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Miscellaneous

* Asterisks denote mandatory information

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>> Announcement Details

The details of the announcement start here ...

Announcement Title *	Announcement by Subsidiary Company, Millennium & Copthorne Hotels plc on Results for Third Quarter and Nine Months Ended 30 September 2009
Description	Please see attached the above announcement released by Millennium & Copthorne Hotels plc on 5 November 2009.
Attachments	MnC3Q.PDF Total size = **197K** (2048K size limit recommended)

Close Window

For Immediate Release **5 November 2009**

MILLENNIUM & COPTHORNE HOTELS PLC

INTERIM MANAGEMENT STATEMENT
Third quarter and nine months results to 30 September 2009

HIGHLIGHTS

Third quarter:

£ millions (unless otherwise stated)	**Third Quarter 2009**	Third Quarter 2008	Reported Currency Change %	Constant Currency Change %
RevPAR	**54.50**	59.03	(7.7)	(17.7)
Revenue – total	**160.4**	173.9	(7.8)	(17.4)
Revenue – hotels	**157.7**	172.5	(8.6)	(17.6)
Headline operating profit	**25.6**	34.1	(24.9)	(33.3)
Headline profit before tax	**22.1**	30.0	(26.3)	(36.3)
Profit before tax	**21.9**	30.0	(27.0)	(36.9)
Basic earnings per share	**5.7p**	6.5p	(12.3)	
Headline earnings per share	**5.7p**	6.5p	(12.3)	

Nine months:

£ millions (unless otherwise stated)	**Nine Months 2009**	Nine Months 2008	Reported Currency Change %	Constant Currency Change %
RevPAR	**52.73**	56.32	(6.4)	(19.1)
Revenue – total	**476.0**	512.3	(7.1)	(19.5)
Revenue – hotels	**471.2**	507.0	(7.1)	(19.5)
Headline operating profit	**64.0**	101.7	(37.1)	(45.5)
Headline profit before tax	**53.7**	88.4	(39.3)	(48.5)
Profit before tax	**52.4**	88.4	(40.7)	(49.8)
Basic earnings per share	**13.2p**	19.4p	(32.0)	
Headline earnings per share	**13.7p**	19.4p	(29.4)	

Commenting today Mr Kwek Leng Beng, Chairman said:

"I believe that the industry is moving in the right direction. The rate of decline of our global RevPAR has slowed quarter-on-quarter and this trend has continued into October. Traditionally, we experience strong trading in the fourth quarter and our current bookings are showing some positive momentum in demand. While it is too early to predict with accuracy how markets will behave in 2010 we are encouraged by these improving trends which suggest that the worst may be behind us.

Given the trading environment we have maximised our profit through a strong focus on revenue generation and tight cost control, delivering savings of £66.8 million and generating £53.6 million in operating cash flow over the nine month period."

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Tim Anderson/Charles Ryland/Nicola Cronk

Analyst briefing
There will be a conference call for investors and analysts hosted by Richard Hartman, Chief Executive Officer, at 8.30am (UK time) on 5 November 2009. For dial-in details, please contact Camilla Barnardt on +44 (0) 20 7466 5000.

CHAIRMAN'S STATEMENT

The Group's third quarter results show further abatement in RevPAR decline. On a constant currency basis, global RevPAR dropped by 17.7% in the third quarter against 21.3% in the second. This resulted in a RevPAR decline for the nine months to 30 September 2009 of 19.1%.

Financial performance

The year began with a sharp RevPAR decline of 37.8% in New York for the first quarter, which slowed to a decline of 34.7% in the second quarter and to 29.2% in the third quarter. As previously reported, both corporate and leisure visitor numbers to Singapore have fallen since mid-2008, and Singapore has recorded a RevPAR decline of 44.5% in the second quarter, easing to 31.2% in the third quarter. But, our Singapore hotels continue to generate good gross operating profit of 49.4% with a significant contribution from food and beverage operations. Recently reported official statements assert that the worst of the economic crisis is over for Singapore despite some worldwide uncertainties moving forward.

At the other end of the scale, performance in London has been notably resilient with RevPAR only marginally down by 3.7% over the same nine month period. That London's third quarter performance showed a decline of 6.2% may be attributed to two key events: the biennial Farnborough Air Show which took place in July 2008 and not in 2009 was one of them, and the other concerns the timing of Ramadan which, this year, has shortened the lucrative Middle East summer season in August by two weeks. In September, there were no such "previous events" so that RevPAR decline was almost flat at only 0.8%.

As an owner and operator of hotel assets, we continue to focus and develop a strategy based on strong trading at attractive destinations. Our property based business model has higher operational gearing than some of our major competitors but in the current difficult trading environment, this model continues to be reassuringly resilient.

At constant rates of exchange, for the nine months to 30 September 2009, we have succeeded in delivering savings of £66.8m in operating costs (including hotel fixed charges, non-hotel expenses and central costs) against a revenue fall of £115.2m. Our recovery rate of 58.0% (at hotel level the recovery is 55.0%) reflects the impact of our profit protection scheme as well as our focus on cost control. This has been achieved through a combination of head-count reduction, carefully redesigning key processes, basic attention to detail and by the solid performances by our hotel management teams. Results for the reported period are consequently in line with our expectations.

For the nine months to 30 September 2009 profit before tax fell by £36.0m to £52.4m (2008: £88.4m) and basic earnings per share are reduced by 32.0% to 13.2p (2008: 19.4p). In 2009, the Group has been benefitting from the effect of a weak sterling against the other major currencies that we operate, and in constant currency terms, profit before tax fell by £51.9m.

Business development

With new contracts in place in the Middle East our Group pipeline has expanded in the third quarter by five hotels (to 27) and by 954 rooms (to 8,460).

Current trading and Outlook

Evidence of further abatement in the Group's RevPAR decline may be drawn from the results for the month of October, which show a decline of 12.8% on the same period last year. Once again London's performance remains resilient (up 0.6%) with New York down 17.9% and Singapore down 26.5%.

While current market conditions prevail, we shall, of course, continue to concentrate on achieving and, where possible, exceeding fair-market share within each hotel's competitive set. We shall be committed also to maintaining our tight control of operating costs and capital expenditure. We generated £53.6m of net cash from operating activities for the nine months ended 30 September 2009 and have a strong balance sheet with low gearing of 13.5%. Though challenging global economic conditions may persist, the Board remains comfortable with expectations for the current financial year.

Kwek Leng Beng
Chairman
5 November 2009

FINANCIAL AND OPERATING HIGHLIGHTS

	Third Quarter 2009 £m	Third Quarter 2008 £m	**Nine months 2009 £m**	Nine months 2008 £m	Full Year 2008 £m
Revenue	**160.4**	173.9	**476.0**	512.3	702.9
Operating profit	**24.1**	33.3	**58.4**	95.9	112.8
Headline operating profit [1]	**25.6**	34.1	**64.0**	101.7	143.5
Profit before tax	**21.9**	30.0	**52.4**	88.4	102.8
Adjustments for:					
Other operating income of the Group [2]	**-**	-	**-**	-	(31.4)
Other operating expense of joint ventures and associates [3]	**-**	-	**-**	-	19.4
Impairment [4]	**0.2**		**1.3**		35.1
Headline profit before tax [1]	**22.1**	30.0	**53.7**	88.4	125.9
Headline profit after tax	**19.1**	20.6	**45.2**	64.0	94.0
Profit for the period	**18.9**	20.6	**43.9**	64.0	70.9
Basic earnings per share (pence)	**5.7p**	6.5p	**13.2p**	19.4p	21.3p
Headline earnings per share (pence) [1]	**5.7p**	6.5p	**13.7p**	19.4p	29.1p
Net debt	**234.5**	250.3	**234.5**	250.3	285.1
Gearing (%)	**13.5%**	16.5%	**13.5%**	16.5%	16.4%

Notes

[1] *The Group believes that headline operating profit, headline profit before tax and headline earnings per share provide useful and necessary information on underlying trends to shareholders, the investment community and are used by the Group for internal performance analysis. Reconciliation of these measures to the closest equivalent GAAP measures are shown in note 4 to the financial statements.*

[2] *The other operating income of the Group for the year ended 31 December 2008 represented a non-refundable cash deposit paid by the prospective buyer of CDL Hotels (Korea) Limited with one principal asset, the Millennium Seoul Hilton Hotel which had been forfeited as the buyer was unable to finalise its financing arrangements and, consequently, the agreement for the disposal was terminated. This resulted in the Group recording a £31.4m gain.*

[3] *The other operating expense of joint ventures and associates for the year ended 31 December 2008 comprised a loss of £20.4m which represented the Group's share of the revaluation deficit of investment properties of CDL Hospitality Trusts, the Group's 39.0% associate in a Singapore-listed REIT; and a gain of £3.6m representing the Group's share of net revaluation surplus of investment property of First Sponsor Capital Limited net of £2.6m of related interest, tax and minority interests.*

[4] *Impairment for the nine months ended 30 September 2009 represents additional investment in the Group's 50% joint venture in Bangkok being fully written down by £1.3m. Impairment for the year ended 31 December 2008 comprised the Group's 30% and 50% investment in Beijing and Bangkok respectively being fully written down by an aggregate of £19.6m; an £8.1m aggregate write down of six hotels in the US and UK as well as land in India; and a £7.4m impairment of land at Sunnyvale.*

FINANCIAL PERFORMANCE – THIRD QUARTER OVERVIEW

For the third quarter to 30 September 2009, profit before tax decreased by 27.0% to £21.9m (2008: £30.0m). Headline profit before tax, the Group's measure of underlying profit before tax, decreased by 26.3% from £30.0m to £22.1m. Headline operating profit declined by 24.9% to £25.6m.

