



## 2015 Interim Results

### Analyst Briefing

Sustainable Growth Through Diversified Operations

20th August 2015 | Hong Kong

## Agenda

- Strategy and Performance Highlights

*John Slosar, Chairman*

- Financial Performance

- Property
- Aviation
- Beverages
- Marine Services
- Trading & Industrial

*Martin Cubbon, Corporate Development & Finance Director*

- Outlook & Strategic Priorities

*John Slosar, Chairman*



## Strategy and Performance Highlights

John Slosar, Chairman

# Strategy for Delivering Sustainable Growth

## **Strategy**

- On-going management of existing businesses with the aim of maximising their value.
- Realisation of value where it has been maximised and redeployment of capital to new and existing businesses.

## **Implementing Strategy**

### **Property:**

- Capital commitments of HK\$22.7bn at 30th June 2015 to facilitate completion of retail-led mixed-use projects in Shanghai and Miami and over 2.6 million sq ft of grade A office property in Hong Kong.
- New Mainland China project announced in July.

### **Aviation (excl. CX):**

- Purchase of TIMCO Aviation Services, Inc (now renamed HAECO Americas) in Feb 14 for HK\$2.9bn.
- Performance has been disappointing, principally on account of a decline in airframe maintenance activity.

## Strategy for Delivering Sustainable Growth

### **Beverages:**

#### USA

- Additional territories in Colorado assumed in May 14.
- New territories contributed 30% of sales volume and 16% of profits in USA in 1H 15.
- Letter of Intent signed in Apr 15 to further expand franchise territory in Arizona.

#### Mainland China

- Entered into agreements in July to acquire additional interests in existing Mainland China business from CITIC for RMB1.25bn.
- Transaction will increase our attributable interest in the Mainland China bottling companies from 57% to 70% (based on 1H 15 profits).

### **Marine Services:**

- Fleet renewal programme which began in 2011 coming to a close.
- SPO's fleet is now larger and consists of more modern, high specification vessels.
- Average age has fallen from 9.2 years in 2011 to 8.1 years at the end of 1H 15 while fleet size has increased from 77 to 92 vessels over the same period.
- No significant capital committed to this business in 1H 15.

## Strategy for Delivering Sustainable Growth

### Trading & Industrial:

#### Qinyuan Bakery

- Acquired 65% of Qinyuan Bakery in Dec 14 for a total consideration of HK\$849m.

#### Taikoo Motors

- Continue to expand the Taiwan based motors franchise with new Mercedes and Audi dealerships opening in the first half.

#### Swire Pacific Cold Storage

- Four cold stores are now open, of which three are newly built (Shanghai, Hebei and Ningbo).
- Two facilities under construction in Nanjing and Chengdu.
- Capital committed to this business amounts to HK\$1.1bn.

### Committed Capital

	Property HK\$M	Aviation HK\$M	Beverages HK\$M	Marine Services HK\$M	Trading & Industrial HK\$M	Total HK\$M
<b>At 1st January 2015</b>	24,140	1,575	420	5,209	1,553	<b>32,897</b>
New commitments	524	718	553	199	105	<b>2,099</b>
Expenditure (commitments utilised)	(1,981)	(365)	(275)	(983)	(286)	<b>(3,890)</b>
Cancelled commitments & other movements	(4)	(32)	(118)	(1,527)	(63)	<b>(1,744)</b>
<b>At 30th June 2015</b>	22,679	1,896	580	2,898	1,309	<b>29,362</b>

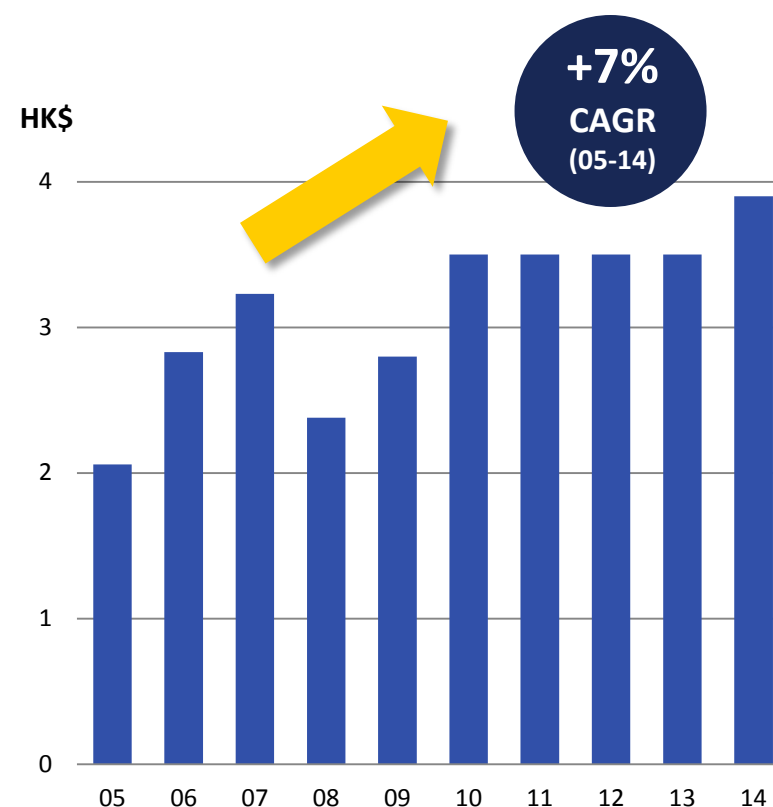
# Sustainable Long-term Growth in Shareholder Value

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Equity attributable to the Company's shareholders



Dividend per "A" Share



Note: Excludes HK\$3 per A share special dividend in 2011



## Financial Performance

Martin Cubbon,  
Corporate Development & Finance Director

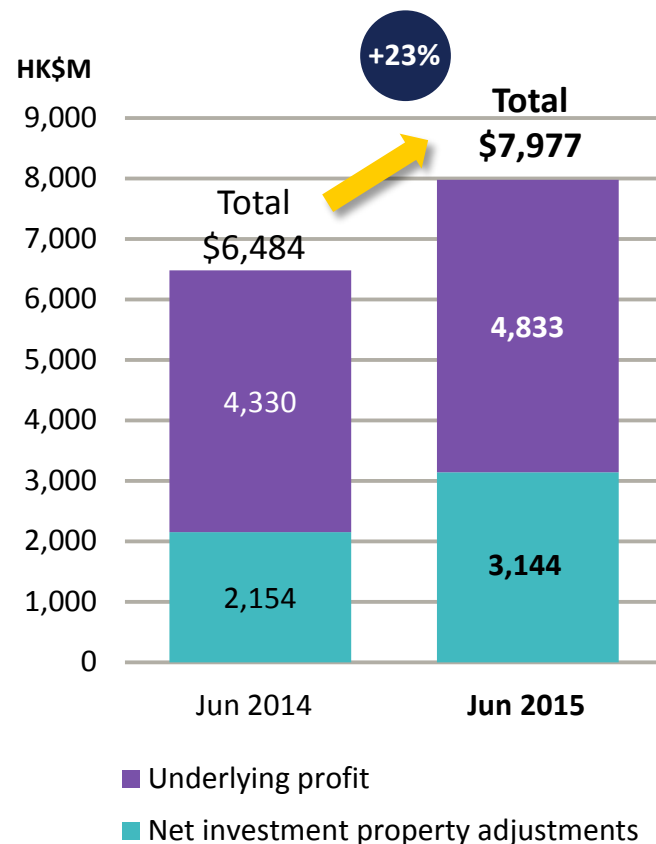


## 1H2015 Highlights

- 12% increase in attributable underlying profit to HK\$4,833m.
- 2% increase in dividends to HK\$112.0 per “A” share.
- Modest increase in gearing of 0.4% pts to 22.8%.
- Better results from Property, Aviation and Beverages Divisions.
- Weaker results from Marine Services and Trading & Industrial Divisions.

# Financial Summary

## Attributable Profit



Note : Underlying profit principally adjusts for changes in the valuation of investment properties.

