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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 Full Year and Fourth Quarter Results to 31 December 2012
Description	Please see the attached announcement released by Millennium & Copthorne Hotels plc on 22 February 2013.
Attachments	22022013_MC_FinalResults.pdf Total size = **223K** (2048K size limit recommended)

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For Immediate Release **22 February 2013**

MILLENNIUM & COPTHORNE HOTELS PLC
FINAL RESULTS ANNOUNCEMENT
Full year and fourth quarter results to 31 December 2012

Highlights for the full year 2012:

£ millions (unless otherwise stated)	**Full Year 2012**	Full Year 2011	Reported Currency Change %	Constant Currency Change %
RevPAR	**£67.32**	£64.81	3.9%	3.4%
Revenue – total	**768.3**	820.5	(6.4%)	(6.8%)
Revenue – hotels	**749.4**	765.2	(2.1%)	(2.5%)
Headline operating profit[1]	**163.3**	191.4	(14.7%)	(15.2%)
Headline profit before tax	**157.7**	184.7	(14.6%)	(15.0%)
Profit before tax	**171.3**	193.3	(11.4%)	(12.0%)
Basic earnings per share	**42.0p**	51.0p	(17.6%)	
Ordinary Dividend	**13.59p**	12.50p	8.7%	
Special Dividend	**-**	4.00p		

- RevPAR up 3.9% primarily because of higher average room rate - good performance in Singapore, Rest of Asia and London.

- Revenue was up 1.1% on a like-for-like, constant currency basis at £762.0m (2011: £753.8m). Reported revenue down 6.4% £768.3m (2011: £820.5m). Like-for-like in constant currency excludes Kingsgate Hotel Parnell Auckland (lease expired in July 2012), Millennium Hotel & Resort Stuttgart (lease expired in August 2011), KL land sale (in August 2011), the three Christchurch hotels (closed in February 2011 due to earthquake damage) and Copthorne Orchid in Singapore (closed in April 2011 for development into condominiums).

- Like-for-like headline operating profit in constant currency terms increased by 6.6% to £158.9m (2011: £149.0m). Reported headline operating profit down 14.7% to £163.3m (2011: £191.4m).

- Asset management programme expanded from four projects (ONE UN, Grand Hyatt Taipei, London Millennium Mayfair and Millennium Seoul Hilton) to include further refurbishment at Orchard Singapore, Millennium Minneapolis, further upgrades at ONE UN and Millennium Seoul Hilton and other upgrades across the portfolio. Major works undertaken successfully at Millennium Seoul Hilton, ONE UN and Orchard Singapore. Projects commenced at Grand Hyatt Taipei and Millennium Minneapolis. Capital spending on the asset management programme is estimated at £240m.

- Strong cash flow from operating activities enabled us to turn cash-positive in 2012, ending the year with zero gearing.

- Final dividend of 11.51p, giving a total for the year of 13.59p (2011: 12.5p plus a special dividend of 4.0p) per share.

Highlights for the fourth quarter 2012:

£ millions (unless otherwise stated)	**Fourth Quarter 2012**	Fourth Quarter 2011	Reported Currency Change %	Constant Currency Change %
RevPAR	**£68.85**	£68.26	0.9%	0.9%
Revenue – total	**203.2**	207.8	(2.2%)	(2.4%)
Revenue – hotels	**196.0**	204.0	(3.9%)	(4.1%)
Headline operating profit[1]	**41.7**	50.1	(16.8%)	(18.5%)
Headline profit before tax	**40.4**	49.0	(17.6%)	(19.1%)
Profit before tax	**54.2**	43.7	24.0%	19.6%
Basic earnings per share	**14.2p**	12.7p	11.8%	

- Group RevPAR grew by 0.9%. Steady trading in all regions, but Rest of Asia revenues affected by Grand Hyatt Taipei renovation and political tension reducing Millennium Seoul Hilton occupancy levels.

- Like-for-like revenue in constant currency terms decreased by 2.1% to £201.3m (2011: £205.6m). Reported revenue down 2.2% to £203.2m (2011: £207.8m). Like-for-like for the fourth quarter, in constant currency terms, excludes Kingsgate Hotel Parnell Auckland (lease expired in July 2012) and the three Christchurch hotels (closed in February 2011 due to earthquake damage).

- Like-for-like headline operating profit in constant currency terms decreased by 18.6% to £39.9m (2011: £49.0m). Reported headline operating profit down 16.8% to £41.7m (2011: £50.1m).

- Profit before tax up 24.0%, as a result of £10.5m gain arising from insurance settlement for Christchurch earthquake.

Note:
[1] *Since the 2011 Annual Report, the definition of headline operating profit, one of the Group's key performance indicators, has been modified to include the share of interest, tax and non-controlling interests of joint ventures and associates. The Group believes that the revised definition simplifies the presentation of headline operating profit given to the reader both on the face of the consolidated income statement and in the segmental analysis of operating results.*

Commenting today Mr Kwek Leng Beng, Chairman said:

"The Group overcame more challenging conditions in some markets during the second half of 2012 to deliver an overall increase in like-for-like revenues and profits for the year. This illustrates the earnings benefit of a balanced portfolio of assets in good locations, as well as our ability to respond effectively to changes in the economic climate, whilst continuing to control costs, invest in our assets and improve our attractiveness to customers.

The Board is recommending a final dividend of 11.51p (2011: 10.42p plus a special dividend of 4.0p) per share. Combined with the interim dividend of 2.08p (2011: 2.08p) per share, the total dividend for the year is therefore 13.59p (2011: 16.5p) per share.

During the current year we will deploy our strong balance sheet to invest in our existing asset portfolio, thereby supporting the core earnings engine of the Group. We continue to monitor acquisition opportunities, although prices continue to remain unjustifiably high."

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CHAIRMAN'S STATEMENT

The Group increased revenue per available room (RevPAR), kept firm control of costs and strengthened its financial position in 2012. Revenue and headline pre-tax profit increased on a like-for-like, constant currency basis, and our hotels achieved good operating profit margins.

Our asset management programme is building momentum and laying a strong foundation for future growth, supported by further strengthening of the management team.

Our operating strategy was consistent with previous years, with sales teams focused on achieving an optimal balance between occupancy and average room rate across the estate. Management continued to achieve good levels of profitability despite a more challenging trading environment in the second half of 2012, with some regions seeing signs of economic uncertainty affecting personal and corporate hospitality budgets. Our consolidated hotel gross operating profit margin for the year was 38.5% (2011: 38.7%).

RevPAR in constant currency terms increased by 3.4% to £67.32 (2011: £65.11) because of higher average room rates. Singapore and London both breached the annual £100 RevPAR barrier for the first time, achieving £101.14 (2011: £96.42) and £105.91 (2011: £97.92) respectively, whilst Rest of Asia delivered the strongest RevPAR growth over the year, increasing by 8.5% to £62.57 (2011: £57.69). New York RevPAR, excluding the impact of our ONE UN refurbishment, increased 2.2% to £137.56 (2011: £134.61). Including ONE UN New York RevPAR fell by 3.2%. Regional US RevPAR was up 3.1% at £39.49 (2011: £38.30). Australasia RevPAR declined by 8.7%, affected by the strengthening of the New Zealand dollar and reflecting the absence of 2011's successful Rugby World Cup tournament. Rest of Europe increased by a marginal 0.2%, mainly as a result of a flat UK economy outside of London.

Financial Performance

For the year ended 31 December 2012 like-for-like revenue increased 1.1% to £762.0m (2011: £753.8m). Headline operating profit, reflecting the trading performance of our hotels, was up 6.6% in constant currency and like-for-like at £158.9m (2011: £149.0m).

A number of factors affected year-on-year comparisons. These include:

- Closure of the Copthorne Orchid on 1 April 2011, prior to its demolition and redevelopment of the site into a condominium complex;
- Closure of the three Christchurch hotels in February 2011 following the New Zealand earthquake;
- Expiry of the lease in Stuttgart in August 2011;
- Expiry of the Kingsgate Parnell lease in Auckland in July 2012; and
- Sale of land adjacent to the Millennium Hotel Kuala Lumpur ("KL") in August 2011.

Including the above factors, headline operating profit decreased by 14.7% to £163.3m (2011: £191.4m). Consequently, basic earnings per share decreased by 17.6% to 42.0p (2011: 51.0p).

Financial Position

The Group strengthened its financial position over the year. Net debt at 31 December 2011 of £100.2m reversed to a net cash position of £52.2m at 31 December 2012. At 31 December 2012, the Group had cash reserves of £396.7m (including £26.1m relating to The Glyndebourne) and £258.2m undrawn committed bank facilities. Most of the facilities are unsecured with unencumbered assets representing 87.3% of our fixed assets and investment properties.

Dividend

The Board is recommending a final dividend of 11.51p (2011: 10.42p plus a special dividend of 4.0p) per share. Together with the interim dividend of 2.08p (2011: 2.08p) per share, the total dividend is 13.59p (2011: 16.5p) per share. No scrip dividend will be payable.

Asset Management

The Group considers that in the current hotel trading environment it is vital to invest in our asset portfolio in order to enhance trading performance, especially in our main gateway city properties. We had already announced in 2010 our plan to upgrade and enhance returns from four of our most important hotels – ONE UN (then the Millennium UN Plaza), Millennium London Mayfair, Grand Hyatt Taipei and Millennium Seoul Hilton. During 2012 we expanded the programme with additional projects, including Millennium Minneapolis, Orchard Singapore and further upgrades of ONE UN and Millennium Seoul Hilton. By the end of 2012 significant projects had been undertaken at Orchard Singapore, Millennium Seoul Hilton and ONE UN, with additional work commenced at Grand Hyatt Taipei and Millennium Minneapolis. Results from those hotels where we have completed significant renovations have been in line with our expectations for higher room rates and RevPAR. This supports our original strategic vision for asset management and we therefore have no intention to dispose of key assets, especially in gateway cities. The Group will also continue to upgrade and improve its regional properties, particularly in the US and the UK. Capital budgeting for this programme stands at £240m of investment capital of which approximately £46m had been invested by 31 December 2012. Timing of this investment, beyond what has already commenced (see below), is dependent on planning and other consents.

We closed 461 rooms in the west wing of the Grand Hyatt Taipei during the third quarter of 2012, in order to commence a major upgrading of the hotel. Being our largest hotel in Asia, this has had an impact on revenue from the region in the second half of 2012. The current stage of the refurbishment is scheduled to complete during the second quarter, after which we will refurbish the east wing containing 392 rooms. The Board anticipates a strong performance from this hotel once all work is fully completed in 2014.

Construction of our new hotel in Tokyo's Ginza district is expected to commence according to plan and is scheduled to complete next year. We anticipate construction costs will total about £43m.

Our condominium development project in Singapore, The Glyndebourne, continues to make good progress. Most of the structural development is complete and architectural work is under way. In accordance with IFRS, revenue and development costs will appear in the income statement on completion, which is expected no later than 2015. Including land costs, development projects of this nature in Singapore typically attract an average profit margin of circa 20%. Of the 150 apartments for sale since the end of October 2010, buyers have signed sales and purchase agreements for 144 units as at 31 December 2012 with sales value of S$522.5m (£262.3m) representing a price of over S$2,000 (£1,004) per square foot. Sales proceeds collected to-date total S$227.7m (£107.7m) representing 43.58% of the sales value. The Glyndebourne occupies the site of the former Copthorne Orchid hotel, which closed in April 2011.

After the close of the year, during the first quarter of 2013, we announced that we had entered into a conditional sale and purchase agreement with the South Korean company Woo Yang Industrial Development Co., Ltd to acquire 1,563.7m^2 of land adjacent to the Millennium Seoul Hilton Hotel, for KWon 29.5b (£17.2m). Completion is expected to take place in the second quarter of 2013, subject to certain terms and conditions being met. The site has considerable potential to enhance our existing operations in Seoul, detailed plans for which will be drawn up in due course.

First Sponsor Capital Limited ("FSCL")

M&C's associate, FSCL, continues to make good progress with development in Chengdu, People's Republic of China. The Group's investment in FSCL is a key part of its China strategy, enabling it to participate in hotel ownership through mixed property development. FSCL currently has plans for two hotels and a serviced apartment building that will be managed by the Group.

Progress on the Wenjiang development land site in Chengdu, purchased in November 2011 and named as Millennium Waterfront, is on track. The land is intended for residential, commercial and hotel development. The total residential component comprises 50 apartment blocks with 7,110 units. The sale of 5 blocks of 779 residential units was launched since 24 November 2012. As at 31 December 2012, 370 out of the 779 residential units launched have been sold either under option agreements or sale and purchase agreements. Development will be phased according to demand. Construction of the Millennium branded hotel with convention facilities is scheduled to commence in 2013.

