

**For Immediate Release**

## Swire Properties Announces 2014 Interim Results

	<i>Note</i>	Six months ended 30th June		Change
		2014 HK\$M	2013 HK\$M	
<b>Results</b>				
Turnover		<b>8,338</b>	5,754	+44.9%
Operating profit		<b>7,103</b>	7,843	-9.4%
Profit attributable to the Company's shareholders				
Underlying	<i>(a), (b)</i>	<b>3,775</b>	2,812	+34.2%
Reported		<b>6,461</b>	6,952	-7.1%
Cash generated from operations		<b>5,618</b>	4,528	+24.1%
Net cash inflow before financing		<b>1,468</b>	2,298	-36.1%
		<b>HK\$</b>	HK\$	
<b>Earnings per share</b>				
Underlying	<i>(c)</i>	<b>0.65</b>	0.48	+35.4%
Reported	<i>(c)</i>	<b>1.10</b>	1.19	-7.6%
<b>Dividends per share</b>				
First interim		<b>0.22</b>	0.20	+10.0%
		<b>30th June 2014 HK\$M</b>	31st December 2013 HK\$M	Change
<b>Financial Position</b>				
Total equity (including non-controlling interests)		<b>206,790</b>	203,150	+1.8%
Net debt		<b>33,900</b>	32,014	+5.9%
Gearing ratio	<i>(a)</i>	<b>16.4%</b>	15.8%	+0.6%pt.
		<b>HK\$</b>	HK\$	
<b>Equity attributable to the Company's shareholders per share</b>				
Underlying	<i>(a), (b)</i>	<b>36.62</b>	35.88	+2.1%
Reported	<i>(a)</i>	<b>35.21</b>	34.59	+1.8%

**Notes:**

- (a) Refer to glossary on page 59 of the announcement of 2014 Interim Results of Swire Properties Limited dated 14 August 2014 (the "Results Announcement") for definition.
- (b) A reconciliation between reported profit and underlying profit, and reported equity and underlying equity attributable to the Company's shareholders is provided on page 6 of the Results Announcement.
- (c) Refer to Note 11 in the accounts in the Results Announcement for the weighted average number of shares.

**14 August 2014, Hong Kong** - Swire Properties Limited today announced its interim results for 2014. Underlying profit attributable to shareholders, which principally adjusts for changes in the valuation of investment properties, increased by HK\$963 million from HK\$2,812 million in the first half of 2013 to HK\$3,775 million in the first half of 2014. The increase was mainly attributable to higher profits from property trading in Hong Kong and positive rental reversions from the investment property portfolio. The Directors have declared a first interim dividend of HK¢22 (2013: HK¢20) per share for the period ended 30th June 2014.

Gross rental income amounted to HK\$5,045 million in the first half of 2014 compared with HK\$4,711 million in the first half of 2013, the increase principally reflecting positive rental reversions from office and retail properties in Hong Kong. In Mainland China, gross rental income from TaiKoo Hui and Taikoo Li Sanlitun benefited from positive rental reversions and higher retail sales.

Property trading recorded an operating profit of HK\$807 million in the first half of 2014, compared to an operating profit of HK\$278 million in the first half of 2013. This was largely due to profits from the sales of 57 units at MOUNT PARKER RESIDENCES and nine units at ARGENTA in Hong Kong. Sales of apartments at MOUNT PARKER RESIDENCES in Quarry Bay in Hong Kong began in March 2014 and 73 of the 92 units had been sold at 12th August 2014. Profits were also recognised on the sales of 45 units at our 50%-owned DUNBAR PLACE residential joint venture development in Hong Kong.

The performance of the hotel portfolio improved, particularly in Mainland China, where our hotels in Beijing and Guangzhou recorded higher occupancies and improved room rates in spite of increased supply.

In his published statement about the interim results for 2014, John Slosar, Chairman of Swire Properties said this about prospects: "Demand for Swire Properties' office space in Hong Kong is expected to show further improvement with modest additional demand for office space in the central district and continued firm rental levels on renewals at Island East.

The fall in retail sales in Hong Kong has resulted in retailers becoming more cautious. However, this is not expected to have a significant adverse effect on Swire Properties' retail properties in Hong Kong, which remain fully let.

In Mainland China, retail sales in our shopping malls in Beijing and Guangzhou are expected to record continued strong growth in the second half of 2014. Demand for decentralised office space in Beijing remains good reflecting rental increases in the city's central business district. In Guangzhou, there is demand for prime office space in Tianhe central business district. Nevertheless, the supply of new office space in the city is expected to be substantial over the coming years."

Mr Slosar added: "Demand for luxury residential properties in Hong Kong has picked up over the last three months, a trend that is likely to continue into the second half. In the second half of 2014, property trading profits are expected to be recognised on sales of units at the MOUNT PARKER RESIDENCES, AZURA, ARGENTA

and DUNBAR PLACE developments in Hong Kong and on the sale of the office portion of the Daci Temple development in Chengdu, Mainland China.

The performance of the hotels in Hong Kong is expected to be stable in the second half of 2014. Trading conditions for our hotels in Mainland China are expected to continue to improve.”

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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 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](http://www.swireproperties.com).

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