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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 First Quarter 2008 Results
Description	Please see attached, the announcement released by Millennium & Copthorne Hotels plc on 6 May 2008.
Attachments:	MnC-InterimMgmtReport.pdf Total size = **203K** (2048K size limit recommended)

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For Immediate Release **6 May 2008**

MILLENNIUM & COPTHORNE HOTELS PLC

INTERIM MANAGEMENT REPORT
First Quarter Results to 31 March 2008

Millennium & Copthorne Hotels plc today announces first quarter results to 31 March 2008 together with a trading update. The Group has a portfolio of hotels located in the Americas, Europe, Middle East, Asia and New Zealand.

First quarter highlights

- Revenue growth of 2.4%[1] to £160.7m; Hotel revenue growth of 5.0%[1] to £158.4m
- Group RevPAR up by 7.4%[1] to £51.70
- Headline operating profit up 17.1% to £28.1m (2007: £24.0m) [2]
- Profit before income tax up 11.1% to £22.0m
- Headline profit before income tax up 19.6% to £22.0m (2007: £18.4m) [2]
- Headline earnings per share up 26.3% to 4.8p (2007: 3.8p) [3]. Basic earnings per share 4.8p
- Opened one hotel in China and three hotels in the Middle East; Development pipeline of 5,517 rooms (19 hotels)

[1] For comparability, statistics for 2007 have been translated at average exchange rates for the quarter ended 31 March 2008
[2] Adjusted to exclude other operating income of the Group, joint ventures and associates
[3] Adjusted to exclude other operating income of the Group, joint ventures and associates (net of tax)

Post 31 March 2008
On 10 April 2008 the Group soft-opened its fourth Grand Millennium property, the 521-room Grand Millennium Beijing in China, bringing the total number of properties open in mainland China to three.

Commenting today, Mr Kwek Leng Beng, Chairman said:

"Overall results for the first quarter were broadly in line with expectations. The timing of Easter this year falling in March compared to April in 2007 had a negative impact on the Group's performance and two of our major US properties are in the midst of major refurbishment projects. Despite this, RevPAR growth was still good, helped by continued encouraging market conditions in Singapore and New York.

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

We remain confident of making further progress and the outlook for the year as a whole remains in line with the expectations that we set at the end of last year."

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Analyst briefing
There will be a conference call hosted by Richard Hartman, Chief Executive Officer, at 9.00am (UK time) on 6 May. For dial-in details, please contact Camilla Simpson on +44 (0) 20 7466 5000.

CHAIRMAN'S STATEMENT

Overall results for the first quarter were broadly in line with expectations. The timing of Easter this year falling in March compared to April in 2007 had a negative impact on the Group's performance and two of our major US properties are in the midst of major refurbishment projects. Despite this, RevPAR growth was still good, helped by encouraging market conditions in Singapore and New York.

Financial Performance

Profit before income tax was £22.0m (2007: £19.8m) and basic earnings per share increased by 14.3% to 4.8p whilst headline earnings per share at 4.8p showed a 26.3% increase on the previous year (2007: 3.8p). Headline profit before income tax rose to £22.0m, an increase of 19.6% compared to 2007. The effect of translating the 2007 quarter profit before income tax at 2008 exchange rates is to increase 2007 reported profit before income tax by £1.0m, mainly driven by a strengthening in the Singapore dollar, New Zealand dollar and Euro, offset by a weakening US dollar.

Group RevPar increased by 7.4% based on constant currency terms. Easter had a negative impact on RevPAR. This is illustrated through the impact of RevPAR where in the period from 1 January 2008 to 21 March 2008 (the commencement of Easter) Group RevPAR was 9.7% ahead of the equivalent period in 2007 compared to the 7.4% improvement for the period from 1 January 2008 to 31 March 2008 and its equivalent period in 2007.

CEO Appointment

We announced the appointment of Richard Hartman as Chief Executive Officer who joined the Company on 7 April 2008. Richard will be joining the Board of Millennium & Copthorne immediately following the Company's annual general meeting which is being held on 7 May 2008. Wong Hong Ren has reverted to his previous role as an Executive Director with responsibilities that include overseeing the Group's finance function.

Richard, aged 62 has over 30 years experience in the hotel and restaurant industry and has held senior positions at InterContinental Hotels Group where he was main Board Director from 2003 to 2007. He was also President of ITT Sheraton North America between 1992 and 1998.

Review of Management Structure and Systems

Following the review of the management structure and systems for the Group, a framework outlining actions to be taken has been considered and agreed by the Board and the Chief Executive Officer. Richard Hartman will take control of the necessary implementation plans with input from Wong Hong Ren where his particular skills, expertise and experience are required.

Key Operational Highlights

Expansion in Asia continues. In China the Millennium Harbourview Hotel Xiamen, a 352-room property, was opened under a franchise contract in January 2008. The hotel was formerly the Crowne Plaza Harbourview Hotel Xiamen. On 10 April 2008 the Group soft-opened its fourth Grand Millennium property, the 521-room Grand Millennium Beijing in China, bringing the total number of properties open in mainland China to three.

In May 2008 the Copthorne Hotel Qingdao, a 453-room property, will open under a franchise contract. The hotel was formerly Hotel Equatorial Qingdao. A further two hotels operating under management contracts will open in China later this year in Chengdu and Wuxi.

In the Middle East the Group opened three new properties under management contract in the first quarter under two brands which are both new to the Middle East. The Grand Millennium Dubai is the third property in the Group to be launched under the Grand Millennium brand. With 352 rooms, the Grand Millennium Dubai combines world class business and leisure facilities, offering guests an unprecedented level of service. The second property is the Copthorne Hotel Dubai which has 163 rooms offering views over Dubai Creek and surrounding parks from private balconies. The third hotel is the Copthorne Al Jahrah Kuwait and is the Group's first property in Kuwait.

The Group also announced the signing of a further eight management contracts, with seven in the United Arab Emirates and one in Kuwait. These properties are due to open between 2009 and 2011 and account for almost 2,300 additional rooms. This brings the number of rooms in the Group's worldwide pipeline to 5,517 rooms (19 hotels).

In January, the Group commenced a combined US$50.0m (£25.1m) renovation project at the Millennium Bostonian in Boston and the Millennium Knickerbocker in Chicago to completely transform both hotels to bring a stylish, high quality upscale look to both properties. Completion of both projects is expected by August 2008.

Outlook

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

The current economic environment may provide opportunities for expansion. The business strategy adopted over the past few years has delivered a robust balance sheet, low debt and impressive cash generation capability. We remain ideally positioned to take advantage of any attractive opportunities that may arise and we have sufficient operational flexibility to react to changing market conditions as necessary.

We remain confident of making further progress and the outlook for the year as a whole remains in line with the expectations that we set at the end of last year.