### Revenue

Jun 2014: HK\$30,111m

+ 5%

**Jun 2015: HK\$31,633m**

### Underlying Profit

Jun 2014: HK\$4,330m

+12%

**Jun 2015: HK\$4,833m**

### Dividends Per Share

Jun 2014:  
HK¢110.0 per 'A' share  
HK¢22.0 per 'B' share

+2%

**Jun 2015:**  
**HK¢112.0 per 'A' share**  
**HK¢22.4 per 'B' share**

### Cash Generated from Operations

Jun 2014: HK\$7,698m

-7%

**Jun 2015: HK\$7,189m**

### Net Debt

Dec 2014: HK\$58,624m

+4%

**Jun 2015: HK\$60,960m**

### Gearing Ratio

Dec 2014: 22.4%

+0.4% pts

**Jun 2015: 22.8%**

### Equity Attributable to the Company's Shareholders

Dec 2014: HK\$218,775m

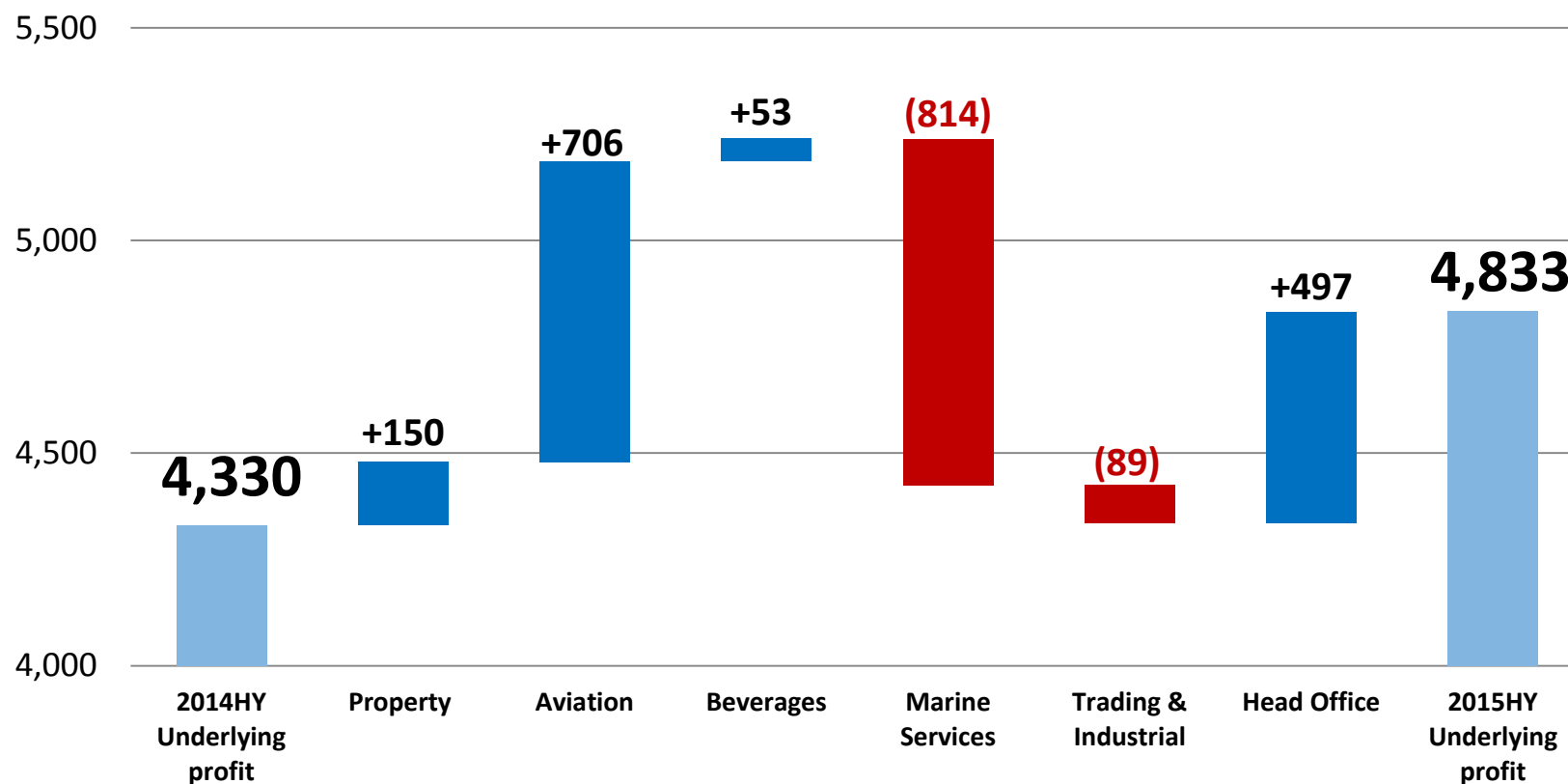
+2%

**Jun 2015: HK\$222,703m**

# Financial Summary

## Movement in Underlying Profit

HK\$M



# Financial Summary

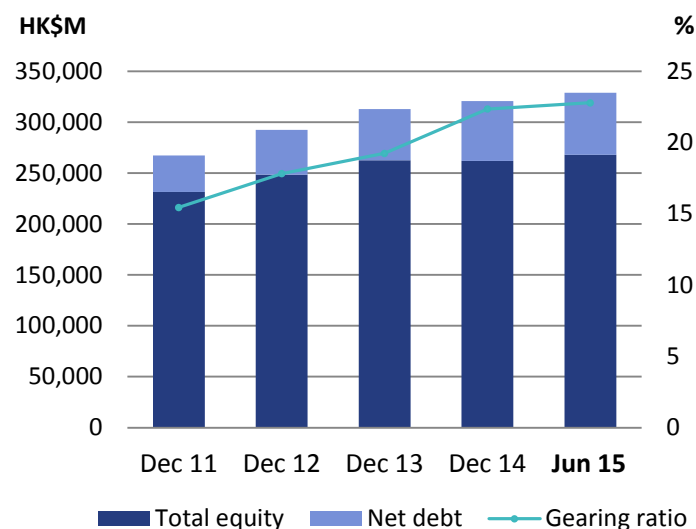
## Financing

	Dec 11	Dec 12	Dec 13	Dec 14	Jun 15
Net debt (HK\$M)	35,768	44,254	50,505	58,624	<b>60,960</b>
Gearing (%)	15.4%	17.8%	19.2%	22.4%	<b>22.8%</b>
Interest cover (underlying) – times	10.4	6.7	5.5	6.1	<b>6.0</b>
Cash interest cover (underlying) – times	8.4	5.4	4.5	4.9	<b>5.1</b>

### Net Debt Reconciliation

	HK\$Bn
Net debt at 1st January 2015	58.6
Cash from operations	(7.2)
Net dividend paid	3.9
Capex and investments less proceeds	3.9
Net interest paid	1.1
Tax paid	0.7
<b>Net debt at 30th June 2015</b>	<b>61.0</b>

### Gearing Ratio



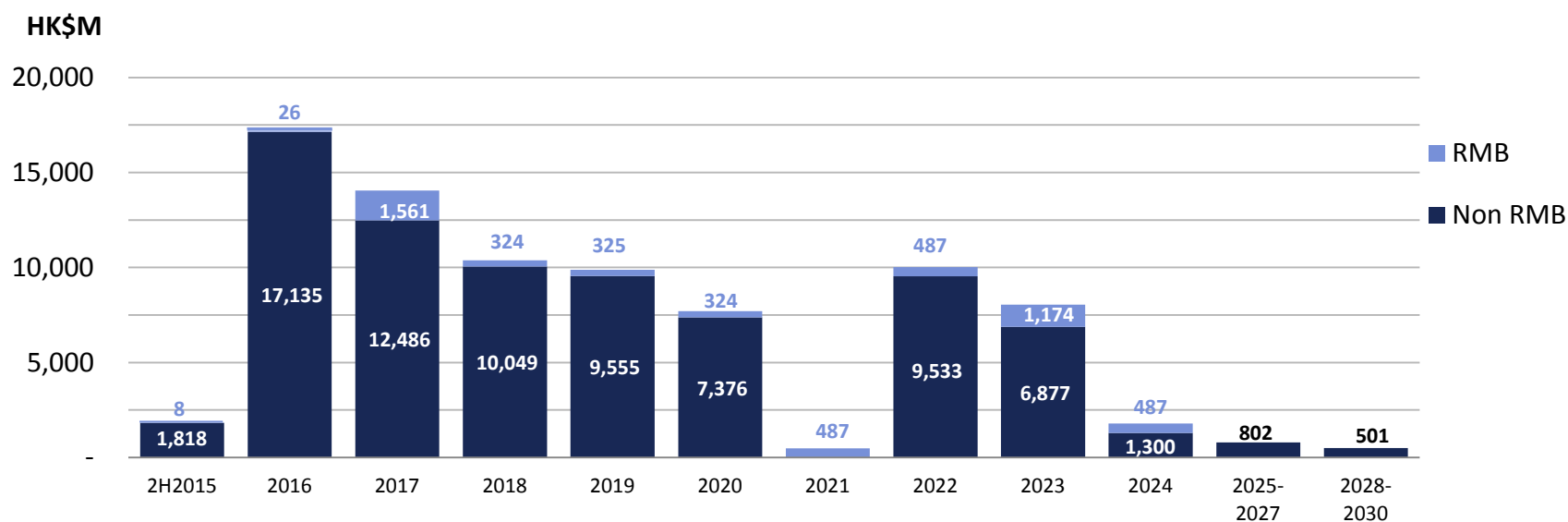
# Financial Summary

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## Liquidity

	Dec 14 HK\$M	Jun 15 HK\$M	Change %
Bank balances and short-term deposits	10,115	9,606	-5%
Total undrawn facilities			
- Committed	13,761	12,626	-8%
- Uncommitted	9,634	9,613	-0.2%

