



# Interim Results 2008

# Financial Results – Income Statement

|   | <u>June 2008</u> | <u>June 2007</u> | <u>Increase/<br/>(Decrease)</u> |
|---|------------------|------------------|---------------------------------|
| Turnover (HK\$m)  | 2,395            | 1,991            | 20%                             |
| EBITDA (HK\$m)  | 699              | 675              | 4%                              |
| Profit before non-operating<br>items (HK\$m)                    | 478              | 484              | (1%)                            |
| Attributable profit, including<br>revaluation surpluses (HK\$m) | 1,619            | 1,271            | 27%                             |
| Earnings excluding<br>non-operating items (HK\$m)               | 530              | 390              | 36%                             |
| Earnings per share (HK\$)                                       | 1.12             | 0.89             | 26%                             |
| Earnings per share excluding<br>non-operating items (HK\$)      | 0.37             | 0.27             | 37%                             |

# Financial Results – Balance Sheet

---

|                             | <u>June 2008</u> | <u>June 2007</u> | <u>Increase/<br/>(Decrease)</u> |
|-----------------------------|------------------|------------------|---------------------------------|
| Net asset value (HK\$m)     | 22,377           | 20,726           | 8%                              |
| Net debt (HK\$m)            | 1,162            | 1,455            | (20%)                           |
| Gearing                     | 5%               | 7%               | (29%)                           |
| Net financing costs (HK\$m) | 35               | 47               | (26%)                           |
| Interest cover (times)      | 14.7x            | 11.3x            | 30%                             |
| Interim dividend (HKcents)  | 6.5              | 6                | 8%                              |

# Financial Results - Adjusted Net Assets

---

|   | Total<br>(HK\$m)     | Per share<br>(HK\$) |
|---|----------------------|---------------------|
| Net assets attributable to<br>shareholders  | 22,377               | 15.42               |
| Deferred taxation in respect of<br>revaluation surpluses on HK<br>investment properties | 3,025                | 2.08                |
| Market value adjustments for<br>hotels and golf courses                                 | <u>2,985</u>         | <u>2.06</u>         |
| Adjusted Net Assets   | <u><u>28,387</u></u> | <u><u>19.56</u></u> |

# Financial Results – Cash Flow

---

|   | <u>June 2008</u><br>(HK\$m) | <u>June 2007</u><br>(HK\$m) |
|---|-----------------------------|-----------------------------|
| Net cash generated from operating activities                | 615                         | 570                         |
| Net cash used in investing activities                       |                             |                             |
| - capital expenditure and others                            | (185)                       | (319)                       |
| - disposal of an investment in Indonesia                    | -                           | 101                         |
| Net cash (used in) / generated from<br>financing activities | (136)                       | 10                          |
|   | <hr/>                       | <hr/>                       |
| Net cash inflow   | 294                         | 362                         |
|   | <hr/> <hr/>                 | <hr/> <hr/>                 |

