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Miscellaneous

* Asterisks denote mandatory information

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Announcement is submitted with respect to *	CITY DEVELOPMENTS LIMITED
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Designation *	Company Secretary
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>> Announcement Details

The details of the announcement start here ...

Announcement Title * Announcement by Subsidiary Company, Millennium & Copthorne Hotels plc on Interim Management Statement for Third Quarter and Nine Months Results to 30 September 2013

Description Please see attached announcement released by Millennium & Copthorne Hotels plc on 6 November 2013

Attachments

 [06112013_MC_Q32013_results.pdf](#)
 Total size = **130K**
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MILLENNIUM & COPTHORNE HOTELS PLC
INTERIM MANAGEMENT STATEMENT
Third quarter and nine months results to 30 September 2013

Highlights for the third quarter 2013:

	Third Quarter 2013	Third Quarter 2012	Change	
RevPAR	£73.68	£71.23	£2.45	3.4%
Revenue	£197.1m	£191.2m	£5.9m	3.1%
Operating profit ¹	£31.2m	£33.4m ¹	(£2.2m)	(6.6%)
Profit before tax	£40.4m	£38.1m	£2.3m	6.0%
Basic earnings per share	10.0p	9.5p		

Highlights for the nine months 2013:

	Nine Months 2013	Nine Months 2012	Change	
RevPAR	£69.42	£66.81	£2.61	3.9%
Revenue	£566.2m	£565.1m	£1.1m	0.2%
Operating profit ¹	£76.6m	£93.2m ¹	(£16.6m)	(17.8%)
Profit before tax	£95.9m	£117.1m	(£21.2m)	(18.1%)
Basic earnings per share	24.2p	27.8p		

- Revenue increased by 3.1% to £197.1m in the third quarter of 2013 when compared to the same period last year (2012: £191.2m). The improvement in revenue was attributed by:
 - Revenue improvement from New York hotels;
 - Improved trading in regional US despite partial closure of Millennium Hotel St Louis;
 - Return to rooms inventory of recently refurbished hotels; and
 - Sale of land in New Zealand.
- European hotels, particularly those in London, benefited from an occupancy-led strategy that resulted in performance holding up well in the third quarter compared to last year which benefited from the Olympic effect.
- Challenging trading conditions persist in most Asian destinations as a result of economic uncertainty and local factors such as lower Japanese visitor numbers in Seoul.
- RevPAR for the third quarter rose by 3.4% to £73.68 (2012: £71.23) with occupancy growing to 76.5% (2012: 73.4%), offsetting a slight fall in average room rate to £96.35 (2012: £97.08).
- Operating profit in the third quarter fell year-on-year by 6.6% to £31.2m (2012: £33.4m), principally reflecting higher operating costs. Profit before tax recorded a 6.0% increase to £40.4m (2012: £38.1m) contributed by a higher share of profit from First Sponsor in the third quarter.
- For the first nine months of 2013, total revenue increased by 0.2% to £566.2m year-on-year (2012: £565.1m). RevPAR grew 3.9% to £69.42 (2012: £66.81). Profit before tax fell year-on-year by 18.1% to £95.9m (2012: £117.1m) reflecting lower operating profit and lower share of profit from joint ventures and associates.

Commenting today Mr Kwek Leng Beng, Chairman said:

“By adapting our sales approach to reflect prevailing trading conditions, the Group kept revenue steady during the third quarter of 2013. Performance has been supported by reinstated room sales from recently refurbished hotels together with land sales in New Zealand.”

Enquiries

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¹ The Directors have reassessed the presentation of the income statement in light of the Group's continuing evolution and best reporting practice and have made a number of disclosure and categorisation amendments to the income statement, together with relevant comparatives. The Directors consider that these adjustments better reflect the commercial dynamics of the Group and facilitate comparison with peers. The amendments have no impact on revenue, profit before tax or profit for the period.

This interim management statement contains certain statements that are or may be forward-looking with respect to the financial condition, results or operations and business of Millennium & Copthorne Hotels plc. By their nature forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. Undue reliance should not be placed on forward looking statements which speak only as of the date of this document. The Group accepts no obligation to publicly revise or update these forward-looking statements or adjust them to future events or developments, whether as a result of new information, future events or otherwise, except to the extent legally required.

BUSINESS REVIEW

Financial Performance

For the first nine-month period of 2013, total revenue increased by 0.2% year-on-year to £566.2m (2012: £565.1m). Operating profit was down by 17.8% to £76.6m (2012: £93.2m).

In the third quarter, total revenue increased by 3.1% to £197.1m (2012: £191.2m). Operating profit for the quarter fell by 6.6% to £31.2m (2012: £33.4m).

RevPAR increased by 3.9% to £69.42 (2012: £66.81) for the first nine months of the year. Average room rate increased slightly to £95.77 (2012: £94.10) and occupancy increased by 1.5 percentage points to 72.5% (2012: 71.0%). In the third quarter, RevPAR increased by 3.4%, driven by a 3.1 percentage points increase in occupancy to 76.5%. This offset a slight reduction in average room rates which fell by 0.8% to £96.35 over the same period (2012: £97.08). The Group shifted its strategic emphasis towards occupancy as a result of more challenging trading conditions in Asia. An occupancy-led strategy was also prevalent in Europe, after the rate-led strategy adopted for last year's London Olympic Games. US markets continued to recover in the third quarter, allowing more upward flexibility on average room rates.

Revenues were affected by the Group's refurbishment programme which saw a net 240,000 room nights removed from the inventory during the nine month period.

The Group's financial position remained strong with net cash at 30 September 2013 of £74.8m (31 December 2012: £52.2m). The Group had cash reserves of £418.1m and £244.8 undrawn committed bank facilities. Most of the facilities are unsecured with unencumbered assets representing 87.5% of our fixed assets and investment properties.

Asset Management

Hotel refurbishment programme

The Group's refurbishment programme for its existing hotels is making progress. Since the current programme commenced in 2011, £84.1m had been spent up to 30 September 2013, mainly on the refurbishment of several key hotels including ONE UN New York, Millennium Seoul Hilton, Millennium Hotel Minneapolis and Grand Hyatt Taipei.

£38.1m was spent under the programme in the first nine months of 2013, of which £6.3m was spent in the third quarter, mainly on the east wing of Grand Hyatt Taipei. A further £16.8m is anticipated to be spent in the final quarter of 2013, which means that total spending for 2013 will be lower than previously estimated. However, a significant number of refurbishment projects is ready to commence, subject to relevant consents.

New hotel development

Construction of the Group's new hotel in Tokyo's Ginza district continues to proceed according to plan. Demolition work completed on schedule in August 2013 and construction has commenced.

In Seoul, in addition to the second phase of refurbishment of Millennium Seoul Hilton, architectural detailing is underway for construction of the Group's first mixed-use development incorporating a business hotel and purpose-built serviced apartments on land acquired in April 2013.

Whilst the Group continues to analyse acquisition opportunities, asking prices in gateway cities are not currently supported by underlying profitability.

Other properties

Of the 150 apartments for sale at our Glyndebourne development, buyers have signed sales and purchase agreements for 147 units up to 30 September 2013, with gross sales value of S\$539.1m (£277.9m). Sales proceeds collected total S\$296.5m (£152.8m) representing approximately 55% of the sales value. Revenue, development costs and profit will be recognised and disclosed once the local authorities have granted occupation permits to purchasers. Barring unforeseen circumstances, this is expected in the last quarter of 2013.

The Group recognised profit of £4.0m from land sales in New Zealand during the third quarter of 2013.

We announced today that the Group has signed a Collective Sale Agreement ("CSA") with other unit-holders in Tanglin Shopping Centre, a shopping-cum-office complex situated within the Orchard Road tourist district in Singapore, in which the Group has approximately a 34% interest. This process will be directed by an independent sales committee, representing all unit-holders. In common with other unit-holders, the Group is bound by a confidentiality agreement with respect to the proposed disposal, which is highly conditional.

