



THE HONGKONG AND SHANGHAI HOTELS, LIMITED  
香港上海大酒店有限公司

## 2014 Interim Results

**This presentation (“Presentation”) is made available by The Hongkong and Shanghai Hotels, Limited (“HSH”) for general purposes only. Nothing contained in this Presentation is intended to constitute a public offer under any legislation or an invitation or inducement to engage in any investment activity. No liability will be accepted for any loss or damage howsoever arising from or in reliance upon the contents of this Presentation. HSH makes no recommendation to buy, sell or otherwise deal in shares of HSH or in any other securities or investments whatsoever and you should neither rely nor act upon, directly or indirectly, any information contained in the Presentation as investment advice in respect of any such investment activity. Any person at any time considering in engaging in investment activity should seek appropriate professional, financial or other advice and not rely on the information contained in the Presentation.**



# AGENDA

- **Key strategic objectives**
- **Highlights**
- **Interim Results Highlights**
- **Outlook**



# KEY STRATEGIC OBJECTIVES

- **Long-term owner-operator of a small portfolio of the world's best hotels under The Peninsula brand**
- **Long-term asset value creation from developing and holding top quality property assets**
- **Developments in exceptional locations, designed and built to highest quality standards**
- **Balance between hotel and non-hotel assets**
- **Enhancement of the value and functionality of space within our existing assets**
- **Excellence in service standards through staff training, development and empowerment**
- **Focus on sustainable development**





# HIGHLIGHTS

- **Our magnificent new property, The Peninsula Paris, held its soft opening on 1 August 2014.**



THE HONGKONG AND SHANGHAI HOTELS, LIMITED  
香港上海大酒店有限公司



THE HONGKONG AND SHANGHAI HOTELS, LIMITED  
香港上海大酒店有限公司





THE HONGKONG AND SHANGHAI HOTELS, LIMITED  
香港上海大酒店有限公司





THE HONGKONG AND SHANGHAI HOTELS, LIMITED  
香港上海大酒店有限公司





THE HONGKONG AND SHANGHAI HOTELS, LIMITED  
香港上海大酒店有限公司





THE HONGKONG AND SHANGHAI HOTELS, LIMITED  
香港上海大酒店有限公司





THE HONGKONG AND SHANGHAI HOTELS, LIMITED  
香港上海大酒店有限公司





THE HONGKONG AND SHANGHAI HOTELS, LIMITED  
香港上海大酒店有限公司





THE HONGKONG AND SHANGHAI HOTELS, LIMITED  
香港上海大酒店有限公司





THE HONGKONG AND SHANGHAI HOTELS, LIMITED  
香港上海大酒店有限公司



THE HONGKONG AND SHANGHAI HOTELS, LIMITED  
香港上海大酒店有限公司



# HIGHLIGHTS

- Our magnificent new property, The Peninsula Paris, held its soft opening on 1 August 2014.
- **Significant progress made on the design and planning for the future development of The Peninsula London, with our partner Grosvenor.**
- **In January 2014, we announced a definitive conditional shareholders agreement with our partners Yoma Strategic Holdings for the purpose of restoring the former Myanmar Railway Headquarters into The Peninsula Yangon.**



# 2014 INTERIM RESULTS HIGHLIGHTS

- Underlying profit attributable to shareholders increased by 73% to HK\$293 million

HK\$ million	2014	2013	Change
Turnover	2,718	2,542	7%
EBITDA	660	555	19%
<i>EBITDA Margin</i>	24%	22%	2pp
Non-operating items	166	666	(75%)
Taxation	(118)	(80)	48%
Profit attributable to shareholders	452	840	(46%)
EPS (HK cents)	30	56	(46%)
Underlying Profit	293	169	73%
Underlying EPS (HK cents)	19	11	73%