DEVELOPMENT PIPELINE

Post 31 March 2008

On 10 April 2008 the Group opened its fourth Grand Millennium property, the 521-room Grand Millennium Beijing in China bringing the total number of properties open in mainland China to three. The Group has also opened the 108 room Kingsgate Abu Dhabi Hotel marking the first property trading under the Kingsgate brand outside of New Zealand.

M&C Rakindo Hospitality, in which the Group owns 60% and Rakindo Developers Pvt. Ltd own 40%, announced plans to develop two new hotels in Chennai and Bangalore in India of 120 and 300 rooms respectively. The two new hotels will be managed under a new urban brand aimed at offering affordable contemporary business hotels to this rapidly expanding market. The hotel in Chennai is expected to be completed in 2009 while completion of the Bangalore hotel is expected in 2010.

FINANCIAL AND OPERATING HIGHLIGHTS

	Three months ended 31 March 2008 £m	Three months ended 31 March 2007 £m	Full year ended 31 December 2007 £m
Financial information			
Revenue	**160.7**	153.1	669.6
Operating profit	**25.7**	23.5	171.5
Profit before income tax	**22.0**	19.8	157.4
Profit for the period	**16.3**	14.8	159.5
Basic earnings per share (pence)	**4.8p**	4.2p	50.7p
Performance reporting			
Hotel operating profit	**27.2**	21.8	140.5
Headline operating profit	**28.1**	24.0	140.2
Headline profit before income tax	**22.0**	18.4	118.3
Headline earnings per share (pence)	**4.8p**	3.8p	32.2p
Net debt	**258.1**	253.1	262.1
Gearing (%)	**17.7%**	19.8%	18.4%
Operational			
RevPAR growth at constant rates of exchange*	**7.4%**	8.5%	9.7%
Occupancy movement (percentage points)	**(1.9%)**	0.2%	(0.3%)
Average room rate growth at constant rates of exchange*	**10.3%**	8.2%	10.1%
Hotel revenue growth at constant rates of exchange*	**5.0%**	10.8%	9.0%
Hotel operating profit growth at constant rates of exchange*	**21.4%**	25.3%	22.1%

* For comparability, statistics for 2007 have been translated at average exchange rates for the quarter ended 31 March 2008

Summary results

Profit before income tax increased by 11.1% to £22.0m as compared with £19.8m for 2007. Headline profit before income tax, the Group's measure of underlying profit before income tax, increased by 19.6% from £18.4m to £22.0m. Basic earnings per share were 4.8p, up 14.3% (2007: 4.2p) with headline earnings per share at 4.8p showing a 26.3% increase on the prior year (2007: 3.8p).

Revenue

Group reported revenue was £160.7m or 5.0% higher than the 2007 revenue of £153.1m. The effect of translating the 2007 quarter revenue at 2008 average exchange rates is to increase 2007 reported revenue by £3.9m, mainly driven by a strengthening in the Singapore dollar, New Zealand dollar and Euro, offset by a weakening US dollar.

Organic business revenue grew by £3.7m or 2.4%, with the impact of strong demand in New York and Singapore being offset by: (i) the negative effect of Easter that fell in March this year as opposed to April in 2007; (ii) refurbishing hotels in Boston and Chicago and; (iii) reduced level of sales in both Zenith apartments in Sydney and land sales in New Zealand.

Group RevPAR for the first quarter increased by 7.4% to £51.70 at constant rates of exchange. Group occupancies fell by 1.9 percentage points and average room rate grew by 10.3% to £73.44 and at constant rates of exchange, total hotel revenues increased by £7.5m and hotel operating profit by £4.8m to £27.2m.

Headline operating profit

Headline operating profit is the Group's measure of the underlying profit before interest and income tax. It includes the operating results of joint ventures and associates but excludes other operating income (of Group and share of joint ventures and associates) and impairment. Headline operating profit for the period grew by 17.1% from £24.0m to £28.1m.

Consistent with the impact on revenue, currency movements had a £0.9m (3.8%) positive impact on headline operating profit. Headline operating profit for organic business grew by £1.7m (6.4%) with strong performances across the Asia region and credible improved performance in the US offset by reduced reported profits from sales of Zenith apartments and land sales in New Zealand of £2.0m. Consistent with the impact on revenue, Easter had a negative impact on profitability.

Share of profit in joint ventures and associates
In 2008 the Group's share of operating profit of joint ventures and associates increased by £0.6m (13.0%) compared with 2007. This reflected increased profits from CDLHT, New Unity, and the first trading results of First Sponsor Capital Limited (formed in September 2007). These were offset by start up costs at the Grand Millennium Beijing in which the Group has a 30% effective interest, and which opened in April 2008.

Other operating income
There was no other operating income of the Group for 2008 (2007: £1.4m) which in 2007 consisted of a £1.0m release of property tax provision set aside on the acquisition of Regal Hotels in 1999 and a £0.4m profit on the disposal of stapled securities in CDLHT.

Taxation
The total Group income tax expense excluding the income tax relating to joint ventures and associates is £5.7m (2007: £5.0m), giving rise to an effective rate of 29.7% (2007: 29.2%).

A tax charge of £0.7m (2007: £0.3m) relating to joint ventures and associates is included in the reported profit before income tax.

Net finance expense
The net finance expense of £3.7m remained unchanged from 2007 reflecting both lower cost of debt and reduced level of debt offset by reduced income on lower cash balances.

Earnings per share
Basic earnings per share were 4.8p up 14.3% (2007: 4.2p) with headline earnings per share at 4.8p showing a 26.3% increase on the prior year (2007: 3.8p).

PERFORMANCE BY REGION

For comparability, the following regional review is based on calculations in constant currency whereby 31 March 2007 average room rate, RevPAR, revenue, gross operating profit and headline operating profit have been translated at average exchange rates for the quarter ended 31 March 2008.

As mentioned above, the timing of Easter has had an adverse impact on the quarter on quarter performance, particularly in Europe and Regional US. For the period to 21 March, the period on period performance by region was between 1.5 to 3.0 percentage points higher than the figures quoted below.

UNITED STATES

New York
RevPAR increased by 8.0% to £109.26 (2007: £101.16 at constant rates of exchange). As was the case in 2007, rate remained the primary driver of this increase, with all three hotels posting a combined average rate of £138.83, a 7.2% increase (2007: £129.52). Overall occupancy showed a small increase of 0.6 percentage points, although two of the properties showed a decrease in occupancy. The benefits of this rate driven strategy was to drive gross operating profit margins up 0.9 percentage points to 29.9% (2007: 29.0%).