First Sponsor Capital Limited

The 196-room M Hotel Chengdu, part of the Cityspring project, soft-opened on 20 September 2013. It is managed by the Millennium & Copthorne Group. Construction of a Group-branded and managed hotel and conference centre at Millennium Waterfront has commenced.

Outlook

The Group held a steady course during the third quarter despite more competitive conditions in Singapore and South Korea, and the impact of refurbishments in Taipei. Current trading is broadly in line with management expectations.

Group RevPAR was up 5.8% in the first three weeks of trading in the current quarter on a reported currency basis, compared to the same period last year, with London up 12.6%, New York up 4.6% and Singapore down 4.6%. Rest of Asia was up 10.0%.

PERFORMANCE REVIEW

For comparability, the following regional review is based on calculations in constant currency whereby 30 September 2012 average room rate and RevPAR have been translated at average exchange rates for the period ended 30 September 2013. Full details are given in Appendices 1 and 2 of this statement.

EUROPE

Regional Performance – Europe	9 months 2013	9 months 2012 Constant Currency	Change
Hotel Revenue	£132.0m	£133.3m	(1.0%)
Occupancy	77.8%	75.9%	1.9%*
Average Room Rate	£98.72	£101.61	(2.8%)
RevPAR	£76.82	£77.11	(0.4%)

Regional Performance – London	9 months 2013	9 months 2012 Constant Currency	Change
Hotel Revenue	£80.8m	£81.2m	(0.5%)
Occupancy	84.8%	79.9%	4.9%*
Average Room Rate	£126.28	£133.55	(5.4%)
RevPAR	£107.02	£106.69	0.3%

Regional Performance - Rest of Europe (including Middle East)	9 months 2013	9 months 2012 Constant Currency	Change
Hotel Revenue	£51.2m	£52.1m	(1.7%)
Occupancy	71.2%	72.1%	(0.9%)*
Average Room Rate	£67.68	£68.12	(0.6%)
RevPAR	£48.21	£49.12	(1.9%)

* % points

Europe saw an overall decrease in RevPAR of 0.4% for the nine-month period to 30 September 2013, when compared to the same period in 2012. In the third quarter of 2013, RevPAR was down 4.3% year-on-year, which in part reflected the strong performance of London during the corresponding Olympics quarter in 2012. Occupancy in the third quarter was up 3.7 percentage points at 84.3% (2012: 80.6%), whilst average room rate fell by 8.5% to £101.62 (2012: £111.06).

London RevPAR was down 4.3% to £122.74 in the third quarter (2012: £128.31), with occupancy up 8.0 percentage points on the corresponding period last year and average room rate down 12.7% at £133.38, again reflecting the absence of the Olympic Games in the current year. London has succeeded in attracting a greater number of visitors from China and the Middle East during 2013, which accounted for a significant proportion of the increase in occupancy.

RevPAR in Rest of Europe was down year-on year by 4.2% in the third quarter to £50.55 (2012: £52.76). Occupancy was down 0.4 percentage points, whilst average room rate fell by 3.7% to £65.67 (2012: £68.18).

ASIA

Regional Performance – Asia	9 months 2013	9 months 2012 Constant Currency	Change
Hotel Revenue	£219.5m	£237.4m	(7.5%)
Occupancy	75.8%	77.5%	(1.7%)*
Average Room Rate	£98.91	£102.95	(3.9%)
RevPAR	£74.99	£79.78	(6.0%)

Regional Performance – Singapore	9 months 2013	9 months 2012 Constant Currency	Change
Hotel Revenue	£109.5m	£115.4m	(5.1%)
Occupancy	86.7%	88.3%	(1.6%)*
Average Room Rate	£110.83	£118.65	(6.6%)
RevPAR	£96.06	£104.73	(8.3%)

Regional Performance - Rest of Asia	9 months 2013	9 months 2012 Constant Currency	Change
Hotel Revenue	£110.0m	£122.0m	(9.8%)
Occupancy	68.2%	70.5%	(2.3%)*
Average Room Rate	£88.33	£90.22	(2.1%)
RevPAR	£60.26	£63.62	(5.3%)

* % points

Guestroom inventory was reduced throughout the nine-month period as a result of the refurbishment of Grand Hyatt Taipei.

Asia RevPAR fell by 4.2% year-on year in the third quarter of 2013 to £71.74 (2012: £74.91), with occupancy up by 0.1 percentage point at 75.2% (2012: 75.1%). Average room rate for the region for the three months in 2013 fell by 4.3% to £95.44 (2012: £99.72).

Whilst there are signs that the decline in the Singapore hospitality sector has slowed, there continues to be concern about rising labour costs as a result of current government policy. Lower occupancy and room rates contributed to a reduction in RevPAR of 7.1% to £93.14 over the third quarter (2012: £100.31).

Third quarter RevPAR for the Rest of Asia decreased by 1.8% to £56.64 (2012: £57.66). Millennium Seoul Hilton continues to be affected by the reduction in Japanese visitor numbers as a result of political tensions. Third quarter occupancy for Seoul was 3% down on the comparative period in 2012, whilst average room rate was down by 12%. This is, however, a significant improvement on performance during the first six months, when occupancy was down by 20%. Grand Hyatt Taipei was adversely affected by refurbishment of the east wing whilst Heritage Hotel Manila is seeing fewer guests following the closure of its casino in July 2013.

UNITED STATES

Regional Performance – USA	9 months 2013	9 months 2012 Constant Currency	Change
Hotel Revenue	£162.7m	£160.8m	1.2%
Occupancy	67.6%	64.9%	2.7%*
Average Room Rate	£101.59	£95.31	6.6%
RevPAR	£68.64	£61.87	10.9%

Regional Performance – New York	9 months 2013	9 months 2012 Constant Currency	Change
Hotel Revenue	£77.0m	£71.1m	8.3%
Occupancy	83.9%	79.7%	4.2%*
Average Room Rate	£158.64	£154.43	2.7%
RevPAR	£133.03	£123.14	8.0%

Regional Performance - Regional US	9 months 2013	9 months 2012 Constant Currency	Change
Hotel Revenue	£85.7m	£89.7m	(4.5%)
Occupancy	61.6%	60.0%	1.6%*
Average Room Rate	£72.96	£69.44	5.1%
RevPAR	£44.92	£41.69	7.7%

* % points

In the nine months to 30 September 2013, US RevPAR increased year-on-year by 10.9% to £68.64 (2012: £61.87) mainly as a result of the higher room rate at ONE UN New York and Millennium Hotel Minneapolis.

In the 3 months to 30 September 2013, US RevPAR increased by 13.5% to £78.57 when compared to the same period in the prior year (2012: £69.21). New York RevPAR increased by 11.5% to £147.59 (2012: £132.41) in the third quarter principally due to ONE UN New York.

Regional US performance continues to show signs of recovery with RevPAR growth of 9.2% to £52.86 in the third quarter over last year (2012: £48.40), with a strong performance from Millennium Maxwell House Nashville and Millennium Hotel Minneapolis. Regional hotel revenue was lower than prior year because of room closures pending refurbishment at some hotels, the largest of which was Millennium Hotel St Louis.

AUSTRALASIA

Regional Performance – Australasia	9 months 2013	9 months 2012 Constant Currency	Change
Hotel Revenue	£31.6m	£33.5m	(5.7%)
Occupancy	66.8%	62.4%	4.4%*
Average Room Rate	£56.77	£56.72	0.1%
RevPAR	£37.94	£35.37	7.3%

* % points

The Group's Australasian hotels enjoyed their third consecutive quarter of RevPAR growth. RevPAR increased by 2.5% for the three months to 30 September 2013 over the prior year comparative period, due to increased occupancy.