As at 31 December 2012, over 98% of residential component of Chengdu Cityspring was sold either under sale and purchase or option agreements. With the handover of the residential units sold in April 2012, FSCL recognized a pre-tax profit of US$46.2m from these residential sales, thus contributing to the significant increase in profit for the year. The 195-room M Hotel Chengdu is scheduled to open in 2013 and will be managed by the Millennium & Copthorne Group. The remaining portion of the development comprises small-office home-office (SOHO) and retail units which are available for sale or rental. The SOHO units for sale are 77% sold either under option agreements or sale and purchase agreements, with over 85% of the sales proceeds collected. These SOHO units are expected to be handed over to the buyers in mid-2013 when profit will be recognised.

For the year ended 31 December 2012, the Group has recognised £9.3m as its share of net profit after tax of FSCL relating to the residential component of Chengdu Cityspring.

Pipeline and new hotel openings

The Group's worldwide pipeline comprises 21 hotels offering 5,440 rooms mainly under management contracts. Of these, two hotels will open in China during 2013. During 2012, we opened five hotels under management contract in the Middle East and one in Taiwan. Seven proposed Middle East hotel openings have been withdrawn from the pipeline, whilst four were added in Middle East.

Directors and Management

Sean Collins, 62, joined the Board as an independent non-executive Director on 1 September 2012. A chartered accountant, Mr Collins was formerly a senior audit and advisory partner at the accounting and advisory firm, KPMG, where he had worked since 1972. He was appointed Chairman of the Group's Audit Committee on 31 October 2012, replacing Nicholas George, who had chaired the Committee since March 2010. Mr Collins also became a member of the Remuneration Committee and Nominations Committee on 1 January 2013.

Christopher Keljik retired from the Board on 31 December 2012. He had been an independent non-executive Director since May 2006 and had been the Group's senior independent Director since June 2009. We thank Mr. Keljik for his services. Mr. Collins was appointed senior independent Director on 1 January 2013.

John Chang, 47, was appointed Chief Financial Officer on 16 June 2012. He qualified as a certified public accountant in Singapore in 1994 and was previously employed by a diversified real estate company in Singapore.

Fabrizio Gaggio, 49, was appointed Senior Vice President, Global Asset Management on 4 June 2012. He was previously Managing Director at Starhotels, one of Italy's largest owned and managed upscale hotel groups. His responsibilities include oversight of renovation and repositioning projects for the Group's hotels.

John Arnott, 56, was appointed Senior Vice President, Global Human Resources on 26 September 2012. He has an extensive career in human resources and joined the Group from a senior position in the banking sector.

Alan Scott, 62, was appointed Group Company Secretary on 11 October 2012, succeeding Adrian Bushnell who has left the Group. We thank Mr. Bushnell for his services. Formerly Mr. Scott held senior corporate governance positions in BT, most recently in Asia Pacific.

Employees

Our employees worked hard during 2012. On behalf of the Board, I thank them for their continuing and vital contribution to the success of the Group.

Outlook

Our focus for 2013 is to improve return on investment from the Group's existing asset portfolio through a number of strategic initiatives. Our strategy to enhance returns from select hotels through the asset management plan is on track. We are supporting the refurbishment process with improvements to our customer offering and a refreshed global sales and brand strategy designed to improve both revenues and return on assets. Hotel trading is likely to become increasingly competitive, both as a result of current economic uncertainty and increased supply of new hotel rooms in some gateway cities where we operate. Our strong financial position enables us to make the necessary investment to ensure that we maintain and enhance our sound competitive position within the global hospitality market.

Uncertain global economic conditions continue to cast shadows over the hospitality sector. The euro crisis, slower growth in China and the unresolved fiscal cliff in the United States all contributed to this during 2012. The Board considers that our owner/operator business model, combined with our strong balance sheet and a global spread of assets in many of the world's most significant travel destinations equips us to withstand the pressure which may result from such conditions, whilst continuing to build a foundation for future growth.

Like-for-like Group RevPAR was down 1.1% in the first six weeks of the year, with falls in each of our three main gateway cities: Singapore down 10.2%, London down 9.6% and New York down 1.6%. Whilst this reflects competitive trading conditions in some of our key markets, the period is not indicative for the year as a whole.

Kwek Leng Beng

CHAIRMAN
21 February 2013

PERFORMANCE REVIEW

For comparability, the following regional review is based on calculations in constant currency whereby 31 December 2011 average room rate and RevPAR have been translated at average exchange rates for the year ended 31 December 2012.

Our consolidated performance delivered a 3.4% improvement in Group RevPAR. This was driven by a 3.4% increase in average room rate across the estate. Occupancy was flat. Hotel revenue was down 2.5% at £749.4m (2011: £768.5m), because of refurbishment work temporarily reducing available room numbers and because of the items discussed in the Chairman's statement, which have obscured like-for-like comparisons between 2012 and 2011. Hotel operating profit was also down in absolute terms by 7.4% at £145.7m (2011: £157.4m). However our hotel gross operating profit margins remained steady at 38.5% (2011: 38.8%)

ASIA

Regional Performance - Asia	2012	2011	Change
Hotel Revenue	**£311.5m**	£313.0m	(0.5%)
Occupancy	**78.1%**	77.4%	0.7% points
Average Room Rate	**£ 99.83**	£ 94.53	5.6%
RevPAR	**£77.97**	£73.12	6.6%

Regional Performance - Singapore	2012	2011	Change
Hotel Revenue	**£152.3m**	£152.1m	0.1%
Occupancy	**88.1%**	86.9%	1.2% points
Average Room Rate	**£114.75**	£110.94	3.4%
RevPAR	**£101.14**	£96.42	4.9%

Regional Performance – Rest of Asia	2012	2011	Change
Hotel Revenue	**£159.2**	£160.9	(1.1%)
Occupancy	**71.4%**	71.0%	0.4% points
Average Room Rate	**£87.59**	£81.23	7.8%
RevPAR	**£62.57**	£57.69	8.5%

Asia
RevPAR for the Asia region increased by 6.6% to £77.97 (2011: £73.12), led by a strong performance by our hotels in the Rest of Asia region. On a like-for-like basis excluding the Copthorne Orchid, RevPAR increased by 5.8% to £77.97 (2011: £73.69). On a like-for-like basis, the improvement was driven by a 4.9% increase in average room rate to £99.83 (2011: £95.17) and a 0.7 percentage point increase in occupancy to 78.1% (2011: 77.4%).

In the fourth quarter Asia RevPAR decreased by 0.4% to £78.86 (2011: £79.19), with a 1.6% increase in the region's average room rate to £98.52 (2011: £96.95), offset by a 1.7 percentage point decline in occupancy to 80.0% (2011: 81.7%)

Singapore
Singapore reported a 4.9% increase in RevPAR to £101.14 (2011: £96.42) for the year ended 31 December 2012. On a like-for-like basis, excluding the Copthorne Orchid, RevPAR increased by 2.2% to £101.14 (2011: £98.99) with an increase in room rate of 1.5% to £114.75 (2011: £113.02) and a 0.5 percentage point increase in occupancy to 88.1% (2011: 87.6%). Nearly all hotels in the country have shown RevPAR growth with the strongest increase being at Orchard following the 2011 renovation.

Cautious corporate spending in Singapore put pressure on occupancy, room rate and RevPAR during the second half of the year. Our sales teams responded quickly to new market conditions, adjusting our sales strategy to reflect a more competitive environment. The last quarter of 2012 saw Singapore RevPAR decrease by 1.4% to £98.57 (2011: £100.01) due to a 0.5 percentage point fall in occupancy to 87.8% (2011: 88.3%) and a 0.8% decline in room rate to £112.31 (2011: £113.25).

Rest of Asia
RevPAR for Rest of Asia increased by 8.5% to £62.57 (2011: £57.69) for the year ended 31 December 2012. Rate increased by 7.8% to £87.59 (2011: £81.23) and occupancy grew by 0.4 percentage points to 71.4% (2011: 71.0%). Seoul, Beijing and Jakarta all had double digit RevPAR percentage growth.

Closure of 461 rooms to allow refurbishment work at Grand Hyatt Taipei – our largest hotel in Asia by room count – had a negative impact on hotel revenue for Rest of Asia in the second half of 2012. This work is part of our asset management programme and is expected to result in stronger results from this property, once works are fully completed in June 2014.

Rest of Asia RevPAR, which takes into account the reduced number of rooms at Grand Hyatt Taipei, has increased 8.5% in the year to £62.57 (2011: £57.69). This increase is primarily due to the refurbishment of the Millennium Seoul Hilton, which required closure of 249 rooms in the second quarter of 2011 and contributed to a 20% uplift in RevPAR in 2012 compared with 2011. Part of this increase reflected normalisation of occupancy levels following the refurbishment.

Seoul's performance in the fourth quarter slowed down as a result of external factors affecting occupancy. Lower tourist numbers due to the Dokdo island dispute between South Korea and Japan; and elections in both South Korea and the US contributed to a significant fall in occupancy. This was the main driver behind a fall in fourth quarter RevPAR of 2.1% to £64.62 (2011: £66.02), although we expect trading conditions to improve.

EUROPE

Regional Performance - Europe	2012	2011	Change
Hotel Revenue	**£178.7m**	£185.5m	(3.7%)
Occupancy	**76.0%**	74.9%	1.1% points
Average Room Rate	**£100.35**	£94.56	6.1%
RevPAR	**£76.23**	£70.79	7.7%

Regional Performance - London	2012	2011	Change
Hotel Revenue	**£108.4m**	£100.9m	7.4%
Occupancy	**80.8%**	81.5%	- 0.7% points
Average Room Rate	**£131.15**	£120.10	9.2%
RevPAR	**£105.91**	£97.92	8.2%

Regional Performance - Rest of Europe (including Middle East)	2012	2011	Change
Hotel Revenue	**£70.3m**	£84.6m	(16.9%)
Occupancy	**71.4%**	69.3%	2.1% points
Average Room Rate	**£67.39**	£69.34	(2.8%)
RevPAR	**£48.13**	£48.03	0.2%

Europe
European RevPAR increased by 7.7% year on year to £76.23 (2011: £70.79). The average room rate was £100.35 (2011: £94.56), an increase of 6.1%, whilst occupancy increased by 1.1 percentage points to 76.0% (2011: 74.9%).

RevPAR for the European region in the fourth quarter reached £74.73, up 2.2% on the same period last year (2011: £73.15). This was driven by a 2.4% increase in room rate to £98.08 (2011: £95.74), slightly offset by a 0.2 percentage point decline in occupancy to 76.2% (2011: 76.4%).

London
London saw a RevPAR gain of 8.2% to £105.91 (2011: £97.92) for the year ended 31 December 2012. The increase was driven by a 9.2% increase in room rate to £131.15 (2011: £120.10) partially offset by a decrease in occupancy of 0.7 percentage points to 80.8% (2011: 81.5%). Management pursued a successful rate-occupancy strategy during and after the Olympic and Paralympic games period resulting in significant RevPAR growth at Millennium Mayfair, Copthorne Tara and Millennium Gloucester and a considerably stronger performance during the period than our competitive set.

London RevPAR rose 2.4% in the last three months of 2012 to £103.59 (2011: £101.12). The increase was room rate driven, up 3.7% to £124.31 (2011: £119.89). Occupancy fell by 1.0% to 83.3% (2011: 84.3%).

Rest of Europe
RevPAR in the Rest of Europe increased by 0.2% to £48.13 (2011: £48.03) in the year ended 31 December 2012. On a like-for-like basis excluding Stuttgart, RevPAR increased 1.5% to £48.13 (2011: £47.42) in the year ended 31 December 2012.

RevPAR for the Rest of Europe increased in the fourth quarter by 2.3% to £47.40 (2011: £46.34). The variance was caused by a 0.6 percentage point rise in occupancy to 69.4% (2011: 68.8%) and a 1.4% rise in room rate to £68.28 (2011: £67.36).

Performance by our hotels in the UK away from London during the year reflected the poor economic conditions in Britain outside of the capital. RevPAR was almost flat, increasing by 0.2% to £42.55 (2011: £42.48), driven by a 0.6% increase in occupancy to 71.5% (2011: 70.9%) and a 0.7% decrease in average room rate to £59.49 (2011:£59.92).

Fourth quarter RevPAR in Rest of UK fell by 0.9% to £41.75 (2011: £42.15). There was a 0.1% fall in rate to £60.31 (2011: £60.36) and a 0.6 percentage point fall in occupancy to 69.2% (2011: 69.8%).

RevPAR at our hotels in France and Germany increased by 8.8% to £63.47 (2011: £58.32). On a like-for-like basis excluding Stuttgart, RevPAR increased by 4.1% to £63.47 (2011: £60.98), room rate decreased by 0.9% to £89.18 (2011: £90.02) whilst occupancy increased by 3.5 percentage points to 71.2% (2011: 67.7%).

The continental European hotels continued to grow in the final three months of 2012, delivering RevPAR growth of 9.2% to £62.91 (2011: £57.62). Occupancy increased by 4.0 percentage points to 70.0% (2011: 66.0%), whilst room rate increased by 2.9% to £89.90 (2011: £87.33).