Both basic and headline earnings per share decreased by 12.3% to 5.7p (2008: 6.5p).

FINANCIAL PERFORMANCE – NINE MONTHS OVERVIEW

Foreign exchange movements have enhanced the Group's year-on-year results but have also masked what was otherwise a creditable performance in mitigating the impact of the £36.3m downturn in revenue. Headline operating profit, which is the Group's measure of the underlying operating profit, fell by £37.7m from £101.7m to £64.0m suggesting an underlying increase in costs.

When the 2008 figures are restated at 2009 exchange rates, the true cost recovery picture can be seen. The revenue variance increases to £115.2m and the headline operating profit variance increases to £53.4m, however there is now a significant decrease in costs. At constant rates of exchange, there was a saving of £66.8m in expenses (including hotel fixed charges, non-hotel expenses and central costs) against a revenue fall of £115.2m, which is a 58.0% recovery (at hotel level the recovery is 55.0%), showing the impact that the profit protection scheme and the other cost cutting exercises have had on the Group's profitability.The table below summarises the exchange impact on revenue and expenses.

	Reported Currency				Constant Currency			
	2009	2008	Variance		**2009**	2008	Variance	
	£m	£m	£m	Change **%**	**£m**	£m	£m	Change **%**
Revenue	**476.0**	512.3	(36.3)	(7.1%)	**476.0**	591.2	(115.2)	(19.5%)
Expenses	**(425.1)**	(424.9)	(0.2)	-	**(425.1)**	(491.9)	66.8	13.6%
Operating profit (excluding impairment)	**50.9**	87.4	(36.5)	(41.8%)	**50.9**	99.3	(48.4)	(48.7%)
Share of joint ventures and associates	**13.1**	14.3	(1.2)	(8.4%)	**13.1**	18.1	(5.0)	(27.6%)
Headline operating profit	**64.0**	101.7	(37.7)	(37.1%)	**64.0**	117.4	(53.4)	(45.5%)

Included in the £66.8m of savings were £51.0m from hotel gross operating expenditure, £11.7m from hotel fixed charges, £2.7m from property operations and £1.4m from central costs.

Profit before tax fell by 40.7% to £52.4m (2008: £88.4m). Basic earnings per share reduced by 32.0% to 13.2p (2008: 19.4p)

TAXATION

The Group has recorded a tax expense of £8.5m (2008: £24.4m) excluding the tax relating to joint ventures and associates, giving rise to an effective rate of 19.5% (2008: 30.5%). The lower effective tax rate is due to a combination of lower corporate tax rates in a number of jurisdictions, profit mix and prior year adjustments. Excluding the impact of changes in corporate tax rates on brought forward deferred taxes and prior year adjustments, the Group underlying tax rate is 29.5%.

A tax charge of £1.7m (2008: £1.1m) relating to joint ventures and associates is included in the reported profit before tax.

EARNINGS PER SHARE

Basic earnings per share reduced to 13.2p (2008: 19.4p) and headline earnings per share reduced to 13.7p (2008: 19.4p). The table below reconciles basic earnings per share to headline earnings per share.

	Nine months 2009 pence	Nine months 2008 pence	Full Year 2008 pence
Reported basic earnings per share	**13.2**	19.4	21.3
Other operating income:			
- Group	**-**	-	(10.5)
- Share of joint ventures and associates	**-**	-	6.5
Impairment (net of tax and minority interest)	**0.5**	-	9.8
Change in tax legislation on hotel tax allowances	**-**	-	3.4
Change in tax rates on opening deferred taxes	**-**	-	(1.4)
Headline earnings per share	**13.7**	19.4	29.1

PERFORMANCE BY REGION
For comparability, the following regional review is based on calculations in constant currency whereby 30 September 2008 average room rate, RevPAR and revenue have been translated at 2009 average exchange rates.

UNITED STATES
New York
The third quarter saw a further slowing down of RevPAR declines in the first two quarters of 2009 which were respectively 37.8% and 34.7%. The third quarter decline was 29.2% bringing the nine month decline down to 33.7%, resulting in a year-to-date RevPAR of £110.60 (2008: £166.73). This third quarter improvement in trend is driven by occupancy where the decline is almost flat compared to a fall of 6.8 points in the first half. Rate decline showed a small improvement from 30.4% in the first half to 28.7% for the third quarter. Year-to-date occupancy has fallen by 4.7 percentage points to 81.4% (2008: 86.1%) while average rate has fallen by 29.8% to £135.87 (2008: £193.65).

Regional US
Nine month RevPAR fell by 12.3% to £36.97 (2008: £42.17) driven by a 5.3 percentage point fall in occupancy to 57.6% (2008: 62.9%) and a 4.3% fall in rate to £64.19 (2008: £67.05). The third quarter decline, at 13.2%, was a slight deterioration on the half year decline of 11.8%. This was reflected in two thirds of the Regional US estate where the rate of decline actually increased. For the quarter, occupancy fell by 2.2 points to 64.0% (2008: 66.2%) and rate by 10.2% to £61.48 (2008: £68.50).

EUROPE
London
The London performance has remained resilient throughout the first nine months, and is ahead of the overall London market, although RevPAR has fallen by 3.7% to £82.38 (2008: £85.57). Occupancy increased by 0.6 percentage points to 84.9% (2008: 84.3%) while average rate declined by 4.4% to £97.03 (2008: £101.51). That London's third quarter performance showed a decline of 6.2% may be attributed to two key events: the biennial Farnborough Air Show which took place in July 2008 and not in 2009 was one of them, and the other concerns the timing of Ramadan which, this year, has shortened the lucrative Middle East summer season in August by two weeks. In September, there were no such "previous events" so that RevPAR decline was almost flat at only 0.8%.

Rest of Europe
In comparison to London, there has been a bigger impact on the Rest of Europe as a result of the current economic conditions. RevPAR was down 16.6% to £49.98 (2008: £59.92) through lower occupancies and average rates.

Regional UK
Nine month RevPAR fell by 15.5% in Regional UK to £45.74 (2008: £54.12). Once again though, the 12.7% third quarter RevPAR decline was an improvement on the 16.8% decline witnessed in the first six months. In fact, the decline in September was the lowest monthly fall this year after the impact of the timing of Easter is excluded. For the third quarter, rate declined at every property, but almost half of the 11 properties saw an increase in occupancy.

France & Germany
Nine month RevPAR fell by 17.9% on the Continent and was the highest in Europe with double digit falls in all four properties. Nine month RevPAR is £56.81 (2008: £69.17) based on a decrease in occupancy of 7.5 percentage points to 59.6% (2008: 67.1%) and a 7.5% drop in rate to £95.32 (2008: £103.09). Germany has seen a further increase in the rate of RevPAR decline in the third quarter, though Hannover is subject to the trade fair cycle and Stuttgart is partly dependent on audience attendances at the two musical theatres within the complex. In France Charles de Gaulle's rate of decline continues to increase while Paris Opera remains steady.

ASIA
Singapore
Nine month RevPAR fall of 35.5% to £57.60 (2008: £89.36) in Singapore remains the highest in the Group. Given the accelerated rate of RevPAR growth in Singapore since 2003 (27.4% compound annual growth rate) the fall is more exaggerated than elsewhere in the Group or in Asia. The year-to-date RevPAR fall was driven by a 9.2 percentage point fall in occupancy to 74.8% (2008: 84.0%) and a 27.6% fall in rate to £77.00 (2008: £106.38). The steep RevPAR decline of 44.5% in the second quarter however has slowed down to 31.2% in the third quarter. The pressure on occupancy appears to be reaching an end, with occupancy increasing by 0.7 percentage points during the quarter. In the month of August, visitor arrivals to Singapore were only down by 0.7%, the smallest fall in 2009. Rate however is still seeing signs of pressure. The decline in third quarter of 31.7% was marginally better than the 32.9% in the second quarter. As occupancy demands start to increase, this decline in rate will start to be addressed.

Rest of Asia
The third quarter RevPAR decline in the rest of Asia was only 5.4%, resulting in a fall to £46.11 (2008: £48.73), the Group's best performing region in the quarter. The Millennium Seoul Hilton has seen a resumption of growth in rate and occupancy, benefiting from an influx of foreign visitors, especially Japanese, as a result of the weaker Korean Won. As a result, year-to-date RevPAR in the region is down 8.3% to £46.75 (2008: £51.00), based on a 2.2 point decline in occupancy to 67.5% (2008: 69.7%) and a 5.3% fall in rate to £69.26 (2008: £73.17).