Regional US
RevPAR fell by 3.2% to £26.66 (2007: £27.55). This was primarily due to two major renovation projects at the Millennium Bostonian Hotel Boston and the Millennium Knickerbocker Hotel Chicago, with a combined room count loss of just over 31,000 room nights. Excluding both these properties from 2007 and 2008 statistics would have increased RevPAR by 4.5% to £27.19 (2007: £26.03), driven by a 6.4% increase in rate to £46.17 (2007: £43.38) and a small fall in occupancy of 1.1 percentage points to 58.9%.

EUROPE

London
RevPAR increased by 1.7% to £73.35 (2007: £72.14). This was driven by a 7.7% increase in average rate to £94.40 (2007: £87.66) but at the expense of a 4.6 percentage point fall in occupancy to 77.7% (2007: 82.3%). Average rate increased in all five properties although this was at the expense of occupancy at four of these properties.

Rest of Europe
RevPAR fell by 0.3% to £52.78 (2007: £52.95). Occupancy fell by 3.9 percentage points, but average rate increased by 5.5% to £78.78 (2007: £74.68)

Regional UK
Demand was weak throughout the region and nine out of the eleven properties experienced lower occupancy levels resulting in an overall decrease in occupancy of 7.5 percentage points. Average rate still remained buoyant and increased by 5.0% to £74.43 (2007: £70.87). The resultant RevPAR fell by 5.3% to £50.98 (2007: £53.86).

France & Germany
RevPAR increased by 8.0% to £55.72 (2007: £51.60) driven by both increased average rate and occupancy. Occupancy increased by 1.8 percentage points to 64.7% (2007: 62.9%) while rate increased by 5.0% to £86.12 (2007: £82.03).

ASIA

RevPAR increased by 21.0% to £55.52 (2007: £45.90) driven by an 18.7% increase in average rate to £72.38 (2007: £60.96) and modest occupancy growth of 1.4 percentage points to 76.7%.

Singapore
The strong growth experienced in 2007 has continued through into 2008 which bodes well for the rest of the year. The resultant buoyancy resulted in a 36.7% increase in RevPAR to £69.49 (2007: £50.84) driven by a 38.3% increase in average rate to £82.63 (2007: £59.74), offset by a small fall in occupancy from 85.1% to 84.1%

Rest of Asia
RevPAR increased by 6.7% to £45.08 (2007: £42.23). This was driven by occupancy increasing by 3.2 percentage points to 71.2% and average rate increasing by 1.9% to £63.31 (2007: £62.10) and the benefits of refurbishment works at the Grand Millennium Kuala Lumpur which if excluded would result in a RevPAR increase of 4.7%.

CDLHT
At 31 March 2008, the Group had a 38.6% interest in CDLHT, a Singapore-listed REIT and it also acts as manager of the REIT. Both our REIT management fee and share of profits increased year on year by a combined 42.1% (before last year's £0.4m gain on disposal of stapled securities).

AUSTRALASIA

Hotels
RevPAR increased by 7.5% to £41.00 (2007: £38.14). This was achieved through an 8.7% increase in average rate to £51.06 (2007: £46.97) but with a small 0.9 percentage point fall in occupancy to 80.3%. Much of this was due to the Copthorne Hotel Wellington Oriental Bay, which underwent an extensive refurbishment last year. The overall RevPAR improvement with this hotel excluded was 3.3%.

Property Operations
In constant currency, profits from the Group's New Zealand landbank and sale of Zenith apartments in Sydney fell by £2.0m to £2.1m. This reflected reduced sales in their respective property markets.

Kwek Leng Beng
Chairman

6 May 2008

Consolidated income statement (unaudited)
for the first quarter ended 31 March 2008

	Notes	**Three months ended 31 March 2008 £m**	Three months ended 31 March 2007 £m	Full year ended 31 December 2007 £m
Revenue	1	**160.7**	153.1	669.6
Cost of sales		**(68.2)**	(67.4)	(284.8)
Gross profit		**92.5**	85.7	384.8
Administrative expenses		**(69.6)**	(66.3)	(271.7)
Other operating income	4	**-**	1.4	13.8
		22.9	20.8	126.9
Share of profit of joint ventures and associates		**2.8**	2.7	44.6
Analysed between:				
Operating profit before other income		**5.2**	4.6	20.1
Other operating income		**-**	-	32.3
Interest, tax and minority interests	5	**(2.4)**	(1.9)	(7.8)
Operating profit		**25.7**	23.5	171.5
Analysed between:				
Headline operating profit	1	**28.1**	24.0	140.2
Other operating income - Group	4	**-**	1.4	13.8
Other operating income - Share of joint ventures and associates		**-**	-	32.3
Impairment (included within administrative expenses)		**-**	-	(7.0)
Share of interest, tax and minority interests of joint ventures and associates		**(2.4)**	(1.9)	(7.8)
Finance income		**4.3**	2.2	12.3
Finance expense		**(8.0)**	(5.9)	(26.4)
Net finance expense		**(3.7)**	(3.7)	(14.1)
Profit before income tax		**22.0**	19.8	157.4
Income tax (expense)/credit	6	**(5.7)**	(5.0)	2.1
Profit for the period		**16.3**	14.8	159.5
Attributable to:				
Equity holders of the parent		**14.1**	12.2	149.4
Minority interests		**2.2**	2.6	10.1
		16.3	14.8	159.5
Basic earnings per share (pence)	7	**4.8p**	4.2p	50.7p
Diluted earnings per share (pence)	7	**4.8p**	4.2p	50.6p

The financial results above all derive from continuing activities.

Consolidated statement of recognised income and expense (unaudited)
for the first quarter ended 31 March 2008

	Notes	**Three months ended 31 March 2008 £m**	Three months ended 31 March 2007 £m	Full year ended 31 December 2007 £m
Foreign exchange translation differences		**27.9**	-	17.4
Actuarial (losses)/gains arising in respect of defined benefit pension plans		**-**	(1.0)	0.7
Income tax on income and expense recognised directly in equity	6	**-**	0.2	2.6
Income and expense recognised directly in equity		**27.9**	(0.8)	20.7
Profit for the period		**16.3**	14.8	159.5
Total recognised income and expense for the period		**44.2**	14.0	180.2
Attributable to:				
Equity holders of the parent		**37.4**	8.1	162.7
Minority interests		**6.8**	5.9	17.5
Total recognised income and expense for the period		**44.2**	14.0	180.2

