



Press Release

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1st August 2008

For immediate release

To: Business Editor

The following announcement was issued today to a Regulatory Information Service approved by the Financial Services Authority in the United Kingdom.

Jardine Strategic Holdings Limited Half-Yearly Results for the Six Months ended 30th June 2008

Highlights

- Excellent growth in underlying earnings per share*
- Good contributions from Hongkong Land, Dairy Farm and Astra
- Hongkong Land property portfolio value up 11%

“A satisfactory result is anticipated for 2008 even though some slowing is to be expected in the second half. Increasing inflation and the potential effects of the present economic downturn and lack of liquidity in the United States and Europe provide for an uncertain outlook. Nevertheless, the Group’s businesses remain soundly financed with excellent prospects.”

Henry Keswick, *Chairman*
1st August 2008

Results

	(unaudited)		
	Six months ended 30th June		
	2008	2007	Change
	US\$m	US\$m	%
Underlying profit attributable to shareholders*	465	315	+48
Profit attributable to shareholders	1,171	883	+33
Shareholders' funds [†]	10,815	9,787	+11
	US\$	US\$	%
Underlying earnings per share*	0.76	0.51	+49
Earnings per share	1.90	1.43	+33
Net asset value per share [†]	27.00	28.22	- 4
	US¢	US¢	%
Interim dividend per share	5.90	5.60	+5

* The Group uses 'underlying business performance' in its internal financial reporting to distinguish between the underlying profits and non-trading items, as more fully described in note 9 to the condensed financial statements. Management considers this to be a key measure and has provided this analysis as additional information in order to provide greater understanding of the Group's underlying business performance.

[†] At 30th June 2008 and 31st December 2007, respectively. Net asset value per share is calculated on a market value basis, details of which are set out in note 17 to the condensed financial statements.

The interim dividend of US¢5.90 per share will be payable on 15th October 2008 to shareholders on the register of members at the close of business on 22nd August 2008 and will be available in cash with a scrip alternative. The ex-dividend date will be on 20th August 2008, and the share registers will be closed from 25th to 29th August 2008, inclusive.

- more -

Jardine Strategic Holdings Limited

Half-Yearly Results for the Six Months ended 30th June 2008

Overview

Good progress continued to be made by many of the Group's businesses in the first half of 2008 with strong earnings growth from Hongkong Land, Dairy Farm and Astra. There were, however, signs of weakness in some markets as inflation made trading conditions increasingly challenging.

Results

The Company's underlying net profit for the first half of 2008 was US\$465 million, an increase of 48% compared with the previous year's first half. Underlying earnings per share for the first six months rose by 49% to US\$0.76.

A further increase in investment property values during the period gave rise to a gain of US\$673 million, compared with US\$495 million in 2007, which has been taken through the profit and loss account. Non-trading items for the period also included the Company's share of gains on disposals within Jardine Matheson and Dairy Farm. After non-trading items, the Company's profit attributable to shareholders was US\$1,171 million.

Net asset value per share at 30th June 2008 calculated on a market value basis was US\$27.00, a decrease of 4% from 31st December 2007 reflecting the weaker equity markets.

An increased interim dividend of US\$5.90 per share has been declared.

Business Activity

Within Jardine Matheson's directly held interests, Jardine Pacific's operations produced a satisfactory performance overall, but the recent award of additional franchise for an air cargo terminal at Hong Kong International Airport will have a detrimental effect on the profitability of HACTL's air-cargo operation in the medium term. Jardine Motors' earnings declined due to a lower contribution from its United Kingdom activities despite good performances from its dealerships in Hong Kong, Macau and Southern China. Jardine Lloyd Thompson reported profit growth in a difficult market as it benefited from the progress made over the past two years in repositioning the business and removing costs.

Hongkong Land's excellent result for the first half reflected a further strengthening of commercial property markets in Hong Kong and Singapore and a greater contribution from residential developments. While property markets are expected to slow and inflationary pressures are building, positive rental reversions will continue in its portfolios, and profits will also be recognized upon the completion of residential developments already sold.

Dairy Farm achieved good increases in sales and profit with all its major retail formats enjoying favourable trading conditions. The group's expansion continued with the number of its outlets growing by 167 during the period to reach 4,359. There was an improved performance from its operations in Indonesia resulting from changes implemented over the past year, and Dairy Farm increased its direct interest in the business in April.

Mandarin Oriental's hotels benefited from improved room rates in the first half of the year, but there were signs of weakness in some markets, particularly in the United States. The group's growth continued with the announcement of a management contract for a new luxury hotel in Moscow upon its completion in 2011, which brings to 19 the number of hotels it has under development.

Jardine Cycle & Carriage's excellent profit growth in the first half came from a fine contribution from Astra, which saw improved results from all its major operations. In particular, Astra's automotive and motorcycle businesses achieved increased sales as markets strengthened, while its palm oil plantations enjoyed record prices and improved production. Jardine Cycle & Carriage's own motor dealership interests also increased their profit contribution, and in July the group acquired a 20% stake in a leading Vietnamese automotive company.

A somewhat lower contribution from Rothschilds Continuation Holdings reflected the present unsettled state of global financial markets.

