



SWIRE PACIFIC

Interim Results 2004



12 August 2004

HONG KONG



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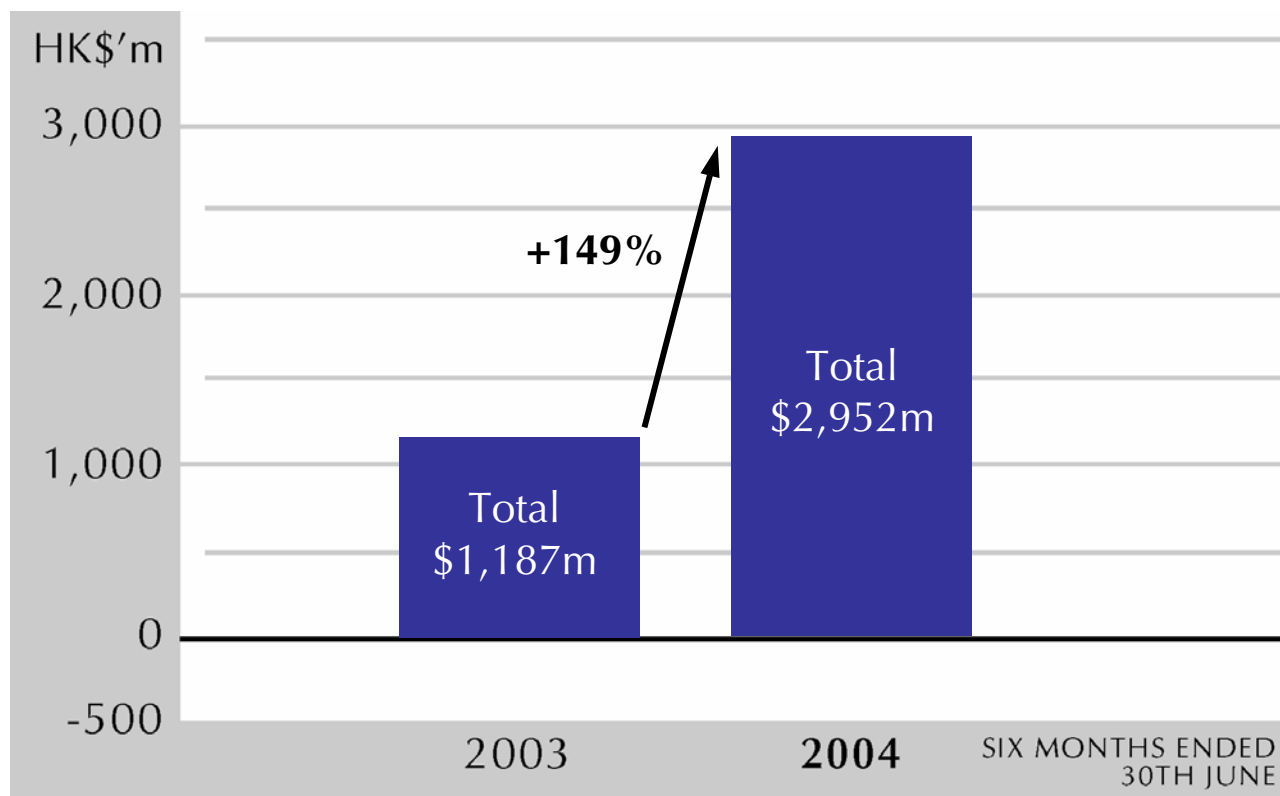
Interim Highlights

- Good results reflecting broad-based growth
- Strong rebound in aviation with growth in passenger and cargo demand, despite the adverse impact of high fuel prices
- Property earnings boosted by strong sales of investment properties and buoyant retail sector offsetting lower office rental income
- Beverages delivered improved profitability on good sales growth, particularly in Mainland China
- Marine & Trading/Industrial also reported higher earnings
- Strong balance sheet maintained
- Update on Taikoo Shing Arbitration



