



Swire Pacific Limited
Interim Results
2002
Presentation

8 August 2002
Hong Kong

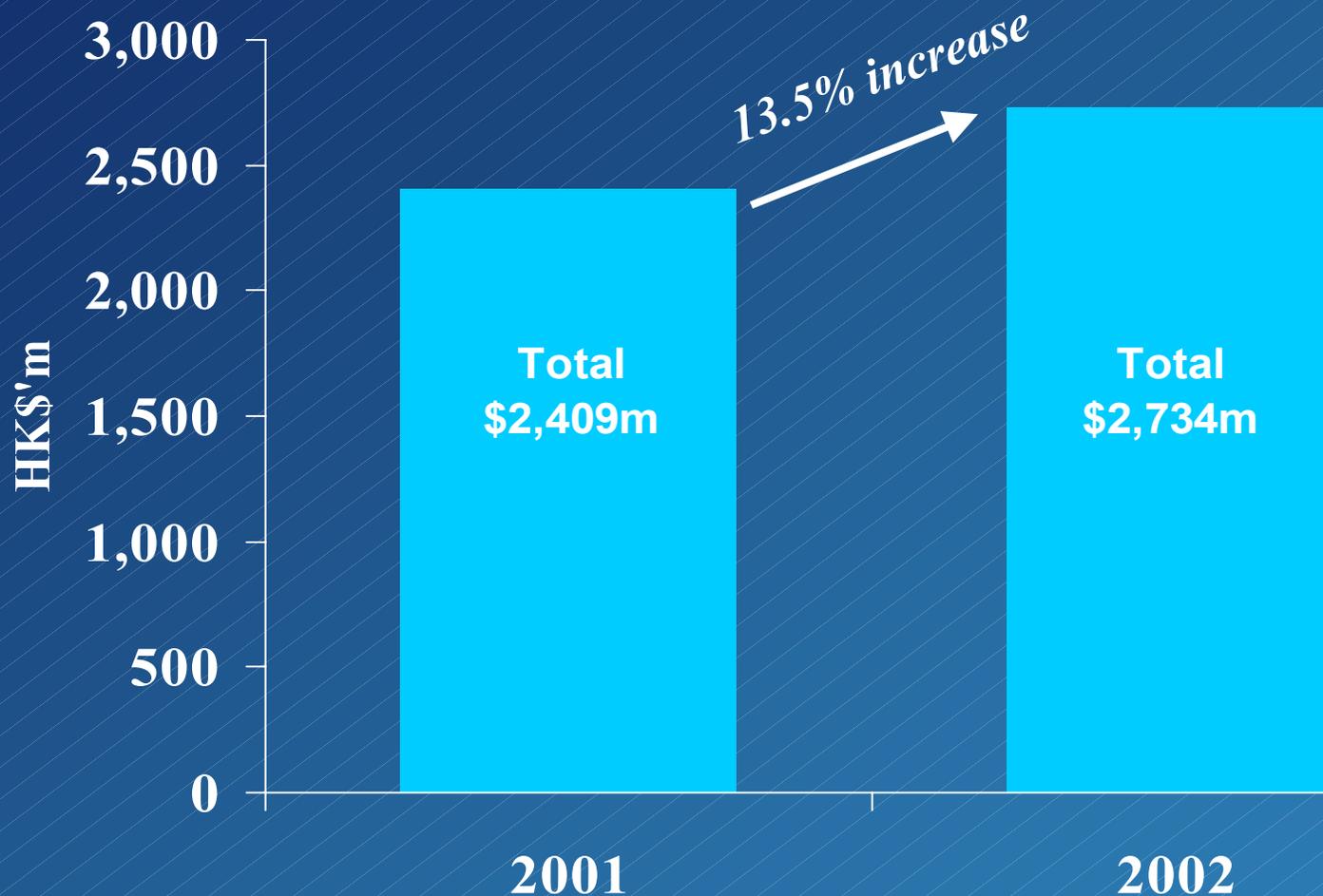


Interim Highlights

- Solid performance despite weak global economy
- Aviation turnaround
- Property earnings stable in weak market
- Boosted by profits on Albany sales
- Beverages, Marine and Trading/Industrial also achieved higher contributions
- Strong balance sheet maintained



