2008 Annual Results

WHEELOCK
Founded 1857

WHARF
Established 1886

WHEELOCK

FY2008 Results Highlights

Consolidation

- Wheelock & Co changed its financial year-end date from 31st Mar to 31st Dec at the end of 2007
- Accordingly, the Group's financial year 2008 covered 12 months ended 31.12.08, whereas the preceding financial period covered 9 months ended 31.12.07 (but consolidated financial statements for Wharf for full calendar year 2007)

Results Highlights

WHEELOCK AND COMPANY LIMITED	2008 *(HKD)*	2007 *(9 months) *(HKD)*
Profit before exceptionals / IP surplus	3,095M	3,414M
Attributable impairment loss for investments	(811M)	(53M)
Attributable IP surplus (after deferred tax)	776M	4,254M
Attributable tax credit adj. on reduction of tax rate	372M	-
Profit attributable to shareholders	3,432M	7,615M
EPS	1.69	3.75
EPS (before exceptionals / IP surplus)	1.52	1.68
DPS	¢ 12.5	¢ 12.5

* Consolidated financial statements for Wharf for FY2007 (for 12 months)

Results Highlights

WHEELOCK AND COMPANY LIMITED	As at 31.12.08	As at 31.12.07	% Change
Net Debt (Debt $45.6B – cash $22.9B)	**22.7B**	**21.9B**	**+3.7%**
Wharf – net debt	**22.1B**	**23.6B**	**-6.3%**
Net debt to Total Equity	**18.4%**	**19.2%**	**-0.8 pts**

Note: Wharf's net debt is without recourse to Wheelock.