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Attributable Profit





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Financial Highlights

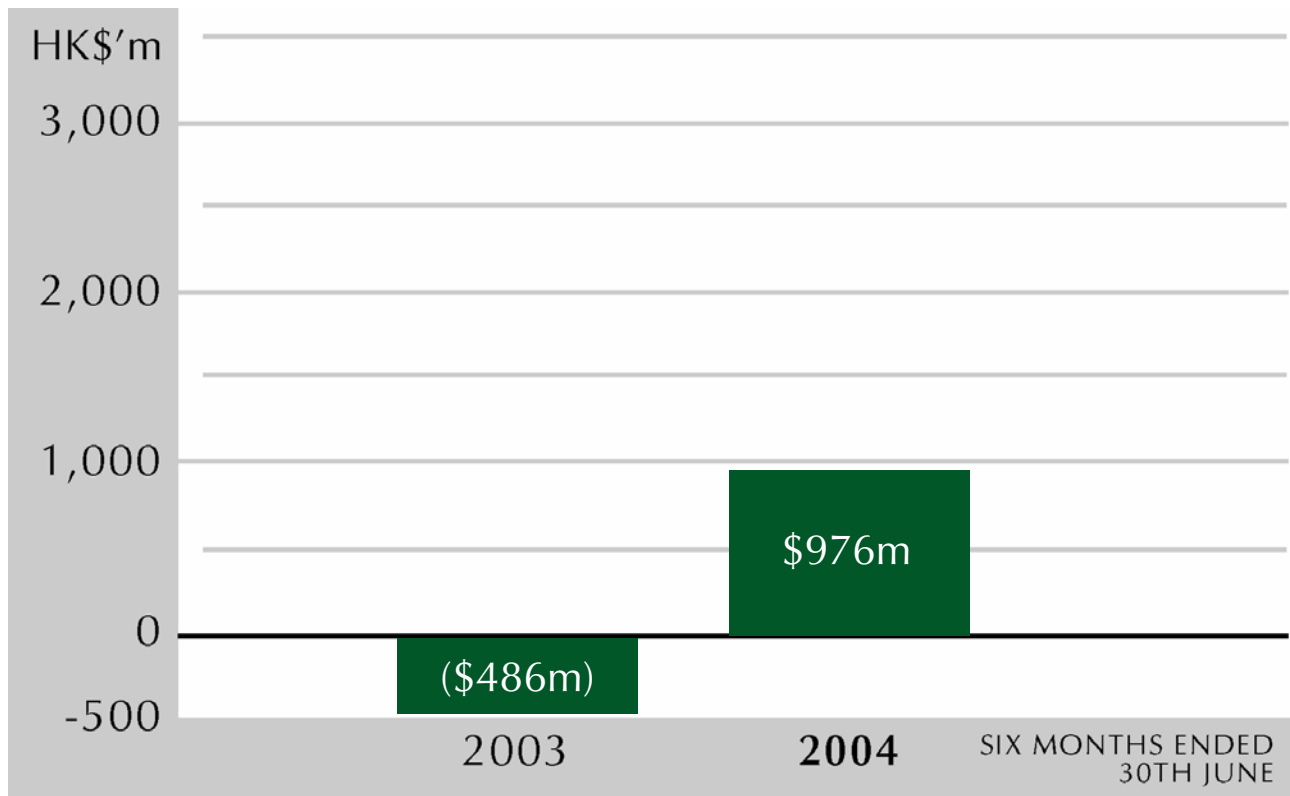
HK\$ Million	1H03	1H04	% Change
Profit attributable to shareholders	\$1,187m	\$2,952m	+149%
Cash generated from operations	\$1,942m	\$2,112m	+9%
Interim dividends per share	\$0.32	\$0.58	+81%

Aviation Division

- Marked turnaround from SARS-affected 2003
- Strong passenger and cargo demand
- Passenger numbers up 59%
- Cargo tonnage up 16%
- Adverse impact of high fuel prices remains a concern
- Fleet growth and network development
- Strengthening Hong Kong's role as an aviation hub

