Miscellaneous

* Asterisks denote mandatory information

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>> Announcement Details

The details of the announcement start here ...

Announcement Title *	Announcement of Full Year Results for the year ended 31 December 2007 of Subsidiary Company, Millennium & Copthorne Hotels plc
Description	Please see attached the above announcement released by Millennium & Copthorne Hotels plc on 20 February 2008.
Attachments:	MnC_Results.pdf Total size = **208K** (2048K size limit recommended)

For immediate release **20 February 2008**

MILLENNIUM & COPTHORNE HOTELS PLC
FULL YEAR AND FOURTH QUARTER RESULTS

Millennium & Copthorne Hotels plc today announces full year and fourth quarter results to 31 December 2007 together with a trading update. The Group has a portfolio of 112 hotels located in the Americas, Europe, Middle-East, Asia and New Zealand.

Full year highlights

- Group revenue up 7.7%[1] to £669.6m driven by strong demand in Singapore, London and New York
- Hotel operating profit up 22.1%[1] to £140.5m
- Profit before tax up 20.9% to £157.4m
- Headline profit before tax up 25.3% to £118.3m[2] (2006: £94.4m) after taking into account a £9.6m write-down of Sunnyvale development property
- Basic earnings per share up 47.0% to 50.7p
- Headline earnings per share[3] up 47.7% to 32.2p (2006: 21.8p)
- Total dividend per share excluding special dividend up 47.1% to 12.50p (2006: 8.50p)
- Group RevPAR up by 9.7%[1]
- Gearing reduced to 18.3%; interest cover 8.5 times
- Launch of Grand Millennium brand with hotels in Kuala Lumpur and Bangkok
- Signed five new management contracts and three new franchise contracts in 2007 for properties in Middle East, China and New Zealand
- Review of systems and structures completed and being actioned

Fourth quarter highlights

- Group revenue up 7.9%[1] to £186.6m driven by strong demand in Singapore, London and New York
- Hotel operating profit up 16.5%[1] to £46.8m
- Profit before tax up 5.9% to £64.4m
- Headline profit before tax up 1.7% to £36.0m[2] (2006: £35.4m)
- Basic earnings per share up 33.9% to 23.3p
- Headline earnings per share[3] up 35.1% to 12.7p (2006: 9.4p)
- Group RevPAR up by 11.4%[1]

[1] For comparability, statistics for 2006 have been translated at 2007 average exchange rates
[2] Adjusted to exclude other operating income of group, joint ventures and associates and impairment
[3] Adjusted to exclude other operating income of group, joint ventures and associates, impairment (net of tax) and effect of changes in UK tax legislation to remove claw back on hotel allowances

Commenting today, Mr Kwek Leng Beng, Chairman said:

"Our 2007 results are in line with market expectations and marked the fourth consecutive year of encouraging revenue and profit growth. The 5-year compound annual growth rate of profit before tax is 21.4%. The quality and location of our hotels in gateway cities including London, New York and Singapore have been key to the overall strong performance and are expected to be the cornerstone of our continuing success."

"In the first 4 weeks of trading this year, the performance is in line with our expectations with RevPAR growth of 11%. Given the current turmoil in the financial markets, we are cautiously optimistic that we will continue to deliver positive results drawing on our past experiences of weathering all kinds of storms."

Enquiries:
Wong Hong Ren, Interim Group Chief Executive
Alan Chapman, Head of Finance Tel: 020 7872 2444
Milllennium & Copthorne Hotels plc

Tim Anderson, Charles Ryland, Rebecca Dietrich Tel: 020 7466 5000
Buchanan Communications

Analyst briefing
A meeting for analysts will be held at 9.00am at the offices of Buchanan Communications, 45 Moorfields, London EC2Y 9AE on Wednesday 20 February 2008.

Chairman's Statement

Our 2007 results are in line with market expectations and mark the fourth consecutive year of encouraging revenue and profit growth. The 5-year compound annual growth rate of profit before tax is 21.4%. The quality and location of our hotels in gateway cities including London, New York and Singapore have been key to the overall strong performance and are expected to be the cornerstone of our continuing success.

The Group's hotel operations have increased operating profit by a compound annual growth rate of 21.2% since 2003 while the margin has increased from 13.0% to 21.6%. This reflects the benefits of driving average rate and maintaining a tight control on costs.

The Group's blueprint business strategy (developed in direct response to the world-wide downturn in the hospitality industry of 2003) has proved successful. It was adopted by the Board in 2004, updated in 2006 and has been used by the management to deliver consistent year-on-year growth, reaching yet another record in 2007. We expect it to serve as the foundation for the Group's future growth.

The current economic environment will provide opportunities for expansion. Our business strategy has delivered a robust balance sheet, a strong asset position, low debt and impressive cash generation capability. We are thus ideally positioned to capitalise swiftly on promising new opportunities.

Financial Performance

Profit before tax was £157.4m (2006: £130.2m) and basic earnings per share increased by 47.0% to 50.7p while headline earnings per share at 32.2p showed a 47.7% increase on the previous year (2006: 21.8p). Headline profit before tax rose to £118.3m, an increase of 25.3% over 2006.

Group RevPAR increased by 9.7% based on constant currency terms with double digit year-on-year growth in London, New York and Singapore.

Dividend

The Board is recommending a final dividend of 10.42p per share which together with the interim dividend of 2.08p per share (2006: 2.08p), will bring the total dividend for 2007 to 12.50p. This is an increase of 47.1% over the 8.50p for 2006 (excluding a 4.0p special dividend). As before, the dividend is based on the growth of profit before tax balanced against the Group's future operating needs and investment potential in the current environment as outlined further in the Looking Forward section.

Management structures and systems

The excellent results we have published today are also a reflection of the successful implementation of the business blueprint which we developed in 2004, fine tuned and updated in 2006. These results also reflect the strength of the Millennium & Copthorne team rather than reliance on any one individual.

One consequence of this blueprint is that we have not been affected by the departure of some of our senior management team in the past six months. A committed management team and close adherence to the business blueprint, under the guidance of the Board has contributed to the continuing growth and success of the Group. Our strong management team supported by effective teamwork has enabled us to steer a steady course and has kept us positive and in the right direction.

Mr Wong's comprehensive review of the management structures and systems has just been completed and is now being considered by the Board. Meanwhile, we are continuing to improve and streamline management and systems in sales and marketing, cost management, capital expenditure and will benefit from any associated return on investment.

On the human resources planning front, our emphasis will be to identify candidates with commitment to drive forward initiatives, facilitated by the underlying management systems so as to give the Group long term competitiveness as an owner and operator of assets.

Non-Executive Appointment and Retirement

In December 2007, we welcomed Connal Rankin to the Board as an independent non-executive director. Connal's experience during his past 45 years with the HSBC Group is invaluable, particularly his expertise in the human resources field.

Simultaneously, John Sclater retired from the Board after more than ten years of loyal service. John joined the Group immediately prior to its flotation in 1996. The Board wish him every success and happiness in the future.

Key Operational Highlights

Our hotel in Kuala Lumpur, Malaysia has been rebranded as Grand Millennium Hotel following an extensive refurbishment programme last year. Our hotel in Oriental Bay Wellington, New Zealand, has also been rebranded, from a Kingsgate to a Copthorne Hotel.

Also in 2007 we opened the Grand Millennium Sukhumvit, a 325-room hotel in Bangkok, through our 50% owned joint venture. The three other hotels that we opened in 2007 are in Doha (Qatar), Sharm el Sheikh (Egypt) and Phuket (Thailand).

The Group made its first foray into China in 2006 with the management contract for the Millennium Hongqiao Hotel in Shanghai. 2008 will mark the opening of the Grand Millennium Beijing, a 521-room 27-storey hotel located in the heart of Beijing's financial and business district ahead of the Beijing Olympics in August. A further two hotels operating under management contracts will also open in China during 2008 in Chengdu and Wuxi. Further hotel openings are scheduled elsewhere for 2008 in Abu Dhabi, Dubai, Kuwait, Sharm el Sheikh (Egypt) and Sheffield (UK).

The total number of management contracts increased to 23 in 2007 from 21 in 2006.

CDL Hospitality Trusts (“CDLHT”), our 38.5% owned REIT associate, has made its second acquisition since its flotation in 2006, being the Novotel Clarke Quay Hotel in Singapore, purchased in June 2007 for S$219.6m (£71.4m) bringing its total portfolio of hotels to six.