AUSTRALASIA
RevPAR in New Zealand fell by 13.3% to £27.13 (2008: £31.29) and both volume and rate are in decline: occupancy fell by 5.2 percentage points to 60.9% (2008: 66.1%) and rate by 5.9% to £44.55 (2008: £47.34). There was no significant change in the rate of decline in the third quarter. All three brands suffered similar declines, although there was greater variation in the falls at the Kingsgate brand compared with those for Millennium or Copthorne.

Financial structure
Group interest cover ratio, excluding share of results of joint ventures and associates and other operating income, increased from 6.9 times in 2008 to 8.5 times in 2009. The decrease in net finance cost of £1.5m reflects a net exchange loss of £1.7m which is offset by reduction in net interest expenses of £3.2m.

At 30 September 2009, the Group had £139.3m of undrawn and committed facilities available, comprising committed revolving credit facilities which provide the Group with financial flexibility.

The net book value of the Group's unencumbered properties as at 30 September 2009 was £1,908.7m (31 December 2008: £1,986.2m). At 30 September 2009 total borrowing amounted to £361.0m of which £53.3m was drawn under £76.7m of secured bank facilities.

Future funding

Of the Group's total facilities of £517.5m, this includes £15.9m of uncommitted overdrafts, £14.7m of unsecured bonds that mature during the fourth quarter of 2009 and £136.3m which mature in 2010.

The Directors have reviewed the financial resources available to the Group and the possible impact of a range of trading scenarios that could face the business in the current uncertain economic environment. After making appropriate enquiries, the Directors reasonably expect that the Group has adequate resources to continue in business for the foreseeable future.

Consolidated income statement (unaudited)
for the nine months ended 30 September 2009

	Notes	**Third Quarter 2009 £m**	Third Quarter 2008 £m	**Nine months 2009 £m**	Nine months 2008 £m	Full Year 2008 £m
Revenue		**160.4**	173.9	**476.0**	512.3	702.9
Cost of sales		**(68.4)**	(70.3)	**(206.7)**	(209.4)	(285.5)
Gross profit		**92.0**	103.6	**269.3**	302.9	417.4
Administrative expenses		**(70.9)**	(73.8)	**(219.7)**	(215.5)	(316.1)
Other operating income	5	**-**	-	**-**	-	31.4
		21.1	29.8	**49.6**	87.4	132.7
Share of profit of joint ventures and associates		**3.0**	3.5	**8.8**	8.5	(19.9)
Analysed between:						
Operating profit before other income/expense and impairment		**4.3**	4.3	**13.1**	14.3	19.3
Impairment		**-**	-	**-**	-	(12.2)
Other operating income		**-**	-	**-**	-	3.6
Other operating expense						(20.4)
Interest, tax and minority interests	7	**(1.3)**	(0.8)	**(4.3)**	(5.8)	(10.2)
Operating profit		**24.1**	33.3	**58.4**	95.9	112.8
Analysed between:						
Headline operating profit	4	**25.6**	34.1	**64.0**	101.7	143.5
Other operating income - Group	5	**-**	-	**-**	-	31.4
Other operating expense - share of joint ventures and associates		**-**	-	**-**	-	(16.8)
Impairment						
- Joint ventures investments and loans		**(0.2)**	-	**(1.3)**	-	(19.6)
- Hotels		**-**	-	**-**	-	(8.1)
- Other property		**-**	-	**-**	-	(7.4)
Share of interest, tax and minority interests of joint ventures and associates		**(1.3)**	(0.8)	**(4.3)**	(5.8)	(10.2)
Finance income		**-**	2.1	**2.4**	11.2	12.0
Finance expense		**(2.2)**	(5.4)	**(8.4)**	(18.7)	(22.0)
Net finance expense		**(2.2)**	(3.3)	**(6.0)**	(7.5)	(10.0)
Profit before tax		**21.9**	30.0	**52.4**	88.4	102.8
Income tax expense	8	**(3.0)**	(9.4)	**(8.5)**	(24.4)	(31.9)
Profit for the period		**18.9**	20.6	**43.9**	64.0	70.9
Attributable to:						
Equity holders of the parent		**17.5**	19.7	**40.4**	58.2	64.0
Minority interests		**1.4**	0.9	**3.5**	5.8	6.9
		18.9	20.6	**43.9**	64.0	70.9
Basic earnings per share (pence)	9	**5.7p**	6.5p	**13.2p**	19.4p	21.3p
Diluted earnings per share (pence)	9	**5.7p**	6.5p	**13.2p**	19.4p	21.3p

The financial results above all derive from continuing activities.

Consolidated statement of comprehensive income (unaudited)
for the nine months ended 30 September 2009

	Nine months 2009 £m	Nine months 2008 £m	Full Year 2008 £m
Profit for the period	**43.9**	64.0	70.9
Other comprehensive income:			
Foreign exchange translation differences	**(20.6)**	52.3	284.0
Gain on acquisition of minority interests	**-**	-	1.3
Acquisition of minority interest	**-**	-	1.5
Defined benefit plan actuarial (losses)/gains, net of tax	**(4.1)**	-	0.6
Share of associate's other reserve movements	**-**	-	(0.1)
Income tax relating to other components of other comprehensive income	**-**	-	(1.8)
Other comprehensive income for the period, net of tax	**(24.7)**	52.3	285.5
Total comprehensive income for the period	**19.2**	116.3	356.4
Total comprehensive income attributable to:			
Equity holders of the parent	**8.4**	107.8	327.2
Minority interests	**10.8**	8.5	29.2
Total comprehensive income for the period	**19.2**	116.3	356.4

Consolidated statement of changes in financial position (unaudited)
as at 30 September 2009

	Notes	**As at 30 September 2009 £m**	As at 30 September 2008 £m	As at 31 December 2008 £m
Non-current assets				
Property, plant and equipment		**1,991.2**	1,666.7	2,067.7
Lease premium prepayment		**94.1**	91.0	95.8
Investment properties		**84.5**	63.5	79.3
Investments in joint ventures and associates		**321.9**	291.3	338.7
Loans due from joint ventures and associates		**-**	7.4	-
Other financial assets		**6.3**	5.3	6.7
		2,498.0	2,125.2	2,588.2
Current assets				
Inventories		**4.0**	4.4	4.9
Development properties		**73.1**	73.9	63.2
Lease premium prepayment		**1.4**	1.3	1.3
Trade and other receivables		**68.2**	66.3	62.9
Cash and cash equivalents	10	**126.5**	154.5	212.1
Assets classified as held for sale	11	**-**	129.9	-
		273.2	430.3	344.4
Total assets		**2,771.2**	2,555.5	2,932.6
Non-current liabilities				
Interest-bearing loans, bonds and borrowings		**(280.0)**	(303.4)	(415.1)
Employee benefits		**(18.2)**	(13.7)	(12.8)
Provisions		**(0.7)**	(0.9)	(0.9)
Other non-current liabilities		**(112.8)**	(93.3)	(118.6)
Deferred tax liabilities		**(232.3)**	(202.3)	(258.1)
		(644.0)	(613.6)	(805.5)
Current liabilities				
Interest-bearing loans, bonds and borrowings		**(81.0)**	(75.9)	(82.1)
Trade and other payables		**(129.7)**	(155.6)	(133.3)
Provisions		**(0.2)**	(0.3)	(0.3)
Income taxes payable		**(26.3)**	(16.3)	(30.5)
Liabilities associated with assets classified as held for sale	11	**-**	(52.3)	-
		(237.2)	(300.4)	(246.2)
Total liabilities		**(881.2)**	(914.0)	(1,051.7)
Net assets		**1,890.0**	1,641.5	1,880.9
Equity				
Issued share capital		**92.4**	90.6	90.7
Share premium		**846.7**	847.6	847.7
Translation reserve		**207.7**	22.0	230.8
Retained earnings		**591.4**	558.6	568.3
Total equity attributable to equity holders of the parent		**1,738.2**	1,518.8	1,737.5
Minority interests		**151.8**	122.7	143.4
Total equity		**1,890.0**	1,641.5	1,880.9

Consolidated statement of changes in shareholders' equity (unaudited)
for the nine months ended 30 September 2009