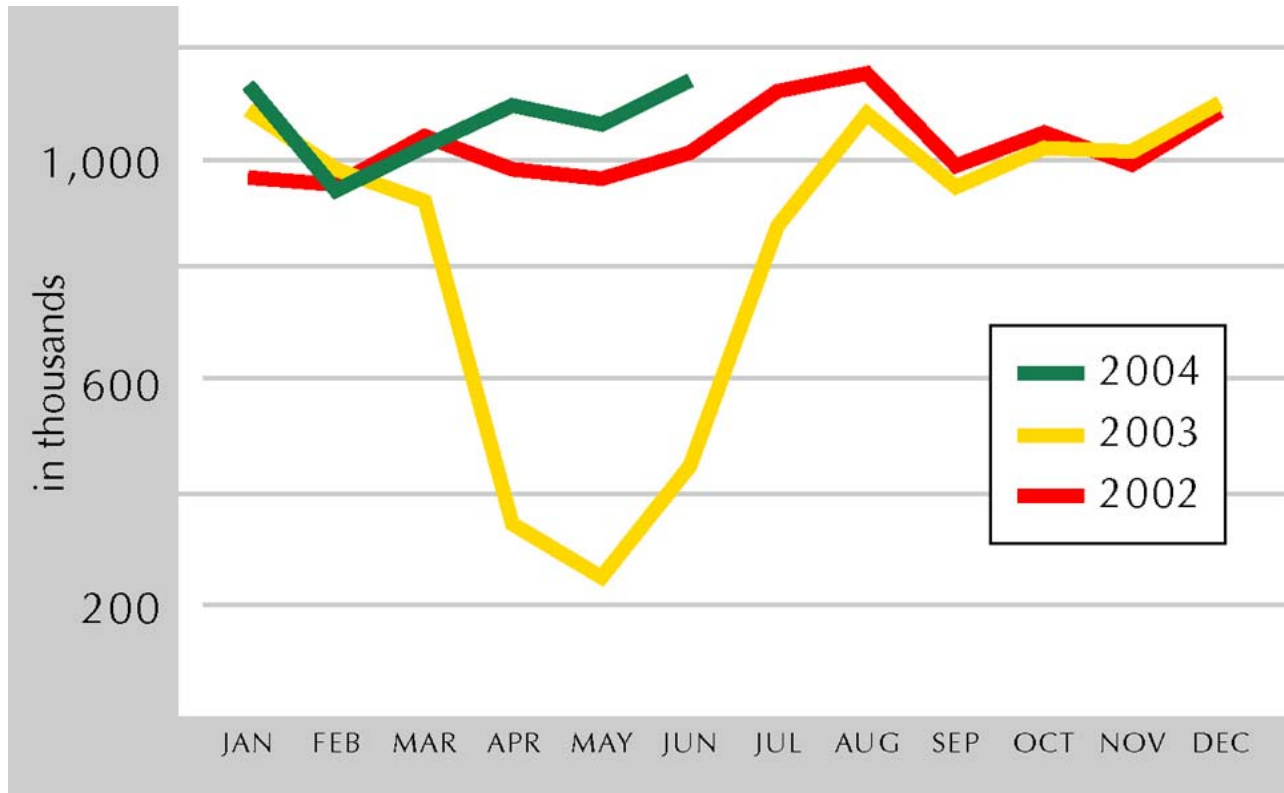


Attributable Profit | Aviation Division



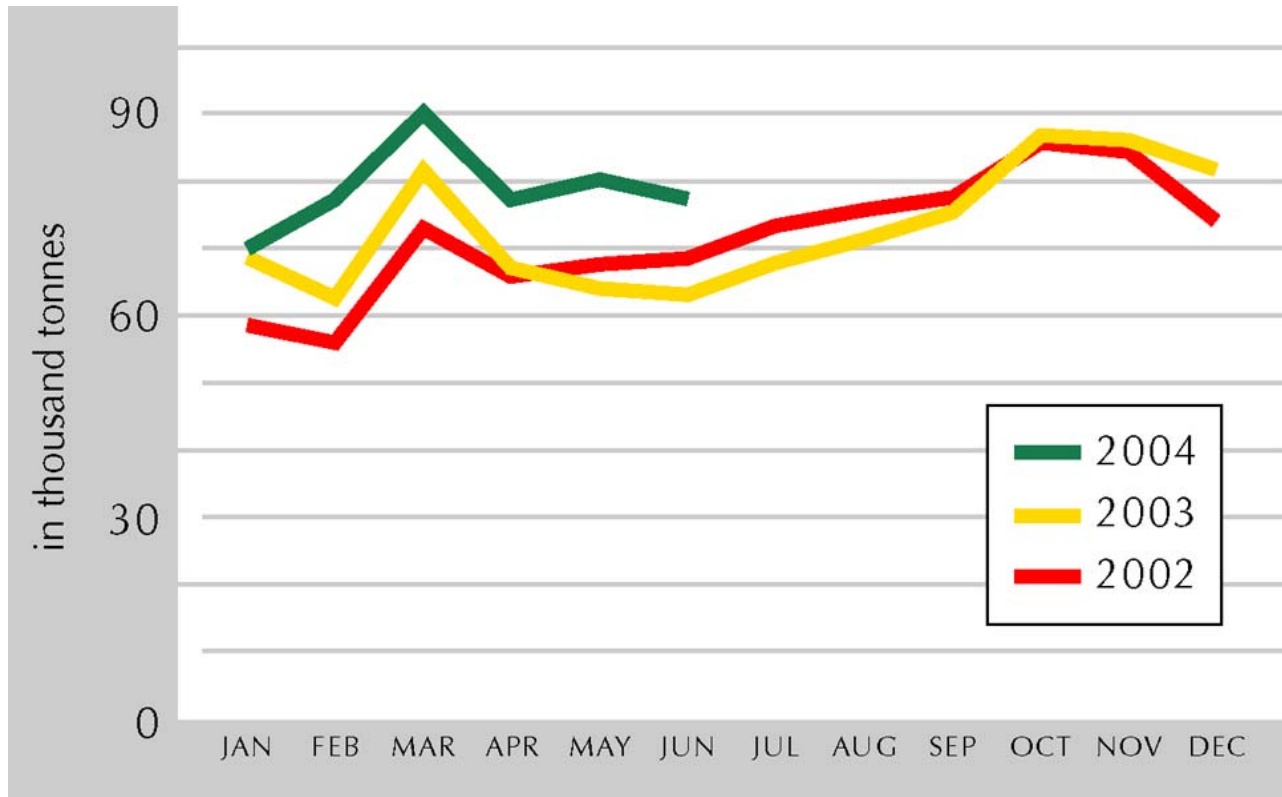


Passenger Numbers | Cathay Pacific





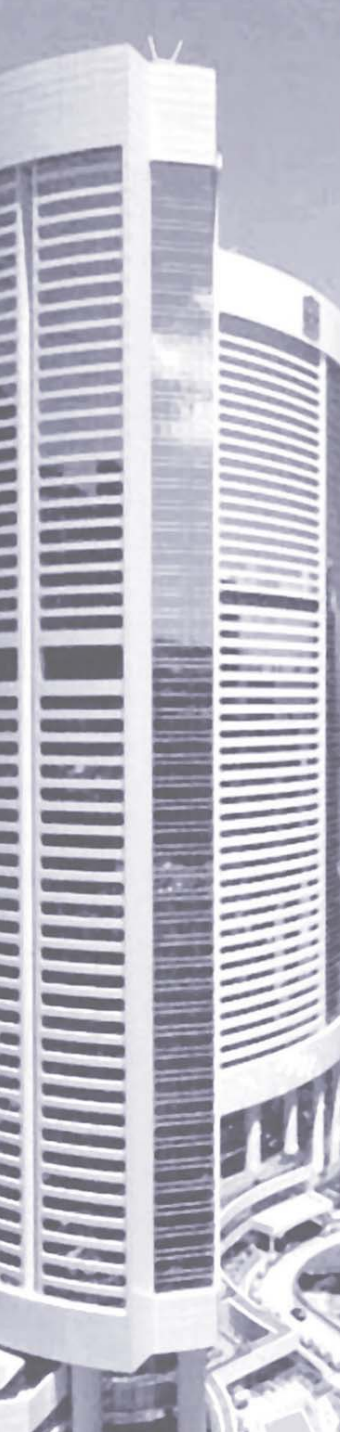
Cargo Tonnage | Cathay Pacific





Property Division

- Attributable profit up 9%
- Strong retail portfolio
- Office market remains weak but showing signs of recovery
- Good profits on sale of Albany investment property
- Update on Taikoo Shing Arbitration

