

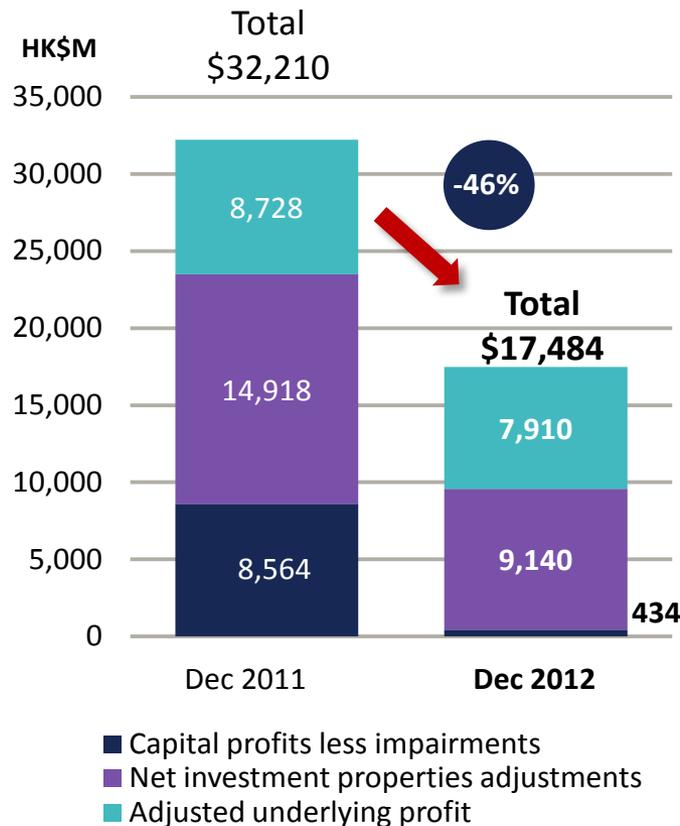


2012 Final Results Analyst Briefing

14th March 2013 | Hong Kong

Financial Summary

Attributable Profit



Underlying Profit
(excluding profit on sale of Festival Walk) -4%
Dec 2011: HK\$8,677m
Dec 2012: HK\$8,344m

Adjusted Underlying Profit -9%
Dec 2011: HK\$8,728m
Dec 2012: HK\$7,910m

Dividends Per Share
Unchanged from 2011*
Dec 2012:
HK\$3.50 per 'A' share
HK\$0.70 per 'B' share

Cash Generated from Operations +11%
Dec 2011: HK\$9,204m
Dec 2012: HK\$10,186m

Net Debt +24%
Dec 2011: HK\$35,679m
Dec 2012: HK\$44,418m

Gearing Ratio +2.4% pts
Dec 2011: 15.4%
Dec 2012: 17.8%

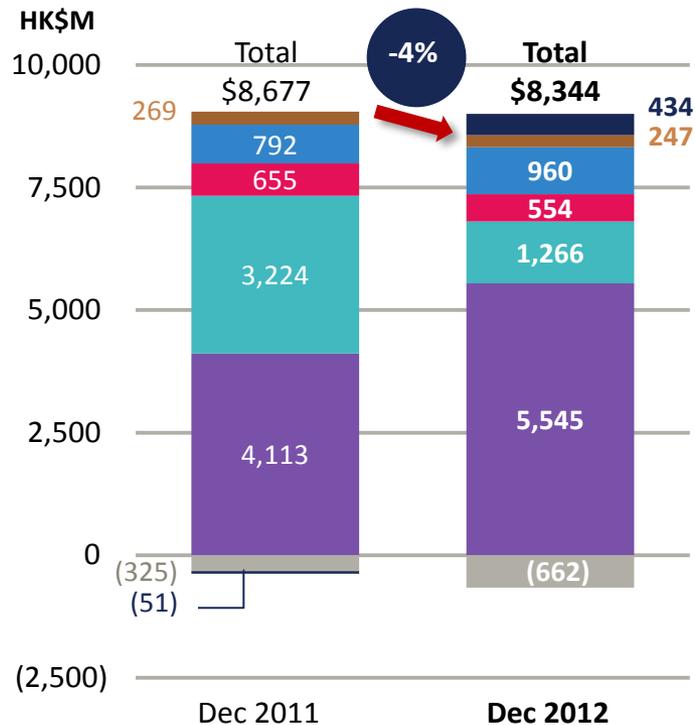
Equity Attributable to the Company's Shareholders -8%
Dec 2011: HK\$227,559m
Dec 2012: HK\$209,641m

Note: Underlying profit principally adjusts for changes in the valuation of investment properties.

* Excluding the special interim dividends of HK\$3.00 per 'A' share and HK\$0.60 per 'B' share paid in 2011 following the sale of Festival Walk.

Financial Summary

Underlying Profit Excluding Profit on Sale of Festival Walk in 2011



For the year ended 31st Dec 2012	Underlying Profit HK\$M	Capital Profits less Impairments HK\$M	Adjusted Underlying Profit HK\$M
Property	5,551	(6)	5,545
Aviation	1,050	216	1,266
Beverages	542	12	554
Marine Services	975	(15)	960
Trading & Industrial	247	-	247
Head Office	(21)	(641)	(662)
Total	8,344	(434)	7,910

- Property
- Aviation
- Beverages
- Marine Services
- Trading & Industrial
- Head Office
- Capital profits less impairments

Financial Summary

Profit Bridge

	Dec 11 HK\$M	Dec 12 HK\$M
Attributable profit	32,210	17,484
Less: adjustments re investment properties	(14,918)	(9,140)
Underlying profit attributable to the Company's shareholders	17,292	8,344
Other significant items:		
Profit on sale of interest in Festival Walk	(8,615)	-
Profit on sales of investment properties	-	(651)
Profit on sale of interest in PUMA	(148)	-
(Profit) / loss on sale of property, plant and equipment and other investments	(91)	135
Net impairment of property, plant and equipment, leasehold land and intangible assets	290	82
Adjusted underlying profit	8,728	7,910

Primarily profit on sale of two units at OPUS HONG KONG.

Cathay Pacific recorded a loss of HK\$157m on sale of aircraft in 2012.

SPO recorded a profit on disposal of vessels of HK\$79m in 2011 and HK\$23m in 2012.

Financial Summary

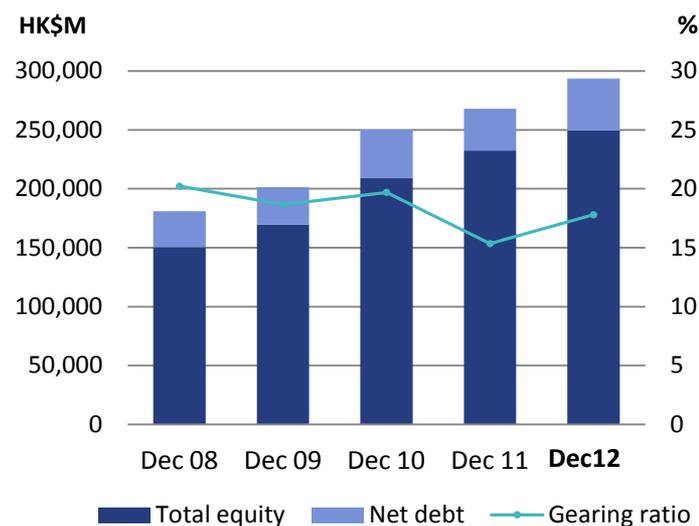
Financing

	Dec 08	Dec 09	Dec 10	Dec 11	Dec 12
Net debt (HK\$M)	30,446	31,681	41,181	35,679	44,418
Gearing (%)	20.2%	18.7%	19.7%	15.4%	17.8%
Interest cover (underlying) – times	9.9	8.0	10.2	10.4	6.6
Interest cover (adjusted underlying) – times			5.8	4.9	6.3
Cash interest cover (underlying) – times	6.7	6.3	8.3	8.3	5.3
Cash interest cover (adjusted underlying) – times			4.7	4.0	5.1

