

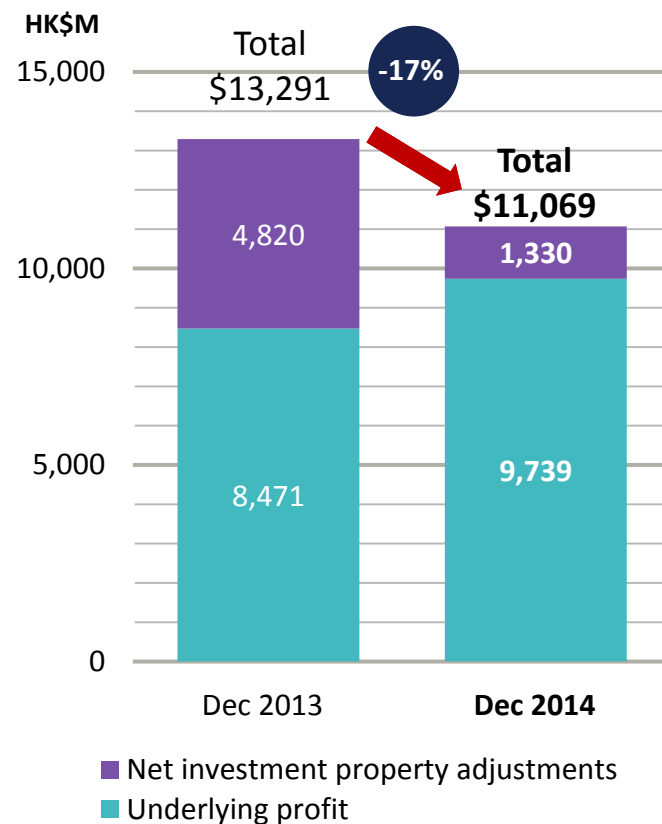


2014 Annual Results Analyst Briefing

19th March 2015 | Hong Kong

Financial Summary

Attributable Profit



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

Revenue

Dec 2013: HK\$51,437m

+19%

Dec 2014: HK\$61,301m

Underlying Profit

Dec 2013: HK\$8,471m

+15%

Dec 2014: HK\$9,739m

Dividends Per Share

Dec 2013:
HK\$3.50 per 'A' share
HK\$0.70 per 'B' share

+11%

Dec 2014:
HK\$3.90 per 'A' share
HK\$0.78 per 'B' share

Cash Generated from Operations

Dec 2013: HK\$14,301m

+14%

Dec 2014: HK\$16,250m

Net Debt

Dec 2013: HK\$50,505m

+16%

Dec 2014: HK\$58,624m

Gearing Ratio

Dec 2013: 19.2%

+3.2% pts

Dec 2014: 22.4%

Equity Attributable to the Company's Shareholders

Dec 2013: HK\$220,297m

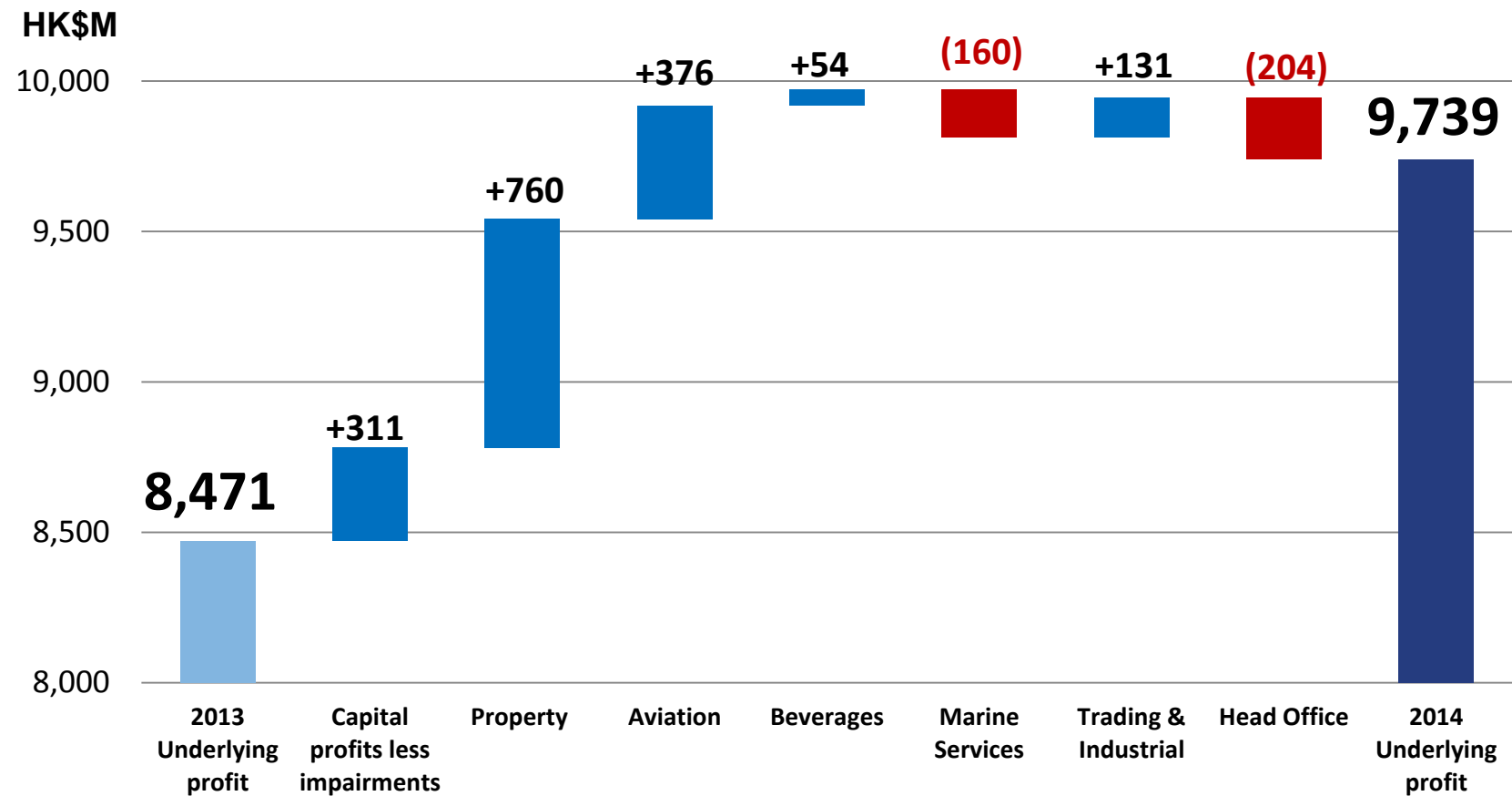
-1%

Dec 2014: HK\$218,775m

Financial Summary

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Movement in Underlying Profit



Financial Summary

Profit Bridge

	Dec 13 HK\$M	Dec 14 HK\$M	
Attributable profit	13,291	11,069	
Less: adjustments in respect of investment properties	(4,820)	(1,330)	Primarily on sale of two units at OPUS HONG KONG.
Underlying profit attributable to the Company's shareholders	8,471	9,739	
Other significant items:			
Profit on sale of investment properties	(21)	(529)	Cathay Pacific recorded a profit of HK\$188m and HK\$217m in 2013 and 2014 respectively on sale of aircraft.
Profit on sale of property, plant and equipment and other investments	(197)	(93)	SPO sold four vessels in 2013 and three vessels in 2014.
Net impairment of property, plant and equipment, leasehold land and intangible assets	161	254	Cathay Pacific recorded an impairment charge of HK\$270m principally on A340 aircraft.
Adjusted underlying profit	8,414	9,371	