2014 Interim Results

# HOTELS DIVISION



THE HONGKONG AND SHANGHAI HOTELS, LIMITED  
香港上海大酒店有限公司

# THE PENINSULA HONG KONG



Revenue **+22%**

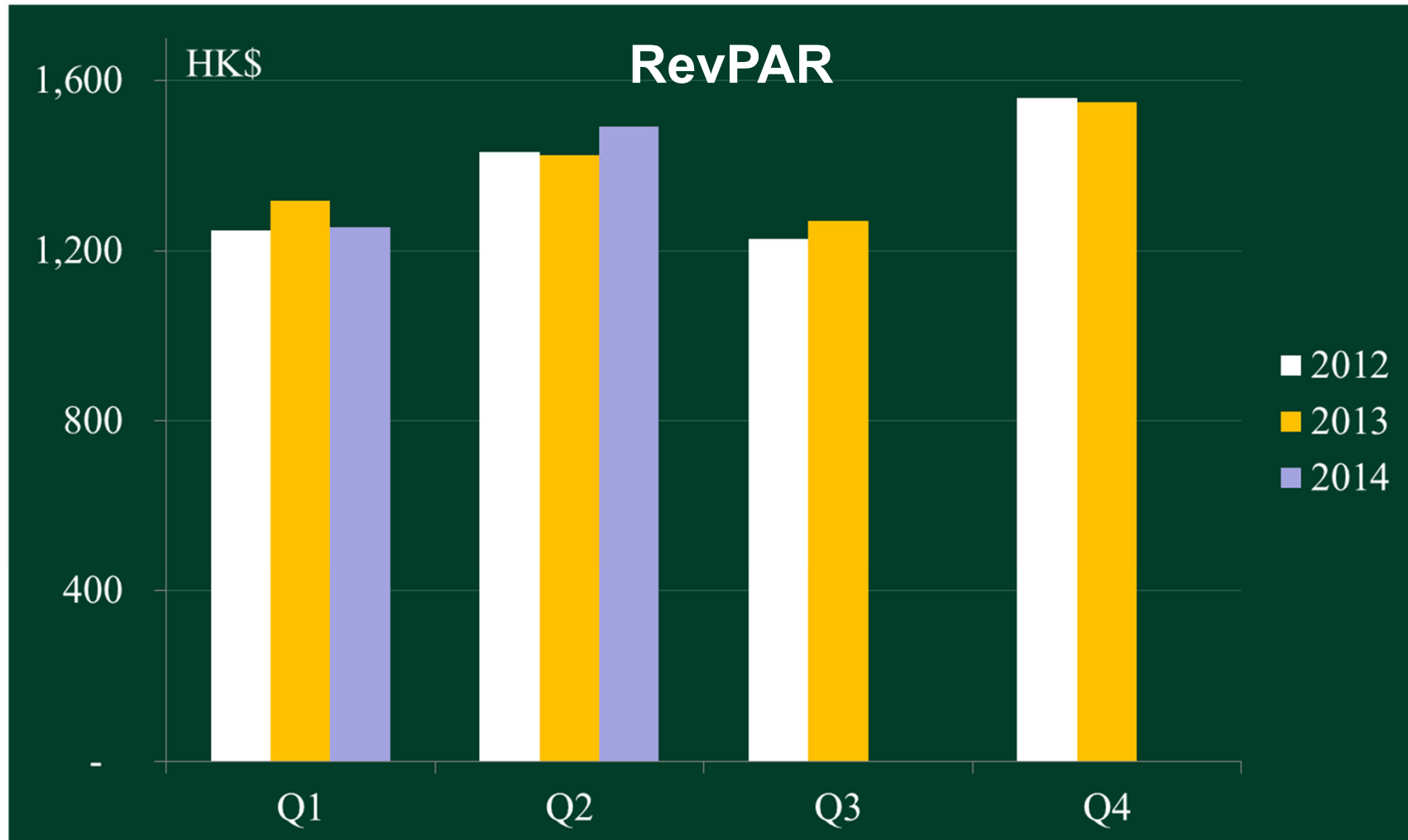
Room revenue **+58%**

Available rooms **+60%**



THE HONGKONG AND SHANGHAI HOTELS, LIMITED  
香港上海大酒店有限公司

# HOTEL PERFORMANCE – OTHER ASIA





# THE PENINSULA SHANGHAI



Revenue **+8%**

---

Occupancy **+0 pp**

Average  
room rate **+5%**

RevPAR **+6%**



THE HONGKONG AND SHANGHAI HOTELS, LIMITED  
香港上海大酒店有限公司

# THE PENINSULA BEIJING



Revenue **-3%**

---

Occupancy **+8 pp**

Average  
room rate **-14%**

RevPAR **-2%**



THE HONGKONG AND SHANGHAI HOTELS, LIMITED  
香港上海大酒店有限公司



# THE PENINSULA TOKYO



Revenue	<b>+9%</b>
<hr/>	
Occupancy	<b>+5 pp</b>
Average room rate	<b>+11%</b>
RevPAR	<b>+18%</b>