UNITED STATES

Regional Performance - US	2012	2011	Change
Hotel Revenue	**£214.8m**	£220.3m	(2.5%)
Occupancy	**63.5%**	64.4%	-0.9% points
Average Room Rate	**97.34**	£96.22	1.2%
RevPAR	**£61.81**	£61.96	(0.2%)

Regional Performance – New York	2012	2011	Change
Hotel Revenue	**£99.5m**	£104.2m	(4.5%)
Occupancy	**80.5%**	85.5%	-5.0% points
Average Room Rate	**£160.89**	£156.45	2.8%
RevPAR	**£129.58**	£133.80	(3.2%)

Regional Performance – Regional US	2012	2011	Change
Hotel Revenue	**£115.3m**	£116.1m	(0.7%)
Occupancy	**57.9%**	57.4%	0.5% points
Average Room Rate	**£68.22**	£66.68	2.3%
RevPAR	**£39.49**	£38.30	3.1%

US

Our hotels in the US delivered a mixed performance in 2012. RevPAR for the region was down by 0.2% at £61.81 (2011: £61.96), with a 1.2% increase in average room rate to £97.34 (2011: £96.22) and a 0.9 percentage point fall in occupancy to 63.5% (2011: 64.4%).

There was a slight improvement in the fourth quarter of 2012, with US RevPAR increasing by 4.0% to £65.50 (2011: £63.01) Occupancy was up 1.2 percentage points to 59.3% (2011: 58.1%), whilst room rates rose by 1.9% to £110.49 (2011: £108.42).

New York

RevPAR performance in New York was affected by the temporary closure and refurbishment of the former Millennium UN Plaza, which began in the second quarter. The hotel was re-opened and re-branded as ONE UN close to the end of the third quarter. Over the year ended 31 December 2012, RevPAR decreased by 3.2% to £129.58 (2011: £133.80). This was due to a 5.0 percentage point decrease in occupancy to 80.5% (2011: 85.5%), mitigated by an increase in rate of 2.8% to £160.89 (2011: £156.45). New York RevPAR excluding ONE UN increased by 2.2% to £137.56 (2011: £134.61), with occupancy up 0.8 percentage points to 85.6% (2011: 84.8%) and average room rate up 1.2% to £160.70 (2011: £158.74).

New York saw a 6.8% increase in room rate to £188.68 over the last three months of 2012 (2011: £176.61). Occupancy fell by 3.6 percentage points to 82.9% (2011: 86.5%) and RevPAR increased by 2.4% to £156.47 (2011: £152.77). The movement in all metrics is driven mainly by the impact of refurbishment at ONE UN.

Regional US

RevPAR at our US hotels outside New York grew by 3.1% over the year to £39.49 (2011: £38.30). This was driven by a 2.3% increase in average room rate to £68.22 (2011: £66.68) together with a 0.5 percentage point increase in occupancy. Performance was mixed across the estate with the most positive revenue impacts coming from Millennium Biltmore Los Angeles and Millennium Alaskan Anchorage. Revenue declines were most significant at Millennium St Louis and Millennium Minneapolis, which was affected by refurbishment work in the fourth quarter of the year.

There was further slow recovery in our US hotels outside of New York during the final quarter of 2012. RevPAR grew by 6.3% to £35.55 (2011: £33.45). Occupancy rose by 2.7 percentage points to 51.5% (2011: 48.8%). Room rate rose by 0.6% to £69.03 (2011: £68.59).

AUSTRALASIA

Regional Performance - Australasia	2012	2011	Change
Hotel Revenue	**£44.4m**	£49.7m	(10.7%)
Occupancy	**63.6%**	64.3%	-0.7% points
Average Room Rate	**£55.29**	£59.92	(7.7%)
RevPAR	**£35.18**	£38.55	(8.7%)

RevPAR for the New Zealand group decreased by 8.7% to £35.18 (2011: £38.55) for the year ended 31 December 2012. On a like-for-like basis excluding the Christchurch hotels and Kingsgate Parnell, RevPAR fell 7.5% to £35.60 (2011: £38.47). Rates fell by 7.6% to £55.78 (2011: £60.37) and occupancy increased by 0.1 percentage point to 63.8% (2011: 63.7%). The fall in key metrics was due to a strong local currency, deterring tourists from Europe and the US, which impacted all hotels in the country. Comparison with 2011 was further affected by last year's Rugby World Cup tournament when higher rates were realised.

Fourth quarter RevPAR in New Zealand fell by 10.4% in the last three months of 2012 to £38.19 (2011: £42.61). Room rate fell 11.6% to £56.50 (2011: £63.90). Occupancy was up 0.9 percentage points to 67.6% (2011: 66.7%).

Of the three Christchurch hotels that were closed following the earthquake, Copthorne Hotel Christchurch City was demolished following a settlement with the insurers and owners in 2011 and is no longer on the Group's books. In November 2012, insurance settlement was received for Copthorne Hotel Christchurch Central resulting in a gain to the Group of £10.5m. Under the settlement agreement, the insurers undertake to meet the costs of demolition and site clearance. As this is a freehold property, the Group still owns the freehold land. This land was identified by the Canterbury Earthquake Recovery Authority's Central Christchurch Development Unit ("CCDU") for compulsory acquisition for the Cultural Precinct. As at December 2012, discussions were continuing with CCDU in relation to this site.

The remaining hotel, namely the Millennium Hotel Christchurch is still closed. The engineering report has indicated that the property is repairable and engineering work has commenced to establish the scope and cost of repairs but has been temporarily suspended pending further assessments. The Millennium Hotel Christchurch is insured for material damage and business interruption.

During the year, confidential settlements for the business interruption insurance claims for both Millennium Hotel Christchurch and Copthorne Hotel Christchurch Central relating to the 2011 earthquakes were reached with the Company's insurers. The Company has received the proceeds from these settlements.

On 31 July 2012, the lease for Kingsgate Parnell expired and was not renewed.

FINANCIAL HIGHLIGHTS

	Fourth Quarter 2012 £m	Fourth Quarter 2011 £m	**Full Year 2012 £m**	Full Year 2011 £m
Revenue[1]	**203.2**	207.8	**768.3**	820.5
Headline operating profit[1]	**41.7**	50.1	**163.3**	191.4
Headline EBITDA[1]	**50.6**	59.7	**197.9**	226.9
Headline profit before tax[1]	**40.4**	49.0	**157.7**	184.7
Separately disclosed items - Group[2]	**12.2**	(21.8)	**11.5**	(8.5)
Separately disclosed items - Share of joint ventures and associates[3]	**1.6**	16.5	**2.1**	17.1
Profit before tax	**54.2**	43.7	**171.3**	193.3
Headline profit after tax[1]	**36.8**	41.9	**130.2**	146.9
Basic earnings per share (pence) [1]	**14.2p**	12.7p	**42.0p**	51.0p
Headline earnings per share (pence)[1]	**9.7p**	13.1p	**36.8p**	45.7p
Net cash/(debt)[1]	**52.2**	(100.2)	**52.2**	(100.2)
Gearing[1] (%)	**-**	4.8%	**-**	4.8%

Notes:

1. The Group uses a number of key performance indicators (KPI's) to measure performance and believes that revenue, headline operating profit, headline EBITDA, headline profit before tax, headline profit after tax, basic earnings per share, headline earnings per share, net cash/debt and gearing provide useful and necessary information on underlying trends to shareholders, the investment community and are used by the Group for internal performance analysis. Since the 2011 Annual Report, the definition of headline operating profit, one of the Group's key performance indicators, has been modified to include the share of interest, tax and non-controlling interests of joint ventures and associates. The Group believes that the revised definition simplifies the presentation of headline operating profit given to the reader both on the face of the consolidated income statement and in the segmental analysis of operating results.

Reconciliation of these measures to the closest equivalent GAAP measures are shown above and in notes 3 and 8 to the financial statements.

	Fourth Quarter 2012 £m	*Fourth Quarter 2011 £m*	***Full Year 2012 £m***	*Full Year 2011 £m*
2 Separately disclosed items - Group				
Other operating income				
Revaluation gain of investment properties	***1.8***	*1.0*	***1.8***	*1.0*
Other operating expense				
Revaluation deficit of investment properties	***-***	*(0.1)*	***-***	*(0.1)*
Separately disclosed items included in administrative expenses				
Impairment	***(0.1)***	*(23.7)*	***(1.4)***	*(29.9)*
Non-operating income				
Profit on sale and leaseback of Studio M Hotel	***-***	*-*	***-***	*17.4*
Profit/(loss) on disposal of subsidiary	***-***	*(0.2)*	***-***	*1.7*
Gain arising on disposal of properties	***10.5***	*1.2*	***10.5***	*1.2*
Gain on disposal of stapled securities in CDL Hospitality Trust ("CDLHT")	***-***	*-*	***0.6***	*0.2*
	12.2	*(21.8)*	***11.5***	*(8.5)*
3 Separately disclosed items - Share of joint ventures and associates				
Revaluation gain of investment properties	***1.4***	*16.3*	***1.4***	*17.3*
Profit/(loss) on disposal of business assets and subsidiaries	***0.2***	*0.2*	***0.7***	*(0.2)*
	1.6	*16.5*	***2.1***	*17.1*

Financial Performance – Fourth quarter overview

For the fourth quarter to 31 December 2012, profit before tax increased by 24.0% to £54.2m (2011: £43.7m).

Headline profit before tax, the Group's measure of underlying profit before tax, decreased by 17.6% to £40.4m (2011: £49.0m). Headline operating profit decreased by 16.8% to £41.7m (2011: £50.1m).

Basic earnings per share increased by 11.8% to 14.2p (2011: 12.7p) and headline earnings per share decreased by 26.0% to 9.7p (2011: 13.1p).

Financial Performance – Full year overview

For the full year to 31 December 2012, profit before tax decreased by 11.4% to £171.3m (2011: £193.3m) due in part to the inclusion of £17.4m profit on the sale and leaseback of Studio M Hotel in May 2011 and £34.0m profit from the KL land sale in August 2011, offset by a £28.5m reduction in impairment losses.

Headline profit before tax, the Group's measure of underlying profit before tax, decreased by 14.6% to £157.7m (2011: £184,7m). Headline operating profit decreased by 14.7% to £163.3m (2011: £191.4m). Included in the profit for 2012 is £9.3m as the Group's share of profit of FSCL relating to Chengdu Cityspring project; and for the comparative year 2011 is £17.4m profit on the sale and leaseback of Studio M Hotel and £34.0m profit from the sale of KL land.

Basic earnings per share decreased by 17.6% to 42.0p (2011: 51.0p) and headline earnings per share decreased by 19.5% to 36.8p (2011: 45.7p).

Income tax expense

For the year ended 31 December 2012, the Group recorded a tax expense of £24.6m (2011: £28.2m) excluding the tax relating to joint ventures and associates giving rise to an effective tax rate of 18.4% (2011: 18.1%). The effective tax rate has been affected by a number of factors which include the following items:

- Separately disclosed items of the Group;
- Reduced tax rates applied to brought forward net deferred tax liabilities in the UK;
- Tax adjustments in respect of previous years;
- Sale of KL land in 2011; and
- Release of a dilapidation provision for the Stuttgart hotel whose lease expired on 31 August 2011.

Excluding the impact of the items noted above, the Group's underlying effective tax rate is 26.7% (2011: 27.7%).

For the year ended 31 December 2012, a charge of £8.5m (2011: £5.4m) relating to joint ventures and associates is included in the reported profit before tax.

Earnings per share

The table below reconciles basic earnings per share to headline earnings per share:

	Full Year 2012 pence	Full Year 2011 pence
Basic earnings per share	**42.0**	51.0
Separately disclosed items – Group	**(3.6)**	0.5
Separately disclosed items – Share of joint ventures and associates	**(0.7)**	(4.9)
Changes in tax rates on opening deferred taxes	**(0.9)**	(0.9)
Headline earnings per share	**36.8**	45.7

Dividends

The Board is recommending a final dividend of 11.51p (2011: 10.42p plus a special dividend of 4.0p) per share. Together with the interim dividend of 2.08p (2011: 2.08p) per share, the total dividend is 13.59p (2011: 16.5p) per share. Subject to approval by shareholders at the Annual General Meeting to be held on 2 May 2013, the final dividend will be paid on 17 May 2013 to shareholders on the register on 22 March 2013.