Net Debt Reconciliation

	HK\$Bn
Net debt at 1st January 2012	35.7
Cash from operations	(10.2)
Net dividend paid	4.7
Capex and investments less proceeds	10.9
Net interest paid	2.0
Tax paid	1.3
Net debt at 31st December 2012	44.4

Gearing Ratio

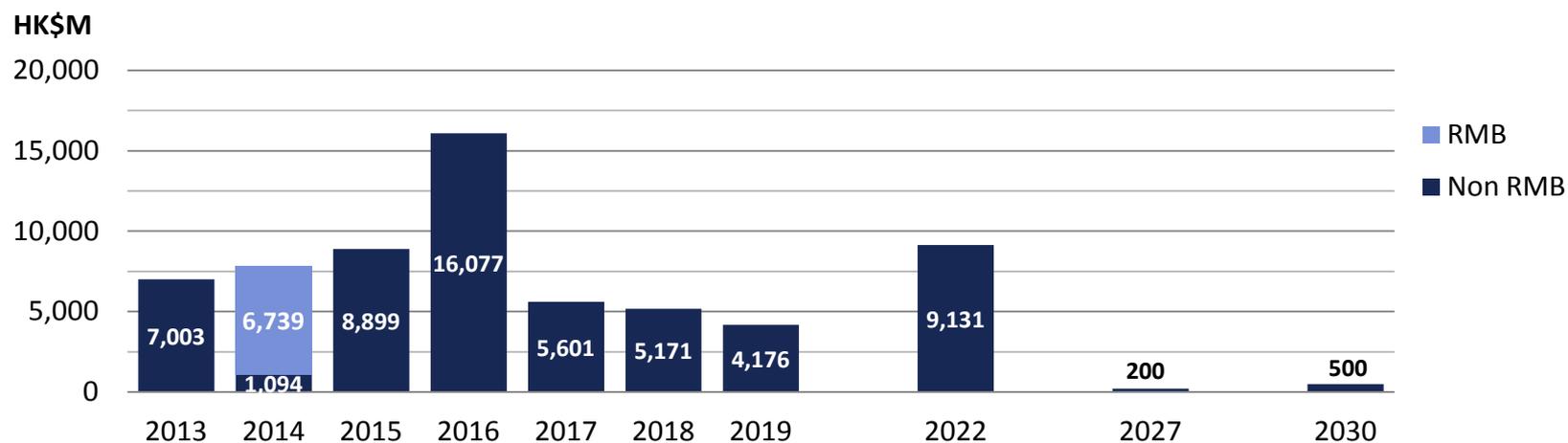


Financial Summary

Liquidity

	Dec 11 HK\$M	Dec 12 HK\$M	Change %
Bank balances and short-term deposits	3,880	6,198	60%
Total undrawn facilities			
- Committed	16,459	16,261	-1%
- Uncommitted	6,373	6,965	9%

Refinancing Profile at 31st December 2012



Property



Results Highlights

HK\$M (100% basis)	Dec 11	Dec 12	Change %
Attributable profit	25,126	18,763	-25%
Underlying profit	12,932	6,945	-46%
Adjusted underlying profit	4,372	6,932	+59%
Valuation gains on investment properties	20,345	12,273	-40%

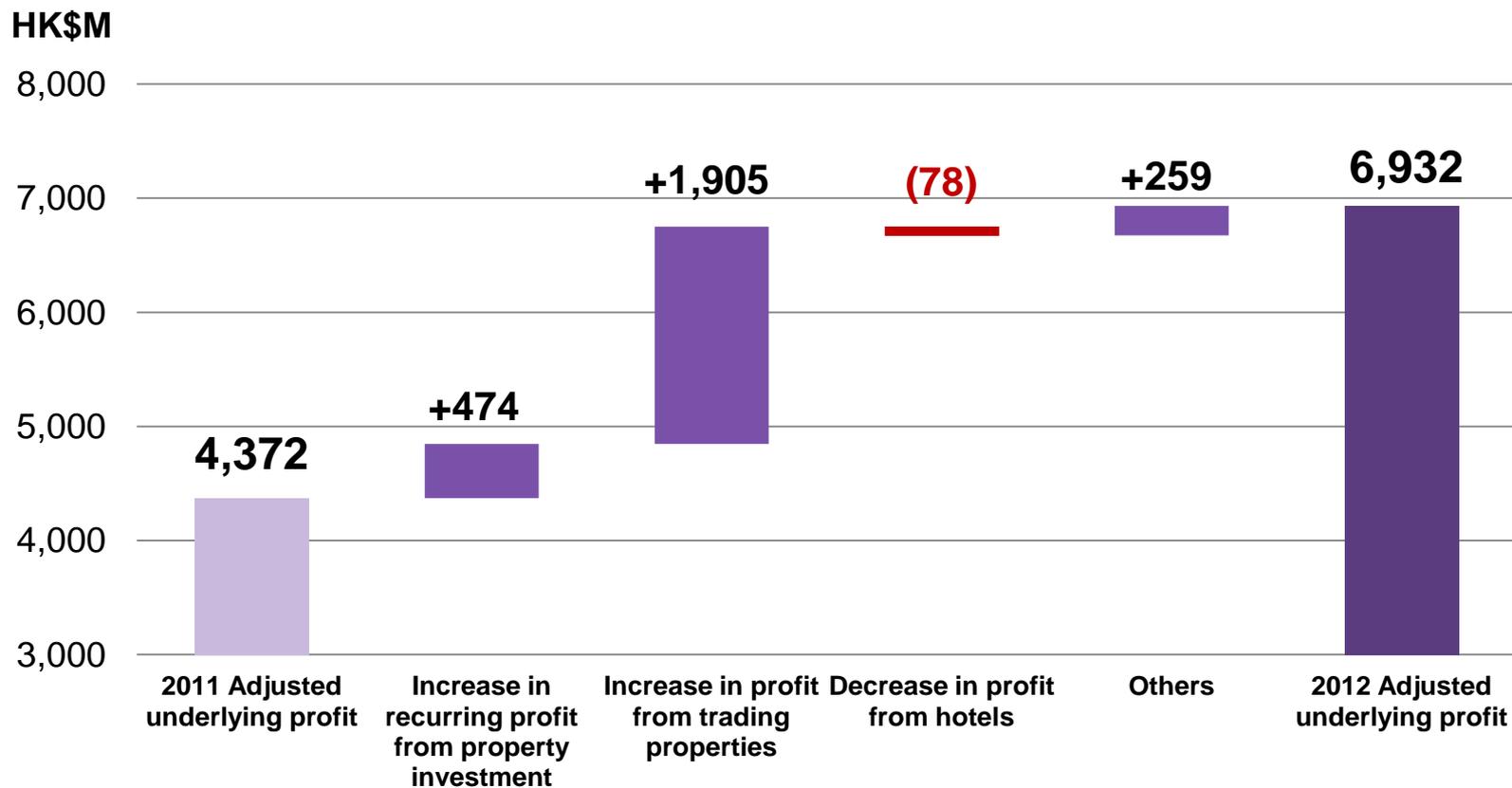
HK\$M (Swire Pacific's share)	Dec 11	Dec 12	Change %
Attributable profit	24,999	15,290	-39%
Underlying profit	12,673	5,551	-56%
Adjusted underlying profit	4,113	5,545	+35%

Key Highlights

- Reduction in Swire Pacific's interest in Swire Properties from 100% to 82% as a result of the listing of Swire Properties.
- Excluding revaluation gains and non-recurring items (most notably the HK\$8,615m profit on disposal of Festival Walk), adjusted underlying profit increased by HK\$1,432m to HK\$5,545m.
- The increase in profit principally reflects a significant trading profit of HK\$1,534m on the sale of 98 units in the AZURA residential development in Hong Kong.
- On a 100% basis, profit from property investment increased due to positive rental reversions from the Hong Kong portfolio, the first full year contribution from TaiKoo Hui in Guangzhou and a better performance at Sanlitun Village in Beijing.

