

**For Immediate Release**
**Swire Properties Announces 2015 Annual Results**

	Note	2015 HK\$M	2014 HK\$M	Change
<b>Results</b>				
<b>For the year</b>				
Revenue		<b>16,447</b>	15,387	+6.9%
Operating profit		<b>16,207</b>	10,992	+47.4%
Profit attributable to the Company's shareholders				
Underlying	(a),(b)	<b>7,078</b>	7,152	-1.0%
Reported		<b>14,072</b>	9,516	+47.9%
Cash generated from operations		<b>10,616</b>	10,724	-1.0%
Net cash inflow before financing		<b>3,745</b>	2,881	+30.0%
		<b>HK\$</b>	<b>HK\$</b>	
Earnings per share				
Underlying	(c)	<b>1.21</b>	1.22	-0.8%
Reported	(c)	<b>2.41</b>	1.63	+47.9%
		<b>HK\$</b>	<b>HK\$</b>	
Dividends per share				
First interim		<b>0.23</b>	0.22	+4.5%
Second interim		<b>0.48</b>	0.44	+9.1%
		<b>HK\$M</b>	<b>HK\$M</b>	
Financial Position				
At 31st December				
Total equity (including non-controlling interests)		<b>217,949</b>	208,547	+4.5%
Net debt		<b>33,348</b>	34,071	-2.1%
Gearing ratio	(a)	<b>15.3%</b>	16.3%	-1.0%pt.
		<b>HK\$</b>	<b>HK\$</b>	
Equity attributable to the Company's shareholders per share	(a)	<b>36.97</b>	35.50	+4.1%

**Notes:**

- (a) Refer to glossary on page 57 of the announcement of 2015 Final Results of Swire Properties Limited dated 10 March 2016 (the "Results Announcement") for definition.
- (b) A reconciliation between reported profit and underlying profit attributable to the Company's shareholders is provided on page 6 of the Results Announcement.
- (c) Refer to Note 9 in the financial statements in the Results Announcement for the weighted average number of shares.

<b>Underlying profit/(loss) by segment</b>	<b>2015 HK\$M</b>	<b>2014 HK\$M</b>
Property investment	<b>6,274</b>	6,074
Property trading	<b>1,107</b>	1,049
Hotels <sup>(1)</sup>	<b>(303)</b>	29
	<b>7,078</b>	7,152

- (1) Including a loss of HK\$229 million on disposal of four hotels in the U.K. in 2015

**10 March 2016, Hong Kong** - Swire Properties Limited today announced its annual results for 2015. Underlying profit attributable to shareholders, which principally adjusts for changes in the valuation of investment properties, decreased by HK\$74 million from HK\$7,152 million in 2014 to HK\$7,078 million in 2015. The Directors have declared a second interim dividend of HK¢48 (2014: HK¢44) per share which, together with the first interim dividend of HK¢23 per share paid in October 2015, amounts to full year dividends of HK¢71 (2014: HK¢66) per share.

Adjusted so as to exclude a loss of HK\$229 million on disposal of four hotels in the U.K., underlying profit increased to HK\$7,307 million in 2015 from HK\$7,152 million in 2014. The increase principally reflects good performances from the office portfolio in Hong Kong and from the retail portfolio in Mainland China. The underlying profit from property investment increased by 3%. There were higher profits from property trading, reflecting the sale of luxury residential properties in Hong Kong and the sale of offices in Mainland China. The hotel results were adversely affected by the loss on disposal referred to above and pre-opening costs at hotels in Chengdu in Mainland China and in Miami in the U.S.A.

Gross rental income was HK\$10,716 million in 2015 compared to HK\$10,320 million in 2014. Rental income increased both in Hong Kong and Mainland China, as rental reversions were generally positive. In Hong Kong, office occupancy levels were firm. Retail sales in Hong Kong were adversely affected by reduced spending by tourists. In Mainland China, retail sales of luxury goods were weak. However, sales in our retail portfolios increased and demand for our retail space was firm.

Operating profit from property trading increased in 2015, principally because of the completion of the sale of the majority of the units at the AREZZO development in Hong Kong.