People

Mr Charles Allen-Jones was appointed as a Director of the Company on 8th May 2008.

Outlook

A satisfactory result is anticipated for 2008 even though some slowing is to be expected in the second half. Increasing inflation and the potential effects of the present economic downturn and lack of liquidity in the United States and Europe provide for an uncertain outlook. Nevertheless, the Group's businesses remain soundly financed with excellent prospects.

Henry Keswick
Chairman
1st August 2008

Operating Review

Jardine Matheson

Jardine Matheson reported an underlying profit for the first six months of 2008 of US\$448 million, up 40%. Underlying earnings per share were 41% higher at US\$1.27. After investment property revaluation surpluses and other non-trading items, the company's profit attributable to shareholders was US\$1,018 million. Of the company's directly held interests:

- **Jardine Pacific**

Jardine Pacific's underlying profit increased by 6% to US\$55 million, and the revaluation of the group's residential property investment portfolio also gave rise to a non-trading gain net of deferred tax of US\$10 million. There were good results from its engineering and construction activities as Gammon and Jardine Schindler both produced improved results and maintained healthy order books. JEC's result, however, was little changed. The results from its aviation and shipping interests were mixed, although Hong Kong Air Cargo Terminals performed slightly better. Jardine Restaurants was affected by a significant increase in food costs, while JOS achieved a good increase in sales, but its profits were held back by higher operating costs. The business outlook for the group in the second half of the year is for a more challenging environment.

- **Jardine Motors**

Jardine Motors' underlying profit for the period was down 7% at US\$32 million, which reflected more difficult market conditions in the United Kingdom and the absence of property gains recorded in the first half of 2007. In Hong Kong and Macau, Zung Fu performed well as it increased deliveries of Mercedes-Benz passenger cars. Zung Fu's dealerships in Southern China continued their profitable growth, although there has been some slowing in recent months. In the United Kingdom, there has been a weakening new vehicle demand and a reduction in used car margins. Overall, market conditions are not expected to improve in the second half of the year, particularly in the United Kingdom, and the group's full-year result is unlikely to match that of 2007.

- **Jardine Lloyd Thompson**

Jardine Lloyd Thompson achieved a good overall performance in a difficult market thanks to the work undertaken to reposition the business and improve operational efficiency. Turnover was up 9% as the business benefited from both organic growth and the impact of bolt-on acquisitions, while underlying trading profit from continuing operations was 9% higher at US\$87 million. The company's worldwide retail operations and specialist risk and insurance businesses achieved a good improvement in both revenue and trading profit despite the challenging environment. Its Employee Benefits business in the United Kingdom also continued to make progress. The company remains well placed to achieve further profitable growth for the year as a whole.

Hongkong Land

Hongkong Land's underlying profit grew 56% to US\$242 million in the first half of 2008. The group's commercial investment property interests at the end of June were valued at US\$16.7 billion, an increase of 11% over the six months. The profit attributable to shareholders, which incorporates the revaluation surplus net of deferred tax of US\$1,381 million, was US\$1,629 million.

Strong demand in the group's Hong Kong Central office portfolio led to a vacancy rate of just 1.7% at the end of June, while the retail element was fully leased. In Singapore, the group's wholly-owned and joint venture properties were also fully let, and construction at Marina Bay Financial Centre, in which it holds a one-third interest, is attracting good pre-leasing commitments prior to a two-phased completion in 2010 and 2012.

In the residential sector, MCL Land's first-half result benefited from completions in Singapore and Malaysia, and two further completions are expected by the year end. Construction of Hongkong Land's two projects in Hong Kong is progressing well, as is the mixed use joint venture development in Macau. In mainland China the first phase of its 50%-owned joint venture residential development in Chongqing has been substantially pre-sold, and pre-selling of units in the second phase has begun. Its 30%-owned joint venture in Shenyang has increased its land holdings to some one million square metres.

There are signs of more difficult conditions ahead with property markets slowing and inflationary pressures building in key sectors. The earnings outlook, however, remains encouraging as the group will continue to benefit from positive rental reversions and residential completions.

Dairy Farm

Dairy Farm enjoyed generally favourable trading conditions in its major markets during the first half of the year. Sales, including 100% of associates, rose by 18% to US\$3.8 billion, and underlying net profit increased by 40% to US\$141 million. The profit attributable to shareholders of US\$154 million benefited from non-trading gains of US\$13 million, principally from the sale of a 50% interest in CJ Olive Young in Korea.

The group's operations in Hong Kong and Macau continued to perform well. In Taiwan, new format stores achieved satisfactory results, but IKEA remained below expectations despite making some progress. In Southern China, the group has increased its number of 7-Eleven outlets to 464, and there were improved results from its 39 Mannings health and beauty stores. The group's associate, Maxim's, faced significant rises in ingredient costs, although it was able to achieve growth in sales and profit.

Increases in both sales and profit were achieved in Malaysia as the group expanded its activities in both peninsular and East Malaysia. Enhancements to Dairy Farm's Indonesian

operations have started to deliver results, and an additional 25% direct interest was acquired in PT Hero pursuant to an option agreement. Results improved in Singapore, including the contribution from 7-Eleven which benefited from the re-branding of 62 former Shell stores. The group now has three Wellcome supermarkets operating in Vietnam, and its supermarket joint venture in India maintained a moderate rate of store expansion in a highly competitive sector.