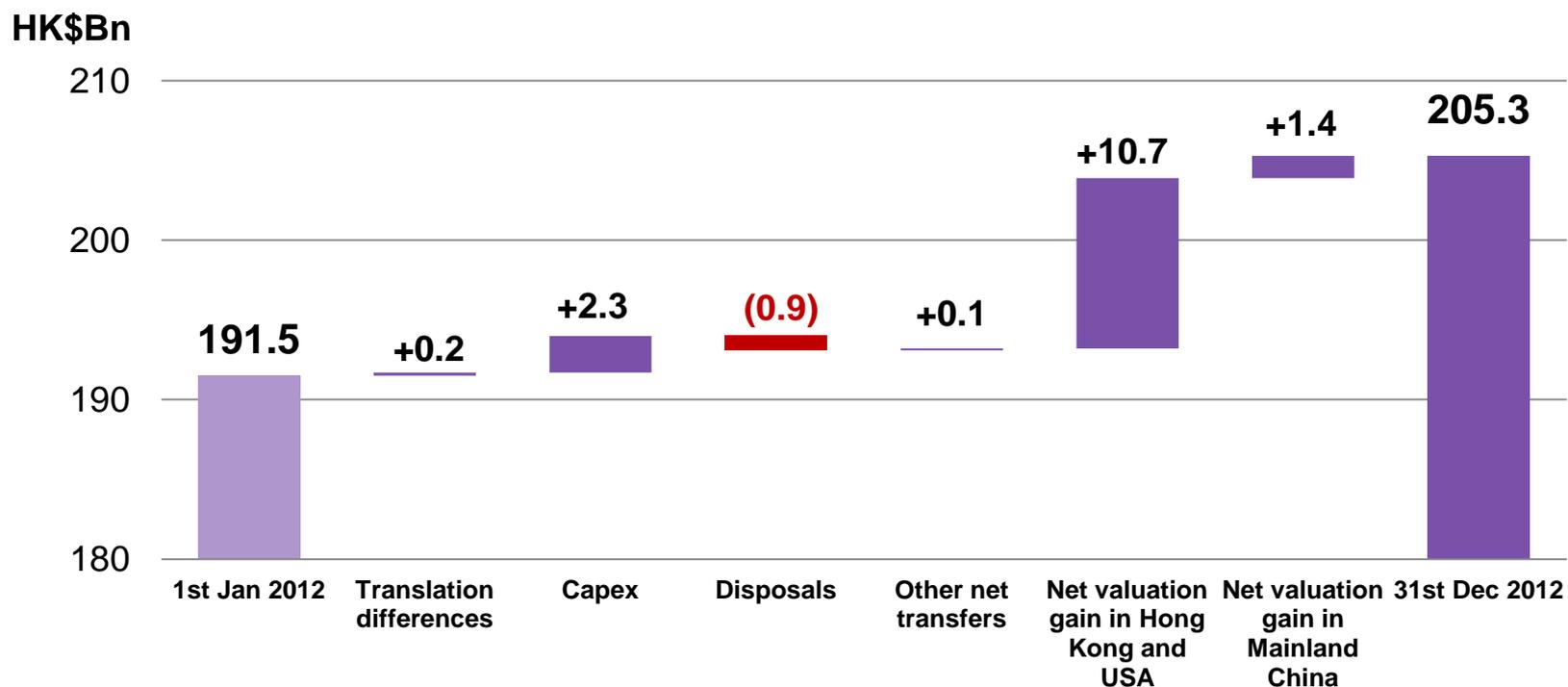


Movement in Adjusted Underlying Profit (100% basis)



Movement in Investment Properties

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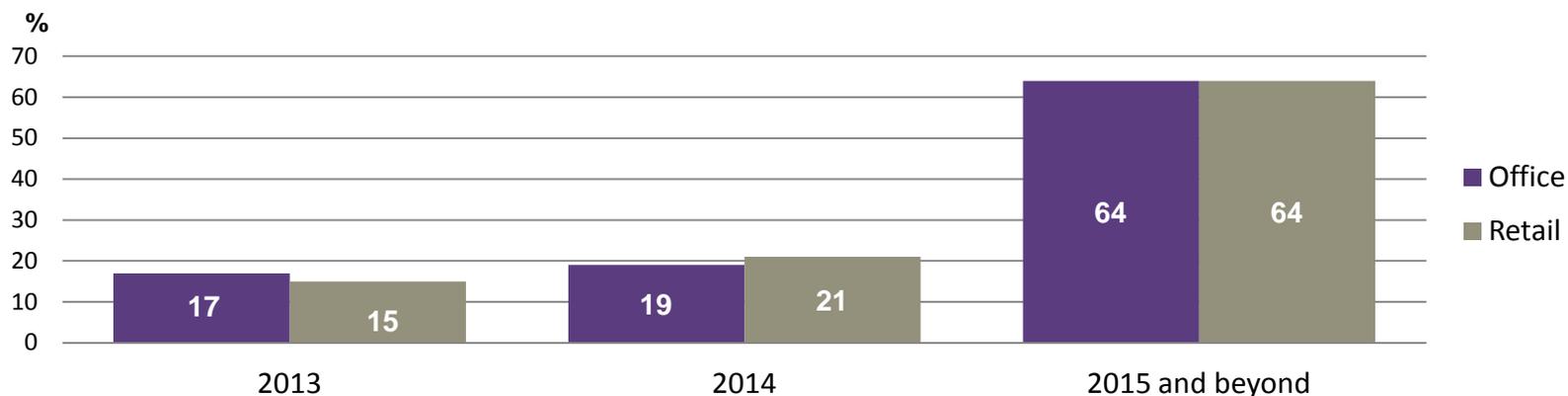


- Revaluation gains of HK\$12.1Bn (excluding the Group's share of revaluation movements of jointly controlled and associated companies).
- The increase in the valuation of the investment property portfolio principally reflects improved rental rates.

Operating Statistics

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Hong Kong Lease Expiry Profile* - at 31st Dec 2012



* Based on percentage of the total rental income attributable to the Group for the month ended 31st December 2012.

Latest Rentals	
	HK\$ per sq. ft.
One & Two Pacific Place	100 – 110
Three Pacific Place	95 – 100
Island East	Low 40s – mid 40s
Techno-centres ⁽¹⁾	Low 20s – mid 20s
One Island East	Mid 50s – high 60s

Vacancies at 31st Dec 2012		
	Vacancy (sq. ft.) ⁽²⁾	
Office and techno-centres ^{(1),(3)}	117,146	1.8%
TaiKoo Hui office	361,158	20.6%
INDIGO office	15,027	5.4%
Retail (principally Sanlitun Village and INDIGO)	101,996	3.0%