Financial Summary

Financing

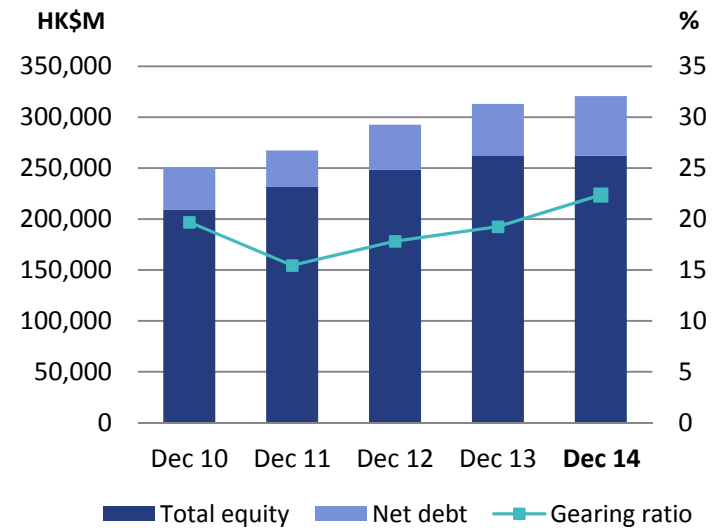
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	Dec 10	Dec 11	Dec 12	Dec 13	Dec 14
Net debt (HK\$M)	41,221	35,768	44,254	50,505	58,624
Gearing (%)	19.7%	15.4%	17.8%	19.2%	22.4%
Interest cover (underlying) – times	10.3	10.4	6.7	5.5	6.1
Cash interest cover (underlying) – times	8.3	8.4	5.4	4.5	4.9

Net Debt Reconciliation

	HK\$Bn
Net debt at 1st January 2014	50.5
Cash from operations	(16.2)
Net dividend paid	4.5
Capex and investments less proceeds	16.1
Net interest paid	2.3
Tax paid	1.4
Net debt at 31st December 2014	58.6

Gearing Ratio



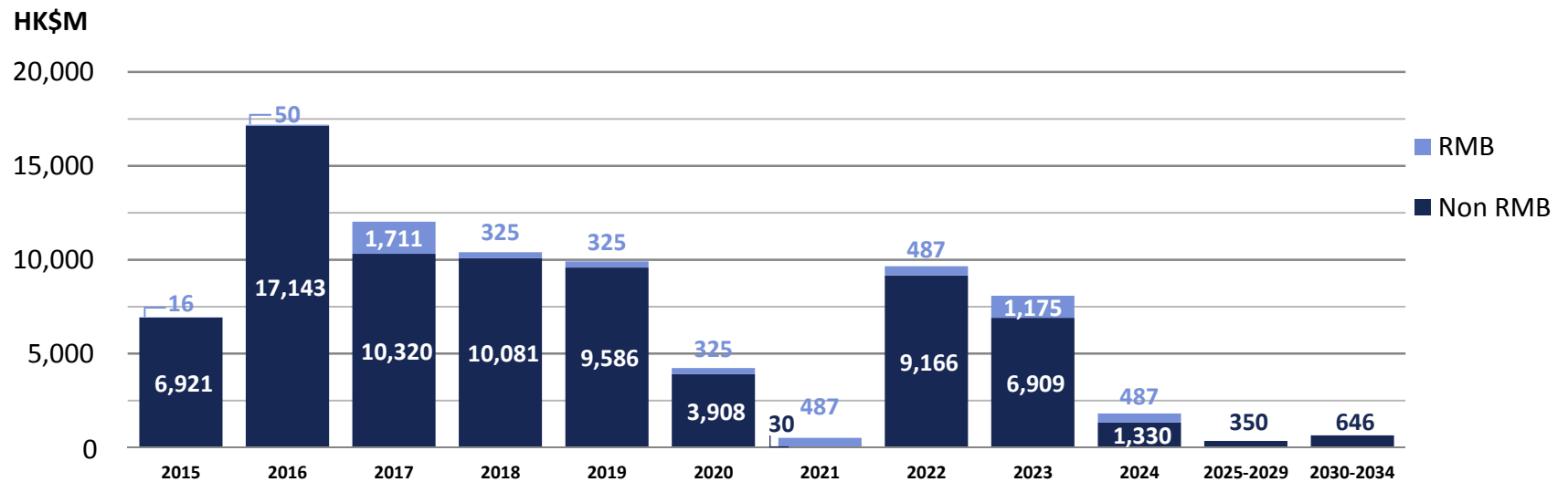
Financial Summary

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Liquidity

	Dec 13 HK\$M	Dec 14 HK\$M	Change %
Bank balances and short-term deposits	11,288	10,115	-10%
Total undrawn facilities			
- Committed	19,518	13,761	-29%
- Uncommitted	8,848	9,634	+9%

Refinancing Profile at 31st December 2014



Property



Results Highlights

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HK\$M (Swire Properties – 100% basis)	Dec 13	Dec 14	Change %
Attributable profit	12,525	9,516	-24%
Underlying profit	6,348	7,152	+13%
Valuation gains on investment properties	6,211	1,956	-69%

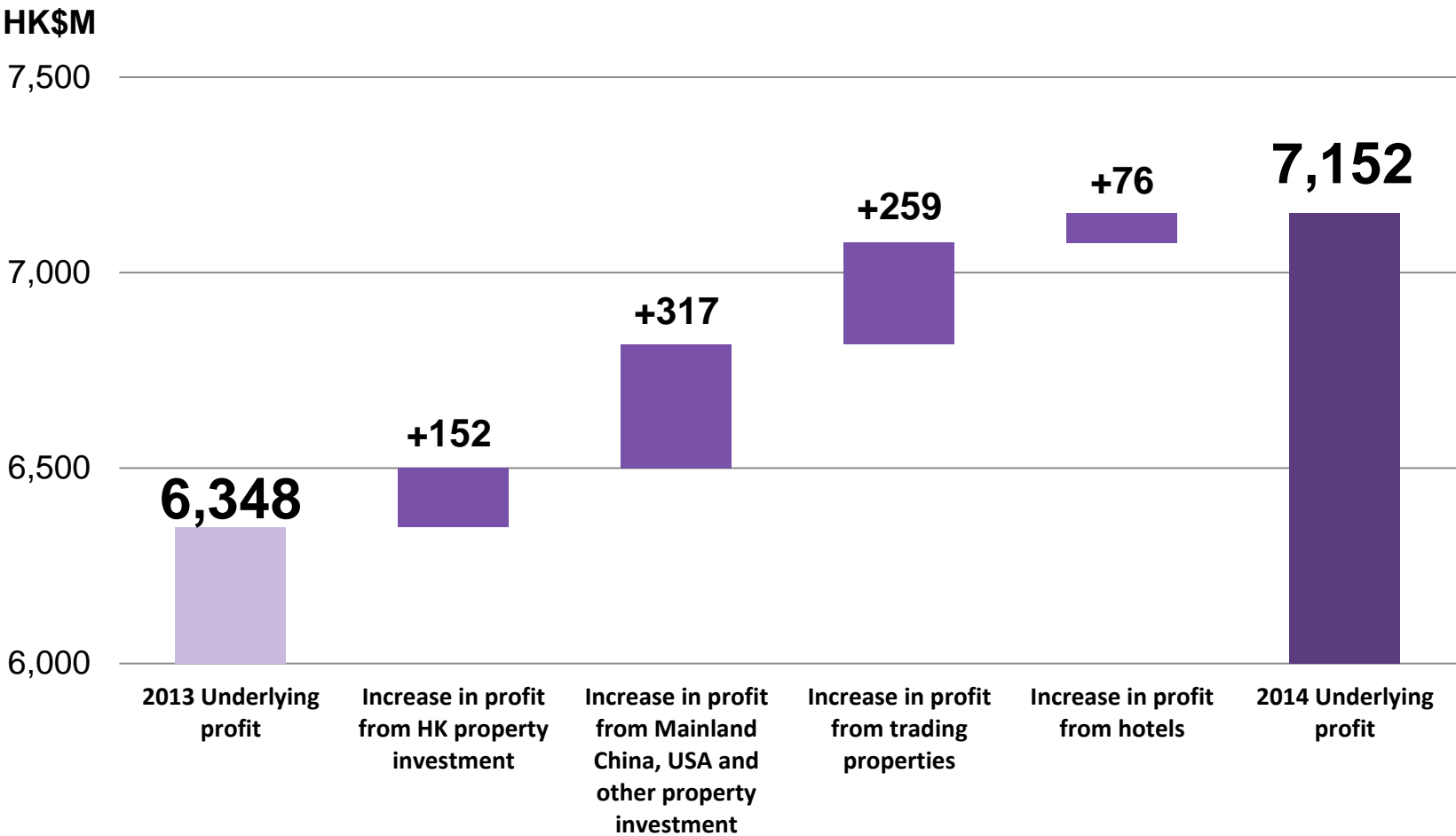
HK\$M (Swire Pacific's share)	Dec 13	Dec 14	Change %
Attributable profit	10,207	7,786	-24%
Underlying profit	5,091	5,841	+15%