Despite the more challenging economic outlook, Dairy Farm is trading well and the prospects for the full year are positive.

Mandarin Oriental

Mandarin Oriental had a satisfactory start to the year against a background of weakening economic conditions. Its profit attributable to shareholders was US\$36 million, compared with US\$34 million in the same period in 2007 after excluding a property gain.

Trading conditions in several of the group's key markets remained stable, and while softening demand in some hotels did lead to lower occupancy the effect was offset by increases in room rates. Its two wholly-owned Hong Kong hotels continued to perform well, and the group benefited from resilient demand from leisure travellers in London. Its Tokyo property suffered from reduced activity in the financial services sector, and its 80%-owned hotel in Washington D.C. also saw lower occupancy. The contribution from associate and joint venture hotels rose due to revenue growth in some properties, particularly Singapore and Bangkok.

Mandarin Oriental now operates, or has under development, 40 hotels representing over 10,000 rooms in 24 countries. It recently announced that it will manage a new 237-room luxury hotel in Moscow when completed in 2011. This brings the number of hotels it has under development to 19, all but one of which will be managed on behalf of third-party owners. The group's next hotel to open will be in Boston in October of this year, however, some of its development projects are experiencing delays.

The group's performance for the remainder of the year will depend on overall economic conditions, which are likely to become more challenging.

Jardine Cycle & Carriage

Jardine Cycle & Carriage enjoyed an exceptional first half as improvements across all the group's major business segments enabled revenues to grow by 38% to US\$5,719 million. Underlying profit increased 73% to US\$264 million, reflecting an excellent contribution from Astra that rose 73% to US\$254 million. Profit attributable to shareholders was also 73% higher at US\$265 million.

The underlying profit contribution from Jardine Cycle & Carriage's other motor interests rose by 33% to US\$25 million, with the Singapore motor operations and 38%-owned Indonesian associate, Tunas Ridean, contributing most of the increase. In Malaysia, 59%-owned Cycle & Carriage Bintang, which produced a modest profit contribution in a difficult market, has completed a restructuring and declared a special dividend that will benefit Jardine Cycle & Carriage by some US\$21 million. In July, Jardine Cycle & Carriage acquired a 20% interest in Truong Hai Auto Corporation, the second largest automobile group in Vietnam, for approximately US\$77 million. Truong Hai Auto has a full range of automotive operations including manufacturing, distribution and retail.

The rate of profit growth for Jardine Cycle & Carriage for the full year is expected to be lower with some concern in Indonesia over inflation and higher interest rates.

Astra

Astra benefited from favourable trading conditions and continuing high palm oil prices in the first half of 2008 and reported a net profit, under Indonesian accounting standards, equivalent to US\$515 million, an increase of 81%.

The Indonesian wholesale motor vehicle market grew by 48% to 293,000 units in the first six months of 2008. Astra's sales grew by 41% to 148,000 units, leading to a decline in its market share from 53% to 51%. The wholesale motorcycle market in Indonesia grew by 44% to 3.1 million units during the same period. The Astra Honda Motor manufacturing and distribution joint venture increased its sales by 52% to 1.4 million units, resulting in its market share rising from 44% to 46%. Astra Otoparts produced improved results following increases in sales, higher margins and lower operating expenses. Astra's consumer finance operations also benefited from the strong automotive market, while Bank Permata's results were ahead of the same period last year due to improved net interest income and lower operating expenses.

Astra Agro Lestari reported net profit up 134% after a 59% rise in crude palm oil prices achieved and a 20% growth in palm oil production due to an enlarged planted area and better weather conditions. Astra's heavy equipment operations continued their good performance, with United Tractors reporting a profit for the six months equivalent to US\$131 million, up 118%. Sales of Komatsu equipment rose by 44% to 2,500 units, and the company's coal mining subsidiary produced a 23% increase in the volume of coal extracted and a 31% increase in overburden removed. United Tractors completed the acquisition in February of a controlling interest in a coal mining concession in Central Kalimantan. It has recently announced a rights issue to raise some US\$390 million to refinance this acquisition and to provide funding for its working capital requirements and further investments, particularly in the mining sector.