Swire Pacific Attributable Profit

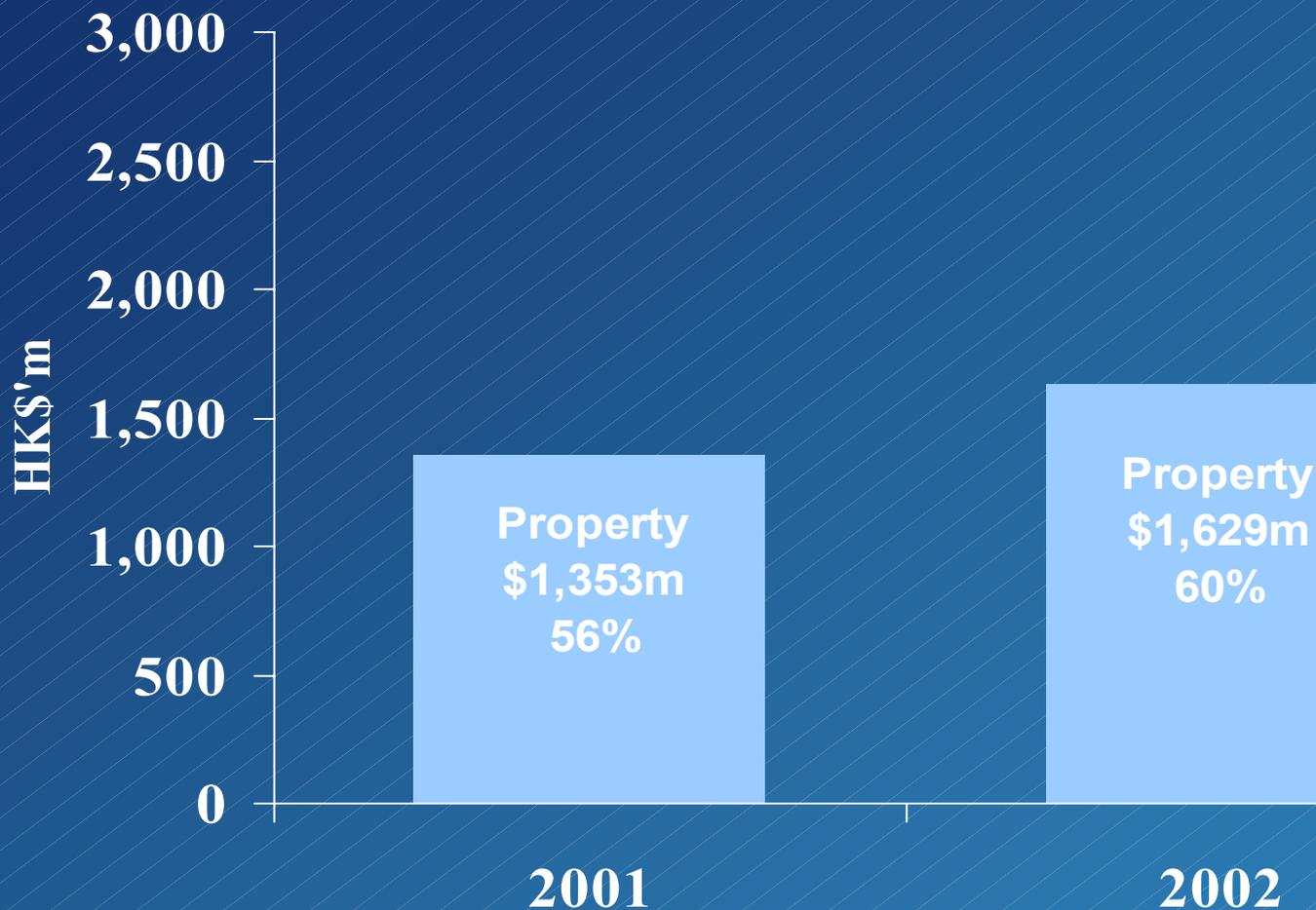


Swire Pacific

Six months ended 30th June



Attributable Profit – Property Division



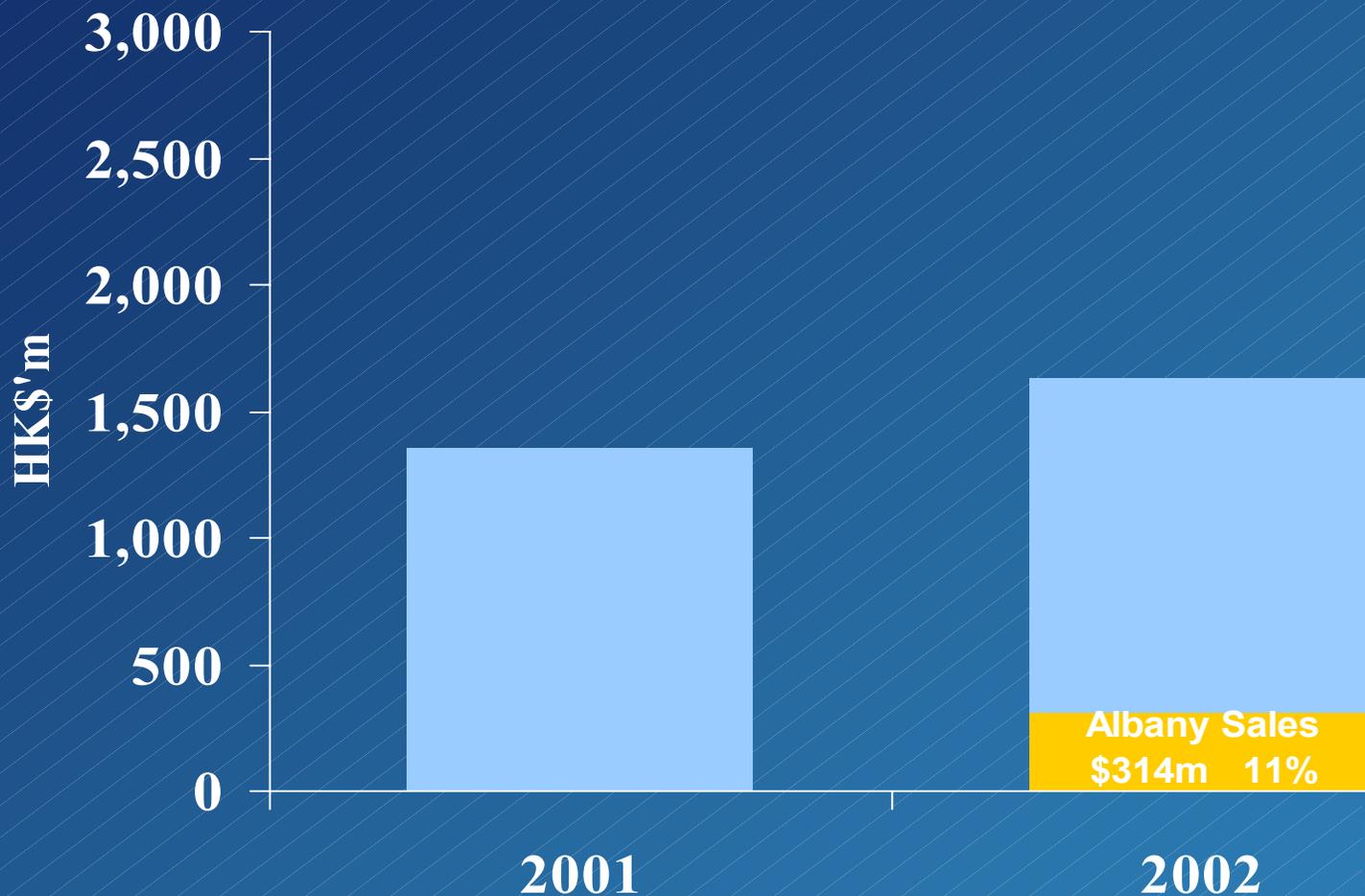