The fall in total revenue for the nine-month period when compared to the same period in 2012 is due to the inclusion of Kingsgate Hotel Parnell Auckland (closed in July 2012), and increased insurance receipts relating to the Christchurch earthquake in the 2012 comparatives. On a like-for-like basis, revenue increased by 2.4%.

Demolition of Copthorne Hotel Christchurch Central has begun and is substantially complete. The Group is in discussion with territorial authorities as to the future of the site, freehold of which is owned by the Group, but no conclusion has been reached.

**Condensed consolidated income statement (unaudited)
for the nine months ended 30 September 2013**

	Notes	Third Quarter 2013 £m	Restated ¹ Third Quarter 2012 £m	Nine Months 2013 £m	Restated ¹ Nine Months 2012 £m	Restated ¹ Full Year 2012 £m
Revenue	3	197.1	191.2	566.2	565.1	768.3
Cost of sales		(80.3)	(74.7)	(234.4)	(223.8)	(305.7)
Gross profit		116.8	116.5	331.8	341.3	462.6
Administrative expenses		(85.5)	(82.3)	(255.1)	(247.4)	(334.4)
Other operating income	4	-	0.3	0.3	0.6	12.9
Other operating expense	4	(0.1)	(1.1)	(0.4)	(1.3)	(1.4)
Operating profit		31.2	33.4	76.6	93.2	139.7
Share of profit of joint ventures and associates	4	10.5	6.1	22.9	28.2	37.2
Finance income		1.5	1.3	5.1	4.8	6.6
Finance expense		(2.8)	(2.7)	(8.7)	(9.1)	(12.2)
Net finance expense		(1.3)	(1.4)	(3.6)	(4.3)	(5.6)
Profit before tax	3	40.4	38.1	95.9	117.1	171.3
Income tax expense	5	(6.2)	(6.6)	(11.3)	(21.6)	(24.6)
Profit for the period		34.2	31.5	84.6	95.5	146.7
Attributable to:						
Equity holders of the parent		32.4	30.7	78.5	89.1	135.0
Non-controlling interests		1.8	0.8	6.1	6.4	11.7
		34.2	31.5	84.6	95.5	146.7
Basic earnings per share (pence)	6	10.0p	9.5p	24.2p	27.8p	42.0p
Diluted earnings per share (pence)	6	9.9p	9.4p	24.1p	27.7p	41.8p

The financial results above derive from continuing activities.

¹ The Directors have reassessed the presentation of the income statement in light of the Group's continuing evolution and best reporting practice and have made a number of disclosure and categorisation amendments to the income statement, together with relevant comparatives. The Directors consider that these adjustments better reflect the commercial dynamics of the Group and facilitate comparison with peers. The amendments have no impact on revenue, profit before tax or profit for the period.

**Condensed consolidated statement of comprehensive income
for the nine months ended 30 September 2013**

	Nine Months 2013 £m	Nine Months 2012 £m	Full Year 2012 £m
Profit for the period	84.6	95.5	146.7
Other comprehensive income/(expense):			
Items that are not reclassified subsequently to income statement:			
Defined benefit plan actuarial losses	-	(2.3)	(3.7)
Income tax on items that are not reclassified to income statement	-	0.5	0.6
	-	(1.8)	(3.1)
Items that may be reclassified subsequently to income statement:			
Foreign currency translation differences - foreign operations	(25.7)	(22.2)	(5.5)
Foreign currency translation differences - equity accounted investees	(2.3)	(4.2)	0.8
Net gain on hedge of net investments in foreign operations	2.1	3.6	3.0
Share of joint ventures and associates other reserve movements	(0.1)	0.1	0.1
Effective portion of changes in fair value of cash flow hedges	0.1	0.1	0.3
	(25.9)	(22.6)	(1.3)
Other comprehensive expense for the period, net of tax	(25.9)	(24.4)	(4.4)
Total comprehensive income for the period	58.7	71.1	142.3
Total comprehensive income attributable to:			
Equity holders of the parent	54.6	66.8	132.4
Non-controlling interests	4.1	4.3	9.9
Total comprehensive income for the period	58.7	71.1	142.3

**Condensed consolidated statement of financial position
as at 30 September 2013**

	Note	As at 30 September 2013 £m	As at 30 September 2012 £m	As at 31 December 2012 £m
Non-current assets				
Property, plant and equipment		2,079.2	2,034.2	2,051.7
Lease premium prepayment		44.1	44.3	44.4
Investment properties		160.3	173.3	169.1
Investments in joint ventures and associates		438.1	424.8	439.9
Loans due from associate		-	42.1	29.1
Other financial assets		8.0	7.2	7.9
		2,729.7	2,725.9	2,742.1
Current assets				
Inventories		3.4	3.8	3.8
Development properties		190.1	165.1	172.6
Lease premium prepayment		1.4	1.3	1.4
Trade and other receivables		77.4	85.9	67.6
Loans due from associate		18.6	-	18.5
Cash and cash equivalents	7	418.1	365.2	396.7
		709.0	621.3	660.6
Total assets		3,438.7	3,347.2	3,402.7
Non-current liabilities				
Loans due to associate		(19.3)	(16.2)	(16.4)
Interest-bearing loans, bonds and borrowings		(243.1)	(194.3)	(152.6)
Employee benefits		(17.5)	(20.1)	(17.2)
Provisions		(7.5)	(7.5)	(7.5)
Other non-current liabilities		(267.2)	(230.4)	(238.0)
Deferred tax liabilities		(224.6)	(232.5)	(228.1)
		(779.2)	(701.0)	(659.8)
Current liabilities				
Interest-bearing loans, bonds and borrowings		(100.2)	(159.0)	(191.9)
Trade and other payables		(152.3)	(163.9)	(154.6)
Other current financial liabilities		(0.4)	(1.5)	(2.4)
Provisions		(6.3)	(7.3)	(6.3)
Income taxes payable		(18.4)	(22.4)	(24.9)
		(277.6)	(354.1)	(380.1)
Total liabilities		(1,056.8)	(1,055.1)	(1,039.9)
Net assets		2,381.9	2,292.1	2,362.8
Equity				
Issued share capital		97.4	97.4	97.4
Share premium		843.2	842.9	843.0
Translation reserve		238.6	241.8	262.6
Cash flow hedge reserve		(0.1)	(0.4)	(0.2)
Treasury share reserve		(2.2)	(2.2)	(2.2)
Retained earnings		1,018.4	930.7	975.4
Total equity attributable to equity holders of the parent		2,195.3	2,110.2	2,176.0
Non-controlling interests		186.6	181.9	186.8
Total equity		2,381.9	2,292.1	2,362.8