Jardine Strategic Holdings Limited
Consolidated Profit and Loss Account

	(unaudited)						Year ended 31st December		
	Six months ended 30th June			2007			2007		
	2008	2008	2008	2007	2007	2007	2007	2007	2007
Underlying business performance	Non-trading items	Total	Underlying business performance	Non-trading items	Total	Underlying business performance	Non-trading items	Total	
US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	
Revenue (<i>note 2</i>)	9,300	-	9,300	7,174	-	7,174	15,328	-	15,328
Net operating costs (<i>note 3</i>)	(8,352)	18	(8,334)	(6,612)	77	(6,535)	(13,977)	133	(13,844)
Operating profit (<i>note 4</i>)	948	18	966	562	77	639	1,351	133	1,484
Financing charges	(66)	-	(66)	(95)	-	(95)	(177)	-	(177)
Financing income	42	-	42	38	-	38	82	-	82
Net financing charges	(24)	-	(24)	(57)	-	(57)	(95)	-	(95)
Share of results of Jardine Matheson (<i>note 5</i>)	67	10	77	63	16	79	130	59	189
Share of results of associates and joint ventures (<i>note 6</i>)	279	689	968	198	492	690	425	1,101	1,526
Profit before tax	1,270	717	1,987	766	585	1,351	1,811	1,293	3,104
Tax (<i>note 7</i>)	(300)	(7)	(307)	(155)	(9)	(164)	(372)	(20)	(392)
Profit after tax	970	710	1,680	611	576	1,187	1,439	1,273	2,712
Attributable to:									
Shareholders of the Company	465	706	1,171	315	568	883	723	1,301	2,024
Minority interests	505	4	509	296	8	304	716	(28)	688
	970	710	1,680	611	576	1,187	1,439	1,273	2,712
			US\$			US\$			US\$
Earnings per share (<i>note 8</i>)									
- basic			1.90			1.43			3.28
- diluted			1.85			1.40			3.19

Jardine Strategic Holdings Limited
Consolidated Balance Sheet

	(unaudited) At 30th June	At 31st December
	2008 US\$m	2007 US\$m
Assets		
Intangible assets	1,882	1,733
Tangible assets	3,279	2,785
Investment properties	23	29
Plantations	560	474
Investment in Jardine Matheson	937	951
Associates and joint ventures	8,341	6,792
Other investments	597	637
Non-current debtors	1,141	979
Deferred tax assets	109	93
Pension assets	106	87
Non-current assets	<u>16,975</u>	<u>14,560</u>
Stocks and work in progress	1,353	1,122
Current debtors	2,267	2,011
Current investments	37	12
Current tax assets	89	138
Bank balances and other liquid funds		
- non-financial services companies	1,849	1,358
- financial services companies	158	233
	<u>2,007</u>	<u>1,591</u>
	<u>5,753</u>	<u>4,874</u>
Non-current assets classified as held for sale (<i>note 10</i>)	43	7
Current assets	<u>5,796</u>	<u>4,881</u>
Total assets	<u><u>22,771</u></u>	<u><u>19,441</u></u>
	<u>20,586</u>	

(Consolidated Balance Sheet to be continued on page 10)

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Jardine Strategic Holdings Limited
Consolidated Balance Sheet (continued)

	(unaudited) At 30th June	At 31st December
	2008 US\$m	2007 US\$m
Equity		
Share capital	55	54
Share premium and capital reserves	1,334	1,331
Revenue and other reserves	10,703	9,611
Own shares held	(1,277)	(1,209)
Shareholders' funds (<i>note 11</i>)	10,815	9,787
Minority interests	3,850	3,531
Total equity	14,665	13,318
Liabilities		
Long-term borrowings		
- non-financial services companies	1,737	1,767
- financial services companies	648	680
	2,385	2,447
Deferred tax liabilities	585	498
Pension liabilities	64	74
Non-current creditors	80	58
Non-current provisions	37	27
Non-current liabilities	3,151	3,104
Current creditors	3,206	2,789
Current borrowings		
- non-financial services companies	622	618
- financial services companies	849	854
	1,471	1,472
Current tax liabilities	238	145
Current provisions	36	29
Current liabilities	4,951	4,435
Liabilities directly associated with non-current assets classified as held for sale (<i>note 10</i>)	4	-
	4,955	4,435
Total liabilities	8,106	7,268
Total equity and liabilities	22,771	20,586

Jardine Strategic Holdings Limited
Consolidated Statement of Recognized Income and Expense

	(unaudited) Six months ended 30th June	Year ended 31st December	
	2008 US\$m	2007 US\$m	2007 US\$m
Surpluses on revaluation of properties	-	1	114
(Losses)/gains on revaluation of other investments	(195)	124	165
Actuarial gains on defined benefit pension plans	2	7	59
Net exchange translation differences	139	(6)	(95)
Gains/(losses) on cash flow hedges	18	3	(7)
Tax on items taken directly to equity	-	(21)	(20)
	<hr/>	<hr/>	<hr/>
Net (expense)/income recognized directly in equity	(36)	108	216
Transfer to profit and loss on disposal of other investments	(4)	(44)	(59)
Transfer to profit and loss on realization of exchange reserves	(2)	(3)	(4)
Transfer to profit and loss in respect of cash flow hedges	1	1	2
Profit after tax	1,680	1,187	2,712
	<hr/>	<hr/>	<hr/>
Total recognized income and expense for the period	1,639	1,249	2,867
	<hr/>	<hr/>	<hr/>
Attributable to:			
Shareholders of the Company	1,056	958	2,263
Minority interests	583	291	604
	<hr/>	<hr/>	<hr/>
	1,639	1,249	2,867
	<hr/>	<hr/>	<hr/>

