



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

To: All Finance/Business/Travel Editors

FOR IMMEDIATE RELEASE

21 MAY, 2012

POSITIVE FIRST QUARTER 2012 PERFORMANCE FOR HSH

Hong Kong, 21 May 2012 - The Hongkong and Shanghai Hotels, Limited (HSH) announced today that its business divisions continued their positive performance in the first quarter of 2012.

Commenting on the year-to-date results, **HSH's Chief Executive Officer and Managing Director Mr. Clement K.M. Kwok** said, "We are pleased to see a further strengthening of occupancies and average yields across our businesses, which continue to provide very high quality of products and services for our customers. Although there is some earnings disruption from the major renovation projects underway at two of our most important assets, The Peninsula Hong Kong and The Repulse Bay, we are confident that these projects will add value to these assets and further increase their competitiveness upon completion."

Hotels

In **Asia**, the five Peninsula hotels outside of Hong Kong recorded a 7% increase in occupancy and an 8% increase in revenue per available room (RevPAR) for the first quarter of 2012, compared to the same period in 2011. The Peninsula Hong Kong is in the first phase of its 15-month guestroom renovation, with 135 of its 300 guestrooms having been closed as from mid January 2012. Nevertheless, we achieved good results for the rooms which remained in operation, achieving an effective increase in RevPAR over last year. The Peninsula Tokyo, which was severely impacted by the Japan earthquake in March 2011, had a positive quarter, with occupancies in January and February recovering nearly to pre-earthquake levels.

In the **USA**, the three Peninsula hotels performed satisfactorily with occupancy improving by 2%, although the average room rate (ARR) and RevPAR fell by 4% and 1% respectively. Winter is traditionally the low season for our hotels in New York and Chicago.

Commercial Properties

The three-year, phased renovation programme of the Repulse Bay's residential towers is continuing, with the total renovation of the de Ricou serviced apartment tower commencing in February 2012. This has affected occupancy, which fell 3% year-on-year, although the average yield improved by 5%.

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The shopping arcades in the Peninsula hotels, the Repulse Bay and the Peak Tower all recorded improved occupancy and average yield, reflecting the health of the retail sector and demand from premier brands for space. Both the Repulse Bay Arcade and the Peak Tower were fully tenanted during the period.

For The Peninsula Hong Kong Office Tower and St. John's Building, occupancy recorded a slight 2% drop but the average yield improved by 5% compared to the same period in 2011.

Clubs and Services

Revenue from Clubs and Services showed strong growth, rising 9% over the same period in 2011. Patronage for the Peak Tram also rose 9% year-on-year.

Outlook

In addition to the renovation projects at The Peninsula Hong Kong and the Repulse Bay, steady progress is being made on the construction of The Peninsula Paris, HSH's first hotel in continental Europe. The hotel is scheduled to be completed in the second half of 2013.

The first phase of The Peninsula Hong Kong guestroom renovation programme, which encompasses all the guestrooms in the Tower, will be completed in late summer of 2012. The second phase, comprising the guestrooms in the original building, will commence thereafter with scheduled completion in mid 2013.

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About The Hongkong and Shanghai Hotels, Limited (HSH)

Incorporated in 1866 and listed on The Stock Exchange of Hong Kong (00045), HSH is the holding company of a Group which is engaged in the ownership, development and management of prestigious hotel, commercial and residential properties in key locations in Asia, the United States and Europe, as well as the provision of transport, club management and other services. The hotel portfolio of the Group comprises The Peninsula Hotels in Hong Kong, Shanghai, Beijing, New York, Chicago, Beverly Hills, Tokyo, Bangkok, Manila and Paris (opening in late 2013). 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.

For further information on this release, please contact:

Irene Lau

Senior Manager, Corporate Affairs

The Hongkong and Shanghai Hotels, Limited

Tel: (852) 2840 7788

Fax: (852) 2840 7567

Email: irenelau@peninsula.com

Websites: www.hshgroup.com, www.peninsula.com



THE HONGKONG AND SHANGHAI HOTELS, LIMITED

香港上海大酒店有限公司

HSH'S UNAUDITED OPERATING STATISTICS - FIRST QUARTER OF 2012

This summary of Quarterly Operating Statistics (“QOS”) is made available by The Hongkong and Shanghai Hotels, Limited (“HSH”) for general information purposes only. Nothing contained in this QOS 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 QOS. 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 QOS 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 QOS.