We continue to evaluate our portfolio for improvement in order to remain competitive.

Looking Forward

In the first 4 weeks of trading this year, the performance is in line with our expectations with RevPAR growth of 11%. Given the current turmoil in the financial markets, we are cautiously optimistic that we will continue to deliver positive results drawing on our past experiences of weathering all kinds of storms.

Asia will continue to be a key region of the Group’s future development plans for 2008, as demand for hotel accommodation there is expected to rise. The region performed strongly in 2007 contributing 29.5% of the Group’s 2007 revenue and 55.0% to the Group’s 2007 operating profit before central costs respectively.

The construction of our 370-room limited-service hotel in Singapore remains on target with an opening expected in the first half of 2009. In view of the acute shortage of hotel rooms in Singapore, this new hotel is expected to bring significant benefits to the Group.

The Board deliberated on the appointment of a CEO. In the process of its deliberations the Board has decided to take a step back and determine what qualities we require in a CEO after we finalised the management structure. In the meantime the Interim CEO Wong Hong Ren will continue to lead our business.

While it is too early to assess the repercussions of the slowdown in the US economy, the current credit-crunch and its impact on the global economy, my fellow Board members and I are cautiously optimistic that the current environment will remain favourable to companies with strong balance sheets and low gearing.

Finally I would like to thank all our staff for their sterling efforts in 2007 and to express my sincere gratitude, as always, to our shareholders, for demonstrating their confidence in the Group, for remaining committed to our future, and for their firm belief in our ability to deliver further good results for 2008 and beyond.

FINANCIAL AND OPERATING HIGHLIGHTS

	Fourth quarter ended 31 December		Full year ended 31 December	
Financial information	**2007 £m**	2006 £m	**2007 £m**	2006 £m
Revenue	**186.6**	177.5	**669.6**	646.3
Operating profit	**68.1**	66.2	**171.5**	154.2
Profit before tax	**64.4**	60.8	**157.4**	130.2
Profit for the period	**72.2**	53.2	**159.5**	108.1
Basic earnings per share (pence)	**23.3p**	17.4p	**50.7p**	34.5p
Performance reporting				
Hotel operating profit	**46.8**	42.1	**140.5**	120.3
Headline operating profit	**42.2**	43.4	**140.2**	124.7
Headline profit before tax	**36.0**	35.4	**118.3**	94.4
Headline earnings per share (pence)	**12.7p**	9.4p	**32.2p**	21.8p
Net debt			**262.1**	260.4
Gearing (%)			**18.3%**	20.5%
Operational				
RevPAR growth at constant rates of exchange*	**11.4%**	10.4%	**9.7%**	8.8%
Occupancy movement	**(0.8%)**	2.5%	**(0.4%)**	1.4%
Average room rate growth at constant rates of exchange*	**12.3%**	7.6%	**10.1%**	6.8%
Hotel revenue growth at constant rates of exchange*	**7.7%**	5.8%	**9.0%**	4.9%
Hotel operating profit growth at constant rates of exchange*	**16.5%**	9.9%	**22.1%**	10.0%

* For comparability, statistics for 2006 have been translated at 2007 average exchange rates

Fourth quarter overview

Results for the fourth quarter are shown in Appendices 2 to 5. In overview, for the fourth quarter to 31 December 2007, the Group recorded a pre tax profit of £64.4m (2006: £60.8m), hotel operating profit increased by £4.7m to £46.8m (2006: £42.1m) and headline operating profit fell by £1.2m to £42.2m (2006: £43.4m). Excluding a £9.6m write-down on the Sunnyvale development property in the US, headline operating profit increased by £8.4m. Headline profit before tax increased by £0.6m to £36.0m (2006: £35.4m).

SUMMARY OF FULL YEAR PERFORMANCE

Revenue

Group reported revenue was £669.6m or 3.6% higher than the 2006 sales of £646.3m. The net effect of exchange movements during the year was to decrease reported revenue by £24.3m, mainly driven by a weakening in the US dollar and the Singapore dollar. The Group benefited from a full year's trading of CDLHT and the Grand Copthorne Waterfront Hotel Singapore ("GCW") in 2007, compared to the 5.5 months trading post incorporation impacting 2006.

Organic business revenue grew by £47.6m or 7.7%, with growth in all regions except Australasia where hotel revenue marginally declined as a result of partial closure of properties for refurbishment and the reduced level of sales of Zenith apartments in Sydney through a weakening real estate market. Strong demand in the Group's three key markets of London, New York and Singapore continue to be the key drivers of performance.

Profit from operations

Headline profit from operations was £140.2m. This was £15.5m or 12.4% higher than that reported in 2006.

Consistent with the impact on revenue, currency movements had a £4.6m (3.7%) negative impact on the headline profit from operations. Headline operating profit also benefited from the additional six and a half months of CDLHT and GCW trading. After allowing for these two items, headline operating profit for organic business grew by £27.3m (21.9%) with strong performances in London, New York and Singapore.

Operating profit at £171.5m was up £17.3m (11.2%) compared with 2006. This was principally driven by the same factors that affected headline operating profit. Net finance costs reduced by £9.9m principally from lower average net debt during the year and as a result, reported profit before tax increased by £27.2m (20.9%) to £157.4m.

Sunnyvale - The Group formerly operated a hotel on the Sunnyvale site in California, US and a decision to redevelop a new hotel and residential apartments led to the planned closure of the hotel operations in early 2006 and its demolition thereafter in preparation for site redevelopment. A limited amount of development work has been carried out to-date. The Group's accounting policy is to carry development properties at the lower of cost or net realisable value. An external independent valuation company, having an appropriate recognised professional qualification and recent experience in the location and category of the property, prepared a report on the property's value in order to provide the Group's directors with an independent perspective to their assessment of the property's value. With uncertainties in the US property market, the directors now consider the property's net realisable value to be £15.5m and this resulted in a property write-down of £9.6m.

Share of profit in joint ventures and associates
In 2007 the Group's share of profit of joint ventures and associates (net of interest, tax and minority interests) increased by 77.0% to £44.6m from £25.2m in 2006 with CDLHT being the largest contributor to the Group's share of 2007 results and the year-on-year increase. The Group has a 38.5% interest in CDLHT as at 31 December 2007 (2006: 39.3%). The Group's share of the 2007 results of CDLHT compared with those of 2006 was boosted by CDLHT's acquisition of the Rendezvous Hotel (New Zealand) in late 2006 and that of the Novotel Clarke Quay (Singapore) acquired in June 2007. In addition it should be noted that the Group only recorded its share of results on CDLHT for 5.5 months in its 2006 results as the investment was subscribed to on 19 July 2006, when CDLHT listed on the Singapore Exchange. Of the total £19.4m year-on-year increase, £14.6m was attributable to the Group's share of the incremental uplift in property values over that recorded in 2006 – this reflects the burgeoning property market in Singapore where the majority of CDLHT's property portfolio is based.

Other Group operating income
Other Group operating income consists of:

- Revaluation of investment property relates to two properties. The Tanglin Shopping Centre (Singapore) recorded an uplift in value of £8.7m (2006: £2.6m) and the Biltmore Court and Tower (Los Angeles) recorded no uplift in 2007 (2006: £2.3m).
- The £2.0m dilution gain arising on the investment in CDLHT followed the Group's subscription to a rights issue of stapled securities at a discount together with the non-participation in a S$32.8m (£10.6m) private placement issue, the effect of which marginally diluted the Group's interest in CDLHT which at 31 December 2007 was 38.5%.
- In 2006 the Group sold three of its Singapore hotels on a sale and leaseback arrangement to CDLHT and recorded a profit of £10.1m. The additional £1.4m profit arising in 2007 on that transaction was as a result of writing-back accruals that are no longer required on capital expenditure relating to those assets.
- Business interruption insurance proceeds for 2006 related to a full and final settlement of matters with the Group's insurer over claims by its hotel properties in New York resulting from the terrorist attack on the World Trade Centre on 11 September 2001.
- The Group sold a small number of stapled securities in CDLHT that gave rise to a £0.7m gain (2006: £nil).
- Following protracted negotiations, a £1.0m property tax provision in the US set aside on the acquisition of Regal hotels in 1999 was released in 2007.
- The share of joint ventures and associates' other operating income of £32.3m (2006: £17.7m) represents the Group's share of uplift in value of properties owned by CDLHT.
- The directors undertook an annual review of the carrying value of hotel and property assets for indications of impairment and where appropriate external valuations were undertaken. An impairment charge of £7.0m (2006: £3.5m) has been recorded and principally relates to two hotels in the United States.