Key Highlights

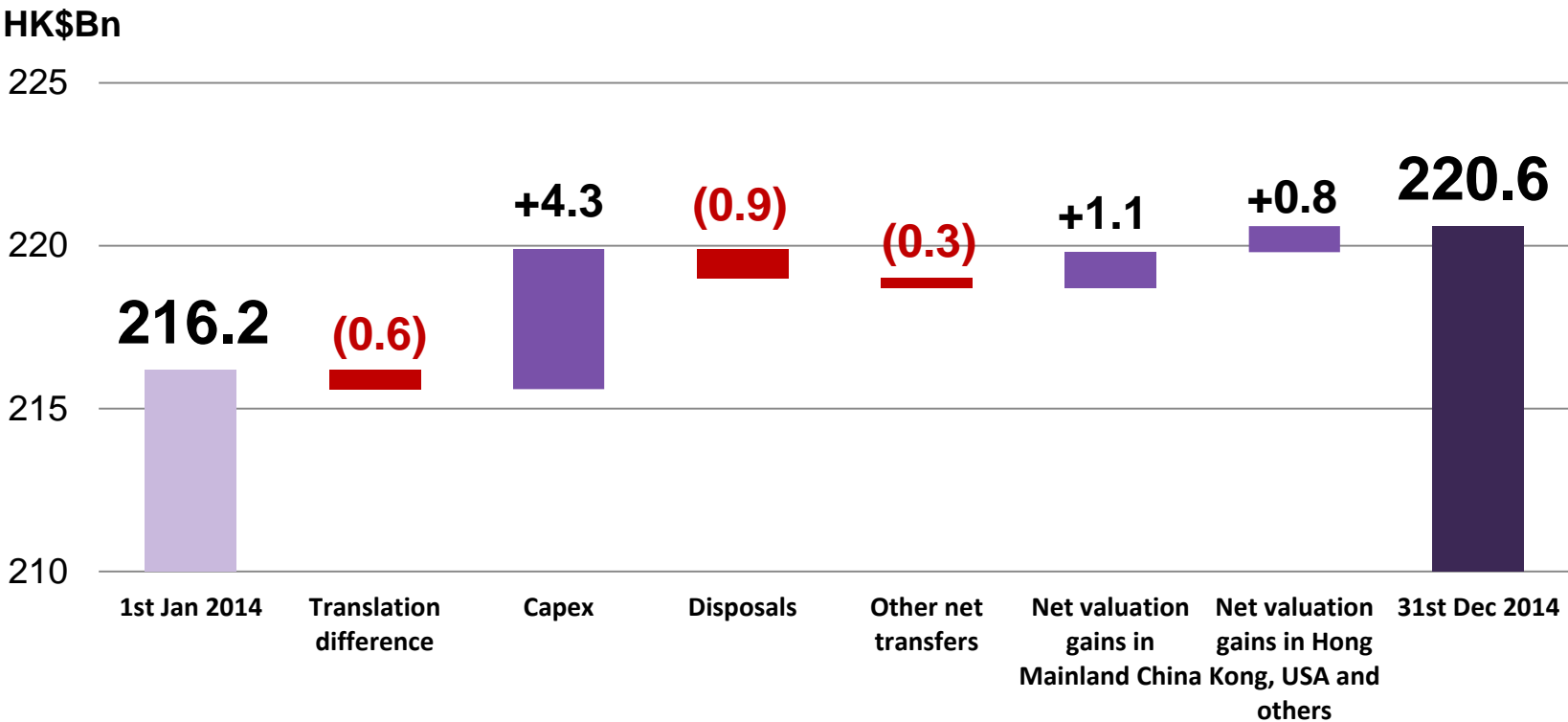
- Underlying attributable profit increased by HK\$750m to HK\$5,841m.
- Positive rental reversions at office and retail properties in Hong Kong.
- Higher rental income at TaiKoo Hui in Guangzhou and Taikoo Li Sanlitun in Beijing.
- Higher profit from property trading principally reflecting sales of units in the MOUNT PARKER RESIDENCES, ARGENTA and DUNBAR PLACE residential developments in Hong Kong.
- Improved performances from hotels in Hong Kong and reduced losses from hotels in Mainland China.



Movement in Underlying Profit (Swire Properties - 100% basis)



Movement in Investment Properties

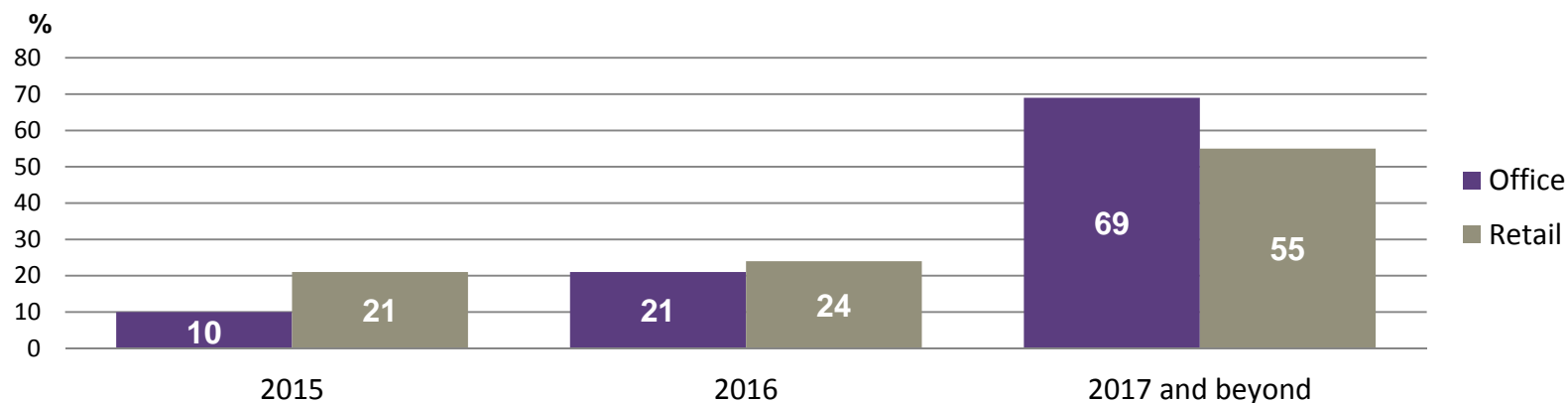


- Revaluation gains of HK\$1.9bn in 2014 (excluding the Group’s share of revaluation movements of joint venture and associated companies).
- The increase in the valuation of the investment property portfolio principally reflects higher rental income at the retails malls in Hong Kong and Mainland China.