WHARF

FY2008 Results Highlights

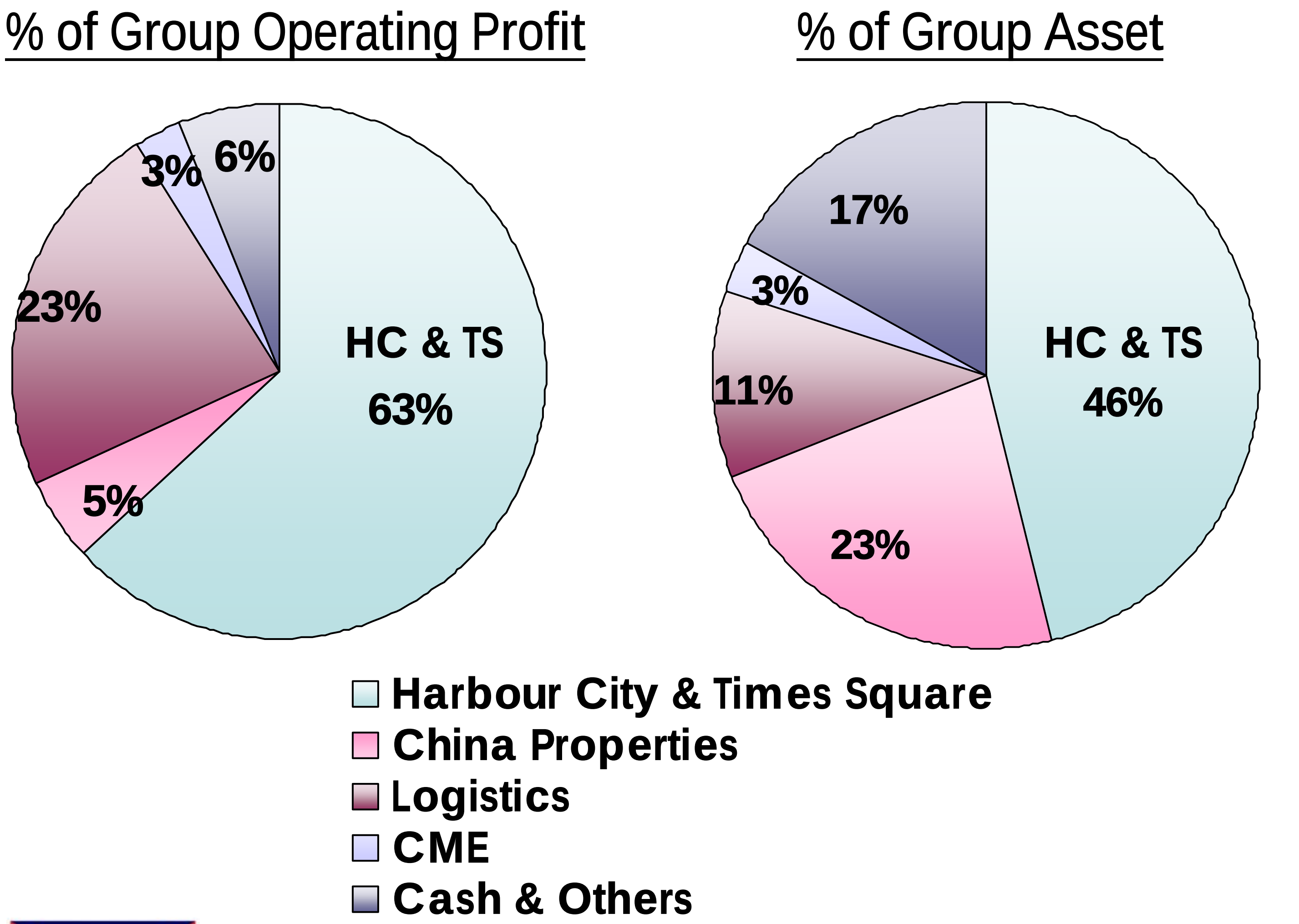
Results Highlights

THE WHARF (HOLDINGS) LIMITED	FY08 (HKD)	FY07 (HKD)	% Change
❖ Turnover	15,940M	16,208M	-2%
❖ Operating profit	7,639M	9,516M	-20%
❖ Finance costs	（1,521M）	（1,142M）	+33%
❖ Taxation	（1,189M）	（4,247M）	-72%
❖ Net profit before property revaluation	4,194M	5,947M	-29%
❖ Revaluation surplus (net of Tax & MI)	2,053M	7,196M	-71%
❖ Profit attributable to shareholders	6,247M	13,143M	-52%
❖ EPS	2.28	5.17	-56%
❖ DPS	¢ 80.00	¢ 80.00	-

Results Highlights

THE WHARF (HOLDINGS) LIMITED	FY08 (HKD)	FY07 (HKD)	% Change
❖ Net Debt	22.1B	23.6B	-6.4%
❖ Net Debt (excl. MTL's & HCDL's debt)	9.7B	12.7B	-23.6%
❖ Debt to Total Equity	20.9%	25.6%	-4.7 pts

Group Businesses



THE WHARF (HOLDINGS) LIMITED

1. Harbour City & Times Square – "Heart of the Group" put up stellar performances

Popular & Resilient

❖ Represent 46% of total assets & 63% of total operating profit

❖ Spectacular performance – popular & resilient

❖ Double-digit revenue growth

	Harbour City	Times Square
✧ Retail	+22% yoy to HKD2.2B	+13% yoy to HKD871M
✧ Office	+19% yoy to HKD1.6B	+21% yoy to HKD440M

❖ Outperformed HK retail sales growth (even in 4Q08)

	Harbour City	Times Square	HK Retail Market
✧ FY2008	+18.4% yoy	+10.8% yoy	+10.5% yoy
✧ 11-12/08	+6-7% yoy	+6-7% yoy	+1% yoy

1. Harbour City & Times Square – "Heart of the Group" put up stellar performances

Popular & Resilient

❖ Represents sizable portion of HK retail sales (HKRS)

✧ **FY2008: represents about 7% of HKRS of goods (HC: 5%; TS: 2%)**

✧ **12/08: represents 9-10% of HKRS of goods (HC: 7-8%; TS: >2%)**

❖ Retail rentals continued to post positive rental growth on renewals and new letting in recent leasing transactions

❖ Proven track record

✧ **Outperformed even during the last downturn in 2002 & 2003**

	Harbour City *(Retail Sales psf)*	**Times Square** *(Retail Sales psf)*	**HK Retail Market** *(Retail Sales)*
2004	**+25.3%**	**+20.4%**	**+10.8%**
2003	**+9.4%**	**+4.0%**	**-2.3%**
2002	**+2.0%**	**+3.0%**	**-4.1%**