Financing
The net financing charge of £14.1m was £9.9m lower than that of 2006. The interest cover ratio, excluding share of joint ventures and associates, other operating income and impairment improved from 4.6 times in 2006 to 8.5 times in 2007. The reduction in net financing charge principally reflects the overall reduction in net debt of the Group as well as the lower cost of debt.

Taxation
The Group tax credit excluding the tax relating to joint ventures and associates is £2.1m (2006: £22.1m tax expense), giving an effective rate of (1.9%) (2006: 21.1%). The table below details major adjustments affecting the tax charge.

	2007			2006		
	Profit £m	**Tax impact £m**	**Effective rate %**	Profit £m	Tax impact £m	Effective rate %
Profit before tax as reported	**157.4**			130.2		
Less share of joint ventures and associates as reported	**(44.6)**			(25.2)		
	112.8	**28.2**	**25.0%**	105.0	27.4	26.1%
Effect of change in tax rate on opening deferred tax		**(3.9)**	**(3.5%)**		0.3	0.3%
Change in UK tax legislation on hotel tax allowances		**(12.9)**	**(11.4%)**		-	-
Other adjustments relating to prior years		**(13.5)**	**(12.0%)**		(5.6)	(5.3%)
Reported profit before tax excluding share of joint ventures and associates, tax impact and effective rate	**112.8**	**(2.1)**	**(1.9%)**	105.0	22.1	21.1%

Major adjustment factors affecting the 2007 total tax charge:

Impact of change in UK tax legislation
The tax base of UK hotel building assets has been reinstated to incorporate their original cost, this being the tax base (pre-indexation) which is available to reduce capital gains tax on potential future disposal. This resulted in an overall estimated increase in the brought forward tax base of £14.5m. Of this total, £12.9m has been recognised in the income statement and £1.6m has been recognised directly in equity. The latter was in proportion to the amount of the total brought forward UK tax liability that had previously been recognised through revaluation reserve.

Effect of change in tax rates
The credit relates to UK (£3.2m), New Zealand (£0.5m) and (£0.1m) each for Malaysia and Singapore.

Adjustments in respect of prior periods
The Group's tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the Group's total tax charge necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profit and loss and/or cash flow variances. The geographical complexity of the Group's structure makes the degree of estimation and judgment more challenging. The resolution of issues is not always within the control of the Group and it is often dependent on the efficacy of the legal processes in the relevant tax jurisdictions in which the Group operates. Issues can, and often do, take many years to resolve. It is not anticipated that the amount of release in the future will be at the 2007 level.

Dividend
The Group is recommending a dividend of [12.5p] per share comprising a final dividend of [10.42p]. Taken together with the interim dividend of 2.08p (2006: 2.08p), the total dividend of [12.5p] for 2007, an increase of 47.1% over 2006 (8.50p excluding a 4.0p special dividend). This dividend for 2007 is covered 4.1 times by earnings (2006: 2.8 times). Subject to approval by shareholders at the Annual General Meeting to be held on 7 May 2008, the final dividend will be paid on 16 May 2008 to shareholders on the register on 25 March 2008. The ex-dividend date of the Company's shares is 19 March 2008.

Earnings per share
Basic earnings per share grew by 16.2p to 50.7p (2006: 34.5p). Headline earnings per share rose from 21.8p per share in 2006 to 32.2p per share in 2007, a 47.7% increase. The table below reconciles basic earnings per share to headline earnings per share.

	2007 pence	2006 pence
Reported basic earnings per share	**50.7**	**34.5**
Other operating income		
- Group	(4.7)	(7.5)
- Share of joint ventures and associates	(11.0)	(6.1)
Impairment	2.4	1.2
Tax effect on the above	(0.8)	(0.3)
Change in UK tax legislation on hotel tax allowances	(4.4)	-
Headline earnings per share	**32.2**	**21.8**

FULL YEAR PERFORMANCE BY REGION

For comparability, the following regional review is based upon calculations in constant currency whereby 31 December 2006 average room rate, RevPAR, revenue, gross operating profit and headline operating profit have been translated at 2007 average exchange rates.

UNITED STATES

New York

Revenue growth in New York was 12.3% benefiting from high demand throughout the year which has allowed the emphasis to remain on rate, although there was also occupancy growth in the Millennium UN Plaza property. At constant rates of exchange, average rates increased by 14.0% to £150.20 (2006: £131.79). Combined with a marginal overall increase in occupancy, the net result was a 14.1% increase in RevPAR to £130.07 (2006: £114.00). This was the highest RevPAR growth of our six main geographic segments for the year. The resultant impact of this was to drive gross operating profit margins up 2.9 percentage points to 40.6% (2006: 37.7%).

Headline operating profit was 30.8% higher, reflecting strong profit conversion on the incremental revenue growth.

Regional US

Regional US operating results were impacted by a £9.6m write-down of the Sunnyvale development property as discussed in the summary of full year performance on page 4.

RevPAR increased by 5.9% to £33.64 (2006: £31.77). This was driven by a 7.2% increase in average room rates to £50.59 (2006: £47.20) offset by a 0.8 percentage points fall in occupancy to 66.5% (2006: 67.3%). The top four Millennium properties had RevPAR growth of between 9.4% and 18.0% with four of these properties managing to increase occupancy in addition to rate. Growth was almost universal throughout the region, although there was variation between properties.

In January the Group commenced a combined $50m (£25.1m) renovation project at the Millennium Bostonian Hotel in Boston and the Millennium Knickerbocker in Chicago to completely transform both hotels to bring a stylish, high-quality upscale look to both properties.

EUROPE

London

Growth in London revenue was 9.3%, fuelled on the back of strong demand and the Group policy to seek aggressive average rate increases. Incremental conversion was 95%.

RevPAR increased by 10.4% to £82.23 (2006: £74.50) as a result of strong rate growth. Average rates improved by 13.6% to £97.31 (2006: £85.63) with an overall 2.5 percentage point fall in occupancy to 84.5%. The Millennium Gloucester, on the back of a 142-room refurbishment in the first four months of 2006, produced a RevPAR growth of 13.7% which was the highest of our London properties.

Rest of Europe

Revenue growth of 1.0% in the region was disappointing for a variety of reasons as referred to below but with continued focus on cost efficiency, operating profit growth of £2.7m or 22.0%, outstripped that of revenue. RevPAR increased by 2.7% to £53.57 (2006: £52.17) driven by rate growth of 3.9% from £71.18 to £73.99 with a fall in occupancy to 72.4% (2006: 73.3%).

Regional UK
RevPAR increased 5.1% to £56.67 driven by a 0.5 percentage point increase in occupancy to 77.7% (2006: 77.2%) and a 4.5% increase in rate to £72.94 (2006: £69.82). The strongest growth was in Aberdeen and Gatwick whilst our Effingham and Glasgow properties also grew RevPAR by at least 11%. Growth was not universal with three properties suffering reduced RevPAR, mainly as a result of increased competition from new properties opening in each of the cities.

France & Germany
Our presence in these two countries remains limited to four hotels. RevPAR fell by 1.5% to £48.65. The year started with a weak set of results in our two German properties which has continued throughout the year. As a result, we have sold 4.6% fewer rooms in Germany which, when combined with a small fall in rate, has resulted in a RevPAR decrease of 8.7%. Our two French properties showed a 5.3% increase in RevPAR.

Middle East
Two new management contracts involving new build hotels were signed in the year. The hotels are due to open in 2008.

Two new properties in the Middle East region opened in the year, The Millennium Hotel Doha in Qatar, and the Millennium Oy Oun Hotel, Sharm el Sheikh in Egypt. The contract for the Coral Beach Diving Hotel in Marsa Alam in Egypt has now ended.

ASIA

Revenue growth was £30.3m or 18.1% including an incremental £11.5m from the Grand Copthorne Waterfront and a full year of CDLHT management fees where only the last 5.5 months were included in 2006.

