



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

To: All Financial/Business/Travel Editors

FOR IMMEDIATE RELEASE

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THE HONGKONG AND SHANGHAI HOTELS, LIMITED
2009 UNAUDITED FIRST QUARTER OPERATING STATISTICS

Hong Kong, 13 May 2009 – At its Annual General Meeting held today, The Hongkong and Shanghai Hotels, Limited (HSH) disclosed its 2009 unaudited first quarter operating statistics, which show that its hotels division has been significantly impacted by the economic downturn but that its non-hotel properties have maintained a steady performance.

Hotels

As the economic environment has continued to deteriorate in the first quarter of 2009, HSH has recorded an overall Hotel RevPar decline of 29% to HK\$1,316 compared to the first quarter of 2008. RevPar declined by 27%, 30% and 28% respectively across its hotel operations in Hong Kong, rest of Asia and the United States in the first quarter of 2009 compared to the same period in 2008.

The RevPar decline has been driven by a combination of both lower occupancy and lower average room rate across most properties. However, even in these challenging times a number of the Peninsula Hotels have increased market share amongst their competitive set in the markets in which they operate.

Non-hotel properties

Despite the decline in the economic environment the non-hotel property business continues to benefit from the relatively longer operating cycle characterised by longer lease periods for its properties. While occupancy levels are down slightly year on year, average yields for the first quarter of 2009 are up on the same period of 2008, and remained flat relative to the fourth quarter of 2008.

Outlook

At the current time the economic outlook and operating environment remain very difficult to predict with any degree of certainty. This has been further challenged in recent weeks with the renewed political instability in Thailand and the outbreak of swine flu. As disclosed during the 2008 full year results announcement, HSH will continue to focus on managing operating costs and reducing capital expenditure, while maintaining the quality and service standards that guests expect.

HSH's Chairman The Honourable Sir Michael Kadoorie said, "It is clear that 2009 is posing challenges for the Group, with our hotels business in particular experiencing significant downward pressure. Our management and staff are working hard on generating revenue and seeking ways to manage resources as efficiently as possible. We will ensure that the Company remains in a strong and healthy financial position, with a viable and sustainable business to weather what may be an extended economic downturn."

Sir Michael also emphasized the need to look towards developing for the future while managing the current challenges: "A company should have the foresight to continue investing in its assets and businesses despite the current uncertainty. I am pleased that we are making progress in this regard. Later this year, we will open The Peninsula Shanghai which signifies the Group's return to one of its two founding roots. We are also making an entry into Europe with the development of a Peninsula hotel in Paris. In addition, we have embarked on a revitalisation project at The Repulse Bay."

HSH's Managing Director and Chief Executive Officer, Mr. Clement K.M. Kwok, said: "Our Company remains in a strong financial position with a low gearing ratio, which enables us not only to weather this downturn, but also to continue to invest in our assets and seek developments for the future. Another strength is the loyalty and dedication of our workforce who continue to offer high quality services whilst managing costs and improving efficiencies."

Please click [here](#) for the Quarterly Operating Statistics.

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About HSH

Incorporated in 1866 and listed on the Hong Kong Stock Exchange (00045), The Hongkong and Shanghai Hotels, Limited is a holding company whose subsidiaries and jointly controlled entity are engaged in the ownership and management of prestigious hotel, commercial and residential properties in key destinations in Asia and the USA. The hotel portfolio of the Group comprises The Peninsula Hong Kong, The Peninsula New York, The Peninsula Chicago, The Peninsula Beverly Hills, The Peninsula Tokyo, The Peninsula Bangkok, The Peninsula Beijing, The Peninsula Manila, The Peninsula Shanghai (opening 2009), and Quail Lodge Resort and Golf Club in Carmel, California. The property portfolio of the Group includes The Repulse Bay Complex, The Peak Tower and The Peak Tramways, St. John's Building, The Landmark in Ho Chi Minh City, Vietnam and the Thai Country Club in Bangkok, Thailand.

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