Jardine Strategic Holdings Limited
Consolidated Cash Flow Statement

	(unaudited) Six months ended 30th June	Year ended 31st December
	2008 US\$m	2007 US\$m
Operating activities		
Operating profit	966	639
Depreciation and amortization	252	218
Other non-cash items	66	1
(Increase)/decrease in working capital	(166)	384
Interest received	41	36
Interest and other financing charges paid	(71)	(89)
Tax paid	(221)	(107)
	867	1,082
Dividends from Jardine Matheson	99	87
Dividends from associates and joint ventures	261	109
Cash flows from operating activities	1,227	1,278
Investing activities		
Purchase of subsidiary undertakings (<i>note 13(a)</i>)	(263)	-
Purchase of associates and joint ventures (<i>note 13(b)</i>)	(98)	(104)
Purchase of other investments (<i>note 13(c)</i>)	(74)	(27)
Purchase of land use rights	(51)	(3)
Purchase of other intangible assets	(14)	(48)
Purchase of tangible assets	(348)	(239)
Purchase of plantations	(34)	(16)
Advance of mezzanine loans	(2)	(3)
Repayment of mezzanine loans	-	12
Capital distribution from associates	22	12
Sale of subsidiary undertakings (<i>note 13(d)</i>)	(38)	-
Sale of associates and joint ventures (<i>note 13(e)</i>)	25	80
Sale of other investments (<i>note 13(f)</i>)	19	72
Sale of land use rights	6	12
Sale of tangible assets	14	24
Sale of investment properties	9	-
Cash flows from investing activities	(827)	(228)
Financing activities		
Capital contribution from minority shareholders	6	-
Drawdown of borrowings	2,056	1,629
Repayment of borrowings	(1,930)	(2,313)
Dividends paid by the Company	(21)	(22)
Dividends paid to minority shareholders	(94)	(74)
Cash flows from financing activities	17	(780)
Effect of exchange rate changes	17	-
Net increase in cash and cash equivalents	434	270
Cash and cash equivalents at beginning of period	1,554	1,287
Cash and cash equivalents at end of period	1,988	1,554

Jardine Strategic Holdings Limited
Notes to Condensed Financial Statements

1. Accounting Policies and Basis of Preparation

The condensed financial statements have not been audited or reviewed by the Group's auditor pursuant to the UK Auditing Practices Board guidance on the review of interim financial information. The condensed financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting.

In 2008, the Group adopted the following interpretations to existing standards which are relevant to its operations:

IFRIC 11	IFRS 2 - Group and Treasury Share Transactions
IFRIC 12	Service Concession Arrangements
IFRIC 14	IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

There have been no changes to the accounting policies described in the 2007 annual financial statements as a result of adoption of the above interpretations.

Certain comparative figures have been reclassified to conform with the current period presentation.

The Group's reportable segments are set out in note 2 and are described on pages 4 to 7.

2. Revenue

	Six months ended 30th June	
	2008	2007
	US\$m	US\$m
<i>By business:</i>		
Dairy Farm	3,315	2,796
Mandarin Oriental	266	250
Jardine Cycle & Carriage	691	642
Astra	5,028	3,486
	9,300	7,174

3. Net Operating Costs

	Six months ended 30th June	
	2008	2007
	US\$m	US\$m
Cost of sales	(6,912)	(5,377)
Other operating income	84	150
Selling and distribution costs	(1,043)	(902)
Administration expenses	(448)	(394)
Other operating expenses	(15)	(12)
	(8,334)	(6,535)

4. Operating Profit

	Six months ended 30th June	
	2008	2007
	US\$m	US\$m
<i>By business:</i>		
Dairy Farm	186	113
Mandarin Oriental	40	70
Jardine Cycle & Carriage	30	21
Astra	745	415
	1,001	619
Corporate and other interests	(35)	20
	966	639
Operating profit included the following gains/(losses) from non-trading items:		
Increase in fair value of investment properties	1	-
Sale and closure of businesses	19	21
Sale of investments	1	47
Sale of property interests	2	-
Restructuring of businesses	(2)	-
Realization of exchange gains*	1	-
Discount on acquisitions	-	9
Dilution of interest in a subsidiary undertaking	(4)	-
	18	77

* Arising on repatriation of capital from foreign subsidiary undertakings.

5. Share of Results of Jardine Matheson

	Six months ended 30th June	
	2008	2007
	US\$m	US\$m
Share of results of Jardine Matheson included the following gains from non-trading items:		
Increase in fair value of investment properties	5	-
Sale and closure of businesses	2	3
Sale of property interests	2	-
Restructuring of businesses	-	10
Realization of exchange gains*	-	3
Value added tax recovery in Jardine Motors Group	1	-
	10	16

Results are shown after tax and minority interests in Jardine Matheson.

* Arising on repatriation of capital from a foreign subsidiary undertaking.

6. Share of Results of Associates and Joint Ventures

	Six months ended 30th June	
	2008	2007
	US\$m	US\$m
<i>By business:</i>		
Hongkong Land	799	568
Dairy Farm	12	12
Mandarin Oriental	9	8
Jardine Cycle & Carriage	5	4
Astra	127	86
Corporate and other interests	16	12
	968	690
Share of results of associates and joint ventures included the following gains/(losses) from non-trading items:		
Increase in fair value of investment properties	667	495
Sale and closure of businesses	1	(3)
Sale of investments	4	-
Discount on increased interest in an associate	17	-
	689	492

Results are shown after tax and minority interests in the associates and joint ventures.