Headline operating profit increased by £17.8m or 35.7% with the impact of CDLHT amounting to £2.5m. This impact consists of a number of factors, namely (i) additional profit principally from the Grand Copthorne Waterfront for the period January to mid July and management fees receivable for the management of CDLHT for the same period; (ii) less new rental charges for the three properties sold to and leased back from CDLHT; and (iii) share of income from our 38.5% stake in CDLHT.

Two new joint ventures in China and another in India did not have any material impact on the region's results.

RevPAR increased by 14.0% to £48.63 (2006: £42.64) driven by a 12.6% increase in average room rates to £63.08 (2006: £56.03) and 1.0 percentage point occupancy growth to 77.1%.

Singapore
The Grand Copthorne Waterfront has been included in the statistics for this region since July 2006 and strong growth continues in this buoyant market. On a like-for-like basis ("LFL") using full year statistics for the Grand Copthorne Waterfront, RevPAR increased 30.5% to £54.11 (2006: £41.47) driven by a 24.9% growth in average room rates to £61.98 (2006: £49.61). In 2006 this LFL basis, occupancy increased by 3.7 percentage points to 87.3% (2006: 83.6%).

Rest of Asia
RevPAR figures in the rest of Asia have been affected by the refurbishment works at the Grand Millennium Kuala Lumpur. RevPAR increased by 3.1% to £44.56 (2006: £43.24). On a LFL basis excluding the Grand Millennium Kuala Lumpur, RevPAR increased by 8.0% to £48.79 (2006: £45.19). There was positive growth in the remaining property portfolio within Asia, with credible performances in Seoul, Jakarta, Manila and Penang. The Millennium Seoul Hilton now benefits from the addition of a state run casino.

During the year the Group launched the Grand Millennium brand. The inaugural hotel for this brand was the Group's former hotel in Kuala Lumpur which, prior to launch underwent major refurbishment in its public areas and reopened as the Grand Millennium Kuala Lumpur in September. The second Grand Millennium is our new joint venture property in Thailand, the 325 room Grand Millennium

Sukhumvit Bangkok which opened in the final quarter of 2007. A second hotel was opened in Thailand in November, being the 421 room Millennium Resort Patong, Phuket operated by the Group under management contract.

AUSTRALASIA

In New Zealand, where we operate under the Millennium, Copthorne and Kingsgate brands, RevPAR increased by 3.0% to £29.57 (2006: £28.72). Occupancy was relatively stable at 69.3% (2006: 69.6%) and average rate increased by 3.4% to £42.67 (2006: £41.27). The Oriental Bay underwent a major refurbishment and has now been re-branded as a Copthorne. Operations at the Kingsgate Greenlane ceased when its lease expired in April 2007. A further 35 rooms were added to the Copthorne Hotel & Resort Bay of Islands.

The lease of the Copthorne Hotel Wellington Plimmer Towers expires in April 2008. As part of the lease the Group has had to accrue for restoration costs and these amounted to £1.7m and have reduced the hotel's operating profit accordingly.

Amongst the Group's managed and franchised properties it franchised two new hotels and acquired one new management contract whilst it lost one franchise which changed ownership. The Group now has three managed and eleven franchised properties in the region.

In Sydney, seven Zenith apartments have been sold during the year for a profit of £0.7m (2006: £3.3m). The real estate market has softened in the past year and the remaining properties are not currently being actively marketed. The short fall from Zenith was mostly offset by the Group's land development operations in New Zealand.

Notes:

1. About Millennium & Copthorne Hotels plc

The Group's principal operations are providing hotel rooms to guests in the following regions: The Americas, Europe, Middle East, Asia and Australasia.

The Group owns, operates, manages and franchises hotels, with significant operations in London, New York and Singapore. In addition, the Group's property expertise allows it to manage its real estate assets actively and to unlock long term value to ensure superior value creation over time.

[The Group operates under four brands]: Grand Millennium, Millennium, Copthorne and Kingsgate and is primarily focusing on the development of the Millennium brand, which is used for its four star deluxe or five star properties in gateway cities. The Group is also planning to expand the Copthorne brand, primarily in the UK provinces through redevelopment of sites and management contracts. The Kingsgate brand is mainly located in New Zealand.

2. Financial Schedules

Consolidated income statement
for the year ended 31 December 2007

	Notes	**Year ended 31 December 2007 £m**	Year ended 31 December 2006 £m
Revenue		**669.6**	646.3
Cost of sales		**(284.8)**	(277.4)
Gross profit		**384.8**	368.9
Administrative expenses		**(271.7)**	(261.5)
Other operating income	2	**13.8**	21.6
		126.9	129.0
Share of profit of joint ventures and associates		**44.6**	25.2
Analysed between share of:			
Operating profit before other income		**20.1**	13.8
Other operating income		**32.3**	17.7
Interest, tax and minority interests	3	**(7.8)**	(6.3)
Operating profit		**171.5**	154.2
Analysed between:			
Headline operating profit		**140.2**	124.7
Other operating income - Group	2	**13.8**	21.6
Other operating income - Share of joint ventures and associates		**32.3**	17.7
Impairment (included within administrative expenses)		**(7.0)**	(3.5)
Share of interest, tax and minority interests of joint ventures and associates		**(7.8)**	(6.3)
Finance income		**12.3**	5.8
Finance expense		**(26.4)**	(29.8)
Net finance expense		**(14.1)**	(24.0)
Profit before income tax		**157.4**	130.2
Income tax credit/(expense)	4	**2.1**	(22.1)
Profit for the year		**159.5**	108.1
Attributable to:			
Equity holders of the parent		**149.4**	100.1
Minority interests		**10.1**	8.0
		159.5	108.1
Earnings per share			
Basic earnings per share (pence)	5	**50.7p**	34.5p
Diluted earnings per share (pence)	5	**50.6p**	34.4p

The financial results above all derive from continuing activities.

Consolidated statement of recognised income and expense
for year ended 31 December 2007

	Notes	**Year ended 31 December 2007 £m**	Year ended 31 December 2006 £m
Foreign exchange translation differences		**17.4**	(84.2)
Share of associates other reserve movements		**6.9**	(2.3)
Actuarial gains/(losses) arising in respect of defined benefit pension schemes		**0.7**	(1.4)
Income tax on income and expense recognised directly in equity	4	**2.6**	2.6
Income and expense recognised directly in equity		**27.6**	(85.3)
Profit for the year		**159.5**	108.1
Total recognised income and expense for the year		**187.1**	22.8
Attributable to:			
Equity holders of the parent		**169.6**	25.1
Minority interests		**17.5**	(2.3)
Total recognised income and expense for the year		**187.1**	22.8

Consolidated balance sheet
as at 31 December 2007

	Notes	As at 31 December 2007 £m	As at 31 December 2006 £m
Non-current assets			
Property, plant and equipment		**1,709.0**	1,699.9
Lease premium prepayment		**90.0**	74.6
Investment properties		**58.2**	49.6
Investments in joint ventures and associates		**254.5**	115.5
Loans due from joint ventures and associates		**5.4**	26.5
Other financial assets		**4.8**	4.5
		2,121.9	1,970.6
Current assets			
Inventories		**4.9**	4.6
Development properties		**69.6**	68.6
Lease premium prepayment		**1.1**	1.3
Trade and other receivables		**58.2**	56.5
Other financial assets		**9.1**	7.2
Cash and cash equivalents		**156.3**	162.3
		299.2	300.5
Total assets		**2,421.1**	2,271.1
Non-current liabilities			
Interest-bearing loans, bonds and borrowings		**(304.1)**	(283.1)
Employee benefits		**(12.9)**	(15.0)
Provisions		**(1.0)**	(1.3)
Other non-current liabilities		**(90.9)**	(93.1)
Deferred tax liabilities		**(205.8)**	(224.6)
		(614.7)	(617.1)
Current liabilities			
Interest-bearing loans, bonds and borrowings		**(114.3)**	(139.6)
Trade and other payables		**(113.7)**	(103.8)
Provisions		**(0.4)**	(0.4)
Income taxes payable		**(17.4)**	(18.1)
		(245.8)	(261.9)
Total liabilities		**(860.5)**	(879.0)
Net assets		**1,560.6**	1,392.1
Equity			
Total equity attributable to equity holders of the parent		**1,430.4**	1,269.1
Minority interests		**130.2**	123.0
Total equity	7	**1,560.6**	1,392.1

