

# THE HONGKONG & SHANGHAI HOTELS HY 2016



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# HY 2016 REVIEW



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# AGENDA

FINANCIAL HIGHLIGHTS



PROJECTS



OUTLOOK



Q&A





# FINANCIAL HIGHLIGHTS



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## RESULTS FOR HY 2016

<b>HK\$ MILLION</b>	<b>2016</b>	<b>2015</b>	<b>CHANGE</b>
TURNOVER	2,606	2,690	(3%)
EBITDA	525	642	(18%)
EBITDA MARGIN	20%	24%	(4pp)
NON-OPERATING ITEMS	54	236	(77%)
PROFIT ATTRIBUTABLE TO SHAREHOLDERS	198	477	(58%)
EPS (HK CENTS)	13	31	(58%)
UNDERLYING PROFIT	152	265	(43%)
UNDERLYING EPS (HK CENTS)	10	17	(41%)
INTERIM DIVIDEND PER SHARE	4	5	(20%)



## OPERATING RESULTS FOR HY 2016

HK\$ MILLION	2016	2015	VARIANCE
<b>REVENUE</b>			
HOTELS	1,898	1,954	(3%)
COMMERCIAL PROPERTIES	456	459	(1%)
CLUBS AND SERVICES	252	277	(9%)
	<b>2,606</b>	<b>2,690</b>	<b>(3%)</b>
<b>EBITDA</b>			
HOTELS	226	317	(29%)
COMMERCIAL PROPERTIES	278	295	(6%)
CLUBS AND SERVICES	21	30	(30%)
	<b>525</b>	<b>642</b>	<b>(18%)</b>