7. Tax

	Six months ended 30th June	
	2008	2007
	US\$m	US\$m
Current tax	319	173
Deferred tax	(12)	(9)
	307	164
Greater China	18	15
Southeast Asia	284	135
United Kingdom	3	2
Rest of the world	2	12
	307	164

Tax on profits has been calculated at rates of taxation prevailing in the territories in which the Group operates.

Share of tax of Jardine Matheson of US\$10 million (*2007: US\$11 million*) and of associates and joint ventures of US\$134 million (*2007: US\$150 million*) are included in share of results of Jardine Matheson and share of results of associates and joint ventures respectively.

8. Earnings per Share

Basic earnings per share are calculated on profit attributable to shareholders of US\$1,171 million (2007: US\$883 million) and on the weighted average number of 617 million (2007: 618 million) shares in issue during the period.

Diluted earnings per share are calculated on profit attributable to shareholders of US\$1,141 million (2007: US\$862 million), which is after adjusting for the effects of the conversion of dilutive potential ordinary shares of Jardine Matheson, subsidiary undertakings, associates or joint ventures.

The weighted average number of shares is arrived at as follows:

	Ordinary shares in millions	
	2008	2007
Weighted average number of shares in issue	1,084	1,073
Company's share of shares held by Jardine Matheson	(467)	(455)
Weighted average number of shares for earnings per share calculation	<u>617</u>	<u>618</u>

Additional basic and diluted earnings per share are also calculated based on underlying profit attributable to shareholders. A reconciliation of earnings is set out below :

	Six months ended 30th June					
	2008			2007		
	US\$m	Basic earnings per share US\$	Diluted earnings per share US\$	US\$m	Basic earnings per share US\$	Diluted earnings per share US\$
Profit attributable to shareholders	1,171	1.90	1.85	883	1.43	1.40
Non-trading items (note 9)	(706)			(568)		
Underlying profit attributable to shareholders	<u>465</u>	<u>0.76</u>	<u>0.75</u>	<u>315</u>	0.51	0.51

9. Non-trading Items

Non-trading items are separately identified to provide greater understanding of the Group's underlying business performance. Items classified as non-trading items include fair value gains or losses on revaluation of investment properties and plantations; gains and losses arising from the sale of businesses, investments and properties; impairment of non-depreciable intangible assets and other investments; provisions for the closure of businesses; and other credits and charges of a non-recurring nature that require inclusion in order to provide additional insight into underlying business performance.

An analysis of non-trading items after interest, tax and minority interests is set out below:

	Six months ended 30th June	
	2008	2007
	US\$m	US\$m
Increase in fair value of investment properties		
- Hongkong Land	667	495
- other	6	-
	673	495
Sale and closure of businesses		
- 50% interest in Olive Young	9	-
- 25% interest in Mandarin Oriental, New York	-	12
- other	3	(1)
	12	11
Sale of investments	4	47
Sale of property interests	2	-
Restructuring of businesses	-	10
Realization of exchange gains*	1	3
Discount on acquisitions	17	2
Dilution of interest in a subsidiary undertaking	(4)	-
Value added tax recovery in Jardine Motors Group	1	-
	706	568

* Arising on repatriation of capital from foreign subsidiary undertakings.

10. Non-current Assets Classified as Held for Sale

The major classes of assets and liabilities classified as held for sale are set out below:

	At 30th June 2008 US\$m	At 30th June 2007 US\$m	At 31st December 2007 US\$m
Tangible assets	36	-	34
Investment properties	-	7	2
Associates and joint ventures	-	-	7
Current assets	7	-	-
Total assets	43	7	43
Current liabilities	4	-	-
Total liabilities	4	-	-

Non-current assets classified as held for sale at 31st December 2007 included Dairy Farm's 50% interest in Olive Young with a carrying value of US\$7 million and its interest in a retail property in Malaysia with a carrying value of US\$33 million. The sale of Olive Young was completed in February 2008 and resulted in a profit before tax of US\$14 million, which was included in other operating income. The retail property remained unsold at 30th June 2008.

11. Shareholders' Funds

	Six months ended 30th June	
	2008 US\$m	2007 US\$m
At 1st January	9,787	7,627
Recognized income and expense attributable to shareholders	1,056	958
Dividends (<i>note 12</i>)	(76)	(72)
Employee share option schemes		
- value of employee services	3	2
Scrip issued in lieu of dividends	113	103
Change in attributable interests	-	1
Increase in own shares held	(68)	(53)
At 30th June	10,815	8,566

12. Dividends

	Six months ended 30th June	
	2008 US\$m	2007 US\$m
Final dividend in respect of 2007 of US¢12.40 (2006: US¢11.70) per share	134	125
Company's share of dividends paid on the shares held by Jardine Matheson	(58)	(53)
	76	72

An interim dividend in respect of 2008 of US¢5.90 (2007: US¢5.60) per share amounting to a total of US\$64 million (2007: US\$61 million) is declared by the Board. The net amount after deducting the Company's share of the dividends payable on the shares held by Jardine Matheson of US\$28 million (2007: US\$26 million) will be accounted for as an appropriation of revenue reserves in the year ending 31st December 2008.

