



SWIRE PACIFIC

2004 Final Results



10 March 2005

HONG KONG



SWIRE PACIFIC | 2004 Highlights

- Good results reflecting a broad-based recovery
- Recurrent growth from all key operations
- Encouraging environment for new investment
- Strong base in China for future growth and investment
 - systems, people and infrastructure



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Financial Highlights

HK\$ Million	2003	2004	% Change
Profit attributable to shareholders	4,922	6,544	+33%
Cash generated from operations	5,333	4,049 *	-24%
<i>HK\$ per 'A' share</i>			
Interim dividend	\$0.32	\$0.58	+81%
Final dividend	\$1.02	\$1.42	+39%
Total dividend	\$1.34	\$2.00	+49%

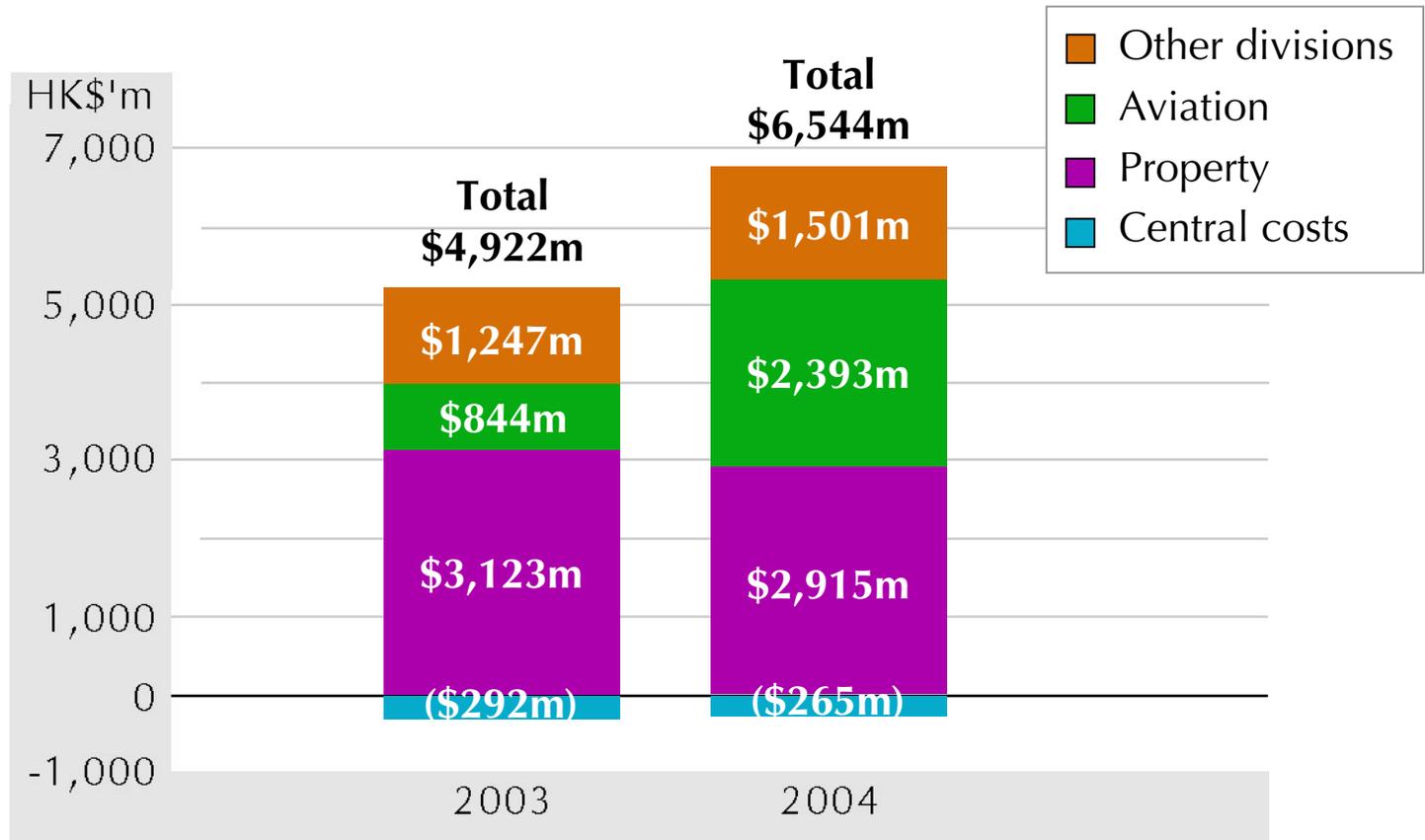
* Including Taikoo Shing land premium payment of HK\$2,027m