### Refinancing Profile at 30th June 2015



# Property



## Results Highlights

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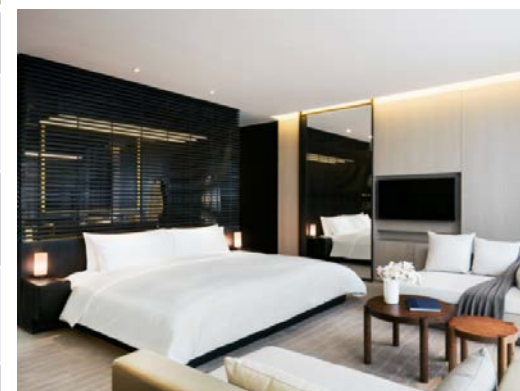
HK\$M (Swire Properties - 100% basis)	Jun 14	Jun 15	Change %
Attributable profit	6,461	<b>8,493</b>	+31%
Underlying profit	3,775	<b>3,938</b>	+4%
Valuation gains on investment properties – Hong Kong	1,407	<b>3,135</b>	+123%
Valuation gains on investment properties – Mainland China	870	<b>1,160</b>	+33%

HK\$M (Swire Pacific's share)	Jun 14	Jun 15	Change %
Attributable profit	5,286	<b>6,936</b>	+31%
Underlying profit	3,058	<b>3,208</b>	+5%



### Key Highlights

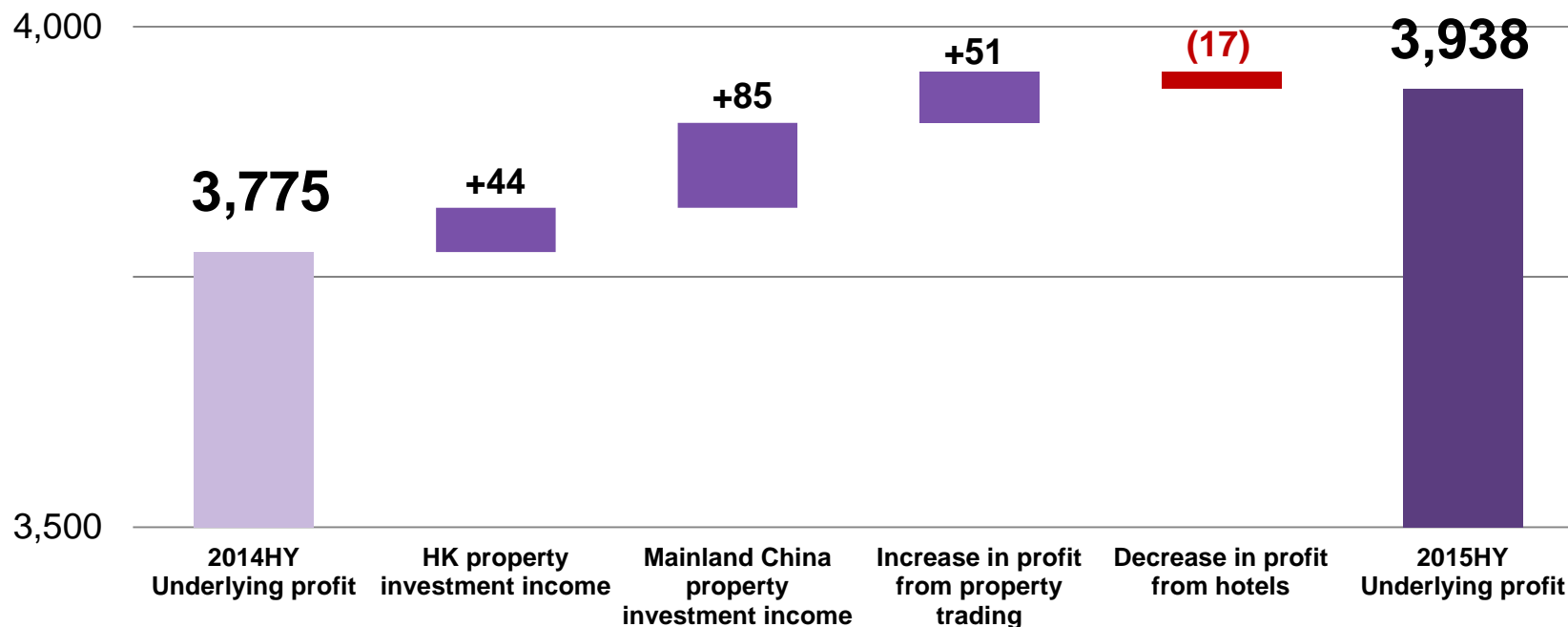
- Gross rental income at the investment property portfolio increased by 6%.
- Rents increased at office properties in Hong Kong and at retail properties in Mainland China.
- Occupancy rose at Pacific Place offices and there were positive reversions at Taikoo Place and Cityplaza offices.
- There were lower retail sales at Pacific Place Mall but a better performance at Cityplaza, following an enhancement project and changes to the tenant mix.
- A higher profit from property trading was recorded, principally reflecting the sale of 96 units at the AREZZO development in Hong Kong.
- Lower profits from hotels, mainly due to weaker results in Hong Kong.



## Movement in Underlying Profit (Swire Properties - 100% basis)

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HK\$M

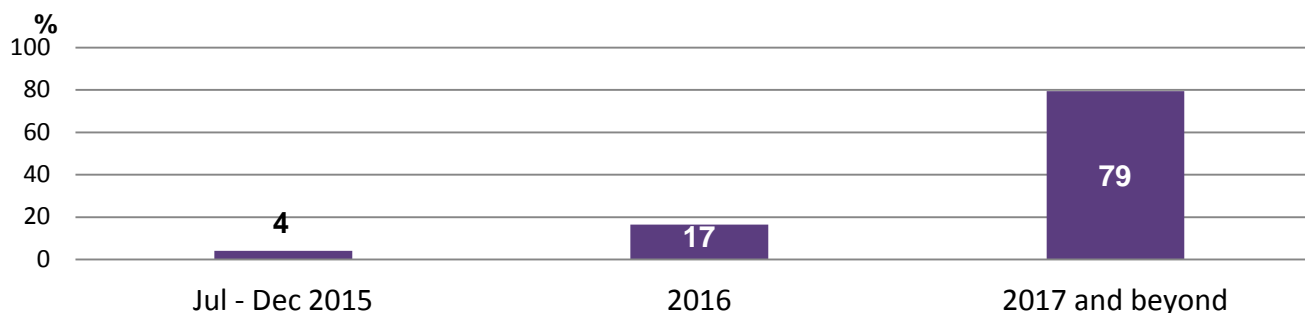




## Operating Statistics - Office

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### Hong Kong Office Lease Expiry Profile\* - at 30th June 2015



\* Based on percentage of the total rental income attributable to the division for the month ended 30th June 2015.

	Latest Rentals		Occupancy	
	2015HY	2014HY	2015HY	2014HY
<b>Hong Kong</b>	HK\$ per sq. ft.	HK\$ per sq. ft.		
One & Two Pacific Place	<b>100 to 115</b>	95 to 110	<b>98%</b>	93%
Three Pacific Place	<b>90 to 95</b>	90 to 95		
Taikoo Place <sup>(1)</sup>	<b>Mid 40s to high 40s</b>	Low 40s to high 40s	<b>100%</b>	99%
Cityplaza	<b>Mid 40s to high 40s</b>	Low 40s to mid 40s	<b>98%</b>	98%
Techno-centres <sup>(2)</sup>	<b>Mid 20s</b>	Mid 20s	<b>100%</b>	97%
One Island East	<b>Mid 50s to high 60s</b>	Mid 50s to high 60s	<b>99%</b>	100%
<b>Mainland China</b>	RMB per sq. m.	RMB per sq. m.		
TaiKoo Hui Offices	<b>Mid 100s to high 100s</b>	Mid 100s to high 100s	<b>100%</b>	99% <sup>(3)</sup>
ONE INDIGO	<b>Mid 200s to high 200s</b>	Mid 200s to high 200s	<b>97%<sup>(3)</sup></b>	96% <sup>(3)</sup>