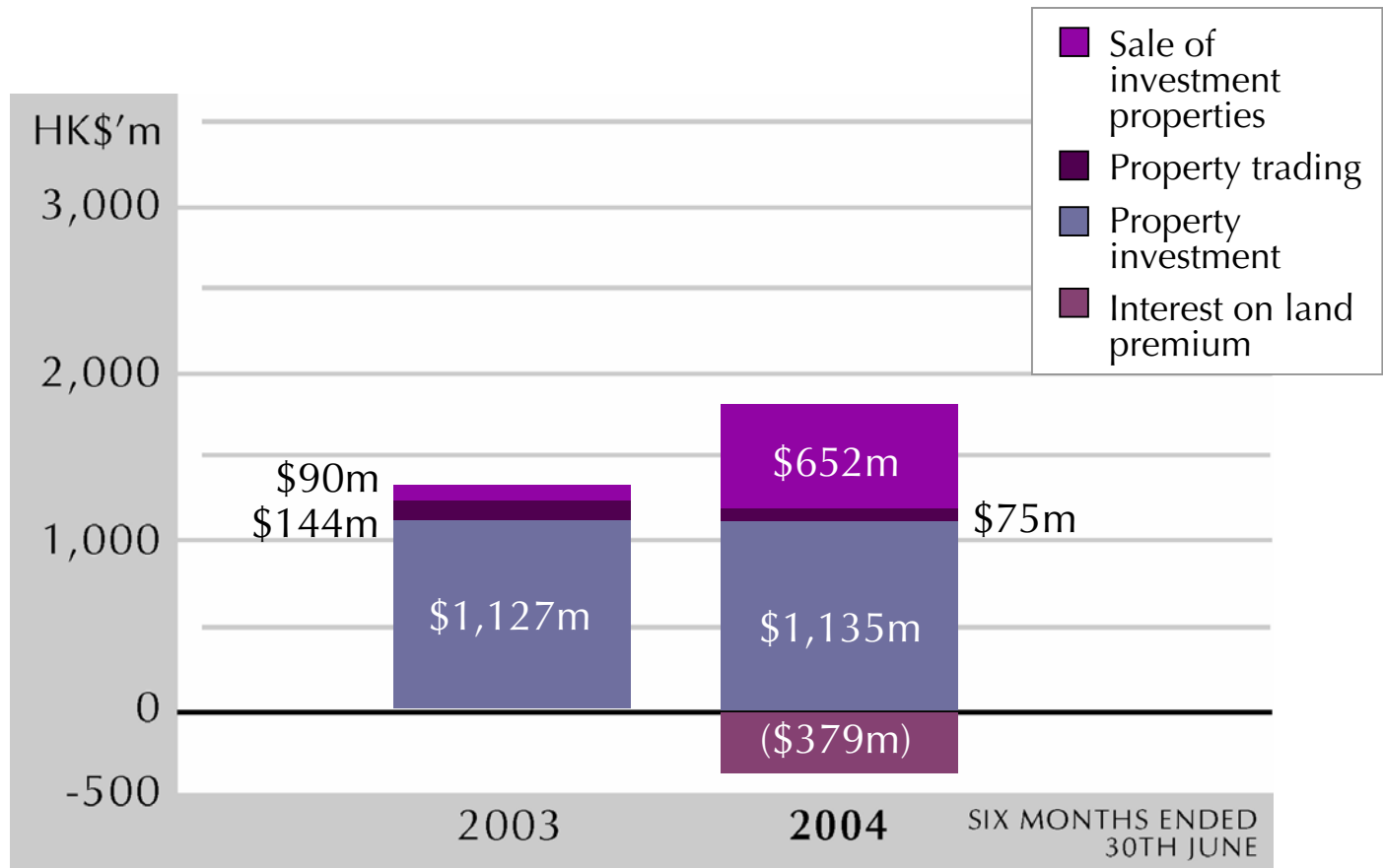


Attributable Profit | Property Division





Attributable Profit | Property Division



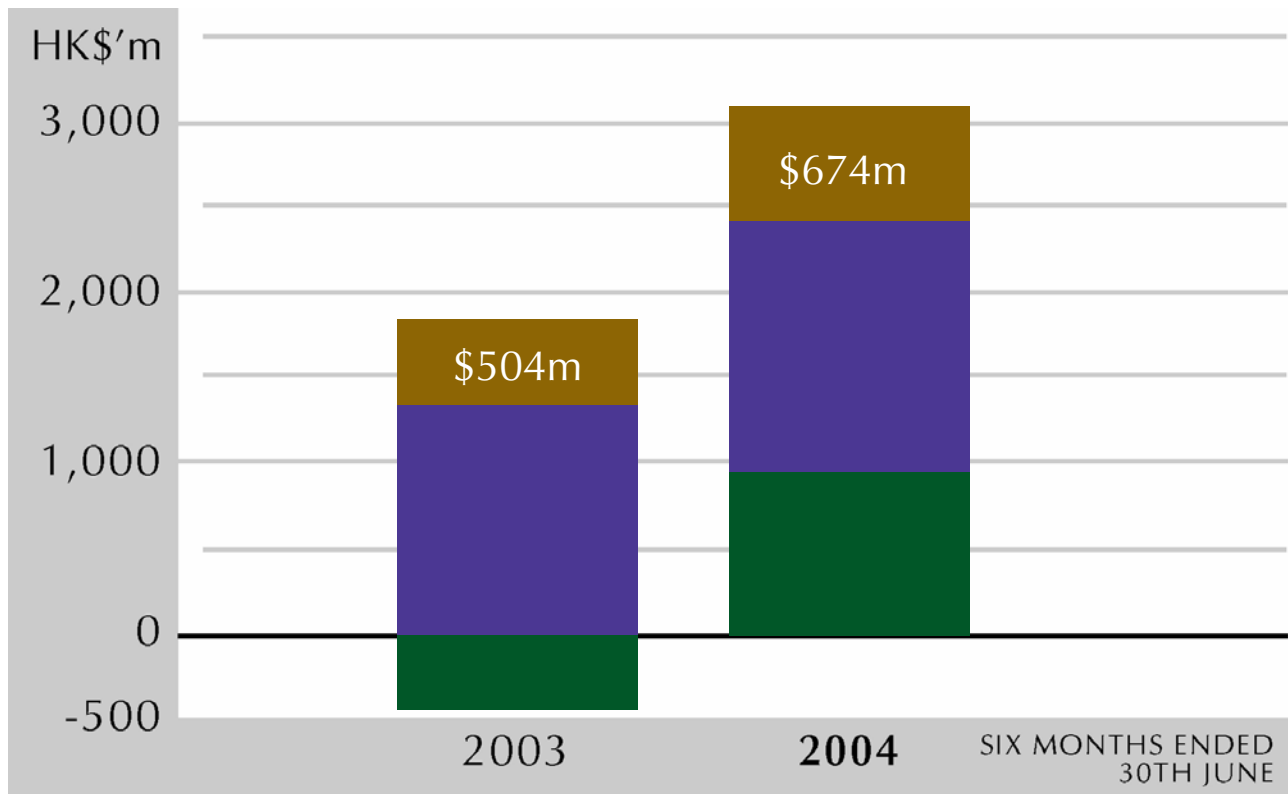


Update | Taikoo Shing Arbitration

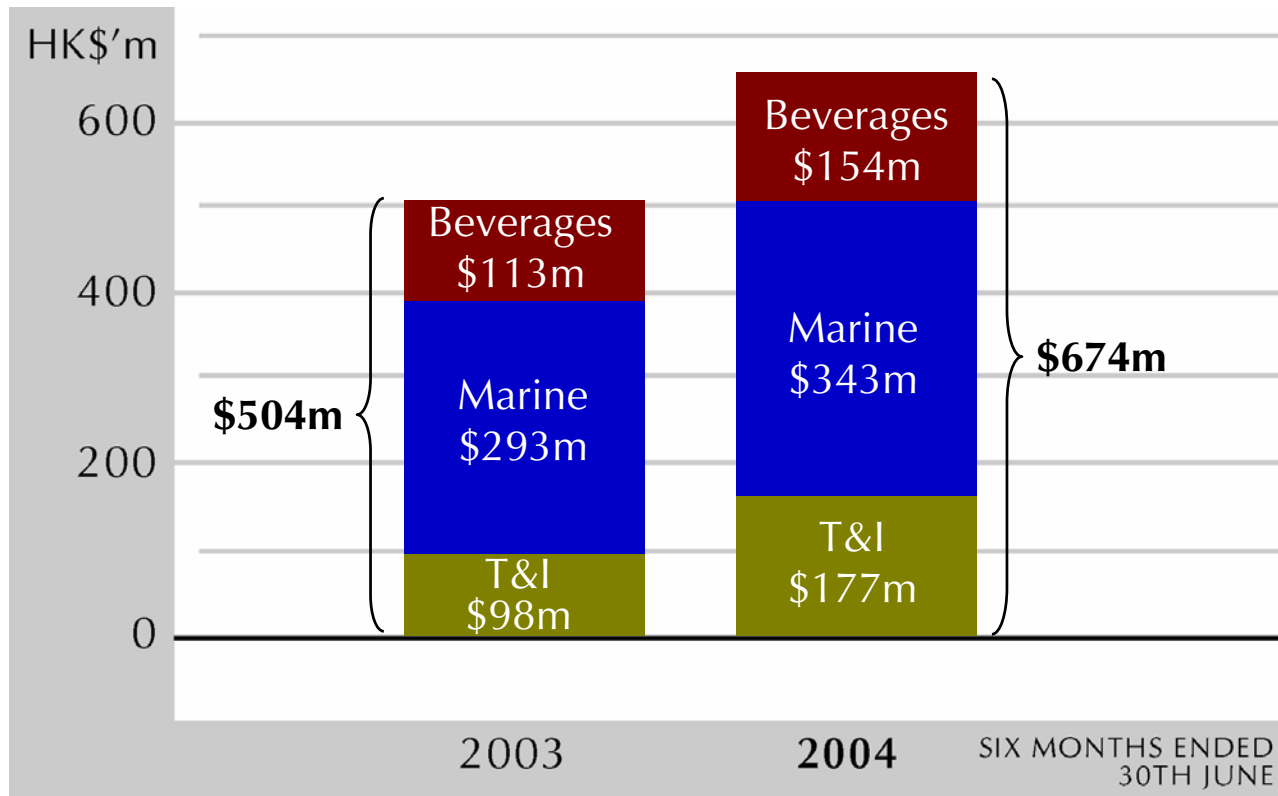
- Ongoing negotiation with the Government on land premium for the three Cityplaza office towers
- Agreed to make a payment on account of premium to Government in an amount of \$2,027m
- Provided \$500m in interest on the above to the P&L account
- The remaining balance of the provision made in 2000 has been retained pending final resolution
- \$41m of interest has been written back to P&L in respect of Horizon Gardens and a deferred tax credit of HK\$80 m has been recognised on the net interest charge



Attributable Profit | Other Divisions



Attributable Profit | Other Divisions





Beverages Division

- Profit contribution up 36%
- Strong volume growth, up 21% overall, with Mainland China up 30%
- Launched new products
- Margins reflect competitive pricing and higher materials costs



