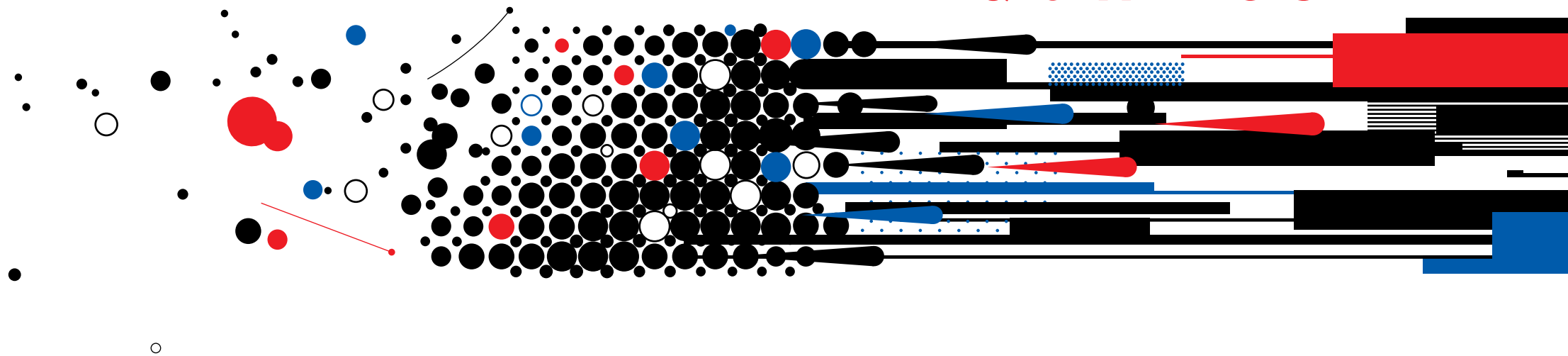




PRIDE IN
PERFORMANCE
2011

Award Winners



The Winning Teams of this year's Pride in Performance Awards have been able to demonstrate their strength and energy in going beyond the boundaries to achieve growth. Their outstanding cases reflect very well the Jardine Matheson Group values of The Right People, Enterprise, Energy and Performance that have translated into commercial success.

We received 19 entries for the 2011 PIP awards, from among which five teams were selected as Category Winners in the categories of 'Customer Focus', 'Marketing Excellence', 'Successful New Venture', 'Innovation and Creativity' and 'Business Outperformance'.


The Judging Panel commended the winners for their remarkable achievements. We recognize that the teams have taken great pride in their performance. They have overcome challenges, taken risks and shown tenacity in the pursuit of their objectives.



Pride in Performance Awards 2011

After the Judges' careful consideration, the Grand Prize for 2011 has been awarded to IKEA Hong Kong for achieving outstanding growth despite operating in a mature market. After looking at the business through the eyes of their customers, the IKEA team successfully mobilized its staff behind its mission of 'marketing being everyone's responsibility'. By concentrating on low prices and being family friendly, they became the fastest growing IKEA business globally. An impressive result which is a testament to the team's energy and enterprise!

I would like to congratulate all the PIP Award winners and thank all the participating teams for sharing their successes with us.



Anthony Nightingale
15th April 2011

WINNERS

MARKETING EXCELLENCE
AND GRAND PRIZE WINNER

IKEA Hong Kong

CUSTOMER FOCUS

Lloyd & Partners

SUCCESSFUL NEW VENTURE

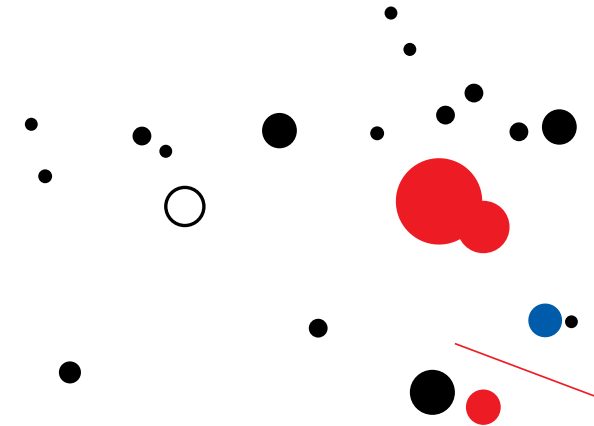
Jardine Lloyd Thompson

INNOVATION AND CREATIVITY

MCL Land

BUSINESS OUTPERFORMANCE

Mannings Hong Kong



PANEL OF JUDGES

Anthony Nightingale

(Panel Chairman)