# THE PENINSULA BANGKOK



Revenue **-32%**

---

Occupancy **-20 pp**

Average  
room rate **-4 %**

RevPAR **-38%**



THE HONGKONG AND SHANGHAI HOTELS, LIMITED  
香港上海大酒店有限公司



# THE PENINSULA MANILA



Revenue -7%

---

Occupancy -2 pp

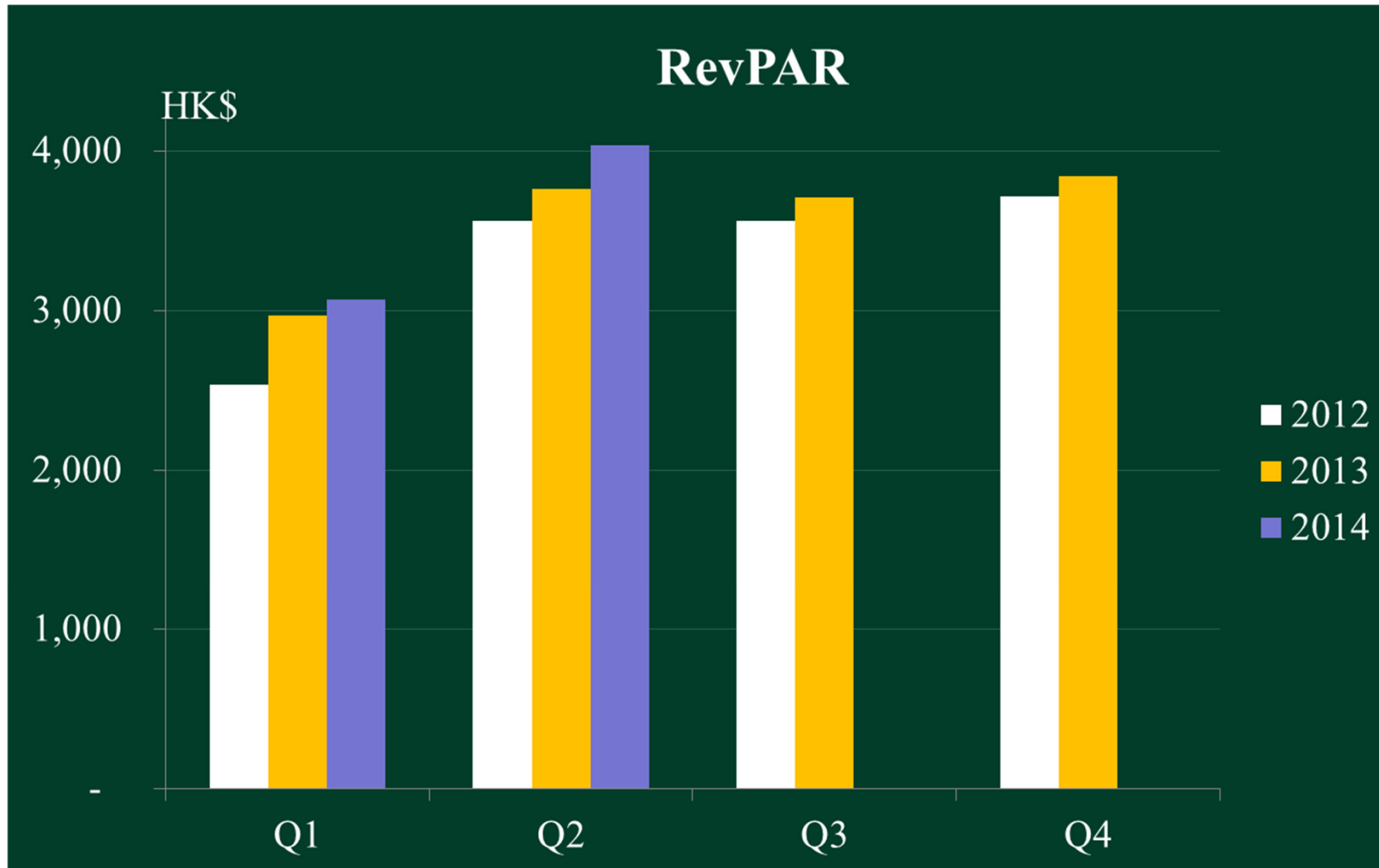
Average room rate -6%

RevPAR -9%



THE HONGKONG AND SHANGHAI HOTELS, LIMITED  
香港上海大酒店有限公司

# HOTEL PERFORMANCE – USA



# THE PENINSULA NEW YORK



Revenue **+10%**

---

Occupancy **+1 pp**

Average  
room rate **+3%**

RevPAR **+4%**



THE HONGKONG AND SHANGHAI HOTELS, LIMITED  
香港上海大酒店有限公司



# THE PENINSULA CHICAGO



Revenue -5%

---

Occupancy 0 pp