Financial Position and Resources

	2012 **£m**	2011 £m	Change £m
Property, plant and equipment and lease premium prepayment	**2,096.1**	2,091.4	4.7
Investment properties	**169.1**	173.9	(4.8)
Investments in and loans to joint ventures and associates	**469.0**	473.7	(4.7)
Other financial assets	**7.9**	7.8	0.1
Non-current assets	**2,742.1**	2,746.8	(4.7)
Current assets excluding cash	**263.9**	241.9	22.0
Provisions and other liabilities excluding interest bearing loans, bonds and borrowings	**(467.3)**	(404.5)	(62.8)
Net cash/(debt)	**52.2**	(100.2)	152.4
Deferred tax liabilities	**(228.1)**	(236.4)	8.3
Net assets	**2,362.8**	2,247.6	115.2
Equity attributable to equity holders of the parent	**2,176.0**	2,066.5	109.5
Non-controlling interests	**186.8**	181.1	5.7
Total equity	**2,362.8**	2,247.6	115.2

Non-current assets

Property, plant, equipment and lease premium prepayment

Property, plant and equipment and lease premium prepayment increased by £4.7m. The main contributor to the increase was additions of £53.9m in hotel portfolio improvements. This increase was partially offset by a £6.4m adverse exchange movements, disposal of assets with total net book value of £8.2m and depreciation and amortisation charges of £34.6m.

The Group states land and building at depreciated deemed cost, being their UK GAAP carrying value, including revaluations as at 1 January 2004 together with additions thereafter less subsequent depreciation or provision for impairment. Since 2005, external professional open market valuations on certain of the Group's hotel portfolio have taken place at each year end covering the entire Group's hotel portfolio over a three-year period. Based on external valuations conducted at 31 December 2012 on 28.5% (based on net book value) of the Group's hotel portfolio, a valuation surplus of £197.2m is estimated but this has not been recorded in the accounts. Revaluation surplus of £117.0m and £90.5m for 2010 and 2011 respectively were previously estimated but not recorded in the accounts.

Investment Properties

Investment properties decreased by £4.8m due to £8.5m adverse exchange movements; additions of £1.6m which relates to the development of the land site in the Ginza district of Tokyo, Japan; £1.8m uplift in Tanglin Shopping Centre, Singapore; and other additions £0.3m.

Investments in and loans to joint ventures and associates

The table below reconciles the movement of investments in and loans to joint ventures and associates:

	2012 **£m**
Share of profits/(losses) analysed:	
– Operating profit before other operating income and expense	**49.0**
– Separately disclosed items	**2.2**
– Interest, tax and non-controlling interests	**(14.0)**
	37.2
Dilution in interest in an associate	**(2.2)**
Additions - CDLHT management and acquisition fees paid in stapled units	**4.9**
- Loan to FSCL (see note (a) below)	**29.6**
Dividends received from joint venture and associate	**(23.7)**
Share of other reserve movements	**0.1**
Repayment of loan by FSCL (see note (a) below)	**(31.5)**
FSCL loan due within one year (see note (a) below)	**(18.5)**
Foreign exchange adjustment	**(0.6)**
Total movement	**(4.7)**

(a) During 2011, the Group provided loans totalling £50.9m which, in conjunction with a capital injection, has been used to fund the purchase and development of land sites in China. Not shown in the movement table above, in 2011 the Group also made a £18.1m short-term loan to FSCL which is shown in current assets.

During 2012, a total loan of £49.6m was repaid by FSCL comprising £31.5m and £18.1m included in the non-current assets and current assets respectively. The Group also made an additional loan to FSCL of £29.6m during 2012. As at 31 December 2012, £18.5m is due for repayment within the next twelve months.

Liquidity and Capital Resources

Cash flow and net debt

At 31 December 2012, the Group's net cash was £52.2m (2011: net debt of £100.2m). A summary of the consolidated cash flow is set out below:

	2012 £m	2011 £m
Cash flows from operating activities before changes in working capital and provisions	**164.8**	207.8
Changes in working capital and provisions	**31.2**	8.6
Interest and tax paid	**(36.7)**	(49.8)
Cash generated from operating activities	**159.3**	166.6
Acquisition of property, plant and equipment, lease premium prepayment and investment properties	**(55.8)**	(107.7)
Net proceeds from sale of property, plant and equipment	**18.7**	78.7
Investment in and loans to associates	**14.6**	(93.0)
Loans from associate	**5.0**	11.3
Dividends received from joint venture and associate	**23.7**	17.8
Proceeds from sale of shares in associate	**2.8**	0.8
Dividends paid		
– to equity holders of the parent	**(24.5)**	(11.2)
– to non-controlling interests	**(4.2)**	(4.9)
Capital contribution from non-controlling interests	**-**	9.3
Proceeds from issue of share capital	**0.5**	0.9
Translation adjustments	**12.3**	(3.1)
Increase in net cash	**152.4**	65.5
Opening net debt	**(100.2)**	(165.7)
Closing net cash/(debt)	**52.2**	(100.2)

The net cash inflow from operating activities before changes in working capital and provisions was £164.8m, a decrease of £43.0m principally reflecting lower operating profit (excluding share of profit of joint ventures and associates). This is mainly due to the inclusion of the sale of KL land in the 2011 operating profit.

Changes in working capital and provisions include the impact of redeveloping the Orchid hotel in Singapore into condominiums, with deposits and stage payments from the buyers on the apartments sold. As the development unfolds further cash calls on the buyers will be forthcoming under terms of the sale and purchase agreements. The project is expected to be self-funding.

Acquisition of property, plant and equipment, lease premium prepayment and investment properties includes £53.9m in hotel portfolio improvements, £1.6m on developing the land site in the Ginza district of Tokyo acquired in 2011 and other investment properties of £0.3m.

Analysis of net debt and gearing 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 December 2012 £m	As at 31 December 2011 £m
Cash and cash equivalents (as per the consolidated statement of cash flows)	**379.0**	275.3
Bank overdrafts (included as part of borrowings)	**17.7**	56.9
Cash and cash equivalents (as per the consolidated statement of financial position)	**396.7**	332.2
Interest-bearing loans, bonds and borrowings		
– Non-current	**(152.6)**	(311.6)
– Current	**(191.9)**	(120.8)
Net cash/(debt)	**52.2**	(100.2)

Movements in net cash/debt during the year are shown below:

	As at 31 December 2012 £m	As at 31 December 2011 £m
Net debt at beginning of year	**(100.2)**	(165.7)
Net increase in cash and cash equivalents (as per the consolidated statement of cash flows)	**100.7**	29.2
Net decrease in loans	**39.4**	39.4
Translation adjustments	**12.3**	(3.1)
Movements in net cash	**152.4**	65.5
Net cash/(debt) at end of year	**52.2**	(100.2)
Gearing (%)	-	4.8%

Financial structure
Group interest cover ratio for the year ended 31 December 2012 (excluding share of results of joint ventures and associates, other operating income and expense, non-operating income and separately disclosed items of the Group) is 22.9 times (31 December 2011: 25.5 times). The decrease in net finance costs of £1.1m principally reflects interest on additional cash generated by the Group.

At 31 December 2012, the Group had £396.7m cash and £258.2m of undrawn and committed facilities available, comprising revolving credit facilities which provide the Group with financial flexibility. Most of the facilities are unsecured with unencumbered assets representing 87.3% of fixed assets and investment properties. At 31 December 2012, total borrowing amounted to £344.5m of which £77.1m was drawn under £105.3m of secured bank facilities.

Future funding
Of the Group's total facilities of £652.2m, £290.2m matures within 12 months comprising £81.0m committed revolving credit facilities, £65.4m of uncommitted facilities and overdrafts subject to annual renewal, £136.9m unsecured bonds and £6.9m secured term loans.

Treasury risk management
Group treasury matters are governed by policies and procedures approved by the Board of Directors. The treasury committee monitors and reviews treasury matters on a regular basis. A written summary of major treasury activity is presented at each Board meeting.

Consolidated income statement
for the year ended 31 December 2012

	Notes	**Fourth Quarter 2012 £m**	Fourth Quarter 2011 £m	**Full Year 2012 £m**	Full Year 2011 £m
Revenue	3	**203.2**	207.8	**768.3**	820.5
Cost of sales		**(81.9)**	(80.9)	**(305.7)**	(318.3)
Gross profit		**121.3**	126.9	**462.6**	502.2
Administrative expenses		**(87.1)**	(106.0)	**(335.8)**	(361.1)
Other operating income	4	**1.8**	1.0	**1.8**	1.0
Other operating expense	4	**-**	(0.1)	**-**	(0.1)
		36.0	21.8	**128.6**	142.0
Share of profit of joint ventures and associates	5	**9.0**	22.0	**37.2**	37.5
Operating profit		**45.0**	43.8	**165.8**	179.5
Analysed between:					
Headline operating profit	3	**41.7**	50.1	**163.3**	191.4
Net revaluation gain of investment properties	4	**1.8**	0.9	**1.8**	0.9
Impairment	4	**(0.1)**	(23.7)	**(1.4)**	(29.9)
Separately disclosed items – share of joint ventures and associates	4	**1.6**	16.5	**2.1**	17.1
Non-operating income		**10.5**	1.0	**11.1**	20.5
Analysed between:					
Profit on sale and leaseback of Studio M Hotel	4	**-**	-	**-**	17.4
(Loss)/profit on disposal of subsidiary	4	**-**	(0.2)	**-**	1.7
Gain arising on disposal of properties	4	**10.5**	1.2	**10.5**	1.2
Gain on disposal of stapled securities in CDLHT	4	**-**	-	**0.6**	0.2
Finance income		**1.8**	1.6	**6.6**	5.5
Finance expense		**(3.1)**	(2.7)	**(12.2)**	(12.2)
Net finance expense		**(1.3)**	(1.1)	**(5.6)**	(6.7)
Profit before tax	3	**54.2**	43.7	**171.3**	193.3
Income tax expense	6	**(3.0)**	(1.7)	**(24.6)**	(28.2)
Profit for the year		**51.2**	42.0	**146.7**	165.1
Attributable to:					
Equity holders of the parent		**45.9**	40.4	**135.0**	160.9
Non-controlling interests		**5.3**	1.6	**11.7**	4.2
		51.2	42.0	**146.7**	165.1
Basic earnings per share (pence)	7	**14.2p**	12.7p	**42.0p**	51.0p
Diluted earnings per share (pence)	7	**14.1p**	12.7p	**41.8p**	50.8p

The financial results above derive from continuing activities.

Consolidated statement of comprehensive income
for the year ended 31 December 2012

	Full Year 2012 £m	Full Year 2011 £m
Profit for the year	**146.7**	165.1
Other comprehensive income/(expense):		
Foreign currency translation differences - foreign operations	**(5.5)**	(25.8)
Foreign currency translation differences - equity accounted investees	**0.8**	(3.7)
Net gain on hedge of net investments in foreign operations	**3.0**	3.9
Defined benefit plan actuarial losses	**(3.7)**	(2.3)
Share of joint ventures and associates other reserve movements	**0.1**	(4.8)
Effective portion of changes in fair value of cash flow hedges	**0.3**	0.3
Income tax on income and expense recognised directly in equity	**0.6**	2.4
Other comprehensive expense for the year, net of tax	**(4.4)**	(30.0)
Total comprehensive income for the year	**142.3**	135.1
Total comprehensive income attributable to:		
Equity holders of the parent	**132.4**	129.6
Non-controlling interests	**9.9**	5.5
Total comprehensive income for the year	**142.3**	135.1

Consolidated statement of financial position
as at 31 December 2012

	Note	As at 31 December 2012 £m	As at 31 December 2011 £m
Non-current assets			
Property, plant and equipment		**2,051.7**	2,044.1
Lease premium prepayment		**44.4**	47.3
Investment properties		**169.1**	173.9
Investments in joint ventures and associates		**439.9**	422.8
Loans due from associate		**29.1**	50.9
Other financial assets		**7.9**	7.8
		2,742.1	2,746.8
Current assets			
Inventories		**3.8**	4.0
Development properties		**172.6**	148.3
Lease premium prepayment		**1.4**	1.4
Trade and other receivables		**67.6**	70.1
Loans due from associate		**18.5**	18.1
Cash and cash equivalents	8	**396.7**	332.2
		660.6	574.1
Total assets		**3,402.7**	3,320.9
Non-current liabilities			
Loans due to associate		**(16.4)**	(11.8)
Interest-bearing loans, bonds and borrowings		**(152.6)**	(311.6)
Employee benefits		**(17.2)**	(17.5)
Provisions		**(7.5)**	(7.8)
Other non-current liabilities		**(238.0)**	(186.7)
Deferred tax liabilities		**(228.1)**	(236.4)
		(659.8)	(771.8)
Current liabilities			
Interest-bearing loans, bonds and borrowings		**(191.9)**	(120.8)
Trade and other payables		**(154.6)**	(146.0)
Other current financial liabilities		**(2.4)**	(0.9)
Provisions		**(6.3)**	(7.6)
Income taxes payable		**(24.9)**	(26.2)
		(380.1)	(301.5)
Total liabilities		**(1,039.9)**	(1,073.3)
Net assets		**2,362.8**	2,247.6
Equity			
Issued share capital		**97.4**	95.3
Share premium		**843.0**	844.3
Translation reserve		**262.6**	262.5
Cash flow hedge reserve		**(0.2)**	(0.5)
Treasury share reserve		**(2.2)**	(2.2)
Retained earnings		**975.4**	867.1
Total equity attributable to equity holders of the parent		**2,176.0**	2,066.5
Non-controlling interests		**186.8**	181.1
Total equity		**2,362.8**	2,247.6