	Share capital £m	Share premium £m	Translation reserve £m	Retained earnings £m	Total excluding minority interests £m	Minority interests £m	Total equity £m
Balance as at 1 January 2008	88.9	848.8	(27.6)	513.4	1,423.5	130.2	1,553.7
Total comprehensive income for the period							
Profit	-	-	-	58.2	58.2	5.8	64.0
Other comprehensive income							
Foreign currency translation differences	-	-	49.6	-	49.6	2.7	52.3
Total other comprehensive income	-	-	49.6	-	49.6	2.7	52.3
Total comprehensive income for the period	-	-	49.6	58.2	107.8	8.5	116.3
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Dividends paid to equity holders	-	-	-	(37.2)	(37.2)	-	(37.2)
Issue of shares in lieu of dividends	1.7	(1.7)	-	22.2	22.2	-	22.2
Dividends paid – minority interests	-	-	-	-	-	(3.4)	(3.4)
Share-based payment transactions	-	-	-	0.7	0.7	-	0.7
Share options exercised	-	0.5	-	-	0.5	-	0.5
Total contributions by and distributions to owners	1.7	(1.2)	-	(14.3)	(13.8)	(3.4)	(17.2)
Total changes in ownership interests in subsidiaries	-	-	-	1.3	1.3	(12.6)	(11.3)
Total transactions with owners	1.7	(1.2)	-	(13.0)	(12.5)	(16.0)	(28.5)
Balance as at 30 September 2008	**90.6**	**847.6**	**22.0**	**558.6**	**1,518.8**	**122.7**	**1,641.5**
Total comprehensive income for the period							
Profit	-	-	-	10.6	10.6	1.1	11.7
Other comprehensive income							
Foreign currency translation differences	-	-	208.8	-	208.8	18.1	226.9
Defined benefit plan actuarial gains, net of tax	-	-	-	0.6	0.6	-	0.6
Share of associates' other reserve movements	-	-	-	(0.1)	(0.1)	-	(0.1)
Taxation expense arising from unrealised foreign exchange	-	-	-	(0.2)	(0.2)	-	(0.2)
Taxation expense arising from share-based incentive schemes	-	-	-	(1.6)	(1.6)	-	(1.6)
Total other comprehensive income	-	-	208.8	(1.3)	207.5	18.1	225.6
Total comprehensive income for the period	-	-	208.8	9.3	218.1	19.2	237.3
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Share-based payment transactions	-	-	-	0.4	0.4	-	0.4
Share options exercised	0.1	0.1	-	-	0.2	-	0.2
Total contributions by and distributions to owners	0.1	0.1	-	0.4	0.6	-	0.6
Total changes in ownership interests in subsidiaries	-	-	-	-	-	1.5	1.5
Total transactions with owners	0.1	0.1	-	0.4	0.6	1.5	2.1
Balance as at 31 December 2008	**90.7**	**847.7**	**230.8**	**568.3**	**1,737.5**	**143.4**	**1,880.9**

Consolidated statement of changes in shareholders' equity (unaudited)
for the nine months ended 30 September 2009 (continued)

	Share capital £m	Share premium £m	Translation reserve £m	Retained earnings £m	Total excluding minority interests £m	Minority interests £m	Total equity £m
Balance as at 31 December 2008	**90.7**	**847.7**	**230.8**	**568.3**	**1,737.5**	**143.4**	**1,880.9**
Reclassification	-	-	4.8	(4.8)	-	-	-
	90.7	847.7	235.6	563.5	1,737.5	143.4	1,880.9
Total comprehensive income for the period							
Profit	-	-	-	40.4	40.4	3.5	43.9
Other comprehensive income							
Foreign currency translation differences	-	-	(27.9)	-	(27.9)	7.3	(20.6)
Defined benefit plan actuarial losses, net of tax	-	-	-	(4.1)	(4.1)	-	(4.1)
Total other comprehensive income	-	-	(27.9)	(4.1)	(32.0)	7.3	(24.7)
Total comprehensive income for the period	-	-	(27.9)	36.3	8.4	10.8	19.2
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Dividends paid to equity	-	-	-	(19.0)	(19.0)	-	(19.0)
Issue of shares in lieu of dividends	1.7	(1.7)	-	9.7	9.7	-	9.7
Dividends paid – minority interests	-	-	-	-	-	(2.4)	(2.4)
Share-based payment transactions	-	0.6	-	0.9	1.5	-	1.5
Share options exercised	-	0.1	-	-	0.1	-	0.1
Total contributions by and distributions to owners	1.7	(1.0)	-	(8.4)	(7.7)	(2.4)	(10.1)
Total transactions with owners	1.7	(1.0)	-	(8.4)	(7.7)	(2.4)	(10.1)
Balance at 30 September 2009	**92.4**	**846.7**	**207.7**	**591.4**	**1,738.2**	**151.8**	**1,890.0**

Consolidated statement of cash flows (unaudited)
for the nine months ended 30 September 2009

	Nine Months 2009 £m	Nine Months 2008 £m	Full Year 2008 £m
Cash flows from operating activities			
Profit for the period	**43.9**	64.0	70.9
Adjustments for:			
Depreciation and amortisation	**24.3**	21.8	30.0
Share of (profit)/losses of joint ventures and associates	**(8.8)**	(8.5)	19.9
Impairment	**1.3**	-	22.9
Profit on sale of property, plant and equipment	**-**	0.2	(0.4)
Profit from aborted sale of a subsidiary	**-**	-	(31.4)
Equity settled share-based transactions	**1.5**	0.7	1.1
Finance income	**(2.4)**	(11.2)	(12.0)
Finance expense	**8.4**	18.7	22.0
Income tax expense	**8.5**	24.4	31.9
Operating profit before changes in working capital and provisions	**76.7**	110.1	154.9
(Increase)/decrease in inventories, trade and other receivables	**(4.9)**	(8.6)	10.0
Increase in development properties	**(1.8)**	(4.7)	(6.2)
Increase/(decrease) in trade and other payables	**8.9**	0.3	(10.9)
Increase /(decrease) in provisions and employee benefits	**-**	0.5	(0.7)
Cash generated from operations	**78.9**	97.6	147.1
Interest paid	**(8.3)**	(12.0)	(18.7)
Interest received	**1.6**	4.2	4.8
Income taxes paid	**(18.6)**	(18.2)	(22.8)
Net cash generated from operating activities	**53.6**	71.6	110.4
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment	**-**	0.3	0.8
Investment in financial assets	**-**	10.6	10.6
Proceeds less expenses from aborted sale of a subsidiary	**-**	28.8	27.3
Dividends received from associates	**12.5**	12.3	12.3
Acquisitions of minority interests	**-**	(1.9)	(1.9)
Increase in loan to joint venture	**(2.3)**	(0.6)	(2.3)
Increase in investment in joint ventures and associates	**(2.1)**	(25.7)	(25.5)
Acquisition of property, plant and equipment, and lease premium prepayment	**(13.2)**	(53.3)	(64.6)
Net cash used in investing activities	**(5.1)**	(29.5)	(43.3)
Cash flows from financing activities			
Proceeds from the issue of share capital	**0.1**	0.5	0.7
Repayment of borrowings	**(119.3)**	(100.9)	(134.4)
Drawdown of borrowings	**1.0**	76.0	101.8
Loan arrangement fees	**(1.0)**	(0.1)	-
Share buy back of minority interests	**-**	(9.4)	(9.4)
Dividends paid to minority interests	**(2.4)**	(3.4)	(3.4)
Dividends paid to equity holders of the parent	**(2.9)**	(8.7)	(15.0)
Net cash used in financing activities	**(124.5)**	(46.0)	(59.7)
Net (decrease)/increase in cash and cash equivalents	**(76.0)**	(3.9)	7.4
Cash and cash equivalents at beginning of the period	**209.3**	155.9	155.9
Effect of exchange rate fluctuations on cash held	**(7.2)**	8.3	46.0
Cash and cash equivalents at end of the period	**126.1**	160.3	209.3
Reconciliation of cash and cash equivalents			
Cash and cash equivalents shown in the consolidated statement of changes in financial position	**126.5**	154.5	212.1
Overdraft bank accounts included in borrowings	**(0.4)**	(0.5)	(2.8)
Cash and cash equivalents included in assets classified as held for sale	**-**	6.3	-
Cash and cash equivalents for cash flow statement purposes	**126.1**	160.3	209.3

Notes to the consolidated financial statements (unaudited)

1. General information

Basis of preparation

The consolidated financial statements in this interim management statement for Millennium & Copthorne Hotels plc ('the Company') as at and for the nine months ended 30 September 2009 comprise the Company and its subsidiaries (together referred to as the 'Group') and the Group's interests in joint ventures and associates.

These primary statements and selected notes comprise the unaudited consolidated financial results of the Group for the nine months ended 30 September 2009 and 2008, together with the audited results for the year ended 31 December 2008. This nine months interim management statement does not comprise statutory accounts within the meaning of Section 435 of the Companies Act 2006.

The comparative figures as at 31 December 2008 have been extracted from the Group's statutory Annual Report and Accounts for that financial year but do not constitute those accounts. Those accounts have been reported on by the auditors and delivered to the Registrar of Companies. The report of the auditors was (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 237(2) or (3) of the Companies Act 1985. The consolidated financial statements of the Group as at and for the financial year ended 31 December 2008 are available from the Company's website www.millenniumhotels.co.uk.

Other than adopting: (i) IFRS 8 *Operating Segments* for its 2009 consolidated financial statements and restating segment comparatives; (ii) the amended IAS 40 *Investment Property* and; (iii) introducing a *Statement of Comprehensive Income* to replace a *Statement of Recognised Income and Expense*, the results have been prepared applying the accounting policies and presentation that were used in the preparation of the Group's published consolidated financial statements for the year ended 31 December 2008.