**Condensed consolidated statement of cash flows
for the nine months ended 30 September 2013**

	Nine Months 2013 £m	Nine Months 2012 £m	Full Year 2012 £m
Cash flows from operating activities			
Profit for the period	84.6	95.5	146.7
<i>Adjustments for:</i>			
Depreciation and amortisation	28.3	25.7	34.6
Share of profit of joint ventures and associates	(22.9)	(28.2)	(37.2)
Other operating income/expense	0.1	0.7	(11.5)
Equity settled share-based transactions	1.8	1.8	2.0
Finance income	(5.1)	(4.8)	(6.6)
Finance expense	8.7	9.1	12.2
Income tax expense	11.3	21.6	24.6
Operating profit before changes in working capital and provisions	106.8	121.4	164.8
(Increase)/decrease in inventories, trade and other receivables	(9.5)	(15.5)	2.8
Increase in development properties	(17.4)	(13.6)	(21.2)
Increase in trade and other payables	27.0	57.8	54.6
Increase/(decrease) in provisions and employee benefits	-	0.3	(5.0)
Cash generated from operations	106.9	150.4	196.0
Interest paid	(6.1)	(7.1)	(9.2)
Interest received	4.1	2.7	5.2
Income tax paid	(26.7)	(28.3)	(32.7)
Net cash generated from operating activities	78.2	117.7	159.3
Cash flows from investing activities			
Dividends received from joint venture and associate	55.7	23.6	23.7
Decrease in loans due from associate	30.3	25.5	19.5
Increase in investment in associate	(34.4)	(3.7)	(4.9)
Proceeds from sale of shares in associate	1.4	2.8	2.8
Net proceeds from sale of property, plant and equipment	-	0.1	18.7
Acquisition of property, plant and equipment, lease premium prepayment and investment properties	(66.7)	(37.0)	(55.8)
Net cash generated (used in)/from investing activities	(13.7)	11.3	4.0
Cash flows from financing activities			
Proceeds from issue of share capital	0.2	0.4	0.5
Repayment of borrowings	(100.4)	(59.6)	(66.8)
Drawdown of borrowings	106.1	24.9	28.3
Payment of transaction costs related to borrowings	(0.3)	(0.6)	(0.9)
Payment on termination of financial instruments	(2.1)	-	-
Dividends paid to non-controlling interests	(4.3)	(3.5)	(4.2)
Increase in loan due to associate	2.6	5.0	5.0
Dividends paid to equity holders of the parent	(37.3)	(24.5)	(24.5)
Net cash used in financing activities	(35.5)	(57.9)	(62.6)
Net increase in cash and cash equivalents	29.0	71.1	100.7
Cash and cash equivalents at beginning of the period	379.0	275.3	275.3
Effect of exchange rate fluctuations on cash held	(5.4)	(0.5)	3.0
Cash and cash equivalents at end of the period	402.6	345.9	379.0
Reconciliation of cash and cash equivalents			
Cash and cash equivalents shown in the consolidated statement of financial position	418.1	365.2	396.7
Bank overdrafts included in borrowings	(15.5)	(19.3)	(17.7)
Cash and cash equivalents for consolidated statement of cash flows	402.6	345.9	379.0

**Condensed consolidated statement of changes in equity
for the nine months ended 30 September 2013**

	Share capital £m	Share premium £m	Translation reserve £m	Cash flow hedge reserve £m	Treasury share reserve £m	Retained earnings £m	Total excluding non-controlling interests £m	Non-controlling interests £m	Total equity £m
Balance as at 1 January 2012	95.3	844.3	262.5	(0.5)	(2.2)	867.1	2,066.5	181.1	2,247.6
Profit	-	-	-	-	-	89.1	89.1	6.4	95.5
Total other comprehensive income	-	-	(20.7)	0.1	-	(1.7)	(22.3)	(2.1)	(24.4)
Total comprehensive income for the period	-	-	(20.7)	0.1	-	87.4	66.8	4.3	71.1
Transactions with owners, recorded directly in equity									
Contributions by and distribution to owners									
Dividends - equity holders	-	-	-	-	-	(52.5)	(52.5)	-	(52.5)
Issue of shares in lieu of dividends	1.7	(1.7)	-	-	-	28.0	28.0	-	28.0
Dividends - non controlling interests	-	-	-	-	-	-	-	(3.5)	(3.5)
Share-based payment transactions (net of tax)	-	-	-	-	-	1.0	1.0	-	1.0
Share options exercised	0.4	0.3	-	-	-	(0.3)	0.4	-	0.4
Total contributions by and distributions to owners	2.1	(1.4)	-	-	-	(23.8)	(23.1)	(3.5)	(26.6)
Total transactions with owners	2.1	(1.4)	-	-	-	(23.8)	(23.1)	(3.5)	(26.6)
Balance as at 30 September 2012	97.4	842.9	241.8	(0.4)	(2.2)	930.7	2,110.2	181.9	2,292.1
Profit	-	-	-	-	-	45.9	45.9	5.3	51.2
Total other comprehensive income	-	-	20.8	0.2	-	(1.3)	19.7	0.3	20.0
Total comprehensive income for the period	-	-	20.8	0.2	-	44.6	65.6	5.6	71.2
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Dividends - non-controlling interests	-	-	-	-	-	-	-	(0.7)	(0.7)
Share-based payment transactions (net of tax)	-	-	-	-	-	0.1	0.1	-	0.1
Share options exercised	-	0.1	-	-	-	-	0.1	-	0.1
Total contributions by and distributions to owners	-	0.1	-	-	-	0.1	0.2	(0.7)	(0.5)
Total transactions with owners	-	0.1	-	-	-	0.1	0.2	(0.7)	(0.5)
Balance as at 31 December 2012	97.4	843.0	262.6	(0.2)	(2.2)	975.4	2,176.0	186.8	2,362.8
Balance as at 1 January 2013	97.4	843.0	262.6	(0.2)	(2.2)	975.4	2,176.0	186.8	2,362.8
Profit	-	-	-	-	-	78.5	78.5	6.1	84.6
Total other comprehensive income	-	-	(24.0)	0.1	-	-	(23.9)	(2.0)	(25.9)
Total comprehensive income for the period	-	-	(24.0)	0.1	-	78.5	54.6	4.1	58.7
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Dividends - equity holders	-	-	-	-	-	(37.3)	(37.3)	-	(37.3)
Dividends - non-controlling interests	-	-	-	-	-	-	-	(4.3)	(4.3)
Share-based payment transactions (net of tax)	-	-	-	-	-	1.8	1.8	-	1.8
Share options exercised	-	0.2	-	-	-	-	0.2	-	0.2
Total contributions by and distributions to owners	-	0.2	-	-	-	(35.5)	(35.3)	(4.3)	(39.6)
Total transactions with owners	-	0.2	-	-	-	(35.5)	(35.3)	(4.3)	(39.6)
Balance as at 30 September 2013	97.4	843.2	238.6	(0.1)	(2.2)	1,018.4	2,195.3	186.6	2,381.9

Notes to the condensed consolidated financial statements

1. General information

Basis of preparation

The third quarter results announcement for Millennium & Copthorne Hotels plc ("the Company") as at and for the period ended 30 September 2013 comprise the Company and its subsidiaries (together referred to as "the Group") and the Group's interests in joint ventures and associates.

The financial information set out in this interim management statement does not constitute the Group's statutory accounts for the period ended 30 September 2013. Statutory accounts for 2012 has been delivered to the registrar of companies following the Annual General Meeting held on 2 May 2013. The auditors have reported on those accounts; their reports were (i) unqualified; (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report; and (iii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

Whilst the financial information included in this interim management statement has been prepared in accordance with IFRS as adopted by the EU, this statement does not itself contain sufficient information to comply with all disclosure requirements of IFRS. Information contained in this statement relating to the year ended 31 December 2012 has been extracted from the full IFRS compliant Annual Report and Accounts that was approved on 21 February 2013.

The results have been prepared by applying the accounting policies and presentation that were used in the preparation of the Group's published consolidated financial statements for the financial year ended 31 December 2012 and which were prepared in accordance with IFRS as adopted by the EU. The consolidated financial statements of the Group for the financial year ended 31 December 2012 are available from the Company's website <http://www.millenniumhotels.com/corporate/news-and-regulatory-announcements.html>

The nine months results were approved by the Board of Directors on 5 November 2013.

The financial statements are presented in the Company's functional currency of sterling, rounded to the nearest hundred thousand.

The Directors have reassessed the presentation of the income statement in light of the group's continuing evolution and best reporting practice and have made a number of disclosure and categorisation amendments to the income statement, together with relevant comparatives. The Directors consider that these adjustments better reflect the commercial dynamics of the Group and facilitate comparison with peers. The amendments have no impact on revenue, profit before tax or profit for the year.

