

MIRAMAR GROUP

Press Release

For Immediate Release

Miramar Hotel and Investment Company, Limited Announces 2014 Annual Results

Miramar Group's turnover exceeds HK\$3.1 billion Sustainable growth recorded

[Hong Kong – 16 March 2015] Miramar Hotel and Investment Company, Limited (“Miramar” or “the Group”, HKSE stock code: 71) announced today the annual results for the year ended 31 December 2014.

<i>HK\$ Million</i>	<i>For the year ended 31 December</i>		
	2014	2013	Change
Turnover	\$3,127	\$3,044	+3%
Underlying profit attributable to shareholders	\$567	\$478	+19%
Basic underlying earnings per share	HK\$0.98	HK\$0.83	+19%
Dividend per share			
Final dividend per share	HK\$0.32	HK\$0.27	+19%
Interim dividend per share	HK\$0.17	HK\$0.17	-

The Group's turnover rose by 3% to approximately HK\$3,127,000,000 for the financial year ended 31 December 2014 (the “Reporting Period”) compared to the financial year ended 31 December 2013 (the “Last Corresponding Period”) (2013: HK\$3,044,000,000). Profit attributable to shareholders increased by 2% year-on-year to approximately HK\$1,301,000,000 (2013: HK\$1,278,000,000). Excluding the net increase in the fair value of the Group's investment properties, underlying profit attributable to shareholders grew by 19% year-on-year to approximately HK\$567,000,000 (2013: HK\$478,000,000). Basic underlying earnings per share rose by 19% year-on-year to HK\$0.98 (2013: HK\$0.83). The Board of Directors recommended the payment of a final dividend of HK 32 cents per share (2013: HK 27 cents),

amounted to a full-year dividend of HK 49 cents per ordinary share (2013: HK44 cents) with an interim dividend of HK17 cents per share (2013: HK17 cents).

Regarding the annual results of 2014, Mr. Lee Ka Shing, Chairman and CEO of Miramar Group, said, “Almost all businesses of the Group achieved an improvement in financial performance as we responded to a challenging business environment with agility during the past 12 months. I am pleased to report that our four core businesses performed well, contributing to overall double-digit growth in profit, which in turn strengthened our position as a sustainable, stylish and highly service-oriented group. Our attention to cost and risk management, together with an embedded culture of customer service, continued to ensure our competitiveness across all businesses.”

Hotel and Serviced Apartment Business

The Hotels and Serviced Apartments business consists of premium hotels, serviced apartments, and hotel management services for top-tier residential properties. EBITDA (earnings before interest, tax, depreciation and amortization) of this business amounted to approximately HK\$244 million, representing a growth of 9% year-on-year.

The Mira Hong Kong – the Group’s flagship design hotel - marked its fifth anniversary with growth in Revenue per Available Room (“RevPav”). At the same time, Mira Moon celebrated its first full year of operations and has gained sustainable business momentum. Both hotels have made a significant contribution to our overall annual results.

During the year, we continued to strengthen our sales, marketing and communications strategies for our hotels, creating compelling offers and services for MICE sectors, boosting direct bookings via our website and adjusting our room rates with flexibility. All these strategies ensure that we remain competitive in the increasingly challenging market.

Property Rental Business

In 2014, despite the generally softened appetite for retail shopping and office leases in prime commercial locations and the on-going renovation work under the Mall Repositioning Program at our properties, the Group’s Property Rental business enjoyed a steady growth. Occupancy rates in our key properties including malls and office tower remained in the high nineties throughout 2014, with revenue growth of 7% year-on-year and EBITDA growth of 7% year-on-year during the Reporting Period.

The three-year Mall Repositioning Program is a testament to the Group's commitment to enhance the value of our core retail portfolio. Commenced in 2014, the program goes beyond hardware renovation to shopping experience enhancement. It further improves the scale of our retail portfolio and the Group's market positioning. By the end of 2014, sections already unveiled included a contemporary Kimberley Road façade and entrance, a new link bridge within the mall and dining floors spanning from 4/F to 6/F named as "FoodLoft".

Our office tower leasing transactions remained steady while enjoying a quality portfolio of tenants of different industries and countries of origin.

Food and Beverage Business

Our Food and Beverage business, with its diverse offerings under Mira Dining Collection, continued to show improved performance. Revenue grew 27% and EBITDA turned profitable at approximately HK\$16 million.

Prudent price and menu adjustments have been made throughout the year to stimulate interest and appeal across a broad range of customer tastes and trends. Each restaurant has continued to provide quality service and deliver value to customers.

School Food brand is the latest addition to our food and beverage portfolio, and demonstrated its ability to be an attractive profit generator. After its initial launch in Times Square, Hong Kong Island in 2013, we opened three additional outlets in high-traffic shopping malls in Kowloon and the New Territories. A second Saboten was also opened in Tsim Sha Tsui. The popular Cantonese brand Tsui Hang Village celebrated its 40th anniversary in 2014 with year-round promotions at all three locations.

In view of the continued increase in operating costs within the food and beverage industry, we will strive to adopt a cost-effective approach, utilize resources and carefully manage costs with a view to increasing our competitiveness.

Travel Business

The Group's Travel business continues to record a steady growth in revenue due to the rise in popularity in the mass cruise and long-haul tours. To maintain our competitive edge, we have embraced new technology and rolled out an active, strongly visual marketing strategy.

Our handy online booking applications and pioneering online video itineraries facilitate customers in selecting their tours and destinations. The number of transactions made via online booking increased significantly in 2014. These user-friendly tools and travel products are highly regarded. To remain at the forefront of a rapidly changing travel industry, we will continue to focus on and invest in technological innovations and development.

Business Outlook

Looking ahead to 2015, uncertainties remain in the global economy. Mainland China, the major market for Hong Kong's tourism industry, has set its 2015 GDP growth rate at 7%, the lowest over the years. In addition, the growth in the number of Mainland China visitors to Hong Kong has slowed down. In the context of this environment, it is anticipated that operators will be under pressure.

Mr. Lee concluded, "With our well-established multi-brand portfolio and an experienced management team, we are confident that we can tackle these challenges. Our core businesses will continue to generate recurrent and stable income. The Group is financially healthy with a strong balance sheet, low gearing and adequate liquidity to meet future needs."

"The Group will continue to closely monitor the market situation and keep an eye on opportunities in its increasingly competitive operating environment. We will continue to build a diversified and comprehensive business portfolio that delivers growing stable income by adhering to prudent business development strategies. "

— End —

About Miramar Hotel and Investment Company, Limited

Established in Hong Kong in 1957, Miramar Hotel and Investment Company, Limited (Miramar Group) is a group with a diversified service-oriented business portfolio comprising stylish hotels and serviced apartments, property rental, food and beverage, and travel services in Hong Kong and Mainland China. Miramar Group has been listed on the Hong Kong Stock Exchange since 1970 (HKEx Stock Code: 71) and is a member of Henderson Land Group.

For further information, please contact:

Carol Hui

Assistant Marketing Manager-Corporate Communications

Group Marketing and Corporate Communications Department, Miramar Group

Tel: (852) 2315 5318 / (852) 6177 7344

Email: carol.hui@miramar-group.com