The financial statements were approved by the Board of Directors on 4 November 2009.

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

In addition, certain comparatives have been restated. In the consolidated income statement for the nine months and third quarter ended 30 September 2008, the reclassification of other operating income of the Group of £1.3m as an equity movement and derecognising £0.6m of other operating expense of associates and joint ventures for the third quarter ended 30 September 2008. Both of these adjustments are reflected in unchanged full year results to 31 December 2008. The consolidated statement of comprehensive income for 30 September 2008 now reflects the aforementioned changes.

The consolidated statement of changes in shareholders' equity for the nine months to 30 September 2009 also reflects a reclassification of £4.8m between translation reserve and retained earnings.

Non-GAAP information

Headline profit before tax, headline operating profit, and headline EBITDA
Reconciliation of headline profit before tax, headline operating profit and headline EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) to the closest equivalent GAAP measure, profit before tax is provided in note 4 'Segmental analysis'.

Net debt and gearing percentage
An analysis of net debt and calculated gearing percentage is provided in note 10.

Like-for-like growth
The Group believes that like-for-like growth which is not intended to be a substitute for 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. Accounting policies

The accounting policies and methods of calculation adopted are consistent with those of the annual financial statements for the year ended 31 December 2008, as described in those financial statements, except as noted above.

Change in accounting policies

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the nine months ended 30 September 2009, and have not been applied in preparing these consolidated financial statements:

Notes to the consolidated financial statements (unaudited)

2. Accounting policies (continued)
IASB/IFRIC documents that have been endorsed

• Amended IAS 27 *Consolidated and Separate Financial Statements (2008)* requires accounting for changes in ownership interests by the Group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the Group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The amendments to IAS 27, which will become mandatory for the Group's 2010 consolidated financial statements, are not expected to have a significant impact on the consolidated financial statements.

• Revised IFRS 3 *Business Combinations (2008)* incorporates the following changes that are likely to be relevant to the Group's operations:

- The definition of a business has been broadened, which is likely to result in more acquisitions being treated as business combinations.

- Contingent consideration will be measured at fair value, with subsequent changes therein recognised in profit or loss.

- Transaction costs, other than share and debt issue costs, will be expensed as incurred.

- Any pre-existing interest in the acquiree will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquiree, on a transaction-by-transaction basis.

• Revised IFRS 3, which will become mandatory for the Group's 2010 consolidated financial statements, will be applied prospectively and therefore there will be no impact on prior periods in the Group's 2010 consolidated financial statements.

3. 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 versus other currencies which could materially affect the amount of these items in the Group financial statements, even if their value has not changed in their original currency. The following table sets out the pounds sterling exchange rates of the other principal currencies of the Group.

	As at 30 September		As at 31 December	Average for 9 months January - September		Average for 3 months July - September		Average for year ended
Currency (=£)	**2009**	2008	2008	**2009**	2008	**2009**	2008	2008
US dollar	**1.583**	1.849	1.474	**1.530**	1.956	**1.602**	1.896	1.859
Singapore dollar	**2.241**	2.632	2.132	**2.250**	2.728	**2.310**	2.656	2.628
New Taiwan dollar	**51.211**	59.875	49.295	**51.485**	61.580	**53.086**	59.964	59.464
New Zealand dollar	**2.195**	2.700	2.563	**2.525**	2.563	**2.353**	2.639	2.592
Malaysian ringgit	**5.485**	6.346	5.139	**5.441**	6.398	**5.640**	6.347	6.200
Korean won	**1,874.90**	2,139.43	1,878.41	**1,989.30**	1,968.25	**1,978.69**	2,020.29	1,995.67
Euro	**1.079**	1.263	1.052	**1.115**	1.288	**1.125**	1.263	1.261

4. Segmental analysis

The Group has adopted IFRS 8 *Operating Segments* for its 2009 consolidated financial statements and comparatives have been restated. 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 and net finance expense, taxation balances and corporate expenses.

Geographical segments
The hotel and operations are managed on a worldwide basis and operate in seven principal geographical areas:
- New York
- Regional US
- London
- Rest of Europe
- Singapore
- Rest of Asia
- Australasia

In presenting information on the basis of geographical segments, segment results and assets are based on the geographical location of the assets.

Notes to the consolidated financial statements (unaudited)

4. Segmental analysis (continued)

Third Quarter 2009	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	**23.7**	**29.1**	**22.4**	**21.5**	**25.3**	**27.2**	**9.5**	**-**	**158.7**
Property operations	**-**	**0.3**	**-**	**-**	**0.6**	**-**	**0.8**	**-**	**1.7**
Total Revenue	**23.7**	**29.4**	**22.4**	**21.5**	**25.9**	**27.2**	**10.3**	**-**	**160.4**
Hotel Gross Operating Profit	**6.8**	**5.9**	**12.0**	**5.4**	**12.7**	**9.6**	**3.3**	**-**	**55.7**
Hotel fixed charges [1]	**(5.5)**	**(5.3)**	**(3.0)**	**(5.2)**	**(7.1)**	**(3.7)**	**(0.6)**	**-**	**(30.4)**
Hotel operating profit	**1.3**	**0.6**	**9.0**	**0.2**	**5.6**	**5.9**	**2.7**	**-**	**25.3**
Property operations operating profit/(loss)	**-**	**(0.3)**	**-**	**-**	**0.4**	**0.1**	**0.2**	**-**	**0.4**
Central costs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(4.4)**	**(4.4)**
Share of joint ventures and associates operating profit	**-**	**-**	**-**	**-**	**3.0**	**1.3**	**-**		**4.3**
Headline operating profit/(loss)	**1.3**	**0.3**	**9.0**	**0.2**	**9.0**	**7.3**	**2.9**	**(4.4)**	**25.6**
Add back depreciation and amortisation	**1.3**	**2.3**	**1.3**	**0.9**	**0.1**	**1.4**	**0.4**	**0.2**	**7.9**
Headline EBITDA [2]	**2.6**	**2.6**	**10.3**	**1.1**	**9.1**	**8.7**	**3.3**	**(4.2)**	**33.5**
Depreciation and amortisation									**(7.9)**
Share of interest, tax and minority interests of joint ventures and associates									**(1.3)**
Operating profit									**24.3**
Net finance expense									**(2.2)**
Headline profit before tax									**22.1**
Impairment									**(0.2)**
Profit before tax									**21.9**

Third Quarter 2008	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	28.4	30.0	24.1	24.2	28.8	27.2	9.8	-	172.5
Property operations	-	0.4	-	-	0.5	-	0.5	-	1.4
Total Revenue	28.4	30.4	24.1	24.2	29.3	27.2	10.3	-	173.9
Hotel Gross Operating Profit	11.1	7.0	12.2	6.8	15.6	9.5	3.5	-	65.7
Hotel fixed charges [1]	(4.3)	(4.6)	(3.2)	(4.2)	(8.4)	(3.8)	(2.1)	-	(30.6)
Hotel operating profit	6.8	2.4	9.0	2.6	7.2	5.7	1.4	-	35.1
Property operations operating profit/(loss)	-	(0.4)	-	-	0.5	(0.8)	-	-	(0.7)
Central costs	-	-	-	-	-	-	-	(4.6)	(4.6)
Share of joint ventures and associates operating profit	-	-	-	-	3.4	0.9	-	-	4.3
Headline operating profit/(loss)	6.8	2.0	9.0	2.6	11.1	5.8	1.4	(4.6)	34.1
Add back depreciation and amortisation	1.2	1.8	1.3	1.0	0.4	1.1	0.3	0.2	7.3
Headline EBITDA [2]	8.0	3.8	10.3	3.6	11.5	6.9	1.7	(4.4)	41.4
Depreciation and amortisation									(7.3)
Share of interest, tax and minority interests of joint ventures and associates									(0.8)
Operating profit									33.3
Net finance expense									(3.3)
Headline profit before tax									30.0
Impairment									-
Profit before tax									30.0

Notes to the consolidated financial statements (unaudited)

4. Segmental analysis (continued)

Nine months ended 30 September 2009	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	**66.6**	**85.4**	**64.6**	**67.9**	**74.3**	**83.4**	**29.0**	**-**	**471.2**
Property operations	**-**	**1.2**	**-**	**-**	**1.8**	**0.1**	**1.7**	**-**	**4.8**
Total Revenue	**66.6**	**86.6**	**64.6**	**67.9**	**76.1**	**83.5**	**30.7**	**-**	**476.0**
Hotel Gross Operating Profit	**14.1**	**14.9**	**33.4**	**17.8**	**36.7**	**29.3**	**10.7**	**-**	**156.9**
Hotel fixed charges [1]	**(15.1)**	**(16.8)**	**(9.5)**	**(15.1)**	**(20.6)**	**(12.1)**	**(4.0)**	**-**	**(93.2)**
Hotel operating profit/(loss)	**(1.0)**	**(1.9)**	**23.9**	**2.7**	**16.1**	**17.2**	**6.7**	**-**	**63.7**
Property operations operating profit/(loss)	**-**	**(0.9)**	**-**	**-**	**1.3**	**-**	**0.4**	**-**	**0.8**
Central costs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(13.6)**	**(13.6)**
Share of joint ventures and associates operating profit	**-**	**-**	**-**	**-**	**8.8**	**4.3**	**-**	**-**	**13.1**
Headline operating profit/(loss)	**(1.0)**	**(2.8)**	**23.9**	**2.7**	**26.2**	**21.5**	**7.1**	**(13.6)**	**64.0**
Add back depreciation and amortisation	**3.9**	**7.2**	**4.0**	**2.9**	**0.2**	**4.2**	**1.2**	**0.7**	**24.3**
Headline EBITDA [2]	**2.9**	**4.4**	**27.9**	**5.6**	**26.4**	**25.7**	**8.3**	**(12.9)**	**88.3**
Depreciation and amortisation									**(24.3)**
Share of interest, tax and minority interests of joint ventures and associates									**(4.3)**
Operating profit									**59.7**
Net finance expense									**(6.0)**
Headline profit before tax									**53.7**
Impairment									**(1.3)**
Profit before tax									**52.4**