Managing Director
Jardine Matheson

Benjamin Hung

(Guest Judge)

Executive Director &
Chief Executive Officer
Standard Chartered Bank
(Hong Kong) Ltd

Eric Chan

Chief Operating Officer
Cycle & Carriage Industries Pte Ltd
Jardine Cycle & Carriage

Robert Garman

Executive Director
Hongkong Land (Singapore)

Goh Chye Huat

Managing Director, Singapore
Jardine Lloyd Thompson Pte Ltd

Michael Leung

Director, Sales & Marketing
Zung Fu
Jardine Motors

Nick Price

Director of Technology
Mandarin Oriental
Hotel Group

James Riley

Group Finance Director
Jardine Matheson

Alex Tay

Regional Director, South Asia
Dairy Farm International South Asia

Djony Bunarto Tjondro

President Director
Astra Sedaya Finance
Astra International

Giles White

Group General Counsel
Jardine Matheson

Ricky Wong

Chief Executive Officer
Jardine Fast Food
Restaurants (Taiwan) Ltd
Jardine Pacific



IKEA Hong Kong

IKEA Pulls off a Marketing Revolution

“A remarkable business performance through an integrated and customer focused marketing strategy.”

“IKEA achieved a major turnaround in customer perception and financial performance.”

“The IKEA team demonstrated that ‘what gets measured gets done’.”

The Judges



宜家家居

Grand Prize Winner

MARKETING EXCELLENCE Category Winner

IKEA Hong Kong has pulled off a marketing coup by becoming the fastest growing IKEA business in the world with a 20% sales growth in a mature market. This remarkable 2010 performance followed a critical self-examination which led the management to concentrate its marketing efforts on a longer-term strategy of showcasing IKEA’s low prices and family friendly environment.

Realizing that its people are its strongest asset, IKEA first focused on instilling a positive can-do team culture with emphasis on marketing being everyone’s responsibility. It strived to understand its customers with a thorough survey of their views, habits and perceptions, and developed a targeted advertising and promotions campaign based on this result. This new marketing approach was reflected in the opening promotions for its Kowloon Bay store – instead of just announcing the launch, IKEA broadened its appeal by highlighting its low prices and family friendly stores. The campaign was an outstanding success, winning several industry awards, including TVB’s ‘Most Popular TV Commercial Award’ and the Gold Kam Fan Award. Within a month of the campaign launch, the new store had attracted nearly 400,000 visitors. In total, IKEA experienced over one million additional store visits in 2010 compared to 2009.

Through attractive displays and skilled merchandising, IKEA was able to successfully convert these additional visits into sales receipts – 2010 recorded an 83% increase in underlying PBIT of US\$21 million compared with 2009’s then record US\$12 million. Best of all was a re-energized IKEA team with a recent employee survey showing an all-time high satisfaction rating.

CUSTOMER FOCUS

Category Winner

Over the past 20 years, Jardine Lloyd Thompson subsidiary and wholesale insurance broker, Lloyd & Partners Ltd (LPL), had developed a strong working relationship with Transocean, the world's largest offshore drilling contractor. This relationship was put to the ultimate test on 10th April 2010 when there was an explosion and fire on Transocean's semi-submersible drilling rig, Deepwater Horizon, in the Gulf of Mexico. The rig soon sank with the regrettable loss of 11 crew members. An insurance claim for US\$560 million was triggered.

Fully aware of the many mammoth challenges confronting Transocean, LPL's team pulled out all the stops to minimize the paperwork and speed up the complex claims process, which involved dealing with several insurance companies and the Lloyd's syndicate of underwriters. To further complicate matters the explosion occurred while Transocean was in the middle of renewing its US\$1 billion liability policy – which meant that a renegotiation was necessary in the light of the Deepwater Horizon claim.