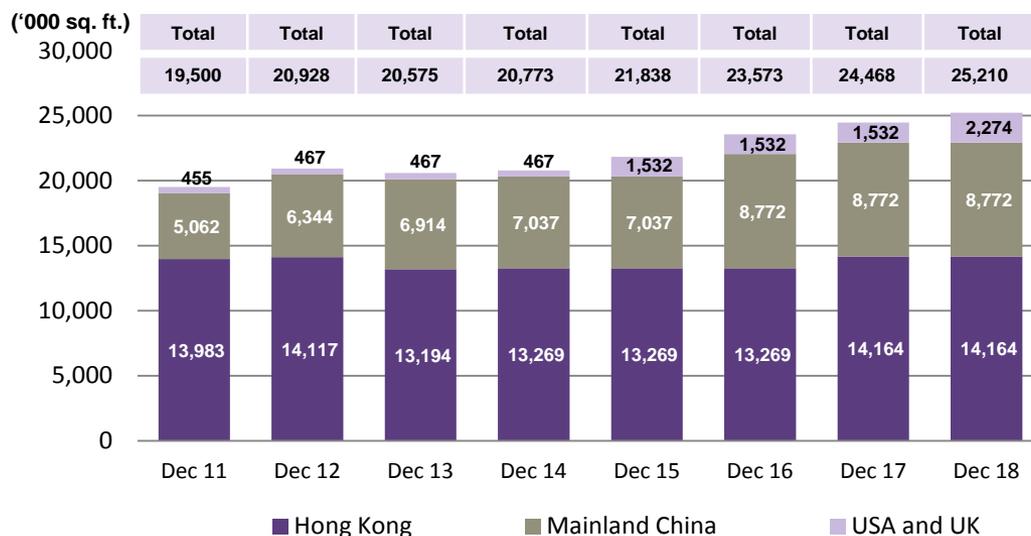
⁽¹⁾ Excluding Somerset House which is due for redevelopment in 2013

⁽²⁾ Based on lettable area ⁽³⁾ Wholly-owned properties (excluding 28 Hennessy Road)

Future Developments

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Completed Principal Property Investment Portfolio*



Projects	Expected completion date
Hong Kong	
8 Queen's Road East	Q2 2013
23 Tong Chong Street	2014
Somerset House (Redevelopment)	2017 (2013)
Mainland China	
Daci Temple, Chengdu	2014
Dazhongli, Shanghai	2016
USA	
Brickell CityCentre	2015 / 2018

* Gross floor area represents 100% of space owned by Group companies and the Group's attributable share of space held by jointly controlled and associated companies.

Profile of Capital Commitments — for Investment Properties and Hotels at 31st Dec 2012

(HK\$M)	Expenditure	Forecast period of expenditure				Commitments At 31st Dec 2012
		2012	2013	2014	2015	
Hong Kong	1,828	879	548	606	3,372	5,405
Mainland China	1,776	3,680	2,361	831	674	7,546
USA and others	239	1,360	1,603	-	-	2,963
Total	3,843	5,919	4,512	1,437	4,046	15,914*

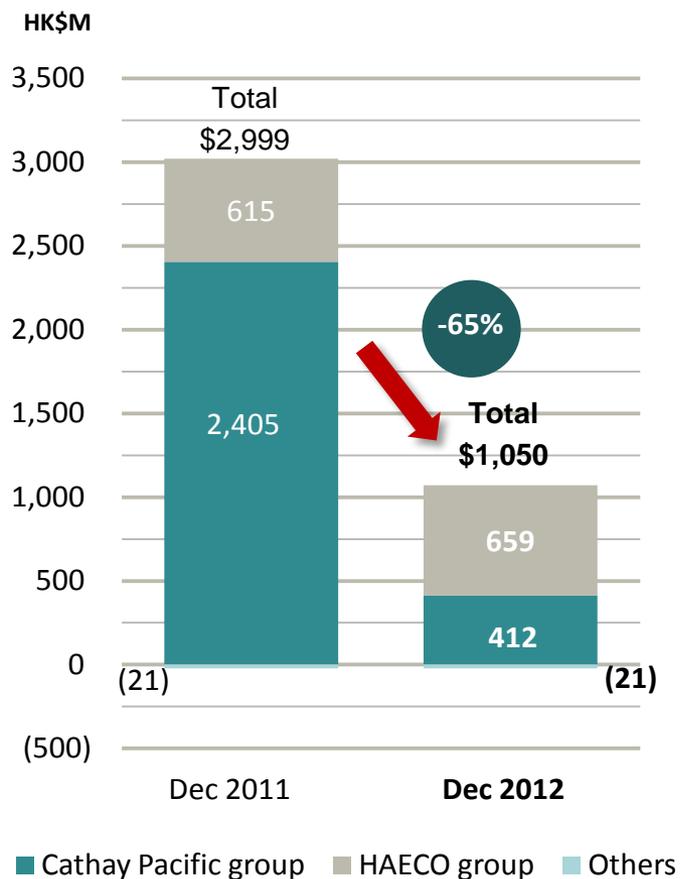
*Including the Group's share of the capex and capital commitments of its jointly controlled companies.

Aviation



Results Highlights

Attributable Profit



Key Financial Data

	Dec 2012 HK\$M	Change %
HAECO group		
Turnover	5,830	+13% ↑
Operating profit	494	-7% ↓
Attributable profit	659	+7% ↑
Share of post-tax profits from associated companies		
Cathay Pacific group	412	-83% ↓



Cathay Pacific Group Highlights

- Key Highlights**
- The Cathay Pacific group reported profit on a 100% basis of HK\$916m compared to a profit of HK\$5,501m in 2011.
 - There was pressure on passenger yields and demand for cargo services was weak.
 - The high price of jet fuel had a major impact on operating results.
 - Cathay Pacific took measures to reduce costs by reducing capacity and accelerating the retirement of less fuel-efficient aircraft.



Key Financial Data		
CX group (100% basis)		
	Dec 2012 HK\$M	Change %
Total turnover	99,376	+1% ↑
Passenger services	70,133	+3% ↑
Cargo services	24,555	-5% ↓
Others	4,688	+1% ↑
Attributable profit	916	-83% ↓

Key Operating Statistics				
		Dec 2012	Change %	
Available tonne kilometres (ATK)	Million	26,250	-1%	
Revenue passengers carried	'000	28,961	+5%	
Passenger yield	HK¢	67.3	+1%	
Cargo and mail carried	Tonnes'000	1,563	-5%	
Cargo and mail yield	HK\$	2.42	—	

HAECO Group Highlights

Key Highlights

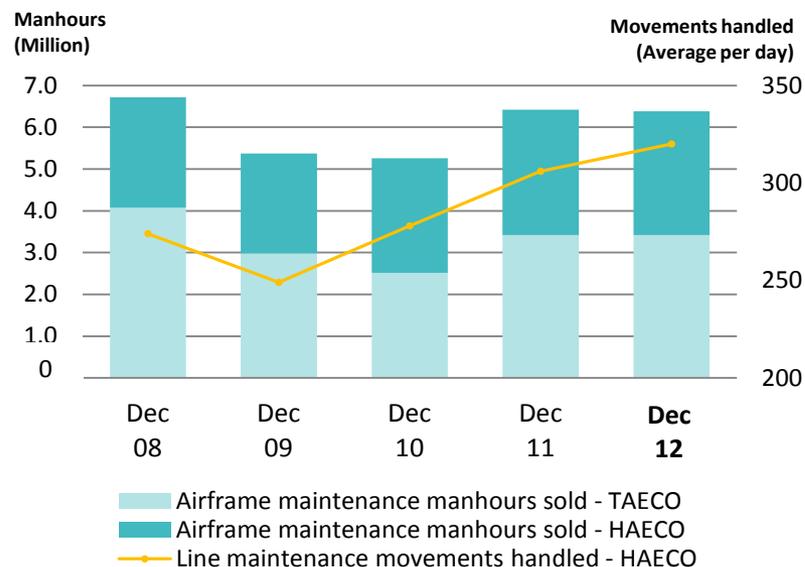
- The HAECO group's attributable profit was HK\$659m in 2012, an increase of 7% compared to 2011.
- Demand for HAECO's airframe maintenance services in Hong Kong was strong, but HAECO was not able to meet this demand in the second half because of a shortage of skilled and semi-skilled labour.
- Results from TAECO were adversely affected by exchange rate and deferred tax movements.
- HAESL performed well. The operating results of HAECO's joint ventures in Mainland China improved, but losses continued to be incurred because of under-utilisation of facilities.

