

Delivering Value

Swire Pacific Limited is one of Hong Kong's leading listed companies with five operating divisions: Property, Aviation, Beverages, Marine Services and Trading & Industrial. The company's operations are predominantly in the Greater China region where the name Swire, or 太古 in Chinese, has been established for over 130 years. Underpinned by a strong financial base the company seeks long-term sustainable growth and returns which exceed the cost of capital.

The Property Division employed HK\$75,166 million of the company's total assets employed of HK\$101,827 million as of the end of 2004. It accounted for HK\$2,915 million of the company's 2004 profit attributable to shareholders of HK\$6,544 million. The division's return on shareholders' funds of 5.5% in 2004 excludes property revaluation gains of HK\$14,915 million.

Assets employed attributable to the Aviation Division amounted to HK\$17,258 million. Profits attributable to shareholders on these assets were HK\$2,393 million giving an average return on shareholders' funds of 14.3%. Although the Aviation Division has experienced some volatility in earnings over the last five years, its breadth of earnings has enabled it to achieve an 11.1% average return on shareholders' funds over the last ten years.

The other three divisions have total assets employed of HK\$9,185 million and earned profits attributable to shareholders of HK\$1,501 million giving an average return on shareholders' funds of 23% in 2004. These divisions have undergone extensive restructuring over the last five years with a number of operations sold, significant new investment in Swire Pacific Offshore and strong organic growth in Swire Beverages.

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