Consolidated statement of cash flows
for the year ended 31 December 2012

	Full Year 2012 £m	Full Year 2011 £m
Cash flows from operating activities		
Profit for the year	**146.7**	165.1
Adjustments for:		
Depreciation and amortisation	**34.6**	35.5
Share of profit of joint ventures and associates	**(37.2)**	(37.5)
Separately disclosed items - Group	**(11.5)**	8.5
Equity settled share-based transactions	**2.0**	1.3
Finance income	**(6.6)**	(5.5)
Finance expense	**12.2**	12.2
Income tax expense	**24.6**	28.2
Operating profit before changes in working capital and provisions	**164.8**	207.8
Decrease/(increase) in inventories, trade and other receivables	**2.8**	(3.5)
(Increase)/decrease in development properties	**(21.2)**	1.0
Increase in trade and other payables	**54.6**	12.4
Decrease in provisions and employee benefits	**(5.0)**	(1.3)
Cash generated from operations	**196.0**	216.4
Interest paid	**(9.2)**	(9.0)
Interest received	**5.2**	3.3
Income tax paid	**(32.7)**	(44.1)
Net cash generated from operating activities	**159.3**	166.6
Cash flows from investing activities		
Dividends received from joint venture and associate	**23.7**	17.8
Decrease/(increase) in loans due from associate	**19.5**	(68.3)
Increase in investment in associate	**(4.9)**	(24.7)
Proceeds from sale of shares in associate	**2.8**	0.8
Net proceeds from sale of property, plant and equipment	**18.7**	78.7
Acquisition of property, plant and equipment, lease premium prepayment and investment properties	**(55.8)**	(107.7)
Net cash generated from/(used in) investing activities	**4.0**	(103.4)
Cash flows from financing activities		
Proceeds from issue of share capital	**0.5**	0.9
Repayment of borrowings	**(66.8)**	(89.7)
Drawdown of borrowings	**28.3**	51.1
Payment of transaction costs related to loans and borrowings	**(0.9)**	(0.8)
Dividends paid to non-controlling interests	**(4.2)**	(4.9)
Increase in loan due to associate	**5.0**	11.3
Capital contribution from non-controlling interests	**-**	9.3
Dividends paid to equity holders of the parent	**(24.5)**	(11.2)
Net cash used in financing activities	**(62.6)**	(34.0)
Net increase in cash and cash equivalents	**100.7**	29.2
Cash and cash equivalents at beginning of the year	**275.3**	251.5
Effect of exchange rate fluctuations on cash held	**3.0**	(5.4)
Cash and cash equivalents at end of the year	**379.0**	275.3
Reconciliation of cash and cash equivalents		
Cash and cash equivalents shown in the consolidated statement of financial position	**396.7**	332.2
Bank overdrafts included in borrowings	**(17.7)**	(56.9)
Cash and cash equivalents for consolidated statement of cash flows	**379.0**	275.3

Consolidated statement of changes in equity for the year ended 31 December 2012

	Share capital £m	Share premium £m	Translation reserve £m	Cash flow hedge reserve £m	Treasury share reserve £m	Retained earnings £m	Total excluding non-controlling interests £m	Non-controlling interests £m	Total equity £m
Balance as at 1 January 2011	94.0	844.7	290.4	(0.8)	(2.2)	721.4	1,947.5	171.2	2,118.7
Profit	-	-	-	-	-	160.9	160.9	4.2	165.1
Total other comprehensive income	-	-	(27.9)	0.3	-	(3.7)	(31.3)	1.3	(30.0)
Total comprehensive income for the year	-	-	(27.9)	0.3	-	157.2	129.6	5.5	135.1
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Dividends – equity holders	-	-	-	-	-	(31.3)	(31.3)	-	(31.3)
Issue of shares in lieu of dividends	1.2	(1.2)	-	-	-	20.1	20.1	-	20.1
Dividends – non-controlling interests	-	-	-	-	-	-	-	(4.9)	(4.9)
Share-based payment transactions (net of tax)	-	-	-	-	-	(0.3)	(0.3)	-	(0.3)
Share options exercised	0.1	0.8	-	-	-	-	0.9	-	0.9
Contribution by non-controlling interests	-	-	-	-	-	-	-	9.3	9.3
Total contributions by and distributions to owners	1.3	(0.4)	-	-	-	(11.5)	(10.6)	4.4	(6.2)
Total transactions with owners	1.3	(0.4)	-	-	-	(11.5)	(10.6)	4.4	(6.2)
Balance as at 31 December 2011	95.3	844.3	262.5	(0.5)	(2.2)	867.1	2,066.5	181.1	2,247.6
Balance as at 1 January 2012	**95.3**	**844.3**	**262.5**	**(0.5)**	**(2.2)**	**867.1**	**2,066.5**	**181.1**	**2,247.6**
Profit	**-**	**-**	**-**	**-**	**-**	**135.0**	**135.0**	**11.7**	**146.7**
Total other comprehensive income	**-**	**-**	**0.1**	**0.3**	**-**	**(3.0)**	**(2.6)**	**(1.8)**	**(4.4)**
Total comprehensive income for the year	**-**	**-**	**0.1**	**0.3**	**-**	**132.0**	**132.4**	**9.9**	**142.3**
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Dividends – equity holders	**-**	**-**	**-**	**-**	**-**	**(52.5)**	**(52.5)**	**-**	**(52.5)**
Issue of shares in lieu of dividends	**1.7**	**(1.7)**	**-**	**-**	**-**	**28.0**	**28.0**	**-**	**28.0**
Dividends – non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(4.2)**	**(4.2)**
Share-based payment transactions (net of tax)	**-**	**-**	**-**	**-**	**-**	**1.1**	**1.1**	**-**	**1.1**
Share options exercised	**0.4**	**0.4**	**-**	**-**	**-**	**(0.3)**	**0.5**	**-**	**0.5**
Total contributions by and distributions to owners	**2.1**	**(1.3)**	**-**	**-**	**-**	**(23.7)**	**(22.9)**	**(4.2)**	**(27.1)**
Total transactions with owners	**2.1**	**(1.3)**	**-**	**-**	**-**	**(23.7)**	**(22.9)**	**(4.2)**	**(27.1)**
Balance as at 31 December 2012	**97.4**	**843.0**	**262.6**	**(0.2)**	**(2.2)**	**975.4**	**2,176.0**	**186.8**	**2,362.8**

Notes to the consolidated financial statements

1. General information

Basis of preparation

The consolidated financial statements in this results announcement for Millennium & Copthorne Hotels plc ("the Company") as at and for the year ended 31 December 2012 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 audited consolidated financial results of the Group for the years ended 31 December 2012 and 2011. This information set out in this results announcement does not comprise statutory accounts within the meaning of Section 435 of the Companies Act 2006 but represents extracts from them. These extracts do not provide as full an understanding of the financial performance and position, or financial and investing activities, of the Group as the complete Annual Report.

The comparative figures for the financial year ended 31 December 2011 are not the Company's statutory accounts for that financial year. Those accounts have been reported on by the Company's auditor and delivered to the Registrar of Companies. The report of the auditor was (i) unqualified, (ii) did not include a reference to any matter to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006. The consolidated financial statements of the Group as at and for the financial year ended 31 December 2011 are available from the Company's website at http://www.millenniumhotels.com/corporate/investor-centre/annual-reports-archive.html

Since the 2011 Annual Report, the definition of headline operating profit, one of the Group's key performance indicators, has been modified to include the share of interest, tax and non-controlling interests of joint ventures and associates. The Group believes that the revised definition simplifies the presentation of headline operating profit given to the reader both on the face of the consolidated income statement and in the operating segment information. Comparatives in the consolidated income statement and operating segment information for 31 December 2011 have been restated to reflect the change in definition.

The consolidated financial statements of the Group were prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU. Other than the modified definition of headline operating profit as mentioned above, the consolidated financial statements for the year ended 31 December 2012 were prepared by 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 2011.

The financial statements were approved by the Board of Directors on 21 February 2013.

The financial statements were prepared on a going concern basis, supported by the Directors' assessment of the Group's current and forecast financial position, and forecast trading for the foreseeable future; and are presented in the Company's functional currency of sterling, rounded to the nearest hundred thousand.

Non-GAAP information

Presentation of headline operating profit, headline EBITDA, headline profit before tax, headline profit after tax and headline earnings per share
Reconciliation of headline operating profit, headline EBITDA, headline profit before tax, headline profit after tax and headline earnings per share to the closest equivalent GAAP measures are provided in note 3 'Operating segment information', note 7 'Earnings per share' and note 8 'Non-GAAP measures'.

Net cash/debt and gearing percentage
An analysis of net cash/debt and calculated gearing percentage is provided in note 8 'Non-GAAP measures'.

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.

Notes to the consolidated financial statements

2. Foreign currency translation

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

	As at 31 December		Average for 12 months January - December		Average for 3 months October - December	
Currency (=£)	**2012**	2011	**2012**	2011	**2012**	2011
US dollar	**1.614**	1.572	**1.589**	1.606	**1.588**	1.581
Singapore dollar	**1.973**	2.030	**1.985**	2.011	**1.987**	2.013
New Taiwan dollar	**46.865**	46.644	**46.713**	46.979	**46.676**	46.712
New Zealand dollar	**1.966**	2.018	**1.960**	2.011	**1.960**	2.005
Malaysian ringgit	**4.945**	4.974	**4.913**	4.895	**4.911**	4.940
Korean won	**1,729.19**	1,808.82	**1,785.34**	1,771.54	**1,791.02**	1,783.27
Chinese renminbi	**10.066**	9.762	**9.961**	10.269	**9.954**	9.885
Euro	**1.218**	1.199	**1.229**	1.149	**1.229**	1.164
Japanese yen	**138.262**	121.892	**126.452**	127.259	**126.016**	122.538

3. Operating segment information

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

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

Geographical segments

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

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

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

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

Notes to the consolidated financial statements

3. Operating segment information (continued)

	Fourth Quarter 2012								
	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	**29.9**	**27.5**	**27.2**	**18.8**	**40.0**	**40.6**	**12.0**	**-**	**196.0**
Property operations	**-**	**0.4**	**-**	**-**	**0.5**	**-**	**6.3**	**-**	**7.2**
Total revenue	**29.9**	**27.9**	**27.2**	**18.8**	**40.5**	**40.6**	**18.3**	**-**	**203.2**
Hotel gross operating profit	**10.0**	**4.7**	**15.5**	**4.8**	**20.8**	**15.0**	**6.0**	**-**	**76.8**
Hotel fixed charges [1]	**(5.2)**	**(4.9)**	**(4.0)**	**(4.1)**	**(12.7)**	**(6.4)**	**(1.3)**	**-**	**(38.6)**
Hotel operating profit	**4.8**	**(0.2)**	**11.5**	**0.7**	**8.1**	**8.6**	**4.7**	**-**	**38.2**
Property operating profit/(loss)	**-**	**(0.4)**	**-**	**-**	**0.4**	**-**	**2.5**	**-**	**2.5**
Central costs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(6.4)**	**(6.4)**
Share of joint ventures and associates profit	**-**	**-**	**-**	**-**	**3.6**	**2.8**	**1.0**	**-**	**7.4**
Headline operating profit/(loss)	**4.8**	**(0.6)**	**11.5**	**0.7**	**12.1**	**11.4**	**8.2**	**(6.4)**	**41.7**
Add back depreciation and amortisation	**1.6**	**1.5**	**1.2**	**0.9**	**-**	**3.0**	**0.4**	**0.3**	**8.9**
Headline EBITDA [2]	**6.4**	**0.9**	**12.7**	**1.6**	**12.1**	**14.4**	**8.6**	**(6.1)**	**50.6**
Depreciation and amortisation									**(8.9)**
Net finance expense									**(1.3)**
Headline profit before tax									**40.4**
Separately disclosed items - Group [3]									**12.2**
Separately disclosed items – Share of joint ventures and associates									**1.6**
Profit before tax									**54.2**

	Fourth Quarter 2011								
	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	30.6	27.7	26.7	19.4	39.1	47.4	13.1	-	204.0
Property operations	-	0.4	-	-	0.6	-	2.8	-	3.8
Total revenue	30.6	28.1	26.7	19.4	39.7	47.4	15.9	-	207.8
Hotel gross operating profit	11.1	5.2	15.2	5.5	21.0	19.1	7.1	-	84.2
Hotel fixed charges [1]	(5.0)	(4.2)	(4.0)	(2.9)	(12.7)	(5.1)	(2.3)	-	(36.2)
Hotel operating profit	6.1	1.0	11.2	2.6	8.3	14.0	4.8	-	48.0
Property operating profit/(loss)	-	(0.1)	-	-	0.5	0.2	1.3	-	1.9
Central costs	-	-	-	-	-	-	-	(5.3)	(5.3)
Share of joint ventures and associates profit	-	-	-	-	3.8	1.4	0.3	-	5.5
Headline operating profit/(loss)	6.1	0.9	11.2	2.6	12.6	15.6	6.4	(5.3)	50.1
Add back depreciation and amortisation	1.2	1.7	1.6	1.0	0.3	3.1	0.5	0.2	9.6
Headline EBITDA [2]	7.3	2.6	12.8	3.6	12.9	18.7	6.9	(5.1)	59.7
Depreciation and amortisation									(9.6)
Net finance expense									(1.1)
Headline profit before tax									49.0
Separately disclosed items – Group [3]									(21.8)
Separately disclosed items – Share of joint ventures and associates									16.5
Profit before tax									43.7

