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Miramar Group Announces 2010 Annual Results
Miramar Group Captured Opportunities Against a Backdrop of Robust Economic Development
and Achieved Satisfactory Results

Miramar Hotel and Investment Company, Limited (Hong Kong Stock Code: 71,"the Group") announced today the annual results for the financial year ended 31 December 2010.

Key Financial Results

- For the twelve months ended 31 December 2010, the Group's turnover amounted to approximately HK\$2,112,000,000 (due to a change to the financial year end date, the last reporting period only covered nine months ended 31 December 2009. Turnover for the 2009 Reporting Period: HK\$1,303,000,000).
- Underlying profit attributable to shareholders for the twelve months ended 31 December 2010, after adjusting for the net increase in the fair value of the investment properties was HK\$378,000,000 (for the nine months ended 31 December 2009: HK\$152,000,000). Underlying profit per share was Hong Kong 65 cents (for the nine months ended 31 December 2009: Hong Kong 26 cents).
- Profit attributable to shareholders amounted to approximately HK\$784,000,000 (for the nine months ended 31 December 2009: HK\$260,000,000).
- Earning per share was Hong Kong 136 cents. Final dividend per share was Hong Kong 22 cents while interim and final dividend per share totalled Hong Kong 37 cents.

Key Developments

- The Mira Hong Kong recorded significant growth in both occupancy rate and average room rate compared with the 2009 Reporting Period, with operating profit amounting to approximately HK\$120,000,000. The shopping centre located in The Mira Hong Kong underwent a refurbishment during the Reporting Year., The complex is expected to provide an additional area of approximately 90,000 sq. ft upon completion. Following the refurbishment, the complex will attract more renowned brands and will be able to command higher rental return.
- The Group's property rental business grew steadily during the Reporting Year, registering a turnover of approximately HK\$480,000,000. The Group carried out a series of refurbishment work at Miramar Shopping Centre and Miramar Tower, so as to attract more quality tenants to enhance assets value. The undertaking is set to further ramp up the Group's business performance. During the year, the Group also proactively optimized the investment property portfolio and strived to unlock the growth potential in the future.
- During the Reporting Year, the Group overcame various challenges and achieved remarkable results for the food and beverage business. The Group has also won a number of local and international awards, which demonstrated the success of the strategy to reinforce the Group's leading position in the high-end food and beverage market.
- The Group's travel business was benefited from the blooming Asian tourism market amidst the favourable economic environment and positive market sentiments in the region. Turnover and profit of this business segment showed double-digit growth, reaching approximately HK\$980,000,000.

In 2010, the economic landscape in Hong Kong continued to improve, expediting the development of property-related business, the travel sector, the food and beverage business and the hotel industry in Asia. According to statistics compiled by the Hong Kong Tourism Board, visitor arrivals in 2010 surged 21.8% year-on-year to a historic high of 36 million. Visitor spending during the year of 2010 also reached a new height, surging 30.5% and was estimated at HK\$212.6 billion in total.

Commenting on the Group's results, Mr Lee Ka Shing, Managing Director of the Group, said, "The local property market, the tourism sector, the food and beverage industry and consumption-related industries benefited from the continuous improvement of Hong Kong's economic environment, and their growth momentum gradually gathered strength. Meanwhile, the gradual completion of the renovation and refurbishment work in hotel, shopping centre and office tower is set to enhance the image of the respective projects, increase rental income, and also drive the long term growth of hotel and related business."

"Leveraging our healthy financial position, seasoned management and solid hotel and property rental business in Hong Kong, we are confident that our core business will continue to see steady and long-term growth in profit and enable us to reward our shareholders with fruitful returns."

Hotel ownership and Hotel Management business

The travel and tourism industry in Asia has grown remarkably amid the improving economic environment. During the Reporting Year, occupancy rate and average room rate of The Mira Hong Kong increased significantly. In particular, the occupancy rate grew from 58% in 2009 Reporting Period to 80%, representing an increase of 22 percentage points. The average room rate was up 26%.

During the Reporting Year, The Mira Hong Kong achieved remarkable success in terms of its food and beverage operations. Several restaurants within the hotel received a host of local and international accolades. Cuisine Cuisine at The Mira received two Michelin stars in the Michelin Hong Kong and Macau Guide 2011. Yamm was named the U Favorite Buffet in the U Favorite Awards 2009-2010 organized by U Magazine. It was also included as one of the Best Hotel Buffet Restaurants of the OpenRice Best Restaurant Awards 2010 organized by OpenRice.com. Whisk has won the coveted title of Newly Selected Restaurant in the Michelin Hong Kong and Macau Guide 2010. And Vibes was selected as one of the Best New Alfresco Bars 2010 by Luxetasy, in recognition of its innovative design and delectable menu.

The Group continued to perform well by leveraging its reputable hotel brand image, distinguished service, supreme quality and extensive experience in hotel management and operation. The Mira achieved a turnaround during the Reporting Year. EBITA (earnings before interest, taxes, depreciation and amortization) reached approximately HK\$120 million, compared with a loss of HK\$12 million recorded in 2009 Reporting Period.