Average room rate -4%

RevPAR -4%



THE HONGKONG AND SHANGHAI HOTELS, LIMITED  
香港上海大酒店有限公司



# THE PENINSULA BEVERLY HILLS



Revenue **+13%**

---

Occupancy **+5 pp**

Average  
room rate **+8%**

RevPAR **+14%**



THE HONGKONG AND SHANGHAI HOTELS, LIMITED  
香港上海大酒店有限公司

2014 Interim Results

# COMMERCIAL PROPERTIES DIVISION



THE HONGKONG AND SHANGHAI HOTELS, LIMITED  
香港上海大酒店有限公司

# THE REPULSE BAY COMPLEX



Revenue **+5%**



THE HONGKONG AND SHANGHAI HOTELS, LIMITED  
香港上海大酒店有限公司



# THE PEAK TOWER



Revenue **+18%**



THE HONGKONG AND SHANGHAI HOTELS, LIMITED  
香港上海大酒店有限公司

# ST. JOHN'S BUILDING



Revenue **+18%**



THE HONGKONG AND SHANGHAI HOTELS, LIMITED  
香港上海大酒店有限公司



# THE LANDMARK, VIETNAM

Revenue -6%



THE HONGKONG AND SHANGHAI HOTELS, LIMITED  
香港上海大酒店有限公司

# 21 AVENUE KLÉBER, PARIS



Revenue  
HK\$10m



THE HONGKONG AND SHANGHAI HOTELS, LIMITED  
香港上海大酒店有限公司

2014 Interim Results

# CLUBS AND SERVICES DIVISION



THE HONGKONG AND SHANGHAI HOTELS, LIMITED  
香港上海大酒店有限公司



# THE PEAK TRAM

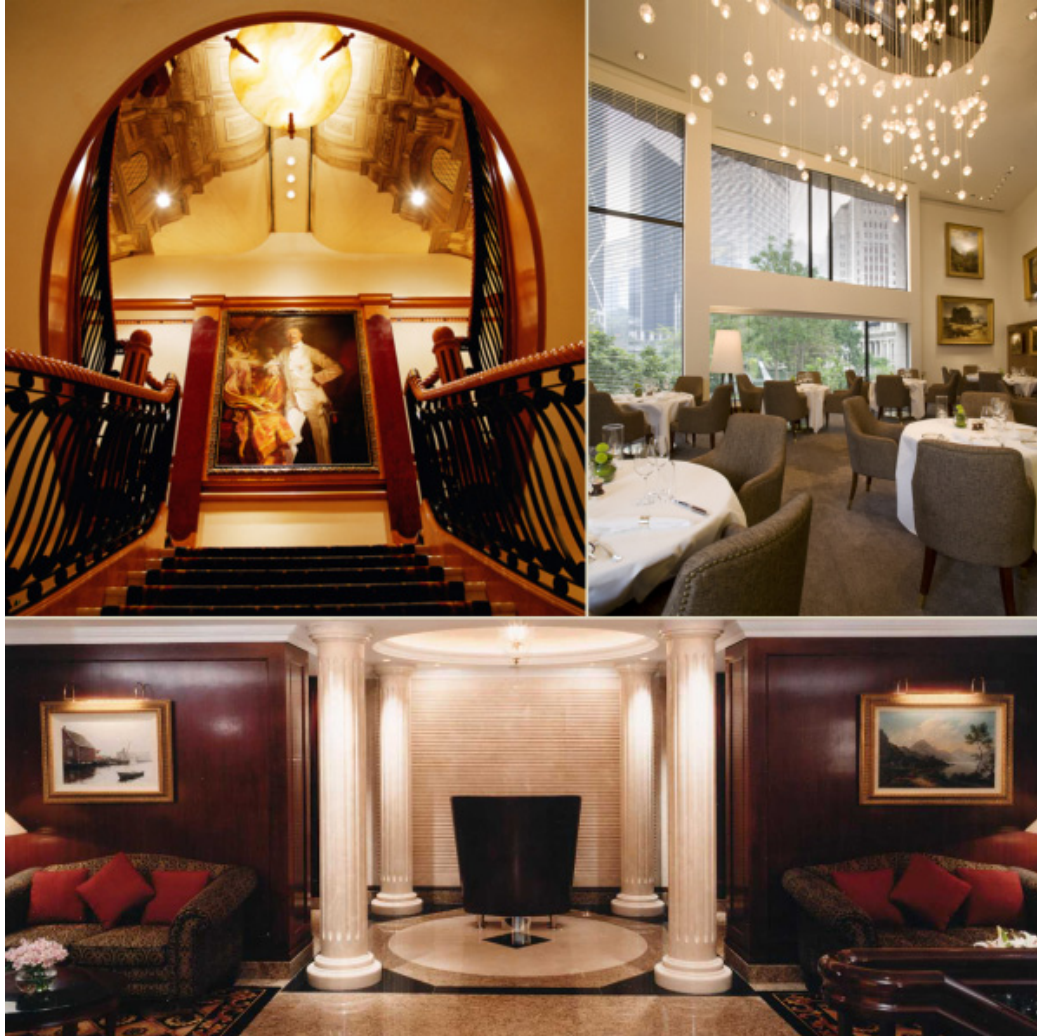


Revenue **+5%**



THE HONGKONG AND SHANGHAI HOTELS, LIMITED  
香港上海大酒店有限公司

# PENINSULA CLUBS AND CONSULTANCY SERVICES



Revenue  
same as  
last year



THE HONGKONG AND SHANGHAI HOTELS, LIMITED  