Notes to the consolidated financial statements

3. Operating segment information (continued)

	Full Year 2012								
	New York £m	**Regional US £m**	**London £m**	**Rest of Europe £m**	**Singapore £m**	**Rest of Asia £m**	**Australasia £m**	**Central Costs £m**	**Total Group £m**
Revenue									
Hotel	**99.5**	**115.3**	**108.4**	**70.3**	**152.3**	**159.2**	**44.4**	**-**	**749.4**
Property operations	**-**	**1.6**	**-**	**-**	**2.2**	**0.1**	**15.0**	**-**	**18.9**
Total revenue	**99.5**	**116.9**	**108.4**	**70.3**	**154.5**	**159.3**	**59.4**	**-**	**768.3**
Hotel gross operating profit	**24.3**	**22.0**	**61.8**	**17.2**	**81.6**	**61.2**	**20.5**	**-**	**288.6**
Hotel fixed charges [1]	**(18.5)**	**(18.9)**	**(14.9)**	**(12.3)**	**(48.1)**	**(23.9)**	**(6.3)**	**-**	**(142.9)**
Hotel operating profit	**5.8**	**3.1**	**46.9**	**4.9**	**33.5**	**37.3**	**14.2**	**-**	**145.7**
Property operating profit/(loss)	**-**	**(1.0)**	**-**	**-**	**1.3**	**-**	**5.9**	**-**	**6.2**
Central costs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(23.7)**	**(23.7)**
Share of joint ventures and associates profit	**-**	**-**	**-**	**-**	**13.4**	**17.1**	**4.6**	**-**	**35.1**
Headline operating profit/(loss)	**5.8**	**2.1**	**46.9**	**4.9**	**48.2**	**54.4**	**24.7**	**(23.7)**	**163.3**
Add back depreciation and amortisation	**5.0**	**6.5**	**4.7**	**3.6**	**0.2**	**11.3**	**2.1**	**1.2**	**34.6**
Headline EBITDA [2]	**10.8**	**8.6**	**51.6**	**8.5**	**48.4**	**65.7**	**26.8**	**(22.5)**	**197.9**
Depreciation and amortisation									**(34.6)**
Net finance expense									**(5.6)**
Headline profit before tax									**157.7**
Separately disclosed items - Group [3]									**11.5**
Separately disclosed items - Share of joint ventures and associates									**2.1**
Profit before tax									**171.3**

	Full Year 2011								
	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	103.2	114.9	100.9	86.9	151.1	159.8	48.4	-	765.2
Property operations	-	1.4	-	-	2.4	44.3	7.2	-	55.3
Total revenue	103.2	116.3	100.9	86.9	153.5	204.1	55.6	-	820.5
Hotel gross operating profit	30.1	21.8	56.2	22.0	83.4	60.6	22.0	-	296.1
Hotel fixed charges [1]	(18.1)	(18.2)	(14.0)	(9.4)	(47.7)	(21.6)	(10.5)	-	(139.5)
Hotel operating profit	12.0	3.6	42.2	12.6	35.7	39.0	11.5	-	156.6
Property operating profit/(loss)	-	(0.8)	-	-	(0.2)	34.0	2.6	-	35.6
Central costs	-	-	-	-	-	-	-	(21.2)	(21.2)
Share of joint ventures and associates profit	-	-	-	-	13.4	3.2	3.8	-	20.4
Headline operating profit/(loss)	12.0	2.8	42.2	12.6	48.9	76.2	17.9	(21.2)	191.4
Add back depreciation and amortisation	4.7	7.5	5.1	3.8	1.3	9.8	2.4	0.9	35.5
Headline EBITDA [2]	16.7	10.3	47.3	16.4	50.2	86.0	20.3	(20.3)	226.9
Depreciation and amortisation									(35.5)
Net finance expense									(6.7)
Headline profit before tax									184.7
Separately disclosed items - Group[3]									(8.5)
Separately disclosed items - Share of joint ventures and associates									17.1
Profit before tax									193.3

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

[2] EBITDA is earnings before interest, tax, depreciation and amortisation.

[3] See Note 4 for details of the Group's separately disclosed items.

Notes to the consolidated financial statements

3. Operating segment information (continued)

Segmental assets and liabilities

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

As at 31 December 2011	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	342.5	278.1	438.3	188.1	144.5	625.0	150.1	2,166.6
Hotel operating liabilities	(11.7)	(41.5)	(25.8)	(21.2)	(140.1)	(47.6)	(7.7)	(295.6)
Investment in and loans due from joint ventures and associates	-	-	-	-	174.2	95.0	63.2	332.4
Loans due to associate	-	-	-	-	-	(11.8)	-	(11.8)
Total hotel operating net assets	330.8	236.6	412.5	166.9	178.6	660.6	205.6	2,191.6
Property operating assets	-	28.9	-	-	146.8	81.1	73.5	330.3
Property operating liabilities	-	(0.1)	-	-	(69.4)	(0.7)	(0.7)	(70.9)
Investment in and loans due from joint ventures and associates	-	-	-	-	69.0	90.4	-	159.4
Total property operating net assets	-	28.8	-	-	146.4	170.8	72.8	418.8
Deferred tax liabilities								(236.4)
Income taxes payable								(26.2)
Net debt								(100.2)
Net assets								2,247.6

Notes to the consolidated financial statements

4. Separately disclosed items

	Notes	**Fourth Quarter 2012 £m**	Fourth Quarter 2011 £m	**Full Year 2012 £m**	Full Year 2011 £m
Other operating income					
Revaluation gain of investment properties	**(a)**	**1.8**	1.0	**1.8**	1.0
Other operating expense					
Revaluation deficit of investment properties	**(a)**	**-**	(0.1)	**-**	(0.1)
Separately disclosed items included in administrative expenses					
Impairment	**(b)**	**(0.1)**	(23.7)	**(1.4)**	(29.9)
Non-operating income					
Profit on sale and leaseback of Studio M Hotel	**(c)**	**-**	-	**-**	17.4
(Loss)/profit on disposal of subsidiary	**(d)**	**-**	(0.2)	**-**	1.7
Gain arising on disposal of properties	**(e)**	**10.5**	1.2	**10.5**	1.2
Gain on disposal of stapled securities in CDLHT	**(f)**	**-**	-	**0.6**	0.2
		10.5	1.0	**11.1**	20.5
Separately disclosed items – Group		**12.2**	(21.8)	**11.5**	(8.5)
Separately disclosed items – Share of joint ventures and associates					
Revaluation gain of investment properties	**(g)**	**1.4**	16.3	**1.4**	17.3
Profit/(loss) on disposal of business assets and subsidiaries	**(h)**	**0.2**	0.2	**0.7**	(0.2)
		1.6	16.5	**2.1**	17.1

(a) Revaluation of investment properties

At the end of 2012, the Group's investment properties were subject to external professional valuation on an open-market existing use basis. Based on these valuations, together with such considerations as the Directors consider appropriate, the Tanglin Shopping Centre recorded an uplift in value of £1.8m (2011: £1.0m) and Biltmore Court & Tower recorded no change in value (2011: decrease in value of £0.1m).

(b) Impairment

As at the end of 2012, the Directors undertook their annual review of the carrying value of hotels and property assets for indication of impairment and where appropriate, external valuations were also undertaken. As a result of this review, no impairment charge was made for the hotels and property assets for the year ended 31 December 2012. As for the financial year ended 31 December 2011, a total impairment charge of £29.4m was made, consisting of £15.8m in relation to eight Regional UK hotels in Rest of Europe, £8.2m for four hotels in Regional US, £1.0m in relation to one hotel in New Zealand and £4.4m in relation to land in India within Rest of Asia.

A £1.4m (2011: £0.5m) impairment charge was made during the year 2012 relating to interest on shareholder loans to the Group's 50% investment in Bangkok.

(c) Profit on sale and leaseback of Studio M Hotel

On 3 May 2011, the Group completed the sale and leaseback of Studio M Hotel to its REIT associate CDLHT for cash consideration of S$154.0m (£75.7m), and this gave rise to a total realised pre-tax profit from the disposal of S$35.4m (£17.4m). Total unrealised pre-tax profit from the disposal was S$19.1m (£9.4m) which had been credited to the balance sheet as investment in joint ventures and associates, arising from the Group's then 35.1% interest in the stapled securities of CDLHT.

(d) Profit on disposal of subsidiary

During the year ended 31 December 2011, the Group recorded a £1.7m gain from the disposal of CDL Hotels (Phils.) Corporation, a Philippines based company principally providing management services to Grand Plaza Hotel Corporation, owner of The Heritage Hotel Manila in the Philippines.

4. Separately disclosed items (continued)

(e) Gain arising on disposal of properties
During the fourth quarter ended 31 December 2012, a settlement was reached with the insurers in relation to Copthorne Hotel Christchurch Central which is one of the hotels affected by the New Zealand earthquake. A gain of £10.5m which was the difference between the compensation received and the carrying value of the freehold building was recognised by the Group.

In 2011, another hotel which was also affected by the New Zealand earthquake namely the Copthorne Hotel Christchurch City was demolished and, accordingly, the net book value was fully written down. A settlement was reached with the insurers and owner on the building and assets and the funds were received in fourth quarter 2011. Consequently, £1.2m was recognised as a gain arising on disposal of leasehold property in the income statement.

(f) Gain on disposal of stapled securities in CDLHT
During the year ended 31 December 2012, the Group disposed of 2,849,000 (2011: 760,000) stapled securities in CDLHT for S$5.6m or £2.8m (2011: S$1.6m or £0.8m) which net of the carrying value of the stapled securities and the dilution impact totalling S$4.4m or £2.2m (2011: S$1.2m or £0.6m) resulted in a net gain of S$1.2m or £0.6m (2011: S$0.4m or £0.2m).

(g) Revaluation gain of investment properties
For the year ended 31 December 2012, the Group's share of CDLHT's net revaluation surplus of investment properties was £2.4m (2011: £10.5m).

At the end of 2012, certain properties of the FSCL were subject to annual valuation and as a result of this exercise, an impairment loss of £1.0m was recorded (2011: uplift of £6.8m).

(h) Profit/(loss) on disposal of business assets and subsidiaries
For the year ended 31 December 2012, FSCL recorded a profit on disposal of assets from its confectionery manufacturing operations in Chengdu to a third party. The Group's share of the profit is £0.7m.

For the year ended 31 December 2011, the Group's share of FSCL's losses from the disposal of subsidiaries was £0.2m.

5. Share of profit of joint ventures and associates

	Fourth Quarter 2012 £m	Fourth Quarter 2011 £m	**Full Year 2012 £m**	Full Year 2011 £m
Share of profit for the year				
Operating profit before separately disclosed items	**10.6**	8.4	**49.0**	28.8
Interest	**(0.3)**	(0.3)	**(1.4)**	(1.7)
Tax	**(1.6)**	(1.6)	**(8.1)**	(3.3)
Non-controlling interests	**(1.3)**	(1.0)	**(4.4)**	(3.4)
Share of profit	**7.4**	5.5	**35.1**	20.4
Separately disclosed items – operating profit	**1.7**	18.3	**2.2**	19.5
Tax	**(0.4)**	(1.7)	**(0.4)**	(2.1)
Non-controlling interests	**0.3**	(0.1)	**0.3**	(0.3)
Share of profit	**1.6**	16.5	**2.1**	17.1
	9.0	22.0	**37.2**	37.5

Notes to the consolidated financial statements

6. Income tax expense

For the year ended 31 December 2012, the Group recorded a tax expense of £24.6m (2011: £28.2m) excluding the tax relating to joint ventures and associates giving rise to an effective tax rate of 18.4% (2011: 18.1%). The effective tax rate has been affected by a number of factors which include the following items:

- Separately disclosed items of the Group;
- Reduced tax rates applied to brought forward net deferred tax liabilities in the UK;
- Tax adjustments in respect of previous years;
- Sale of KL land in 2011; and
- Release of a dilapidation provision for the Stuttgart hotel whose lease expired on 31 August 2011.

Excluding the impact of the items noted above, the Group's underlying effective tax rate is 26.7% (2011: 27.7%).

For the year ended 31 December 2012, a charge of £8.5m (2011: £5.4m) relating to joint ventures and associates is included in the reported profit before tax.