Property rental business

The Group owns a sound property portfolio, comprising retail shops in shopping centre and office tower, which generate long-term and stable income. During the Reporting Year, rental income derived from Miramar Shopping Centre and Miramar Tower remained as the major income contributor. The average occupancy rate of Miramar Shopping Centre for the Reporting Year was in line with that of the 2009 Reporting Period, and the average unit rate decreased slightly by 2%. The refurbishment work in Basement One was completed on schedule in the second quarter of 2010. As at the end of 2010, occupancy rate of Miramar Shopping Centre exceeded 95%.

The average occupancy rate of Miramar Tower for the Reporting Year was similar to that of the Reporting Period in 2009 and the average unit rate dropped by about 5%. This was mainly due to the increase in office space supply in the district. In order to strengthen the competitiveness and attractiveness of Miramar Tower, the Group slightly reduced the average unit rate. As at the end of 2010, occupancy rate at Miramar Tower was nearly 100%, which demonstrated the effectiveness of the strategy implemented in a timely manner. To reinforce competitive edge, enhance the image of Miramar Tower as a Grade A office building and speed up assets value appreciation, the Group has undertaken refurbishment work in the public areas of the Tower since May 2010. The work is expected to be completed in early 2011. The shopping centre at The Mira Hong Kong underwent refurbishment that is expected to be completed in mid-2011. The initiative will help fuel rental income growth.

In addition to the existing investment properties, the Group optimized property portfolio and acquired an investment property located at Stanley Main Street, a popular tourist spot in Hong Kong, at a consideration of approximately HK\$64 million.

Food and beverage operations

In 2010, consumer sentiment continued to ameliorate amid the economic rebound in Hong Kong. This, together with the booming travel and tourist business, led to promising development of the food and beverage business. During the Reporting Year, the Group's food and beverage business returned to the growth track and delivered an encouraging performance. The restaurants have also won a number of renowned local and international awards, in recognition of the Group's efforts to develop the high-end luxury food and beverage business. The accolades have effectively reinforced of the Group's leading market position.

During the Reporting Year, restaurants operated by the Group received a host of local and international accolades. Cuisine Cuisine has been recommended by Michelin Hong Kong and Macau Guide 2010. Yunyan Sichuan Restaurant has become one of the featured dining venues in the "Bib Gourmand" section of the Michelin Hong Kong and Macau Guide 2010, Tsui Hang Village Restaurant received the "Gold" honour in Seafood – Fish, Prawns and Crabs Category of "Best of the Best Culinary Awards 2010" and The French Window has been awarded by New York's Hospitality Design Magazine for the 2010 Hospitality Design Awards – Fine Dining Category.

During the Reporting Year, the Group completed the two-month renovation work at Yunyan Sichuan Restaurant and brought its successful brand "Cuisine Cuisine" to the mainland market. The first two Cuisine Cuisine restaurants will launch in Beijing and Wuhan. Design and furnishing work is proceeding well and the restaurants will open in the second quarter of 2011.

In September 2010, the Group joined hands with Green House Food Co. Ltd., a reputable Japanese catering group, to expand the business network of Saboten Tokantsu to reach Hong Kong. Saboten Tonkantsu is a chain restaurant specializing in traditional deep-fried breaded pork cutlet. The first outlet in Hong Kong is set to be launched in the first quarter of 2011 in a prime location of shopping hotspot Causeway Bay. During the Reporting Year, the Group has also entered into a franchise agreement with Hide-Chan Ramen, a popular Japanese ramen restaurant in Hong Kong. The first store is expected to open in March 2011 in Central.

The Group is confident that its food and beverage business in Hong Kong will continue to grow steadily and that it will enjoy greater growth prospects.

Travel business

During the Reporting Year, robust development of the tourism industry in Asia led to substantial growth in the Group's travel business. Double-digit year-on-year growth in revenue and operating net profit were logged. Japan tours, in particular, are most welcomed by the market. As such, the number of Japan tours surged, resulting in over 20% increase in revenue.

The volcanic eruption in Iceland, the airline strikes and snowstorm in Europe toward the end of 2010 had a negative impact on many regions. Nonetheless, the Group's travel business, which focuses on Asia, remained intact by and large. Revenue from commercial ticketing also contributed impressively to the Group's total revenue. During the Reporting Year, the buoyant economic landscape in Asia boosted the growth in business and trade in the region, hence expediting the increase in income from commercial ticketing.

Prospects

To take advantage of the positive trend to further promote growth for the core businesses, the Group secured a hotel management project for a boutique hotel in Wan Chai, which will be operated under the brand name of "The Mira". The Group's outstanding hotel management service further enhanced the brand awareness of "The Mira" and garnered new business opportunities. On the food and beverage business front, the Group will keep an eye on new business opportunities in mainland China, enriching the business portfolio at the same time. The Group commenced apparel retail business in China at the end of 2010 and will foster collaboration with international fashion brands in 2011. By opening exclusive stores in China, the Group will set up our own retail network to generate operating profit in the coming years.

About Miramar Hotel and Investment Company, Limited

Incorporated in 1957 and listed on the Hong Kong Stock Exchange since 1970, Miramar Hotel and Investment Company, Limited is a holding company whose subsidiaries are engaged in core businesses including property investment, property development and sales, hotel ownership and management, food and beverages and travel operations.

To download the entire announcement of the Group's Annual Results ended on 31 March 2009, please visit this link:

http://www.miramar-group.com/en/~media/Files/Group/Investor_Relations/Announcement_Notice/20110316_2010_results_announcement.ashx

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