Six months ended 30th June



Swire Pacific



Attributable Profit – Property Division



Six months ended 30th June

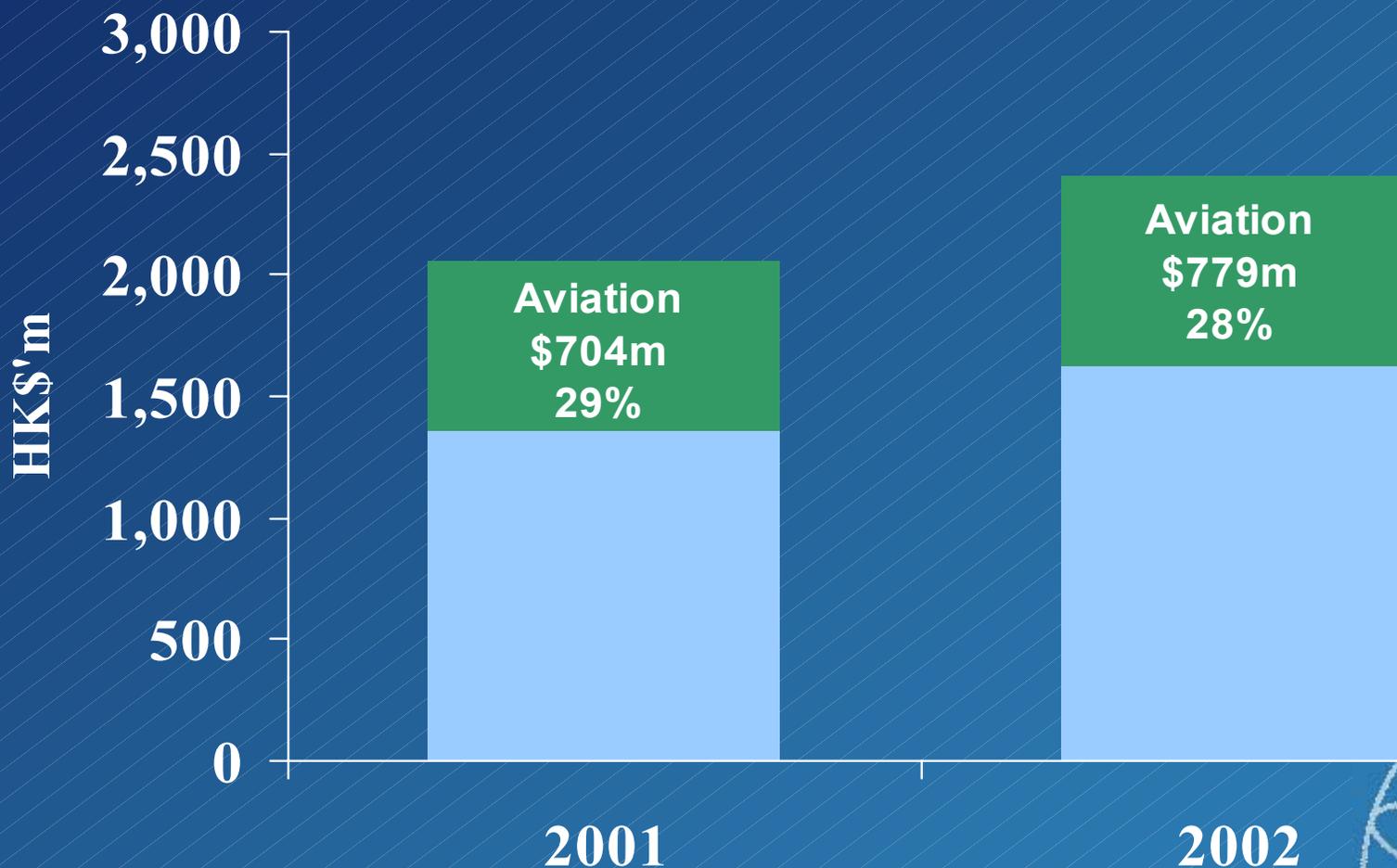


Property

- Rental income maintained
 - Lower rents and occupancies in offices and service apartments offset by relative stability of retail portfolio
- Property trading sales – modest contribution
- Albany sales boosted profits