香港上海大酒店有限公司



# THAI COUNTRY CLUB



THE HONGKONG AND SHANGHAI HOTELS, LIMITED  
香港上海大酒店有限公司



# PENINSULA MERCHANDISING



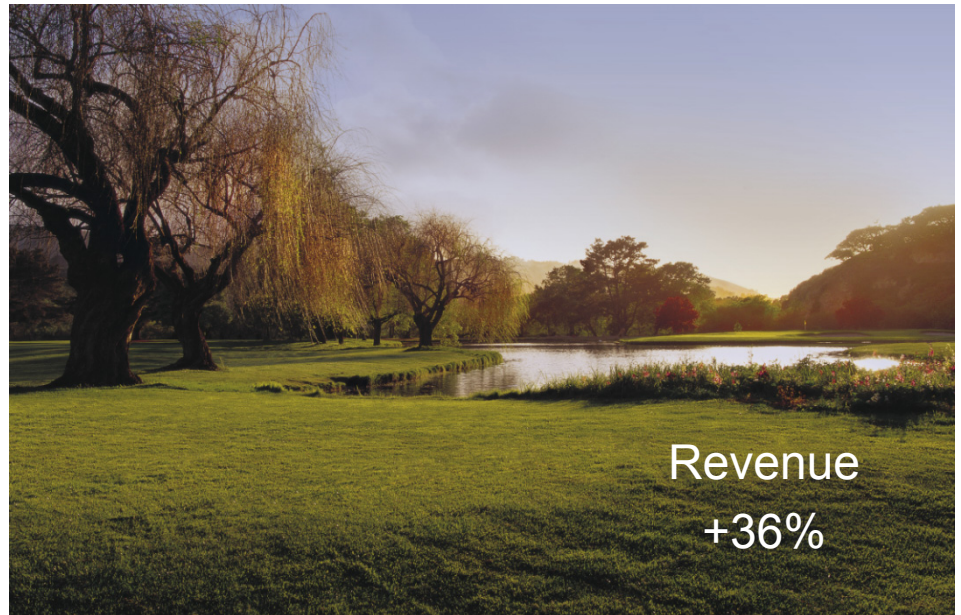
Revenue **-19%**



THE HONGKONG AND SHANGHAI HOTELS, LIMITED  
香港上海大酒店有限公司



# QUAIL LODGE & GOLF CLUB



THE HONGKONG AND SHANGHAI HOTELS, LIMITED  
香港上海大酒店有限公司

Revenue  
+36%

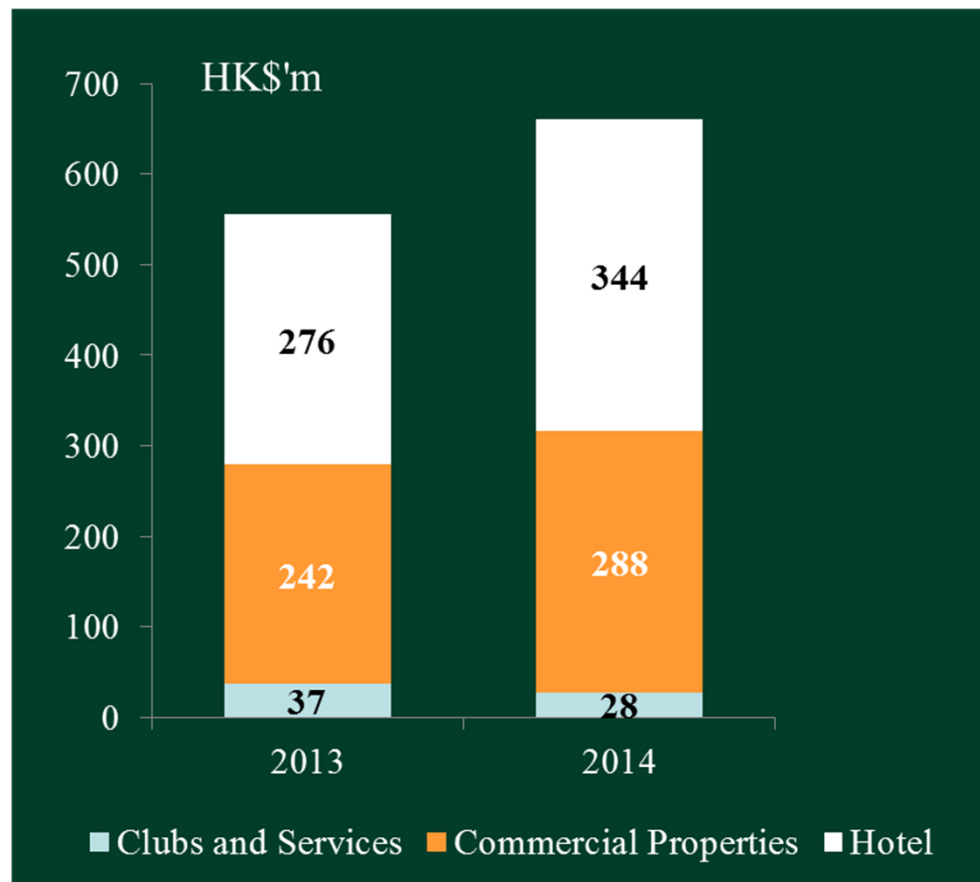
2014 Interim Results

# FINANCIAL RESULTS



THE HONGKONG AND SHANGHAI HOTELS, LIMITED  
香港上海大酒店有限公司

# EBITDA



EBITDA Margin	2014	2013
Hotels	17%	14%
Commercial Properties	66%	64%
Clubs & Services	11%	14%
Overall EBITDA Margin	24%	22%