	2012 £m	2011 £m
Current tax		
Corporation tax charge for the year	**32.7**	46.3
Adjustment in respect of prior years	**(1.7)**	(7.5)
Total current tax expense	**31.0**	38.8
Deferred tax		
Origination and reversal of timing differences	**0.2**	(8.9)
Effect of change in tax rate on opening deferred taxes	**(3.0)**	(2.8)
Benefits of tax losses recognised	**(0.2)**	3.1
Over provision in respect of prior years	**(3.4)**	(2.0)
Total deferred tax credit	**(6.4)**	(10.6)
Total income tax charge in the consolidated income statement	**24.6**	28.2
UK	**4.1**	(2.0)
Overseas	**20.5**	30.2
Total income tax charge in the consolidated income statement	**24.6**	28.2

Income tax reconciliation

	2012 £m	2011 £m
Profit before income tax in income statement	**171.3**	193.3
Less share of profits of joint ventures and associates	**(37.2)**	(37.5)
Profit on ordinary activities excluding share of joint ventures and associates	**134.1**	155.8
Income tax on ordinary activities at the standard rate of UK tax of 24.5% (2011: 26.5%)	**32.8**	41.3
Tax exempt income	**(10.3)**	(4.4)
Non deductible expenses	**6.3**	8.5
Recognition of deferred tax on share of undistributed associate's profit	**-**	0.6
Current year losses for which no deferred tax asset was recognised	**0.8**	1.1
Unrecognised deferred tax assets	**0.6**	(2.1)
Recognition of previously unrecognised tax losses	**-**	(0.9)
Effect of tax rates on separately disclosed items	**1.0**	(3.3)
Other effect of tax rate in foreign jurisdictions	**1.5**	(0.3)
Effect of change in tax rate on opening deferred taxes	**(3.0)**	(2.8)
Other adjustments to tax charge in respect of prior years	**(5.1)**	(9.5)
Income tax expense per consolidated income statement	**24.6**	28.2

Notes to the consolidated financial statements

7. Earnings per share

Earnings per share are calculated using the following information:

	Fourth Quarter 2012	Fourth Quarter 2011	**Full Year 2012**	Full Year 2011
(a) Basic				
Profit for the year attributable to holders of the parent (£m)	**45.9**	40.4	**135.0**	160.9
Weighted average number of shares in issue (m)	**324.1**	317.2	**321.6**	315.6
Basic earnings per share (pence)	**14.2p**	12.7p	**42.0p**	51.0p
(b) Diluted				
Profit for the year attributable to holders of the parent (£m)	**45.9**	40.4	**135.0**	160.9
Weighted average number of shares in issue (m)	**324.1**	317.2	**321.6**	315.6
Potentially dilutive share options under Group's share option schemes (m)	**1.4**	1.4	**1.4**	1.3
Weighted average number of shares in issue (diluted) (m)	**325.5**	318.6	**323.0**	316.9
Diluted earnings per share (pence)	**14.1p**	12.7p	**41.8p**	50.8p
(c) Headline earnings per share (pence)				
Profit for the year attributable to holders of the parent (£m)	**45.9**	40.4	**135.0**	160.9
Adjustments for:				
- Separately disclosed items - Group (net of tax and non-controlling interests) (£m)	**(12.1)**	17.0	**(11.4)**	1.7
- Share of separately disclosed items of joint ventures and associates (net of tax and non-controlling interests) (£m)	**(1.7)**	(15.1)	**(2.1)**	(15.7)
- Changes in tax rates on opening deferred tax (£m)	**(0.7)**	(0.6)	**(3.0)**	(2.8)
Adjusted profit for the year attributable to holders of the parent (£m)	**31.4**	41.7	**118.5**	144.1
Weighted average number of shares in issue (m)	**324.1**	317.2	**321.6**	315.6
Headline earnings per share (pence)	**9.7p**	13.1p	**36.8p**	45.7p
(d) Diluted headline earnings per share (pence)				
Adjusted profit for the year attributable to holders of the parent (£m)	**31.4**	41.7	**118.5**	144.1
Weighted average number of shares in issue (diluted) (m)	**325.5**	318.6	**323.0**	316.9
Diluted headline earnings per share (pence)	**9.6p**	13.1p	**36.7p**	45.5p

Notes to the consolidated financial statements

8. Non-GAAP measures

Headline operating profit, headline EBITDA and headline profit before tax
Reconciliation of headline operating profit, headline EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) and headline profit before tax to the closest equivalent GAAP measure, profit before tax is provided in note 3 'Operating segment information'.

Headline profit after tax
Reconciliation of profit after tax to headline profit after tax is shown below:

	Fourth Quarter 2012 £m	Fourth Quarter 2011 £m	**Full Year 2012 £m**	Full Year 2011 £m
Profit after tax	**51.2**	42.0	**146.7**	165.1
Adjustments for:				
Separately disclosed items (net of tax) – Group	**(12.1)**	17.0	**(11.4)**	1.7
Separately disclosed items (net of interest, tax and non-controlling interests) – Share of joint ventures and associates	**(1.6)**	(16.5)	**(2.1)**	(17.1)
Tax impact of changes in tax rates on opening deferred tax	**(0.7)**	(0.6)	**(3.0)**	(2.8)
Headline profit after tax	**36.8**	41.9	**130.2**	146.9

Net cash/debt

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

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

Analysis of net cash/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 December 2012 £m	As at 31 December 2011 £m
Net cash/(debt)		
Cash and cash equivalents (as per the consolidated statement of cash flows)	**379.0**	275.3
Bank overdrafts (included as part of borrowings)	**17.7**	56.9
Cash and cash equivalents (as per the consolidated statement of financial position)	**396.7**	332.2
Interest-bearing loans, bonds and borrowings		
– Non-current	**(152.6)**	(311.6)
– Current	**(191.9)**	(120.8)
Net cash/(debt)	**52.2**	(100.2)

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

Reconciliation of net cash flow to movement in net cash/debt	**As at 31 December 2012 £m**	As at 31 December 2011 £m
Net debt at beginning of year	**(100.2)**	(165.7)
Increase in cash and cash equivalents (as per the consolidated statement of cash flows)	**100.7**	29.2
Net decrease in loans	**39.4**	39.4
Translation adjustments	**12.3**	(3.1)
Movements in net cash/(debt)	**152.4**	65.5
Net cash/(debt) at end of year	**52.2**	(100.2)
Gearing (%)	**-**	4.8%

9. Dividends

	2012 pence	2011 pence	2012 £m	2011 £m
Final ordinary dividend paid	**10.42**	7.92	**33.0**	24.8
Final special dividend paid	**4.00**	-	**12.7**	-
Interim ordinary dividend paid	**2.08**	2.08	**6.8**	6.5
Total dividends paid	**16.50**	10.00	**52.5**	31.3

Subsequent to 31 December 2012, the Directors declared a final ordinary dividend of 11.51p (2011: 10.42p plus a special dividend of 4.0p) per share which has not been provided for.

10. Financial commitments, contingencies and subsequent events

Capital commitments at 31 December 2012 which are contracted but not yet provided for in the financial statements amount to £59.1m (2011: £4.6m).

There were no contingent liabilities or guarantees other than those arising in the ordinary course of business and on these no material losses are anticipated.

CDL Hotels (Korea) Ltd, a wholly-owned subsidiary of the Company has entered into a conditional sale and purchase agreement with Woo Yang Industrial Development Co., Ltd to acquire a plot of land with a total area of 1,563.7m2, adjacent to the Millennium Seoul Hilton hHotel in South Korea, for a cash consideration of KWon 29.5b (£17.2m). The Millennium Seoul Hilton is owned by the Group. Completion is expected to take place in the second quarter of 2013 and is subject to certain terms and conditions being met. M&C will develop detailed plans to build hospitality facilities on the site complementary to the Millennium Seoul Hilton, following further studies with architects and other external consultants. Other than the above transaction, there are no events subsequent to the balance sheet date which require adjustments to or disclosure within these consolidated financial statements.

11. Related parties

Identity of related parties

Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below. All transactions with related parties were entered into in the normal course of business and at arm’s length.

The Group has a related party relationship with its joint ventures, associates and with its Directors and executive officers.

Transactions with ultimate holding company and other related companies

The Group has a related party relationship with certain subsidiaries of Hong Leong Investment Holding Pte. Ltd (“Hong Leong”) which is the ultimate holding and controlling company of Millennium & Copthorne Hotels plc and holds 55% (2011: 55%) of the Company’s shares via City Developments Limited (“CDL”), the intermediate holding company of the Group. During the year ended 31 December 2012, the Group had the following transactions with those subsidiaries.

Fees paid/payable by the Group to Hong Leong Management Services Pte. Ltd (“HLMS”), a subsidiary of Hong Leong amounted to £0.8m (2011: £1.0m). At 31 December 2012, £0.5m (2011: £1.5m) of fees payable was outstanding.

The Group deposited certain surplus cash with Hong Leong Finance Limited, a subsidiary of Hong Leong, on normal commercial terms. Interest income of £0.08m (2011: £0.04m) was received during the year. As at 31 December 2012, £29.6m (2011: £17.9m) of cash was deposited with Hong Leong Finance Limited.

Fees paid/payable by the Group to CDL were £1.5m (2011: £1.3m) which included rentals paid for the Grand Shanghai restaurant and Kings Centre; property management fees for the Tanglin Shopping Centre in Singapore; and car parking, leasing commission and professional services. In addition, £0.2m (2011: £0.5m) of fees were paid to CDL Management Services Pte Ltd., a subsidiary of CDL in relation to The Glyndebourne luxury condominium development in Singapore. At 31 December 2012, £nil (2011: £nil) of fees payable was outstanding.

Richfield Hospitality Inc (“RHI”) a company owned 85% by City e-Solutions Limited (“CES”), a subsidiary of CDL, and 15% by the Group, provided management services to the Group. A total of £0.3m (2011: £0.1m) was charged by RHI during the year and as at 31 December 2012, £0.1m (2011: £0.2m) was due to RHI. Fees for taxation services amounting to £0.03m (2011: £0.01m) were charged by CDL Hotels USA Inc., a subsidiary of the Group, to RHI.

The Group provided a total of £0.02m (2011: £0.02m) hotel management services to a joint venture company of HL Global Enterprises Limited, a subsidiary of Hong Leong. As at 31 December 2012 £nil (2011: £nil) was due to the Group.

The Group provided accounting and management services to CES and CDL Hospitality Trusts (“CDLHT”) totalling £0.08m (2011: £0.04m). At 31 December 2012 £0.03m (2011: £nil) of fees payable was outstanding. During the year, the Group also provided staff support to South Beach Consortium Pte Ltd, a joint venture company of CDL for £0.1m of which £0.1m was outstanding at the end of December 2012.

11. Related parties (continued)

HL Suntek Insurance Brokers Pte Ltd ("Suntek"), an associate of Hong Leong provided insurance services to the Group totalling £0.1m during the year. As at 31 December 2012, there is no amount outstanding to Suntek.

Transactions with associates and joint ventures

In July 2006 the Group completed the sale of long leasehold interest in three of its Singapore hotels to CDLHT, an associate and comprising a hotel real estate investment trust ("REIT") and a business trust. These hotels were the Orchard Hotel (including the connected shopping centre), and M Hotel which were both sold on 75-year leases and Copthorne King's Hotel for the remaining 61 years of a 99-year lease. CDLHT also acquired the Grand Copthorne Waterfront Hotel, a Group managed hotel from CDL under a 75 year lease. All four hotels excluding the shopping centre were leased back to the Group for an initial term of 20 years, each renewable at the Group's option for an additional term of 20 years.

In May 2011 the Group completed the sale of the remaining term of a 99-year long leasehold interest (commencing February 2007) in the Studio M Hotel Singapore to CDLHT. The hotel was leased back for an initial term of 20 years, renewable at the Group's option for three consecutive terms totalling 50 years.

Under the terms of the master lease agreements for the four hotels acquired in 2006, and for the Studio M Hotel in May 2011, the Group is obliged to pay CDLHT an annual rental for the duration of the term (initial and extended term) of each lease agreement comprising the following:

- A fixed rent and a service charge for each hotel; and
- A variable rent computed based on the sum of 20% (30% for Studio M) of each hotel's revenue and 20% of each hotel's gross operating profit for the prevailing financial year, less the sum of the fixed rent and the service charge. Should the calculation of the variable rent yield a negative figure, the variable rent is deemed to be zero.

The rents paid/payable under the leases referred to above for the relevant period are as follows:

	2012	2011
	£m	£m
Copthorne King's Hotel	**4.8**	4.8
Orchard Hotel	**14.0**	13.6
M Hotel	**8.4**	8.2
Grand Copthorne Waterfront Hotel	**12.6**	12.0
Studio M Hotel	**5.5**	3.6
	45.3	42.2

In addition to the lease of the five hotels mentioned above, the Group also leased a conference centre from CDLHT at a fixed rent of £0.4m (2011: £0.3m). This lease was for five years from July 2006 and has been renewed for a further 5 years.