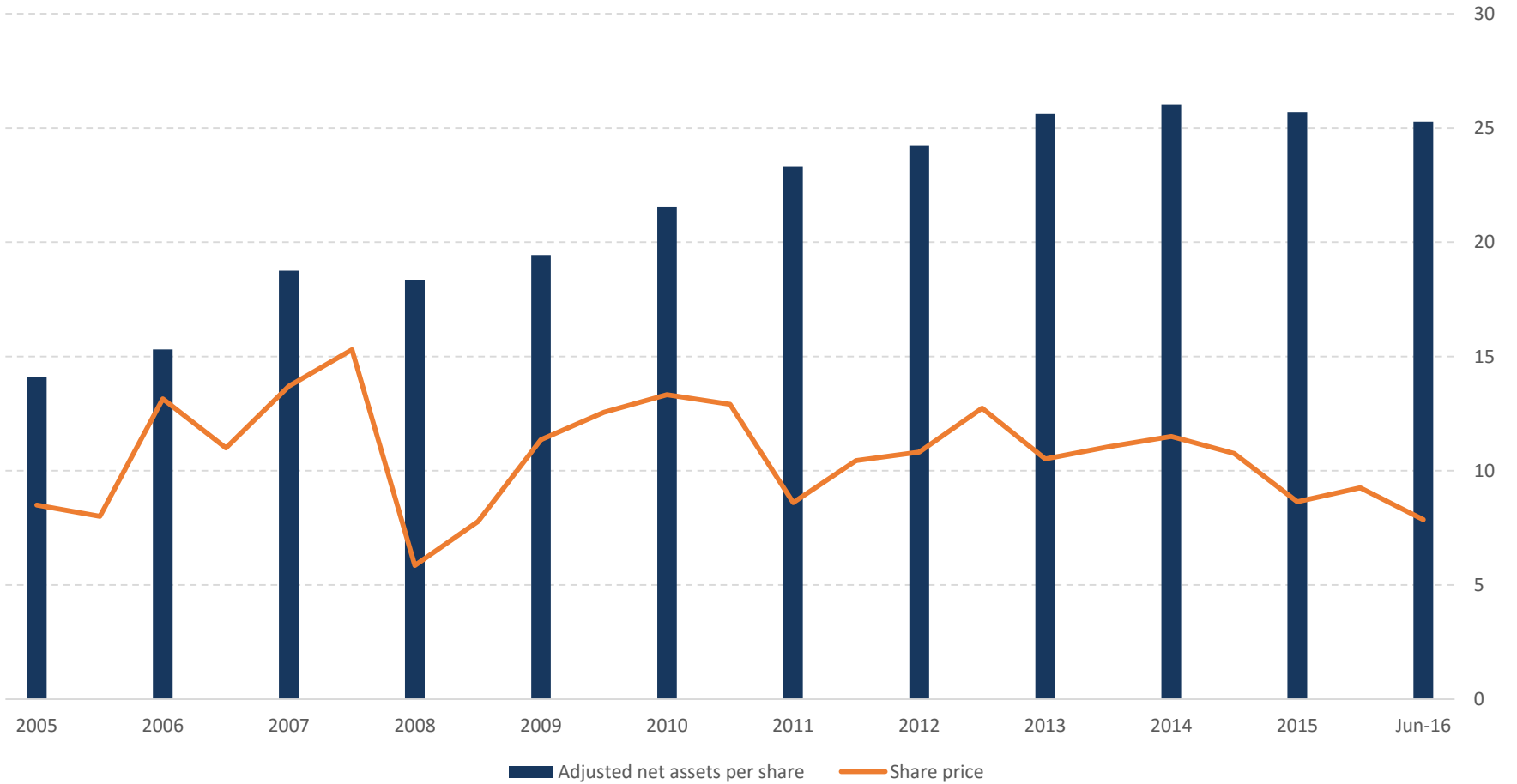
## CASHFLOW & CAPITAL EXPENDITURE

HK\$ MILLION	2016	2015
EBITDA	525	642
NET CHANGE IN WORKING CAPITAL AND TAX PAYMENT	56	(30)
NET CASH GENERATED FROM OPERATING ACTIVITIES	581	612
CAPITAL EXPENDITURE ON EXISTING ASSETS	(507)	(201)
NET CASH INFLOW AFTER NORMAL CAPEX	74	411
DIVIDENDS AND NET FINANCING CHARGES	(115)	(103)
CAPITAL EXPENDITURE / INJECTION ON NEW PROJECTS	(126)	(134)