In April 2015, Swire Properties and Sino-Ocean Land formally opened their joint-venture retail complex Sino-Ocean Taikoo Li Chengdu, which has an aggregate gross floor area (“GFA”) of more than 1,248,000 square feet.

In April 2015, Swire Properties, Bal Harbour Shops and Simon Property Group agreed to develop the retail component of Brickell City Centre in Miami, U.S.A.. Under the agreement, Swire Properties will remain the primary developer of Brickell City Centre. At 31st December, 2015, the retail component was owned 61.5% by Swire Properties, 25% by Simon Property Group and 13.5% by Bal Harbour Shops.

In May 2015, Swire Properties entered into a joint venture with China Motor Bus Company, Limited (“CMB”). The joint venture was formed to acquire, subject to conditions (including the agreement of a land premium with the Hong Kong Government), a plot of land in Chai Wan, Hong Kong. The land, together with some adjoining land, is intended to be redeveloped as a residential development. The proposed development is expected to have an aggregate GFA of approximately 692,000 square feet. The joint venture is 80% held by Swire Properties and 20% held by CMB.

In July 2015, a framework agreement was entered into with a subsidiary of Shanghai Lujiazui Finance & Trade Zone Development Co., Ltd. signifying the parties' intention to develop jointly a retail project with an aggregate GFA of approximately 1,330,000 square feet in Qiantan, Pudong New District in Shanghai. Entry into the proposed joint venture and undertaking the project are subject to certain conditions precedent. If the joint venture is formed, it is expected that Swire Properties will have a 50% interest in the project.

In July 2015, the Temple House was opened at Sino-Ocean Taikoo Li Chengdu. The Temple House is the third of Swire Hotels' House Collective to be opened. It has 100 rooms and 42 serviced apartments.

In August 2015, Swire Properties opened Taikoo Place Apartments in Quarry Bay, Hong Kong. There are 111 serviced apartments with an aggregate GFA of approximately 63,000 square feet in this development.

In September 2015, Swire Properties started to sell houses in its WHITESANDS residential development on Lantau Island, Hong Kong. The development comprises 28 detached houses with an aggregate GFA of 64,410 square feet.

In March 2016, Swire Properties opened the first of two office towers in Phase I of the Brickell City Centre development in Miami, U.S.A.

In his published statement about the results for 2015, John Slosar, Chairman of Swire Properties said this about prospects,

"In Hong Kong, demand for office space improved in 2015. In 2016, high occupancy and limited supply will put upward pressure on rents in Central despite a slowdown in demand for office space by Mainland Chinese entities. High occupancy is expected to result in rents in Taikoo Place and Cityplaza being reasonably resilient despite increased supply in Kowloon East and other districts. In Guangzhou, office rents are expected to be stable in 2016 despite a substantial supply of new office space. In Beijing, office rents are expected to weaken in 2016 as substantial amounts of new office space become available and demand falls.

Demand for retail space in Hong Kong is expected generally to weaken in 2016. But there is growth in demand for quality space from tenants engaged in successful businesses. Overall retail sales are expected to grow modestly in Guangzhou and Beijing and steadily in Chengdu.

In Hong Kong, buyers of property have become more cautious in the light of expected interest rate increases and general economic uncertainties. Trading profits are expected to be recognised in 2016 from the sales of the remaining units at the Hong Kong developments and from the sales of units at the Reach and Rise developments in Miami.

Trading conditions for our hotels in Hong Kong and Mainland China are expected to be challenging in 2016."

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## **About Swire Properties**

Swire Properties develops and manages commercial, retail, hotel and residential properties, with a particular focus on mixed-use developments in prime locations at major mass transportation intersections. Swire Properties is listed on the Main Board of the Stock Exchange of Hong Kong and its investment portfolio in Hong Kong comprises Taikoo Place, Cityplaza and Pacific Place as its core holdings. In addition to Hong Kong, the Company has investments in Mainland China, the United States and Singapore.

Visit Swire Properties' website at [www.swireproperties.com](http://www.swireproperties.com).

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