Key Financial Data

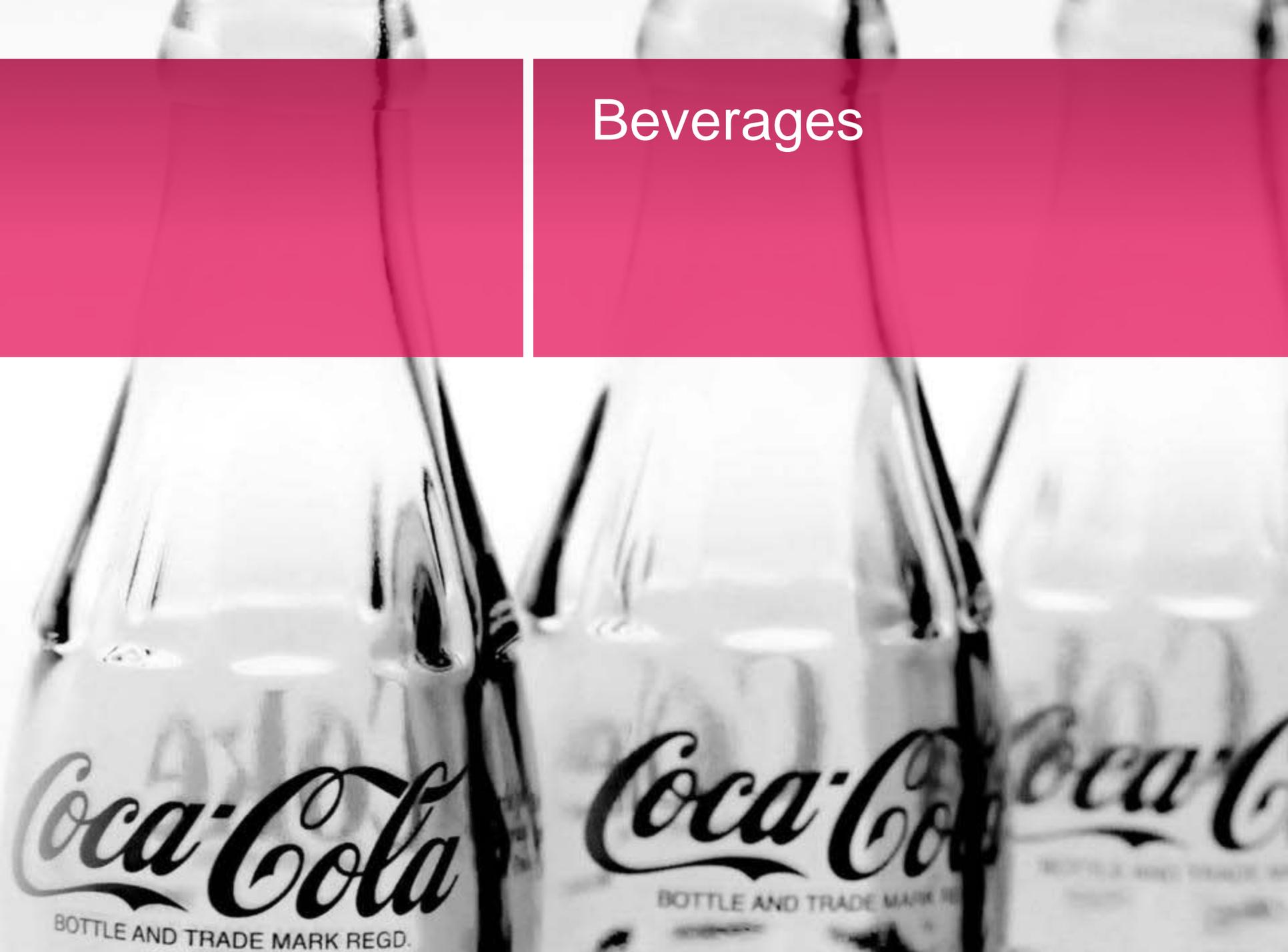
Attributable Profit/(Loss) (100% basis)

	Dec 2012 HK\$M	Change %
HAECO	329	-14%
TAECO	70	-29%
HAESL and SAESL	531	+28%
Others	(54)	+26%
Total	876	+7%

Key Operating Statistics

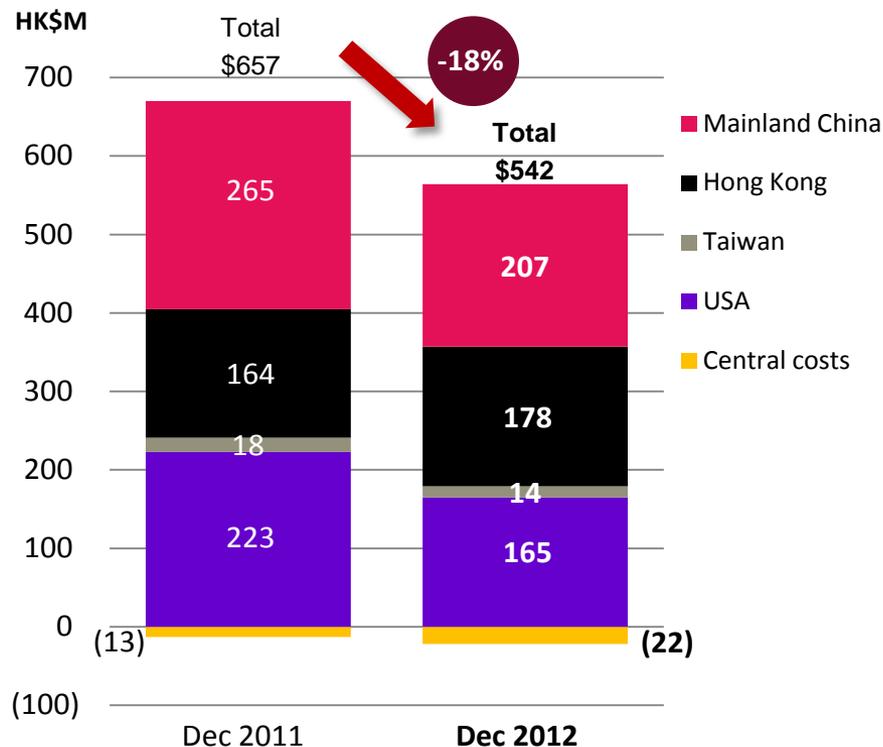


Beverages



Results Highlights

Attributable Profit



Key Financial Data

	Dec 2012 HK\$M	Change %
Operating profit	483	-10% ↓
Share of post-tax profits from jointly controlled and associated companies	323	-11% ↓
Attributable profit	542	-18% ↓

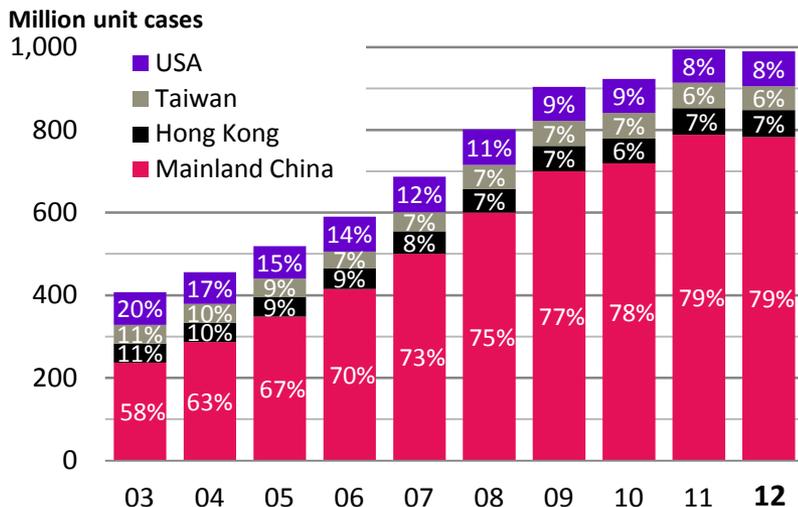
Key Highlights

- Attributable profit from the Beverages Division decreased by 18% from HK\$657m to HK\$542m.
- Sales volume in Mainland China declined slightly. Good volume growth in inland territories was not enough to offset volume decreases in southern and eastern markets.
- The Mainland China business was also affected by a less favourable sales mix and higher operating costs.
- Sales volume declined by 0.5% overall to 990m unit cases. Volume grew in the USA and Hong Kong but declined in Taiwan.