Non-GAAP information

Net cash/debt and gearing percentage

An analysis of net cash/debt and calculated gearing percentage is provided in note 7 'Non-GAAP measures'.

Notes to the condensed consolidated financial statements

2. Foreign currency translation

The Company publishes its Group financial statements in sterling. However, the majority of the Company's subsidiaries, joint ventures and associates report their revenue, costs, assets and liabilities in currencies other than sterling. The Company translates the revenue, costs, assets and liabilities of those subsidiaries, joint ventures and associates into sterling, and this translation of other currencies into sterling could materially affect the amount of these items in the Group's financial statements, even if their values have not changed in their original currencies. The following table sets out the sterling exchange rates of the other principal currencies of the Group.

Currency (=£)	As at		As at 31	Average for 9 month		Average for 3 month		Average for
	30 September	2012	December	January-September	2012	July-September	2012	the year
	2013		2012	2013		2013		2012
US dollar	1.609	1.616	1.614	1.551	1.584	1.563	1.582	1.589
Singapore dollar	2.018	1.992	1.973	1.940	1.992	1.976	1.992	1.985
New Taiwan dollar	47.703	47.539	46.865	46.081	46.649	46.510	46.548	46.713
New Zealand dollar	1.940	1.971	1.966	1.897	1.961	1.942	1.960	1.960
Malaysian ringgit	5.172	4.983	4.945	4.866	4.913	5.053	4.907	4.913
Korean won	1,729.48	1,810.82	1,729.19	1,710.76	1,800.99	1,718.78	1,800.21	1,785.34
Chinese renminbi	9.845	10.189	10.066	9.571	9.940	9.580	9.917	9.961
Euro	1.190	1.256	1.218	1.177	1.228	1.173	1.224	1.229
Japanese yen	159.172	125.593	138.262	148.092	125.277	153.093	125.298	126.452

3. Operating segment information

Disclosure of segmental information is principally presented in respect of the Group's geographical segments.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items principally comprise: interest-bearing loans, borrowings, cash and cash equivalents, net finance expense, taxation balances and corporate expenses.

Geographical segments

The hotel and property operations are managed on a worldwide basis and operate in seven principal geographical areas as follows:

- New York
- Regional US
- London
- Rest of Europe (including the Middle East)
- Singapore
- Rest of Asia
- Australasia

The segments reported reflect the operating segment information included in the internal reports that the Chief Operating Decision Maker ("CODM"), which is the Board, regularly reviews.

The reportable segments are aligned with the structure of the Group's internal organisation which is based according to geographical region. Discrete financial information is reported to and is reviewed by the CODM on a geographical basis. Operating segments have Chief Operating Officers ("COOs") or equivalent who are directly accountable for the functioning of their segments and who maintain regular contact with the Chief Executive Officer and Chairman of the CODM to discuss the operational and financial performance. The CODM makes decisions about allocation of resources to the regions managed by the COOs.

Notes to the condensed consolidated financial statements

3. Operating segment information (continued)

	Third Quarter 2013								
	New York £m	Regional US £m	London £m	Rest of Europe £m	Singapore £m	Rest of Asia £m	Australasia £m	Central Costs £m	Total Group £m
Revenue									
Hotel	28.8	32.6	30.4	17.8	35.4	33.1	9.6	-	187.7
Property operations	-	0.5	-	-	0.6	-	8.3	-	9.4
Total revenue	28.8	33.1	30.4	17.8	36.0	33.1	17.9	-	197.1
Hotel gross operating profit	8.3	8.0	16.8	4.2	17.5	10.1	3.7	-	68.6
Hotel fixed charges ¹	(4.8)	(4.1)	(3.6)	(3.0)	(10.5)	(6.9)	(1.2)	-	(34.1)
Hotel operating profit	3.5	3.9	13.2	1.2	7.0	3.2	2.5	-	34.5
Property operating profit/(loss)	-	(0.2)	-	-	0.2	-	3.9	-	3.9
Central costs	-	-	-	-	-	-	-	(7.1)	(7.1)
Other operating expense ²	-	-	-	-	-	(0.1)	-	-	(0.1)
Operating profit/(loss)	3.5	3.7	13.2	1.2	7.2	3.1	6.4	(7.1)	31.2
Share of profit of joint ventures and associates	-	-	-	-	2.6	6.6	1.3	-	10.5
Add: Depreciation and amortisation	1.6	1.7	1.1	0.9	-	3.7	0.5	0.3	9.8
EBITDA ³	5.1	5.4	14.3	2.1	9.8	13.4	8.2	(6.8)	51.5
Less: Depreciation and amortisation									(9.8)
Net finance expense									(1.3)
Profit before tax									40.4

	Third Quarter 2012 (Restated) ⁴								
	New York £m	Regional US £m	London £m	Rest of Europe £m	Singapore £m	Rest of Asia £m	Australasia £m	Central Costs £m	Total Group £m
Revenue									
Hotel	24.3	32.7	31.3	17.8	37.0	34.8	9.8	-	187.7
Property operations	-	0.4	-	-	0.5	0.1	2.5	-	3.5
Total revenue	24.3	33.1	31.3	17.8	37.5	34.9	12.3	-	191.2
Hotel gross operating profit	5.8	8.0	19.1	4.5	19.7	11.8	4.0	-	72.9
Hotel fixed charges ¹	(4.5)	(4.5)	(3.6)	(2.6)	(11.5)	(5.9)	(1.2)	-	(33.8)
Hotel operating profit	1.3	3.5	15.5	1.9	8.2	5.9	2.8	-	39.1
Property operating profit/(loss)	-	(0.3)	-	-	0.4	-	0.9	-	1.0
Central costs	-	-	-	-	-	-	-	(5.9)	(5.9)
Other operating income ²	-	-	-	-	0.3	-	-	-	0.3
Other operating expense ²	-	-	-	-	-	(1.1)	-	-	(1.1)
Operating profit/(loss)	1.3	3.2	15.5	1.9	8.9	4.8	3.7	(5.9)	33.4
Share of profit of joint ventures and associates	-	-	-	-	3.5	1.6	1.0	-	6.1
Add: Depreciation and amortisation	1.1	1.6	1.1	0.8	0.1	2.8	0.7	0.2	8.4
EBITDA ³	2.4	4.8	16.6	2.7	12.5	9.2	5.4	(5.7)	47.9
Less: Depreciation and amortisation									(8.4)
Net finance expense									(1.4)
Profit before tax									38.1

Notes to the condensed consolidated financial statements

3. Operating segment information (continued)

	Nine Months 2013								
	New York £m	Regional US £m	London £m	Rest of Europe £m	Singapore £m	Rest of Asia £m	Australasia £m	Central Costs £m	Total Group £m
Revenue									
Hotel	77.0	85.7	80.8	51.2	109.5	110.0	31.6	-	545.8
Property operations	-	1.4	-	-	1.8	-	17.2	-	20.4
Total revenue	77.0	87.1	80.8	51.2	111.3	110.0	48.8	-	566.2
Hotel gross operating profit	16.9	14.9	43.7	11.9	55.5	37.8	13.0	-	193.7
Hotel fixed charges ¹	(14.6)	(12.7)	(11.2)	(9.0)	(33.0)	(19.3)	(3.6)	-	(103.4)
Hotel operating profit	2.3	2.2	32.5	2.9	22.5	18.5	9.4	-	90.3
Property operating profit/(loss)	-	(0.6)	-	-	0.7	-	8.0	-	8.1
Central costs	-	-	-	-	-	-	-	(21.7)	(21.7)
Other operating income ²	-	-	-	-	0.3	-	-	-	0.3
Other operating expense ²	-	-	-	-	-	(0.4)	-	-	(0.4)
Operating profit/(loss)	2.3	1.6	32.5	2.9	23.5	18.1	17.4	(21.7)	76.6
Share of profit of joint ventures and associates	-	-	-	-	8.6	10.5	3.8	-	22.9
Add: Depreciation and amortisation	4.9	5.1	3.4	2.7	0.1	9.8	1.5	0.8	28.3
EBITDA ³	7.2	6.7	35.9	5.6	32.2	38.4	22.7	(20.9)	127.8
Less: Depreciation and amortisation									(28.3)
Net finance expense									(3.6)
Profit before tax									95.9