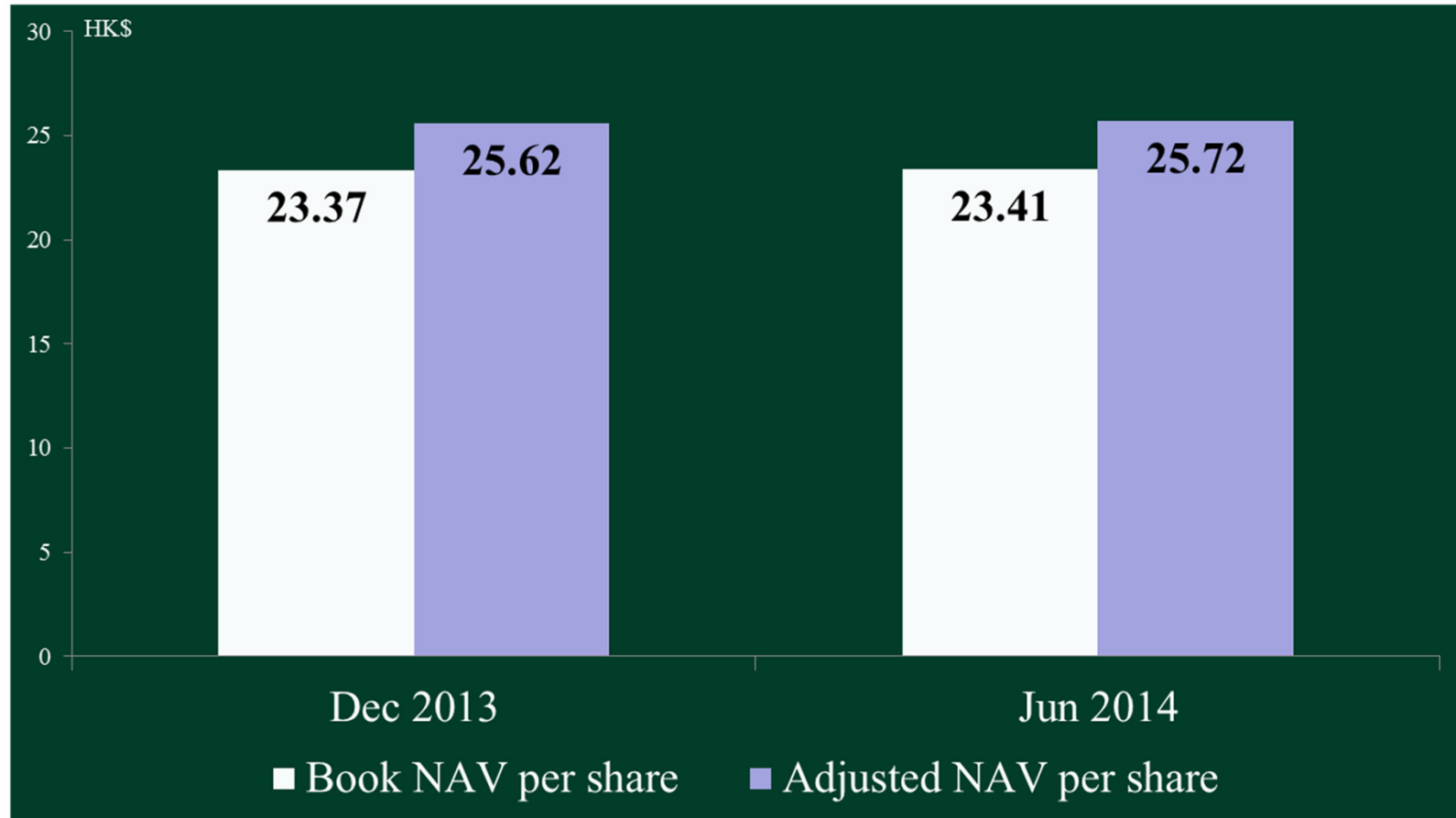


# UNDERLYING PROFIT

HK\$ million	2014	2013
Profit attributable to shareholders	452	840
Increase in fair value of investment properties	(166)	(665)
Share of property revaluation gain of The Peninsula Shanghai, net of tax	(18)	-
Others	25	(6)
Underlying profit attributable to shareholders	293	169
Underlying EPS (HK cents)	0.19	0.11



# NET ASSET VALUE PER SHARE



# CASH FLOW

HK\$ m	2014	2013
<b>EBITDA</b>	<b>660</b>	<b>555</b>
Net change in working capital	(18)	13
Tax payment	(27)	(45)
Net cash generated from operating activities	<b>615</b>	<b>523</b>
Capital expenditure (CAPEX) on existing assets	(153)	(567)
Net cash inflow/(outflow) after normal CAPEX	<b>462</b>	<b>(44)</b>
New investment - 21 avenue Kléber, Paris	-	(605)
Net cash inflow/(outflow) before dividends and other payments	<b>462</b>	<b>(649)</b>
Dividends and net financing charges	(89)	(192)
Loan to an associate (PPR)	(123)	-
<b>Net cash inflow/(outflow) for the period</b>	<b>250</b>	<b>(841)</b>