<sup>(1)</sup> Including PCCW Tower

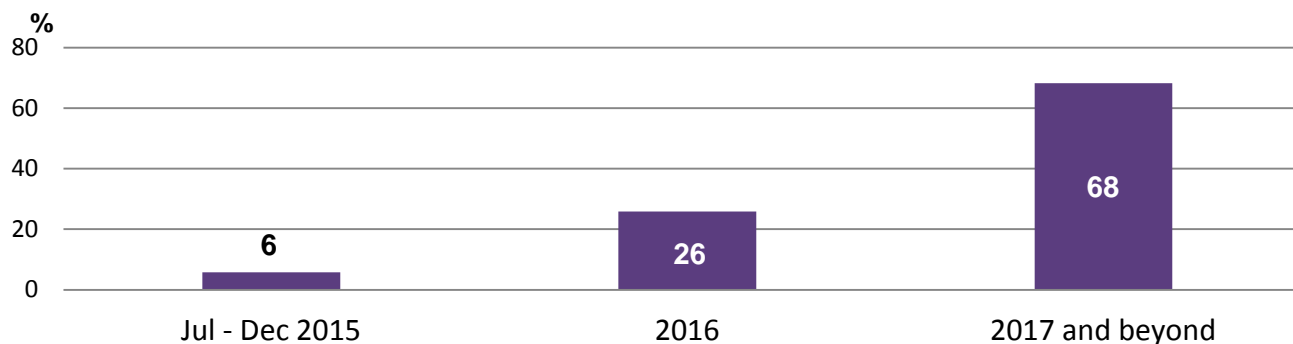
<sup>(2)</sup> Excluding Somerset House

<sup>(3)</sup> Including space allocated to prospective tenants who have signed letters of intent

## Operating Statistics - Retail

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### Hong Kong Retail Lease Expiry Profile\* - at 30th June 2015



\* Based on percentage of the total rental income attributable to the division for the month ended 30th June 2015.

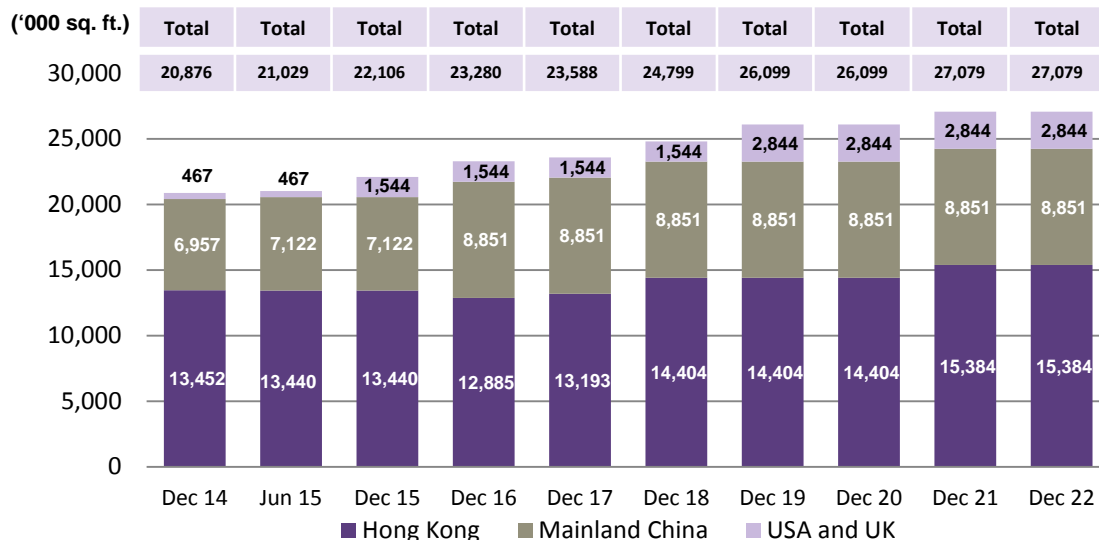
	Occupancy		Retail Sales Growth	
	2015HY	2014HY	2015HY	2014HY
<b>Hong Kong</b>				
The Mall, Pacific Place	100%	100%	-12.7%	+0.8%
Cityplaza	100%	100%	+10.9%	-5.6%
Citygate Outlets	100%	100%	-5.3%	+5.3%
<b>Mainland China</b>				
Taikoo Li Sanlitun	95% <sup>(1)</sup>	97% <sup>(1)</sup>	+6.5%	+22.8%
TaiKoo Hui Mall	99% <sup>(1)</sup>	99% <sup>(1)</sup>	+20.7%	+13.0%
INDIGO Mall	94% <sup>(1)</sup>	95% <sup>(1)</sup>	+36.1%	+94.4%
Sino-Ocean Taikoo Li Chengdu	87% <sup>(1)</sup>	N/A	N/A	N/A

<sup>(1)</sup>Including space allocated to prospective tenants who have signed letters of intent

## Future Developments

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### Completed Principal Property Investment Portfolio\*



\* Gross floor area represents 100% of space owned by Group companies and the division's attributable share of space held by joint venture and associated companies.

Projects	Expected completion date
<b>Hong Kong</b>	
Kowloon Bay Commercial Site	2017
Tung Chung Town Lot No.11	2017
Taikoo Place Redevelopment (Phase I)	2018
8-10 Wong Chuk Hang Road	2018
Taikoo Place Redevelopment (Phase II)	2021
<b>Mainland China</b>	
HKRI Taikoo Hui, Shanghai	2016
<b>USA</b>	
Brickell City Centre	2015 / 2019

### Profile of Capital Commitments — for Investment Properties and Hotels at 30th June 2015

(HK\$M)	Expenditure	Forecast period of expenditure				Commitments
	Six months ended 30th Jun 2015	Six months ending 31st Dec 2015	2016	2017	2018 & beyond	at 30th Jun 2015
Hong Kong	843	869	4,089	3,900	7,966	16,824
Mainland China	395	521	2,096	868	770	4,255
USA and others	950	1,069	531	-	-	1,600
Total	2,188	2,459	6,716	4,768	8,736	22,679 *

\*Including the division's share of the capex and capital commitments of its joint venture companies.

## Prospects

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Property	<u>Opportunities</u>	<u>Challenges</u>
Aviation	<ul style="list-style-type: none"><li>▪ The pick-up in demand for office space in Hong Kong is expected to continue. This should support occupancy levels and rents at our investment portfolio.</li></ul>	<ul style="list-style-type: none"><li>▪ Retail sales have begun to fall in Hong Kong and retailers are becoming more cautious. While our malls remain fully let, this is likely to put pressure on rents when leases fall due.</li></ul>
Beverages	<ul style="list-style-type: none"><li>▪ Retail sales in Guangzhou, Beijing and Chengdu are expected to grow at rates above the national average. Our malls in these cities should benefit from this favourable environment.</li></ul>	
Marine Services		
Trading & Industrial		

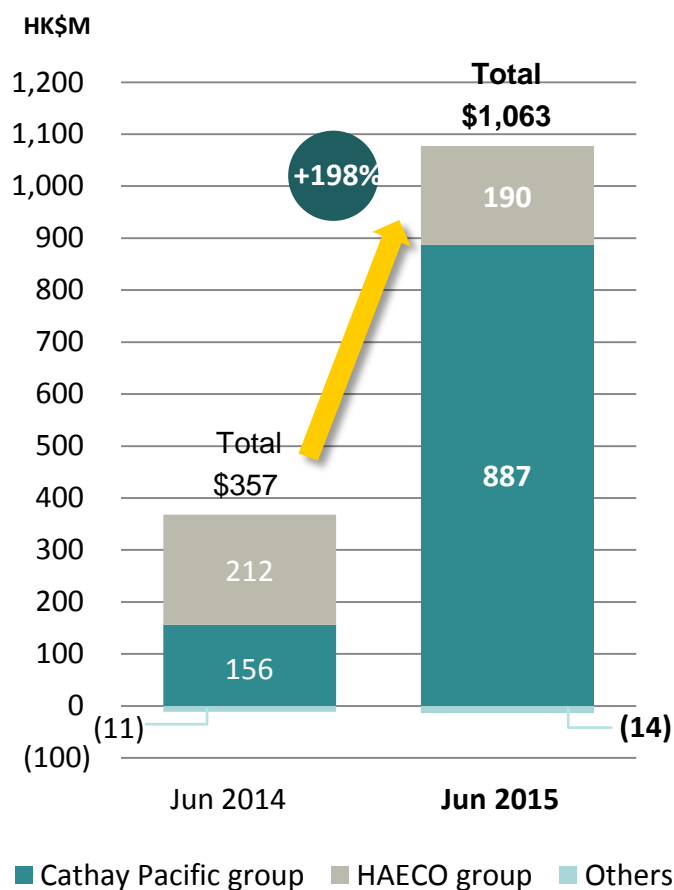
# Aviation



# Results Highlights

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## Attributable Profit



## Key Financial Data

	Jun 2015 HK\$M	Change %
<b>HAECO group</b>		
Revenue	5,734	+7% ↑
Operating profit	263	+2% ↑
Attributable profit	190	-10% ↓
<b>Share of post-tax profits from an associated company</b>		
Cathay Pacific group	887	+469% ↑



## Cathay Pacific Group Highlights

### Key Highlights

- Performance in H1 15 was considerably better, reflecting a better result from subsidiaries and associates and a higher airline profit.
- Passenger demand was strong, but yield decreased due to strong competition, lower fuel surcharges, currency movements and more connecting traffic.
- Strong cargo demand in the first quarter, but this reduced in the second quarter. Yield was under pressure due to overcapacity in the industry and lower fuel surcharges.
- 12% decrease in fuel costs comprises a 36% decrease in gross fuel costs offset by hedging losses of HK\$3,743m.
- Air China's results were significantly better, mainly as a result of lower fuel costs.