SWIRE PACIFIC | 2004 Highlights

- Aviation
 - impressive profit growth despite high fuel prices
- Property
 - attributable profits slightly down following decline in office rental income and one-off interest provision
 - but overall environment now much improved
- Beverages, Marine Services and Trading & Industrial
 - excellent growth overall, 20.4% up on previous year
 - these divisions contribute 23% of group profits

Attributable Profit Summary by Division



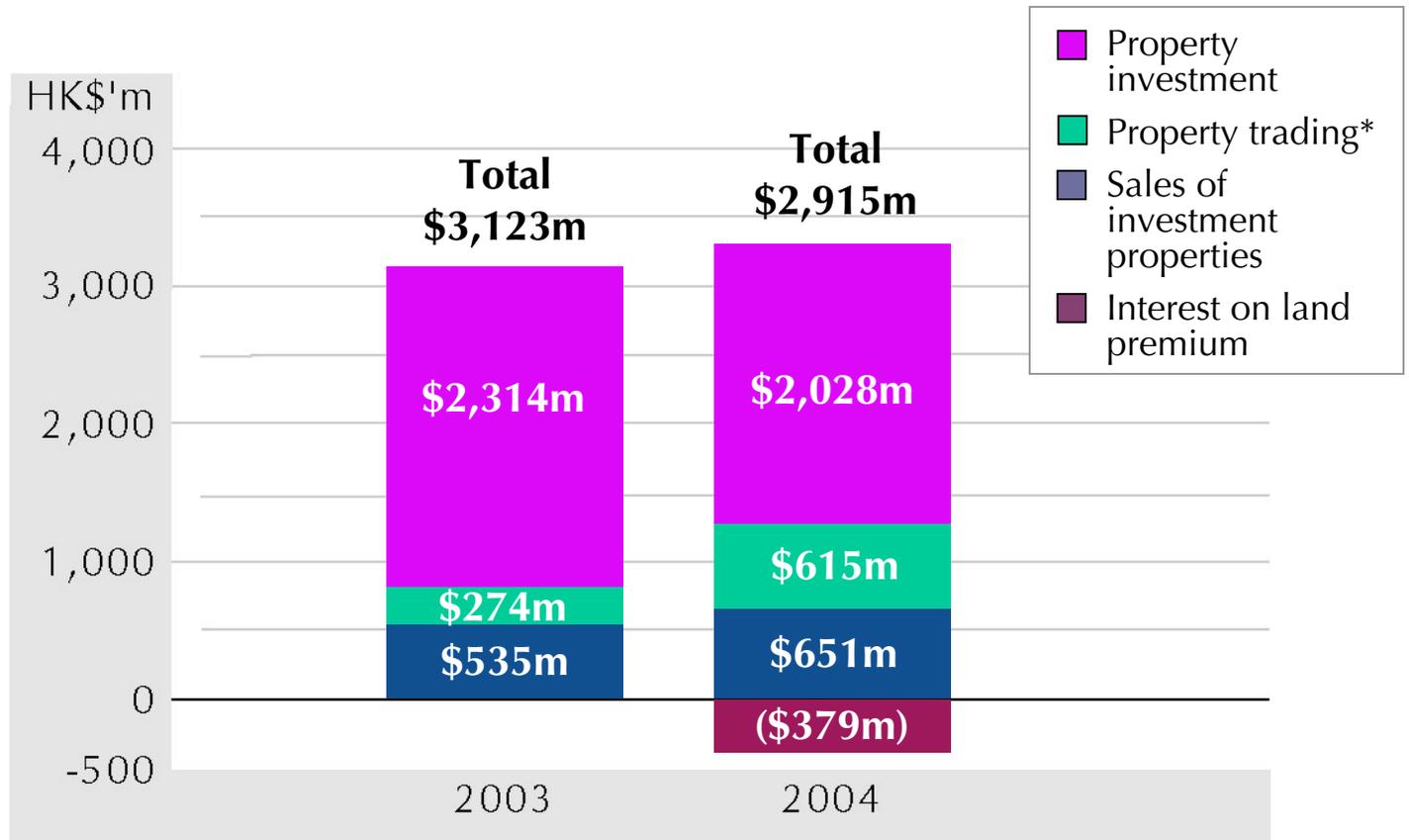


