



Pursuing Long-Term Growth with Global Horizons Interim Results Highlights for 2014

	2014 HK\$ Million	2013 HK\$ Million	Change
Profit attributable to shareholders	56,544	4,772	+1,084.9%
One-time gain from spin-off	52,928	-	
Electricity business – Hong Kong	666	1,773	-62.4%
Investments – Outside Hong Kong	3,137	3,073	+2.1%
All other items	(187)	(74)	N/A
Profit excluding one-time gain	3,616	4,772	-24.2%
Earnings per share	\$26.49	\$2.24	+1,084.9%
Dividends per share	\$0.67	\$0.65	+3.1%
Cash on hand at 30 June 2014	HK\$64,238 Million		
Cash on hand per share at 30 June 2014	HK\$30.1		

Excluding a one-time gain of HK\$52,928 million from the spin-off of HK Electric on 29 January 2014, the Group's unaudited profits for the six months ended 30 June 2014 were HK\$3,616 million (2013: HK\$4,772 million), mainly due to a reduction of interest in HK Electric from 100% to 49.9%.

The UK remained the Group's strongest-performing market with all four operating companies delivering satisfactory performances. UK Power Networks, Wales and West Utilities, and Seabank benefited from stable performance while Northern Gas Networks delivered higher returns as a result of efficiencies achieved through streamlining teams and operations and tighter cost controls.

In Australia, revenues increased on the back of higher tariffs but the overall contribution was impacted by a lower exchange rate of Australian dollar when compared with the same period of last year. SA Power Networks is developing proposals for the 2015-2020 regulatory period, which will be submitted to the Australian Energy Regulator in October 2014.

A joint venture was formed with Cheung Kong Infrastructure Holdings Limited and Cheung Kong (Holdings) Limited with a view to acquiring up to the entire interest in Envestra Limited, one of Australia's largest natural gas distribution companies, other than the 17.46% interest currently held by Cheung Kong Infrastructure. With Power Assets holding a one-third interest in the joint venture representing no less than 10.85% and up to 27.51% in Envestra Limited, the proposed acquisition is expected to enhance and complement our existing presence in the Australian market.

Our Hong Kong business has maintained its track record of high standards in reliability, affordability and customer service. A major public consultation exercise has been conducted by the Hong Kong government to determine the future fuel mix for electricity generation. We believe that increasing the proportion of natural gas used to generate power in Hong Kong will be the right option for maintaining electricity supply reliability and keeping tariffs competitive, while reducing emissions.

From the spin-off, the Group has received HK\$59 billion in cash. With total cash on hand as at 30 June 2014 amounting to HK\$64 billion, it is in an advantageous position for future investment. The Group now focuses exclusively on its long-term strategy of creating a low-risk and diversified investment portfolio in the electricity and gas industries worldwide to achieve a sustained increase in shareholder value over the long term. As the global economy continues to improve, the Group is optimistic about identifying suitable businesses that fit our overall investment criteria.

To view the announcement on interim results for 2014, please visit

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