13. Notes to Consolidated Cash Flow Statement

	Six months ended 30th June			
		2008		2007
	Book value	Fair value adjustments	Fair value	Fair value
(a) Purchase of subsidiary undertakings	US\$m	US\$m	US\$m	US\$m
Intangible assets	4	-	4	-
Tangible assets	1	231	232	-
Current assets	2	-	2	-
Deferred tax liabilities	-	(70)	(70)	-
Current liabilities	(2)	-	(2)	-
Net assets	5	161	166	-
Adjustment for minority interests			(50)	-
Net assets acquired			116	-
Goodwill			4	-
Net cash outflow			120	-
Increase in interest in Mandarin Oriental			1	-
Increase in interest in Jardine Cycle & Carriage			86	-
Increase in interests in other subsidiary undertakings			56	-
			263	-

Net cash outflow in 2008 of US\$120 million included US\$116 million for United Tractors' acquisition in February of a 70% interest in a company which holds coal mining rights in Central Kalimantan.

Increase in interests in other subsidiary undertakings included US\$42 million for Dairy Farm's acquisition of an additional 25% interest in PT Hero Supermarket under a put option and US\$14 million for Astra's increased interest in PT Astra Otoparts.

- (b) Purchase of associates and joint ventures for the six months ended 30th June 2008 included the Company's increased interest in Hongkong Land of US\$90 million (2007: US\$96 million).
- (c) Purchase of other investments for the six months ended 30th June 2008 included US\$45 million for Astra's purchase of securities, and US\$22 million and US\$6 million for the Company's purchase of shares in Paris Orléans and subscription for Asia Commercial Bank convertible bonds respectively.

13. Notes to Consolidated Cash Flow Statement (continued)

	Six months ended 30th June	
	2008 US\$m	2007 US\$m
(d) Sale of subsidiary undertakings		
Intangible assets	1	-
Tangible assets	4	-
Associates and joint ventures	2	-
Non-current debtors	2	-
Deferred tax assets	4	-
Current assets	99	-
Current liabilities	(30)	-
Net assets	82	-
Adjustment for minority interests	(25)	-
Net assets disposed of	57	-
Profit on disposal	4	-
Sale proceeds	61	-
Adjustment for carrying value of associates and joint ventures	(37)	-
Cash and cash equivalents of subsidiary undertakings disposed of	(62)	-
Net cash outflow	(38)	-

Sale proceeds in 2008 of US\$61 million included US\$51 million from Astra's sale of a 15% interest in PT Pantja Motor, reducing its effective interest from 65% to 50%.

- (e) Sale of associates and joint ventures for the six months ended 30th June 2008 included US\$21 million from Dairy Farm's sale of its 50% interest in Olive Young. Sale of associates and joint ventures for the six months ended 30th June 2007 included US\$75 million from Mandarin Oriental's sale of its 25% interest in Mandarin Oriental, New York.
- (f) Sale of other investments for the six months ended 30th June 2008 mainly comprised Astra's sale of securities. Sale of other investments for the six months ended 30th June 2007 included US\$50 million and US\$12 million from the Company's sale of part of its holding in The Bank of N.T. Butterfield & Son and its interest in CNAC respectively.

14. Capital Commitments and Contingent Liabilities

Total capital commitments at 30th June 2008 and 31st December 2007 amounted to US\$333 million and US\$226 million respectively.

Various Group companies are involved in litigation arising in the ordinary course of their respective businesses. Having reviewed outstanding claims and taking into account legal advice received, the Directors are of the opinion that adequate provisions have been made in the condensed financial statements.

15. Related Party Transactions

In the normal course of business the Group undertakes a variety of transactions with certain of its associates and joint ventures, and with Jardine Matheson.

The most significant of such transactions relate to the purchase of motor vehicles and spare parts from the Group's associates and joint ventures in Indonesia including PT Toyota-Astra Motor, PT Astra Honda Motor and PT Astra Daihatsu Motor. Total cost of motor vehicles and spare parts purchased from associates and joint ventures for the six months ended 30th June 2008 amounted to US\$1,975 million (*2007: US\$1,336 million*).

Other transactions with associates and joint ventures, and with Jardine Matheson described in note 38 to the 2007 annual financial statements do not have a material effect on the financial position or performance of the Group.

16. Post Balance Sheet Event

In July 2008, Jardine Cycle & Carriage announced that it had acquired a 20% interest in Truong Hai Auto Corporation, a Vietnamese automotive company, at a total cost of approximately US\$77 million.

17. Market Value Basis Net Assets

	At 30th June 2008 US\$m	At 31st December 2007 US\$m
Jardine Matheson	2,283	1,821
Hongkong Land	4,674	5,342
Dairy Farm	5,080	4,576
Mandarin Oriental	1,253	1,698
Jardine Cycle & Carriage	2,900	3,406
Other holdings	735	890
Jardine Strategic Corporate	(214)	(343)
	16,711	17,390
Net asset value per share (US\$)	27.00	28.22

'Market value basis net assets' are calculated based on the market price of the Company's holdings for listed companies, with the exception of the holding in Jardine Matheson which has been calculated by reference to the market value of US\$10,277 million (2007: US\$9,139 million) less the Company's share of the market value of Jardine Matheson's interest in the Company. For unlisted companies a Directors' valuation has been used.