Marine Division

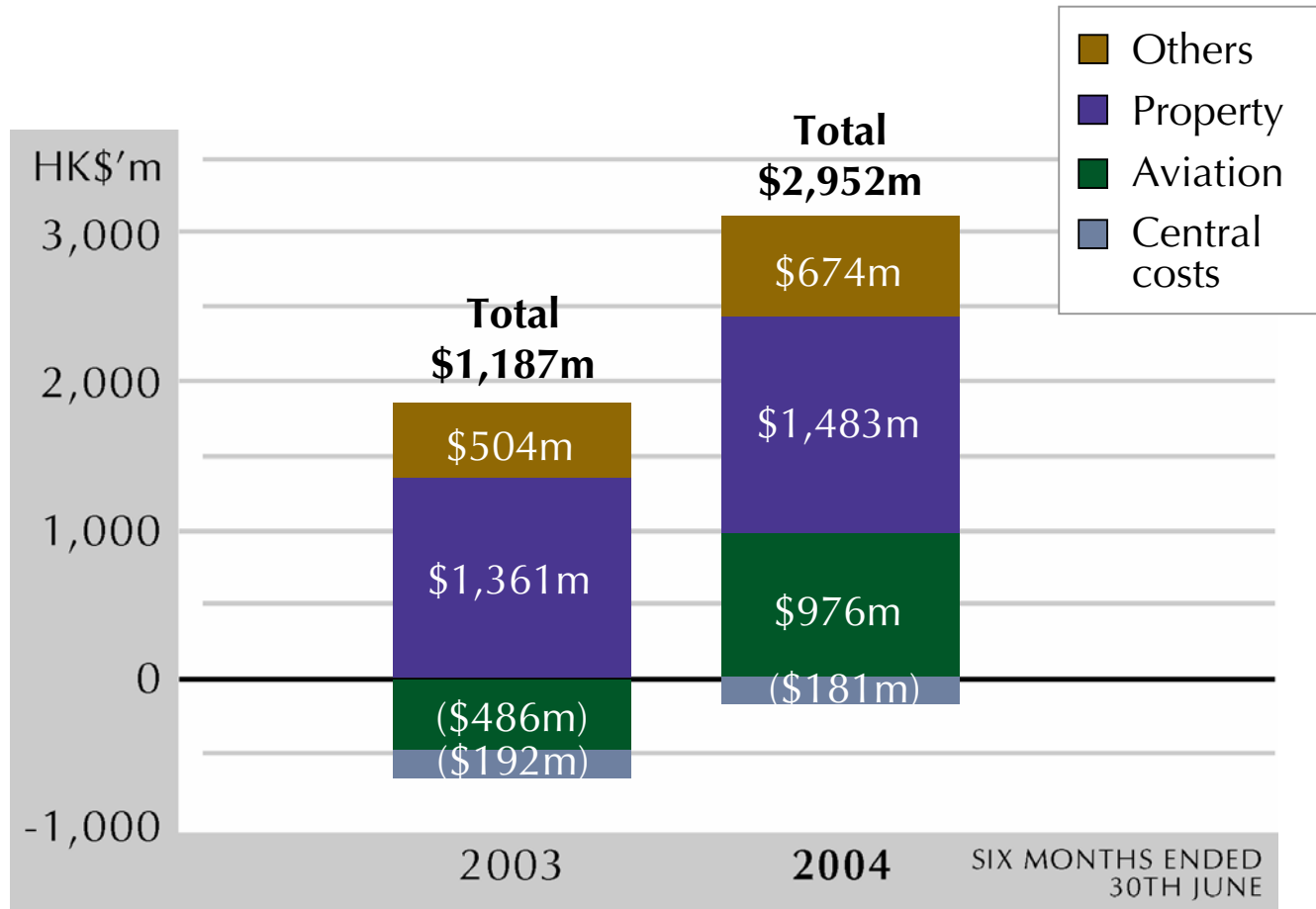
- Profit contribution up 17%
- Swire Pacific Offshore earnings boosted by profits on the sale of three older vessels
- Container terminals in Hong Kong performed in line with last year
- Shekou Container Terminals in Southern China saw strong growth in throughput and profitability



Trading & Industrial Division

- Profit contribution up 81%
- Good all round results
- Strong performances from
 - motor vehicles in Taiwan
 - sports apparel in Hong Kong
 - joint ventures in Mainland China

Attributable Profit Summary by Division





SWIRE PACIFIC | Outlook

- Aviation business enjoying strong growth in passenger and cargo demand, but rising concerns over high oil prices
- Hong Kong office rental market showing signs of recovery
- Demand for retail and residential space remains firm
- Expect good performances from other divisions
- Strong balance sheet
- Prospects for continued growth

Appendix

Financial Highlights | Balance Sheet

HK\$ Billion	Dec 2003	Jun 2004
Shareholders' Funds and Minority Interests	73.3	75.0
Net Borrowings	10.2	7.8
Gearing Ratio	0.14	0.10

Financial Highlights | Liquidity

HK\$ Billion	Dec 2003	Jun 2004
Facilities available		
- Committed	7.1	5.0
- Uncommitted	2.6	3.4
	9.7	8.4
Interest Cover	9.9 X	3.9 X *
Cash Interest Cover	5.9 X	3.3 X *