A subsidiary of the Group, M&C REIT Management Limited acts as REIT Manager and Business Trust Manager with their fees having a performance-based element. The REIT Manager is entitled to receive a base fee of 0.25% per annum of the value of the H-REIT deposited property as well as additional performance fee of 5% per annum of H-REIT's net property income in the relevant financial year. 80% of the H-REIT Manager's fees are paid in stapled securities. In addition acquisition fees are payable, 100% in stapled securities and/or cash at a rate of 1.0% of the value of new properties deposited with H-REIT. For the relevant year Manager's fees paid in stapled securities totalled £4.9m (2011: £4.6m), acquisition fees paid in stapled units £nil (2011: £0.8m), the balance payable in cash was £1.2m (2011: £1.2m). At 31 December 2012, £0.3m (2011: £0.2m) is outstanding. Interest receivable of £0.1m (2011: £0.1m) accrued in the year on the rent deposit paid to the REIT.

RHR Capital Pte. Ltd, a 100% subsidiary of the Group, provided shareholder loans of US$108.0m to FSCL, an associate in 2011. For the year ended 31 December 2012, a further loan of US$47.0m was provided and US$78.0m was repaid resulting in a total loan outstanding as at 31 December 2012 of US$77.0m (£47.7m). The loan attracts interest of 3% per annum and interest of US$2.3m or £1.43m (2011: US$0.4m or £0.25m) was charged in the period. As at 31 December 2012 interest of £nil (2011: £0.3m) was outstanding.

In November 2011, subsidiaries of FSCL provided loans totalling RMB115m (£11.8m) loan via a three-year trust agreement to Beijing Fortune Hotel Co Ltd, a 70% subsidiary of the Group. In the year ended 31 December 2012, FSCL provided a further RMB50m loan. The total loan outstanding as at 31 December 2012 was RMB165m (£16.4m).

City Hotels Pte. Ltd, a 100% subsidiary of the Group, provided a shareholder loan facility of 550m Thai Baht (£11.1m) (2011: 503m Thai Baht (£10.3m)) to Fena Estate Company Limited ("Fena"), its 50% owned joint venture. At 31 December 2012 and 2011 all of this facility was fully drawn. The loan attracts interest of 4.5% (2011: 4.5%) per annum and interest of £0.5m (2011: £0.5m) was accrued for in the year. This interest is rolled up into the carrying value of the loan. The total loan outstanding as at 31 December 2012, including rolled up interest, was 680m Thai Baht (£13.7m) (2011: 609.6m Thai Baht (£12.5m)).

In addition, the Group has provided a further US$2.0m (£1.4m) (2011: US$2.0m (£1.3m)) operator loan facility to Fena which was fully drawn down at 31 December 2012. The loan attracts interest of 0.75% per annum (2011: 0.75%) which is rolled up into the carrying value of the loan. The carrying value of the loan outstanding as at 31 December 2012, including rolled up interest, was US$2.2m (£1.4m) (2011: US$2.1m (£1.3m)).

11. Related parties (continued)

Management fees were charged to Fena in respect of maintenance and other services at the Grand Millennium Sukhumvit Bangkok totalling £0.5m (2011: £0.5m) of which £0.5m (2011: £0.3m) was outstanding at 31 December 2012. Management fees were charged to Phuket Square Company Limited, a joint venture company of CDL in respect of maintenance and other services at the Millennium Resort Patong of £0.5m (2011: £0.4m) of which £nil (2011: £nil) was outstanding at 31 December 2012.

The Group has a related party relationship with Mr Ali Al Zaabi, a minority shareholder of its operations in the Middle East. The Group paid £0.4m (2011: £0.2m) to Mr Al Zaabi for remuneration and other expenses. As at 31 December 2012, £0.2m (2011: £0.1m) was owed to Mr Al Zaabi. In addition £0.1m (2011: £0.1m) of management and incentive fees were charged to the Kingsgate Abu Dhabi Hotel which is owned by Mr Al Zaabi. As at 31 December 2012 £0.2m (2011: £0.3m) was outstanding.

Transactions with key management personnel

The beneficial interest of the Directors in the ordinary shares of the Company was 0.09% (2011: 0.07%).

In addition to their salaries, the Group also provides non-cash benefits to Directors and executive officers, and contributes to a post-employment defined contribution plan depending on the date of commencement of employment. The defined contribution plan does not have a specified pension payable on retirement and benefits are determined by the extent to which the individual’s fund can buy an annuity in the market at retirement.

Executive officers also participate in the Group’s share option programme, Long-Term Incentive Plan and the Group’s Sharesave schemes.

The key management personnel compensation is as follows:

	2012 £m	2011 £m
Short-term employee benefits	**4.1**	5.0
Other long-term benefits	**0.2**	0.1
Share-based payment	**2.0**	1.3
	6.3	6.4
Directors	**2.3**	1.9
Executives	**4.0**	4.5
	6.3	6.4

APPENDIX 1: KEY OPERATING STATISTICS (UNAUDITED)
for the year ended 31 December 2012

Owned or leased hotels*	Year Ended 2012 Reported currency	Year Ended 2011 Constant currency	Year Ended 2011 Reported currency
Occupancy (%)			
New York	**80.5**		85.5
Regional US	**57.9**		57.4
Total US	**63.5**		64.4
London	**80.8**		81.5
Rest of Europe	**71.4**		69.3
Total Europe	**76.0**		74.9
Singapore	**88.1**		86.9
Rest of Asia	**71.4**		71.0
Total Asia	**78.1**		77.4
Australasia	**63.6**		64.3
Total Group	**70.8**		70.8
Average Room Rate (£)			
New York	**160.89**	**156.45**	154.86
Regional US	**68.22**	**66.68**	66.00
Total US	**97.34**	**96.22**	95.24
London	**131.15**	**120.10**	120.10
Rest of Europe	**67.39**	**69.34**	71.37
Total Europe	**100.35**	**94.56**	95.58
Singapore	**114.75**	**110.94**	109.54
Rest of Asia	**87.59**	**81.23**	81.10
Total Asia	**99.83**	**94.53**	93.83
Australasia	**55.29**	**59.92**	58.38
Total Group	**95.08**	**91.91**	91.48
RevPAR (£)			
New York	**129.58**	**133.80**	132.44
Regional US	**39.49**	**38.30**	37.91
Total US	**61.81**	**61.96**	61.33
London	**105.91**	**97.92**	97.92
Rest of Europe	**48.13**	**48.03**	49.44
Total Europe	**76.23**	**70.79**	71.55
Singapore	**101.14**	**96.42**	95.20
Rest of Asia	**62.57**	**57.69**	57.60
Total Asia	**77.97**	**73.12**	72.58
Australasia	**35.18**	**38.55**	37.56
Total Group	**67.32**	**65.11**	64.81
Gross Operating Profit Margin (%)			
New York	**24.4**		29.2
Regional US	**19.1**		19.0
Total US	**21.6**		23.8
London	**57.0**		55.7
Rest of Europe	**24.5**		25.3
Total Europe	**44.2**		41.6
Singapore	**53.6**		55.2
Rest of Asia	**38.4**		37.9
Total Asia	**45.8**		46.3
Australasia	**46.2**		45.5
Total Group	**38.5**		38.7

For comparability, the 31 December 2011 Average Room Rate and RevPAR have been translated at average exchange rates for the year ended 31 December 2012.

** excluding managed, franchised and investment hotels.*

APPENDIX 2: KEY OPERATING STATISTICS (UNAUDITED)
for the fourth quarter ended 31 December 2012

Owned or leased hotels*	**Fourth Quarter 2012 Reported currency**	Fourth Quarter 2011 Constant currency	Fourth Quarter 2011 Reported currency
Occupancy (%)			
New York	**82.9**		86.5
Regional US	**51.5**		48.8
Total US	**59.3**		58.1
London	**83.3**		84.3
Rest of Europe	**69.4**		68.8
Total Europe	**76.2**		76.4
Singapore	**87.8**		88.3
Rest of Asia	**74.5**		77.5
Total Asia	**80.0**		81.7
Australasia	**67.6**		66.7
Total Group	**70.2**		70.4
Average Room Rate (£)			
New York	**188.68**	**176.61**	178.39
Regional US	**69.03**	**68.59**	69.88
Total US	**110.49**	**108.42**	109.89
London	**124.31**	**119.89**	119.89
Rest of Europe	**68.28**	**67.36**	68.50
Total Europe	**98.08**	**95.74**	96.27
Singapore	**112.31**	**113.25**	110.56
Rest of Asia	**86.77**	**85.20**	85.25
Total Asia	**98.52**	**96.95**	95.85
Australasia	**56.50**	**63.90**	62.29
Total Group	**98.13**	**96.93**	96.96
RevPAR (£)			
New York	**156.47**	**152.77**	154.31
Regional US	**35.55**	**33.45**	34.08
Total US	**66.50**	**63.01**	63.86
London	**103.59**	**101.12**	101.12
Rest of Europe	**47.40**	**46.34**	47.13
Total Europe	**74.73**	**73.15**	73.55
Singapore	**98.57**	**100.01**	97.63
Rest of Asia	**64.62**	**66.02**	66.05
Total Asia	**78.86**	**79.19**	78.29
Australasia	**38.19**	**42.61**	41.54
Total Group	**68.85**	**68.24**	68.26
Gross Operating Profit Margin (%)			
New York	**33.4**		36.3
Regional US	**17.1**		18.8
Total US	**25.6**		28.0
London	**57.0**		56.9
Rest of Europe	**25.5**		28.4
Total Europe	**44.1**		44.9
Singapore	**52.0**		53.7
Rest of Asia	**36.9**		40.3
Total Asia	**44.4**		46.4
Australasia	**50.0**		54.2
Total Group	**39.2**		41.3

For comparability, the 31 December 2011 Average Room Rate and RevPAR have been translated at average exchange rates for the year ended 31 December 2012.

** excluding managed, franchised and investment hotels.*

APPENDIX 3: HOTEL ROOM COUNT AND PIPELINE (UNAUDITED)
as at 31 December 2012

Hotel and room count	Hotels 31 December 2012	Hotels 31 December 2011	Hotels Change	Rooms 31 December 2012	Rooms 31 December 2011	Rooms Change
Analysed by region:						
New York	**3**	3	-	**1,758**	1,757	1
Regional US	**16**	16	-	**5,554**	5,554	-
London	**7**	7	-	**2,493**	2,493	-
Rest of Europe	**16**	16	-	**2,695**	2,696	(1)
Middle East	**14**	10	4	**4,211**	3,623	588
Singapore	**6**	6	-	**2,716**	2,714	2
Rest of Asia	**17**	16	1	**6,861**	7,260	(399)
Australasia	**31**	34	(3)	**4,651**	4,935	(284)
Total	**110**	108	2	**30,939**	31,032	(93)
Analysed by ownership type:						
Owned or leased	**63**	65	(2)	**19,229**	19,946	(717)
Managed	**25**	21	4	**6,543**	5,926	617
Franchised	**11**	11	-	**1,564**	1,559	5
Investment	**11**	11	-	**3,603**	3,601	2
Total	**110**	108	2	**30,939**	31,032	(93)
Analysed by brand:						
Grand Millennium	**5**	5	-	**2,488**	2,479	9
Millennium	**42**	39	3	**14,373**	13,756	617
Copthorne	**32**	31	1	**6,577**	6,403	174
Kingsgate	**13**	14	(1)	**1,326**	1,436	(110)
Other M&C	**5**	5	-	**1,885**	1,885	-
Third Party	**13**	14	(1)	**4,290**	5,073	(783)
Total	**110**	108	2	**30,939**	31,032	(93)

Pipeline	Hotels 31 December 2012	Hotels 31 December 2011	Hotels Change	Rooms 31 December 2012	Rooms 31 December 2011	Rooms Change
Analysed by region:						
Middle East	**18**	26	**(8)**	**4,772**	5,700	**(928)**
Singapore	**-**	-	**-**	**-**	-	**-**
Rest of Asia	**3**	4	**(1)**	**668**	907	**(239)**
Total	**21**	30	**(9)**	**5,440**	6,607	**(1,167)**
Analysed by ownership type:						
Franchised	**1**	1	**-**	**195**	195	**-**
Owned or leased	**1**	1	**-**	**322**	325	**(3)**
Managed	**19**	28	**(9)**	**4,923**	6,087	**(1,164)**
Total	**21**	30	**(9)**	**5,440**	6,607	**(1,167)**
Analysed by brand:						
Grand Millennium	**1**	-	**1**	**250**	-	**250**
Millennium	**11**	18	**(7)**	**2,780**	4,237	**(1,457)**
Copthorne	**8**	6	**2**	**2,215**	1,178	**1,037**
Other M&C	**1**	6	**(5)**	**195**	1,192	**(997)**
Total	**21**	30	**(9)**	**5,440**	6,607	**(1,167)**

The Group's worldwide pipeline comprises 21 hotels offering 5,440 rooms, which are mainly management contracts.