Net asset value per share is calculated on 'market value basis net assets' of US\$16,711 million (2007: US\$17,390 million) and on 619 million (2007: 616 million) shares outstanding at the period end which excludes the Company's share of the shares held by Jardine Matheson of 470 million (2007: 466 million) shares.

Jardine Strategic Holdings Limited
Principal Risks and Uncertainties

The following are the principal risks and uncertainties facing the Company as required to be disclosed pursuant to the Disclosure and Transparency Rules issued by the Financial Services Authority of the United Kingdom and are in addition to the matters referred to in the Chairman's Statement:

1. Economic Risk, Market Risk and Competition

Most of the Group's businesses are exposed to the risk of negative developments in global and regional economies and financial markets. These developments can result in recession, inflation, currency fluctuations, or increases in financing costs, oil prices and in the cost of raw materials. Such developments might increase operating costs or reduce revenues.

A number of our businesses make significant investment decisions in respect of developments or projects that take time to come to fruition and achieve the desired returns and are, therefore, subject to market risks. These risks are further pronounced when operating in volatile markets.

The Group's businesses operate in areas that are highly competitive, and failure to compete effectively in terms of price, quality of product or levels of service can have an adverse effect on earnings. Significant pressure from such competition may lead to reduced margins.

The steps taken by the Group to manage its exposure to financial risk are set out in the Financial Review on page 14 and note 2 to the Financial Statements on page 30, and in the description of the systems of internal control set out in the Corporate Governance section on page 89 of the Company's 2007 Annual Report, which is available from the Company's website www.jardines.com.

2. Concessions, Franchises and Key Contracts

A number of the Group's businesses and projects are reliant on concessions, franchises, management or other key contracts. Cancellation, expiry or termination, or the renegotiation of any such concession, franchise or key contract, could have an adverse effect on the financial condition and results of operations of certain subsidiaries, associates and joint ventures of the Group.

3. Regulatory and Political Risk

The Group's businesses are subject to a number of regulatory environments in the territories in which they operate. Changes in the regulatory approach to such matters as foreign ownership of assets and businesses, exchange controls, planning controls, emission regulations, tax rules and employment legislation have the potential to impact the operations and profitability of the Group's businesses. Changes in the political environment in such territories can also effect the Group's businesses.

4. Terrorism, Pandemic and Natural Disasters

A number of the Group's operations are vulnerable to the effects of terrorism, either directly through the impact of an act of terrorism or indirectly through the impact of generally reduced economic activity in response to the threat of or an actual act of terrorism.

All Group businesses would be impacted by a global or regional pandemic which could be expected to seriously affect economic activity and the ability of our businesses to operate smoothly. In addition, many of the territories in which we operate can experience from time to time natural disasters such as earthquakes and typhoons.

Jardine Strategic Holdings Limited Responsibility Statement

The Directors of the Company confirm to the best of their knowledge that:

- (a) the condensed financial statements have been prepared in accordance with IAS 34; and
- (b) the interim management report includes a fair review of all information required to be disclosed by the Disclosure and Transparency Rules 4.2.7 and 4.2.8 issued by the Financial Services Authority of the United Kingdom.

For and on behalf of the Board

A.J.L. Nightingale
Lord Leach of Fairford

Directors

1st August 2008

The interim dividend of US\$5.90 per share will be payable on 15th October 2008 to shareholders on the register of members at the close of business on 22nd August 2008, and will be available in cash with a scrip alternative. The ex-dividend date will be on 20th August 2008, and the share registers will be closed from 25th to 29th August 2008, inclusive. Shareholders will receive their cash dividends in United States Dollars, unless they are registered on the Jersey branch register where they will have the option to elect for sterling. These shareholders may make new currency elections for the 2008 interim dividend by notifying the United Kingdom transfer agent in writing by 26th September 2008. The sterling equivalent of dividends declared in United States Dollars will be calculated by reference to a rate prevailing on 2nd October 2008. Shareholders holding their shares through The Central Depository (Pte) Limited ('CDP') in Singapore will receive United States Dollars unless they elect, through CDP, to receive Singapore Dollars or the scrip alternative.

Jardine Strategic

Jardine Strategic is a holding company which takes long-term strategic investments in multinational businesses, particularly those with an Asian focus, and in other high quality companies with existing or potential links with the Group. Its principal attributable interests are in Jardine Matheson 53%, Hongkong Land 48%, Dairy Farm 78%, Mandarin Oriental 73% and Jardine Cycle & Carriage 67%, which in turn has a 50% shareholding in Astra. Jardine Strategic is 81%-held by Jardine Matheson.

The primary share listing of the parent company, Jardine Strategic Holdings Limited, is in London, with secondary listings in Bermuda and Singapore. The Company is incorporated in Bermuda and its interests are managed from Hong Kong by Jardine Matheson Limited.

- end -

For further information, please contact:

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As permitted by the Disclosure and Transparency Rules of the Financial Services Authority of the United Kingdom, the Company will not be posting a printed version of the Half-Yearly Results announcement to shareholders. The Half-Yearly Results announcement will remain available on the Company's website, www.jardines.com, together with other Group announcements.