Consolidated balance sheet (unaudited)
as at 31 March 2008

	Notes	**As at 31 March 2008 £m**	As at 31 March 2007 £m	As at 31 December 2007 £m
Non-current assets				
Property, plant and equipment		**1,720.8**	1,708.6	1,709.0
Lease premium prepayment		**90.3**	74.3	90.0
Investment properties		**59.7**	49.7	58.2
Investments in joint ventures and associates		**259.6**	115.4	247.6
Loans due from joint ventures and associates		**6.1**	26.6	5.4
Other financial assets		**4.8**	2.9	4.8
		2,141.3	1,977.5	2,115.0
Current assets				
Inventories		**4.8**	4.4	4.9
Development properties		**73.2**	67.9	69.6
Lease premium prepayment		**1.3**	1.3	1.1
Trade and other receivables		**61.6**	62.9	58.2
Other financial assets		**8.8**	7.9	9.1
Cash and cash equivalents		**169.1**	158.9	156.3
		318.8	303.3	299.2
Total assets		**2,460.1**	2,280.8	2,414.2
Non-current liabilities				
Interest-bearing loans, bonds and borrowings		**(313.9)**	(327.6)	(304.1)
Employee benefits		**(13.1)**	(16.3)	(12.9)
Provisions		**(0.9)**	(1.2)	(1.0)
Other non-current liabilities		**(93.4)**	(89.8)	(90.9)
Deferred tax liabilities		**(200.9)**	(225.0)	(205.8)
		(622.2)	(659.9)	(614.7)
Current liabilities				
Interest-bearing loans, bonds and borrowings		**(113.3)**	(84.4)	(114.3)
Trade and other payables		**(108.7)**	(110.7)	(113.7)
Provisions		**(0.4)**	(0.4)	(0.4)
Income taxes payable		**(17.3)**	(19.8)	(17.4)
		(239.7)	(215.3)	(245.8)
Total liabilities		**(861.9)**	(875.2)	(860.5)
Net assets		**1,598.2**	1,405.6	1,553.7
Equity				
Total equity attributable to equity holders of the parent		**1,461.2**	1,278.3	1,423.5
Minority interests		**137.0**	127.3	130.2
Total equity	8	**1,598.2**	1,405.6	1,553.7

Consolidated statement of cash flows (unaudited)
for the first quarter ended 31 March 2008

	Three months ended 31 March 2008 £m	Three months ended 31 March 2007 £m	Full year ended 31 December 2007 £m
Cash flows from operating activities			
Profit for the year	**16.3**	14.8	159.5
Adjustments for:			
Depreciation and amortisation	**7.2**	7.3	28.7
Share of profit of joint ventures and associates	**(2.8)**	(2.7)	(44.6)
Impairment losses on property, plant and equipment	**-**	-	7.0
Profit on sale of property, plant and equipment	**-**	-	(1.4)
Release of property tax provision	**-**	-	(1.0)
Gain on dilution of investment in associates	**-**	-	(2.0)
Profit on sale of stapled securities in associates	**-**	(0.4)	(0.7)
Change in fair value of investment properties	**-**	-	(8.7)
Write down of a development property	**-**	-	9.6
Equity settled share-based payment transactions	**0.2**	0.2	0.8
Finance income	**(4.3)**	(2.2)	(12.3)
Finance expense	**8.0**	5.9	26.4
Income tax expense/(credit)	**5.7**	5.0	(2.1)
	30.3	27.9	159.2
Increase in inventories and trade and other receivables	**(4.1)**	(4.3)	(2.3)
(Increase)/decrease in development properties	**(1.9)**	0.8	(1.9)
(Decrease)/increase in trade and other payables	**(6.7)**	6.4	7.6
Increase/(decrease) in provisions and employee benefits	**0.1**	1.2	(2.4)
Cash generated from operations	**17.7**	32.0	160.2
Interest paid	**(3.2)**	(4.1)	(22.8)
Interest received	**1.7**	2.1	8.5
Income tax paid	**(3.9)**	(2.1)	(17.7)
Net cash generated from operating activities	**12.3**	27.9	128.2
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment	**-**	**-**	0.3
Proceeds from sale of/ (investment in) other financial assets	**0.9**	(3.8)	(5.0)
Proceeds from the sale of stapled securities in associates	**-**	1.1	1.6
Dividends received from associates	**5.2**	2.7	6.6
Increase in loan to joint venture	**(0.4)**	-	(0.6)
(Increase)/decrease in investment in joint ventures and associates	**(7.5)**	0.6	(59.6)
Acquisition of property, plant & equipment, and lease premium prepayment	**(8.2)**	(22.4)	(56.8)
Net cash used in investing activities	**(10.0)**	(21.8)	(113.5)
Cash flows from financing activities			
Proceeds from the issue of share capital	**0.1**	0.9	1.4
Repayment of borrowings	**(3.5)**	(67.1)	(241.4)
Drawdown of borrowings	**10.3**	57.8	235.8
Payment of finance lease obligations	**-**	(1.0)	(2.1)
Loan arrangement fees	**-**	(0.1)	(0.5)
Share buy back of minority interests	**-**	-	(10.0)
Dividends paid to minority interests	**-**	(1.6)	(2.2)
Capital contribution from minority interests	**-**	-	1.9
Dividends paid to equity holders of the parent	**-**	-	(10.5)
Net cash from/(used) in financing activities	**6.9**	(11.1)	(27.6)
Net increase/(decrease) in cash and cash equivalents	**9.2**	(5.0)	(12.9)
Cash and cash equivalents at beginning of period	**155.9**	161.5	161.5
Effect of exchange rate fluctuations on cash held	**3.7**	1.5	7.3
Cash and cash equivalents at end of the period	**168.8**	158.0	155.9

Reconciliation of cash and cash equivalents

Cash and cash equivalents shown on the balance sheet	**169.1**	158.9	156.3
Overdraft bank accounts included in borrowings	**(0.3)**	(0.9)	(0.4)
Cash and cash equivalents for cash flow statement purposes	**168.8**	158.0	155.9

Notes to the first quarter results announcement

1. General information

Basis of preparation

The first quarter results for Millennium & Copthorne Hotels plc ('the Company') to 31 March 2008 comprise the Company and its subsidiaries (together referred to as 'the Group') and the Group's interests in jointly controlled and associate entities.

These primary statements and selected notes comprise the unaudited interim consolidated financial results of the Group for the quarters ended 31 March, 2008 and 2007, together with the audited results for the year ended 31 December 2007.

The comparative figures for the financial year ended 31 December 2007 have been extracted from the Group's statutory Annual Report and Accounts for that financial year but do not constitute those accounts, which have been filed with the Registrar of Companies. Those accounts have been reported on by the auditors and the audit opinion 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 for the financial year ended 31 December 2007 are available from the Company's website www.millenniumhotels.com.

In preparing the first quarter results to 31 March 2008, the Board of Directors have used the principal accounting policies as set out in the Group's Annual Report and Accounts for the year ended 31 December 2007. The first quarter results have been prepared in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority. The first quarter results should be read in conjunction with the Group's Annual Report and Accounts for the year ended 31 December 2007.

These first quarter results do not comprise statutory accounts within the meaning of Section 240 of the Companies Act 1985.

The first quarter results were approved by the Board of Directors on 2 May 2008.