2. Strong Financial Position & Financing Strategy

Strong Position & Stability

❖ Strong financial position to weather the storm

✧ **Net debt: HKD9.7B, if excluding MTL's & HCDL's debts non-recourse to Wharf**

✧ **Maintained ample surplus cash of HKD15.9B as at 31.12.08**

❖ Have strong recurring cash flow & secured financing to cover the Group's outstanding commitments

❖ Attained stability of debt structure to ensure future build-up – All debts required for refinancing in 2009 have been arranged

❖ Project loans designed to support construction / development of Group's China projects to be arranged in China in accordance with development schedule – constantly reviewed in line with market conditions

2. Financing Strategy

Strong Position & Stability

❖ Encounters no difficulty in arranging bank loans, with excellent relationship with a host of banks

❖ Continuously been adopting various means to minimize and stabilize the cost of funding, including:

✧ ***A swap of a 10-year debt from USD to JPY:***

To reduce interest cost cushioned by the RMB's long term appreciation potential against HKD & JPY

✧ ***A series of interest rate swaps:***

To mitigate & stabilize the Group's overall cost of funding

3. Successful Sales of China Properties

Successful Sales

❖ Successful Sales for residential projects launched

- **Proven track record**
- **Recent presales in Chengdu, Chongqing (since 4Q08), and Dalian (in late March 2009) have met with favourable responses**
- **GFA sold in 4Q08 -1Q09 (as at 23.03.09): 0.8M s.f.**
- **Expected presales in 2Q09 - 4Q09: 4.6M s.f.**
- **The Group will closely monitor market conditions to fine-tune the pre-sales and development schedule**
- **Only property sales for Wuhan TS and Wellington Garden (Shanghai) can be booked in FY08**
- **In accordance with Group's accounting policy, relevant profits for the Chengdu, Dalian, and Chongqing projects will only be recognized at project completion (expected 2009 onwards)**

4. Highlights on China Properties

❖ China Properties

- **Having assessed the outlook for all China projects, provisions have been made to a couple of projects after consultation with our JV partners and this has been reflected in the section on share of results of associates.**

- **New projects underway in China are expected to generate a satisfactory return to the Group in the next few years**

- **Will closely monitor the progress of development to be in tune with market conditions**

- **The Group will be funding these new projects both by equity and debt, as well as proceeds from operations and property pre-sales**

4. Highlights on Logistics & CME

❖ Logistics

- ✧ **To respond swiftly to the recent downturn, MTL is making all efforts to reduce its operating costs to stay competitive and to maintain its profitability**
- ✧ **HK solid business base continues to be the main profit driver while China's capacity is still in its early phase of deployment**

❖ CME

- ✧ **Strong balance sheet, low cost base & sound liquidity position puts the CME sector in a good position to stay competitive in a tough environment & to take on capex investment for future growth**

WHARF

Business Review: PROPERTIES

Harbour City

HARBOUR CITY 海港城

SEGMENT PERFORMANCE	Revenue		
	FY08 (HK$M)	FY07 (HK$M)	% Change
Retail	2,166	1,775	+22%
Office	1,585	1,336	+19%
Serviced Apartment	275	245	+12%
Hotel	1,042	972	+7%
Total	5,068	4,328	+17%

Harbour City

HARBOUR CITY 海港城

RETAIL

Average committed occupancy:	**99%**

HC retail sales for FY08:	**18% yoy**	*amid adverse economic conditions*
Shoppers' traffic for FY08:	**+7% to 80M**	
Total retail sales:	**HKD13.4B**	*New record*
Average sales psf in 12/08:	**HKD1,900**	*Record high*

- **Further built up as a hub for international luxurious fashion brands and remained one of the most sought-after shopping malls for retailers**
- **A series of celebrated labels opened their respective first standalone shops in HK at HC (e.g. Stella McCartney, Stephen Webster)**
- **F&B further fine-tuned with recruitment of New York Fries, Mazazu Crepe, & BLT Steak which opened their respective first outlets in HK**

Harbour City

HARBOUR CITY 海港城

OFFICE

Occupancy:	96%

- About 55% of new lettings were in-house expansions, including Zurich Life, All Nippon Airways, AIA, etc
- Increasing trend of decentralization – HC attracted a host of commercial banks / airline companies to relocate from core districts (e.g. Taiwan Business Bank, Mitsubishi UFJ, Asiana Airlines, etc)
- Sony Corp. relocated its entire office from The Lee Gardens to HC, occupying ~48,000 s.f.
- Lease renewal retention rate: 73% with favourable rental increment (e.g. Mattel, Hasbro, Sun Life, Nike, etc)

