

MIRAMAR GROUP

美麗華集團

Press Release

For Immediate Release

Miramar Hotel and Investment Company, Limited Announces 2013 Annual Results

Miramar Group's turnover exceeds HK\$3 billion for the first time

[Hong Kong – 18 March 2014] Miramar Hotel and Investment Company, Limited (“Miramar” or “the Group”, HKSE stock code: 71) announced today the annual results for the year ended 31 December 2013.

HK\$ Million	For the year ended 31 December		
	2013	2012	Change
Turnover	\$3,044	\$2,974	+2%
Underlying profit attributable to shareholders	\$478	\$448	+7%
Basic underlying earnings per share	\$0.83	\$0.78	+7%
Dividend per share			
Final dividend per share	\$0.27	\$0.25	+8%
Interim dividend per share	\$0.17	\$0.16	+6%

The Group's turnover rose by 2% to approximately HK\$3,044,000,000 for the financial year ended 31 December 2013 (the “Reporting Period”) when compared to the financial year ended 31 December 2012 (the “Last Corresponding Period”) (2012: HK\$2,974,000,000). Profit attributable to shareholders decreased by 7% year-on-year to approximately HK\$1,278,000,000 (2012: HK\$1,377,000,000). Excluding the net increase in the fair value of the Group's investment properties, underlying profit attributable to shareholders grew by 7% to approximately HK\$478,000,000 (2012: HK\$448,000,000). Basic underlying earnings per share rose by 7% to HK\$0.83 compared to the Last Corresponding Period (2012: HK\$0.78). The Board of Directors recommended the payment of a final dividend of HK27 cents per share (2012: HK25 cents), amounted to a full-year dividend of HK44 cents per ordinary share (2012: HK41 cents) with an interim dividend of HK17 cents per share (2012: HK16 cents).

Regarding the annual results of 2013, Mr. Lee Ka Shing, CEO of Miramar Group, said, “The Group delivered a respectable performance in 2013 against a backdrop of challenging economic conditions.

We accomplished this by leveraging the solid Miramar reputation, reinforcing our unique design-oriented lifestyle brand and exploiting our ability to adapt swiftly to changing business conditions.”

“Our four core business units, Hotel and Serviced Apartment, Property Rental, Food and Beverage, and Travel all performed satisfactorily during the year as the Group continued to consolidate its position as a strong and sustainable, stylish service-oriented hospitality group.”

Hotel and Serviced Apartment Business

The Group’s Hotel and Serviced Apartment business was impacted by subdued global economic conditions coupled with an increasingly competitive landscape. Management responded proactively by improving its customer-centric approach through the introduction of stylish new products and improved services, thereby enhancing its service-oriented value proposition. The division experienced a slight decline in average daily rate (ADR) and a slight reduction in EBITDA (earnings before interest, tax, depreciation and amortization) to approximately HK\$223,800,000.

The highlight of the year was the opening in November of Mira Moon, a unique 91-room boutique hotel located in Hong Kong’s bustling Wan Chai district, which epitomizes our positioning as a premier lifestyle-oriented hospitality group. We consider the design-oriented hotel market – featuring high quality, innovative guest services and technology – as an attractive opportunity for the Group and we are currently planning the launch of a third property in this segment. We also focused on increasing our corporate account business and introduced the Mira Plus loyalty program, which extends to our malls and food and beverage operations.

Property Rental Business

The Group’s prestigious portfolio of commercial properties in Hong Kong and Mainland China again performed strongly. Our landmark properties in Tsim Sha Tsui include two shopping malls and an office tower spanning approximately 500 meters of prime space in Tsim Sha Tsui’s Golden Mile shopping district.

Despite the ongoing global economic uncertainties, the Group was able to benefit from existing multi-year tenancy agreements, a quality tenant portfolio with our ability to attract some of the world’s top brands, and the overall enhancement of our facilities in order to achieve growth in revenues of 7% and EBITDA of 8% in 2013.

Food and Beverage Business

The Group's vision for its Food and Beverage business is to be the most preferred brand in every cuisine that we serve to our customers. Our long-standing, multi-brand, multi-culinary approach to contemporary dining continues to prove a winning strategy as the Group adjusts its offering to appeal to an increasingly broad range of customers, tastes and trends.

Our wide selection of dining outlets includes a range of popular Chinese, French, Italian and Japanese restaurants of varying customer price points. During the year, we opened a Tsui Hang Village Cantonese restaurant in Causeway Bay, the third in this popular chain, our French Window Brasserie and Bar was re-launched at ifc Mall, and we relocated our famed Yunyan Sichuan restaurant to Times Square, under a new identity as Yun Yan. Also in Times Square, we opened the first School Food, a fun and casual international restaurant chain specializing in popular Korean food.

As our Food and Beverage business has not yet reached profitability, we are encouraged with the overall progress in the past year with revenue up by 12% and losses reduced. We are confident this trend toward profitability will continue as the Group plans to carefully manage challenges such as high costs of construction and labor in order to increase our value proposition for our customers.

Travel Business

With demand for travel services continuing to grow, the Group's revenue from travel related business grew substantially. The percentage of customers making online reservations also increased significantly. The business achieved revenue growth of 9% to approximately HK\$1,220,900,000 and EBITDA of approximately HK\$56,600,000 as more vacationers chose to travel overseas. This was characterized by a steady increase in the outbound travel market, particularly in the high-end vacation segment.

Business Outlook

Recognizing that economic growth is likely to remain steady, the Group will remain both flexible and prudent in our expansion activities, focus on our core businesses and customers, and leverage our competitive edge while carefully monitoring the high costs associated with doing business in Hong Kong as well as the high expectations of our customers.

Mr. Lee concluded, “We are continuing our asset enhancement program to increase value and shoppers’ experience in our malls and we are in the advance planning stages of a third Mira brand hotel following the success of Mira Moon as we seek to provide visitors with more meaningful lifestyle choices during their stay in Hong Kong”.

“The Group’s professional management team will continue the momentum of our brand, service and product development as we continue to capitalize on market opportunities and strengthen our position as the leading stylish, service-oriented hospitality group.”

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About Miramar Hotel and Investment Company, Limited

Established in Hong Kong in 1957, Miramar Hotel and Investment Company, Limited (Miramar Group) is a hospitality group with a diversified service-oriented business portfolio comprising stylish hotels and serviced apartments, property rental, food and beverage, and travel services in Hong Kong and Mainland China. Miramar Group has been listed on the Hong Kong Stock Exchange since 1970 (HKEx Stock Code: 71) and is a member of Henderson Land Group.

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