Nine months ended 30 September 2008	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	79.5	81.2	69.5	75.6	83.4	83.9	33.9	-	507.0
Property operations	-	1.1	-	-	1.3	0.5	2.4	-	5.3
Total Revenue	79.5	82.3	69.5	75.6	84.7	84.4	36.3	-	512.3
Hotel Gross Operating Profit	30.3	16.0	34.0	22.4	45.2	30.7	13.1	-	191.7
Hotel fixed charges [1]	(11.9)	(13.4)	(9.6)	(12.9)	(23.9)	(11.0)	(7.0)	-	(89.7)
Hotel operating profit	18.4	2.6	24.4	9.5	21.3	19.7	6.1	-	102.0
Property operations operating profit/(loss)	-	(1.5)	-	-	0.8	(0.8)	0.6	-	(0.9)
Central costs	-	-	-	-	-	-	-	(13.7)	(13.7)
Share of joint ventures and associates operating profit	-	-	-	-	9.4	4.9	-	-	14.3
Headline operating profit/(loss)	18.4	1.1	24.4	9.5	31.5	23.8	6.7	(13.7)	101.7
Add back depreciation and amortisation	3.4	5.4	4.0	2.9	0.5	3.7	1.3	0.6	21.8
Headline EBITDA [2]	21.8	6.5	28.4	12.4	32.0	27.5	8.0	(13.1)	123.5
Depreciation and amortisation									(21.8)
Share of interest, tax and minority interests of joint ventures and associates									(5.8)
Operating profit									95.9
Net finance expense									(7.5)
Headline profit before tax									88.4
Impairment									-
Profit before tax									88.4

Notes to the consolidated financial statements (unaudited)

4. Segmental analysis (continued)

Full Year 2008	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	112.3	110.7	93.8	104.6	115.0	114.9	44.8	-	696.1
Property operations	-	1.5	-	-	1.8	0.6	2.9	-	6.8
Total Revenue	112.3	112.2	93.8	104.6	116.8	115.5	47.7	-	702.9
Hotel Gross Operating Profit	43.6	20.9	46.8	31.8	62.2	43.2	17.7	-	266.2
Hotel fixed charges [1]	(16.7)	(18.5)	(12.4)	(17.1)	(33.4)	(14.2)	(8.4)	-	(120.7)
Hotel operating profit	26.9	2.4	34.4	14.7	28.8	29.0	9.3	-	145.5
Property operations operating profit	-	(2.0)	-	-	1.1	-	0.6	-	(0.3)
Central costs	-	-	-	-	-	-	-	(21.0)	(21.0)
Share of joint ventures and associates operating profit	-	-	-	-	12.4	6.9	-	-	19.3
Headline operating profit	26.9	0.4	34.4	14.7	42.3	35.9	9.9	(21.0)	143.5
Add back depreciation and amortisation	4.8	7.7	5.4	3.9	0.4	5.3	1.6	0.9	30.0
Headline EBITDA [2]	31.7	8.1	39.8	18.6	42.7	41.2	11.5	(20.1)	173.5
Depreciation and amortisation									(30.0)
Share of interest, tax and minority interests of joint ventures and associates operating income									(7.6)
Operating profit									135.9
Net finance expense									(10.0)
Headline profit before tax									125.9
Other operating income - Group									31.4
Other operating income - share of joint ventures and associates									3.6
Other operating expense - share of joint ventures and associates									(20.4)
Share of interest, tax and minority interests of joint ventures and associates other operating expense									(2.6)
Impairment									
- Joint ventures investments and loans									(19.6)
- Hotels									(8.1)
- Other property									(7.4)
Profit before tax									102.8

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

[2] Earnings before interest, tax, depreciation and amortisation

Notes to the consolidated financial statements (unaudited)

4. Segmental analysis (continued)

Segmental assets and liabilities

As at 30 September 2009	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	**350.1**	**305.2**	**446.5**	**220.7**	**211.2**	**484.3**	**144.0**	**2,162.0**
Hotel operating liabilities	**(12.1)**	**(32.4)**	**(24.1)**	**(29.0)**	**(122.8)**	**(34.5)**	**(4.6)**	**(259.5)**
Investments in and loans to joint ventures and associates	**-**	**-**	**-**	**-**	**174.5**	**147.4**	**-**	**321.9**
Total hotel operating net assets	**338.0**	**272.8**	**422.4**	**191.7**	**262.9**	**597.2**	**139.4**	**2,224.4**
Property operating assets	**-**	**33.3**	**-**	**-**	**51.6**	**8.3**	**67.6**	**160.8**
Property operating liabilities	**-**	**(0.1)**	**-**	**-**	**(1.4)**	**-**	**(0.6)**	**(2.1)**
Total property operating net assets	**-**	**33.2**	**-**	**-**	**50.2**	**8.3**	**67.0**	**158.7**
Deferred tax liabilities								**(232.3)**
Income taxes payable								**(26.3)**
Net debt								**(234.5)**
Net assets								**1,890.0**

As at 30 September 2008	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	306.3	263.7	449.8	238.1	149.4	425.1	125.9	1,958.3
Hotel operating liabilities	(8.0)	(33.4)	(20.5)	(22.1)	(12.6)	(163.1)	(6.8)	(266.5)
Investments in and loans to joint ventures and associates	-	-	-	-	184.2	114.5	-	298.7
Total hotel operating net assets	298.3	230.3	429.3	216.0	321.0	376.5	119.1	1,990.5
Property operating assets	-	36.7	-	-	43.4	5.2	52.0	137.3
Property operating liabilities	-	(0.9)	-	-	(1.2)	(0.7)	(2.0)	(4.8)
Total property operating net assets	-	35.8	-	-	42.2	4.5	50.0	132.5
Deferred tax liabilities								(214.0)
Income taxes payable								(17.2)
Net debt								(250.3)
Net assets								1,641.5

As at 31 December 2008	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	378.5	350.3	447.9	233.9	175.2	529.3	127.4	2,242.5
Hotel operating liabilities	(10.3)	(34.9)	(19.2)	(18.8)	(128.4)	(47.1)	(7.3)	(266.0)
Investments in and loans to joint ventures and associates	-	-	-	-	183.7	155.0	-	338.7
Total hotel operating net assets	368.2	315.4	428.7	215.1	230.5	637.2	120.1	2,315.2
Property operating assets	-	25.1	-	-	54.2	7.7	55.5	142.5
Property operating liabilities	-	(0.9)	-	-	(0.5)	(0.7)	(1.0)	(3.1)
Total property operating net assets	-	24.2	-	-	53.7	7.0	54.5	139.4
Deferred tax liabilities								(258.1)
Income taxes payable								(30.5)
Net debt								(285.1)
Net assets								1,880.9

5. Other operating income

There is no other operating income for the nine months ended 30 September 2009 and 2008. For the year ended 31 December 2008, the Group recorded a £31.4m gain on the aborted sale of CDL Hotels (Korea) Limited, a wholly-owned subsidiary of M&C with one principal asset, the Millennium Seoul Hilton Hotel. A non-refundable cash deposit paid by the buyer was forfeited as the buyer was unable to complete the transaction and that resulted in the Group recording a £31.4m gain.

Notes to the consolidated financial statements (unaudited)

6. Impairment

Impairment for the nine months ended 30 September 2009 represents the full write-down of the additional investment in the Group's 50% investment in Bangkok. There was no impairment in the nine months ended 30 September 2008. Details of the impairment relating to the year ended 31 December 2008 are set out below:

Joint ventures investments and loans
The carrying value of the Group's investments in Beijing and Bangkok were written down by an aggregate of £19.6m and comprised £12.2m investments and a £7.4m provision for loans. This followed a review of the difficult economic conditions and over supplied hotel situation in Beijing post the Olympics and the unstable political conditions affecting business in Thailand.

Hotels
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 also undertaken. An impairment charge of £8.1m was made and related to 6 hotels in the US and UK as well as land in India.

Other property
An impairment charge of £7.4m was made in respect of Sunnyvale for the year ended 31 December 2008 based on an external professional valuation obtained.