Attributable Profit – Aviation Division



Swire Pacific

Six months ended 30th June

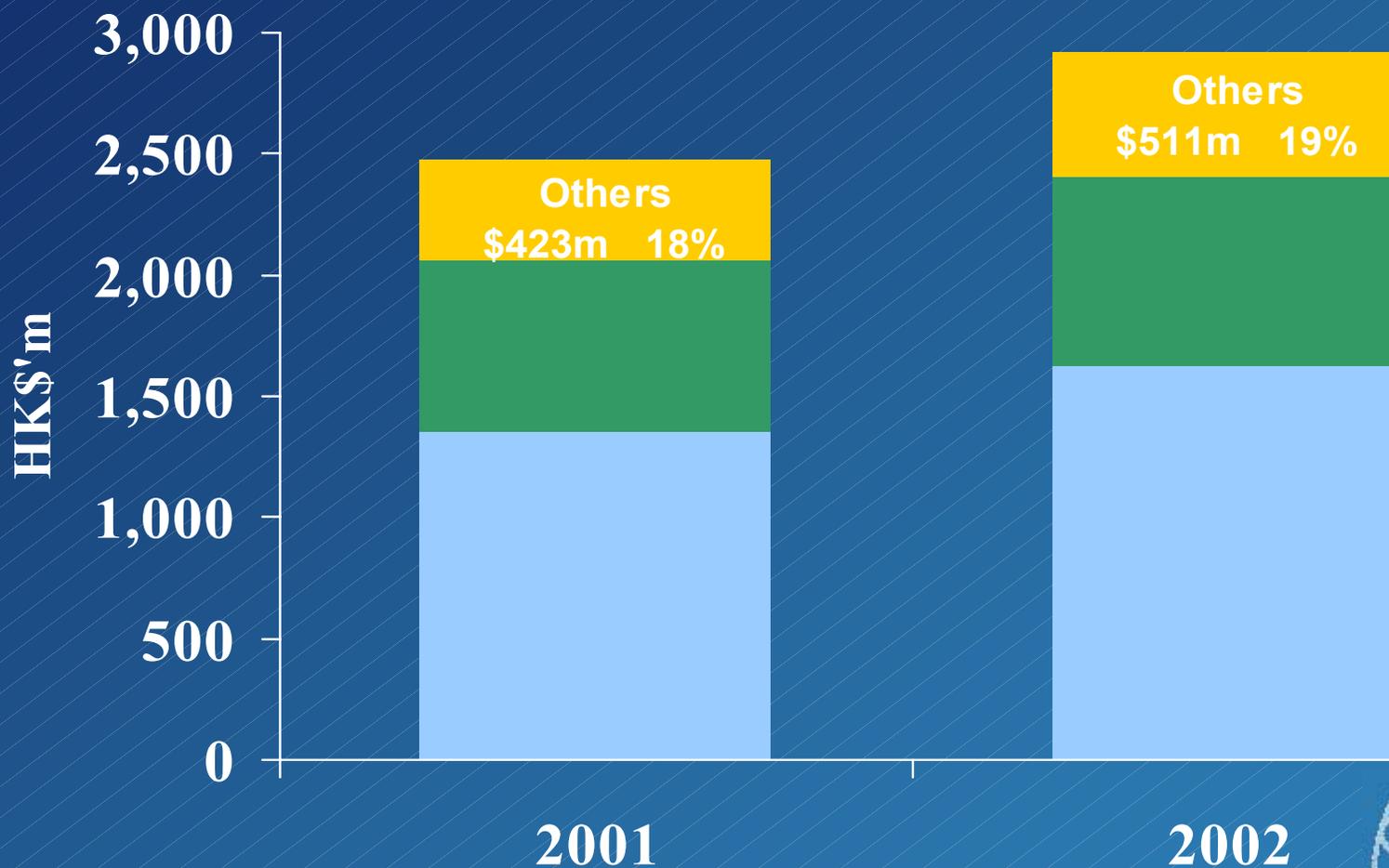


Aviation

- Attributable profit up 11%
- Modest recovery in passenger demand, stronger rebound in cargo volumes
- Yields remain soft despite high load factors
- Benefit of lower fuel costs
- Improved performances from HAECO, Hactl, CPCS and AHK.
- Dragonair results impacted by lower yields and costs of new capacity



