

[For Immediate Release]

MIRAMAR GROUP
美麗華集團

**Miramar Hotel and Investment Company
Announces 2011 Annual Results**

***Revenue Increased 18% to Approximately HK\$2.5 Billion
Harness Opportunities to Excel in the Future***

| HK\$ Million | For the year ended 31 December | | |
|---|--------------------------------|----------|--------|
| | 2011 | 2010 | Change |
| Turnover | 2,496 | 2,112 | 18% |
| Profit attributable to shareholders | 1,325 | 784 | 69% |
| Underlying earnings per share – basic and diluted | 71 cents | 65 cents | 9% |
| Final dividend per share | 23 cents | 22 cents | 5% |

(Hong Kong – 20 March 2012) Miramar Hotel and Investment Company Limited (“Miramar” or “the Group”, HKSE stock code: 71) announced today the annual results for the financial year ended 31 December 2011.

For the year ended 31 December 2011, the Group’s turnover amounted to approximately HK\$2,496 million, up 18% as compared with 2010. Profit attributable to shareholders amounted to approximately HK\$1,325 million, representing a 69% increase compared with HK\$784 million from 2010. Excluding the net increase in the fair value of our investment properties, underlying profit attributable to shareholders for the year was approximately HK\$411 million (2010: HK\$378 million). Basic underlying earnings per share were HK71 cents (2010: HK\$65 cents), an increase of 9% as compared with 2010. The Board of Directors recommended the payment of a final dividend of HK23 cents per share (2010: HK22 cents), accretive to a full-year payout of HK38 cents per ordinary share (2010: HK37 cents) with the interim dividend of HK15 cents per share.

Regarding the results in 2011, Mr. Lee Ka Shing, Managing Director of the Group, said “Benefited from the continued economic growth of mainland China and other regions in Asia, visitor arrivals hit a record high. Visitor spending also posted continual growth. This helped foster robust development of industry sectors including hotel, food and beverage and retail consumption in Hong Kong. During the year, development of the Group’s core businesses recorded satisfactory performance and overall results grew year-on-year.”

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The Hotel and Hotel Management business segment continued to deliver impressive results, with leverage on the reputable brand image and our meticulous services. Earnings before interest, taxes, depreciation and amortization (“EBITDA”) of The Mira (“The Mira”), the flagship hotel of the Group, rose over 52% to reach HK\$206.5 million. The occupancy rate and average room rate of The Mira continued to increase during the year. Occupancy rate rose from 80% in 2010 to 83% in the year and average room rate posted a growth of 19%, from HK\$1,470 to HK\$1,760.

The Group obtained the hotel management project for a boutique hotel in Wan Chai in 2011. The boutique hotel, which is currently under construction, will be operated under the brand name of “The Mira”. During the year, construction progressed as scheduled and the hotel is expected to commence operation in 2013. The Group believes that the hotel will soon become a popular hotel in the district upon completion with the distinguished brand image of “The Mira” and our well-recognized service quality.

The Group owns a sound property portfolio and has been proactively enhancing asset value, with an aim to lure quality tenants in and boost the growth potential of the property rental business. Upon the completion of renovation programmes, Miramar Shopping Centre (“MSC”) attracted a number of renowned quality brands with its new and dynamic image. The Group also launched different periodic promotion campaigns, which lured more visitors and helped drive the increase in occupancy rate and average unit rate. As at the end of 2011, occupancy rate of MSC was approximately 100% and average unit rate also recorded a mild increase. With more renowned brands and quality enterprises becoming tenants after the completion of the refurbishment work in the 100,000 sq. ft. shopping centre at The Mira, a 15% year-on-year growth in rental income was recorded. Occupancy rate and average unit rate of the property showed an upward trend. The opening of new stores will become another momentum for rental income growth.

As for the Food and Beverage business segment, the Group has newly opened three new restaurants called Hide-Chan Ramen, a popular Japanese Ramen restaurant, Saboten, a traditional Japanese pork cutlet restaurant and Assaggio Trattoria Italiana, an Italian restaurant. These three restaurants attracted overwhelming response from diners with unique menu and delicacies, well-chosen ingredients and premium services. The Group is confident that these new restaurants will further enrich its clientele of the Food and Beverage Business to include customers from different spectrum of the society. In addition, the Group also proactively expands the geographic coverage of the high-end luxury Food and Beverage Business by introducing its successful brand “Cuisine Cuisine” to the mainland China market. The first Cuisine Cuisine is located in the Central Business District of Chaoyang district, Beijing and was opened in September 2011. Varnishing and decoration of the other Cuisine Cuisine in Wuhan was completed and is expected to commence operation in April 2012.

During the year, two Tsui Hang Village restaurants were temporarily closed for renovation. This, together with the write-off of pre-opening expenses of the three new restaurants, resulted in loss for the overall Food and Beverage business. However, with renovation work completed and the two Cuisine Cuisine restaurants commencing operation, the Group expects the Food and Beverage business in Hong Kong and mainland China will gradually improve.

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During the year, the Group’s Travel business witnessed another year of growth. As compared to 2010, turnover of this business segment increased 7% to reach HK\$1,055 million. However, travel

industry around the world was seriously struck by the political instability or natural disasters in certain countries and regions, including the earthquakes in Japan and New Zealand, the flooding in Australia, the nuclear plant explosion in Fukushima, Japan, as well as the political campaign that took place in the Middle East and Africa. Against the backdrop of the abovementioned incidents and natural hazards, EBITDA of the Group's Travel Business slightly dropped to approximately HK\$25 million.

The Group extended its reach to Apparel Retail business at the end of 2010 and became the distributor of DKNY Jeans, a young and energetic brand, in mainland China. At present, the Group owns and operates five DKNY Jeans stores in each of Shanghai and Beijing. In addition, the Group successfully secured and engaged over 20 franchisees to operate DKNY Jeans franchised stores. As at the end of 2011, there were over 40 stores operated by the Group and franchisees. Since this business segment is still in early stage of development, we sustained a negative EBITDA of approximately HK\$4 million during the year. Nevertheless, the Apparel Retail business is gradually picking up alongside with the robust development of the business, and the Group is confident that the business segment will bring contribution in the future.

Looking ahead, the Group expects China and Hong Kong to maintain sound economic growth. This, together with the implementation of a series of initiatives to promote Hong Kong to become a Renminbi offshore centre and to strengthen the position as an international financial and asset management hub, will create enormous business opportunity to the local market.

Mr. Lee concluded: "The Group has been implementing a series of reform measures over the past few years, including carrying out refurbishment and renovation in hotel and other rental properties, enhancing management standard as well as strengthening staff training. As an enterprise with 55 years of history, the Group has now evolved into a corporation spearheaded by a dynamic, vibrant and modern management. The Group is optimistic towards our business prospects. We will strive for capturing arising opportunities and executing business strategies in a timely manner, so as to bolster the performance of existing businesses as well as step up the development of newly-added segments. We are confident that new businesses will soon generate profit return to the Group and our core businesses will continue to offer sustainable yield."

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About Miramar Hotel and Investment Company Limited

Incorporated in 1957 and listed in 1970, Miramar Hotel and Investment Company Limited is a renowned Hong Kong-based company with a diverse business portfolio. Its core businesses include property investment, property development and sales, hotel ownership and management, food and beverages, travel operations and apparel retail business.

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