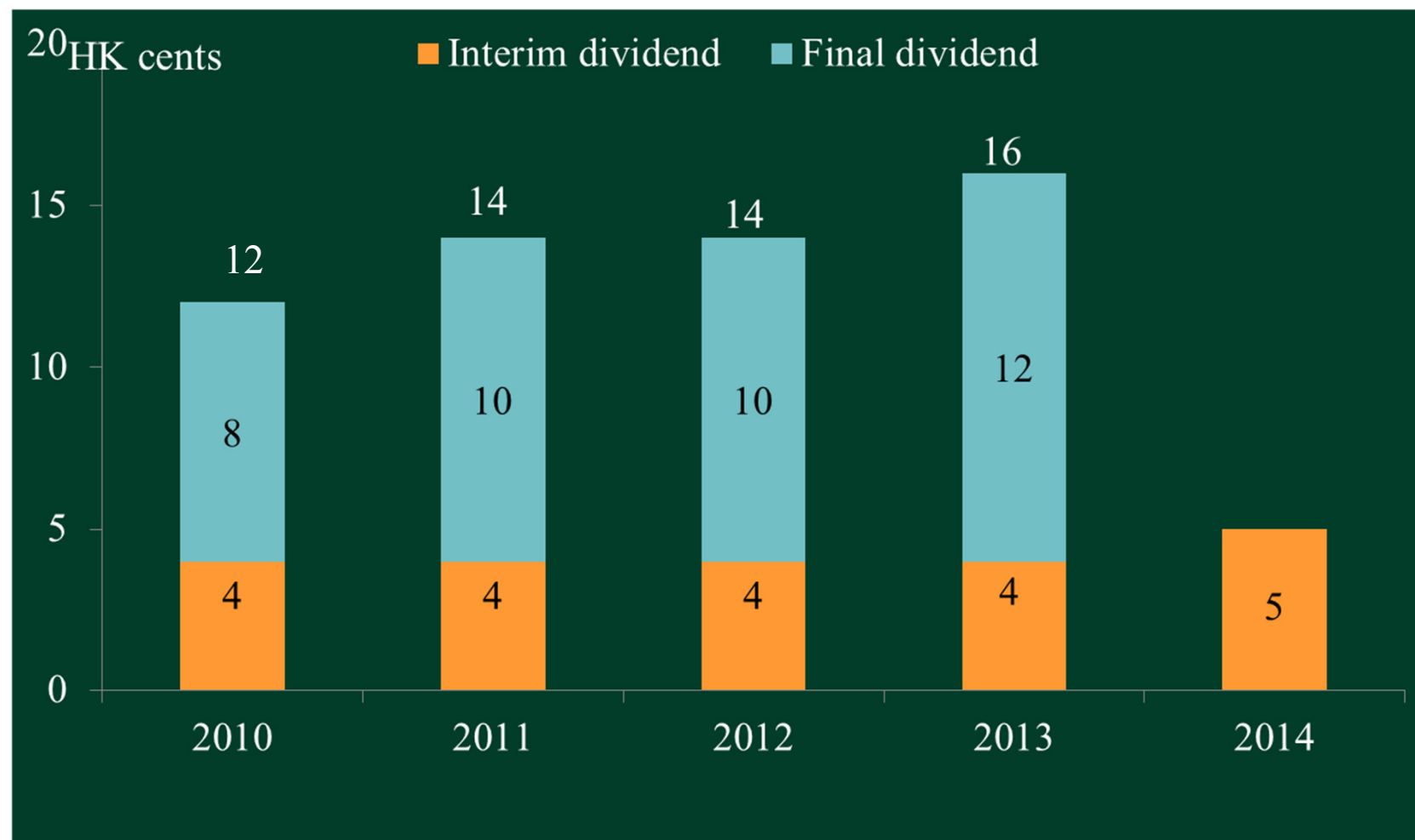


# CONSOLIDATED FINANCIAL RATIOS

HK\$ million	30 Jun 2014	31 Dec 2013
Gross borrowings	5,887	5,486
Net borrowings	3,828	3,992
Net debt to EBITDA(annualised) (times)	2.9x	3.6x
Net gearing	10%	10%
Funds from operations to net debt	32%	23%
Weighted average gross interest rate	2.3%	2.9%
Interest cover (times)		
- Gross	6.9x	6.5x
- Net	12.6x	9.7x



# DIVIDEND PER SHARE



2014 Interim Results

# PROJECTS AND DEVELOPMENTS



THE HONGKONG AND SHANGHAI HOTELS, LIMITED  
香港上海大酒店有限公司



# THE PENINSULA PARIS



THE HONGKONG AND SHANGHAI HOTELS, LIMITED  
香港上海大酒店有限公司



# THE PENINSULA LONDON



THE HONGKONG AND SHANGHAI HOTELS, LIMITED  
香港上海大酒店有限公司



# THE PENINSULA YANGON



THE HONGKONG AND SHANGHAI HOTELS, LIMITED  
香港上海大酒店有限公司



2014 Interim Results

# OUTLOOK



THE HONGKONG AND SHANGHAI HOTELS, LIMITED  
香港上海大酒店有限公司

# Outlook

- **We expect to see good pickup in the traditional autumn high season for many of our hotels**
- **We expect our second half results to be affected by our share of the operating results of The Peninsula Paris after its opening.**
- **The Repulse Bay Complex is experiencing weaker residential demand, with reduced lettings from professionals and expatriates.**
- **Overall, our company remains in a strong financial position and we remain positive about the future.**



# Q&A



THE HONGKONG AND SHANGHAI HOTELS, LIMITED  
香港上海大酒店有限公司