Operating Statistics

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Hong Kong Lease Expiry Profile* – at 31st Dec 2014



* Based on percentage of the total rental income attributable to the division for the month ended 31st December 2014.

Latest Rentals

	HK\$ per sq. ft.
One & Two Pacific Place	95-110
Three Pacific Place	90-95
Taikoo Place	Low to high 40s
Techno-centres ⁽¹⁾	Mid 20s
One Island East	Mid 50s to high 60s

Occupancies at 31st Dec 2014

	Occupancy rate ⁽²⁾
Office and techno-centres ^{(1),(3)}	97%
TaiKoo Hui office	100%
ONE INDIGO	100%
Taikoo Li Sanlitun	95%
INDIGO Mall	95%

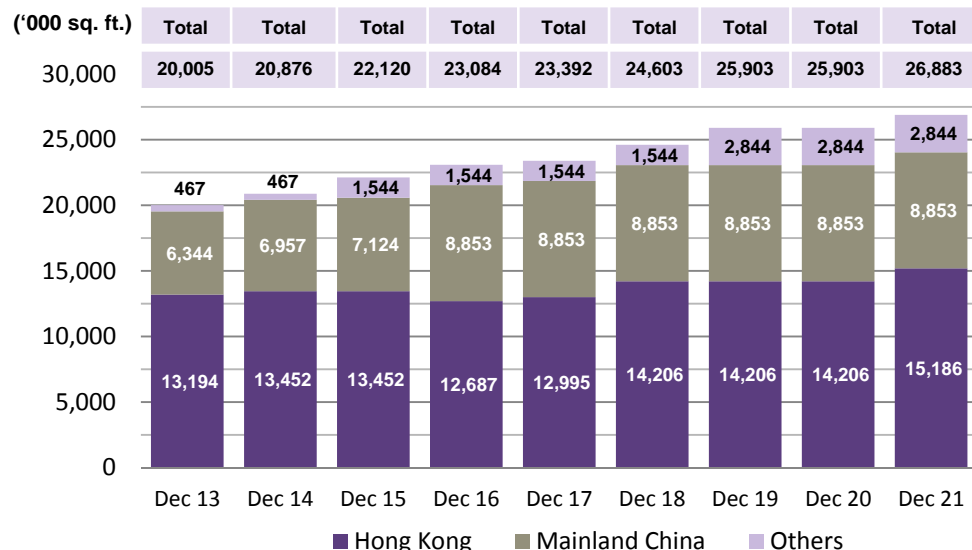
⁽¹⁾ Excluding Somerset House

⁽²⁾ Based on lettable area ⁽³⁾ Wholly-owned properties

Future Developments

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Completed Principal Property Investment Portfolio*



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

Projects	Expected completion date
Hong Kong	
TAIKOO PLACE APARTMENTS	2014
Kowloon Bay Commercial Site	2017
Tung Chung Town Lot No.11	2017
Somerset House (Redevelopment)	2018
8 -10 Wong Chuk Hang Road	2018
Taikoo Place Phase 2B (Redevelopment)	2021 (2016)
Mainland China	
Daci Temple, Chengdu	2015
Dazhongli, Shanghai	2016
USA	
Brickell City Centre	2015 / 2019

Profile of Capital Commitments — for Investment Properties and Hotels at 31st December 2014

(HK\$M)	Expenditure	Forecast year of expenditure				Commitments
	2014	2015	2016	2017	2018 & beyond	2014
Hong Kong	4,657	1,564	4,122	4,030	7,781	17,497
Mainland China	2,272	1,955	1,620	244	827	4,646
USA and others	2,051	1,707	290	-	-	1,997
Total	8,980	5,226	6,032	4,274	8,608	24,140 *

*Including the division's share of the capex and capital commitments of its joint venture companies.

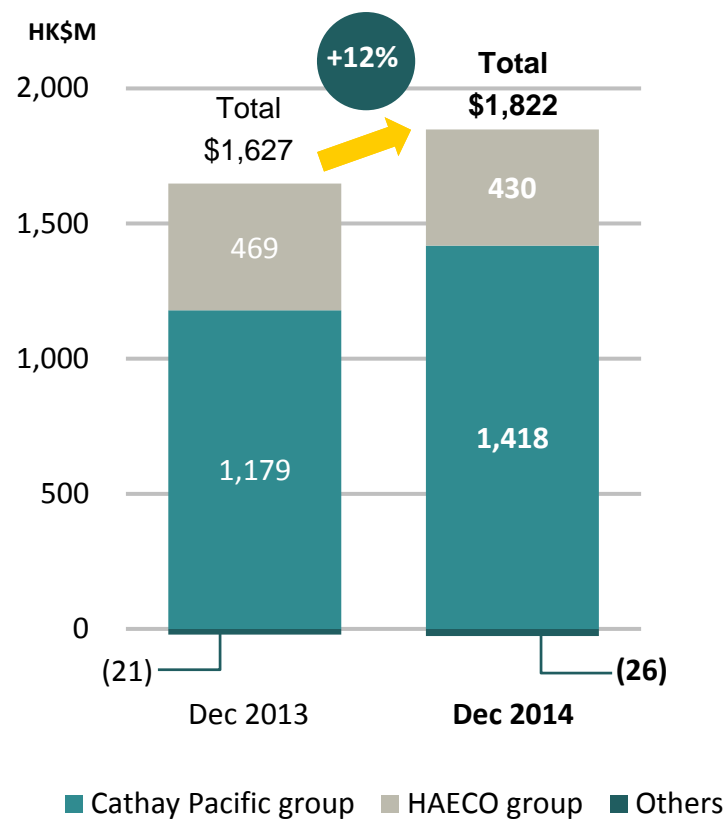
Aviation



Results Highlights

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Attributable Profit



Key Financial Data

	Dec 2014 HK\$M	Change %
HAECO group		
Revenue	11,927	+61% ↑
Operating profit	509	+91% ↑
Attributable profit	430	-8% ↓
Share of post-tax profits from an associated company		
Cathay Pacific group	1,418	+20% ↑

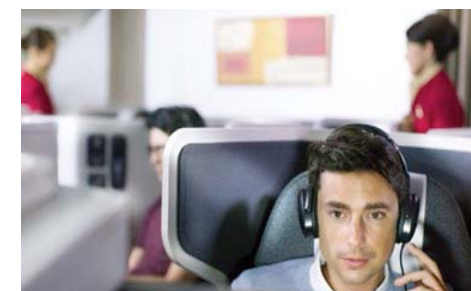


Cathay Pacific Group Highlights

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Key Highlights

- The Cathay Pacific group reported a profit on a 100% basis of HK\$3,150m, compared with a profit of HK\$2,620m in 2013.
- The improvement in the group's performance was mainly due to better results from subsidiary and associate businesses, in particular Cathay Pacific Services and Air China Cargo.
- Passenger demand was reasonably firm throughout the year and strong during seasonal peak periods. Strong competition reduced yield on regional routes.
- Cargo demand improved in the second half of the year. The improvement in cargo carried was offset in part by lower yield.
- Overall, fuel costs increased by 6%, reflecting a 1% rise in fuel costs and a fuel hedging loss of HK\$911m for the year. Significant unrealised fuel hedging losses of HK\$14.3bn were also recognised in Cathay Pacific's balance sheet.