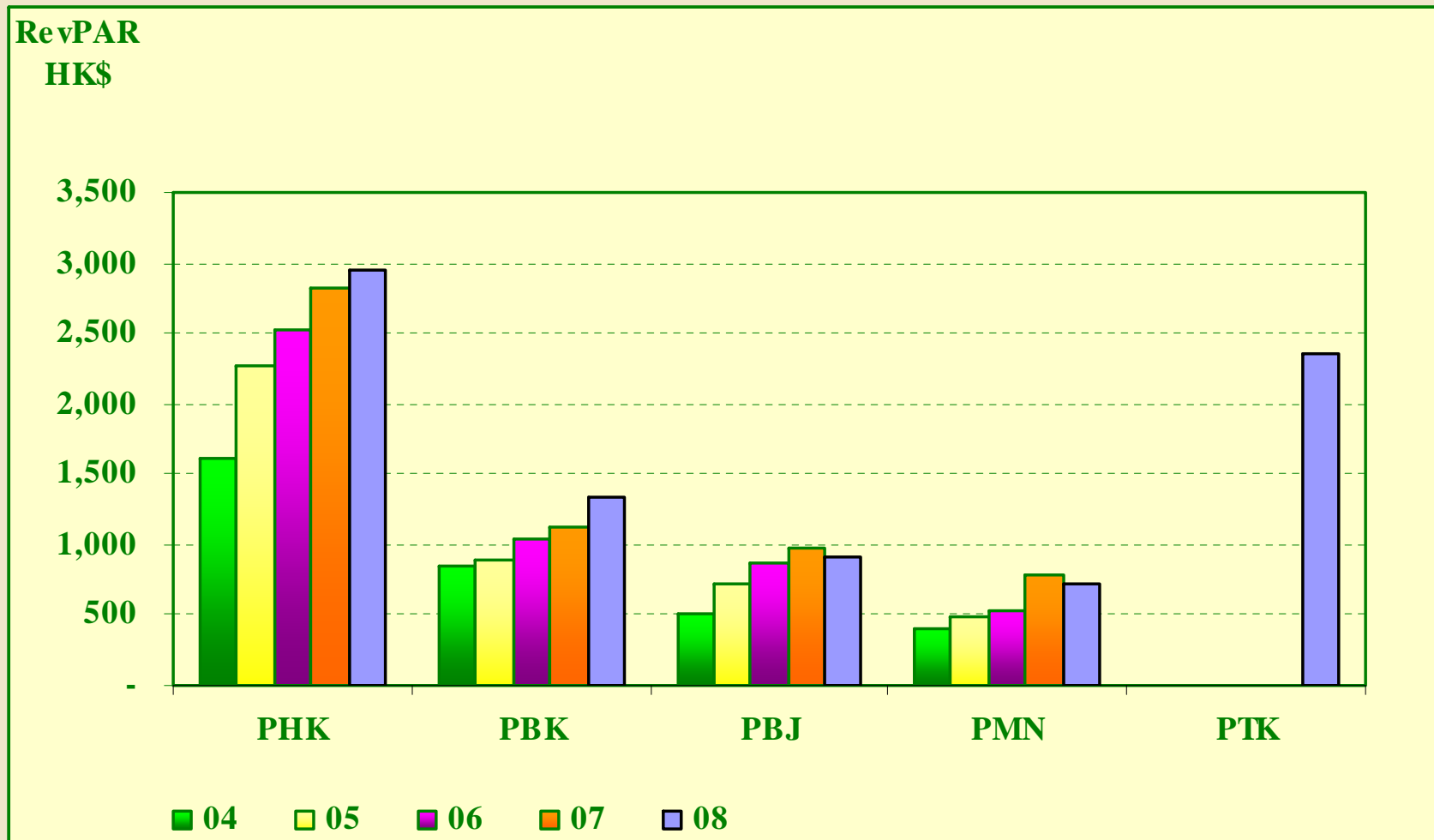
# Hotel Results

---

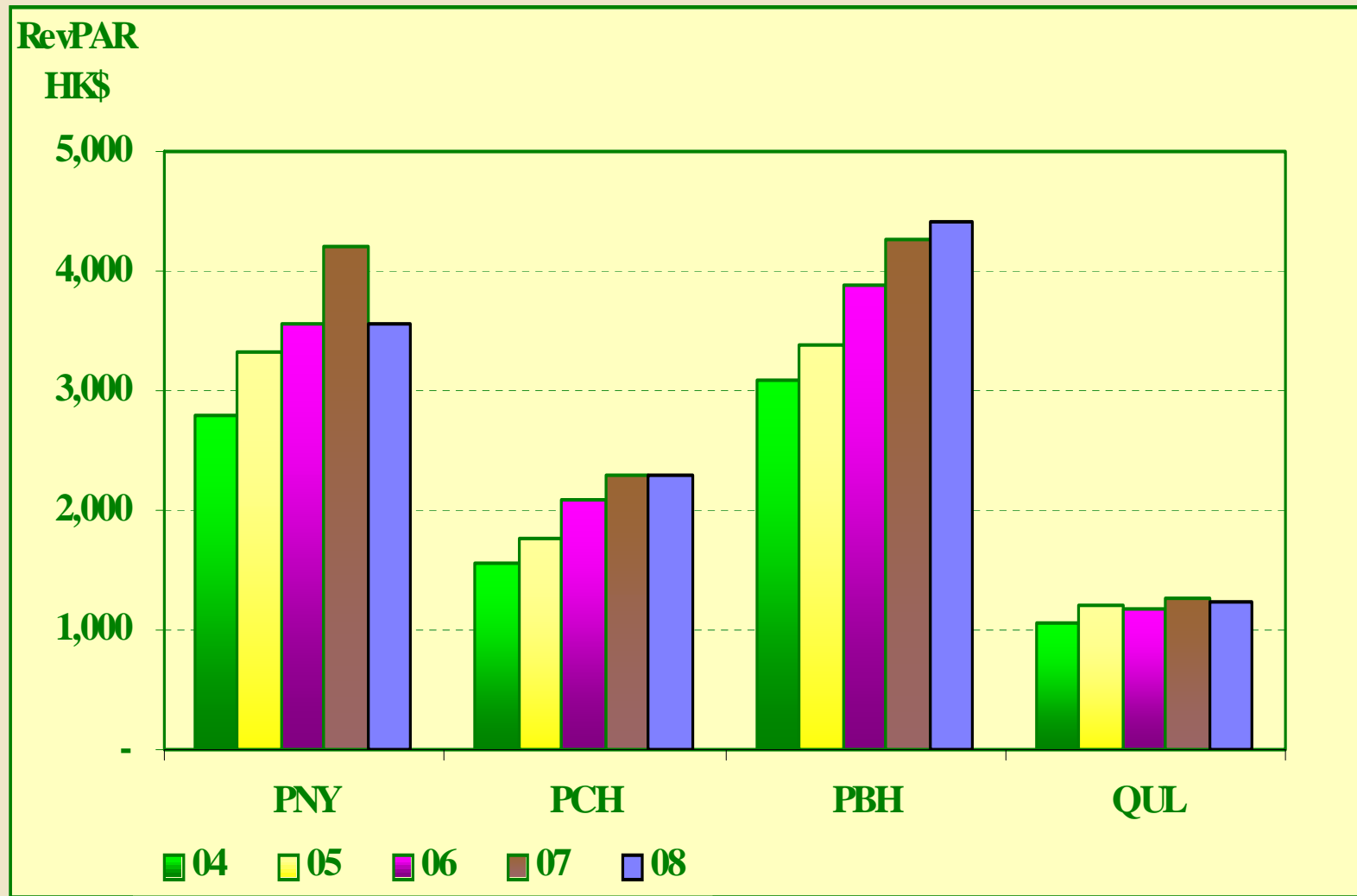
- ❖ Hotel turnover up 23% to HK\$1,884 million
- ❖ RevPAR increase of 0.9% in the Peninsula Hotels
- ❖ Excluding the initial results of The Peninsula Tokyo, EBITDA margin maintained at 29%