### Key Financial Data

#### CX group (100% basis)

	Jun 2015 HK\$M	Change %
Revenue	50,388	-1%
Passenger services	36,226	-1%
Cargo services	11,376	-2%
Others	2,786	+5%
Net fuel cost	16,619	-12%
Attributable profit	1,972	+468%

### Key Operating Statistics

	Jun 2015	Change %
Available tonne kilometres (ATK) ('M)	14,598	+8%
Revenue passengers carried ('000)	16,800	+9%
Passenger yield (HK¢)	60.4	-9%
Cargo and mail carried (Tonnes '000)	868	+8%
Cargo and mail yield (HK\$)	1.93	-11%



# HAECO Group Highlights

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## Key Highlights

- HAECO Hong Kong's results improved significantly, mainly due to an 11% increase in airframe services manhours sold. Capacity for airframe work increased as the workforce grew.
- HAECO Americas and HAECO Xiamen's results were disappointing, reflecting a decline in airframe services activity.
- TEXL recorded higher pre-tax profits as a result of more engines overhauled. However, post-tax profits fell as it no longer had tax losses to utilise.
- HAESL and SAESL recorded lower profits, demand for Rolls Royce engine overhaul services fell.

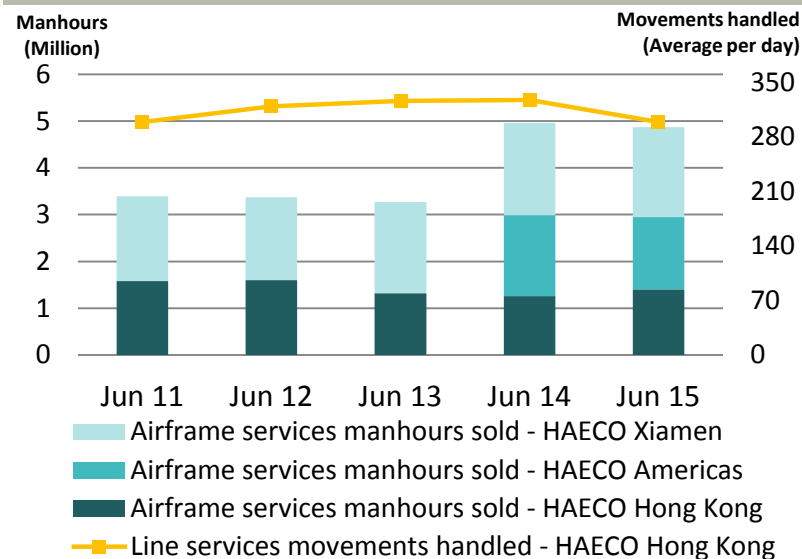


## Key Financial Data

### Attributable Profit/(Loss) (100% basis)

	Jun 2015 HK\$M	Change %
HAECO Hong Kong	99	+136%
HAECO Americas	(59)	-1,867%
HAECO Xiamen	46	-10%
TEXL	52	-24%
HAESL and SAESL	104	-24%
Others	12	N/A
Total	254	-10%

## Key Operating Statistics





## Prospects

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Property

**Aviation**

Beverages

Marine  
ServicesTrading &  
Industrial

### Opportunities

- CX expects its business to do well in the second half of the year.
- HAECO Hong Kong's airframe maintenance capacity for the longer term is expected to increase, although there will be an associated cost of training additional staff in the short term.

### Challenges

- Weak demand for HAECO Americas and HAECO Xiamen's airframe services.
- HAESL is expected to continue to be faced with reduced demand for engine overhaul services until new generation engines require maintenance.

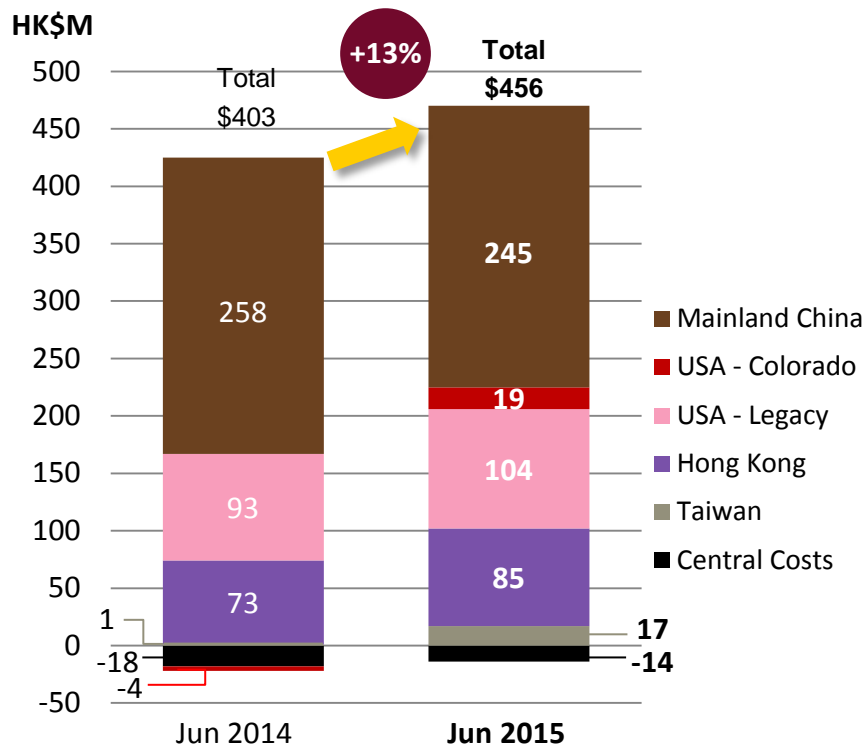
# Beverages



## Results Highlights

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### Attributable Profit



### Key Financial Data

	Jun 2015 HK\$M	Change %
Operating profit	547	+14% ↑
Share of post-tax profits from joint venture and associated companies	166	-9% ↓
Attributable profit	456	+13% ↑

### Key Highlights

- Overall sales volume grew by 9% and raw material costs were generally lower.
- USA benefitted from the assumption of territories in Colorado in May 2014, which increased the franchise population by over 70%.
- Mainland China reported lower profits, due to weaker results from an associate, CCBMH.
- Hong Kong and Taiwan performed well as a result of new product launches and lower raw material costs.

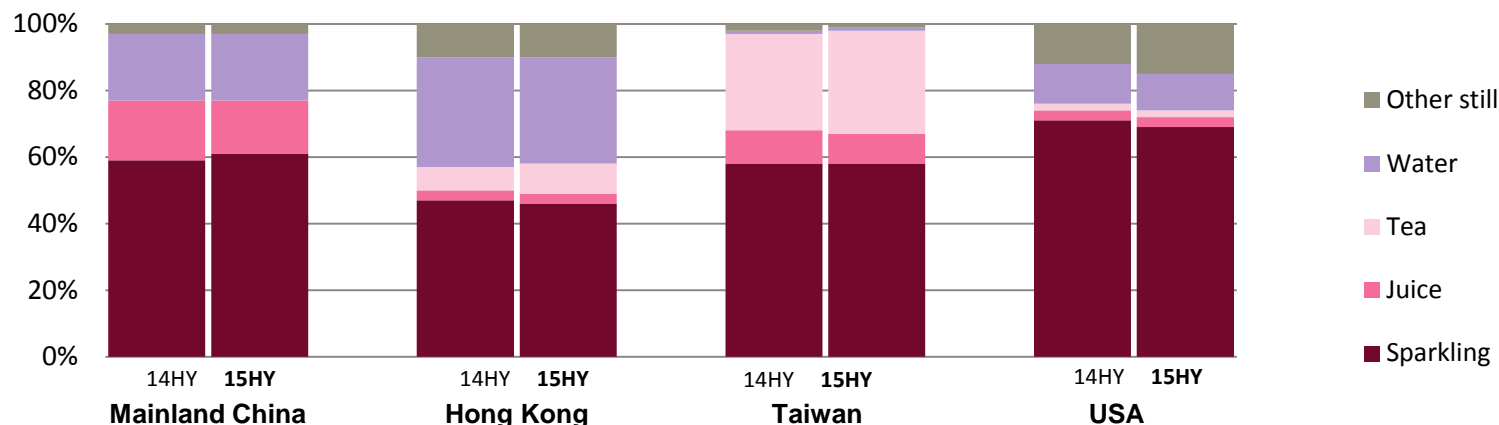


## Volume Analysis

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- Overall sales volume grew by 9% to 551 million unit cases.