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

The accounting for the disposal to CDLHT in 2006 has been adjusted in respect of the land lease element of the transaction on the 75-year leases of the Orchard Hotel and M Hotel. In the unaudited interim consolidated financial results of the Group for the quarter ended 31 March 2007 the proportion of the consideration received as prepayment by CDLHT of the operating lease of the land was effectively netted off against the freehold land value for these two hotels. Freehold land has been restated to the value before the transaction and the deferred income arising from the land prepayment has been recognised on the balance sheet at the value at the date of the transaction of £84.5m (converted at 31 March 2007 exchange rate).

Non-GAAP information

Headline profit before income tax, headline operating profit, net debt and gearing percentage
Reconciliation of headline profit before income tax and headline operating profit to the closest equivalent GAAP measure, profit before income tax is provided in note 9 along with an analysis of net debt and calculated gearing percentage.

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

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

2. 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 2007, as described in those financial statements.

3. Segmental analysis

Segmental information is presented in respect of the Group's business and geographical segments. The primary format is business segments and is based on the Group's management and internal reporting structure.

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.

Business segments
The Group comprises the following main business segments:

- Hotel operations, comprising income from the ownership and management of hotels

- Property operations, comprising the development and sale of land and development properties and investment property rental income

Notes to the first quarter results announcement
3. Segmental analysis (continued)

Geographical segments
The hotel and operations are managed on a worldwide basis and operate in six principal geographical areas:

- New York
- Regional US
- London
- Rest of Europe
- Asia
- Australasia

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

Business segments (primary)

	Three months ended 31 March 2008			
	Hotel 2008 £m	**Property operations 2008 £m**	**Central costs 2008 £m**	**Total Group 2008 £m**
Revenue	**158.4**	**2.3**	**-**	**160.7**
Gross operating profit	**56.0**	**0.4**	**-**	**56.4**
Depreciation	**(6.9)**	**-**	**-**	**(6.9)**
Amortisation of lease premium prepayments	**(0.3)**	**-**	**-**	**(0.3)**
Other hotel fixed charges	**(21.6)**	**-**	**-**	**(21.6)**
Central costs	**-**	**-**	**(4.7)**	**(4.7)**
Share of joint ventures and associates operating profit	**5.2**	**-**	**-**	**5.2**
Headline operating profit/(loss)	**32.4**	**0.4**	**(4.7)**	**28.1**
Share of interest, tax and minority interests of joint ventures and associates	**(2.4)**	**-**	**-**	**(2.4)**
Operating profit/(loss)	**30.0**	**0.4**	**(4.7)**	**25.7**
Net finance expense				**(3.7)**
Profit before income tax				**22.0**

	Three months ended 31 March 2007			
	Hotel 2007 £m	Property operations 2007 £m	Central costs 2007 £m	Total Group 2007 £m
Revenue	147.5	5.6	-	153.1
Gross operating profit	50.0	2.3	-	52.3
Depreciation	(7.0)	-	-	(7.0)
Amortisation of lease premium prepayments	(0.3)	-	-	(0.3)
Other hotel fixed charges	(20.9)	-	-	(20.9)
Central costs	-	-	(4.7)	(4.7)
Share of joint ventures and associates operating profit	4.6	-	-	4.6
Headline operating profit/(loss)	26.4	2.3	(4.7)	24.0
Other operating income – Group	0.4	-	1.0	1.4
Share of interest, tax and minority interests of joint ventures and associates	(1.9)	-	-	(1.9)
Operating profit/(loss)	24.9	2.3	(3.7)	23.5
Net finance expense				(3.7)
Profit before income tax				19.8

Notes to the first quarter results announcement

3. Segmental analysis (continued)
Business segments (primary - continued)

	Full year ended 31 December 2007			
	Hotel 2007 £m	Property operations 2007 £m	Central costs 2007 £m	Total Group 2007 £m
Revenue	649.7	19.9	-	669.6
Gross operating profit	248.7	(1.0)	-	247.7
Depreciation	(27.4)	-	-	(27.4)
Amortisation of lease premium prepayments	(1.3)	-	-	(1.3)
Other hotel fixed charges	(79.5)	-	-	(79.5)
Central costs	-	-	(19.4)	(19.4)
Share of joint ventures and associates operating profit	20.1	-	-	20.1
Headline operating profit/(loss)	160.6	(1.0)	(19.4)	140.2
Other operating income – Group	5.1	8.7	-	13.8
Other operating income – Share of joint ventures and associates	32.3	-	-	32.3
Impairment	(7.0)	-	-	(7.0)
Share of interest, tax and minority interests of joint ventures and associates	(7.8)	-	-	(7.8)
Operating profit/(loss)	183.2	7.7	(19.4)	171.5
Net finance expense				(14.1)
Profit before income tax				157.4

Geographical segments (secondary)

	Three months ended 31 March 2008							
	New York £m	**Regional US £m**	**London £m**	**Rest of Europe £m**	**Asia £m**	**Australasia £m**	**Central costs £m**	**Total Group £m**
Revenue								
Hotel	**22.4**	**22.4**	**20.4**	**24.5**	**54.1**	**14.6**	**-**	**158.4**
Property operations	**-**	**0.4**	**-**	**-**	**0.9**	**1.0**	**-**	**2.3**
Total	**22.4**	**22.8**	**20.4**	**24.5**	**55.0**	**15.6**	**-**	**160.7**
Hotel gross operating profit	**6.7**	**2.3**	**9.0**	**7.2**	**23.9**	**6.9**	**-**	**56.0**
Hotel fixed charges*	**(3.7)**	**(4.2)**	**(3.1)**	**(4.2)**	**(11.1)**	**(2.5)**	**-**	**(28.8)**
Hotel operating profit/(loss)	**3.0**	**(1.9)**	**5.9**	**3.0**	**12.8**	**4.4**	**-**	**27.2**
Property operations operating profit/(loss)	**-**	**(0.1)**	**-**	**-**	**0.2**	**0.3**	**-**	**0.4**
Central costs	**-**	**-**	**-**	**-**	**-**	**-**	**(4.7)**	**(4.7)**
Share of joint ventures and associates operating profit	**-**	**-**	**-**	**-**	**5.2**	**-**	**-**	**5.2**
Headline operating profit/(loss)	**3.0**	**(2.0)**	**5.9**	**3.0**	**18.2**	**4.7**	**(4.7)**	**28.1**
Share of interest, tax and minority interests of joint ventures and associates	**-**	**-**	**-**	**-**	**(2.4)**	**-**	**-**	**(2.4)**
Operating profit/(loss)	**3.0**	**(2.0)**	**5.9**	**3.0**	**15.8**	**4.7**	**(4.7)**	**25.7**
Net finance expense								**(3.7)**
Profit before income tax								**22.0**