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

	Third Quarter 2009 £m	Third Quarter 2008 £m	**Nine Months 2009 £m**	Nine Months 2008 £m	Full Year 2008 £m
Interest	**(0.6)**	(1.1)	**(2.0)**	(3.0)	(3.5)
Tax	**(0.5)**	0.1	**(1.7)**	(1.1)	(2.8)
Minority interests	**(0.2)**	0.2	**(0.6)**	(1.7)	(3.9)
	(1.3)	(0.8)	**(4.3)**	(5.8)	(10.2)

8. Income tax expense

The Group has recorded a £8.5m total income tax expense for the nine months ended 30 September 2009 (nine months ended 30 September 2008: £24.4m), excluding the tax relating to joint ventures and associates. This comprises a UK tax charge of £4.6m and an overseas tax charge of £3.9m (nine months ended 30 September 2008: a UK charge of £5.6m and an overseas tax charge of £18.8m). For the full year 2008 the £31.9m total income tax expense comprised a UK tax charge of £14.5m and an overseas tax charge of £17.4m.

Income tax expense for the relevant period is the expected income tax payable on the taxable income for the period, calculated at the estimated average annual effective income tax rate applied to the pre-tax income for the period.

A tax charge for the nine months ended 30 September 2009 of £1.7m (nine months ended 30 September 2008: £1.1m) relating to joint ventures and associates is included in the reported profit before tax.

The estimated annual effective rate applied to profit before income tax excluding the Group's share of joint ventures and associates profits is 19.5%. For the comparative periods, the Group's effective tax rate was 30.5% (nine months ended 30 September 2008) and 26.0% (full year 2008). The lower effective tax rate is due to a combination of lower corporate tax rates in a number of jurisdictions, profit mix and prior year adjustments.

Notes to the consolidated financial statements (unaudited)

8. Income tax expense (continued)

	Nine months 2009 £m	Nine Months 2008 £m	Full Year 2008 £m
Current tax			
Corporation tax charge for the period	**13.6**	16.0	27.8
Adjustment in respect of prior years	**0.1**	2.1	5.0
Total current tax expense	**13.7**	18.1	32.8
Deferred tax			
Origination and reversal of timing differences	**1.8**	2.9	(0.9)
Reduction in tax rate	**(1.5)**	-	(4.2)
(Benefits)/utilisation of tax losses recognised	**(2.4)**	2.5	2.3
(Over)/under provision in respect of prior years	**(3.1)**	0.9	(8.4)
Change in UK tax legislation in respect of the removal of claw back on hotel tax allowance	**-**	-	10.3
Total deferred tax (credit)/charge	**(5.2)**	6.3	(0.9)
Total income tax charge in the income statement	**8.5**	24.4	31.9
UK	**4.6**	5.6	14.5
Overseas	**3.9**	18.8	17.4
Total income tax charge in the income statement	**8.5**	24.4	31.9

Income tax reconciliation

	Nine months 2009 £m	Nine Months 2008 £m	Full Year 2008 £m
Profit before income tax in income statement	**52.4**	88.4	102.8
(Less)/add share of (profits)/losses of joint ventures and associates	**(8.8)**	(8.5)	19.9
	43.6	79.9	122.7
Income tax on ordinary activities at the standard rate of UK tax of 28.0% (2008: 28.5%)	**12.2**	22.8	35.0
Tax exempt income	**(1.2)**	(1.2)	(3.2)
Non deductible expenses	**2.6**	1.0	3.0
Recognition of deferred tax on share of undistributed associate's profit	**-**		2.0
Current year losses for which no deferred tax asset was recognised	**0.3**	0.4	0.2
Unrecognised deferred tax assets relating to impairment	**0.3**	-	0.6
Effect of lower tax rates of other operating income	**-**	-	(9.0)
Effect of higher tax rates on impairment	**-**	-	(1.4)
Other effect of tax rates in foreign jurisdictions	**(1.2)**	(1.5)	2.0
Effect of change in tax rates on opening deferred taxes	**(1.5)**	-	(4.2)
Effect of change in UK tax legislation in respect of the removal of claw back on hotel tax allowances	**-**	-	10.3
Other adjustments to tax charge in respect of prior years	**(3.0)**	2.9	(3.4)
Total income tax charge in the income statement	**8.5**	24.4	31.9

9. Earnings per share

Earnings per share are calculated using the following information:

	Third Quarter 2009	Third Quarter 2008	**Nine Months 2009**	Nine Months 2008	Full Year 2008
(a) Basic					
Profit for period attributable to holders of the parent (£m)	**17.5**	19.7	**40.4**	58.2	64.0
Weighted average number of shares in issue (m)	**307.9**	302.2	**305.0**	299.3	300.0
Basic earnings per share (pence)	**5.7p**	6.5p	**13.2p**	19.4p	21.3p
(b) Diluted					
Profit for period attributable to holders of the parent (£m)	**17.5**	19.7	**40.4**	58.2	64.0
Weighted average number of shares in issue (m)	**307.9**	302.2	**305.0**	299.3	300.0
Potentially dilutive share options under Group's share option schemes (m)	**1.0**	0.1	**0.3**	0.2	0.1
Weighted average number of shares in issue (diluted) (m)	**308.9**	302.3	**305.3**	299.5	300.1
Diluted earnings per share (pence)	**5.7p**	6.5p	**13.2p**	19.4p	21.3p

Notes to the consolidated financial statements (unaudited)

9. Earnings per share (continued)

	Third Quarter 2009	Third Quarter 2008	**Nine Months 2009**	Nine Months 2008	Full Year 2008
Profit for the period attributable to holders of the parent (£m)	**17.5**	19.7	**40.4**	58.2	64.0
Adjustments for:					
- Other operating income (net of tax) (£m)	**-**	-	**-**	-	(31.4)
- Impairment (net of tax) (£m)	**0.2**	-	**1.3**	-	29.1
- Share of other operating expenses/income of joint ventures and associates (nil tax) (£m)	**-**	-	**-**	-	19.6
- Change in UK tax legislation on hotel tax allowances (£m)	**-**	-	**-**	-	10.3
- Change in tax rates on opening deferred tax (£m)	**-**	-	**-**	-	(4.2)
Adjusted profit for the period attributable to holders of the parent (£m)	**17.7**	19.7	**41.7**	58.2	87.4
Weighted average number of shares in issue (m)	**307.9**	302.2	**305.0**	299.3	300.0
Headline earnings per share (pence)	**5.7p**	6.5p	**13.7p**	19.4p	29.1p
(d) Diluted headline earnings per share					
Adjusted profit for the period attributable to holders of the parent (£m)	**17.7**	19.7	**41.7**	58.2	87.4
Weighted average number of shares in issue (diluted) (m)	**308.9**	302.3	**305.3**	299.5	300.1
Diluted headline earnings per share (pence)	**5.7p**	6.5p	**13.7p**	19.4p	29.1p

10. Non-GAAP measures

Headline profit before tax, headline operating profit, and headline EBITDA
Reconciliation of headline profit before tax, headline operating profit and headline EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) to the closest equivalent GAAP measure, profit before tax is provided in the note 4 'Segmental analysis'.

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

- net debt allows the Company and external parties to evaluate the Group's overall indebtedness and liquidity position;
- net debt facilitates comparability of indebtedness and liquidity with other companies, although the Group's measure of net 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.

Analysis of net debt 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 2009 £m	As at 30 September 2008 £m	As at 31 December 2008 £m
Net Debt			
Cash and cash equivalents (as per cash flow statement)	**126.1**	160.3	209.3
Bank overdrafts (included as part of borrowings)	**0.4**	0.5	2.8
Cash and cash equivalents included in assets classified as held for sale	**-**	(6.3)	-
Cash and cash equivalents (as per the consolidated statement of changes in financial position)	**126.5**	154.5	212.1
Cash and cash equivalents included in assets classified as held for sale	**-**	6.3	-
Interest-bearing loans, bonds and borrowings - Non-current	**(280.0)**	(303.4)	(415.1)
- Current	**(81.0)**	(75.9)	(82.1)
- Classified as held for sale	**-**	(31.8)	-
Net debt	**(234.5)**	(250.3)	(285.1)
Gearing (%)	**13.5%**	16.5%	16.4%

Notes to the consolidated financial statements (unaudited)

10. Non-GAAP measures (continued)

An analysis of movements in net debt is presented below:

	Nine Months 2009 £m	Nine Months 2008 £m	Full Year 2008 £m
Net (decrease)/increase in cash, cash equivalents and bank overdrafts per consolidated cash flow statement	**(76.0)**	(3.9)	7.4
Decrease in debt and lease financing	**119.3**	25.0	32.6
Movement in net debt	**43.3**	21.1	40.0
Translation adjustments	**7.3**	(9.3)	(63.0)
Net debt at beginning of period	**(285.1)**	(262.1)	(262.1)
Net debt at end of period	**(234.5)**	(250.3)	(285.1)

11. Assets classified as held for sale and associated liabilities

Assets classified as held for sale and associated liabilities in 2008 represented the net assets of CDL Hotels (Korea) Limited which owns the hotel business undertaking of the Millennium Seoul Hilton Hotel. An agreement had been reached with Kangho AMC Co. to dispose of the Group's 100% holding in CDL Hotels (Korea) Limited. While the Group was ready, willing and able to complete the disposal, the buyer was unable to finalise its financing arrangements and, consequently, the agreement for the disposal was terminated. The non-refundable cash deposit paid by the buyer was accordingly forfeited and has resulted in the Group recording a £31.4m gain.