### Volume Analysis by Franchise Territory



## Segment Information

Mainland China			Hong Kong		
Revenue*	Attributable Profit	Sales Volume*	Revenue	Attributable Profit	Sales Volume
↑ HK\$8,713m	↓ HK\$245m	↑ 430.7m u/c (+6%)	↑ HK\$1,051m	↑ HK\$85m	↑ 31.1m u/c (+6%)
Taiwan			USA		
Revenue	Attributable Profit	Sales Volume	Revenue	Attributable Profit	Sales Volume
↑ HK\$677m	↑ HK\$17m	↑ 27.1m u/c (+9%)	↑ HK\$2,931m	↑ HK\$123m	↑ 62.1m u/c (+42%)

\*Reflects 100% of the Beverages Division's seven Coca-Cola franchises in Mainland China.

## Prospects

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Property

Aviation

**Beverages**Marine  
ServicesTrading &  
Industrial

### Opportunities

- The introduction of new products and marketing campaigns offer the opportunity to increase sales volume and gain market share.
- A Letter of Intent signed with TCCC will enlarge the franchise territory in the USA and further improve economies of scale and efficiency.

### Challenges

- Juice sales in Mainland China remain weak.
- Rising costs, especially staff costs in Mainland China, remain an issue and are likely to put pressure on profit margins.



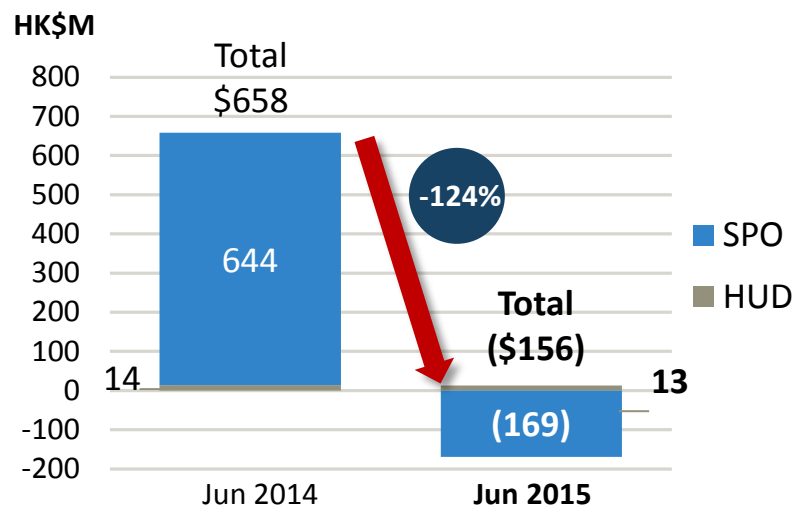
# Marine Services



## Results Highlights

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### Attributable Profit



### Key Financial & Operating Data

#### Swire Pacific Offshore group

	Jun 2015 HK\$M	Change %
Revenue	3,032	-14% ↓
Operating profit	49	-94% ↓
Attributable loss	(169)	-126% ↓
Average daily charter hire rates	USD28,100	-4% ↓
Average fleet utilisation rate	75.6%	-13.5%pts ↓

### Key Highlights

- The low oil price has adversely affected the exploration and production industry - new projects have been deferred and existing contracts have been renegotiated to reduce costs.
- This has had a significant adverse impact on utilisation and day rates of SPO's vessels, in particular for the fleet of anchor-handling and platform supply vessels.
- SPO also recorded an impairment charge of HK\$140m and FX losses of HK\$78m in relation to the cancellation of four shipbuilding contracts in Brazil.

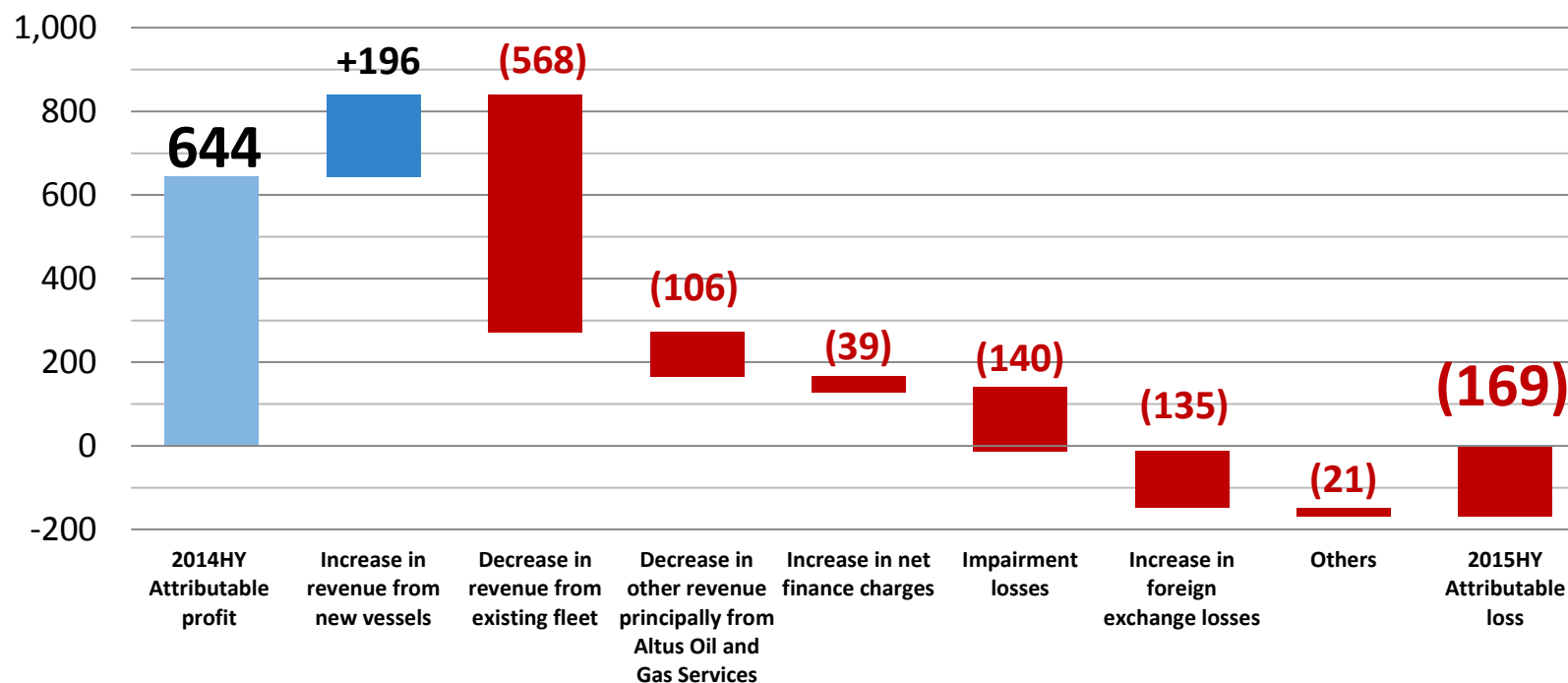




## SPO – Movement in Attributable Profit

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HK\$M





## SPO Capital Expenditure

### SPO Fleet Growth

Vessel class	2014	Additions	Disposals	Half-year	Vessels expected to be received in		
		30th June 2015			2015	2016	2017
Anchor Handling Tug Supply Vessels	40	-	-	<b>40</b>	-	-	-
Large Anchor Handling Tug Supply Vessels	23	1	-	<b>24</b>	-	-	-
Platform Supply Vessels	9	2	-	<b>11</b>	2	2	3
Large Platform Supply Vessels	7	1	-	<b>8</b>	-	-	-
Construction and Specialist Vessels	9	-	-	<b>9</b>	-	1	-
<b>Total</b>	<b>88</b>	<b>4</b>	<b>-</b>	<b>92</b>	<b>2</b>	<b>3</b>	<b>3</b>

Note: SPO's fleet includes one PSV and one CSV chartered from external parties.

