

MIRAMAR GROUP

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[For Immediate Release]

Miramar Hotel and Investment Company, Limited Announces 2013 Interim Results

Profit attributable to shareholders increased 2% to approximately HK\$680 million

[Hong Kong – 19th August 2013] Miramar Hotel and Investment Company, Limited (“Miramar” or “the Group”, HKSE stock code: 71) announced today the interim results for the six months ended 30 June 2013.

HK\$ Million	For the six months ended 30 June		
	2013	2012	Change
Turnover	1,408	1,526	-8%
Profit attributable to shareholders	680	665	2%
Underlying earnings per share – basic and diluted	41 cents	36 cents	14%
Interim dividend per share	17 cents	16 cents	6%

For the six months ended 30 June 2013 (the “Reporting Period”), the Group’s turnover amounted to approximately HK\$1,408 million representing a decrease of 8% compared to the six months ended 30 June 2012 (the “Last Corresponding Period”). Profit attributable to shareholders amounted to approximately HK\$680 million, up 2% compared to the Last Corresponding Period. Excluding the net increase in fair value of the investment properties, underlying profit attributable to shareholders rose to HK\$237 million. Basic underlying earnings per share were HK\$0.41 representing an increase of 14% compared to the Last Corresponding Period. The Board of Directors recommended payment of an interim dividend of HK17 cents per share.

Regarding the results in the first half of 2013, Mr. Lee Ka Shing, Miramar Group’s CEO, said, “The Group responded constructively to the still fragile global economy by actively strengthening its value propositions. Benefiting from long term leases with loyal tenants, asset enhancement in recent years and improved trade mix, our Property Rental Business generated satisfactory revenue and growth and contributed stable rental income for the Group.”

“Our Travel Business also recorded growth following the recovery of global air travel. Due in part to the slight decline in tourists from the US and Asia, the Group’s flagship hotel The Mira Hong Kong experienced a slightly weaker performance, despite successfully maintaining average room rates.

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“Our Food and Beverage Business recorded a reduced loss following revitalization plans and initiatives to improve operating efficiency in both Hong Kong and China. However, the Group’s Apparel Business in China recorded a deteriorated operating loss during the Reporting Period. Overall, we expect our careful execution of a balanced business strategy and focus on compelling products and services will continue to deliver sustainable growth and reward shareholders with still better returns.”

Property Rental Business

Despite a slowed growth momentum of leasing demand, partly triggered by companies adjusting to a slower economic forecast in China, the Group’s investment property portfolio, which includes Mira Mall, Miramar Shopping Centre and Miramar Tower, continued to be the major profit contributor for the Group in the first six months of 2013.

Continuing to benefit from long-term leases with loyal tenants, the properties’ rent and occupancy rates remained at a healthy level. In the Reporting Period, the offices and retail spaces generated stable rental income with occupancy rates remaining at healthy level.

Asset enhancement, including renovation works and facility refurbishment in recent years, improved trade mix, and regular promotional campaigns continued to bring steady traffic to Miramar Shopping Centre. The Group will undertake a series of asset enhancement programs scheduled to begin in 2014 to maintain an excellent business environment for its tenants and drive rental income for the Group.

Hotel and Serviced Apartment Business

Due in part to the slight decline in tourists from the US and North Asian countries, the Group’s flagship hotel The Mira Hong Kong experienced a weaker performance compared to Last Corresponding Period, with occupancy rate marginally lower, whilst average room rate remained steady in the Reporting Period.

The latest addition to the Mira hospitality portfolio - Mira Moon - continues the strategy to create unique design-led products and services. Mira Moon will appeal to travelers seeking a unique and personalized experience whilst presenting a contemporary abstract interpretation of Chinese tradition in contemporary Hong Kong. The 91-room boutique design hotel is set to launch in Quarter Four 2013.

Food and Beverage Business

In response to softening market conditions and increased competition, the Group took active steps to strengthen operational efficiency, revitalize outlets and reposition its offerings to cater to changing lifestyles. The business recorded a steady performance over the past six months.

Notably, Cuisine Cuisine in Wuhan recorded an improved performance and has successfully repositioned itself as the venue of choice for personal banquets and business events. In Hong Kong, the successful revitalization of French Window Brasserie & Bar has reinforced the approach taken by the Group to cater to a new generation of guests demanding a cosmopolitan brasserie dining experience.

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The Group will continue with its multi-brand strategy and expand its food and beverage portfolio by selectively replicating successful brands to strengthen the Group's position in the market. This began with the opening of a modernized Tsui Hang Village, the third of the recognized brand, in Causeway Bay in Quarter Two 2013.

Travel Business

Led by emerging markets in Africa and Latin America, global travel remained resilient to global uncertainty. The Group's travel business continued to grow during the Reporting Period, with the mass-market tour business contributing the majority of the Group's total revenue.

To maintain the momentum of brand differentiation, the Travel Business will strive to strengthen its position by enhancing customer experience.

Apparel Business

The Group and its franchisees own and operate DKNY Jeans stores throughout China. The retail environment in China remained difficult and the Group's Apparel Business in China recorded a deteriorated operating loss during the Reporting Period. Management is currently evaluating its Apparel Business strategies.

New Loyalty Program

As a retail and hospitality provider, the Group launched an exclusive membership program named Mira Plus in Quarter Two 2013. Designed to appeal to customers seeking a holistic lifestyle, the Mira Plus Card provides members with a comprehensive offering of dining, hotel, spa, shopping and travel experiences in Hong Kong and China.

Business Outlook

While there is an emerging confidence in recovery of the US and European economies, an uncertain operating environment is expected to prevail for the second half of 2013. Despite indications showing growth of China's GDP slowing in the near future, the Group will continue to maintain the growth momentum of its core businesses, through careful execution of its business strategy and prudent financial management.

Mr. Lee concluded, "The Group will strengthen its property portfolio by enhancing its asset value and reinforce its position in the hospitality sector with the roll out of a new Design Hotels™ member hotel, Mira Moon. The Group will also step up its initiatives to reinvent diner experiences and seek out new opportunities to expand its Food and Beverage Business, by selectively replicating its successful brands to better position itself for sustainable growth."

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“Miramar Group has stable core revenue and strong liquidity. We will continue to pursue growth in its core businesses by expanding our offering with compelling products and services. We will also continue to strengthen expertise and nurture talent, developing the framework to implement effective strategies for a sustainable growth.”

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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 rental business, hotel and serviced apartment business, food and beverage business, travel business and apparel business.

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