

PRESS RELEASE

Li & Fung Announces 2014 Interim Results

- **Successful spin-off of Global Brands**
- **Simplification of business back to core business of sourcing and logistics**
- **Leadership transition and investments in 2014 set the stage for organic growth**

Hong Kong, 21 August 2014 – Li & Fung Limited (“Li & Fung”, “the Group”, or “the Company”; SEHK: 494), the world’s leader in consumer goods design, development, sourcing and logistics, today announced its interim results for the six months period ended 30 June 2014.

The Company reported solid results in the first half of 2014 against a mixed economic landscape. The business delivered growth in turnover and total margin. Investments at the beginning of the Company’s new Three-Year Plan, unveiled in March this year, impacted core operating profit.

“The successful spin-off of Global Brands has paved the way for Li & Fung to focus on our core strengths of trading and logistics, as the world’s leading global supply chain manager,” commented William Fung, Group Chairman of Li & Fung. “As in previous three year plans, our first year in our plan is always a period of investment for the company. 2014 is as well an important time of transition for Li & Fung. We have reorganized our business, strengthened our management team and set the stage for our next phase of organic growth.”

Total turnover increased by 3% to US\$8,710 million driven by growth in the Trading business and a 44% increase in turnover in the Logistics business. Investments to overall infrastructure to improve efficiencies for the longer-term, including the recently established Vendor Support Services business unit, impacted core operating profit which decreased by 9% to US\$227 million. Profit attributable to shareholders (excluding loss of discontinued operations) increased by 45% to US\$210 million, including a non-cash gain of US\$98 million on the write-backs of contingent considerations. Basic earnings (excluding loss of discontinued operations) per share are 19.6 HK cents (equivalent to 2.51 US cents), an increase of 45% compared to 13.5 HK cents (equivalent to 1.73 US cents) during the same period in 2013.

The Board of Directors has approved an interim dividend of 13 HK cents (equivalent to 1.7 US cents) per share (2013 interim: 15 HK cents – equivalent to 1.9 US cents).

Spencer Fung, Group Chief Executive Officer of Li & Fung, said, “Our trading business continues to be solid and our logistics business delivered robust organic growth, particularly throughout Asia, through new business wins and successful cross-selling opportunities.”

He continued, “It truly is an exciting time for Li & Fung and I am honoured to be leading our business into a new phase and promising future.”

Spencer Fung added, “Li & Fung is refocused on our core businesses of sourcing and logistics. Our multi-channel sourcing platform ensures that we meet the needs of our customers any which way they require. We are also making the necessary investment in people and infrastructure in 2014, the first year of our 3YP, in order to continue our success in cross selling more services to our existing customers.”

For details of Li & Fung’s 2014 interim results, please refer to the announcement posted on the HKEXnews website (www.hkexnews.hk).

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About Li & Fung Limited

Li & Fung Limited (SEHK: 494), the Hong Kong-headquartered multinational group, is the world's leader in consumer goods design, development, sourcing and logistics. It specializes in responsibly managing supply chains of high-volume, time-sensitive goods for leading retailers and brands worldwide, in more than 300 offices across 40 economies, worldwide.

For more information, please visit www.lifung.com.

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