Consolidated statement of cash flows
for the year ended 31 December 2007

	Year ended 31 December 2007 £m	Year ended 31 December 2006 £m
Cash flows from operating activities		
Profit for the year	**159.5**	108.1
Adjustments for:		
Depreciation and amortisation	**28.7**	34.5
Share of profit of joint ventures and associates	**(44.6)**	(25.2)
Impairment losses on property, plant and equipment	**7.0**	3.5
Profit on sale of property, plant and equipment	**(1.4)**	(11.2)
Release of property tax provision	**(1.0)**	-
Gain on dilution of investment in an associate	**(2.0)**	-
Profit on sale of stapled securities in an associate	**(0.7)**	-
Change in fair value of investment properties	**(8.7)**	(4.9)
Write down of development properties	**9.6**	-
Equity settled share-based payment transactions	**0.8**	0.6
Finance income	**(12.3)**	(5.8)
Finance expense	**26.4**	29.8
Income tax (credit)/expense	**(2.1)**	22.1
	159.2	151.5
Increase in inventories, trade and other receivables	**(2.3)**	(5.1)
Increase in development properties	**(1.9)**	(2.5)
Increase in trade and other payables	**7.6**	0.9
Decrease in provisions and employee benefits	**(2.4)**	(0.3)
Cash generated from operations	**160.2**	144.5
Interest paid	**(22.8)**	(28.9)
Interest received	**8.5**	7.8
Income taxes paid	**(17.7)**	(16.3)
Net cash from operating activities	**128.2**	107.1
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment and investment properties	**0.3**	123.3
Proceeds from pre-paid land lease	**-**	87.5
Investment in financial assets	**(5.0)**	(3.1)
Proceeds from disposal of joint venture	**-**	4.0
Proceeds from the sale of stapled securities in an associate	**1.6**	-
Dividends received from associates	**6.6**	-
Increase in loan to joint venture	**(0.6)**	-
Increase in investment in joint ventures and associates	**(59.6)**	(81.3)
Acquisition of property, plant and equipment	**(56.8)**	(34.6)
Net cash flow (used in)/from investing activities	**(113.5)**	95.8
Balance carried forward	**14.7**	202.9

Consolidated statement of cash flows (continued)
for the year ended 31 December 2007

	Year ended 31 December 2007 £m	Year ended 31 December 2006 £m
Balance brought forward	**14.7**	202.9
Cash flows from financing activities		
Proceeds from the issue of share capital	**1.4**	2.2
Repayment of borrowings	**(241.4)**	(205.0)
Drawdown of borrowings	**235.8**	79.7
Payment of finance lease obligations	**(2.1)**	(2.0)
Loan arrangement fees	**(0.5)**	(0.6)
Share buy back of minority interests	**(10.0)**	-
Dividends paid to minority interests	**(2.2)**	(2.2)
Capital contribution from minority interests	**1.9**	-
Dividends paid to equity holders of the parent	**(10.5)**	(9.1)
Net cash used in financing activities	**(27.6)**	(137.0)
Net (decrease)/increase in cash and cash equivalents	**(12.9)**	65.9
Cash and cash equivalents at beginning of year	**161.5**	103.7
Effect of exchange rate fluctuations on cash held	**7.3**	(8.1)
Cash and cash equivalents at end of the year	**155.9**	161.5
Reconciliation of cash and cash equivalents		
Cash and cash equivalents shown in the balance sheet	**156.3**	162.3
Overdraft bank accounts included in borrowings	**(0.4)**	(0.8)
Cash and cash equivalents for cash flow statement purposes	**155.9**	161.5

Segmental reporting

The following segmental analysis is not intended to be a full statutory disclosure.

	Year ended 31 December 2007							
	New York £m	Regional US £m	London £m	Rest of Europe £m	Asia £m	Australasia £m	Central costs £m	Total Group £m
Revenue								
Hotel	**106.5**	**112.0**	**92.0**	**98.0**	**196.0**	**45.2**	**-**	**649.7**
Property operations	**-**	**1.6**	**-**	**-**	**1.5**	**16.8**	**-**	**19.9**
Total	**106.5**	**113.6**	**92.0**	**98.0**	**197.5**	**62.0**	**-**	**669.6**
Hotel gross operating profit	**43.2**	**26.8**	**46.4**	**30.7**	**83.2**	**18.4**	**-**	**248.7**
Hotel fixed charges*	**(15.6)**	**(17.4)**	**(12.7)**	**(15.7)**	**(36.5)**	**(10.3)**	**-**	**(108.2)**
Hotel operating profit	**27.6**	**9.4**	**33.7**	**15.0**	**46.7**	**8.1**	**-**	**140.5**
Property operations operating profit/(loss)	**-**	**(9.8)**	**-**	**-**	**0.9**	**7.9**	**-**	**(1.0)**
Central costs	**-**	**-**	**-**	**-**	**-**	**-**	**(19.4)**	**(19.4)**
Share of joint ventures and associates operating profit	**-**	**-**	**-**	**-**	**20.1**	**-**	**-**	**20.1**
Headline operating profit/(loss)	27.6	(0.4)	33.7	15.0	67.7	16.0	(19.4)	140.2
Other operating income - Group	**-**	**-**	**-**	**-**	**12.8**	**-**	**1.0**	**13.8**
Other operating income - Share of joint ventures and associates	**-**	**-**	**-**	**-**	**32.3**	**-**	**-**	**32.3**
Impairment	**-**	**(6.1)**	**-**	**(0.9)**	**-**	**-**	**-**	**(7.0)**
Share of interest, tax and minority interests of joint ventures and associates	**-**	**-**	**-**	**-**	**(7.8)**	**-**	**-**	**(7.8)**
Operating profit/(loss)	27.6	(6.5)	33.7	14.1	105.0	16.0	(18.4)	171.5
Net financing costs								**(14.1)**
Profit before tax								**157.4**

Segmental reporting (continued)

	Year ended 31 December 2006							
	New York £m	Regional US £m	London £m	Rest of Europe £m	Asia £m	Australasia £m	Central costs £m	Total Group £m
Revenue								
Hotel	103.1	117.0	84.2	96.8	175.1	44.9	-	621.1
Property operations	-	2.3	-	-	1.4	21.5	-	25.2
Total	103.1	119.3	84.2	96.8	176.5	66.4	-	646.3
Hotel gross operating profit	38.9	27.7	40.1	28.9	69.4	18.8	-	223.8
Hotel fixed charges*	(16.3)	(18.5)	(13.8)	(16.6)	(29.8)	(8.5)	-	(103.5)
Hotel operating profit	22.6	9.2	26.3	12.3	39.6	10.3	-	120.3
Property operations operating profit	-	0.2	-	-	0.6	8.0	-	8.8
Central costs	-	-	-	-	-	-	(18.2)	(18.2)
Share of joint ventures and associates operating profit	-	-	-	-	13.8	-	-	13.8
Headline operating profit/(loss)	22.6	9.4	26.3	12.3	54.0	18.3	(18.2)	124.7
Other operating income - Group	5.5	3.1	-	-	13.0	-	-	21.6
Other operating income - Share of joint ventures and associates	-	-	-	-	17.7	-	-	17.7
Impairment	-	(0.6)	-	(2.9)	-	-	-	(3.5)
Share of interest, tax and minority interests of joint ventures and associates	-	-	-	-	(6.3)	-	-	(6.3)
Operating profit/(loss)	28.1	11.9	26.3	9.4	78.4	18.3	(18.2)	154.2
Net financing costs								(24.0)
Profit before tax								130.2

* 'Hotel fixed charges' include depreciation, amortisation of lease prepayments, property rent, taxes and insurance, operating lease rentals and management fees

Segmental reporting (continued)