	Nine Months 2012 (Restated) ⁴								
	New York £m	Regional US £m	London £m	Rest of Europe £m	Singapore £m	Rest of Asia £m	Australasia £m	Central Costs £m	Total Group £m
Revenue									
Hotel	69.6	87.8	81.2	51.5	112.3	118.6	32.4	-	553.4
Property operations	-	1.2	-	-	1.7	0.1	8.7	-	11.7
Total revenue	69.6	89.0	81.2	51.5	114.0	118.7	41.1	-	565.1
Hotel gross operating profit	14.3	17.3	46.3	12.4	60.8	46.2	14.5	-	211.8
Hotel fixed charges ¹	(13.3)	(14.0)	(10.9)	(8.2)	(35.4)	(17.5)	(5.0)	-	(104.3)
Hotel operating profit	1.0	3.3	35.4	4.2	25.4	28.7	9.5	-	107.5
Property operating profit/(loss)	-	(0.6)	-	-	0.9	-	3.4	-	3.7
Central costs	-	-	-	-	-	-	-	(17.3)	(17.3)
Other operating income ²	-	-	-	-	0.6	-	-	-	0.6
Other operating expense ²	-	-	-	-	-	(1.3)	-	-	(1.3)
Operating profit/(loss)	1.0	2.7	35.4	4.2	26.9	27.4	12.9	(17.3)	93.2
Share of profit of joint ventures and associates	-	-	-	-	9.8	14.8	3.6	-	28.2
Add: Depreciation and amortisation	3.4	5.0	3.5	2.7	0.2	8.3	1.7	0.9	25.7
EBITDA ³	4.4	7.7	38.9	6.9	36.9	50.5	18.2	(16.4)	147.1
Less: Depreciation and amortisation									(25.7)
Net finance expense									(4.3)
Profit before tax									117.1

Notes to the condensed consolidated financial statements

3. Operating segment information (continued)

	Full Year 2012 (Restated) ⁴								
	New York £m	Regional US £m	London £m	Rest of Europe £m	Singapore £m	Rest of Asia £m	Australasia £m	Central Costs £m	Total Group £m
Revenue									
Hotel	99.5	115.3	108.4	70.3	152.3	159.2	44.4	-	749.4
Property operations	-	1.6	-	-	2.2	0.1	15.0	-	18.9
Total revenue	99.5	116.9	108.4	70.3	154.5	159.3	59.4	-	768.3
Hotel gross operating profit	24.3	22.0	61.8	17.2	81.6	61.2	20.5	-	288.6
Hotel fixed charges ¹	(18.5)	(18.9)	(14.9)	(12.3)	(48.1)	(23.9)	(6.3)	-	(142.9)
Hotel operating profit	5.8	3.1	46.9	4.9	33.5	37.3	14.2	-	145.7
Property operating profit/(loss)	-	(1.0)	-	-	1.3	-	5.9	-	6.2
Central costs	-	-	-	-	-	-	-	(23.7)	(23.7)
Other operating income ²	-	-	-	-	2.4	-	10.5	-	12.9
Other operating expense ²	-	-	-	-	-	(1.4)	-	-	(1.4)
Operating profit/(loss)	5.8	2.1	46.9	4.9	37.2	35.9	30.6	(23.7)	139.7
Share of profit of joint ventures and associates	-	-	-	-	15.8	16.8	4.6	-	37.2
Add: Depreciation and amortisation	5.0	6.5	4.7	3.6	0.2	11.3	2.1	1.2	34.6
EBITDA ³	10.8	8.6	51.6	8.5	53.2	64.0	37.3	(22.5)	211.5
Less: Depreciation and amortisation									(34.6)
Net finance expense									(5.6)
Profit before tax									171.3

¹ Hotel fixed charges include depreciation, amortisation of lease premium prepayments, property rent, taxes and insurance, operating lease rentals and management fees.

² See note 4 for details of other operating income and expense.

³ EBITDA is earnings before interest, tax, depreciation and amortisation.

⁴ The Directors have reassessed the presentation of the income statement in light of the Group's continuing evolution and best reporting practice and have made a number of disclosure and categorisation amendments to the income statement, together with relevant comparatives. The Directors consider that these adjustments better reflect the commercial dynamics of the Group and facilitate comparison with peers. The amendments have no impact on revenue, profit before tax or profit for the period.

Notes to the condensed consolidated financial statements

3. Operating segment information (continued)

Segmental assets and liabilities

As at 30 September 2013	New York £m	Regional US £m	London £m	Rest of Europe £m	Singapore £m	Rest of Asia £m	Australasia £m	Total Group £m
Hotel operating assets	348.4	285.8	435.5	192.1	146.2	652.1	149.9	2,210.0
Hotel operating liabilities	(12.5)	(34.4)	(15.8)	(31.5)	(140.5)	(52.3)	(7.7)	(294.7)
Investment in and loans due from joint ventures and associates	-	-	-	-	161.8	83.8	58.6	304.2
Loans due to associate	-	-	-	-	-	(19.3)	-	(19.3)
Total hotel operating net assets	335.9	251.4	419.7	160.6	167.5	664.3	200.8	2,200.2
Property operating assets	-	28.3	-	-	190.5	65.0	70.1	353.9
Property operating liabilities	-	(0.3)	-	-	(154.9)	(0.5)	(0.8)	(156.5)
Investment in and loans due from joint ventures and associates	-	-	-	-	18.6	133.9	-	152.5
Total property operating net assets	-	28.0	-	-	54.2	198.4	69.3	349.9
Deferred tax liabilities								(224.6)
Income taxes payable								(18.4)
Net cash								74.8
Net assets								2,381.9

As at 30 September 2012	New York £m	Regional US £m	London £m	Rest of Europe £m	Singapore £m	Rest of Asia £m	Australasia £m	Total Group £m
Hotel operating assets	346.3	271.7	439.7	192.8	150.1	614.6	159.3	2,174.5
Hotel operating liabilities	(11.6)	(50.1)	(27.2)	(31.2)	(143.7)	(38.5)	(12.2)	(314.5)
Investment in and loans due from joint ventures and associates	-	-	-	-	174.2	94.2	62.6	331.0
Loans due to associate	-	-	-	-	-	(16.2)	-	(16.2)
Total hotel operating net assets	334.7	221.6	412.5	161.6	180.6	654.1	209.7	2,174.8
Property operating assets	-	28.2	-	-	160.0	78.8	73.7	340.7
Property operating liabilities	-	(0.3)	-	-	(114.1)	(0.5)	(1.4)	(116.3)
Investment in and loans due from joint ventures and associates	-	-	-	-	42.1	93.8	-	135.9
Total property operating net assets	-	27.9	-	-	88.0	172.1	72.3	360.3
Deferred tax liabilities								(232.5)
Income taxes payable								(22.4)
Net debt								11.9
Net assets								2,292.1

