

[For Immediate Release]

MIRAMAR GROUP
美麗華集團

**Miramar Hotel and Investment Company
Announces 2012 Interim Results**

Revenue Increased 32% to Approximately HK\$1.5 Billion

HK\$ Million	For the six months ended 30 June		
	2012	2011	Change
Turnover	1,526	1,159	+32%
Profit attributable to shareholders	665	638	+4%
Underlying earnings per share – basic and diluted	36 cents	33 cents	+10%
Interim dividend per share	16 cents	15 cents	+7%

(Hong Kong – 20 August 2012) Miramar Hotel and Investment Company Limited (“Miramar” or “the Group”, HKSE stock code: 71) announced today the interim results for the six months ended 30 June 2012.

For the six months ended 30 June 2012 (the “Reporting Period”), the Group’s turnover amounted to approximately HK\$1,526 million, up 32% as compared to the six months ended 30 June 2011 (the “Last Corresponding Period”). Profit attributable to shareholders amounted to approximately HK\$665 million, representing a 4% increase compared with HK\$638 million from the Last Corresponding Period. Excluding the net increase in the fair value of investment properties, underlying profit attributable to shareholders for the year rose to HK\$208 million (Last Corresponding Period: HK\$190 million). Basic underlying earnings per share were HK36 cents (Last Corresponding Period: HK33 cents), an increase of 10% compared to the Last Corresponding Period. The Board of Directors recommended the payment of an interim dividend of HK16 cents per share (Last Corresponding Period: HK15 cents).

Regarding the results in the first half of 2012, Mr. Lee Ka Shing, Chief Executive Officer of the Group, said “Hotel and Serviced Apartment business recorded double-digit growth in both turnover and profit, as strong visitor arrivals from Mainland China and other regions in Asia fuelled demand for hotel rooms, and food and beverage consumption. Despite the uncertainty in the global economy, Travel business also experienced double-digit growth in turnover during the Reporting Period due to its successful market positioning and expanding market share. The Group’s retail business is also expanding as planned and registered satisfactory progress. All these factors contributed to the Group’s strong set of results during the Reporting Period.”

Hotel and Serviced Apartment Business

The Hotel and Serviced Apartment business, supported by strong tourist arrivals, continues to deliver encouraging results. The Group’s flagship hotel in Tsim Sha Tsui, The Mira Hong Kong, maintained its occupancy rate at the same level as Last Corresponding Period; while average room rate rose 10%.

Mira Moon, a design lifestyle hotel in Wan Chai under the Group's management, is expected to commence operation in the first half of 2013. Conveniently located in tourism and shopping hotspot, Mira Moon will offer approximately 90 guest rooms to visitors who are attracted by the Island's unique blend of cultural heritage sites and modern development. The new hotel emphasises quality and style and will reinforce the service excellence of the "Mira" brand.

Property Rental Business

The Group's solid investment property portfolio (of shopping centres and office towers located in prime locations) generated stable rental income in the Reporting Period. Miramar Shopping Centre attracted a number of famous and international brands with its new and dynamic image. Promotional campaigns were scheduled regularly to increase footfall to the mall. For the first six months of 2012, occupancy rate of MSC was approximately 99% and the average unit rate also recorded a double-digit growth.

In the first six months of 2012, the rental of Miramar Tower ("MT") offices have risen to a record high. The strong demand for Grade A office space in Tsim Sha Tsui, coupled with the new image of MT after its recent renovation led to a significant increase in its rental income.

The refurbishment work in the shopping centre at The Mira Hong Kong was completed in the fourth quarter of 2011. The Hotel shopping centre, Mira Mall, was soft launched in April 2012, and its grand opening is scheduled for October 2012. Occupancy rate of Mira Mall is expected to exceed 90% by the end of this year. A number of renowned brands have been establishing their presence since 2011. With the completion of refurbishment work in the public area of Miramar Tower and the shopping centre at The Mira Hong Kong, both occupancy rate and average unit rate are expected to continue on an upward trend.

Food and Beverage Business

As for the Food and Beverage business segment, the Group is dedicated to excel in the realm of high-end luxury food and beverage business and introduced its high-end brand "Cuisine Cuisine" to the Mainland China market in the fourth quarter of 2011. The two new Cuisine Cuisine restaurants in the Central Business District of Chaoyang district in Beijing and Wuhan in China incurred a start-up loss (with the latter opening in March 2012) in the Reporting Period. With strong demand for fine dining in the China market, we expect the China division to contribute to the overall Food and Beverage business in the near term.

Travel Business

During the Reporting Period, the Group's Travel business resumed normality, recording double digit growth year-on-year, compared to the exceptionally tough operating environment of 2011 which saw frequent natural disasters, such as the earthquakes in Japan and New Zealand, and flooding in Australia, as well as political instability that swept through the Middle East and North Africa. The rapidly growing mass-market tour business in particular also took off and contributed considerably to the Group's total revenue. To further strengthen the branding and business development of the Travel business, the Group will step up advertising and promotion efforts and will also actively tap into the long-haul tour sector.

Apparel Retail Business

The Group extended its reach to Apparel Retail business at the end of 2010 and became the distributor of DKNY Jeans, a young and energetic brand, in mainland China. Currently, the Group and its franchisees own and operate 41 DKNY Jeans stores in various cities in China. In addition, the Group recently launched the Kickers business (a renowned European shoe brand known for its quality) in China with three stores opened in Shanghai during the Reporting Period.

Since this business segment is still in the early phase of development, we recorded an operating loss during the Reporting Period. The vast consumer market in China together with the Central Government's determination to stimulate domestic consumption will continue to underpin the development of this sector.

Business Outlook

There is a general consensus that the second half of the year will continue to pose strong challenges for global markets. Nonetheless, the Group is also aware of the opportunities that a down cycle presents and would closely monitor the market for new business opportunities. . Miramar Group will pursue a prudent and balanced business strategy to maintain the continued growth of the Group's core businesses. The Group is optimistic about the prospects of the hotel industry given Hong Kong's unique status as an international financial centre, an important trading platform for Mainland Chinese enterprises, and a transport and logistics hub for Asia.

Mr. Lee concluded: "The Group strives to enhance its property portfolio to drive growth momentum of its rental income and increase its asset value. In addition, we will also dedicate more resources to improving operational efficiency of our hotels and restaurants in China, while seeking new opportunities to expand the Food and Beverage, Travel and Apparel Retail businesses further. With a well-defined growth strategy and increased investment in human resource development, the Group will continue to nurture business talents to support the sustainable growth of the diversified business."

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About Miramar Hotel and Investment Company, Limited

Incorporated in 1957 and listed in 1970, Miramar Hotel and Investment Company, Limited is a renowned Hong Kong-based company with a diverse business portfolio. Its core businesses include hotel and service apartment business, property rental business, food and beverage business, travel business and apparel retail business.

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