The renewal was finalized on 30th April, and the Deepwater Horizon US\$560 million claim was settled in full on 6th May. The claims process was completed in a record-breaking 11 working days, which comprised six days for establishing proof of loss and five days for payment in full. The LPL team's ability to pull off the renegotiation and settlement in such a short time frame amidst heightened media attention is an extraordinary achievement and testament to their dedication to putting the customer's needs first. This level of customer service underlines the reason why LPL has grown to become the world's largest broker of offshore drilling rigs.



Lloyd & Partners

JLT Shines through Deepwater Horizon Tragedy

“Their pooling of resources, crisis reaction and effective communications with their client was exemplary.”

“A case where extraordinary effort taken to give the best to the customer paid off.”

The Judges





Jardine Lloyd Thompson

Turning a Cyber Challenge into a Growth Opportunity

“An innovative scheme with minimal capex.”

“A well-considered technology investment that has positioned JLT well for the future.”

The Judges



SUCCESSFUL NEW VENTURE Category Winner

Rather than ignore the impact of the internet on its employee benefits (EB) business, Jardine Lloyd Thompson (JLT) decided to embrace the cyber challenge with a new venture – an online benefits platform. The aim was to transform its EB offering by appealing to individuals more used to a round-the-clock access, as well as to develop an international market. JLT's online brand BenPal was launched in 2009. By the year end, BenPal was already delivering a new income stream, achieving revenue of just under £1.5 million (US\$2.3 million).

This online site allowing individuals to manage their benefits packages including medical and pensions proved to be a runaway hit, winning new clients and transforming the landscape of JLT's EB business. By the end of 2010, JLT had signed up major multinationals such as Commerzbank, esure, and Hitachi as well as locking in several existing large trust scheme clients including Booker, GKN and WPP. Direct revenues achieved for 2010 were £5.5 million (US\$8.3 million), exceeding budget by 8%.

The creative energy, expertise and enterprise of the team behind BenPal were crucial to its success. The team built the highly complex and sophisticated system from scratch in just eight months. To date BenPal has achieved all the targets set out in its three-year business plan. Its superior technology has enhanced JLT's business proposition and competitive edge, widened its revenue base, increased sales and lowered operating costs. It also offers JLT a platform on which to expand its EB business internationally.

Moving into 2011, and with opportunities arising from legislative changes and benefits trends, JLT is confident BenPal will continue to soar. By 2015, BenPal is forecast to contribute 15% of total EB profits and deliver a return on investment of 30%.



INNOVATION AND CREATIVITY Category Winner

A winning combination of a unique product, innovative marketing and prudent cost management resulted in MCL Land hitting the jackpot with its 132-unit luxury development Waterfall Gardens, Singapore. Waterfall Gardens surpassed its original tender budget by nine-fold with a profit of S\$156 million (US\$120 million) while its IRR rose from 10% to 38%, and elevated MCL Land's reputation as a quality developer in the high-end market.

After acquiring the site in 2006, MCL Land set out to create an architecturally unique residential development. Waterfall Gardens' design seamlessly integrates the interior and exterior aspects of the development, and features high-end finishes. The marketing team took an innovative approach when they decided to pre-launch their standout project in Indonesia and Hong Kong. It was the right decision as 85% pre-sales were achieved, with the remaining 15% quickly snapped up by local buyers. The project recorded a benchmark average price of S\$1,474 per square foot, with the highest price at S\$1,840 per square foot, a significant premium over developments in the vicinity. This tactical move had the added bonus of reducing advertising costs by 40%; its final marketing cost of S\$1.8 million represented only 0.4% of the sale proceeds.

Waterfall Gardens had its share of major challenges, including a sand shortage and the global financial crisis, which could have impacted negatively on its financial returns. The team's creative approach and can-do attitude, however, ensured that the project stayed on track at all times. For example, although Waterfall Gardens was fully sold by 2007, the financial crisis in 2008 raised the spectre of defaults. The team pro-actively arranged attractive financing packages for purchasers which resulted in the full take-up of all units.



MCL Land

Waterfall Gardens Turns in Windfall

“Good vision – reading of the market requires a great team.”