Property Division

- Demand for office space up recently
- New leases at higher rents
- Retail is strong
- Principal malls outperforming general market
- Good profits from sales at Jade Residences and The Orchards
- Considering new investment in property projects
- Interest in Taikoo Hui now 97%
- Will appraise similar opportunities



Attributable Profit | Property Division



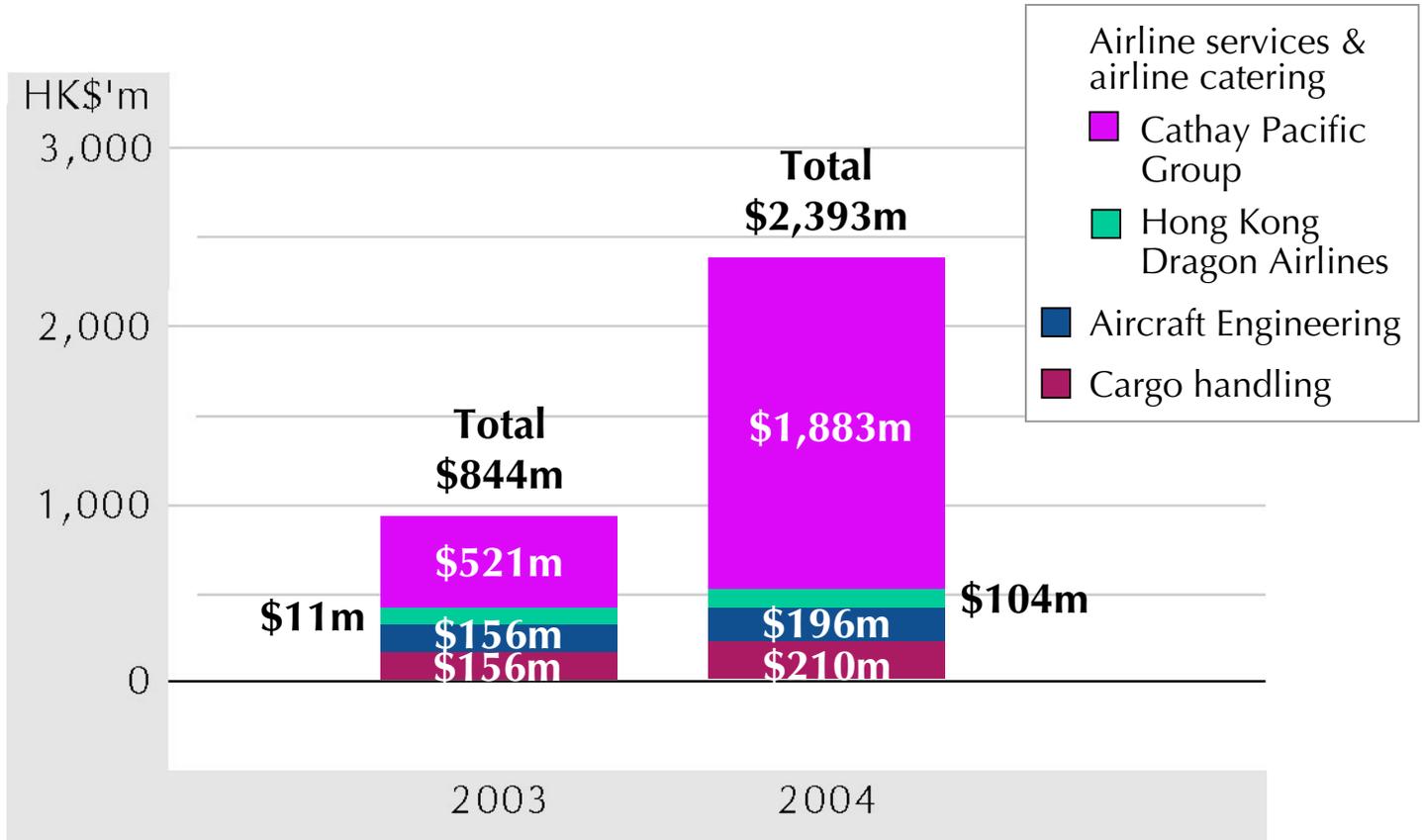
* For 2003 results, a \$28m provision for development properties is included