As at 31 December 2012	New York £m	Regional US £m	London £m	Rest of Europe £m	Singapore £m	Rest of Asia £m	Australasia £m	Total Group £m
Hotel operating assets	352.3	270.8	436.3	186.5	148.5	629.4	149.2	2,173.0
Hotel operating liabilities	(12.8)	(46.1)	(21.6)	(22.0)	(142.6)	(42.7)	(12.4)	(300.2)
Investment in and loans due from joint ventures and associates	-	-	-	-	184.6	97.5	62.6	344.7
Loans due to associate	-	-	-	-	-	(16.4)	-	(16.4)
Total hotel operating net assets	339.5	224.7	414.7	164.5	190.5	667.8	199.4	2,201.1
Property operating assets	-	28.2	-	-	171.1	74.1	72.1	345.5
Property operating liabilities	-	(0.3)	-	-	(123.6)	(0.7)	(1.2)	(125.8)
Investment in and loans due from joint ventures and associates	-	-	-	-	47.7	95.1	-	142.8
Total property operating net assets	-	27.9	-	-	95.2	168.5	70.9	362.5
Deferred tax liabilities								(228.1)
Income taxes payable								(24.9)
Net cash								52.2
Net assets								2,362.8

Notes to the condensed consolidated financial statements

4. Other operating income/expense and share of profit of joint ventures and associates

	Notes	Third Quarter 2013 £m	Restated Third Quarter 2012 £m	Nine Months 2013 £m	Restated Nine Months 2012 £m	Restated Full Year 2012 £m
Other operating income/(expense)						
Revaluation gain of investment properties	(a)	-	-	-	-	1.8
Impairment	(b)	(0.1)	(1.1)	(0.4)	(1.3)	(1.4)
Gain arising on disposal of properties	(c)	-	-	-	-	10.5
Gain on disposal of stapled securities in CDLHT	(d)	-	0.3	0.3	0.6	0.6
		(0.1)	(0.8)	(0.1)	(0.7)	11.5
Included in share of profit of joint ventures and associates						
Revaluation gain of investment properties	(e)	-	-	-	-	1.4
Profit on disposal of business assets	(f)	-	(0.1)	-	0.5	0.7
		-	(0.1)	-	0.5	2.1

(a) Revaluation of investment properties

At the end of 2012, the Group's investment properties were subject to external professional valuation on an open-market existing use basis. Based on these valuations, together with such considerations as the Directors consider appropriate, the Tanglin Shopping Centre recorded uplift in value of £1.8m.

(b) Impairment

For the third quarter ended 30 September 2013, a £0.1m (2012: £1.1m) and for the nine months ended 30 September 2013 a £0.4m (2012: £1.3m) impairment charge was made on additional interest on shareholders loan to the Group's 50% investment in Bangkok. For the financial year ended 31 December 2012, the impairment charge on the above-mentioned interest on shareholders loan was £1.4m.

(c) Gain arising on disposal of properties

During the financial year ended 31 December 2012, a settlement was reached with the insurers in relation to Copthorne Hotel Christchurch Central which is one of the hotels affected by the New Zealand earthquake. A gain of £10.5m which was the difference between the compensation received and the carrying value of the freehold building was recognised by the Group.

(d) Gain on disposal of stapled securities in CDLHT

For the nine months ended 30 September 2013, the Group disposed of 1,303,000 stapled securities in CDLHT for S\$2.6m or £1.4m which net of the carrying value of the stapled securities and the dilution impact totalling S\$2.0m or £1.1m resulted in a net gain of S\$0.6m or £0.3m.

For the nine months ended 30 September 2012, the Group disposed of 2,849,000 stapled securities in CDLHT for S\$5.6m or £2.8m which net of the carrying value of the stapled securities and the dilution impact totalling S\$4.4m or £2.2m resulted in a net gain of S\$1.2m or £0.6m.

(e) Revaluation gain of investment properties

For the financial year ended 31 December 2012, the Group's share of CDLHT's net revaluation surplus of investment properties was £2.4m. In addition, certain properties of FSCL were subject to annual valuation and as a result of this exercise, an impairment loss of £1.0m was recorded.

(f) Profit on disposal of business assets

For the financial year ended 31 December 2012, FSCL recorded a profit on disposal of assets from its confectionery manufacturing operations in Chengdu to a third party. The Group's share of the profit was £0.7m.

Notes to the condensed consolidated financial statements

5. Income tax expense

The Group recorded a tax expense of £11.3m for the nine months of 2013 (nine months 2012: £21.6m) excluding the tax relating to joint ventures and associates. This comprises a UK tax charge of £3.0m (nine months 2012: £2.0m) and an overseas tax charge of £8.3m (nine months 2012: £19.6m).

Income tax for the period is the expected income tax payable on the taxable income for the period, calculated at the estimated average underlying annual effective income tax rate applied to the pre-tax income for the period, and further adjusted to take into account a reduction in the tax rate applicable to brought forward deferred taxes and the impact of other over-provision adjustments for prior years.

A charge of £4.4m for the nine months of 2013 (nine months 2012: £6.5m) relating to joint ventures and associates is included in the reported profit before tax.

6. Earnings per share

Earnings per share are calculated using the following information:

	Third Quarter 2013	Third Quarter 2012	Nine Months 2013	Nine Months 2012	Full Year 2012
(a) Basic					
Profit for the period attributable to holders of the parent (£m)	32.4	30.7	78.5	89.1	135.0
Weighted average number of shares in issue (m)	324.3	324.1	324.2	320.8	321.6
Basic earnings per share (pence)	10.0p	9.5p	24.2p	27.8p	42.0p
(b) Diluted					
Profit for the period attributable to holders of the parent (£m)	32.4	30.7	78.5	89.1	135.0
Weighted average number of shares in issue (m)	324.3	324.1	324.2	320.8	321.6
Potentially dilutive share options under the Group's share option schemes (m)	1.5	1.3	1.5	1.3	1.4
Weighted average number of shares in issue (diluted) (m)	325.8	325.4	325.7	322.1	323.0
Diluted earnings per share (pence)	9.9p	9.4p	24.1p	27.7p	41.8p

7. Non-GAAP measures

Net cash/debt

In presenting and discussing the Group's indebtedness and liquidity position, net cash/debt is calculated. Net cash/debt is not defined under IFRS. The Group believes that it is both useful and necessary to communicate net cash/debt to investors and other interested parties, for the following reasons:

- net cash/debt allows the Company and external parties to evaluate the Group's overall indebtedness and liquidity position;
- net cash/debt facilitates comparability of indebtedness and liquidity with other companies, although the Group's measure of net cash/debt may not be directly comparable to similarly titled measures used by other companies; and
- it is used in discussions with the investment analyst community.

Notes to the condensed consolidated financial statements

7. Non-GAAP measures (continued)

Analysis of net cash and calculated gearing percentage is provided below. Gearing is defined as net debt as a percentage of total equity attributable to equity holders of the parent.

	As at 30 September 2013 £m	As at 30 September 2012 £m	As at 31 December 2012 £m
Net cash			
Cash and cash equivalents (as per the consolidated statement of cash flows)	402.6	345.9	379.0
Bank overdrafts (included as part of borrowings)	15.5	19.3	17.7
Cash and cash equivalents (as per the consolidated statement of financial position)	418.1	365.2	396.7
Interest-bearing loans, bonds and borrowings			
– Non-current	(243.1)	(194.3)	(152.6)
– Current	(100.2)	(159.0)	(191.9)
Net cash	74.8	11.9	52.2

A summary reconciliation of movements in net cash/debt is shown below:

Reconciliation of net cash flow to movement in net cash/debt	As at 30 September 2013 £m	As at 30 September 2012 £m	As at 31 December 2012 £m
Net cash/(debt) at beginning of period	52.2	(100.2)	(100.2)
Increase in cash and cash equivalents (as per the consolidated statement of cash flows)	29.0	71.1	100.7
Net (increase)/decrease in loans	(5.4)	34.7	39.4
Translation adjustments	(1.0)	6.3	12.3
Movements in net cash	22.6	112.1	152.4
Net cash at end of period	74.8	11.9	52.2
Gearing (%)	-	-	-

8. Financial commitments, contingencies and subsequent events

Except as stated below, there have been no material changes to commitments, contingencies and subsequent events as disclosed in the annual report and accounts for the year ended 31 December 2012:

Capital commitments

Contracts placed for future capital expenditure for property, plant, equipment and investment properties not provided in the financial statements amount to £67.9m at 30 September 2013 (31 December 2012: £59.1m).