Key Financial Data

CX group (100% basis)

	Dec 2014 HK\$M	Change %
Revenue	105,991	+5%
Passenger services	75,734	+5%
Cargo services	25,400	+7%
Others	4,857	-3%
Attributable profit	3,150	+20%

Key Operating Statistics

	Dec 2014	Change %
Available tonne kilometres (ATK) ('M)	28,440	+8%
Revenue passengers carried ('000)	31,570	+6%
Passenger yield (HK¢)	67.3	-2%
Cargo and mail carried (Tonnes '000)	1,723	+12%
Cargo and mail yield (HK\$)	2.19	-6%

HAECO Group Highlights

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Key Highlights

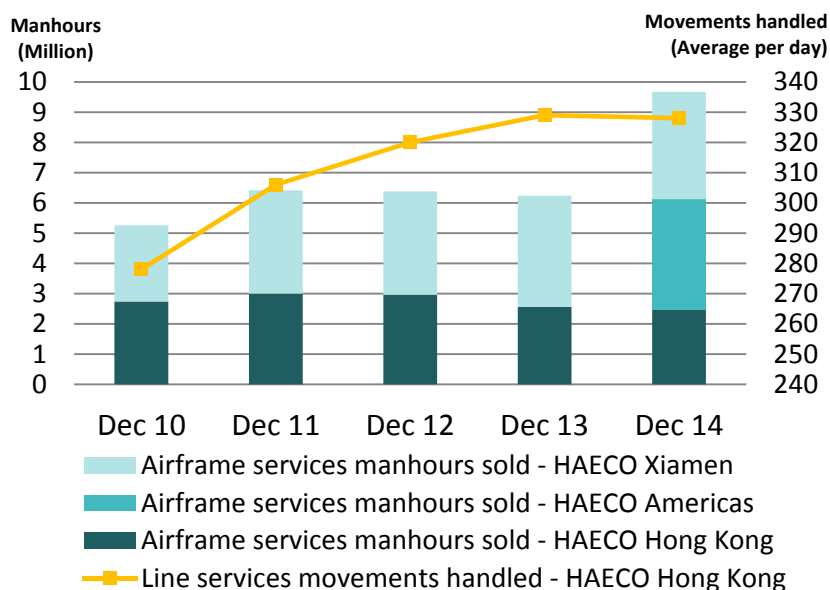
- In February 2014, the HAECO group acquired TIMCO Aviation Services, Inc. This business based in the USA and now trading under HAECO Americas contributed 3.66m airframe services manhours. It recorded a loss due to restructuring and finance costs.
- HAECO Hong Kong continued to suffer from labour shortages, although these eased in the second half of the year.
- TEXL recorded significantly higher profits as a result of more engines overhauled.
- HAESL's profit, including that derived from its interest in SAESL, decreased due to fewer engines overhauled.

Key Financial Data

Attributable Profit (100% basis)

	Dec 2014 HK\$M	Change %
HAECO Hong Kong	103	+72%
HAECO Americas	(45)	-29%
HAECO Xiamen	89	-1%
TEXL	166	+326%
HAESL and SAESL	267	-43%
Others	(7)	-217
Total	573	-8%

Key Operating Statistics

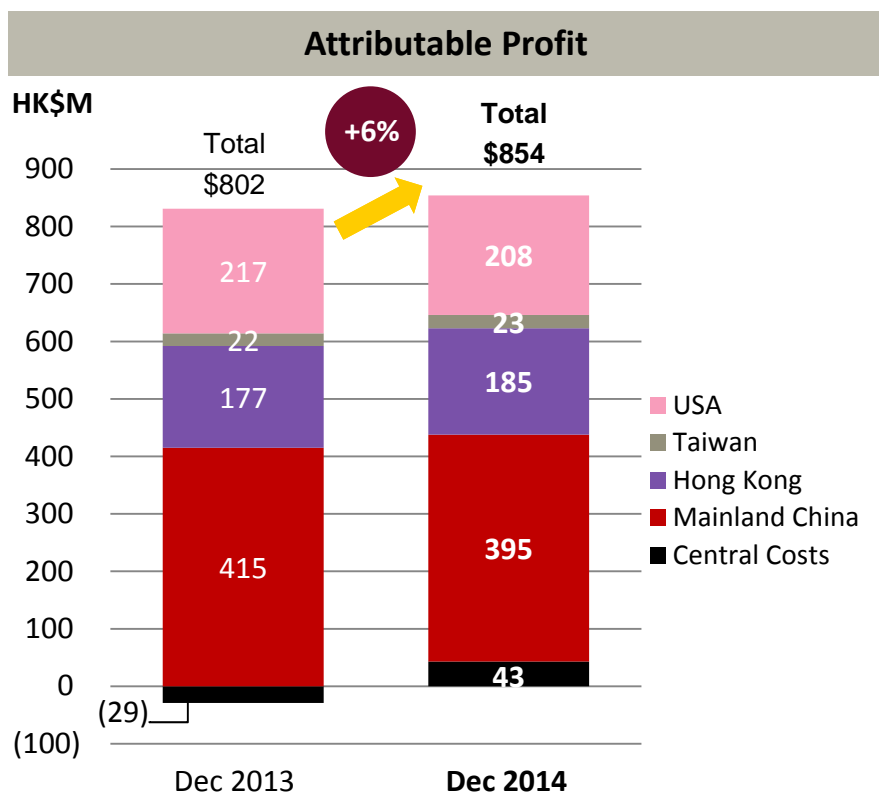


Beverages



Results Highlights

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Key Financial Data

	Dec 2014 HK\$M	Change %
Operating profit	1,095	+27% ↑
Share of post-tax profits from joint venture and associated companies	291	-27% ↓
Attributable profit	854	+6% ↑

Key Highlights

- Excluding non-recurring profits in 2013 and 2014, attributable profit increased by 6%. Non-recurring profits in 2014 were recognised on disposal of available-for-sale investments.
- Sales volume increased by 3%, principally reflecting the assumption of new franchise territories in the USA and modest volume growth in Mainland China.
- Results in Mainland China benefited from low raw material costs and an improved sales mix. Raw material costs remained low in all other territories.

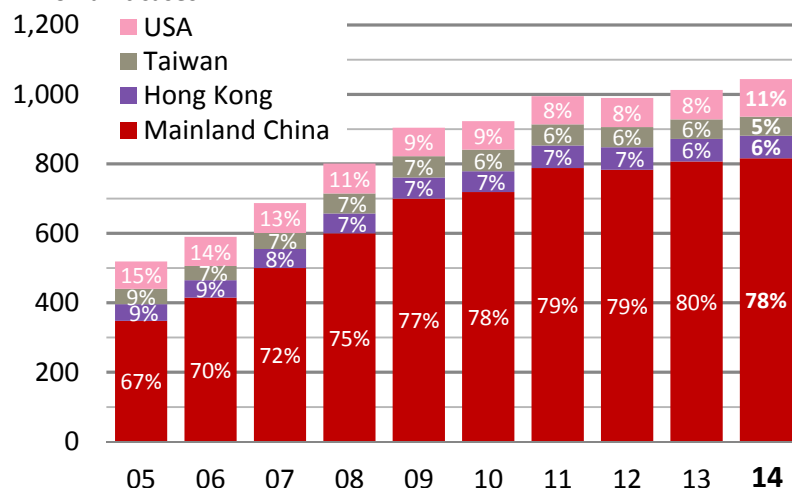
Volume Analysis

- Overall sales volume increased by 3% to 1,044 million unit cases, compared with an increase of 2% in 2013.