### Profile of Capital Commitments – at 30th June 2015

(HK\$M)	Expenditure	Forecast period of expenditure				Commitments
	Six months ended 30th Jun 2015	Six months ending 31st Dec 2015	2016	2017	2018	at 30th Jun 2015
Anchor Handling Tug Supply Vessels and Platform Supply Vessels	<b>903</b>	584	805	950	-	<b>2,339</b>
Construction and Specialist Vessels	<b>64</b>	79	139	4	-	<b>222</b>
Other fixed assets	<b>30</b>	122	148	15	6	<b>291</b>
<b>Total</b>	<b>997</b>	<b>785</b>	<b>1,092</b>	<b>969</b>	<b>6</b>	<b>2,852</b>

## Prospects

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Property

Aviation

Beverages

**Marine  
Services**Trading &  
Industrial

### Opportunities

- SPO's fleet replacement program has reduced the average age and increased the specification of its fleet. This is expected to continue to enable SPO to compete effectively for offshore contracts and increase market share.

### Challenges

- The oil price is expected to remain low and this will continue to put pressure on oil and gas companies to defer projects and cut costs.
- The oversupply of offshore vessels in the market is a problem and puts further pressure on utilisation and day rates.

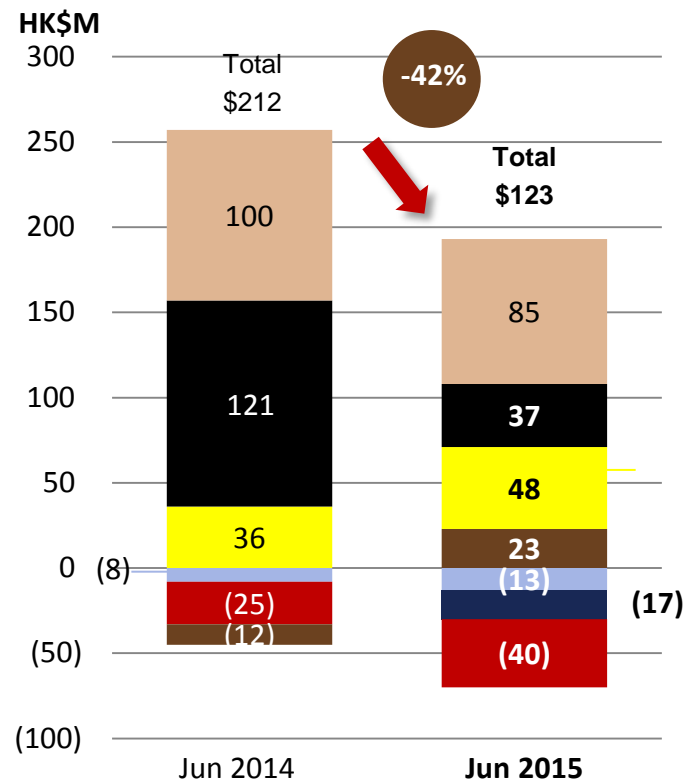
# Trading & Industrial



# Results Highlights

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## Attributable Profit



- Akzo Nobel Swire Paints
- Taikoo Motors group
- Swire Retail group
- Swire Foods group
- Swire Pacific Cold Storage group
- Swire Sustainable Business group
- Other activities

## Key Highlights

### Taikoo Motors group

Profits fell significantly at Taikoo Motors, following the termination of the VW importership business at the end of 2014.

### Akzo Nobel Swire Paints

An unfavourable sales mix and lower average selling prices resulted in lower attributable profits at Akzo Nobel Swire Paints.

### Swire Foods group

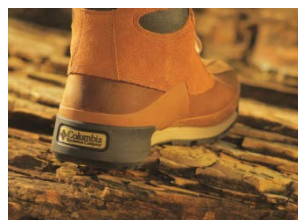
Swire Foods benefitted from the inclusion of the results of Qinyuan Bakery, which was acquired in December 2014. This business contributed an attributable profit of HK\$22m.

### Swire Retail group

Sales rose in Hong Kong and Mainland China but were offset by higher operating costs. Overall attributable profits increased due to higher profits at the Columbia China associated company.

### Swire Pacific Cold Storage group

Swire Pacific Cold Storage recorded a higher loss, principally due to the operating costs of the newly opened cold stores and costs associated with opening new cold stores.



## Prospects

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Property

Aviation

Beverages

Marine  
Services

**Trading &  
Industrial**

### Opportunities

- Following the termination of its importership business, TMG continues to transform into a multi-brand dealership business, supported by new investments in Mercedes-Benz and Audi, and related ancillary businesses.
- Swire Foods is investing in new production facilities at Qinyuan Bakery and Taikoo Sugar to help reduce costs and provide new products.
- Akzo Nobel Swire Paints is investing in its distribution network and production facilities in Mainland China.

### Challenges

- Occupancy and salary costs continue to rise in Hong Kong notwithstanding relatively weak retail demand.





## Outlook & Strategic Priorities

John Slosar, Chairman

## Outlook & Strategic Priorities

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### Outlook:

- Overall outlook for 2H 15 is positive.
- Principal favourable factors are good results from Swire Properties, better overall results from the Cathay Pacific group and profits from the sale of units at OPUS HONG KONG.
- SPO is expected to remain weak as the oil price remains low.
- In the medium-term significant investments in new property projects will come to fruition and investment in new and existing territories will come online in the Beverages Division.

### Strategic priorities

- Allocation of capital to businesses where we believe we can earn returns in excess of our cost of capital continues to be principal strategic objective.
- Dividend policy continues to be to pay out 50% of underlying earnings over the economic cycle.



## Appendix







# Corporate Structure

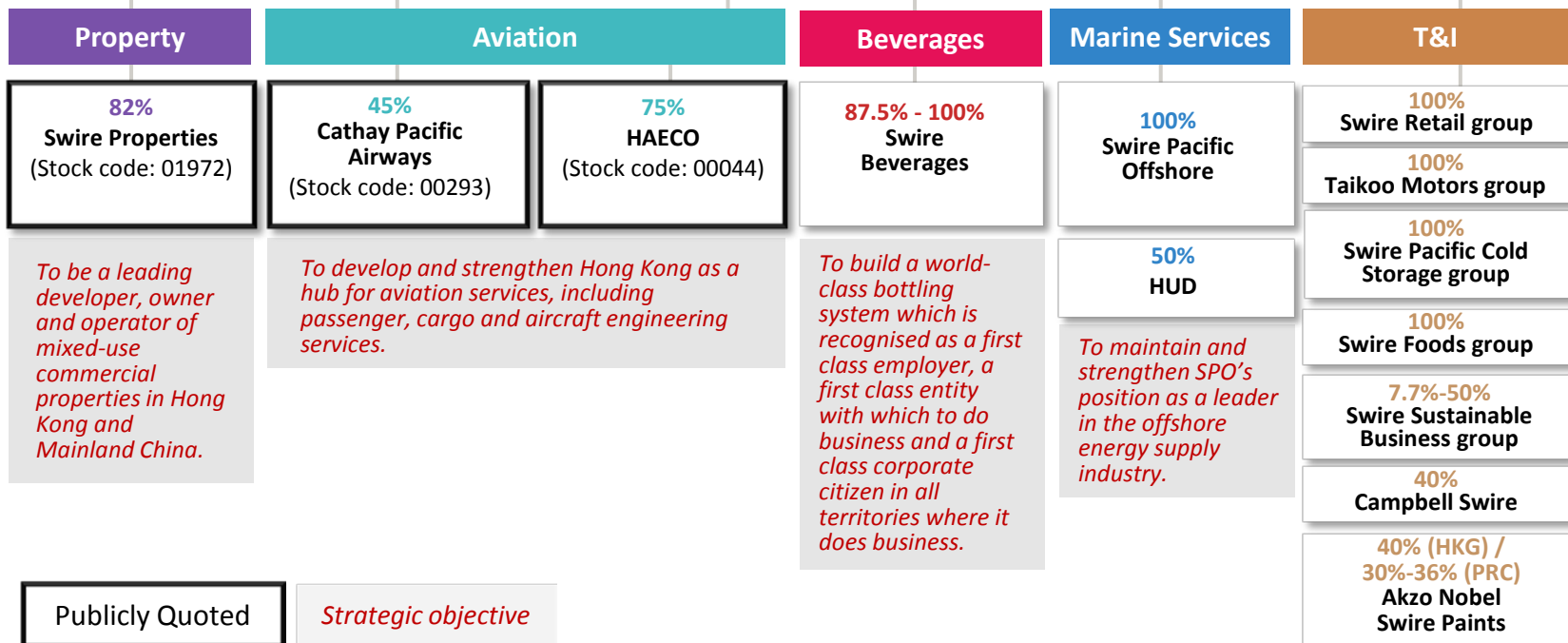
At 30th June 2015

41

**Swire Pacific Limited**  
(‘A’ shares: 00019; ‘B’ shares: 00087)

*Sustainable growth in shareholder value over the long term*

<b>Attributable Profit:</b> <b>HK\$7,977m</b>  +23%	<b>Underlying Profit:</b>  <b>HK\$4,833m</b> +12%	<b>Earnings per ‘A’ share :</b>  <b>HK\$5.30</b> +23%	<b>Equity attributable to the Company’s shareholders per ‘A’ share:</b>  <b>HK\$148.01</b> +0.4%
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*To develop and strengthen the trading and industrial businesses which it operates.*