* For 2004 results, a \$299m write-back of provision is included

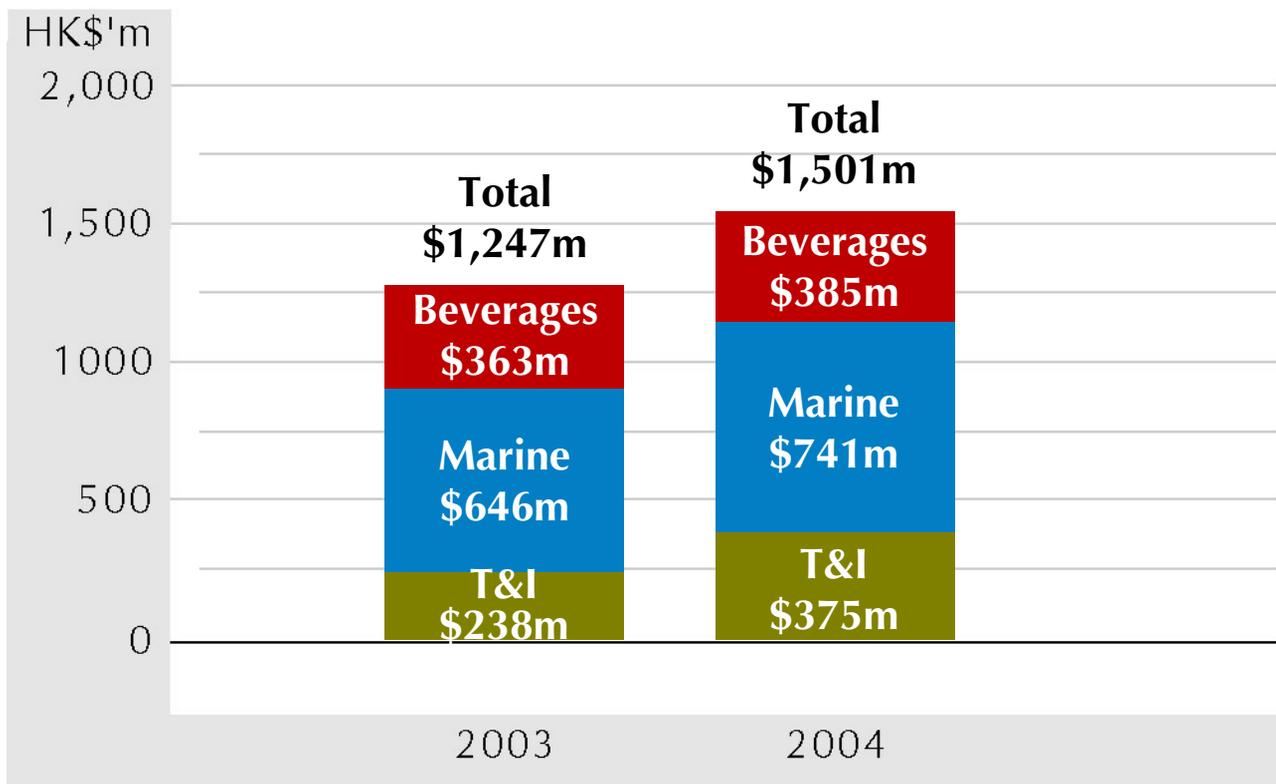
Aviation Division

- Strong rebound – second best result ever
- New records in CX passengers and cargo
- Growth in long haul and the region
- Higher yields on currency gains and fuel surcharges
- Costs (except fuel) fell again
- CX capacity up by 18%
- Excellent performance from non-airline associates
- CX seeking growth with China a strategic priority