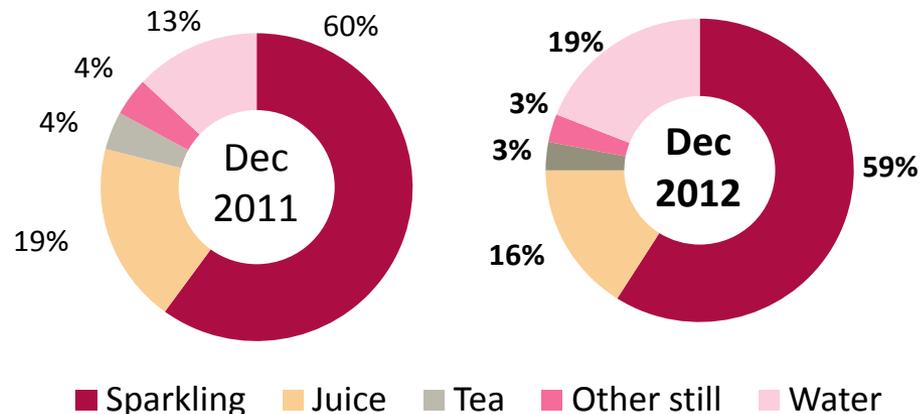
Volume Analysis

- Overall sales volume declined by 0.5% to 990 million unit cases, compared with growth of 8% in 2011.

Volume Progression



Volume by Category



Segment Information

Mainland China*			Hong Kong		
Turnover	Attributable Profit	Sales Volume	Turnover	Attributable Profit	Sales Volume
↓ HK\$16,272m	↓ HK\$207m	↓ 783m u/c	↑ HK\$2,123m	↑ HK\$178m	↑ 65m u/c
Taiwan			USA		
Turnover	Attributable Profit	Sales Volume	Turnover	Attributable Profit	Sales Volume
↓ HK\$1,500m	↓ HK\$14m	↓ 58m u/c	↑ HK\$3,824m	↓ HK\$165m	↑ 84m u/c

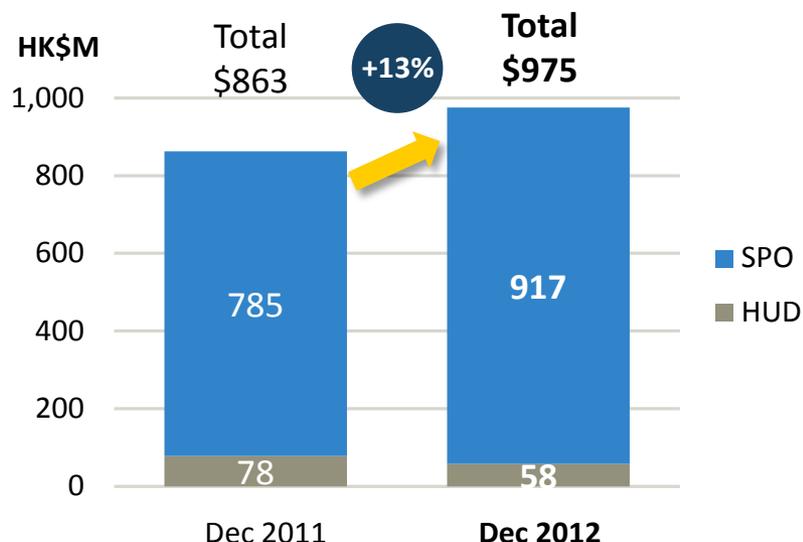
*Attributable to the Beverages Division's seven Coca-Cola franchises in Mainland China.

Marine Services



Results Highlights

Attributable Profit



Key Financial Data

Swire Pacific Offshore group

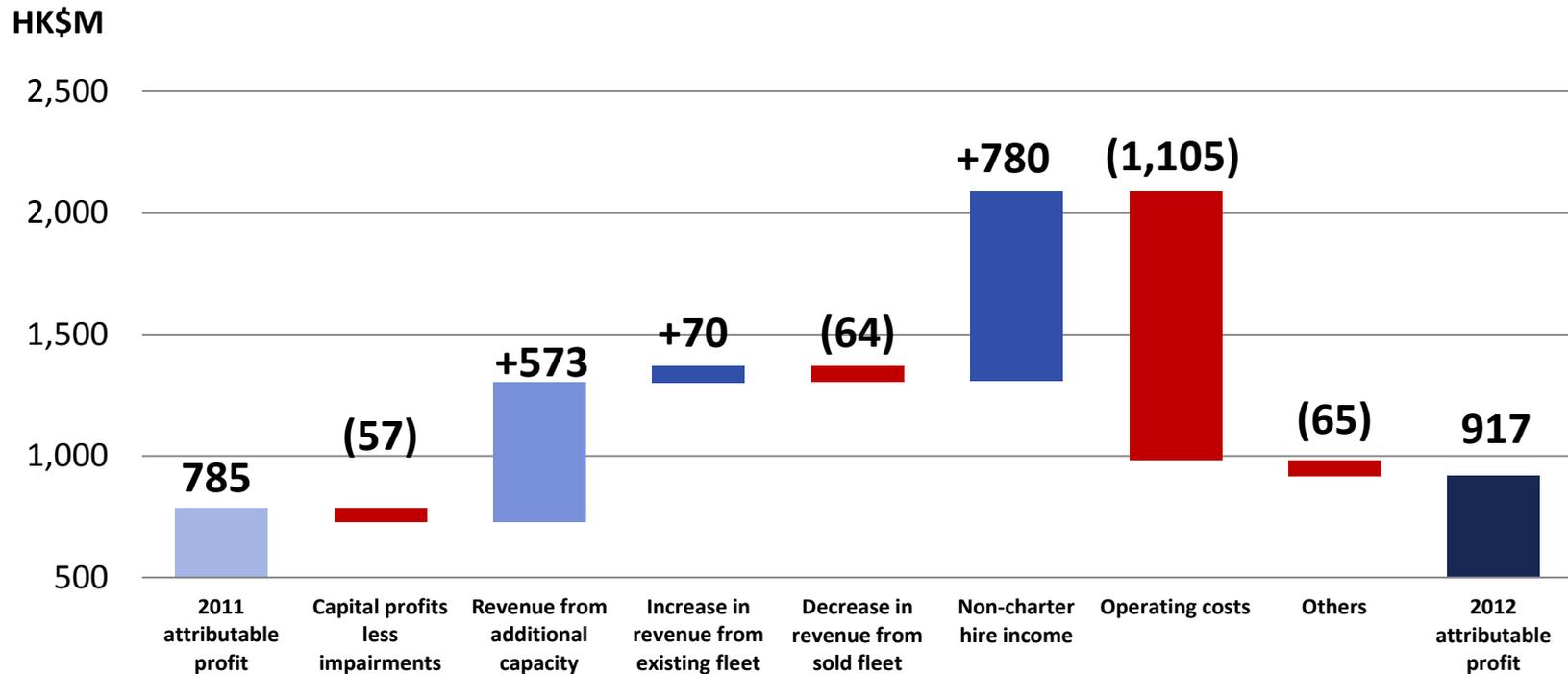
	Dec 2012 HK\$M	Change %
Charter hire revenue	3,870	+18% ↑
Non-charter hire revenue	994	+364% ↑
Charter hire related operating profit	665	+4% ↑
Non-charter hire related operating profit	325	+84% ↑
Attributable profit	917	+17% ↑

Key Highlights

- Attributable profit from the Marine Services Division was HK\$975m, 13% higher than in 2011.
- SPO's overall average fleet utilisation and charter hire rates increased by 4% pts and 10% respectively.
- SPO benefited from the additional contribution from new vessels that commenced operations in 2012, and from two new businesses acquired in early 2012.
- Total operating costs increased by 9% excluding the impact of the inclusion of costs from the two newly acquired businesses.