HOTELS

| Occupancy (%) | Current number of rooms | Q1 2012 | Q1 2011 | Change (pp) |
|--------------------------|-------------------------|---------|---------|-------------|
| Hong Kong (refer note 3) | 300 | 82 | 73 | 9 |
| Other Asia | 1,941 | 61 | 54 | 7 |
| United States | 771 | 59 | 57 | 2 |

| Average Room Rate (HK\$) | Current number of rooms | Q1 2012 | Q1 2011 | Change % |
|---------------------------------|-------------------------|---------|---------|----------|
| Hong Kong | 300 | 4,225 | 4,104 | 3 |
| Other Asia | 1,941 | 1,897 | 1,968 | (4) |
| United States | 771 | 4,334 | 4,508 | (4) |

| RevPAR (HK\$) | Current number of rooms | Q1 2012 | Q1 2011 | Change % |
|--------------------------|-------------------------|---------|---------|----------|
| Hong Kong (refer note 3) | 300 | 3,460 | 3,010 | 15 |
| Other Asia | 1,941 | 1,155 | 1,068 | 8 |
| United States | 771 | 2,540 | 2,574 | (1) |

COMMERCIAL PROPERTIES

| Occupancy (%) | Q1 2012 | Q1 2011 | Change (pp) |
|----------------------|---------|---------|-------------|
| Residential | 89 | 92 | (3) |
| Commercial | 98 | 96 | 2 |
| Office | 98 | 100 | (2) |

| Average monthly yield per available square foot (HK\$) | Q1 2012 | Q1 2011 | Change % |
|---|---------|---------|----------|
| Residential | 39 | 37 | 5 |
| Commercial | 176 | 163 | 8 |
| Office | 45 | 43 | 5 |

Notes:

1. pp = percentage points
2. () = the change is a decrease compared with last year
3. The Peninsula Hong Kong's occupancy and RevPAR from mid-January 2012 are based on a reduced inventory of 165 rooms, being the total number of rooms not under renovation.

HOTELS

| OCCUPANCY (%) | Current Number of Rooms | 2012 | | | | 2011 | | | | 2010 | | | | 2009 | | | | 2008 | | | | 2007 | | | |
|---------------|-------------------------|-----------|-----|----|----|------|----|----|----|------|----|----|----|------|----|----|----|------|----|----|----|------|----|----|----|
| | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| | | Hong Kong | 300 | 82 | | | | 73 | 67 | 75 | 81 | 71 | 62 | 67 | 78 | 57 | 46 | 55 | 71 | 75 | 70 | 71 | 70 | 80 | 74 |
| Other Asia | 1,941 | 61 | | | | 54 | 56 | 58 | 59 | 55 | 58 | 60 | 58 | 48 | 45 | 46 | 54 | 63 | 60 | 55 | 52 | 68 | 71 | 68 | 67 |
| United States | 771 | 59 | | | | 57 | 70 | 80 | 69 | 52 | 68 | 71 | 69 | 48 | 58 | 64 | 64 | 62 | 73 | 73 | 65 | 69 | 79 | 79 | 79 |

| AVERAGE ROOM RATE (HK\$) | Current Number of Rooms | 2012 | | | | 2011 | | | | 2010 | | | | 2009 | | | | 2008 | | | | 2007 | | | |
|--------------------------|-------------------------|-----------|-----|-------|----|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| | | Hong Kong | 300 | 4,225 | | | | 4,104 | 4,044 | 3,791 | 4,410 | 3,725 | 3,840 | 3,578 | 4,079 | 3,941 | 3,883 | 3,605 | 3,774 | 4,104 | 4,008 | 4,073 | 4,191 | 3,601 | 3,751 |
| Other Asia | 1,941 | 1,897 | | | | 1,968 | 1,916 | 1,897 | 2,150 | 1,728 | 1,939 | 1,891 | 2,157 | 1,759 | 1,790 | 1,686 | 1,848 | 1,930 | 2,025 | 2,357 | 2,048 | 1,315 | 1,432 | 1,474 | 1,985 |
| United States | 771 | 4,334 | | | | 4,508 | 4,443 | 4,502 | 4,746 | 4,187 | 4,161 | 4,184 | 5,025 | 4,382 | 4,078 | 4,034 | 4,679 | 4,578 | 4,894 | 4,945 | 5,312 | 4,345 | 4,762 | 4,709 | 5,483 |