Segmental assets and liabilities

As at 31 December 2007	New York 2007 £m	Regional US 2007 £m	London 2007 £m	Rest of Europe 2007 £m	Asia 2007 £m	Australasia 2007 £m	Total Group 2007 £m
Hotel operating assets	**284.4**	**254.2**	**447.6**	**220.5**	**554.9**	**112.9**	**1,874.5**
Hotel operating liabilities	**(9.6)**	**(26.9)**	**(20.5)**	**(15.8)**	**(137.4)**	**(7.5)**	**(217.7)**
Investments in joint ventures and associates	**-**	**-**	**-**	**-**	**238.0**	**16.5**	**254.5**
Loans to joint ventures	**-**	**-**	**-**	**-**	**5.4**	**-**	**5.4**
Total hotel operating net assets	**274.8**	**227.3**	**427.1**	**204.7**	**660.9**	**121.9**	**1,916.7**
Property operating assets	**-**	**34.5**	**-**	**-**	**43.1**	**52.8**	**130.4**
Property operating liabilities	**-**	**(0.1)**	**-**	**-**	**(0.4)**	**(0.7)**	**(1.2)**
Total property operating net assets	**-**	**34.4**	**-**	**-**	**42.7**	**52.1**	**129.2**
Deferred tax liabilities							**(205.8)**
Income taxes payable							**(17.4)**
Net debt							**(262.1)**
Net assets							**1,560.6**

As at 31 December 2006	New York 2006 £m	Regional US 2006 £m	London 2006 £m	Rest of Europe 2006 £m	Asia 2006 £m	Australasia 2006 £m	Total Group 2006 £m
Hotel operating assets	292.3	235.9	452.0	216.1	468.8	97.4	1,762.5
Hotel operating liabilities	(9.6)	(26.6)	(21.1)	(18.0)	(43.1)	(6.3)	(124.7)
Investments in joint ventures and associates	-	-	-	-	115.5	-	115.5
Loans to joint ventures	-	-	-	-	26.5	-	26.5
Total hotel operating net assets	282.7	209.3	430.9	198.1	567.7	91.1	1,779.8
Property operating assets	-	43.3	-	-	33.9	42.0	119.2
Property operating liabilities	-	(2.6)	-	-	(0.4)	(0.8)	(3.8)
Total property operating net assets	-	40.7	-	-	33.5	41.2	115.4
Deferred tax liabilities							(224.6)
Income taxes payable							(18.1)
Net debt							(260.4)
Net assets							1,392.1

1. General information

Basis of preparation

The fourth quarter and full year results for Millennium & Copthorne Hotels plc ('the Company') to 31 December 2007 comprise the Company and its subsidiaries (together referred to as 'the Group') and the Group's interests in jointly controlled and associate entities.

The financial information set out in this preliminary announcement does not constitute the Company's statutory accounts for the years ended 31 December 2007 or 2006. Statutory accounts for 2006 have been delivered to the registrar of companies, and those for 2007, prepared under accounting standards adopted by the EU, will be delivered in due course. The auditors have reported on those accounts; their reports were (i) unqualified, (ii) did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their reports and (iii) did not contain statements under section 237(2) or (3) of the Companies Act 1985.

The consolidated financial statements of the Group for the financial year ended 31 December 2006 are available from the Company's website www.millenniumhotels.com.

The year end results have been prepared applying the accounting policies and presentation that were applied in the preparation of the Group's published consolidated financial statements for the year ended 31 December 2006.

The fourth quarter and full year results were approved by the Board of Directors on 19 February 2008.

The disposal to CDLHT in 2006 in which the Group holds a 38.5% interest as at 31 December 2007 (31 December 2006: 39.3%) represents the property, plant and equipment element of the sale and lease back of three Singapore hotels. The disposal amount has been restated in respect of the land lease element of the transaction on the 75 year leases of the Orchard and M Hotel. In the 2006 Financial Statements the proportion of the consideration received as prepayment by CDLHT of the operating lease of the land was effectively netted off against the freehold land value for these two hotels. In adjusting to reflect each component separately, freehold land has been restated to the value before the transaction and the deferred income arising from the lease prepayment has been recognised on the balance sheet at the value at the date of the transaction of £87.5m with the disposal figure in the note above reduced by the same amount.

The deferred income recognised in the balance sheet will be amortised over the 75 year term of the lease. At 31 December 2007 an amount of £85.9m (31 December 2006: £87.5m) is recognised in the balance sheet as deferred income, £84.7m as non-current liabilities and £1.2m as current liabilities and an amount of £1.6m has been amortised and credited to the income statement in the current year.

Whilst the financial information included in the preliminary statement has been prepared in accordance with IFRS, this announcement does not itself contain sufficient information to comply with all disclosure requirements of IFRS. Information contained in this announcement has been extracted from full IFRS compliant Report and Accounts that were approved on 19 February 2008.

Use of adjusted measures

Presentation of headline operating profit

The Group presents headline operating profit, this excludes material one-off or unusual items such as profits on disposal of property, fair value adjustments to investment property and business interruption insurance proceeds. The Group believes that it is both useful and necessary to report these measures for the following reasons:

- they are measures used by the Group for internal performance analysis: and
- it is useful in connection with discussion with the investment analyst community

Reconciliation of these measures to the closest equivalent GAAP measure, operating profit/(loss) is provided on page 23.

Like-for-like growth

The Group believes that like-for-like growth which is not intended to be a substitute, or superior to, reported growth, provides useful and necessary information to investors and interested parties for the following reasons:

- it provides additional information on the underlying growth of the business without the effect of factors unrelated to the operating performance of the business; and
- it is used by the Group for internal performance analysis

2. Other operating income

	Year ended 31 December 2007 £m	Year ended 31 December 2006 £m
Release of property tax provision set aside on acquisition of Regal hotels in 1999	**1.0**	-
Profit on disposal of stapled securities in CDLHT	**0.7**	-
Gain on dilution of investment in CDLHT (see note below)	**2.0**	-
Profit on sale and leaseback of three Singapore hotels – Orchard Hotel, Copthorne Kings Hotel and M Hotel	**1.4**	10.1
Changes in fair value upon revaluation of investment property	**8.7**	4.9
Business interruption insurance proceeds	**-**	5.5
Other	**-**	1.1
	13.8	21.6

Note: The £2.0m gain on dilution arose from the Group subscribing to a rights issue at a discount and non-participation in a private placement issue.

3. Share of joint ventures and associates interest, tax and minority interests

	Year ended 31 December 2007 £m	Year ended 31 December 2006 £m
Interest	**(3.2)**	(1.4)
Tax	**(1.4)**	(1.8)
Minority interests	**(3.2)**	(3.1)
	(7.8)	(6.3)

4. Income tax (credit)/expense

	Year ended 31 December 2007 £m	Year ended 31 December 2006 £m
UK	**(13.5)**	0.7
Overseas	**11.4**	21.4
Total income tax (credit)/expense in income statement	**(2.1)**	22.1

4. Income tax (credit)/expense (continued)

	Year ended 31 December 2007 £m	Year ended 31 December 2006 £m
Current tax		
Corporation tax charge for the year	**20.2**	18.2
Adjustment in respect of prior years	**(4.0)**	(6.6)
Total current tax expense	**16.2**	11.6
Deferred tax		
Origination and reversal of timing differences	**5.3**	0.3
(Reduction)/increase in tax rate	**(3.9)**	0.2
Benefits of tax losses recognised	**2.7**	9.0
(Over)/under provision in respect of prior years	**(9.5)**	1.0
Change in UK tax legislation in respect of the removal of claw back on hotel tax allowances	**(12.9)**	-
Total deferred tax (credit)/expense	**(18.3)**	10.5
Total income tax (credit)/expense in the income statement	**(2.1)**	22.1

Income tax reconciliation	**Year ended 31 December 2007 £m**	Year ended 31 December 2006 £m
Profit before tax in income statement	**157.4**	130.2
Less share of profit of joint ventures and associates	**(44.6)**	(25.2)
	112.8	105.0
Income tax on ordinary activities at the standard rate of UK tax of 30%	**33.8**	31.5
Effects of:		
Net non-taxable income	**(0.5)**	(5.5)
Current year losses for which no deferred tax asset was recognised	**0.9**	0.5
Recognition of previously unrecognised tax losses	**-**	(0.6)
Effect of tax rates in foreign jurisdictions	**(6.4)**	0.4
Effect of change in tax rates on opening deferred tax assets	**(3.9)**	0.3
Effect of change in UK tax legislation in respect of the removal of claw back on hotel tax allowances	**(12.9)**	-
Adjustments to tax charge in respect of prior years	**(13.5)**	(5.6)
Unrecognised deferred tax assets	**0.4**	1.1
Total income tax (credit)/expense in the income statement	**(2.1)**	22.1

4. Income tax (credit)/expense (continued)

Excluding the tax relating to joint ventures and associates, the Group has recorded a tax credit of £2.1m (2006: £22.1m expense). This reduced tax expense is primarily attributable to: (i) the deferred tax impact of a change in UK tax legislation in respect of the removal of claw back on hotel tax allowances, resulting in an estimated tax credit of £12.9m; (ii) a £3.9m credit in respect of the impact on deferred tax of reduced tax rates and; (iii) a £13.5m credit in respect of adjustments relating to prior years.