Attributable Profit – Other Divisions

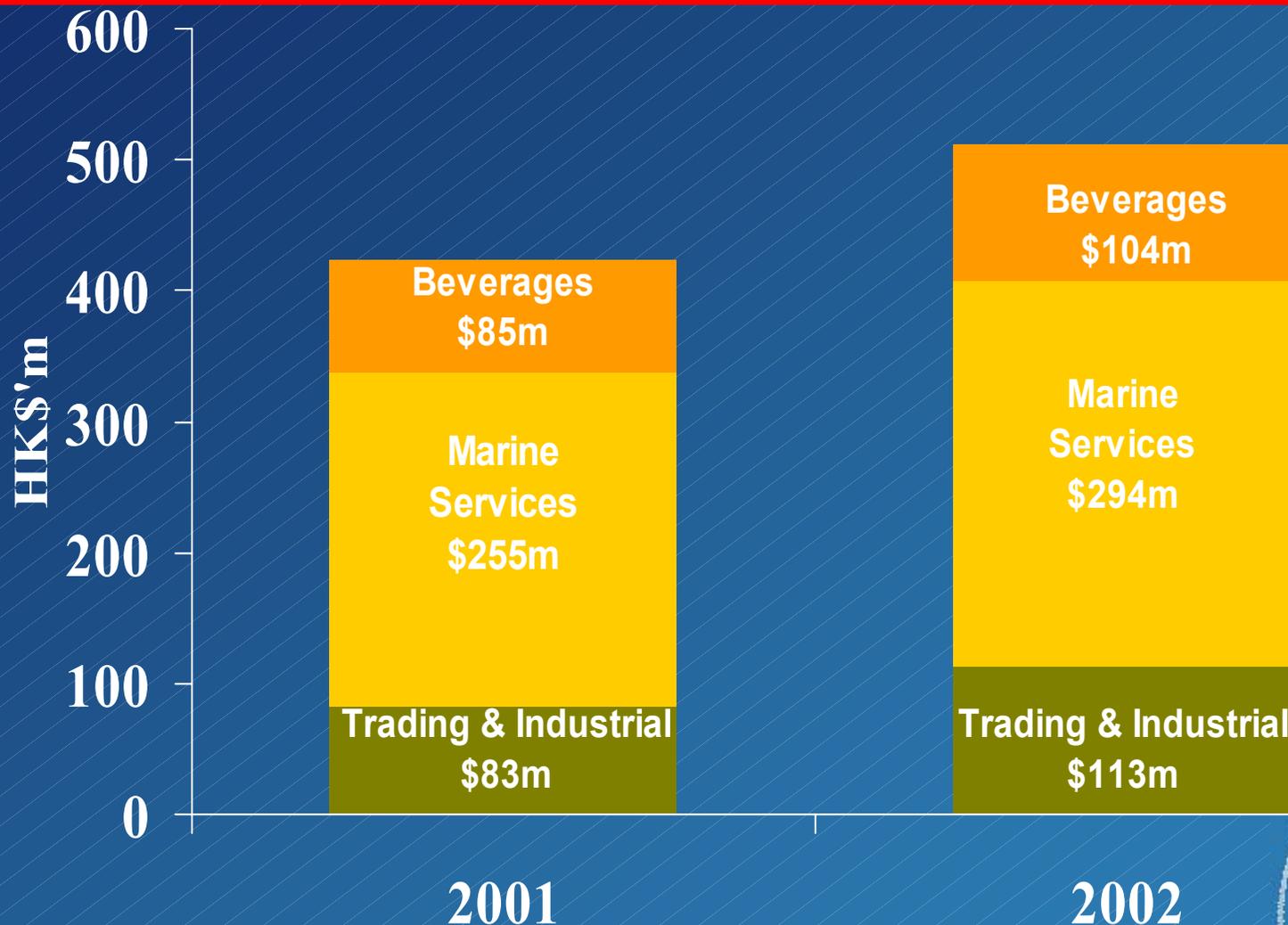


Swire Pacific

Six months ended 30th June



Improved Contributions from Beverages, Marine Services & Trading/Industrial



Swire Pacific

Six months ended 30th June



Beverages

- Contribution improved by 22% due to higher sales and good cost controls
- Volume growth to 181 million cases, up 12%
 - Mainland China up 16%
 - Hong Kong up 10%
 - Taiwan up 12%
 - USA flat
- Successful launch of new products



Marine

- Contribution up 15% to HK\$294m
- Good demand for offshore oil exploration support services, but some signs of a slowdown
- Container terminals slightly down in competitive market



Trading & Industrial

- Contribution up 36% to HK\$113m
- Good performances from joint ventures
- Profit on disposal of interest in Schneider Swire
- Motors business affected by downturn in HK and Mainland China



Outlook

- Results underline breadth and quality of core businesses
- Property rental income under modest pressure
- Residential sales market remains fragile
- Aviation recovery expected to continue
- Strong balance sheet
- Investing in the future



Appendix

Attributable Profit Reconciliation by Division

Six months ended 30th June

HK\$ Million

	2001			2002		
	Recurrent	One-off	Total	Recurrent	One-off	Total
