



Interim Results 2007

Significant Earnings Growth

- ❖ Turnover up 17% to HK\$1,998 million
- ❖ EBITDA up 17% to HK\$682 million
- ❖ Profit before non-operating items up 22% to HK\$484 million
- ❖ Attributable profit of HK\$1,271 million (or 89 cents per share) after including non-operating items
- ❖ Earnings excluding non-operating items and related taxes and minority interests up 43% to HK\$390 million (or 27 cents per share)



Strong Financial Position

- ❖ NAV increased by 10% to HK\$18.6 billion (HK\$12.95 per share)
- ❖ Gearing down to 9%
- ❖ Financing costs reduced by 14%
- ❖ Interest cover improved to 10 times
- ❖ Interim dividend up 20% to 6 cents per share

Adjusted Net Assets

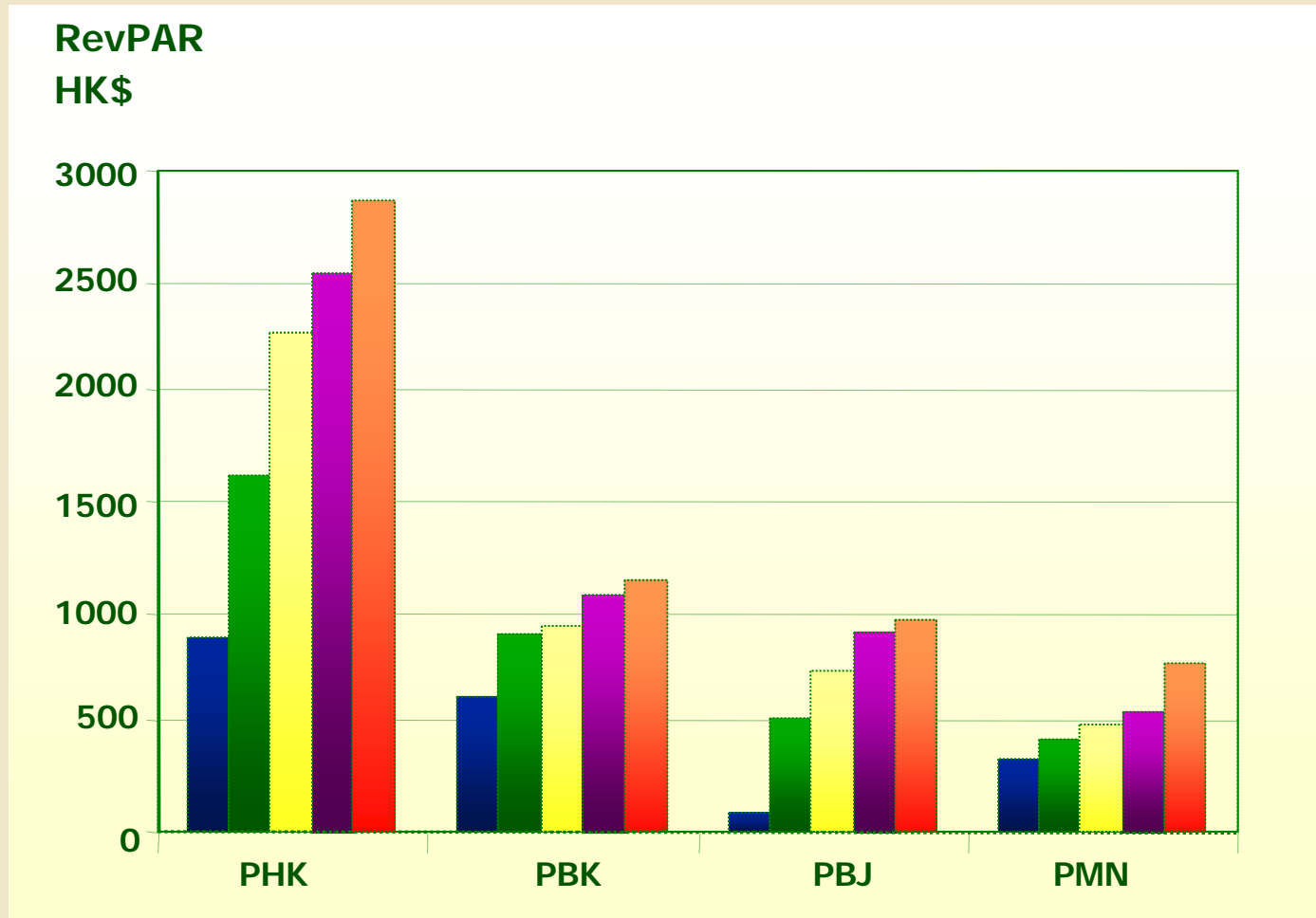
	Total (HK\$m)	Per share (HK\$)
Net assets attributable to shareholders	18,617	12.95
Deferred taxation in respect of revaluation surpluses on HK investment properties	2,623	1.82
Market value adjustments for hotels & golf courses	<u>2,606</u>	<u>1.81</u>
Adjusted Net Assets	<u>23,846</u>	<u>16.58</u>