A tax charge of £1.4m (2006: £1.8m) relating to joint ventures and associates is included in the reported profit before tax.

Income tax recognised directly in equity	**Year ended 31 December 2007 £m**	Year ended 31 December 2006 £m
Taxation (expense)/credit arising on defined benefit pension schemes	**(1.2)**	0.4
Taxation credit arising in respect of previously revalued property	**3.2**	2.2
Taxation credit arising on share option schemes	**0.6**	-
Total income tax recognised directly in equity	**2.6**	2.6

5. Earnings per share

	Year ended 31 December 2007 £m	Year ended 31 December 2006 £m
Basic earnings per share		
Profit for the year attributable to holders of the parent (£m)	**149.4**	100.1
Weighted average number of shares in issue (m)	**294.4**	289.9
Basic earnings per share (pence)	**50.7**	34.5
Diluted earnings per share		
Diluted weighted average number of shares in issue (m)	**295.1**	290.6
Diluted earnings per share (pence)	**50.6**	34.4
Headline earnings per share		
Profit for the year attributable to holders of the parent (£m)	**149.4**	100.1
Adjustment to exclude:		
- Other operating income (net of tax) (£m)	**(13.8)**	(22.4)
- Impairment (net of tax) (£m)	**4.5**	3.3
- Share of associates other operating income (nil tax) (£m)	**(32.3)**	(17.7)
- Change in UK tax legislation on hotel tax allowances (£m)	**(12.9)**	-
Adjusted profit for the year attributable to holders of the parent (£m)	**94.9**	63.3
Weighted average number of shares in issue (m)	**294.4**	289.9
Headline earnings per share (pence)	**32.2**	21.8
Diluted headline earnings per share		
Diluted weighted average number of shares in issue (m)	**295.1**	290.6
Headline diluted earnings per share (pence)	**32.2**	21.8

6. Dividends

Dividends have been recognised within equity as follows:

	Year ended 31 December 2007 £m	Year ended 31 December 2006 £m
Final ordinary dividend for 2006 of 6.42p (for 2005: 5.62p)	**18.7**	16.2
Interim ordinary dividend for 2007 of 2.08p (for 2006: 2.08p)	**6.2**	6.1
	24.9	22.3
Special ordinary dividend for 2006 of 4.00p (for 2005: Nil)	**11.7**	-
	36.6	22.3

7. Statement of changes to total equity

	Year ended 31 December 2007 £m	Year ended 31 December 2006 £m
Total recognised income and expense for the year	**187.1**	22.8
Dividends paid/payable to equity holders of the parent	**(36.6)**	(22.3)
Issue of shares in lieu of dividends	**26.1**	13.2
Dividends paid to minority interests	**(2.2)**	(2.2)
Share options exercised	**1.4**	2.2
Share buy back of minority interests	**(10.0)**	-
Capital contribution from minority interests	**1.9**	-
Equity settled transactions	**0.8**	0.6
Net increase in total equity	**168.5**	14.3
Opening total equity	**1,392.1**	1,377.8
Closing total equity	**1,560.6**	1,392.1

8. Non-GAAP measures

Headline operating profit
Headline operating profit is the Group's measure of the underlying profit before interest and tax. It includes the operating results of joint ventures and associates but excludes other operating income (of Group and share of joint ventures and associates) and impairment.

	Year ended 31 December 2007 £m	Year ended 31 December 2006 £m
Profit before income tax	**157.4**	130.2
Adjusted to exclude:		
Fair value adjustments to investment property	**(8.7)**	(4.9)
Business interruption insurance proceeds	**-**	(5.5)
Net gain on disposal of property - sale and leaseback of 3 Singapore hotels	**(1.4)**	(10.1)
- other	**-**	(1.1)
Gain on dilution of investment in CDLHT	**(2.0)**	-
Profit on disposal of stapled securities in CDLHT	**(0.7)**	-
Release of property tax provision set aside on acquisition of Regal hotels in 1999	**(1.0)**	-
Share of associate (CDLHT) fair value adjustments to investment property	**(32.3)**	(17.7)
Impairment	**7.0**	3.5
Headline profit before tax	**118.3**	94.4
Add back:		
Share of results of joint ventures and associates		
- interest	**3.2**	1.4
- taxation	**1.4**	1.8
- minority interests	**3.2**	3.1
Net financing costs	**14.1**	24.0
Headline operating profit	**140.2**	124.7

Net Debt	**As at 31 December 2007 £m**	As at 31 December 2006 £m
Cash and cash equivalents (as per cash flow statement)	**155.9**	161.5
Bank overdrafts (included as part of borrowings)	**0.4**	0.8
Cash and cash equivalents (as per the consolidated balance sheet)	**156.3**	162.3
Interest-bearing loans, bonds and borrowings - Non-current	**(304.1)**	(283.1)
- Current	**(114.3)**	(139.6)
Net debt	**(262.1)**	(260.4)
Gearing (%)	**18.3%**	20.5%

APPENDIX 1: Key operating statistics
for the full year ended 31 December 2007

	Year ended 31 December 2007 Reported currency	Year ended 31 December 2006 Constant Currency	Year ended 3 December 2006 Reported currency
Occupancy %			
New York	**86.6**		86.5
Regional US	**66.5**		67.3
Total US	**71.2**		71.7
London	**84.5**		87.0
Rest of Europe	**72.4**		73.3
Total Europe	**77.8**		79.4
Asia	**77.1**		76.1
Australasia	**69.3**		69.6
Total Group	**74.1**		74.4
Average Room Rate (£)			
New York	**150.20**	131.79	143.34
Regional US	**50.59**	47.20	51.33
Total US	**78.62**	70.78	76.98
London	**97.31**	85.63	85.63
Rest of Europe	**73.99**	71.18	71.05
Total Europe	**85.22**	78.21	78.14
Asia	**63.08**	56.03	59.07
Australasia	**42.67**	41.27	39.72
Total Group	**71.74**	65.15	67.92
RevPAR (£)			
New York	**130.07**	114.00	123.99
Regional US	**33.64**	31.77	34.55
Total US	**55.98**	50.75	55.19
London	**82.23**	74.50	74.50
Rest of Europe	**53.57**	52.17	52.08
Total Europe	**66.30**	62.10	62.04
Asia	**48.63**	42.64	44.95
Australasia	**29.57**	28.72	27.65
Total Group	**53.16**	48.47	50.53
Gross Operating Profit Margin (%)			
New York	**40.6**		37.7
Regional US	**23.9**		23.7
Total US	**32.0**		30.3
London	**50.4**		47.6
Rest of Europe	**31.3**		29.9
Total Europe	**40.6**		38.1
Asia	**42.4**		39.6
Australasia	**40.7**		41.9
Total Group	**38.3**		36.0

For comparability the 31 December 2006 Average Room Rate and RevPAR have been translated at 2007 average exchange rates.