Attributable Profit | Aviation Division



Attributable Profit | Other Divisions





Beverages Division

- Profit contribution up 6% to HK\$385 million and
- Strong volume growth with Mainland China the primary driver
- But raw material cost increases
- Also higher taxes in USA



Marine Services Division

- Profit contribution up 14.7% to HK\$741 million
- Good growth across the board
- Container terminals on the Mainland were highlights
- Improved charter rates and fleet utilization for Swire Pacific Offshore



Trading & Industrial Division

- Profit contribution up 57% to HK\$375 million
- Another year of record profits
- Strong growth from motors trading and sports apparel
- Growth from other industrial associates on the Mainland
- All operations benefited from regional economic growth

Attributable Profit | Underlying Profits

HK\$ Million	Full-year results ended 31st December	
	2003	2004
Profit before non-recurring items	4,504	5,973
Property		
- Sales of investment properties	535	651
- Taikoo Shing land premium adjustments	-	(379)
- Provision for trading properties	(28)	299
Tax changes (accounting policy & tax rate)	(89)	-
Attributable Profit	4,922	6,544



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Impact of New Accounting Standards

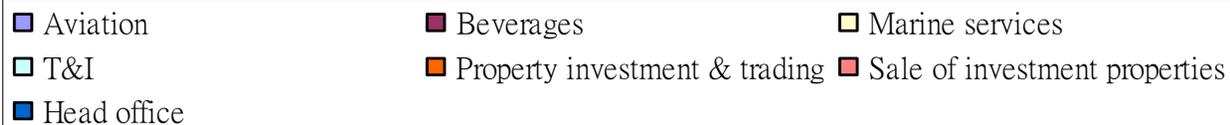
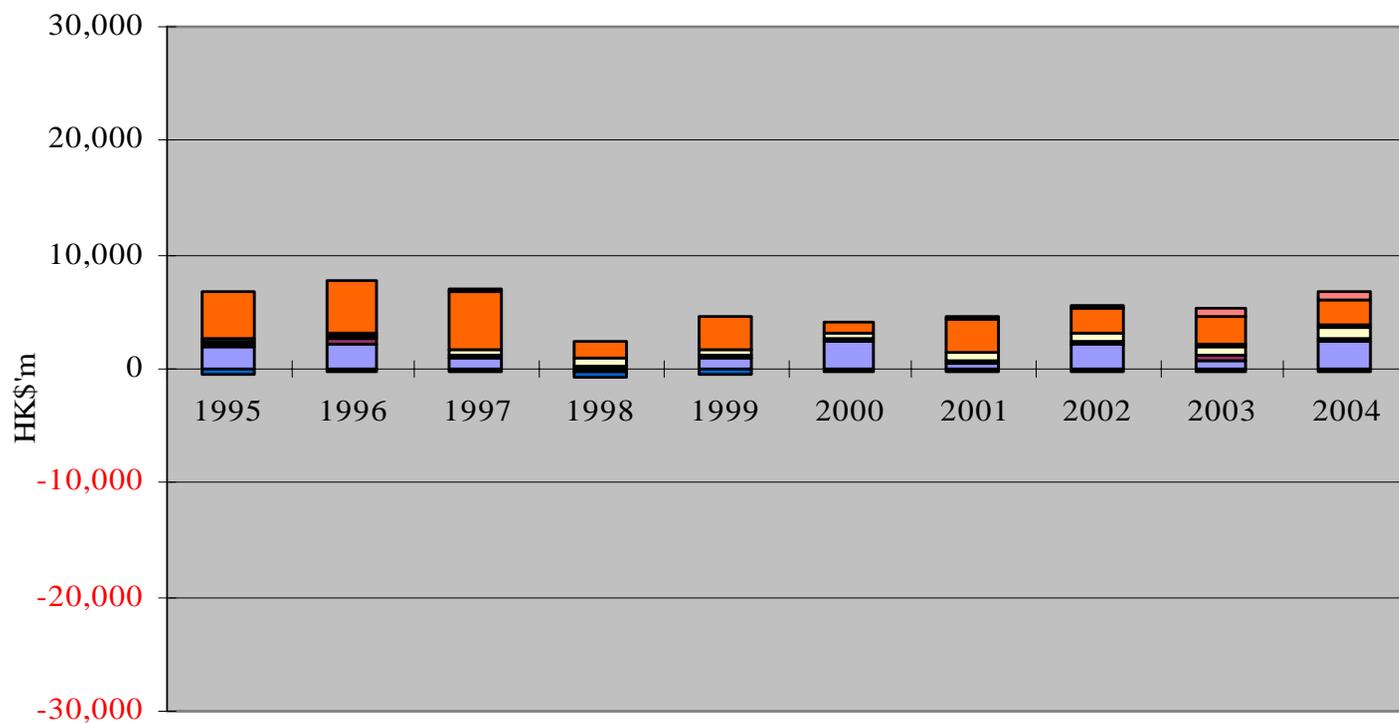
- New Hong Kong Financial Reporting Standards apply for accounting periods starting 1st January 2005
- Most substantial change is booking changes in investment property value to P&L: will increase reported profit for 2004 by HK\$12,381 million