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

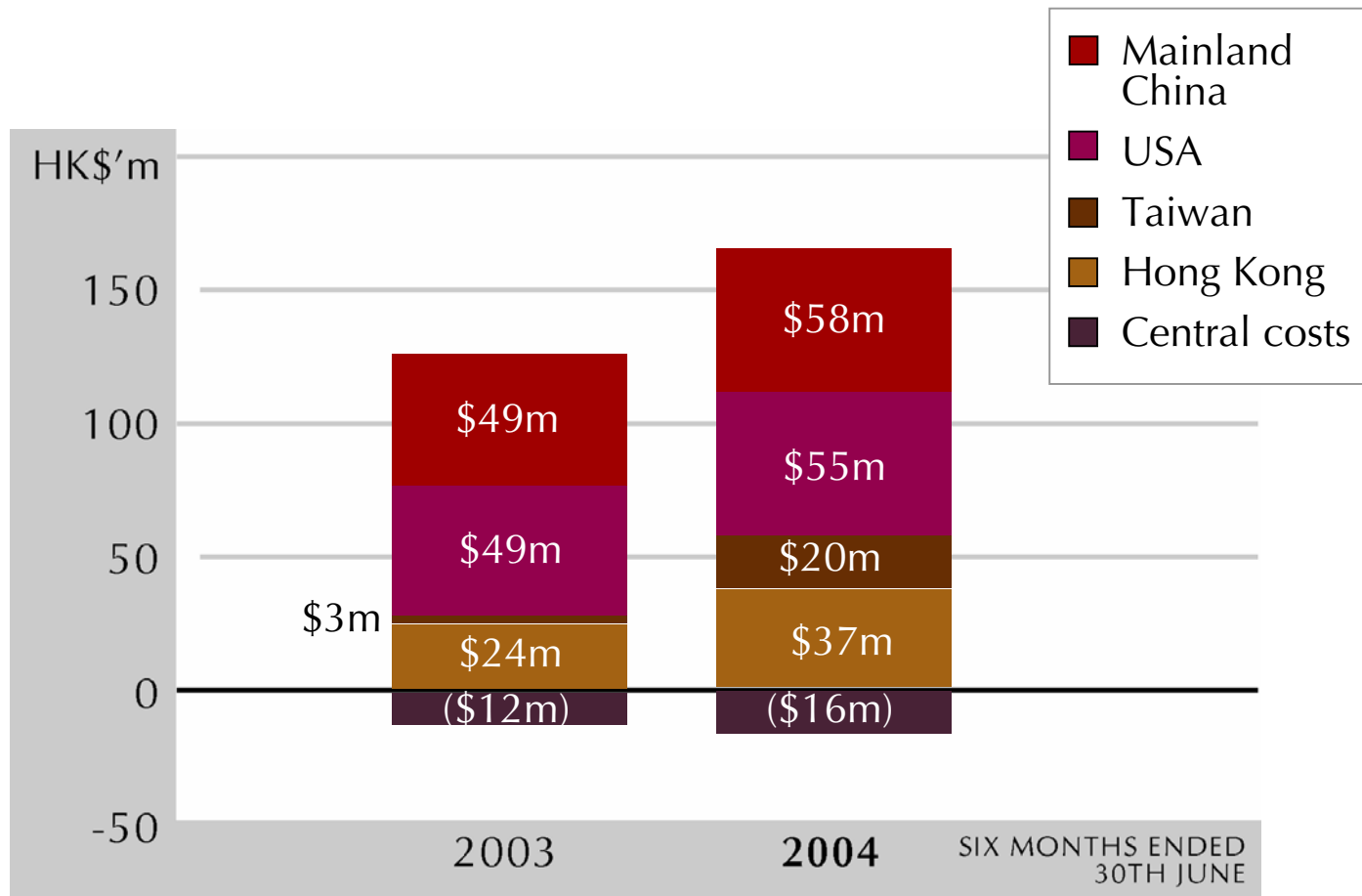
Attributable Profit | Reconciliation by Division

HK\$ Million	Six months ended 30th June					
	2003			2004		
	Recurrent	One-off	Total	Recurrent	One-off	Total
Property	1,271	90	1,361	1,210	273	1,483
Aviation	(486)	0	(486)	976	-	976
Beverages	113	0	113	154	-	154
Marine Services	293	0	293	343	-	343
Trading & Industrial	98	0	98	177	-	177
Central Items	(192)	0	(192)	(181)	-	(181)
Tax changes	80	(80)	0	-	-	-
Total	1,177	10	1,187	2,679	273	2,952

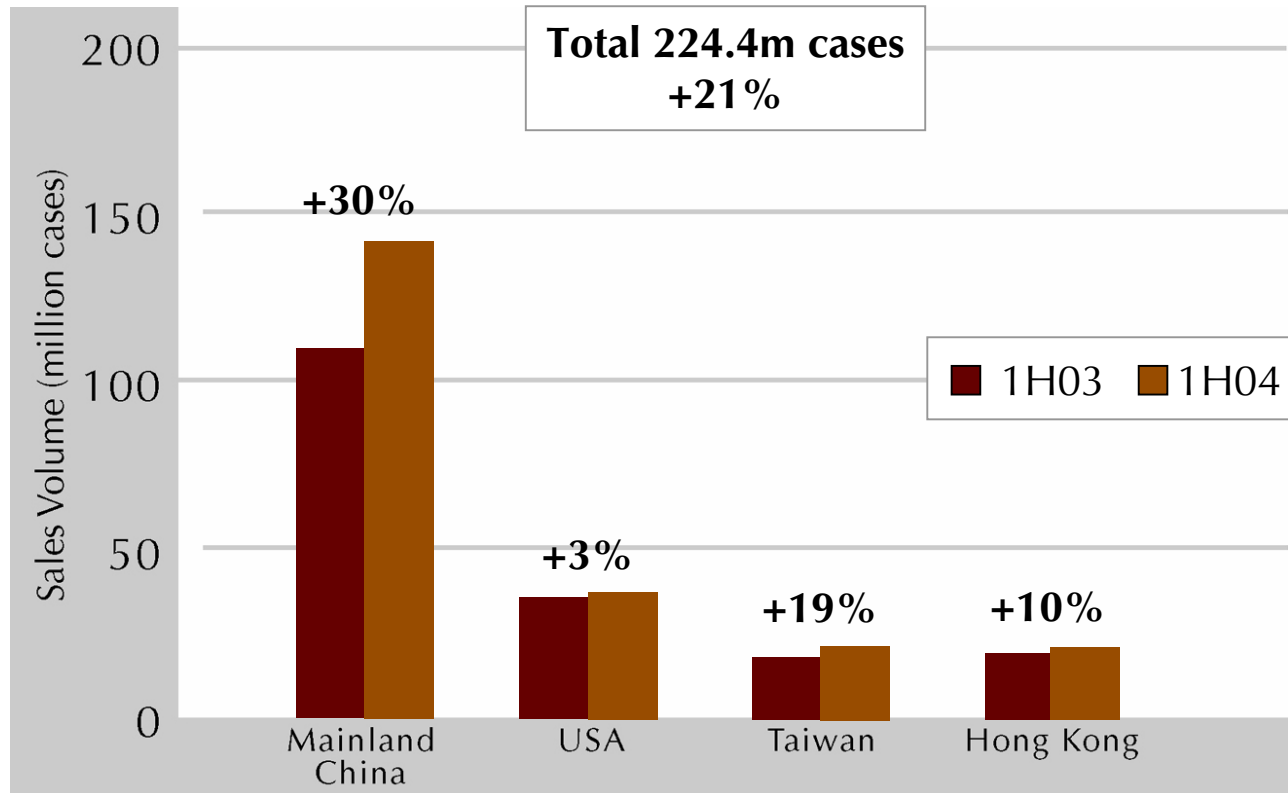
Attributable Profit | Reconciliation Non-recurring items

