



## Millennium & Copthorne Hotels plc: Highlights of Financial Results for Year 2000

March 13, 2001

Group turnover increased 101% to £690.9m (1999: £343.1m). Group Operating profit increased by 78% to £171.5m, (1999: £96.1m) producing a Profit before Tax of £129.1m up 55% (1999: £83.5m). Earnings per share were 33.0p, an increase of 15.8% on a restated 1999 figure. Shareholders' funds at the close of the year were £1,468.6m (1999: £1,311.7m) with gearing of 50% (1999: 50%).

In the light of this robust performance, the Directors are recommending a final dividend of 8.3p per share (1999: 7.5p) giving a total dividend of 12.5p per share (1999:11.3p).

Following the transformation of the Group in 1999 into a global hotel owner/operator, Millennium & Copthorne concentrated on the integration of the newly acquired hotels, whilst continuing to drive organic growth across its portfolio. The Group's focus has been to implement a capital investment programme in the acquired properties in Asia and USA, in order to build a strong foundation for future earnings growth; and to improve hotel revenue and profitability throughout its operations.

In December, Millennium & Copthorne (M&C) sold its hotel management business, which included the transfer of all the hotel management contracts, previously owned by a subsidiary of the US Regal Group, to a newly formed company called Service World Network, Inc.(SWAN). These management contracts are for small hotels with limited facilities that did not form a strategic fit with M&C's portfolio.

Commented Mr Kwek Leng Beng, Chairman: "Our focus in 2000 has been on successfully integrating the acquisitions made in 1999, whilst continuing to drive organic growth from our original portfolio. Millennium & Copthorne enters 2001 with a portfolio of 88 hotels whose market exposure is balanced across the world and in particular in the key gateway cities within the UK, North America and Asia." John Wilson, Chief Executive said: ""This year we expect Asia to provide a significant part of the Group's growth, as we will benefit from the still strengthening hotel economies and the completed capital programmes. In the US, we expect to achieve improvements in performance as the year moves on and into 2002, following the completion of our investment programme. In Europe, the start of the year has been encouraging and we expect to benefit from the successful repositioning of key hotels. With all the actions taken in 2000 and those planned for 2001, I am confident that we will deliver our future growth potential in the coming years."