Property	1,353	-	1,353	1,315	314	1,629
Aviation	497	207	704	779	-	779
Beverages	85	-	85	104	-	104
Marine Services	255	-	255	294	-	294
Trading & Industrial	83		83	94	19	113
Central Items	(71)	-	(71)	(156)	(29)	(185)
	<u>2,202</u>	<u>207</u>	<u>2,409</u>	<u>2,430</u>	<u>304</u>	<u>2,734</u>



Attributable Profit Reconciliation

Non-Recurring Items

<i>HK\$ Million</i>	Six months ended 30th June	
	2001	2002
Profit before Non-recurring items	2,202	2,430
Property		
Albany Sales	-	314
Aviation		
Sale of Equant shares	207	-
Trading & Industrial		
Disposal of Schneider Swire	-	69
Mainland car trading division rationalization cost	-	(50)
Others		
Provision on the investment in SESAMi Inc.	-	(29)
Attributable Profit	2,409	2,734



Swire Pacific



Financial Highlights – Balance Sheet

HK\$ Billion **Dec 2001** **Jun 2002**

Shareholders' Funds **73.0** **73.5**

Net Borrowings **16.8** **14.2**

Gearing Ratio **0.22** **0.18**



Financial Highlights – Liquidity

<i>HK\$ Billion</i>	Dec 2001	Jun 2002
Facilities available		
- Committed	3.2	4.0
- Uncommitted	2.1	2.3
	<u>5.3</u>	<u>6.3</u>
Interest Cover	8.9X	7.8X
Cash Interest Cover	4.0X	5.3X



Financial Highlights – Debt Structure

	Year	1st Half
	2001	2002
WACD	6.52%	5.67%
excluding perpetuals	5.52%	4.17%
Average maturity	4.6 yrs	4.5 yrs
excluding perpetuals	2.8 yrs	2.7 yrs