SPO – Movement in Attributable Profit



SPO Outlook

SPO Fleet Growth

Vessel class	2011	Additions	Disposals	Year-end	Vessels expected to be received in		
					2012	2013	2014
Anchor Handling Tug Supply Vessels	51	-	4	47	-	-	-
Large Anchor Handling Tug Supply Vessels	15	-	-	15	5	4	-
Platform Supply Vessels	8	-	-	8	-	2	4
Large Platform Supply Vessels	1	2	-	3	1	6	2
Construction and Specialist Vessels	2	5	-	7	2	-	-
Total	77	7	4	80	8	12	6

Profile of Capital Commitments – at 31st December 2012

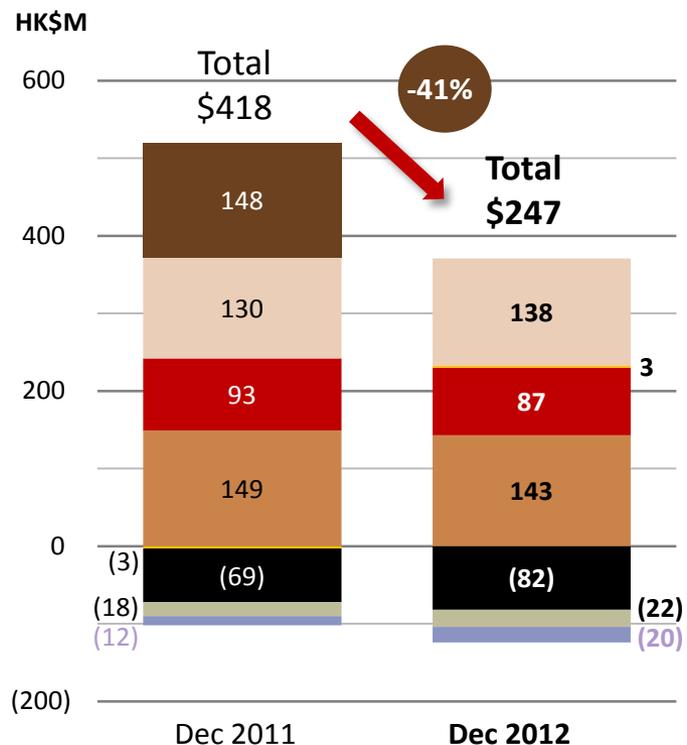
(HK\$M)	Expenditure	Forecast period of expenditure				Commitments
	2012	2013	2014	2015	2016	at 31st Dec 2012
Anchor Handling Tug Supply Vessels and Platform Supply Vessels	2,855	4,835	2,957	1,490	42	9,324
Construction and Specialist Vessels	2,647	741	-	-	-	741
Other fixed assets	81	187	38	10	1	236
Total	5,583	5,763	2,995	1,500	43	10,301

Trading & Industrial



Results Highlights

Attributable Profit



- Swire Resources group
- Taikoo Motors group
- Taikoo Sugar
- Akzo Nobel Swire Paints
- Campbell Swire
- Swire Pacific Cold Storage group
- Other activities
- Sale of interest in PUMA

Key Highlights

Swire Resources group

- Excluding the gain of HK\$148m on disposal of PUMA in 2011, attributable profit decreased by 4% to HK\$143m. Results from the distribution of Columbia products were good. However, the effect of this was more than offset by expenditure on developing new business.

Taikoo Motors group

- The 6% decrease in profit reflected weaker results from the new retail business and the costs of developing a new commercial vehicles business in Hong Kong and a new dealership business in Mainland China.

Swire Pacific Cold Storage group

- The loss reflected the costs of developing new cold stores in Shanghai and Hebei, partially offset by a small profit from the 60% interest in Guangdong Swire Cold Chain Logistics Co. Ltd., acquired in September 2012.

Akzo Nobel Swire Paints

- Volume growth and lower cost of materials resulted in margin growth but this was partially offset by higher operating costs.

Prospects

Property	<div style="display: flex; justify-content: space-around;"> <u>Positive Factors</u> <u>Negative Factors</u> </div>	
Aviation	<ul style="list-style-type: none"> ▪ Occupancy at the office portfolio in Hong Kong is high and there are no major leases in Pacific Place expiring until the latter part of 2013. 	<ul style="list-style-type: none"> ▪ Demand from financial services companies in Central in Hong Kong is likely to remain soft.
Beverages	<ul style="list-style-type: none"> ▪ Office rents in Hong Kong are expected to be fairly resilient. 	<ul style="list-style-type: none"> ▪ Profit from property trading is expected to be lower in 2013 than in 2012, but nevertheless significant, with the completion of the ARGENTA development and the expected sale of the remaining units in AZURA.
Marine Services	<ul style="list-style-type: none"> ▪ The new development at 28 Hennessy Road is attracting interest from smaller businesses. 	<ul style="list-style-type: none"> ▪ The effect of substantial increases and other changes in Hong Kong stamp duty on demand for residential properties is uncertain.
Trading & Industrial	<ul style="list-style-type: none"> ▪ In Mainland China demand for office space and rental rates are expected to remain stable. ▪ Retail rents are expected to increase in Hong Kong and Mainland China. 	

Prospects

Property

Aviation

Beverages

Marine
Services

Trading &
Industrial

Positive Factors

- The Cathay Pacific group's financial position remains strong and it is in a good position to manage short-term difficulties while remaining committed to its long-term strategy.

Negative Factors

- The Cathay Pacific group operates in a volatile and challenging industry .
- The cost of fuel remains the biggest challenge.
- Labour shortages at HAECO likely to restrict airframe manhours sold in the first half of 2013.
- Although labour shortages may ease in the second half of 2013, the first half shortfall is likely to have a material adverse effect on results.

Prospects

Property

Aviation

Beverages

Marine Services

Trading & Industrial

Positive Factors

- Swire Beverages is cautiously optimistic about 2013.
- In Mainland China there are indications that the pace of economic growth will resume.
- Following completion of its reorganisation, the business in Taiwan is in a good position and the Hong Kong and USA businesses are doing well.

Negative Factors

- Inflation of staff and distribution costs is expected, particularly in Mainland China.

Prospects

Property

Aviation

Beverages

**Marine
Services**

Trading &
Industrial

Positive Factors

- The price of oil is expected to remain high, leading to a further increase in offshore exploration and production commitments by energy companies.
- The two windfarm installation vessels will begin their first projects in Europe and are contracted for the balance of 2013.
- The inspection, maintenance and repair (“IMR”) business will continue to expand with the delivery of a third IMR vessel and SPO will be operating two accommodation barges.
- An additional five Large AHTS vessels, capable of operating in deep water, are expected to be delivered in 2013.

Negative Factors

- The over-supply of tonnage in the industry will continue to restrict charter hire rates until it has been absorbed by the market.

Prospects

Property

Aviation

Beverages

Marine
Services

**Trading &
Industrial**

Positive Factors

- Continuing consumption growth in Greater China should be positive for the division's businesses.

Negative Factors

- The results of the Trading & Industrial Division are likely to continue to be affected by the cost of new business development.