HK\$ Million	Six months ended 30th June	
	2003	2004
Profit before Non-recurring items	1,177	2,679
Property		
- Albany sales	90	652
-Taikoo Shing land premium adjustments	-	(379)
Tax changes (accounting policy & tax rate)	(80)	-
Attributable Profit	1,187	2,952

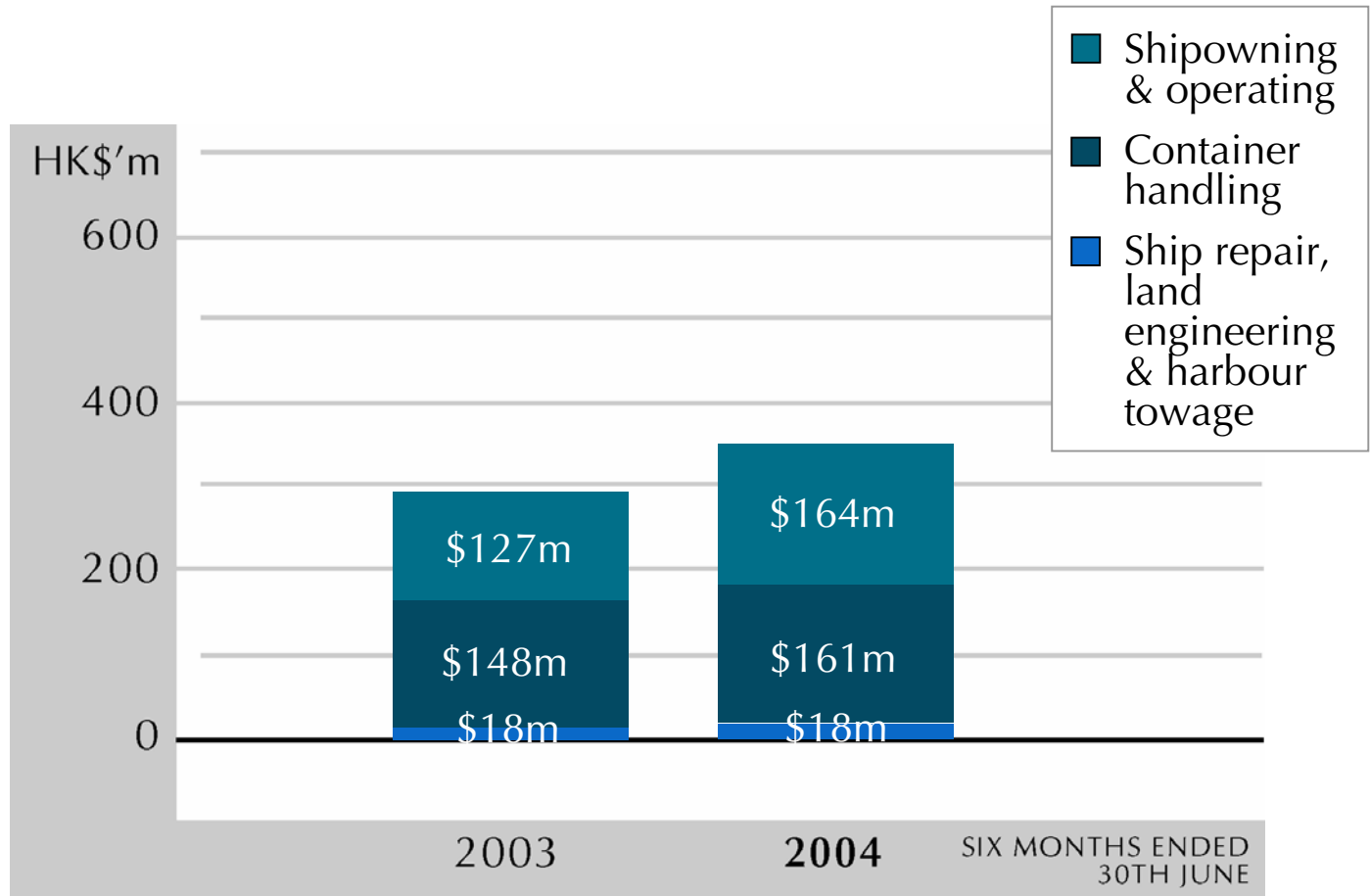
Attributable Profit | Beverages Division



Sales Volume | Beverages Division



Attributable Profit | Marine Division





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