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Attributable Profit

Profit attributable to shareholders (As reported)

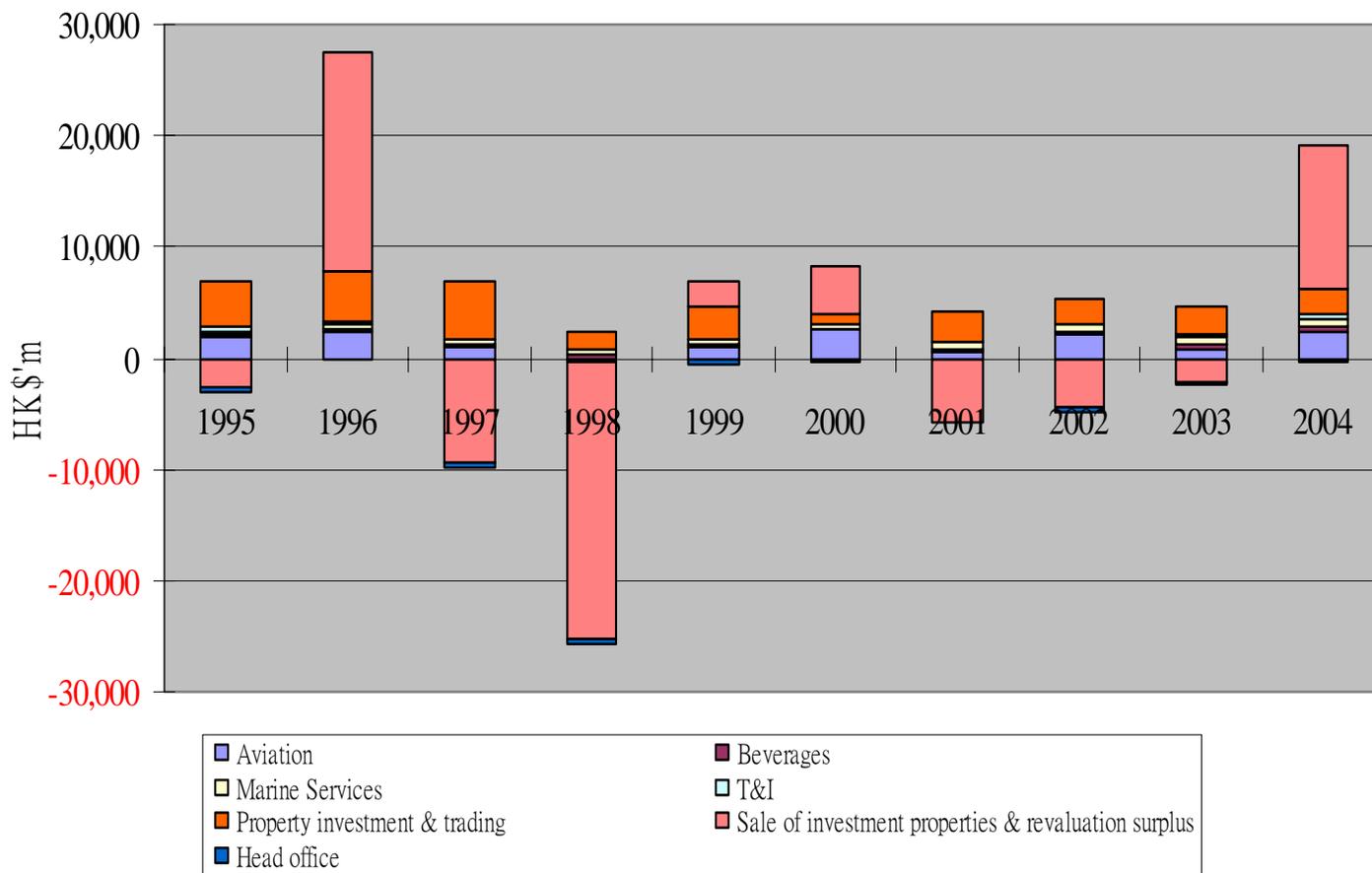




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Attributable Profit

Profit attributable to shareholders (Restated for HKAS40)





SWIRE PACIFIC | Outlook

- Growth in 2005 unlikely to be as strong as 2004
- No significant impact from expected modest decline in GDP
- Property: end of negative rental reversions and new investment warranted
- Aviation: traffic demand for CX strong but concern over fuel prices
- Beverages/Marine/T&I: set for further growth
- Strong and aggressive focus on China will continue



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Appendix

Financial Highlights | Balance Sheet

HK\$ Billion	Dec 2003	Dec 2004
Shareholders' Funds and Minority Interests	73.3	93.5
Net Borrowings	10.2	8.3
Net Cashflow before Financing	6.3	4.9
Gearing Ratio	0.14	0.09

Financial Highlights | Liquidity

HK\$ Billion	Dec 2003	Dec 2004
Undrawn Facilities		
- Committed	7.1	3.9
- Uncommitted	2.6	2.5
	9.7	6.4
Interest Cover	9.9 X	5.5 X *
Cash Interest Cover	5.9 X	4.8 X *

* Including non-recurring interest of \$459m on Taikoo Shing land premium

Financial Highlights | Cashflow

HK\$ Million	Dec 2003	Dec 2004