Hotel Results Encouraging

- ❖ Hotel turnover up 13% to HK\$1,545 million
- ❖ Hotel EBITDA margin maintained at 29% but rose to 30% if pre-opening expenses of The Peninsula Tokyo are excluded
- ❖ EBITDA growth through operating cost control despite challenge to manage costs
- ❖ RevPAR increase of 14% in the Peninsula Hotels

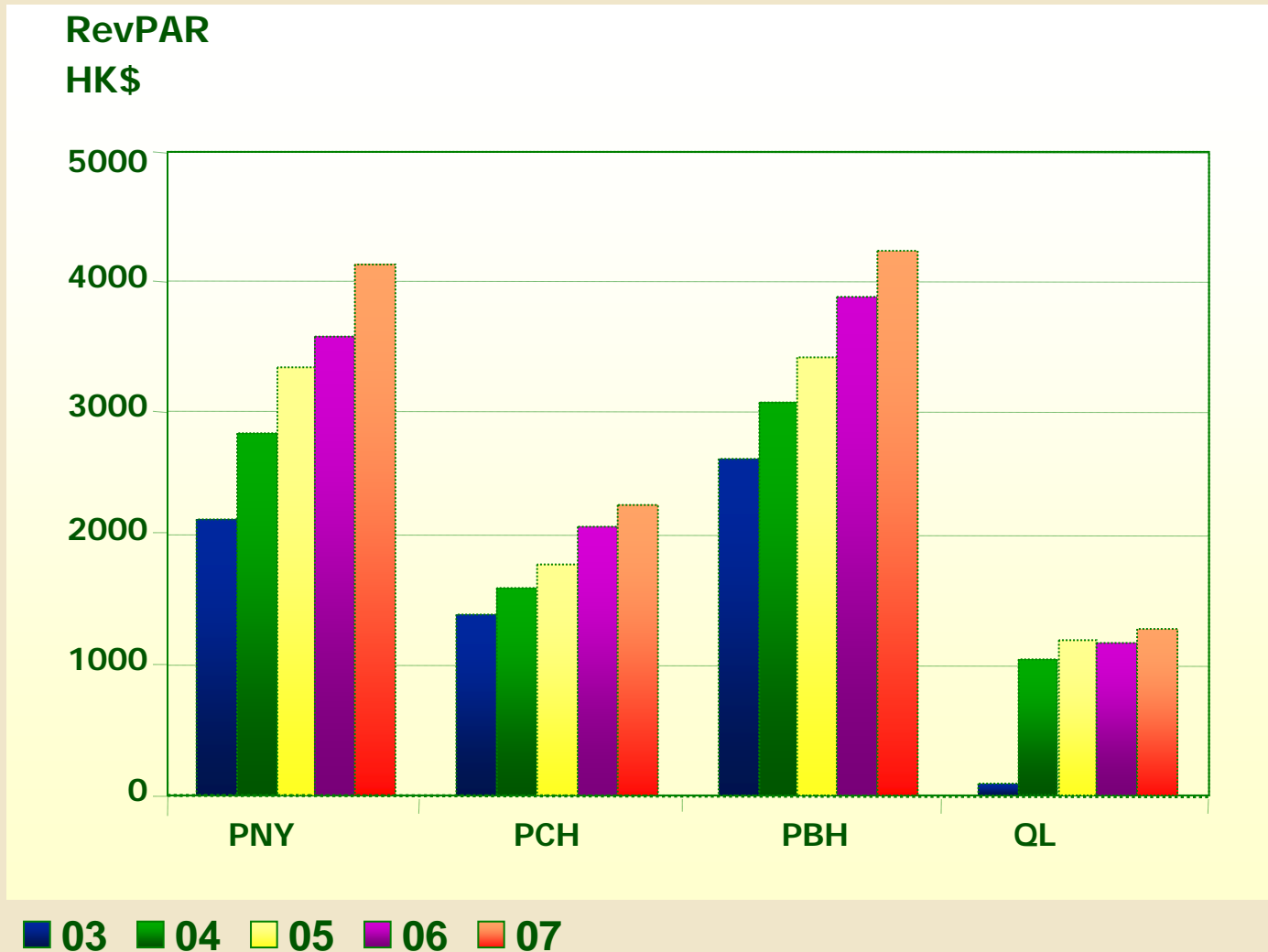


Hotel RevPARs - Asia



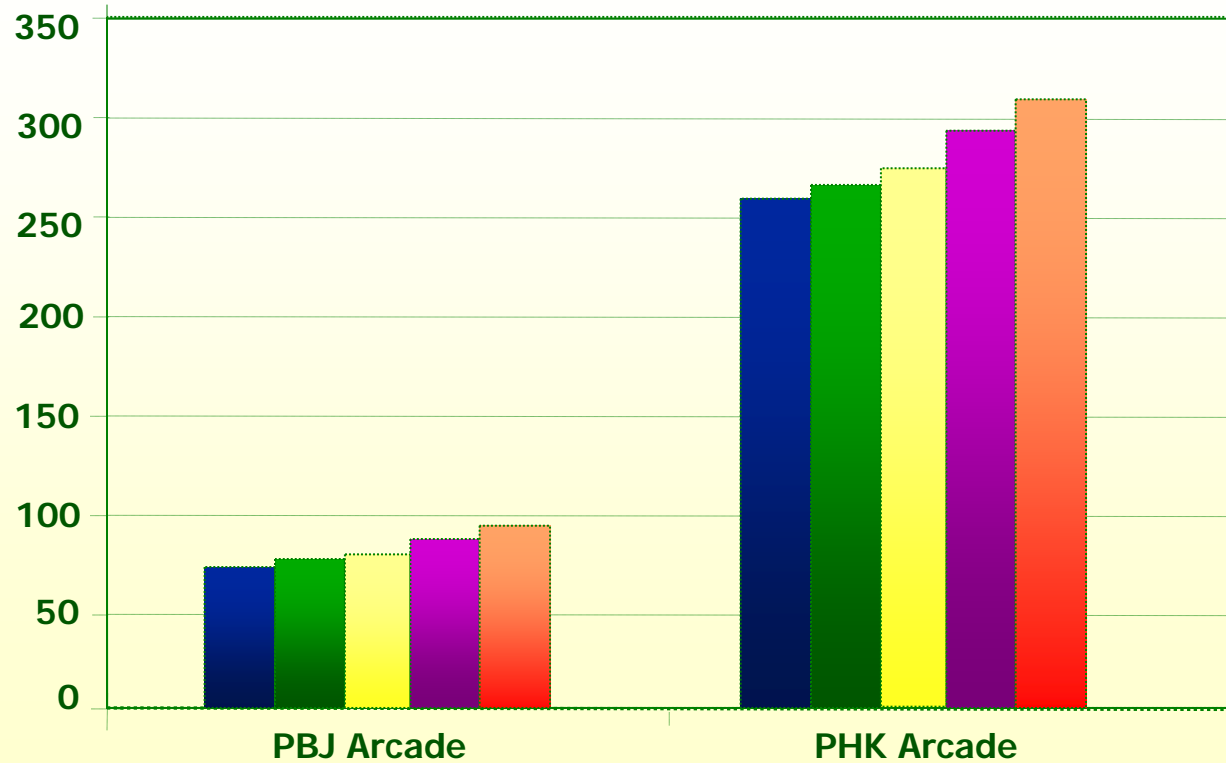
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Hotel RevPARs - USA