Notes to the first quarter results announcement

3. Segmental analysis (continued)
Business segments (secondary - continued)

	Three months ended 31 March 2007							
	New York £m	Regional US £m	London £m	Rest of Europe £m	Asia £m	Australasia £m	Central costs £m	Total Group £m
Revenue								
Hotel	21.4	23.5	20.5	23.4	45.3	13.4	-	147.5
Property operations	-	0.5	-	-	0.3	4.8	-	5.6
Total	21.4	24.0	20.5	23.4	45.6	18.2	-	153.1
Hotel gross operating profit	6.2	3.2	9.6	7.1	17.4	6.5	-	50.0
Hotel fixed charges*	(3.5)	(4.3)	(4.9)	(4.1)	(9.0)	(2.4)	-	(28.2)
Hotel operating profit/(loss)	2.7	(1.1)	4.7	3.0	8.4	4.1	-	21.8
Property operations operating profit	-	-	-	-	0.2	2.1	-	2.3
Central costs	-	-	-	-	-	-	(4.7)	(4.7)
Share of joint ventures and associates operating profit	-	-	-	-	4.6	-	-	4.6
Headline operating profit/(loss)	2.7	(1.1)	4.7	3.0	13.2	6.2	(4.7)	24.0
Other operating income – Group	-	-	-	-	0.4	-	1.0	1.4
Share of interest, tax and minority interests of joint ventures and associates	-	-	-	-	(1.9)	-	-	(1.9)
Operating profit/(loss)	2.7	(1.1)	4.7	3.0	11.7	6.2	(3.7)	23.5
Net financing expense								(3.7)
Profit before income tax								19.8

	Full year ended 31 December 2007							
	New York £m	Regional US £m	London £m	Rest of Europe £m	Asia £m	Australasia £m	Central costs £m	Total Group £m
Revenue								
Hotel	106.5	112.0	92.0	98.0	196.0	45.2	-	649.7
Property operations	-	1.6	-	-	1.5	16.8	-	19.9
Total	106.5	113.6	92.0	98.0	197.5	62.0	-	669.6
Hotel gross operating profit	43.2	26.8	46.4	30.7	83.2	18.4	-	248.7
Hotel fixed charges*	(15.6)	(17.4)	(12.7)	(15.7)	(36.5)	(10.3)	-	(108.2)
Hotel operating profit	27.6	9.4	33.7	15.0	46.7	8.1	-	140.5
Property operations operating profit/(loss)	-	(9.8)	-	-	0.9	7.9	-	(1.0)
Central costs	-	-	-	-	-	-	(19.4)	(19.4)
Share of joint ventures and associates operating profit	-	-	-	-	20.1	-	-	20.1
Headline operating profit/(loss)	27.6	(0.4)	33.7	15.0	67.7	16.0	(19.4)	140.2
Other operating income – Group	1.0	-	-	-	12.8	-	-	13.8
Other operating income – share of joint ventures and associates	-	-	-	-	32.3	-	-	32.3
Impairment	-	(6.1)	-	(0.9)	-	-	-	(7.0)
Share of interest, tax and minority interests of joint ventures and associates	-	-	-	-	(7.8)	-	-	(7.8)
Operating profit/(loss)	28.6	(6.5)	33.7	14.1	105.0	16.0	(19.4)	171.5
Net financing expense								(14.1)
Profit before income tax								157.4

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

Notes to the first quarter results announcement

3. Segmental analysis (continued)
Segmental assets and liabilities

	Three months ended 31 March 2008						
	New York £m	**Regional US £m**	**London £m**	**Rest of Europe £m**	**Asia £m**	**Australasia £m**	**Total Group £m**
Hotel operating assets	**280.8**	**233.8**	**446.7**	**227.2**	**581.7**	**119.9**	**1,890.1**
Hotel operating liabilities	**(7.8)**	**(26.6)**	**(19.3)**	**(19.9)**	**(133.0)**	**(8.6)**	**(215.2)**
Investments in joint ventures and associates	**-**	**-**	**-**	**-**	**235.5**	**24.1**	**259.6**
Loans due from joint ventures	**-**	**-**	**-**	**-**	**6.1**	**-**	**6.1**
Total hotel operating net assets	**273.0**	**207.2**	**427.4**	**207.3**	**690.3**	**135.4**	**1,940.6**
Property operations assets	**-**	**34.6**	**-**	**-**	**45.3**	**55.3**	**135.2**
Property operations liabilities	**-**	**(0.1)**	**-**	**-**	**(0.6)**	**(0.6)**	**(1.3)**
Total property operations net assets	**-**	**34.5**	**-**	**-**	**44.7**	**54.7**	**133.9**
Deferred tax liabilities							**(200.9)**
Income taxes payable							**(17.3)**
Net debt							**(258.1)**
Net assets							**1,598.2**

	Three months ended 31 March 2007						
	New York £m	Regional US £m	London £m	Rest of Europe £m	Asia £m	Australasia £m	Total Group £m
Hotel operating assets	287.1	242.5	453.1	218.1	562.5	99.3	1,862.6
Hotel operating liabilities	(7.4)	(21.1)	(24.6)	(23.6)	(133.4)	(7.0)	(217.1)
Investments in joint ventures and associates	-	-	-	-	115.4	-	115.4
Loans due from joint ventures	-	-	-	-	26.6	-	26.6
Total hotel operating net assets	279.7	221.4	428.5	194.5	571.1	92.3	1,787.5
Property operations assets	-	43.7	-	-	34.1	39.5	117.3
Property operations liabilities	-	(0.2)	-	-	(0.4)	(0.7)	(1.3)
Total property operations net assets	-	43.5	-	-	33.7	38.8	116.0
Deferred tax liabilities							(225.0)
Income taxes payable							(19.8)
Net debt							(253.1)
Net assets							1,405.6

	Full year ended 31 December 2007						
	New York £m	Regional US £m	London £m	Rest of Europe £m	Asia £m	Australasia £m	Total Group £m
Hotel operating assets	284.4	254.2	447.6	220.5	554.9	112.9	1,874.5
Hotel operating liabilities	(9.6)	(26.9)	(20.5)	(15.8)	(137.4)	(7.5)	(217.7)
Investments in joint ventures and associates	-	-	-	-	231.1	16.5	247.6
Loans due from joint ventures	-	-	-	-	5.4	-	5.4
Total hotel operating net assets	274.8	227.3	427.1	204.7	654.0	121.9	1,909.8
Property operations assets	-	34.5	-	-	43.1	52.8	130.4
Property operations liabilities	-	(0.1)	-	-	(0.4)	(0.7)	(1.2)
Total property operations net assets	-	34.4	-	-	42.7	52.1	129.2
Deferred tax liabilities							(205.8)
Income taxes payable							(17.4)
Net debt							(262.1)
Net assets							1,553.7

Notes to the first quarter results announcement

4. Other operating income

	Three months ended 31 March 2008 £m	Three months ended 31 March 2007 £m	Full year ended 31 December 2007 £m
Release of property tax provision set aside on acquisition of Regal Hotels in 1999	**-**	1.0	1.0
Profit on disposal of stapled securities in CDLHT	**-**	0.4	0.7
Gain on dilution of investment in CDLHT	**-**	-	2.0
Fair value adjustments of investment property	**-**	-	8.7
Profit on sale and leaseback of three Singapore hotels	**-**	-	1.4
	-	1.4	13.8

For full year 2007 the £2.0m dilution gain arising on the investment in CDLHT followed the Group's subscription to a rights issue at a discount together with the non-participation in a S$32.8m (£10.6m) private placement issue, the effect of which marginally diluted the Group's interest in CDLHT which at 31 December 2007 was 38.5% (31 March 2008: 38.6%).