# Hotel RevPARs - Asia



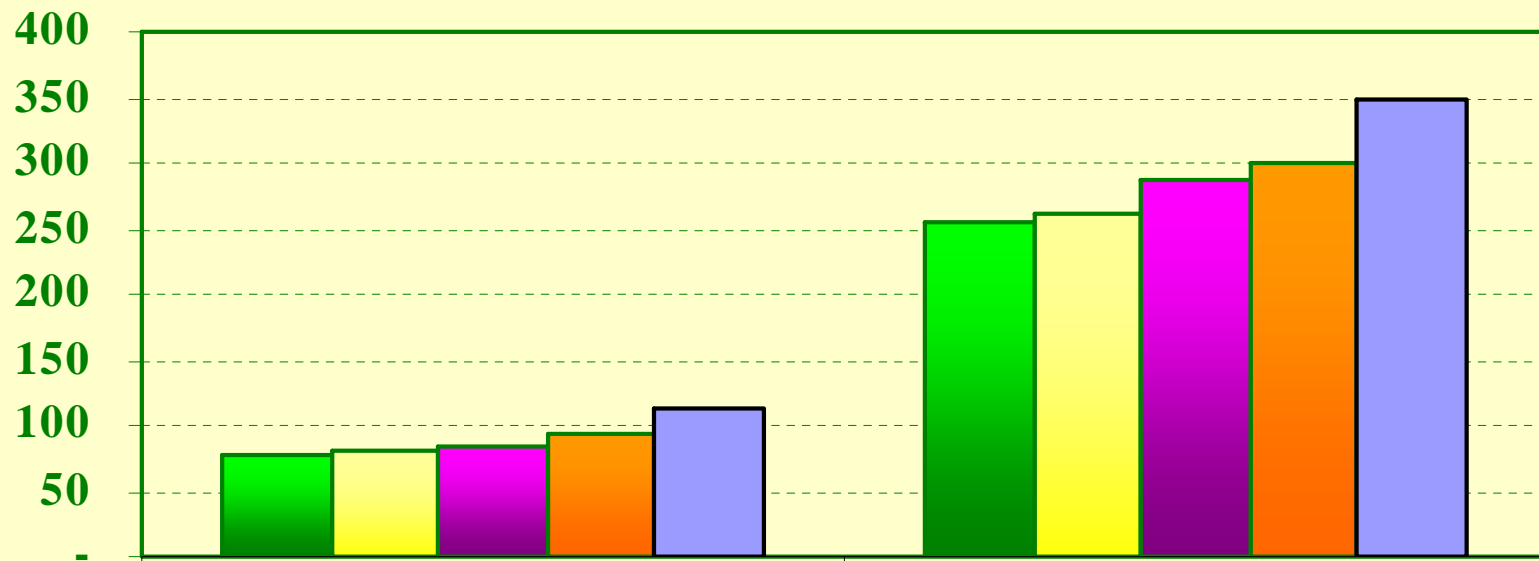
# Hotel RevPARs - USA





# Hotel Arcade Yields

Yield per sqf  
HK\$

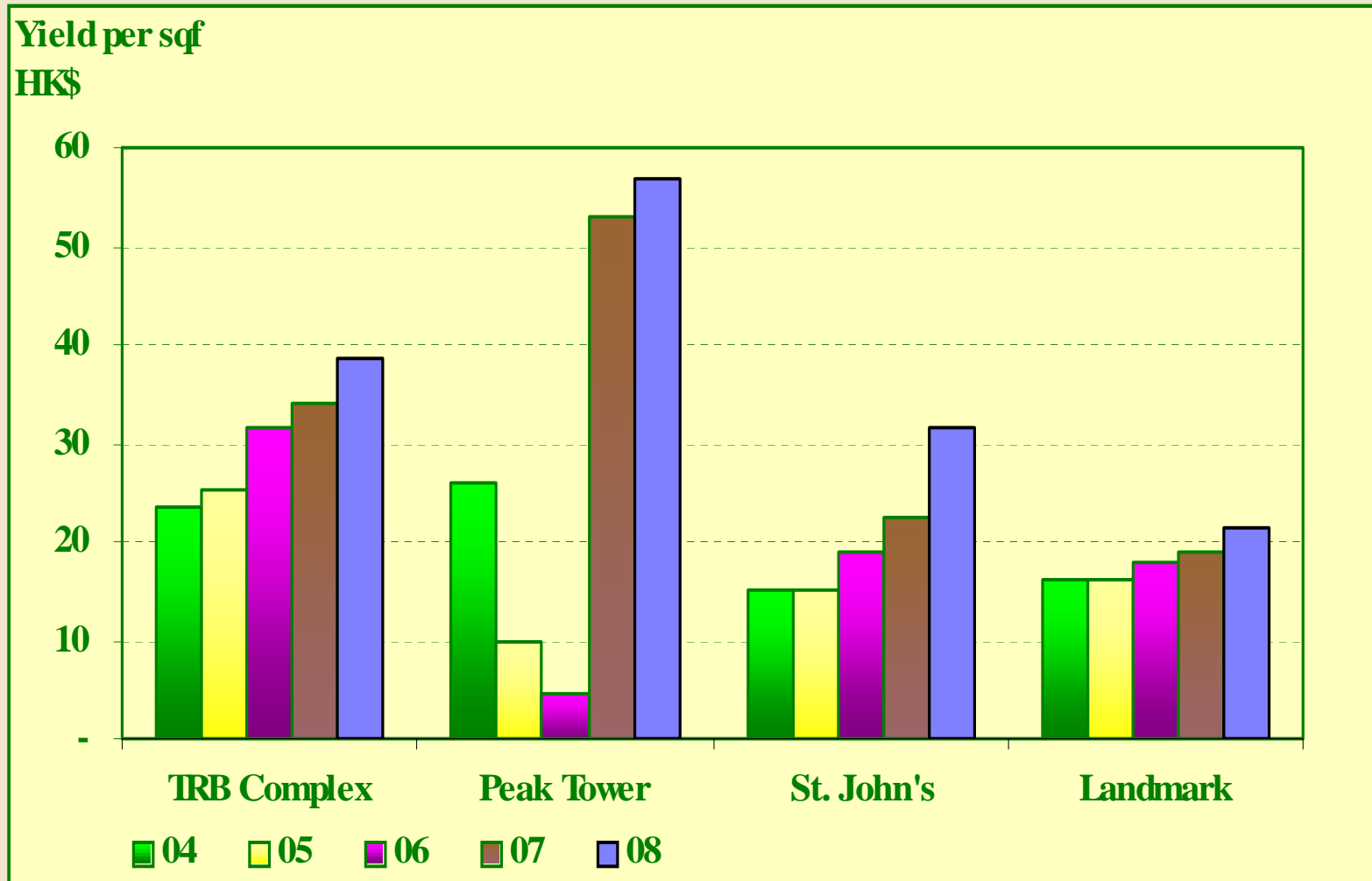


PBJ Arcade

PHK Arcade

04 05 06 07 08

# Non-hotel Properties



# Performance from Other Operations

---

- ❖ The Peak Tram: annual patronage and revenue consistent with 2007
- ❖ Cathay Pacific Lounges: annual patronage up 24%, revenue up 12%
- ❖ Thai Country Club: revenue up 3%
- ❖ The Peninsula Merchandising: revenue up 15%
- ❖ Tai Pan Laundry: revenue up 14%

# Key Developments

---



**Majestic Hotel, Paris, France**

# Key Developments

---

- ❖ The Peninsula Beijing unveiled a new spa, swimming pool and fitness centre in time for the Olympics
- ❖ Renovation of all guestrooms in the Ayala Tower commenced at The Peninsula Manila
- ❖ The first phase of The Repulse Bay Arcade revitalisation was completed in July

# The Peninsula Shanghai Project

---



- ❖ Hotel tower was topped out in April
- ❖ Apartment tower was topped out in June
- ❖ Interior fitting out works have started
- ❖ Hotel is on schedule for opening in late 2009



# Outlook

---

- ❖ Business conditions will generally remain challenging for hotel business
- ❖ Outlook for market in Beijing will be uncertain
- ❖ Demand in Bangkok is currently negatively affected by the anti-government protests
- ❖ Demand is anticipated to continue to be strong for non-hotel properties, especially within the luxury residential sector in Hong Kong

Thank you