Hotel Arcade Yields

Yield per sqf
HK\$



■ 03 ■ 04 ■ 05 ■ 06 ■ 07

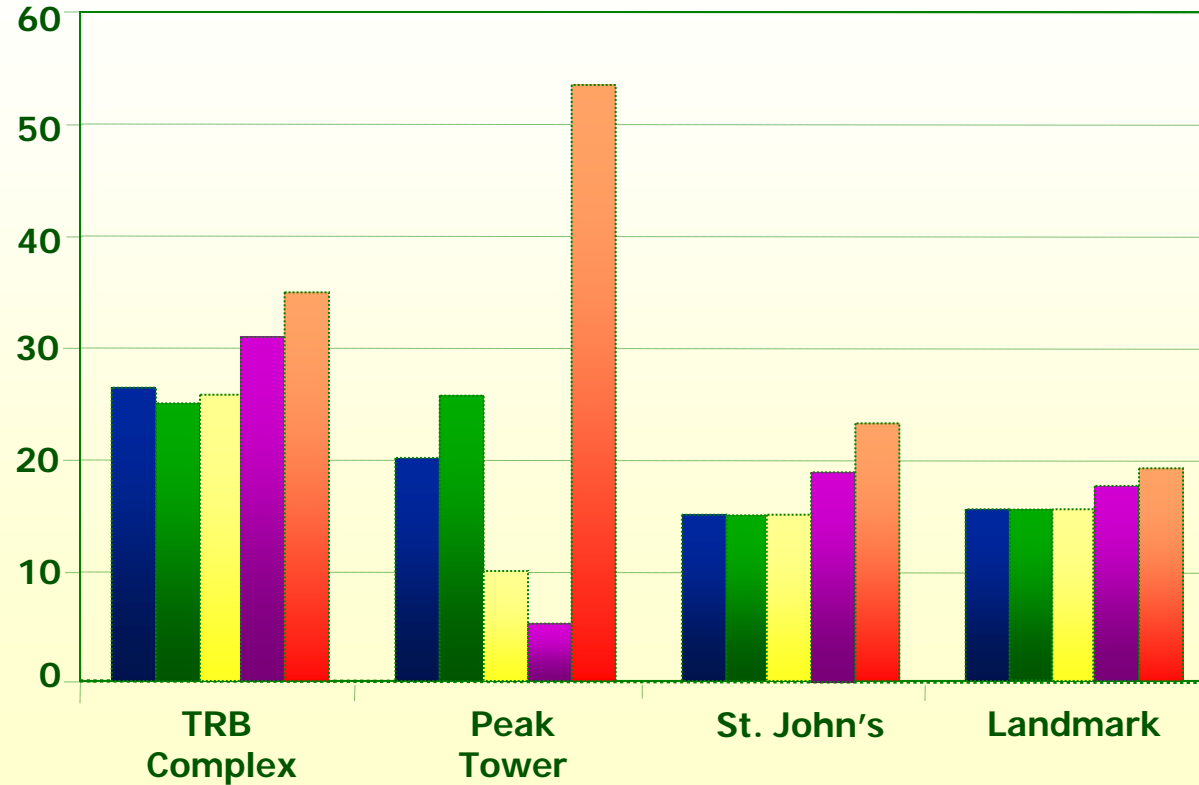
Non-hotel Properties

- ❖ Turnover from non-hotel properties up 20% to HK\$256 million
- ❖ Occupancies and yields rose for almost all properties
- ❖ Most of the investment properties (including the newly renovated Peak Tower) are fully leased.



Property Yields

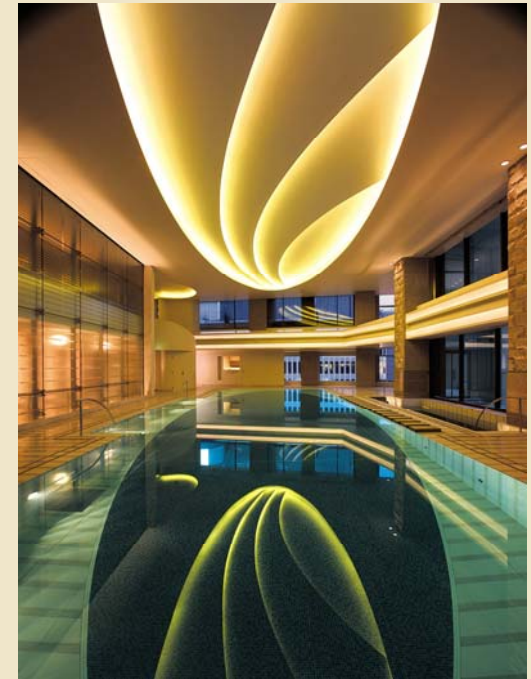
Yield per sqf
HK\$



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The Peninsula Tokyo

- ❖ Opened on 1 September, 2007
- ❖ Located in the prestigious Marurouchi business district
- ❖ The only new free-standing luxury hotel in Tokyo in more than a decade
- ❖ 24 storeys high, 314 guestrooms with 47 suites, 5 restaurants, 2 ballrooms, spa, swimming pool, chapel and wedding centre



The Peninsula Tokyo

- ❖ International advertising campaign launched in July
- ❖ Hotel began accepting reservations in August
- ❖ Complemented by 560 staff members



The Peninsula Shanghai Project



- ❖ Ground-breaking and construction began in October 2006
- ❖ Foundation works and diaphragm walls completed in July 2007
- ❖ Above-the-ground hotel construction reached the second floor in early September 2007
- ❖ Target for construction completion before the end of 2009

Enhancement of Existing Assets

- ❖ The Peninsula New York's spa and rooftop renovation
- ❖ Construction of a new spa at The Peninsula Beijing
- ❖ Renovation of the Ayala Tower at The Peninsula Manila
- ❖ Renovation of The Peak Tram's Lower Terminus

Outlook

- ❖ Continuing growth in the Hong Kong economy, underpinning commercial and luxury residential leasing markets
- ❖ Challenging conditions in Bangkok and Beijing
- ❖ Improving business at The Peninsula Manila
- ❖ Relatively stable conditions in the US
- ❖ Focus on cost management