APPENDIX 1: KEY OPERATING STATISTICS (UNAUDITED)
for the nine months ended 30 September 2009

	Nine Months 2009 Reported Currency	Nine Months 2008 Constant Currency	Nine Months 2008 Reported currency	Full Year 2008 Reported currency
Occupancy %				
New York	**81.4**		86.1	84.7
Regional US	**57.6**		62.9	59.9
Total US	**63.3**		68.3	65.6
London	**84.9**		84.3	84.4
Rest of Europe	**66.7**		71.4	70.9
Total Europe	**74.8**		77.1	76.9
Singapore	**74.8**		84.0	83.6
Rest of Asia	**67.5**		69.7	70.0
Total Asia	**70.6**		75.9	75.8
Australasia	**60.9**		66.1	66.5
Total Group	**67.8**		72.2	71.2
Average Room Rate (£)				
New York	**135.87**	193.65	151.43	163.08
Regional US	**64.19**	67.05	52.43	55.23
Total US	**86.29**	103.95	81.29	87.41
London	**97.03**	101.51	101.51	101.36
Rest of Europe	**74.93**	83.92	78.93	79.60
Total Europe	**86.02**	92.43	89.84	90.16
Singapore	**77.00**	106.38	87.74	88.59
Rest of Asia	**69.26**	73.17	64.98	66.08
Total Asia	**72.80**	88.93	75.78	76.72
Australasia	**44.55**	47.34	46.63	46.29
Total Group	**77.78**	90.29	78.00	80.32
RevPAR (£)				
New York	**110.60**	166.73	130.38	138.13
Regional US	**36.97**	42.17	32.98	33.08
Total US	**54.62**	71.00	55.52	57.34
London	**82.38**	85.57	85.57	85.55
Rest of Europe	**49.98**	59.92	56.36	56.44
Total Europe	**64.34**	71.26	69.27	69.33
Singapore	**57.60**	89.36	73.70	74.06
Rest of Asia	**46.75**	51.00	45.29	46.26
Total Asia	**51.40**	67.50	57.72	58.15
Australasia	**27.13**	31.29	30.82	30.78
Total Group	**52.73**	65.19	56.32	57.19
Gross Operating Profit Margin (%)				
New York	**21.2**		38.1	38.8
Regional US	**17.3**		19.7	18.9
Total US	**19.0**		28.8	28.9
London	**51.7**		48.9	49.9
Rest of Europe	**26.2**		29.6	30.4
Total Europe	**38.6**		38.9	39.6
Singapore	**49.4**		54.2	52.9
Rest of Asia	**35.1**		36.6	37.4
Total Asia	**41.9**		45.4	45.8
Australasia	**36.9**		38.6	39.5
Total Group	**33.3**		37.8	38.2

For comparability the 30 September 2008 Average Room Rate and RevPAR have been translated at average exchange rates for the period ended 30 September 2009.

APPENDIX 2: KEY OPERATING STATISTICS (UNAUDITED)
for the third quarter ended 30 September 2009

	Third Quarter 2009 Reported currency	Third Quarter 2008 Constant currency	Third Quarter 2008 Reported currency
Occupancy %			
New York	**89.8**		90.4
Regional US	**64.0**		66.2
Total US	**70.2**		71.8
London	**86.7**		87.8
Rest of Europe	**68.5**		72.4
Total Europe	**76.6**		79.2
Singapore	**83.2**		82.6
Rest of Asia	**69.7**		69.0
Total Asia	**75.5**		74.9
Australasia	**56.9**		59.6
Total Group	**71.6**		72.9
Average Room Rate (£)			
New York	**135.01**	189.42	158.97
Regional US	**61.48**	68.50	57.23
Total US	**84.12**	103.71	86.85
London	**100.76**	106.12	106.12
Rest of Europe	**69.55**	81.37	77.51
Total Europe	**85.18**	93.50	91.53
Singapore	**71.15**	104.10	90.50
Rest of Asia	**66.16**	70.62	64.69
Total Asia	**68.53**	86.50	76.93
Australasia	**45.42**	49.89	43.95
Total Group	**76.12**	90.81	80.98
RevPAR (£)			
New York	**121.24**	171.24	143.71
Regional US	**39.35**	45.35	37.89
Total US	**59.05**	74.46	62.36
London	**87.36**	93.17	93.17
Rest of Europe	**47.64**	58.91	56.12
Total Europe	**65.25**	74.05	72.49
Singapore	**59.20**	85.99	74.75
Rest of Asia	**46.11**	48.73	44.64
Total Asia	**51.74**	64.79	57.62
Australasia	**25.84**	29.73	26.19
Total Group	**54.50**	66.20	59.03
Gross Operating Profit Margin (%)			
New York	**28.7**		39.1
Regional US	**20.3**		23.3
Total US	**24.1**		31.0
London	**53.6**		50.6
Rest of Europe	**25.1**		28.1
Total Europe	**39.6**		39.3
Singapore	**50.2**		54.2
Rest of Asia	**35.3**		34.9
Total Asia	**42.5**		44.8
Australasia	**34.7**		35.7
Total Group	**35.1**		38.1

For comparability the 30 September 2008 Average Room Rate and RevPAR have been translated at average exchange rates for the period ended 30 September 2009.

APPENDIX 3: HOTEL ROOM COUNT AND PIPELINE (UNAUDITED)
for the nine months ended 30 September 2009

Hotel and room count	Hotels			Rooms		
	30 September 2009	31 December 2008	30 September 2008	**30 September 2009**	31 December 2008	30 September 2008
Analysed by region:						
New York	**3**	3	3	**1,746**	1,746	1,746
Regional US	**16**	17	17	**5,727**	6,025	6,025
London	**7**	7	7	**2,487**	2,487	2,487
Rest of Europe	**18**	17	17	**3,231**	3,073	3,073
Middle East	**8**	9	9	**2,416**	2,689	2,689
Singapore	**5**	5	5	**2,390**	2,390	2,390
Rest of Asia	**16**	15	14	**7,196**	6,913	6,671
Australasia	**30**	30	31	**3,553**	3,477	3,524
Total	**103**	103	103	**28,726**	28,800	28,605
Analysed by ownership type:						
Owned and leased	**66**	67	67	**20,288**	20,610	20,610
Managed	**18**	17	17	**4,183**	4,011	4,011
Franchised	**13**	13	14	**1,883**	1,807	1,854
Investment	**6**	6	5	**2,372**	2,372	2,130
Total	**103**	103	103	**28,726**	28,800	28,605
Analysed by brand:						
Grand Millennium	**4**	4	4	**1,657**	1,666	1,666
Millennium	**40**	40	40	**14,228**	14,222	14,222
Copthorne	**35**	34	34	**7,128**	6,950	6,950
Kingsgate	**14**	14	15	**1,425**	1,375	1,422
Third party	**10**	11	10	**4,288**	4,587	4,345
Total	**103**	103	103	**28,726**	28,800	28,605

Pipeline	Hotels			Rooms		
	30 September 2009	31 December 2008	30 September 2008	**30 September 2009**	31 December 2008	30 September 2008
Analysed by region:						
Regional US	**1**	1	1	**250**	250	250
Rest of Europe	**3**	2	2	**639**	340	340
Middle East	**20**	10	10	**6,743**	3,418	2,805
Singapore	**1**	1	1	**365**	370	370
Rest of Asia	**2**	3	3	**463**	790	790
Total	**27**	17	17	**8,460**	5,168	4,555
Analysed by ownership type:						
Owned or leased	**3**	3	3	**735**	740	740
Managed	**24**	14	14	**7,725**	4,428	3,815
Total	**27**	17	17	**8,460**	5,168	4,555
Analysed by brand:						
Grand Millennium	**2**	-	-	**1,423**	-	-
Millennium	**13**	10	10	**3,799**	3,555	2,942
Copthorne	**3**	1	1	**480**	140	140
Kingsgate	**3**	2	2	**752**	478	478
Other	**6**	4	4	**2,006**	995	995
Total	**27**	17	17	**8,460**	5,168	4,555

The Group opened two hotels as management contracts, the 158-room Copthorne Hotel Sheffield (UK) in January and the 306-room Millennium Wuxi (China) in June. The 299-room owned Wynfield Inn Orlando Convention Center (US) was closed and the management contract for the 304-room Millennium Oy Oun Hotel Sharm el Sheikh (Egypt) ceased. For the nine months, with the signing of new hotel contracts in the UK and Middle East, the hotel pipeline increased by ten to 27 hotels with 8,460 rooms.