

For Immediate Release
Swire Properties Announces 2013 Interim Results

Results	Six months ended 30th June		Change
	2013 HK\$M	2012 HK\$M Restated	
Turnover	5,754	4,907	+17.3%
Gains on revaluation of investment properties	4,068	7,103	-42.7%
Profit attributable to Company's shareholders			
Underlying ⁽¹⁾	2,812	2,435	+15.5%
Reported	6,952	9,854	-29.4%
	HK\$	HK\$	Change
Earnings per share			
Underlying ⁽¹⁾	0.48	0.42	+14.3%
Reported	1.19	1.68	-29.2%
	HK\$	HK\$	Change
Dividends per share			
First interim	0.20	0.22	-9.1%
	HK\$	HK\$	Change
	30th June 2013	31st December 2012 Restated	Change
Financial Position			
Net debt (HK\$M)	28,976	28,921	+0.2%
Gearing Ratio	14.6%	15.0%	-0.4%pts
Net asset value per share ⁽²⁾ (HK\$)	33.77	32.89	+2.7%

(1) Underlying profit adjusts principally for the impact of changes in the fair value of investment properties and for deferred tax on investment properties.

(2) Net asset value refers to total equity attributable to the Company's shareholders.

(3) Swire Properties has implemented the revised HKAS19: Employee Benefits (effective from 1st January 2013), which requires retrospective application. As a result, the 2012 comparative results have been restated. In this connection, underlying and reported profit for the six months ended 30th June 2012 have been reduced by HK\$8 million and underlying and reported equity as at 31st December 2012 have been reduced by HK\$180 million.

15 August 2013, Hong Kong - Swire Properties Limited today announced underlying profit increased from HK\$2,435 million in the first half of 2012 to HK\$2,812 million in the first half of 2013. The Directors have declared a first interim dividend of HK¢20 (2012: HK¢22) per share for the period ended 30th June 2013.

Gross rental income from the Group's Hong Kong office portfolio in the first half of 2013 increased by 5% over that of the first half of 2012 to HK\$2,481 million, reflecting positive rental reversions. As at 30th June 2013, the Hong Kong office portfolio was 98% let.

Gross rental income from the Group's retail portfolio in Hong Kong was HK\$1,277 million in the first half of 2013, an increase of 7% from that of the first half of 2012. Occupancy levels at the Group's malls were effectively 100% during the period.

Gross rental income from the Group's investment portfolio in Mainland China was HK\$784 million in the first half of 2013, HK\$132 million higher than that of the first half of 2012, reflecting improved rental performances at TaiKoo Hui in Guangzhou and Taikoo Li Sanlitun in Beijing as both developments benefited from increased footfall and consequently increased sales.

Property trading recorded an operating profit of HK\$278 million in the first half of 2013, compared to an operating loss of HK\$18 million in the first half of 2012. This was largely due to profits from the sales of 12 units at AZURA in Hong Kong. One unit at ARGENTA was pre-sold in the first half of 2013, bringing the total number of pre-sold units to seven units. Handover to purchasers is due to commence shortly. 21 of the 53 units at DUNBAR PLACE have been pre-sold, with handover to purchasers scheduled for the first half of 2014.

The performance of the hotel portfolio deteriorated, due to operating losses at the hotels in Mainland China.

In April 2013, pre-sales of apartments at DUNBAR PLACE, a residential development in Ho Man Tin, Kowloon, commenced. These were the first pre-sales of apartments in a new residential development in Hong Kong following the coming into force of the Residential Properties (First-hand Sales) Ordinance in April 2013.

In July 2013, Swire Properties acquired a plot of land adjacent to the Brickell CityCentre development in Miami, Florida, U.S.A.

In August 2013, a substantial portion of Pinnacle One, the office tower at the Daci Temple Project in Chengdu in Mainland China, was pre-sold. The tower is scheduled for handover in 2014.

Swire Properties is establishing a representative office in Jakarta, Indonesia. The office is expected to open in the second half of 2013.

Swire Properties' Chairman Christopher Pratt commented on the Company's prospects: "Demand for the Group's office space in Hong Kong is likely to be affected by continued market weakness, particularly in the Central district of Hong Kong. At Island East, rents are expected to remain robust due to high occupancy. Despite caution from some retailers, demand for retail space at prime locations and well managed malls continues to be strong and rents are expected to increase, albeit at a more moderate pace than hitherto.

In Mainland China, retail sales are expected to remain firm with particularly strong growth in Guangzhou. Demand for office space in Guangzhou is likely to remain weak due to oversupply."

He added: "Demand for luxury residential properties in Hong Kong is expected to remain weak following the imposition of higher levels of stamp duties. In the second half of 2013, property trading profits are expected to arise on the completion of sales of seven pre-sold units at ARGENTA and on any further sales of unsold units at the completed developments.

Trading conditions in the second half of 2013 for the Group's hotels in Mainland China are expected to be difficult due to weak demand and increasing supply."

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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. Listed on the Main Board of the Stock Exchange of Hong Kong, the Company's investment portfolio in Hong Kong comprises Island East and Pacific Place as its core holdings. In addition to Hong Kong, the Company has investments in Mainland China, the United States, Singapore and the United Kingdom. Visit Swire Properties' website at www.swireproperties.com.

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