 SWIRE PACIFIC

Appendix

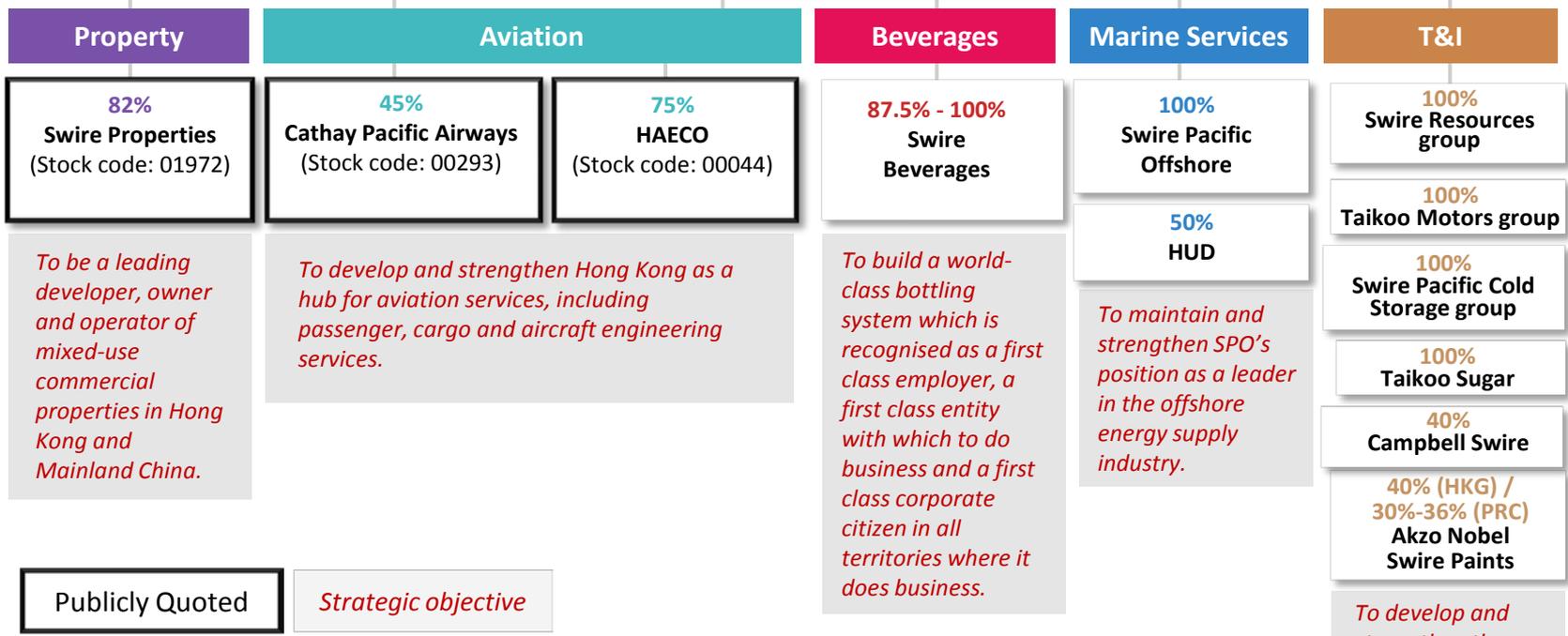
Appendix - Corporate Structure

As at 31st December 2012

Swire Pacific Limited
(‘A’ shares: 00019; ‘B’ shares: 00087)

Sustainable growth in shareholder value over the long term

Attributable Profit: HK\$17,484m -46% ↓	Underlying Profit: HK\$8,344m -52% ↓	Earnings per ‘A’ share : HK\$11.62 -46% ↓	Equity attributable to the Company’s shareholders per ‘A’ share: HK\$139.33 -8% ↓
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To be a leading developer, owner and operator of mixed-use commercial properties in Hong Kong and Mainland China.

To develop and strengthen Hong Kong as a hub for aviation services, including passenger, cargo and aircraft engineering services.

To build a world-class bottling system which is recognised as a first class employer, a first class entity with which to do business and a first class corporate citizen in all territories where it does business.

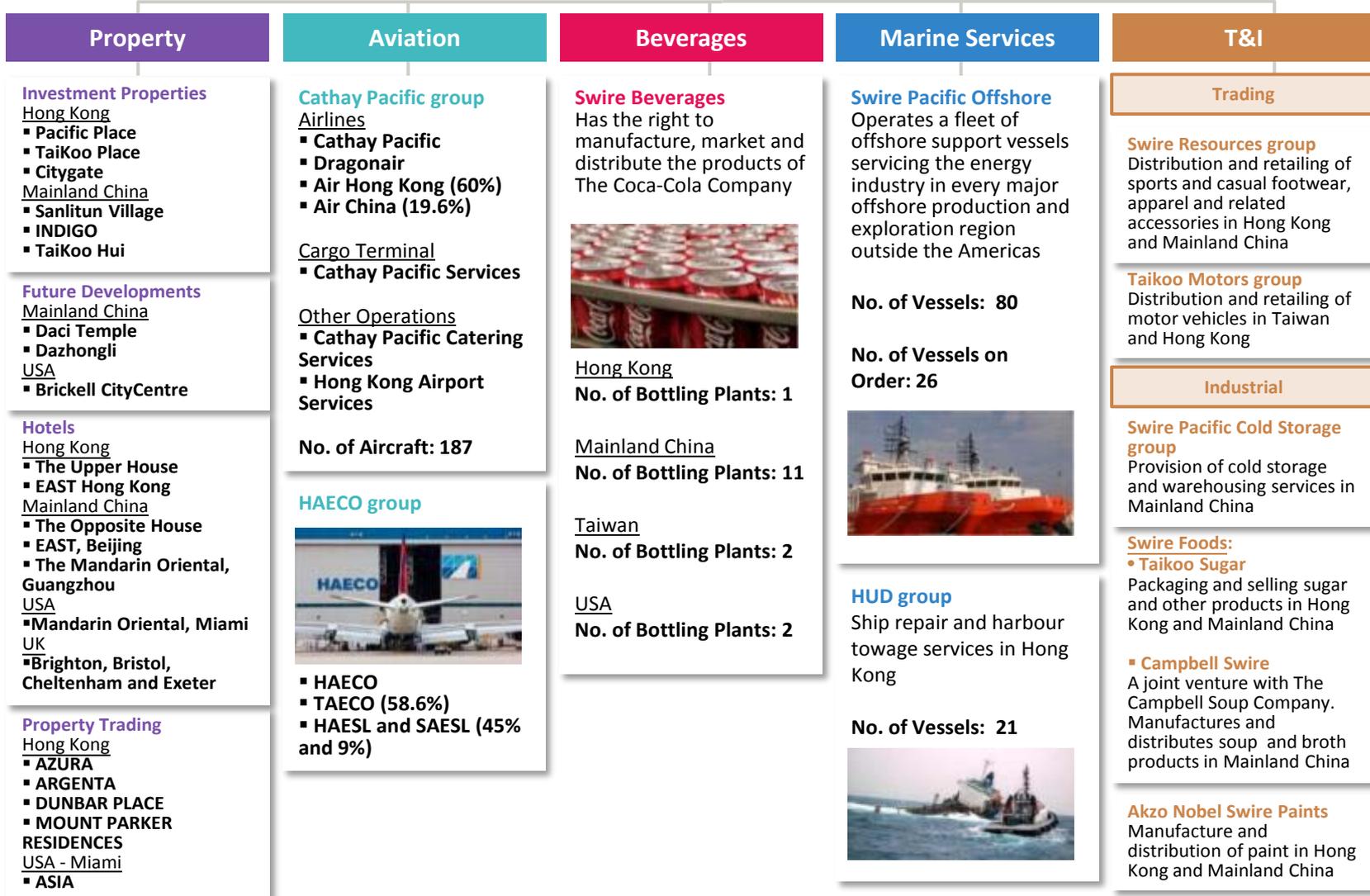
To maintain and strengthen SPO’s position as a leader in the offshore energy supply industry.

To develop and strengthen the trading and industrial businesses which it operates.

Appendix - Corporate Structure

As at 31st December 2012

Swire Pacific Limited





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