SERVICED APARTMENTS

Occupancy:	87%

- Large units of 2-bedroom & 3-bedroom apartments continued to enjoy full occupancy

時代廣場

SEGMENT PERFORMANCE

	Revenue		
	FY08 (HK$M)	FY07 (HK$M)	% Change
Retail	871	774	+13%
Office	440	365	+21%
Total	1,311	1,139	+15%

RETAIL

Average occupancy:	99%

- Tenant-mix at Basement floor further revamped to become a cluster of Fashion & Accessory and Cosmetics
- Audio-visual cluster and Food Forum further strengthened to stay competitive in the marketplace

OFFICE

Occupancy:	98%

- Lease renewal retention rate: 84%, including Shell, Apple, Coca-Cola, etc.

China Properties (23% of the Group's total assets)

PROPERTY INVESTMENT

- **3 Times Squares (Shanghai, Beijing, & Chongqing) performed satisfactorily:**

FY08 Revenue:	+22%
FY08 Operating profit:	+38%

- **IPs opened in 2008:**

A new hotel – Marco Polo Wuhan at Wuhan TS	Opened on 15.09.2008 • Ideally located at the edge of an urban riverfront park with panoramic views of the Yangtze River & close to Wuhan CBD • Houses a host of international brand name flagship stores, including LV, Ermenegildo Zegna, Tod's & Glasstique
180,000 s.f. retail podium at Dalian TS	Opened in late Nov 08 • destined to become a shopping landmark in Dalian • Houses a host of top-notched brands including LV, Zara, Dior, Gucci, Prada, Hermès, etc

- **IPs to be completed in 2009:**

An outlet mall at Shuangliu Development Zone	1H09	• Construction of the 1st phase is in progress
Shanghai Wheelock Square	4Q09	• Top quality Grade A office tower with retail

PROPERTY DEVELOPMENT

FY08 Property Development Revenue: HKD710M
(2007: HKD1,619M)

- **Revenue mainly attributable to sales of units at Wellington Garden in Shanghai and Wuhan Times Square**
- **Significant development profit from China properties in 2007 did not recur in 2008 owing to:**
  - **booking of fewer completed units in 2008**
  - **Presales of the following projects in 2008 cannot be recognised in 2008 according to current accounting policy:**
    - **Tian Fu Times Square (Chengdu)**
    - **Dalian Times Square (Dalian)**
    - **No. 10 Gaoxin District (Chengdu)**
    - **Danzishi (Chongqing)**
  - **GFA sold in 2008: ~1.4M s.f. of which only about 0.47M s.f. was booked in 2008**

China Properties (23% of the Group's total assets)

PROPERTY DEVELOPMENT

	Property Sold (as at 19.03.09)	*Unit Price*
Wellington Garden (Shanghai)	2 residential blocks (100% sold) 1 O/A block (50% sold)	Excellent price
Wuhan Times Square (Wuhan)	4 residential towers (98% sold) 1 O/A (31% sold)	Record unit price
Tian Fu Times Square (Chengdu)	1st three residential towers (98% pre-sold)	Record unit price
Dalian Times Square (Dalian)	1st residential tower (89% pre-sold)	Excellent price

	Launched	Period	Pre-sold	ASP (RMB psm)
No. 10 Gaoxin District (Chengdu)	1st 4 towers in phases	10/08	60%	6,000 (as at 19.03.09)
Danzishi (Chongqing)	1st launch of 4 blocks	11/08	over 70%	4,600 (as at 19.03.09)
	2nd launch of 3 blocks	late 2/09	over 63%	4,900 (as at 19.03.09)
Dalian TS (Dalian)	the 2nd tower (last)	on 20.03.09	13%	13,900 (as at 23.03.09)