Publicly Quoted

*Strategic objective*

# Corporate Structure

At 30th June 2015

## Swire Pacific Limited

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### Property

#### Investment Properties

##### Hong Kong

- Pacific Place
- Taikoo Place
- Citygate

##### Mainland China

- Taikoo Li Sanlitun
- INDIGO
- TaiKoo Hui
- Daci Temple

#### Future Developments

##### Hong Kong

- Kowloon Bay Commercial Site
- ##### Mainland China
- HKRI Taikoo Hui
- ##### USA
- Brickell City Centre

#### Hotels

##### Hong Kong

- The Upper House
- EAST Hong Kong

##### Mainland China

- The Opposite House
- EAST, Beijing
- The Mandarin Oriental, Guangzhou

##### USA

- Mandarin Oriental, Miami
- UK
- Brighton, Bristol, Cheltenham and Exeter

#### Property Trading

##### Hong Kong

- AZURA
  - ARGENTA
  - AREZZO
  - WHITESANDS
  - MOUNT PARKER RESIDENCES
- ##### USA - Miami
- Reach & Rise

### Aviation

#### Cathay Pacific group

##### Airlines

- Cathay Pacific
- Dragonair
- Air Hong Kong (60%)
- Air China (20%)

##### Cargo Terminal

- Cathay Pacific Services

##### Other Operations

- Cathay Pacific Catering Services
- Hong Kong Airport Services

No. of Aircraft: 202

#### HAECO group



- HAECO Hong Kong
- HAECO Americas
- HAECO Xiamen (58.6%)
- HAESL and SAESL (45% and 9%)
- TEXTL (67.6%)

### Beverages

#### Swire Beverages

Has the right to manufacture, market and distribute products of The Coca-Cola Company



##### Hong Kong

No. of Bottling Plants: 1

##### Mainland China

No. of Bottling Plants: 11

##### Taiwan

No. of Bottling Plants: 2

##### USA

No. of Bottling Plants: 2

### Marine Services

#### Swire Pacific Offshore

Operates a fleet of offshore support vessels servicing the energy industry in every major offshore production and exploration region outside the USA

No. of Vessels: 92

No. of Vessels on Order: 8



#### HUD group

Ship repair and harbour towage services in Hong Kong

No. of Vessels: 19



### T&I

#### Trading

##### Swire Retail group:

##### ▪ Swire Resources group

Distribution and retailing of footwear, apparel and related accessories in Hong Kong, Macau and Mainland China

##### ▪ Swire Brands group

Investments in brand-owning companies

**Taikoo Motors group** Distribution and retailing of motor vehicles in Taiwan, Hong Kong, Mainland China and Malaysia

#### Industrial

##### Swire Foods group:

##### ▪ Taikoo Sugar

Packaging and selling sugar and other products in Hong Kong and Mainland China

##### ▪ Campbell Swire

A joint venture with The Campbell Soup Company. Distributes soup and broth products in Mainland China

##### ▪ Swire Foods

A 65% interest in Qinyuan Bakery

##### Swire Pacific Cold Storage group

Provision of cold storage and warehousing services in Mainland China

**Akzo Nobel Swire Paints** Manufacture and distribution of paint in Hong Kong and Mainland China

##### Swire Sustainable Business group:

##### ▪ Swire Waste Management

Provision of waste management services in Hong Kong

##### ▪ Swire Sustainability Fund

Investment in early-stage companies developing technologies

## Financial Summary

### Profit Bridge

	Jun 14 HK\$M	Jun 15 HK\$M
<b>Attributable profit</b>	6,484	<b>7,977</b>
Less: adjustments in respect of investment properties	(2,154)	<b>(3,144)</b>
<b>Underlying profit attributable to the Company's shareholders</b>	4,330	<b>4,833</b>
Other significant items:		
Loss on sale of property, plant and equipment and other investments	2	<b>43</b>
Profit on sales of investment properties	(15)	<b>(537)</b>
Net impairment of property, plant and equipment, leasehold land and intangible assets	153	<b>154</b>
<b>Adjusted underlying profit</b>	4,470	<b>4,493</b>

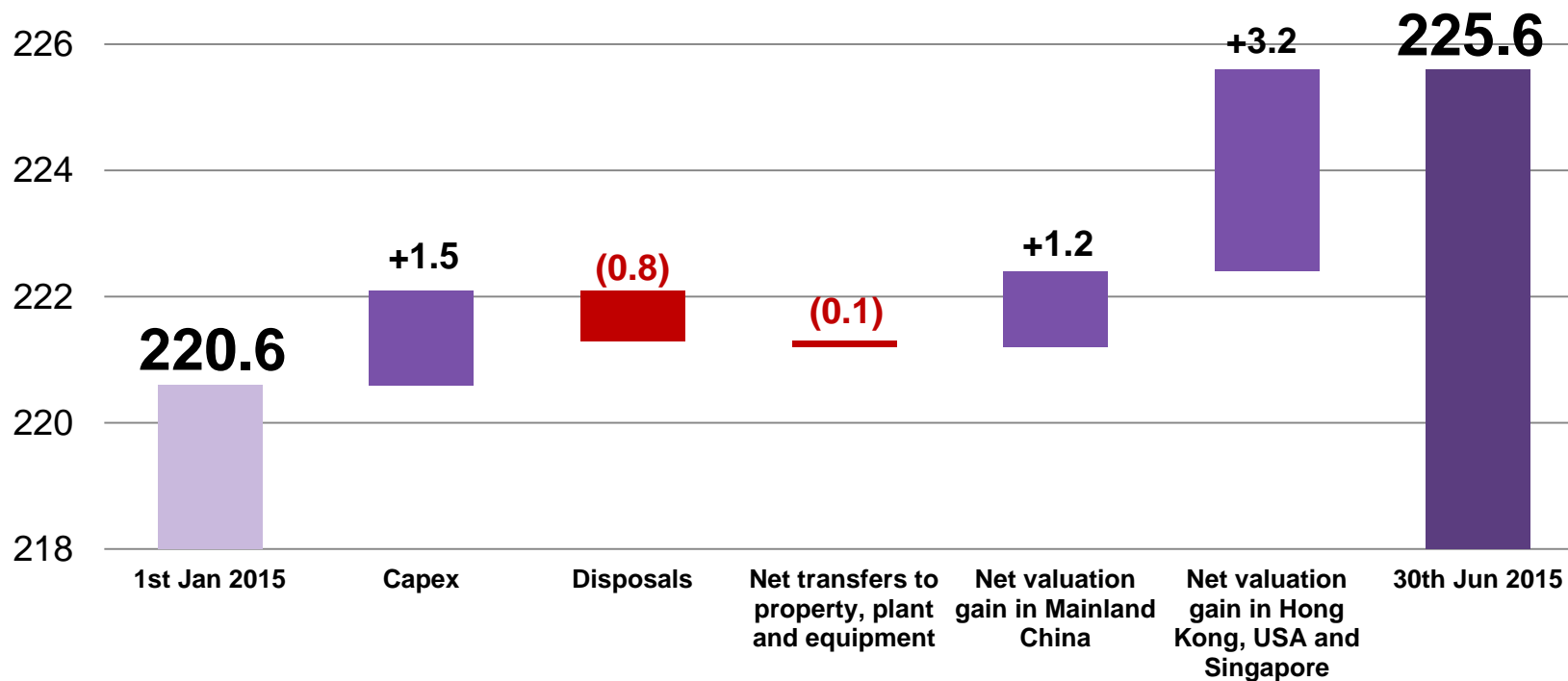
Primarily on sale of two units at OPUS HONG KONG.

SPO recorded an impairment charge of HK\$140m from the cancellation of contracts with a Brazilian shipyard for the construction of four large PSVs.

## Movement in Investment Properties

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HK\$Bn



- Revaluation gains of HK\$4.4Bn in the first half of 2015 (excluding the Group's share of revaluation movements of joint venture and associated companies).
- The increase in the valuation of the investment property portfolio principally reflects improved rental rates for the Hong Kong and Mainland China portfolio.



2015 Interim Results

Analyst Briefing

Sustainable Growth Through Diversified Operations

20th August 2015 | Hong Kong