NET CASH INFLOW/(OUTFLOW) FOR THE PERIOD	(167)	174





# NET ASSET VALUE



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## STRONG BALANCE SHEET WITH CONSERVATIVE GEARING

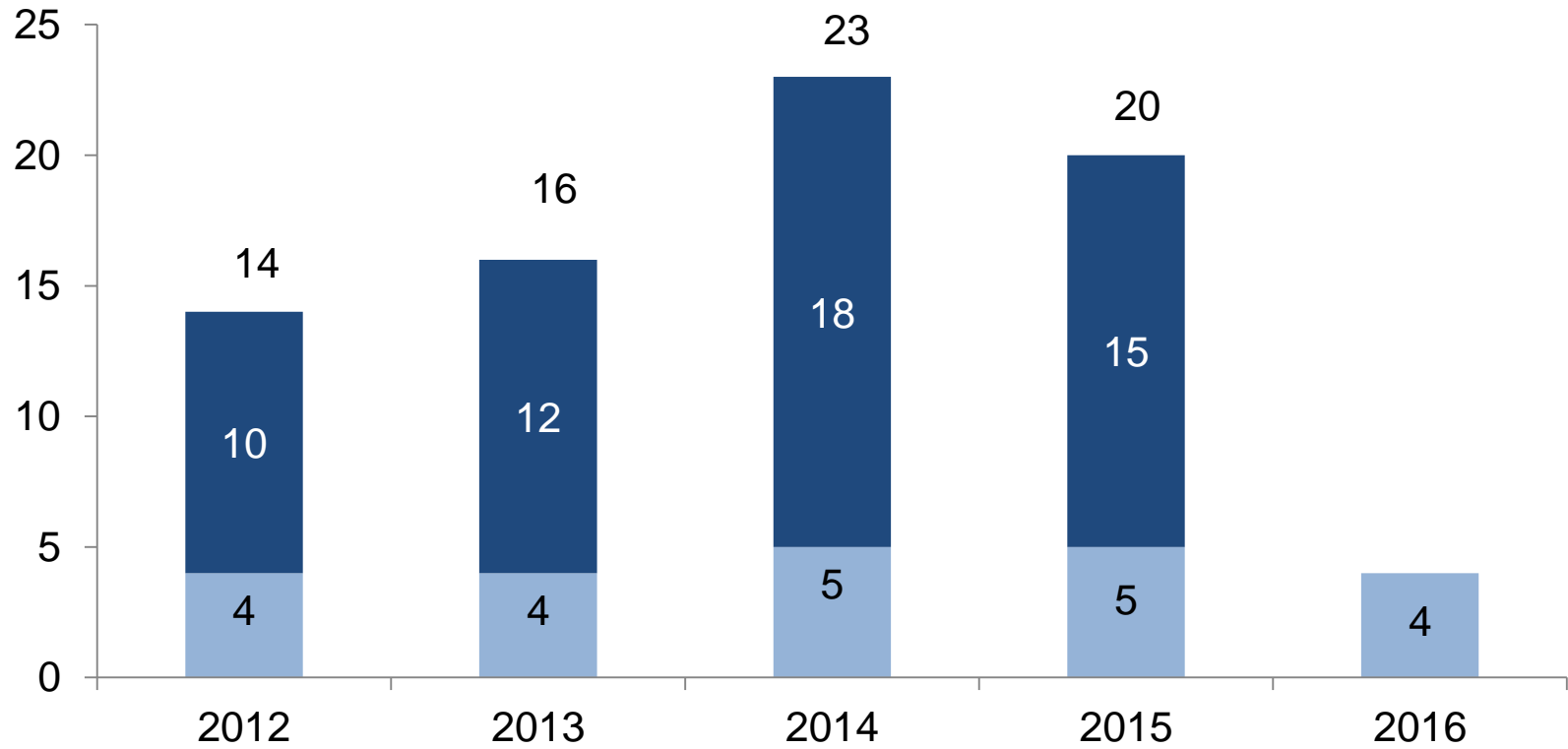
HK\$ MILLION	30 JUN 2016	31 DEC 2015
GROSS BORROWINGS	6,558	6,192
NET BORROWINGS	3,849	3,273
NET DEBT TO EBITDA (TIMES)	3.7x	2.3X
NET GEARING	10%	8%
WEIGHTED AVERAGE GROSS INTEREST RATE	2.1%	2.2%
NET INTEREST COVER (TIMES)	6.8x	14.9x