“Innovative thinking in product and marketing strategies.”

The Judges

MCL Land



Mannings Hong Kong

Mannings Grows to Scale New Heights

“Excellent throughout – methodical, detailed and comprehensive in approach.”

“Bringing an already successful business to a new height is always more challenging. Mannings’ outperformance is truly remarkable.”

The Judges



BUSINESS OUTPERFORMANCE Category Winner

Mannings Hong Kong has proved that passion, innovation and entrepreneurship can deliver dramatic growth even in a mature market during tough times. Determined to outperform, Mannings set out a list of across-the-board initiatives in its 2008-2010 business plan. This has since delivered a 58% increase in sales at an improved profit margin, as well as an annual EBIT growth of 18% over the plan period.

There were a number of initiatives in the area of operations. These included an ambitious store expansion programme that embraced a new concept of opening smaller stores in strategic locations, which required specialist logistics support; working with suppliers to better forecast inventory needs; and creative hiring strategies.

On the marketing front, Mannings invested in research to identify consumer trends, and staff were trained to respond quickly to turn these into business opportunities. Recognizing changing demographics in the population, Mannings expanded its range of products aimed at aging consumers, doubling its sales in this sector to US\$126 million by 2009. During the 2008/09 downturn, Mannings pro-actively moved to stock more ‘do-it-yourself’ beauty products, generating incremental sales of US\$7 million in the first half of 2009. Other innovations which strengthened its brand included the introduction of real-time video consultations with pharmacists, as well as skincare products endorsed by dermatologists; the latter contributing incremental sales of over US\$10 million in 2010.

Mannings’ outperformance has been recognized with numerous awards including ‘Brand with Corporate Conscience & Social Responsibility’ in 2009 and the Retail Management Association’s ‘Courtesy Award’ in 2010.

OTHER SUBMISSIONS

CUSTOMER FOCUS

Hongkong Land

Gaysorn Staff Demonstrates Courage in the Line of Fire

During the March to May political protests in Bangkok in 2010, the staff of Hongkong Land's luxury retail mall, Gaysorn, demonstrated the true meaning of 'putting the customer first' by ensuring the safety and security of tenants and property. When the protesters set up camp opposite Gaysorn, staff were instructed to vacate the centre. But Gaysorn's security and property management team elected to stay behind to secure the building. Throughout the crisis, the team went out of their way to assist tenants and provide updates. Their vigilance was rewarded with no injuries, no looting and only minimal damage to the building. The centre reopened two weeks after the riots were over and ended 2010 with only a 5% decrease in foot traffic.

Gammon Construction

Gammon Stands a Cut Above

Gammon's high standards of customer service in completing its initial contract for The One, an iconic commercial building in Hong Kong, won it two additional contracts. In total, Gammon completed three contracts worth US\$15 million for The One – the foundation and substructure, superstructure and building services – which is unusual as developers prefer to appoint different contractors. Gammon differentiated itself through its team's attitude. When the project faced delays due to government bureaucracy, Gammon's

innovative realignment of the work schedules compensated for the delay and saved the client US\$100,000. This pro-active approach, coupled with the team's efficient project management, high standards of quality assurance and engineering expertise, saved time and money for its client and has since earned the group further contracts.

JEC Singapore

JEC Goes Beyond Boundaries to Transform its Business

Following a number of years of losses, Jardine Engineering Corporation Singapore (JEC) set out to transform its business. A customer-centric approach was developed with a new team selected for their energy and enterprise. JEC positioned itself as a full solutions provider, expanding its business to offer contracting, sourcing and technical services. Its efforts paid off handsomely with its 2009 and 2010 PATAM of US\$1.1 million and US\$1.2 million, respectively, standing in stark contrast to previous losses. Today, with a strong order book, JEC has earned a reputation for successfully completing complex and challenging projects.

Toyota Astra Motor

Astra's Focus on Customer Service Boosts Bottomline

In 2004, Toyota Astra Motor in Indonesia took on the challenge of enhancing customer service with an overhaul of its parts operation. Initiatives included a web-based online system to address communication and logistics issues as well as and the implementation of stringent warehouse controls to optimize efficiency.