APPENDIX 2: Consolidated income statement
for the fourth quarter ended 31 December 2007

	Fourth quarter ended 31 December 2007 £m	Fourth quarter ended 31 December 2006 £m
Revenue	**186.6**	177.5
Cost of sales	**(83.7)**	(72.7)
Gross profit	**102.9**	104.8
Administrative expenses	**(74.5)**	(70.3)
Other operating income	**10.4**	11.2
	38.8	45.7
Share of profit of joint ventures and associates	**29.3**	20.5
Analysed between share of:		
Operating profit before other income	**6.8**	5.4
Other operating income	**25.0**	17.7
Interest, tax and minority interests	**(2.5)**	(2.6)
Operating profit	**68.1**	66.2
Analysed between:		
Headline operating profit	**42.2**	43.4
Other operating income - Group	**10.4**	11.2
Other operating income - Share of joint ventures and associates	**25.0**	17.7
Impairment (included within administrative expenses)	**(7.0)**	(3.5)
Share of interest, tax and minority interests of joint ventures and associates	**(2.5)**	(2.6)
Finance income	**5.3**	1.8
Finance expense	**(9.0)**	(7.2)
Net finance expense	**(3.7)**	(5.4)
Profit before income tax	**64.4**	60.8
Income tax credit/ (expense)	**7.8**	(7.6)
Profit for the period	**72.2**	53.2
Attributable to:		
Equity holders of the parent	**68.9**	50.5
Minority interests	**3.3**	2.7
	72.2	53.2
Earnings per share		
Basic earnings per share (pence)	**23.3p**	17.4p
Diluted earnings per share (pence)	**23.3p**	17.3p

The financial results above all derive from continuing activities.

APPENDIX 3: Segmental reporting for the fourth quarter ended 31 December 2007

Fourth quarter ended 31 December 2007

	New York £m	Regional US £m	London £m	Rest of Europe £m	Asia £m	Australasia £m	Central costs £m	Total Group £m
Revenue								
Hotel	**32.0**	**27.4**	**25.4**	**27.6**	**54.8**	**12.6**	**-**	**179.8**
Property operations	**-**	**0.3**	**-**	**-**	**0.4**	**6.1**	**-**	**6.8**
Total	**32.0**	**27.7**	**25.4**	**27.6**	**55.2**	**18.7**	**-**	**186.6**
Hotel gross operating profit	**15.3**	**5.7**	**13.2**	**9.3**	**24.4**	**5.1**	**-**	**73.0**
Hotel fixed charges*	**(4.2)**	**(4.2)**	**(1.6)**	**(3.8)**	**(8.5)**	**(3.9)**	**-**	**(26.2)**
Hotel operating profit	**11.1**	**1.5**	**11.6**	**5.5**	**15.9**	**1.2**	**-**	**46.8**
Property operations operating profit/(loss)	**-**	**(9.7)**	**-**	**-**	**0.4**	**3.5**	**-**	**(5.8)**
Central costs	**-**	**-**	**-**	**-**	**-**	**-**	**(5.6)**	**(5.6)**
Share of joint ventures and associates operating profit	**-**	**-**	**-**	**-**	**6.8**	**-**	**-**	**6.8**
Headline operating profit/(loss)	**11.1**	**(8.2)**	**11.6**	**5.5**	**23.1**	**4.7**	**(5.6)**	**42.2**
Other operating income - Group	**-**	**-**	**-**	**-**	**10.4**	**-**	**-**	**10.4**
Other operating income – share of joint ventures and associates	**-**	**-**	**-**	**-**	**25.0**	**-**	**-**	**25.0**
Impairment	**-**	**(6.1)**	**-**	**(0.9)**	**-**	**-**	**-**	**(7.0)**
Share of interest, tax and minority interests of joint ventures and associates	**-**	**-**	**-**	**-**	**(2.5)**	**-**	**-**	**(2.5)**
Operating profit/(loss)	**11.1**	**(14.3)**	**11.6**	**4.6**	**56.0**	**4.7**	**(5.6)**	**68.1**
Net financing costs								**(3.7)**
Profit before tax								**64.4**

Fourth quarter ended 31 December 2006

	New York £m	Regional US £m	London £m	Rest of Europe £m	Asia £m	Australasia £m	Central costs £m	Total Group £m
Revenue								
Hotel	30.1	28.1	23.4	26.0	50.2	12.2	-	170.0
Property operations	-	0.4	-	-	0.4	6.7	-	7.5
Total	30.1	28.5	23.4	26.0	50.6	18.9	-	177.5
Hotel gross operating profit	14.2	6.3	11.9	7.9	22.8	5.4	-	68.5
Hotel fixed charges*	(1.5)	(4.5)	(4.0)	(4.7)	(10.0)	(1.7)	-	(26.4)
Hotel operating profit	12.7	1.8	7.9	3.2	12.8	3.7	-	42.1
Property operations operating profit/(loss)	-	(0.1)	-	-	-	3.1	-	3.0
Central costs	-	-	-	-	-	-	(7.1)	(7.1)
Share of joint ventures and associates operating profit	-	-	-	-	5.4	-	-	5.4
Headline operating profit/(loss)	12.7	1.7	7.9	3.2	18.2	6.8	(7.1)	43.4
Other operating income - Group	5.5	3.1	-	-	2.6	-	-	11.2
Other operating income – share of joint ventures and associates	-	-	-	-	17.7	-	-	17.7
Impairment	-	(0.6)	-	(2.9)	-	-	-	(3.5)
Share of interest, tax and minority interests of joint ventures and associates	-	-	-	-	(2.6)	-	-	(2.6)
Operating profit/(loss)	18.2	4.2	7.9	0.3	35.9	6.8	(7.1)	66.2
Net financing costs								(5.4)
Profit before tax								60.8

* ‘Hotel fixed charges’ include depreciation, amortisation of lease prepayments, property rent, taxes and insurance, operating lease rentals and management fees

APPENDIX 4: Non-GAAP measures for the fourth quarter ended 31 December 2007

Headline operating profit
Headline operating profit is the Group's measure of the underlying profit before interest and tax. It includes the operating results of joint ventures and associates but excludes other operating income (of Group and share of joint ventures and associates) and impairment.

	Fourth quarter ended 31 December 2007 £m	Fourth quarter ended 31 December 2006 £m
Profit before income tax	**64.4**	60.8
Adjusted to exclude:		
Fair value adjustments of investment property	**(8.7)**	(4.9)
Business interruption insurance proceeds	**-**	(5.5)
Net gain on disposal of property - sale and leaseback of 3 Singapore hotels	**(1.4)**	-
Gain on disposal of other property	**-**	(0.8)
Profit on disposal of stapled securities in CDLHT	**(0.3)**	-
Share of associate (CDLHT) fair value adjustments to investment property	**(25.0)**	(17.7)
Impairment	**7.0**	3.5
Headline profit before tax	**36.0**	35.4
Add back:		
Share of results of associates and joint ventures		
- interest	**0.8**	0.5
- taxation	**0.6**	1.0
- minority interests	**1.1**	1.1
Net financing costs	**3.7**	5.4
Headline operating profit	**42.2**	43.4

APPENDIX 5: Key operating statistics
for the fourth quarter ended 31 December 2007

	Fourth quarter ended 31 December 2007 Reported currency	Fourth quarter ended 31 December 2006 Constant currency	Fourth quarter ended 31 December 2006 Reported currency
Occupancy %			
New York	**88.8**		87.3
Regional US	**60.7**		62.7
Total US	**67.2**		68.4
London	**82.2**		85.4
Rest of Europe	**72.6**		72.3
Total Europe	**76.9**		78.1
Asia	**79.4**		78.4
Australasia	**72.7**		73.9
Total Group	**73.5**		74.1
Average Room Rate (£)			
New York	**174.91**	154.38	164.48
Regional US	**50.65**	47.63	50.36
Total US	**88.63**	79.14	84.04
London	**105.38**	92.61	92.61
Rest of Europe	**76.93**	73.15	71.76
Total Europe	**90.43**	82.58	81.86
Asia	**66.72**	57.02	58.36
Australasia	**45.57**	42.87	40.15
Total Group	**77.48**	69.01	70.48
RevPAR (£)			
New York	**155.32**	134.77	143.59
Regional US	**30.74**	29.86	31.58
Total US	**59.56**	54.13	57.48
London	**86.62**	79.09	79.09
Rest of Europe	**55.85**	52.89	51.88
Total Europe	**69.54**	64.49	63.93
Asia	**52.98**	44.70	45.75
Australasia	**33.13**	31.68	29.67
Total Group	**56.95**	51.14	52.23
Gross Operating Profit Margin (%)			
New York	**47.8**		47.2
Regional US	**20.8**		22.4
Total US	**35.4**		35.2
London	**52.0**		50.9
Rest of Europe	**33.7**		30.4
Total Europe	**42.5**		40.1
Asia	**44.5**		45.4
Australasia	**40.5**		44.3
Total Group	**40.6**		40.3

For comparability the 31 December 2006 Average Room Rate and RevPAR have been translated at 2007 average exchange rates.