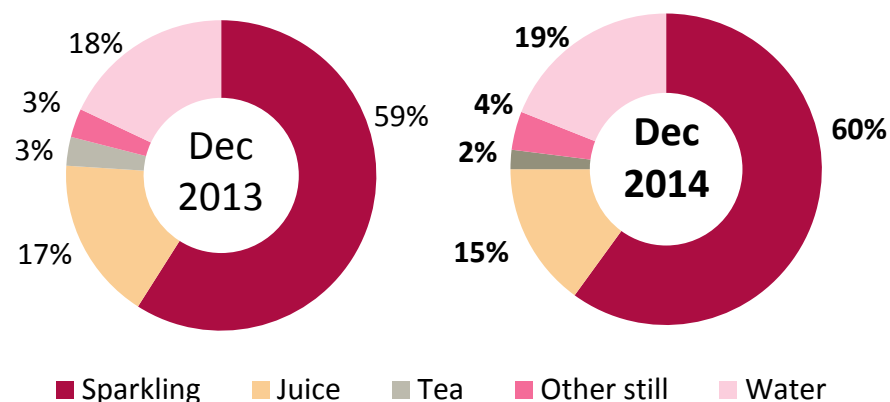
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Volume Progression

Million unit cases



Volume by Category



Segment Information

Mainland China			Hong Kong		
Revenue*	Attributable Profit	Sales Volume*	Revenue	Attributable Profit	Sales Volume
↑ HK\$17,043m	↓ HK\$395m	↑ 816m u/c	↑ HK\$2,164m	↑ HK\$185m	— 65m u/c
Taiwan			USA		
Revenue	Attributable Profit	Sales Volume	Revenue	Attributable Profit	Sales Volume
↓ HK\$1,415m	↑ HK\$23m	↓ 55m u/c	↑ HK\$4,948m	↓ HK\$208m	↑ 108m u/c

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

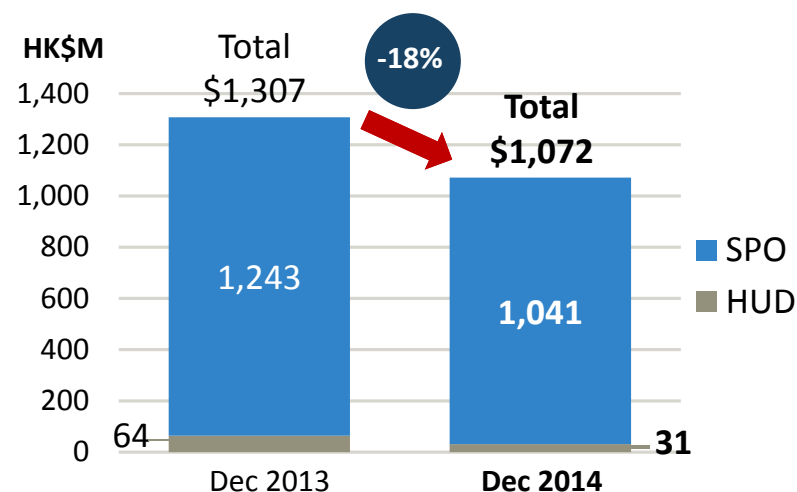
Marine Services



Results Highlights


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Attributable Profit



Key Financial Data

Swire Pacific Offshore group

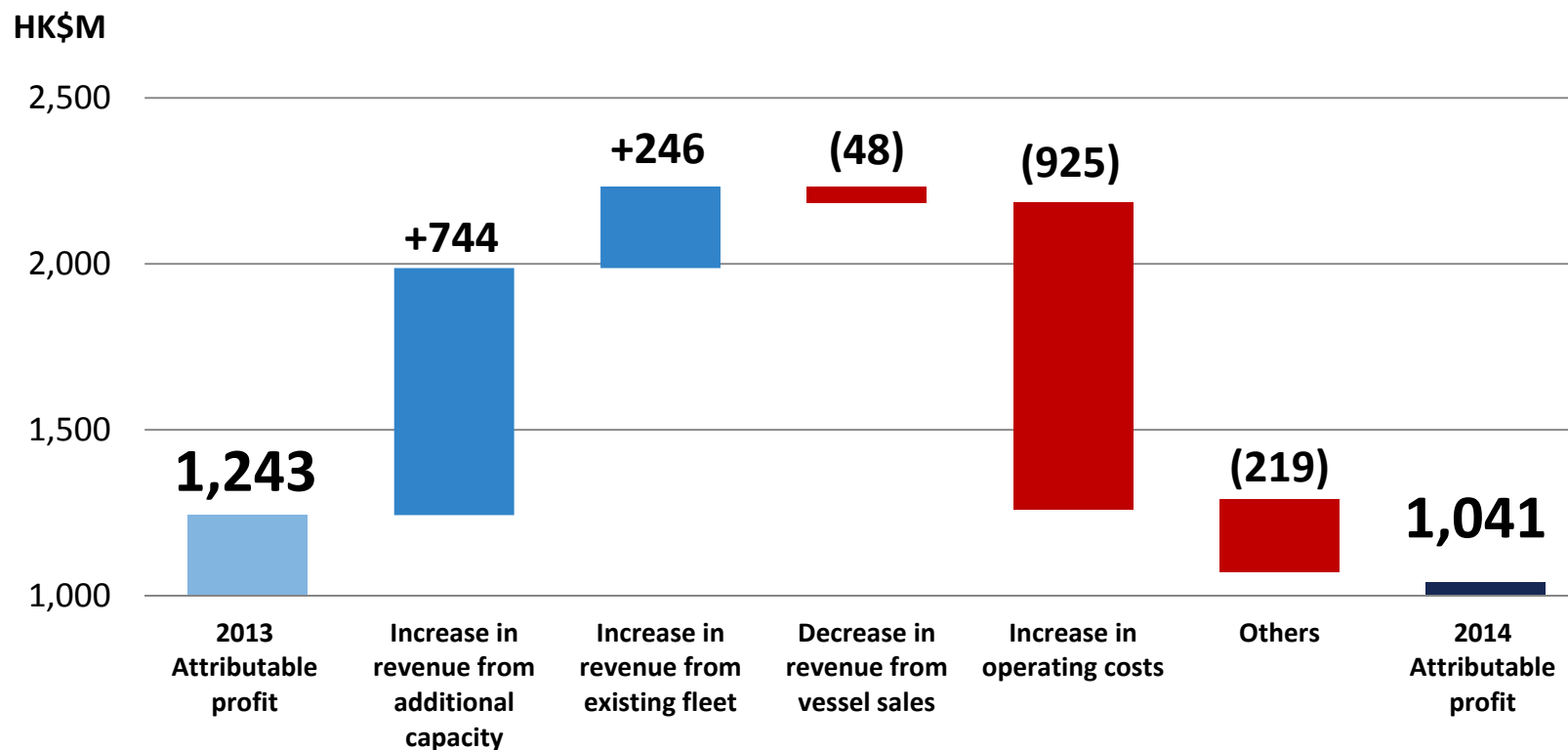
	Dec 2014 HK\$M	Change %
Revenue	7,234	+15% 
Operating profit	1,320	-12% 
Attributable profit	1,041	-16% 

Key Highlights

- SPO's profits decreased by 16% to HK\$1,041m compared with profits of HK\$1,243m in 2013.
- SPO's results were affected by difficult market conditions in the second half of the year following the substantial decrease in the oil price.
- SPO's overall average fleet utilisation rate fell by 2.3 percentage points to 86.6%.
- Charter hire rates rose by 15% to US\$30,100 per day reflecting the deliveries of new, typically higher specification vessels.

SPO – Movement in Attributable Profit

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SPO Outlook

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SPO Fleet Growth

Vessel class	2013	Additions	Disposals	Year-end	Vessels expected to be received in		
		2014			2015	2016	2017
Anchor Handling Tug Supply Vessels	43	-	3	40	-	-	-
Large Anchor Handling Tug Supply Vessels	18	5	-	23	1	-	-
Platform Supply Vessels	8	1	-	9	4	2	3
Large Platform Supply Vessels	4	3	-	7	1	1	3
Construction and Specialist Vessels	9	-	-	9	-	-	-
Total	82	9	3	88	6	3	6

Note: SPO's fleet includes one PSV and one CSV chartered from external parties.