By 2010, the improvements were clear as Astra's service rate had risen from 93.7% to above Toyota's global target of 96.5%, while its stock turnover rate reduced from 2.8 months to 1.2 months. These achievements were recognized by Toyota, with Astra receiving seven global awards – including Gold Winner for Outstanding Customer Service Award 2009. The results were also reflected in Astra's bottom line, with sales of spare parts contributing 30% to Astra's 2010 gross profit, turning it from a complementary business into a main profit centre.

MARKETING EXCELLENCE

Dairy Farm Singapore

Growing in Sync with Singapore's Heartbeat

As a responsible corporate citizen, Dairy Farm Singapore (DF) has been organizing community projects for many years. Its 2010 project themed 'Heartbeat, Many People, One Community' raised US\$390,000 for charity and was nominated for the President's Social Charity Award. Heartbeat showcased various fund raising and community activities, the most memorable being the gathering of 1,300 people for a mass percussion performance. Meanwhile, the promotions generated an incremental income for DF of US\$6.6 million, as well as increasing sales and customer count by some 4%. DF's community efforts also help to create a positive perception of the group with several operations achieving enhanced brand profiles, such as Cold Storage supermarkets being ranked 8th in the Top 100 Singapore Brands in 2009.

Jardine OneSolution

JOS Soars through Global Financial Crisis

With companies cutting back their IT-related investments following the global financial crisis, Jardine OneSolution (JOS) decided on an aggressive marketing plan to pull in new business. In late 2009, JOS launched its 'Mid-Market Customer Expansion Programme' aimed at mid-market business end-users with a year-on-year growth target of 50% across its Hong Kong, mainland China, Singapore and Malaysia operations. When measured against the average market growth of 5% to 8%, this target was ambitious. By end 2010, JOS had won 1,033 new customers, representing growth of 49%, while revenues had also jumped 49%. This remarkable achievement was recognized by its peers when it was voted the winner of SMBWorld Awards 2010.

SUCCESSFUL NEW VENTURE

Mandarin Oriental Hotel Group

Bar Boulud Crafts a Recipe for Success

Creating an elegant restaurant out of what was originally a storage space posed a tremendous challenge to Mandarin Oriental, London. The remarkable execution of the creation of Bar Boulud, however, has led to the successful transformation of the hotel's food and beverage concepts. Named after Daniel Boulud, a three-Michelin-starred chef, Bar Boulud serves charcuterie and seasonal French brasserie fare. Since its launch in May 2010, Bar Boulud has become the talk of London town. Within eight months, Bar Boulud had served a record 91,454 covers, scored dozens of rave reviews,

expanded the hotel's repeat customer base from 37% to 53% and generated US\$6.4 million in revenue. Bar Boulud's performance is a testament to the management's meticulous planning, creative solutions and entrepreneurial spirit.

INNOVATION AND CREATIVITY

Jardine Lloyd Thompson

JLT Peru Succeeds with Innovative Insurance Products

Jardine Lloyd Thompson (JLT) has helped to change the perception of and prospects for Peru's taxi drivers with its innovative Taxi Scheme. When in 2008, the government introduced a US\$100 million loan scheme to encourage taxis to switch to gas-powered vehicles, banks were reluctant to participate as taxi drivers were not deemed to be credit worthy. JLT, in partnership with the Association of Taxi Drivers, crafted a range of insurance products that minimized the credit risk for the banks. The execution of this simple idea was complex as it involved convincing many parties who had entrenched beliefs, but JLT's leadership and drive won the day. By end 2010, more than 5,500 taxi drivers in Lima had signed on and to-date the default stands at zero.

Hong Kong Air Cargo Terminals

Hactl Flies High with State-of-the-Art Cargo Handling System

As the world's largest cargo terminal, Hong Kong Air Cargo Terminals Limited (Hactl) has to ensure that its Cargo Handling System functions at maximum efficiency to achieve just-in-time precision. When increased demand

and wear-and-tear threatened Hactl's operational integrity, management sought an innovative solution. Hactl partnered with external specialists to identify the source of the problem and devise effective solutions. It implemented the Total Productive Maintenance programme, which resolved the issues and improved its cargo handling capacity by 35% to an annual 3.5 million tonnes. The programme also achieved cost savings, greater maintenance flexibility and higher customer satisfaction ratings. Its impact on the bottom line was significant when in 2010 Hactl achieved a record profit of US\$142 million.