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

	Three months ended 31 March 2008 £m	Three months ended 31 March 2007 £m	Full year ended 31 December 2007 £m
Interest	**(0.6)**	(0.8)	(3.2)
Tax	**(0.7)**	(0.3)	(1.4)
Minority interests	**(1.1)**	(0.8)	(3.2)
	(2.4)	(1.9)	(7.8)

6. Income tax expense

The £5.7m total income tax expense for the first quarter ended 31 March 2008 (first quarter ended 2007: £5.0m) comprises a UK tax charge of £0.7m and an overseas tax charge of £5.0m (first quarter ended 31 March 2007 a UK charge of £0.6m and overseas tax charge of £4.4m). For the full year 2007 the £2.1m total income tax credit comprises a UK tax credit of £13.5m and an overseas tax charge of £11.4m.

Income tax expense for the period presented 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 of the period.

Taxation for the period comprises both the Group income tax charge and the joint ventures and associates income tax charge which is included separately within the Group's share of joint venture profits (but disclosed on the face of the income statement).

The estimated annual effective rate applied to profit before income tax excluding the Group's share of joint ventures and associates profits is 29.7%. For the comparative periods, the Group's effective tax rate was 29.2% (first quarter ended 31 March 2007) and 1.9% credit (full year ended 31 December 2007).

The full year 2007 Group tax credit excluding the tax relating to joint ventures and associates was £2.1m, giving an effective rate of (1.9%). Major credit adjustments affecting the tax charge were: (i) impact of change of UK tax legislation of £12.9m; (ii) effect of change in tax rates on opening deferred tax £3.9m and; (iii) adjustments in respect of prior periods of £13.5m.

Income tax recognised directly in equity

	Three months ended 31 March 2008 £m	Three months ended 31 March 2007 £m	Full year ended 31 December 2007 £m
Taxation credit/(expense) arising on defined benefit pension schemes	**-**	0.2	(1.2)
Taxation credit arsing in respect of previously revalued property	**-**	-	3.2
Taxation credit arising on share-based incentive schemes	**-**	-	0.6
	-	0.2	2.6

Notes to the first quarter results announcement

7. Earnings per share

Earnings per share are calculated using the following information:

	Three months ended 31 March 2008	Three months ended 31 March 2007	Full year ended 31 December 2007
(a) Basic			
Profit for period attributable to holders of the parent (£m)	**14.1**	12.2	149.4
Weighted average number of shares in issue (m)	**296.4**	291.9	294.4
Basic earnings per share	**4.8p**	4.2p	50.7p
(b) Diluted			
Profit for period attributable to holders of the parent (£m)	**14.1**	12.2	149.4
Weighted average number of shares in issue (m)	**296.4**	291.9	294.4
Potentially dilutive share options under Group's share option schemes (m)	**0.2**	0.8	0.7
Weighted average number of shares in issue (diluted) (m)	**296.6**	292.7	295.1
Diluted earnings per share	**4.8p**	4.2p	50.6p
(c) Headline earnings per share			
Profit for the period attributable to holders of the parent (£m)	**14.1**	12.2	149.4
Adjustments for:			
- Other operating income (net of tax) (£m)	**-**	(1.0)	(13.8)
- Impairment (net of tax) (£m)	**-**	-	4.5
- Share of other operating income of joint ventures and associates (nil tax) (£m)	**-**	-	(32.3)
- Change in UK tax legislation on hotel tax allowances (£m)	**-**	-	(12.9)
Adjusted profit for the period attributable to holders of the parent (£m)	**14.1**	11.2	94.9
Weighted average number of shares in issue (m)	**296.4**	291.9	294.4
Headline earnings per share	**4.8p**	3.8p	32.2p
(d) Diluted headline earnings per share			
Adjusted profit for the period attributable to holders of the parent (£m)	**14.1**	11.2	94.9
Weighted average number of shares in issue (diluted) (m)	**296.6**	292.7	295.1
Diluted headline earnings per share	**4.8p**	3.8p	32.2p

8. Reconciliation of movements in total equity

	Three months ended 31 March 2008 £m	Three months ended 31 March 2007 £m	Full year ended 31 December 2007 £m
Total recognised income and expense for the period	**44.2**	14.0	180.2
Dividends paid to equity holders of the parent	**-**	-	(36.6)
Issue of shares in lieu of dividends	**-**	-	26.1
Dividends paid to minority interests	**-**	(1.6)	(2.2)
Share options exercised	**0.1**	0.9	1.4
Share buy back of minority interests	**-**	-	(10.0)
Capital contribution from minority interests	**-**	-	1.9
Equity settled transactions	**0.2**	0.2	0.8
Net increase in total equity	**44.5**	13.5	161.6
Opening total equity	**1,553.7**	1,392.1	1,392.1
Closing total equity	**1,598.2**	1,405.6	1,553.7

9. Non-GAAP measures

Headline operating profit

The Group presents headline operating profit, this excludes other operating income and impairment of the Group, and share of the other operating income of joint ventures and associates.

The Group believes that it is both useful and necessary to report these measures for the following reasons:

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

Reconciliation of these measures to the closest equivalent GAAP measure, profit before income tax is provided below.