## DIVIDEND PER SHARE

HK cents

■ Interim dividend ■ Final dividend









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# THE PENINSULA LONDON



- As announced on 26 July 2016, HSH will have 100% ownership of the leasehold following a restructuring of our partnership with Grosvenor



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# THE PENINSULA YANGON





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# THE PENINSULA ISTANBUL

































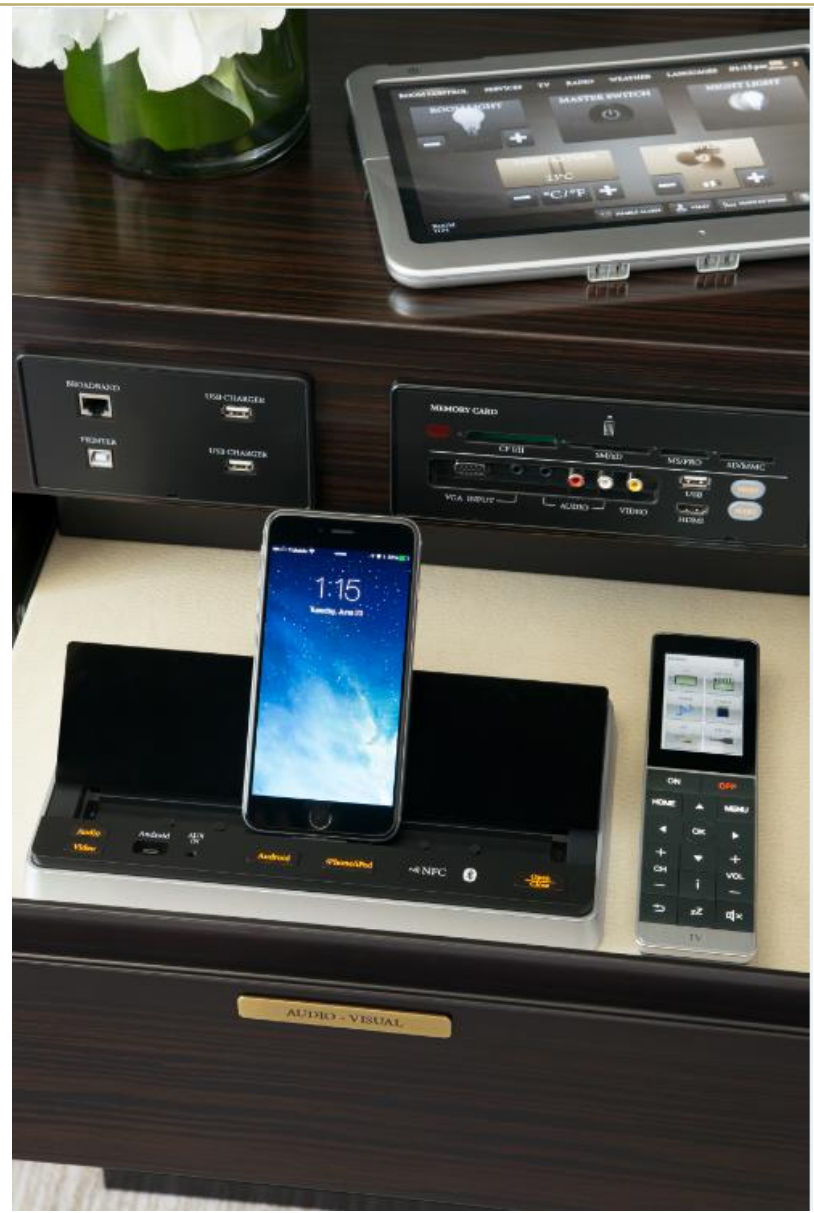
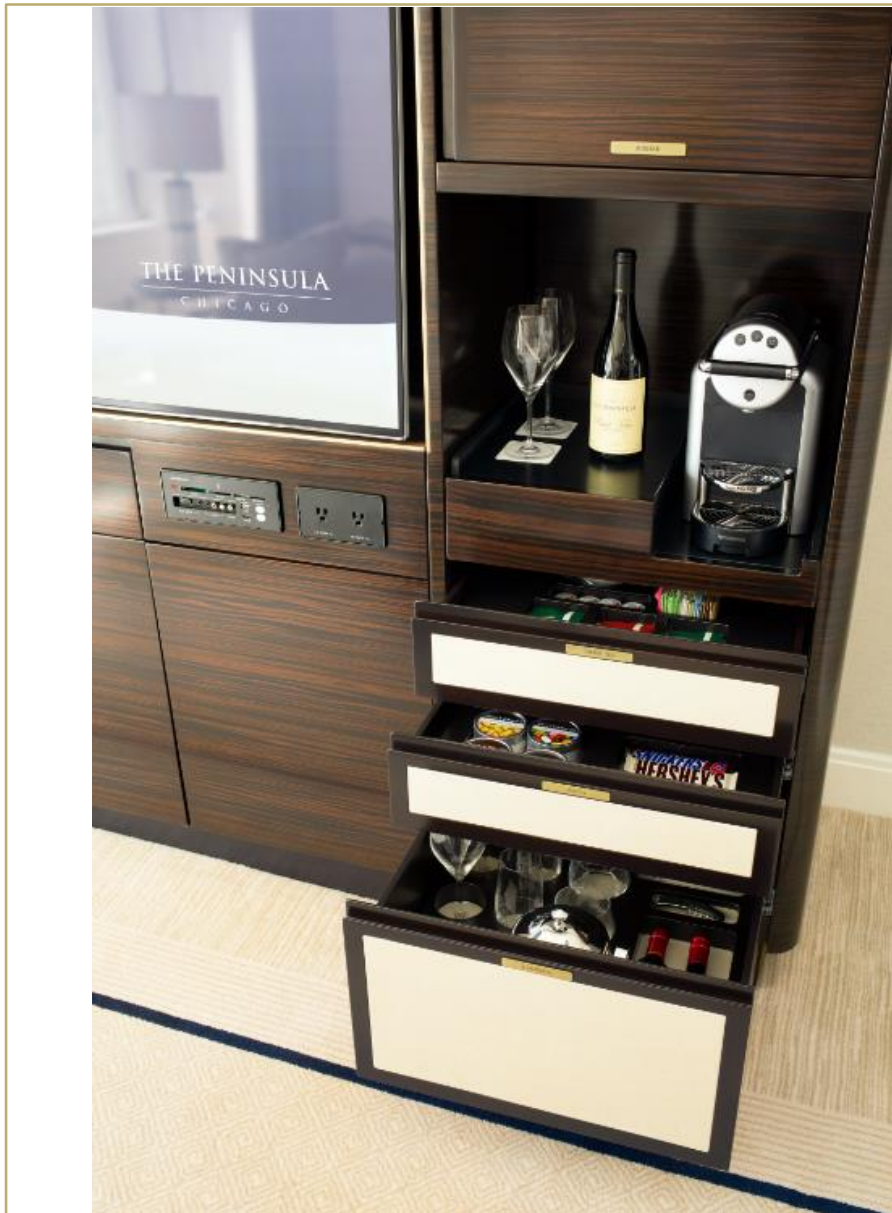
















# LOOKING AHEAD





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## SUMMARY



- Soft environment in Hong Kong for tourism, high-end retail and luxury residential
- Global uncertainty as a result of unfortunate terrorist incidents
- We are not dissatisfied with the operating results of the group and remain optimistic for the traditional autumn high season
- We have made good progress on our projects and have signed Heads of Terms to assume 100% ownership of the leasehold of The Peninsula London
- HSH is celebrating its 150<sup>th</sup> anniversary in 2016



# Q & A

