679,000 sq. ft.)

IFF

GLOBAL

- New global IFF operating system rolled out in 19 countries, including Mainland China

ASEAN

- Increased controlled interests in KART Malaysia and Thailand to 100%

EUROPE & THE AMERICAS

- Restructuring operations in Europe and the Americas
- Signed MOU to acquire a company in Canada

OCEANIA

- Confirmed formation of new JVs in Australia and New Zealand

AFRICA

- Set up in Senegal

CAPEX

(HK\$'M)	2013 1H	2014 1H
Additions of PPE, investment properties, leasehold land and land use rights	669	481
Acquisition of subsidiaries and associates	518	312
	1,187	793



Q & A

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APPENDIX

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Appendix I – Condensed Consolidated Interim Income Statement

	Six months ended 30 Jun	
	Unaudited 2014 HK\$'000	Audited 2013 HK\$'000
Turnover	9,984,310	9,521,789
Direct operating expenses	(8,491,594)	(8,095,600)
Gross profit	1,492,716	1,426,189
Other income and net gains	50,799	30,486
Administrative expenses	(732,970)	(738,983)
Operating profit before fair value change of investment properties	810,545	717,692
Change in fair value of investment properties	149,730	458,303
Operating profit	960,275	1,175,995
Finance costs	(53,322)	(45,096)
Share of results of associates	44,484	71,626
Profit before taxation	951,437	1,202,525
Taxation	(165,022)	(146,511)
Profit for the period	786,415	1,056,014
Profit attributable to:		
Company's shareholders	634,497	903,555
Non-controlling interests	151,918	152,459
	786,415	1,056,014
Interim dividend	101,444	-
Interim dividend per share	6 HK cents	-
Earnings per share		
- Basic	HK\$0.38	HK\$0.70
- Diluted	HK\$0.37	HK\$0.70

Appendix II – Condensed Consolidated Interim Statement of Financial Position

ASSETS AND LIABILITIES	Unaudited As at 30 Jun 2014	Audited As at 31 Dec 2013
	HK\$'000	HK\$'000
Non-current assets		
Intangible assets	1,933,756	1,968,950
Investment properties	6,517,107	6,379,282
Leasehold land and land use rights	550,837	541,348
Property, plant and equipment	6,750,006	6,531,990
Associates	1,113,237	1,122,576
Available-for-sale investments	52,256	59,052
	16,917,199	16,603,198
Current assets		
Inventories	294,357	164,016
Accounts receivable, prepayments and deposits	4,803,556	4,660,562
Tax recoverable	2,580	8,779
Amounts due from fellow subsidiaries	2,125	-
Restricted and pledged bank deposits	7,903	8,710
Cash and bank balances	3,154,852	4,228,367
	8,265,373	9,070,434
Current liabilities		
Accounts payable, deposits received and accrued charges	3,670,162	3,973,359
Amount due to fellow subsidiaries	31,936	1,582
Amount due to related companies	20,016	6,202
Taxation	179,726	156,983
Short-term bank loans and current portion of long-term bank loans	646,396	1,305,243
Bank overdrafts	56,880	20,391
	4,605,116	5,463,760
Net current assets/(liabilities)	3,660,257	3,606,674
Total assets less current liabilities	20,577,456	20,209,872

Appendix II – Condensed Consolidated Interim Statement of Financial Position(cont'd)

	Unaudited As at 30 Jun 2014 HK\$'000	Audited As at 31 Dec 2013 HK\$'000
Non-current liabilities		
Loans from non-controlling interests	246,015	235,632
Long-term bank loans	2,736,882	2,864,332
Deferred taxation	515,188	508,138
Retirement benefit obligations	305,684	315,238
Other non-current liabilities	40,596	70,718
	3,844,365	3,994,058
ASSETS LESS LIABILITIES	16,733,091	16,215,814
EQUITY		
Capital and reserves attributable to the Company's shareholders		
Share capital	845,272	828,682
Share premium	2,947,959	2,632,661
Retained profits		
- Proposed dividends	101,444	182,310
- Others	9,537,117	9,018,829
Other reserves	507,656	763,904
	13,939,448	13,426,386
Non-controlling interests	2,793,643	2,789,428
TOTAL EQUITY	16,733,091	16,215,814