Cash generated from operations before Taikoo Shing land premium payment	5,333	6,076
Taikoo Shing land premium payment	-	(2,027)
Net interest paid	(812)	(680)
Tax paid	(444)	(552)
Dividends received	1,563	2,239
Net cash inflow from investing activities	708	(198)
Net cash inflow before financing	6,348	4,858

Attributable Profit | Reconciliation by Division

HK\$ Million	Full-year results ended 31st December					
	2003			2004		
	Recurrent	One-off	Total	Recurrent	One-off	Total
Property	2,616	507	3,123	2,344	571	2,915
Aviation	844	0	844	2,393	-	2,393
Beverages	363	0	363	385	-	385
Marine Services	646	0	646	741	-	741
Trading & Industrial	238	0	238	375	-	375
Central Items	(292)	0	(292)	(265)	-	(265)
Tax changes	89	(89)	0	-	-	-
Total	4,504	418	4,922	5,973	571	6,544



Update | Taikoo Shing Arbitration

- Issues on Horizon Gardens resolved
- Continuing discussions on Cityplaza
- February 2004: valuation dates determined
- Estimated premium interest of HK\$500 million
- August 2004: payment on account of HK\$2,027 million
- Balance of HK\$1,723 million from initial provision of HK\$4.5 billion made in 2000 will be retained
- Exact allocation of any further cash payment pending determination of final premium and interest



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