Profile of Capital Commitments – at 31st December 2014

(HK\$M)	Expenditure	Forecast period of expenditure				Commitments
	2014	2015	2016	2017	2018	at 31st Dec 2014
Anchor Handling Tug Supply Vessels and Platform Supply Vessels	2,978	2,114	1,134	1,081	-	4,329
Construction and Specialist Vessels	234	173	3	3	-	179
Other fixed assets	74	208	136	92	233	669
Total	3,286	2,495	1,273	1,176	233	5,177

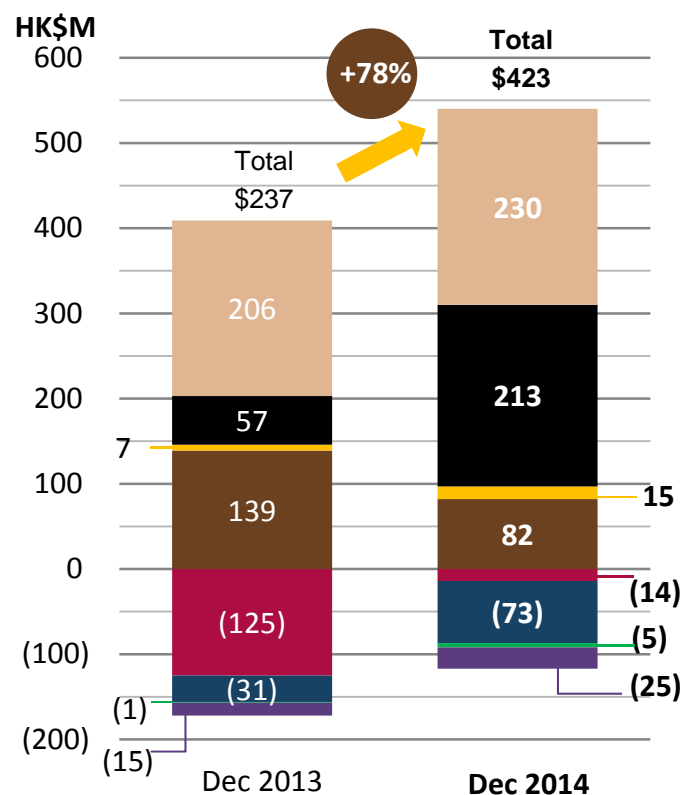
Trading & Industrial



Results Highlights

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Attributable Profit



- Other activities
- Swire Pacific Cold Storage group
- Akzo Nobel Swire Paints
- Swire Foods group
- Swire Sustainable Business group
- Campbell Swire
- Taikoo Motors group
- Swire Retail group

Key Highlights

Taikoo Motors group

- Higher attributable profit reflected higher sales volume and the release of provisions for dealer incentives in Taiwan.

Akzo Nobel Swire Paints

- Higher attributable profit due to increased sales volume. Gross margins were similar to 2013.

Swire Foods group

- Higher attributable profit reflects the inclusion of the results of Chongqing New Qinyuan Bakery Co. Ltd, acquired in December 2014.

Swire Retail group

- Lower attributable profit principally as a result of the replacement of Swire Resources' Columbia China distributorship with an associate from 1st January 2014.

Campbell Swire

- Reduced losses following restructuring of the business during the year.

Swire Pacific Cold Storage group

- Higher losses reflecting start-up costs of the business.



Prospects

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Property	<u>Positive Factors</u>	<u>Negative Factors</u>
Aviation	<ul style="list-style-type: none"> No major leases expiring at Pacific Place and high occupancy expected at properties in Quarry Bay in Hong Kong. 	<ul style="list-style-type: none"> Retailers are cautious about expanding in Beijing and Guangzhou.
Beverages	<ul style="list-style-type: none"> Retail properties in Hong Kong remain fully let and demand for retail space at prime locations is expected to remain good. 	<ul style="list-style-type: none"> Substantial supply of new office space in Beijing and Guangzhou is expected to put office rents under pressure.
Marine Services	<ul style="list-style-type: none"> Trading profits are expected, principally on completion of sales of pre-sold units in Hong Kong and on the sale of the pre-sold office tower in Chengdu. 	
Trading & Industrial		

Prospects

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Property		
Aviation	<u>Positive Factors</u> <ul style="list-style-type: none"> Improvement in cargo demand has continued into the first quarter of 2015. Lower fuel prices will reduce fuel costs for the airline (but this benefit is in part offset by fuel hedging losses). The financial position of the Cathay Pacific group remains strong. Cathay Pacific will take delivery of nine new aircraft in 2015. HAECO Hong Kong's airframe maintenance capacity is expected to increase in 2015. TEXL is expected to continue to perform well. 	<u>Negative Factors</u> <ul style="list-style-type: none"> Highly competitive operating environment, in particular for passengers business, makes it hard to maintain yield. HAESL is expected to continue to be affected by reduced demand for engine overhaul services.
Beverages		
Marine Services		
Trading & Industrial		

Prospects

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Property

Aviation

Beverages

Marine
Services

Trading &
Industrial

Positive Factors

- Sparkling sales in Mainland China are expected to benefit from expansion of the product range and increased investment in distribution equipment.
- Raw material prices in Mainland China are expected to remain low.
- Hong Kong is expected to maintain its strong market position and expand its product range.
- USA will benefit from a full-year's contribution from franchise territories assumed in 2014.

Negative Factors

- Staff costs are expected to put pressure on margins in Mainland China.
- Capacity constraints and labour shortages in Hong Kong are problems.

Prospects

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Property

Aviation

Beverages

**Marine
Services**

Trading &
Industrial

Positive Factors

- SPO's modern and increasingly high specification fleet is well-placed to meet available demand particularly for vessels capable of operating in deeper waters.

Negative Factors

- The low oil price is expected to reduce offshore exploration activity in the short run, which is likely to affect SPO's results.

Prospects

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Property

Aviation

Beverages

Marine
Services

Trading &
Industrial

Positive Factors

- Swire Foods will benefit from a full-year's contribution from Qinyuan Bakery.
- Akzo Nobel Swire Paints expects to continue to expand its distribution network in Mainland China.

Negative Factors

- The retail market in Hong Kong remains highly competitive. Increased costs are likely to put pressure on margins.
- Taikoo Motors expects sales of vehicles to decrease following the end of the Volkswagen and Škoda importerships in 2014.