Subsequent events

There are no events subsequent to the balance sheet date which require adjustments to or disclosure within these consolidated financial statements.

APPENDIX 1: KEY OPERATING STATISTICS
for the nine months ended 30 September 2013

	Nine Months 2013 Reported currency	Nine Months 2012 Constant currency	Nine Months 2012 Reported currency	Full Year 2012 Reported currency
Owned or leased hotels*				
Occupancy (%)				
New York	83.9		79.7	80.5
Regional US	61.6		60.0	57.9
Total US	67.6		64.9	63.5
London	84.8		79.9	80.8
Rest of Europe	71.2		72.1	71.4
Total Europe	77.8		75.9	76.0
Singapore	86.7		88.3	88.1
Rest of Asia	68.2		70.5	71.4
Total Asia	75.8		77.5	78.1
Australasia	66.8		62.4	63.6
Total Group	72.5		71.0	70.8
Average Room Rate (£)				
New York	158.64	154.43	151.19	160.89
Regional US	72.96	69.44	67.99	68.22
Total US	101.59	95.31	93.31	97.34
London	126.28	133.55	133.55	131.15
Rest of Europe	67.68	68.12	67.10	67.39
Total Europe	98.72	101.61	101.11	100.35
Singapore	110.83	118.65	115.56	114.75
Rest of Asia	88.33	90.22	87.85	87.59
Total Asia	98.91	102.95	100.26	99.83
Australasia	56.77	56.72	54.87	55.29
Total Group	95.77	95.94	94.10	95.08
RevPAR (£)				
New York	133.03	123.14	120.55	129.58
Regional US	44.92	41.69	40.81	39.49
Total US	68.64	61.87	60.57	61.81
London	107.02	106.69	106.69	105.91
Rest of Europe	48.21	49.12	48.38	48.13
Total Europe	76.82	77.11	76.73	76.23
Singapore	96.06	104.73	102.00	101.14
Rest of Asia	60.26	63.62	61.95	62.57
Total Asia	74.99	79.78	77.69	77.97
Australasia	37.94	35.37	34.22	35.18
Total Group	69.42	68.12	66.81	67.32
Gross Operating Profit Margin (%)				
New York	21.9		20.5	24.4
Regional US	17.4		19.7	19.1
Total US	19.5		20.1	21.6
London	54.1		57.0	57.0
Rest of Europe	23.2		24.1	24.5
Total Europe	42.1		44.2	44.2
Singapore	50.7		54.1	53.6
Rest of Asia	34.4		39.0	38.4
Total Asia	42.5		46.3	45.8
Australasia	41.1		44.8	46.2
Total Group	35.5		38.3	38.5

For comparability, the 30 September 2012 Average Room Rate and RevPAR have been translated at average exchange rates for the period ended 30 September 2013.

* excluding managed, franchised and investment hotels.

APPENDIX 2: KEY OPERATING STATISTICS
for the quarter year ended 30 September 2013

Owned or leased hotels*	Third Quarter 2013 Reported currency	Third Quarter 2012 Constant currency	Third Quarter 2012 Reported currency
Occupancy (%)			
New York	90.5		81.1
Regional US	70.9		67.5
Total US	76.2		70.9
London	92.0		84.0
Rest of Europe	77.0		77.4
Total Europe	84.3		80.6
Singapore	86.4		88.1
Rest of Asia	67.3		66.3
Total Asia	75.2		75.1
Australasia	62.5		60.4
Total Group	76.5		73.4
Average Room Rate (£)			
New York	163.16	163.29	160.60
Regional US	74.56	71.69	70.47
Total US	103.11	97.65	96.02
London	133.38	152.81	152.81
Rest of Europe	65.67	68.18	66.59
Total Europe	101.62	111.06	110.28
Singapore	107.86	113.82	113.65
Rest of Asia	84.19	86.98	85.12
Total Asia	95.44	99.72	98.66
Australasia	54.52	55.07	54.53
Total Group	96.35	98.23	97.08
RevPAR (£)			
New York	147.59	132.41	130.23
Regional US	52.86	48.40	47.57
Total US	78.57	69.21	68.05
London	122.74	128.31	128.31
Rest of Europe	50.55	52.76	51.53
Total Europe	85.66	89.50	88.87
Singapore	93.14	100.31	100.16
Rest of Asia	56.64	57.66	56.42
Total Asia	71.74	74.91	74.12
Australasia	34.09	33.27	32.94
Total Group	73.68	72.07	71.23
Gross Operating Profit Margin (%)			
New York	29.6		23.9
Regional US	23.3		24.5
Total US	26.3		24.2
London	56.5		61.0
Rest of Europe	25.8		25.3
Total Europe	45.0		48.1
Singapore	50.2		53.2
Rest of Asia	34.4		33.9
Total Asia	42.2		43.9
Australasia	34.6		40.8
Total Group	37.5		38.8

For comparability, the 30 September 2012 Average Room Rate and RevPAR have been translated at average exchange rates for the period ended 30 September 2013.

* excluding managed, franchised and investment hotels.

APPENDIX 3: HOTEL ROOM COUNT AND PIPELINE
as at 30 September 2013

Hotel and room count	Hotels			Rooms		
	30 September 2013	31 December 2012	Change	30 September 2013	31 December 2012	Change
Analysed by region:						
New York	3	3	-	1,758	1,758	-
Regional US	16	16	-	4,938	5,554	(616)
London	7	7	-	2,493	2,493	-
Rest of Europe	16	16	-	2,695	2,695	-
Middle East	15	14	1	4,484	4,211	273
Singapore	6	6	-	2,716	2,716	-
Rest of Asia	20	17	3	8,164	6,861	1,303
Australasia	30	31	(1)	4,602	4,651	(49)
Total	113	110	3	31,850	30,939	911

Analysed by ownership type:						
Owned or Leased	63	63	-	18,918	19,229	(311)
Managed	27	25	2	7,652	6,543	1,109
Franchised	11	11	-	1,564	1,564	-
Investment	12	11	1	3,716	3,603	113
Total	113	110	3	31,850	30,939	911

Analysed by brand:						
Grand Millennium	5	5	-	2,464	2,488	(24)
Millennium	43	42	1	14,482	14,373	109
Copthorne	33	32	1	6,838	6,577	261
Kingsgate	12	13	(1)	1,277	1,326	(49)
Other M&C	6	5	1	2,081	1,885	196
Third Party	14	13	1	4,708	4,290	418
Total	113	110	3	31,850	30,939	911

Pipeline	Hotels			Rooms		
	30 September 2013	31 December 2012	Change	30 September 2013	31 December 2012	Change
Analysed by region:						
Middle East	18	18	-	4,916	4,772	144
Rest of Asia	3	3	-	742	668	74
Total	21	21	-	5,658	5,440	218
Analysed by ownership type:						
Managed	20	19	1	5,336	4,923	413
Franchised	-	1	(1)	-	195	(195)
Investment	1	1	-	322	322	-
Total	21	21	-	5,658	5,440	218
Analysed by brand:						
Grand Millennium	2	1	1	578	250	328
Millennium	14	11	3	3,433	2,780	653
Copthorne	5	8	(3)	1,647	2,215	(568)
Other M&C	-	1	(1)	-	195	(195)
Total	21	21	-	5,658	5,440	218

The Group's worldwide pipeline comprises 21 hotels offering 5,658 rooms, which are mainly management contracts.