| REVPAR (HK\$) | Current Number of Rooms | 2012 | | | | 2011 | | | | 2010 | | | | 2009 | | | | 2008 | | | | 2007 | | | |
|---------------|-------------------------|-----------|-----|-------|----|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| | | Hong Kong | 300 | 3,460 | | | | 3,010 | 2,721 | 2,858 | 3,578 | 2,659 | 2,388 | 2,392 | 3,200 | 2,264 | 1,784 | 1,985 | 2,695 | 3,090 | 2,797 | 2,879 | 2,940 | 2,872 | 2,771 |
| Other Asia | 1,941 | 1,155 | | | | 1,068 | 1,069 | 1,096 | 1,260 | 955 | 1,122 | 1,135 | 1,251 | 844 | 800 | 773 | 999 | 1,213 | 1,215 | 1,296 | 1,060 | 891 | 1,013 | 997 | 1,339 |
| United States | 771 | 2,540 | | | | 2,574 | 3,100 | 3,585 | 3,269 | 2,163 | 2,824 | 2,966 | 3,454 | 2,081 | 2,369 | 2,597 | 2,985 | 2,854 | 3,579 | 3,621 | 3,454 | 2,990 | 3,742 | 3,710 | 4,353 |

Notes:

1. Occupancy: Rooms occupied/Rooms available
2. Average Room Rate: Total rooms revenue/Rooms occupied
3. RevPAR: Total rooms revenue/Rooms available
4. The Peninsula Hong Kong's occupancy and RevPAR from mid-January 2012 are based on a reduced inventory of 165 rooms, being the total number of rooms not under renovation.

5. Hotels in:

- Hong Kong: The Peninsula Hong Kong
- Other Asia: The Peninsula Shanghai*, The Peninsula Beijing, The Peninsula Tokyo**, The Peninsula Bangkok and The Peninsula Manila
- * The Peninsula Shanghai soft opened in October 2009 and formally opened in March 2010
- ** The Peninsula Tokyo opened in September 2007
- United States: The Peninsula New York, The Peninsula Chicago and The Peninsula Beverly Hills.

COMMERCIAL PROPERTIES

| OCCUPANCY (%) | 2012 | | | | 2011 | | | | 2010 | | | | 2009 | | | | 2008 | | | | 2007 | | | |
|---------------|------|----|----|----|------|-----|-----|-----|------|----|----|-----|------|----|----|----|------|----|-----|----|------|----|-----|-----|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Residential | 89 | | | | 92 | 94 | 91 | 87 | 89 | 93 | 92 | 93 | 91 | 88 | 86 | 87 | 95 | 95 | 92 | 93 | 89 | 91 | 93 | 95 |
| Commercial | 98 | | | | 96 | 95 | 100 | 98 | 96 | 96 | 96 | 95 | 96 | 95 | 94 | 97 | 98 | 97 | 97 | 97 | 97 | 97 | 97 | 97 |
| Office | 98 | | | | 100 | 100 | 100 | 100 | 98 | 98 | 99 | 100 | 95 | 83 | 89 | 98 | 95 | 99 | 100 | 97 | 100 | 98 | 100 | 100 |

| AVERAGE MONTHLY YIELD PER AVAILABLE SQUARE FOOT (HK\$) | 2012 | | | | 2011 | | | | 2010 | | | | 2009 | | | | 2008 | | | | 2007 | | | |
|--|------|----|----|----|------|-----|-----|-----|------|-----|-----|-----|------|-----|-----|-----|------|-----|-----|-----|------|-----|-----|-----|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Residential | 39 | | | | 37 | 39 | 39 | 38 | 35 | 37 | 36 | 37 | 40 | 37 | 36 | 35 | 38 | 39 | 39 | 40 | 34 | 35 | 36 | 38 |
| Commercial | 176 | | | | 163 | 164 | 181 | 171 | 148 | 153 | 155 | 156 | 169 | 166 | 165 | 171 | 160 | 164 | 168 | 170 | 141 | 145 | 147 | 149 |
| Office | 45 | | | | 43 | 45 | 46 | 46 | 41 | 41 | 42 | 43 | 37 | 33 | 35 | 39 | 30 | 34 | 38 | 38 | 23 | 24 | 28 | 30 |

Notes:

1. Occupancy: Occupied area/Area available
2. Average monthly yield per available square foot: Total rental income/Area available
3. Residential: The Repulse Bay
4. Commercial: Arcades of The Peninsula Hong Kong, The Peninsula Shanghai, The Peninsula Beijing, The Peninsula New York, The Peninsula Tokyo, The Peninsula Bangkok, The Peninsula Manila, The Repulse Bay and The Peak Tower
5. Office: The Peninsula Hong Kong and St. John's Building
6. The operating statistics of The Landmark, Vietnam are excluded.