	Three months ended 31 March 2008 £m	Three months ended 31 March 2007 £m	Full year ended 31 December 2007 £m
Profit before income tax	**22.0**	19.8	157.4
Adjusted to exclude:			
Other operating income	**-**	(1.4)	(13.8)
Fair value adjustments of investment property	**-**	-	(8.7)
Business interruption insurance proceeds	**-**	-	-
Net gain on sale and leaseback of three Singapore hotels	**-**	-	(1.4)
Gain on dilution of investment in CDLHT	**-**	-	(2.0)
Profit on disposal of stapled securities in CDLHT	**-**	(0.4)	(0.7)
Release of property tax provision set aside on acquisition of Regal Hotels in 1999	**-**	(1.0)	(1.0)
Share of associate's (CDLHT) fair value adjustments to investment property	**-**	-	(32.3)
Impairment	**-**	-	7.0
Headline profit before income tax	**22.0**	18.4	118.3
Add back:			
Share of results of joint ventures and associates - interest	**0.6**	0.8	3.2
- taxation	**0.7**	0.3	1.4
- minority interests	**1.1**	0.8	3.2
Net finance expense	**3.7**	3.7	14.1
Headline operating profit	**28.1**	24.0	140.2

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 31 March 2008 £m	As at 31 March 2007 £m	As at 31 December 2007 £m
Cash and cash equivalents shown in the cash flow statement	**168.8**	158.0	155.9
Bank overdrafts (included in borrowings)	**0.3**	0.9	0.4
Cash and cash equivalents on the balance sheet	**169.1**	158.9	156.3
Interest-bearing loans, bonds and borrowings - Non-current	**(313.9)**	(327.6)	(304.1)
- Current	**(113.3)**	(84.4)	(114.3)
Net debt	**(258.1)**	(253.1)	(262.1)
Gearing (%)	**17.7%**	19.8%	18.4%

APPENDIX 1: KEY OPERATING STATISTICS
for the first quarter ended 31 March 2008

	Three months ended 31 March 2008 Reported currency	Three months ended 31 March 2007 Constant currency*	Three months ended 31 March 2007 Reported currency	Full year ended 31 December 2007 Reported currency
Occupancy %				
New York	**78.7**		78.1	86.6
Regional US	**56.2**		60.2	66.5
Total US	**61.4**		64.4	71.2
London	**77.7**		82.3	84.5
Rest of Europe	**67.0**		70.9	72.4
Total Europe	**71.7**		76.0	77.8
Asia	**76.7**		75.3	77.1
Australasia	**80.3**		81.2	69.3
Total Group	**70.4**		72.3	74.1
Average Room Rate (£)				
New York	**138.83**	129.52	131.43	150.20
Regional US	**47.44**	45.77	46.45	50.59
Total US	**74.52**	69.26	70.28	78.62
London	**94.40**	87.66	87.66	97.31
Rest of Europe	**78.78**	74.68	71.54	73.99
Total Europe	**86.25**	80.92	79.29	85.22
Asia	**72.38**	60.96	58.95	63.08
Australasia	**51.06**	46.97	42.57	42.67
Total Group	**73.44**	66.58	65.29	71.74
RevPAR (£)				
New York	**109.26**	101.16	102.65	130.07
Regional US	**26.66**	27.55	27.96	33.64
Total US	**45.76**	44.60	45.26	55.98
London	**73.35**	72.14	72.14	82.23
Rest of Europe	**52.78**	52.95	50.72	53.57
Total Europe	**61.84**	61.50	60.26	66.30
Asia	**55.52**	45.90	44.39	48.63
Australasia	**41.00**	38.14	34.57	29.57
Total Group	**51.70**	48.14	47.20	53.16
Gross Operating Profit Margin (%)				
New York	**29.9**		29.0	40.6
Regional US	**10.3**		13.6	23.9
Total US	**20.1**		20.9	32.0
London	**44.1**		46.8	50.4
Rest of Europe	**29.4**		30.3	31.3
Total Europe	**36.1**		38.0	40.6
Asia	**44.2**		38.4	42.4
Australasia	**47.3**		48.5	40.7
Total Group	**35.4**		33.9	38.3

* For comparability the 31 March 2007 Average Room Rate and RevPAR have been translated at average exchange rates for the quarter ended 31 March 2008.

APPENDIX 2: HOTEL ROOM COUNT AND PIPELINE
for the first quarter ended 31 March 2008

Hotel and room count as at 31 March 2008	Hotels			Rooms		
	31 March 2008	31 December 2007	Change	**31 March 2008**	31 December 2007	Change
Analysed by region:						
New York	**3**	3	-	**1,746**	1,746	-
Regional US	**17**	17	-	**6,025**	6,025	-
London	**7**	7	-	**2,487**	2,487	-
Rest of Europe	**17**	17	-	**3,073**	3,073	-
Middle East	**8**	5	3	**2,581**	1,528	1,053
Asia	**17**	16	1	**8,061**	7,713	348
Australasia	**32**	32	-	**3,618**	3,618	-
Total	**101**	97	4	**27,591**	26,190	1,401
Analysed by ownership type:						
Owned and leased	**68**	68	-	**20,680**	20,684	(4)
Managed	**16**	13	3	**3,903**	2,850	1,053
Franchised	**13**	12	1	**1,399**	1,047	352
Investment	**4**	4	-	**1,609**	1,609	-
Total	**101**	97	4	**27,591**	26,190	1,401
Analysed by brand:						
Grand Millennium	**3**	2	1	**1,145**	793	352
Millennium	**40**	39	1	**14,222**	13,598	624
Copthorne	**34**	32	2	**6,565**	6,140	425
Kingsgate	**14**	14	-	**1,314**	1,314	-
Other	**10**	10	-	**4,345**	4,345	-
Total	**101**	97	4	**27,591**	26,190	1,401

Pipeline as at 31 March 2008	Hotels			Rooms		
	31 March 2008	31 December 2007	Change	**31 March 2008**	31 December 2007	Change
Analysed by region:						
Regional US	**1**	1	-	**250**	250	-
Rest of Europe	**2**	2	-	**340**	340	-
Middle East	**11**	6	5	**2,913**	1,424	1,489
Asia	**5**	6	(1)	**2,014**	2,366	(352)
Total	**19**	15	4	**5,517**	4,380	1,137
Analysed by ownership type:						
Owned or leased	**3**	3	-	**1,141**	1,141	-
Managed	**15**	10	5	**3,923**	2,434	1,489
Franchised	**1**	2	(1)	**453**	805	(352)
Total	**19**	15	4	**5,517**	4,380	1,137
Analysed by brand:						
Grand Millennium	**1**	1	1	**521**	521	-
Millennium	**10**	7	1	**2,942**	2,113	829
Copthorne	**2**	4	2	**593**	1,018	(425)
Kingsgate	**3**	1	-	**586**	108	478
Other	**3**	2	-	**875**	620	255
Total	**19**	15	4	**5,517**	4,380	1,137

At 31 March 2008, the number of rooms in the pipeline (contracts signed but hotels/rooms yet to open under one of the Group's brands) was 5,517; 1,137 more than at 31 December 2007.

Four new hotels were opened in the first quarter, one franchise contract in China and three management contracts in the Middle East.

There are two properties in the above pipeline that opened shortly after period end. On 10 April 2008 the Group opened its fourth Grand Millennium property, the 521-room Grand Millennium Beijing in China bringing the total number of properties open in mainland China to three. The Group has also opened the 108 room Kingsgate Abu Dhabi Hotel marking the first property trading under the Kingsgate brand outside of New Zealand. The lease of the Copthorne Hotel Wellington Plimmer Towers expired in April 2008.