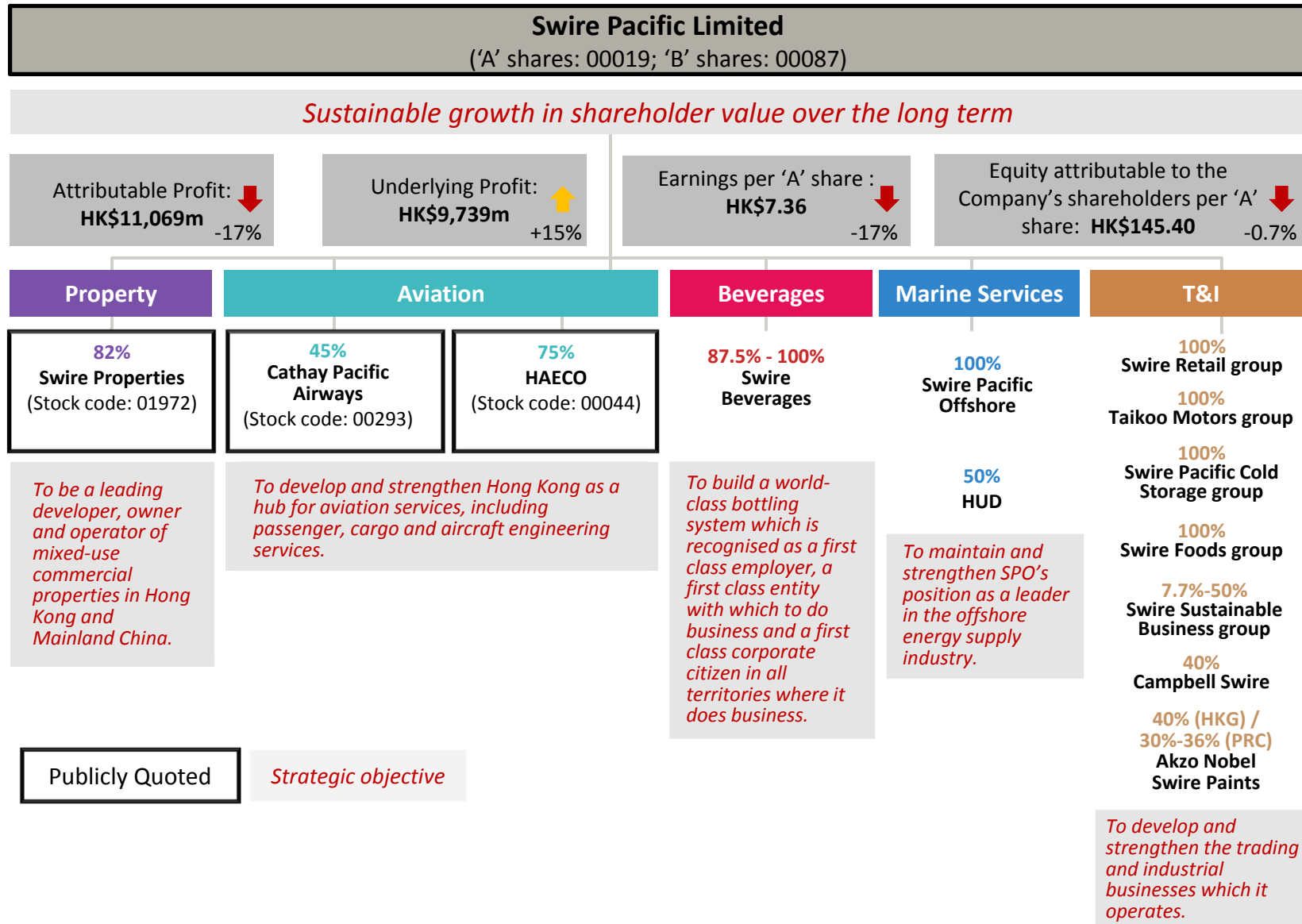


Appendix

Appendix - Corporate Structure

At 31st December 2014

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Appendix - Corporate Structure

At 31st December 2014

Swire Pacific Limited

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Property	Aviation	Beverages	Marine Services	T&I
<p>Investment Properties</p> <p><u>Hong Kong</u></p> <ul style="list-style-type: none"> ▪ Pacific Place ▪ Taikoo Place ▪ Citygate <p><u>Mainland China</u></p> <ul style="list-style-type: none"> ▪ Taikoo Li Sanlitun ▪ INDIGO ▪ TaiKoo Hui <p>Future Developments</p> <p><u>Hong Kong</u></p> <ul style="list-style-type: none"> ▪ Kowloon Bay Commercial Site <p><u>Mainland China</u></p> <ul style="list-style-type: none"> ▪ Daci Temple project ▪ Dazhongli project <p><u>USA</u></p> <ul style="list-style-type: none"> ▪ Brickell City Centre <p>Hotels</p> <p><u>Hong Kong</u></p> <ul style="list-style-type: none"> ▪ The Upper House ▪ EAST Hong Kong <p><u>Mainland China</u></p> <ul style="list-style-type: none"> ▪ The Opposite House ▪ EAST, Beijing ▪ The Mandarin Oriental, Guangzhou <p><u>USA</u></p> <ul style="list-style-type: none"> ▪ Mandarin Oriental, Miami ▪ Brighton, Bristol, Cheltenham and Exeter <p>Property Trading</p> <p><u>Hong Kong</u></p> <ul style="list-style-type: none"> ▪ AZURA ▪ ARGENTA ▪ AREZZO ▪ DUNBAR PLACE ▪ MOUNT PARKER RESIDENCES <p><u>USA - Miami</u></p> <ul style="list-style-type: none"> ▪ Reach & Rise 	<p>Cathay Pacific group</p> <p><u>Airlines</u></p> <ul style="list-style-type: none"> ▪ Cathay Pacific ▪ Dragonair ▪ Air Hong Kong (60%) ▪ Air China (20%) <p><u>Cargo Terminal</u></p> <ul style="list-style-type: none"> ▪ Cathay Pacific Services <p><u>Other Operations</u></p> <ul style="list-style-type: none"> ▪ Cathay Pacific Catering Services ▪ Hong Kong Airport Services <p>No. of Aircraft: 200</p> <p>HAECO group</p>  <ul style="list-style-type: none"> ▪ HAECO Hong Kong ▪ HAECO Americas ▪ HAECO Xiamen (58.6%) ▪ HAESL and SAESL (45% and 9%) ▪ TEXTL (67.6%) 	<p>Swire Beverages</p> <p>Has the right to manufacture, market and distribute products of The Coca-Cola Company</p>  <p><u>Hong Kong</u></p> <p>No. of Bottling Plants: 1</p> <p><u>Mainland China</u></p> <p>No. of Bottling Plants: 11</p> <p><u>Taiwan</u></p> <p>No. of Bottling Plants: 2</p> <p><u>USA</u></p> <p>No. of Bottling Plants: 2</p>	<p>Swire Pacific Offshore</p> <p>Operates a fleet of offshore support vessels servicing the energy industry in every major offshore production and exploration region outside the USA</p> <p>No. of Vessels: 88</p> <p>No. of Vessels on Order: 15</p>  <p>HUD group</p> <p>Ship repair and harbour towage services in Hong Kong</p> <p>No. of Vessels: 19</p> 	<p>Trading</p> <p>Swire Retail group:</p> <ul style="list-style-type: none"> ▪ Swire Resources group <p>Distribution and retailing of footwear, apparel and related accessories in Hong Kong, Macau and Mainland China</p> <ul style="list-style-type: none"> ▪ Swire Brands group <p>Investments in brand-owning companies</p> <p>Taikoo Motors group Distribution and retailing of motor vehicles in Taiwan, Hong Kong, Mainland China and Malaysia</p> <p>Industrial</p> <p>Swire Foods group:</p> <ul style="list-style-type: none"> ▪ Taikoo Sugar <p>Packaging and selling sugar and other products in Hong Kong and Mainland China</p> <ul style="list-style-type: none"> ▪ Campbell Swire <p>A joint venture with The Campbell Soup Company. Distributes soup and broth products in Mainland China</p> <ul style="list-style-type: none"> ▪ Swire Foods <p>Acquisition of a 65% interest in Qinyuan Bakery</p> <p>Swire Pacific Cold Storage group</p> <p>Provision of cold storage and warehousing services in Mainland China</p> <p>Akzo Nobel Swire Paints Manufacture and distribution of paint in Hong Kong and Mainland China</p> <p>Swire Sustainable Business group:</p> <ul style="list-style-type: none"> ▪ Swire Waste Management <p>Provision of waste management services in Hong Kong</p> <ul style="list-style-type: none"> ▪ Swire Sustainability Fund <p>Investment in early-stage companies developing technologies</p>



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