Other Properties

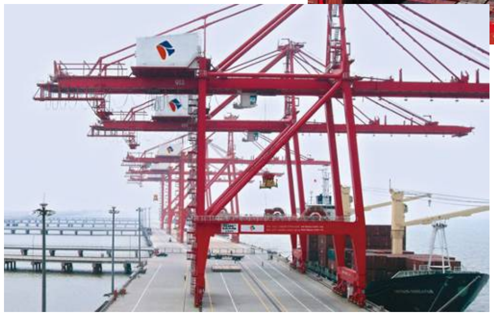
Hong Kong Property Development

- **Group's policy of disposing non-core assets will generate additional cash flow in the medium term**

Marco Polo Hotels

Current Profile

- **9 operating hotels in the Asia Pacific region**
- **Marco Polo Wuhan at Wuhan Times Square opened on 15.09.08**
  - **Well-positioned to tap the growing influx of travelers to Wuhan's trade & economic centre and to be favoured hotel brand in the city**
  - **Houses a host of prestigious brands**
- **2 additional Marco Polo hotels planned for Wuxi & Changzhou markets**



WHARF

Business Review: LOGISTICS

Logistics (11% of the Group’s total assets & 23% of the Group’s operating profit)

LOGISTICS

FY08 Revenue:	**HKD3,875M (+7%)**
Operating profit:	**HKD1,763M (-7.9%)**

MTL

- **Revenue: HK$3,446M, +7%**
- **Share of profits from Associates & JCEs: HK$340M+29.3%**

HONG KONG

Modern Terminals

- **Throughput: 5.9M TEUs, +3%**
  - **Mainly due to an increase in Intra-Asia services & South America services being partially offset by the decline in Europe and Middle East volume**
- **Market share: 33.3%**

Logistics (11% of the Group's total assets & 23% of the Group's operating profit)

CHINA

- **Da Chan Bay Phase I (65%): 5 berths, designed capacity: 2.5M TEUs**
  - **Commenced commercial operation in 7/08 when the Customs office was finally commissioned, after diligent efforts with Central & Province Government**
  - **With its berths coming on stream in stages, DCB has since been building up its business steadily.**
- **Taicang**
  - **Phase I (51%) & II (70%); 6 berths in total, capacity: 3.6M TEUs**
  - **Throughput: maintain at about 1M TEUs**
- **Shekou (currently 27%)**
  - **Throughput at Mega SCT: 4.1M TEUs, +24%**
- **Others**
  - **Chiwan (8% holding) – throughput: 3.9M TEUs**

WHARF

Business Review: CME

THE WHARF (HOLDINGS) LIMITED

CME (3% of the Group's total asset & 3% of the Group's operating profit)

i-CABLE

- ❖ Sound liquidity position, with net cash HK$690M as at 31.12.08 (2007: HK$642M)
- ❖ With a special provision made for set-top-boxes and a loss booked relating to film investments, i-CABLE was turned to a net loss after tax of HK$111M for FY08
- ❖ Building up a new defense system against piracy and gearing up for delivering new service such as HD TV
- ❖ Strong balance sheet & low cost base put i-CABLE in a good position to stay competitive in a tough environment

CME (3% of the Group's total asset & 3% of the Group's operating profit)

Pay TV

- Pay TV subscribers grew to 917,000 by end 2008
- Secured exclusive media rights for
  - The UETA Champions League and UEFA Cup for 3 seasons starting 2009/10
  - 2010 FIFA World Cup
  - 16th Asian Games – take place in Guangzhou in 11/2010
  - London Olympics in 2012
- Coverage on the Sichuan earthquake won the prestigious TV (News) Prize granted by the Asia Pacific Broadcasting Union

Internet & Multimedia

- Adhere to a strategy of maintaining yield

CME (3% of the Group's total asset & 3% of the Group's operating profit)

Wharf T&T

- Continued to progress steadily in its business transformation and gained ground in both the telecom and IT sectors resulting in substantial improvement in profit

- Posted double-digit top line growth with earnings well exceeding expectations for 2008

- Fixed line installed base grew by 14,000 to 621,000, maintaining a market share of 13%.

- Turnover: HK$1,641M, +12% (2007: 1,460M)
  Profit: HK$140M, +198% (2007: HK$47M)

- Positive cash flow increased to HK$223M (2007: 80M)

End of Presentation

-Q & A –

Thank You

Wheelock and Company Limited [HKEx Stock Code: 0020.HK]
The Wharf (Holdings) Limited [HKEx Stock Code: 0004.HK]

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