Astra Honda Motor

Astra Innovates its Honda Supply Chain to Outrun Yamaha

Indonesia's manufacturer and distributor of Honda motorcycles, Astra Honda Motor, has outperformed the competition by successfully optimizing its supply chain management across 130 local and overseas vendors, 29 main dealers and 1,615 sub-dealers scattered across the Indonesian archipelago. Astra embarked on the challenging task of upgrading its complex supply chain with a collaborative approach that embraced innovation, commitment and teamwork. In addition to being able to better analyze demand, Astra's improved supply chain management enables it to reduce stock levels, particularly of low-selling products that result in poor margins. As a result, Honda's gross sales increased by 28% to US\$3.7 billion, and its monthly inventory holding cost was reduced by 31%, from US\$521 million in 2009 to US\$399 million in 2010.

BUSINESS OUTPERFORMANCE

Pizza Hut Taiwan

Pizza Hut Excels in Tough Times

The Pizza Hut team in Taiwan countered the economic downturn in 2008 with a raft of creative product and marketing innovations. The new value deal – a single large pizza with four topping choices – was an instant hit and contributed to a 14% sales growth. A B2B scheme offering customized pizza sets for corporate clients achieved revenues of US\$575,000 in 2008, increasing to US\$1.5 million by 2010. A tie-in programme with 7-Eleven contributed an incremental US\$1.4 million. Other initiatives on the technical and operations front included an improved one-number phone ordering system, an upgraded e-ordering platform and the introduction of fast bake cooking technology. Pizza Hut Taiwan performed magnificently between 2008 and 2010 with year-on-year sales growth of 8.4% and PATAM growth of 27% to US\$10.8 million.

Zung Fu China

Zung Fu China Wins Market Share through Holistic Customer Engagement

To differentiate itself, Zung Fu China decided to build its Mercedes Benz dealerships around customer engagement. This meant recognizing each customer as an individual with preferences, purchasing power and psychological needs, and then tailoring marketing activities to the profile to create a lifelong loyalty to

the brand. This initiative was supported by the creation of a business development centre that enables all operations – from sales, promotions and after-sales service – to assess up-to-date customer information and enhance communications. The results were outstanding. Zung Fu's car sales rose from 5,448 to 16,292 between 2008 and 2010, while net profit increased from US\$17.6 million to US\$37.5 million. By the end of 2010, Zung Fu commanded an enviable average market share of 66% in all its operating cities.

Hero Supermarket

A Heroic Team Effort

Hero Supermarket's business in Indonesia had lost momentum when, in 2007, a new management team was tasked with turning around the business. To instil a 'one team, one company' culture and achieve better trading terms and inventory control, the merchandising departments of the different store formats were centralized. To address Hero's tarnished image as a premium brand, 41 lower end supermarkets were converted to the lower-price Giant format. This resulted in a 38% increase in average monthly turnover. Other operational upgrades included refurbishing existing Hero stores, investing in IT for better logistics and supply chain management, creative marketing initiatives and increased staff training. Following a 13.2% increase in sales in 2009 and a 14.4% increase in 2010, Hero is now back on track and expects to double in size by 2013.

Astra Daihatsu Motor

Agile Astra Rides Global Financial Crisis to Financial Victory

With a weak rupiah pushing production costs higher in 2008, Astra Daihatsu Motor's (ADM) biggest challenge was to align its production with market demand while maintaining its profit levels. By keeping its price competitive, providing credit facilities, streamlining factory operations and implementing stringent cost controls, ADM was able to ride the tough three years and emerge a winner. As the market improved towards the end of 2009, ADM was able to increase its production capacity without adding more manpower, and by 2010 ADM had doubled its 2007 capacity. This, coupled with an appreciating rupiah and creative marketing, ensured that Daihatsu maintained its market position as the second best-selling car after Toyota. On the financial front, between 2007 and 2010, ADM's PBT had increased by 496%.

www.jardines.com

