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Miscellaneous

* Asterisks denote mandatory information

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The details of the announcement start here ...

Announcement Title *	Announcement by Subsidiary Company, Millennium & Copthorne Hotels plc, on Fourth Quarter and Full Year Results to 31 December 2013
Description	Please see the attached announcement released by Millennium & Copthorne Hotels plc on 21 February 2014.
Attachments	21021014_MnC-FY2013Results.pdf Total size = **194K** (2048K size limit recommended)

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For Immediate Release **21 February 2014**

MILLENNIUM & COPTHORNE HOTELS PLC
FINAL RESULTS ANNOUNCEMENT
Fourth quarter and full year results to 31 December 2013

Highlights for the fourth quarter 2013:

	Fourth Quarter 2013	Fourth Quarter 2012	Change	
RevPAR	**£70.07**	£68.85	£1.22	1.8%
Revenue	**£471.3m**	£203.2m	£268.1m	131.9%
Operating profit¹	**£153.8m**	£46.5m¹	£107.3m	230.8%
Profit before tax	**£167.7m**	£54.2m	£113.5m	209.4%
Basic earnings per share	**46.2p**	14.2p	32.0p	225.4%

Highlights for the full year 2013:

	Full Year 2013	Full Year 2012	Change	
RevPAR	**£69.58**	£67.32	£2.26	3.4%
Revenue	**£1,037.5m**	£768.3m	£269.2m	35.0%
Operating profit¹	**£230.4m**	£139.7m¹	£90.7m	64.9%
Profit before tax	**£263.6m**	£171.3m	£92.3m	53.9%
Basic earnings per share	**70.5p**	42.0p	28.5p	67.9%
Ordinary dividend	**13.59p**	13.59p	-	-
Special dividend	**9.15p**	-	9.15p	-

- 2013 Group revenue increased to the record level of £1,037.5m (2012: £768.3m), following recognition of £273.7m of revenue from the Glyndebourne development in Singapore.

- Hotel revenue fell by 1.5% to £738.0m (2012: £749.4m) in 12 months to 31 December 2013 reflecting:

  - challenging conditions in Asian markets; and
  - the impact of temporary room closures as a result of the Group's refurbishment programme, especially affecting Grand Hyatt Taipei and Millennium Hotel Minneapolis.

- 2013 Group RevPAR increased by 3.4% to £69.58 (2012: £67.32), driven by:

  - overall improvement in room rates in the US; and
  - increased occupancy in all regions except Singapore and some Asian destinations.

- Profit before tax increased to a record £263.6m (2012: £171.3m) for the year ended 31 December 2013 driven by the Glyndebourne development profit of £139.3m.

- For the fourth quarter of 2013, revenue and profit before tax were positively impacted by recognition of the Glyndebourne development. Group RevPar increased by 1.8% year-on-year to £70.07 (2012: £68.85) with gains in US, Europe and Australasia. Singapore continued its recent trend with RevPAR down by 5.9%, to £88.85 (Q4 2012: £94.45).

- In December 2013, the Group announced the proposed acquisition of a 5-star all-suite London hotel, located at Chelsea Harbour, for £65.0m. Post 31 December 2013, the Group further announced the proposed acquisition of the 4-star Novotel New York Times Square for $273.6m (£167.0m). These acquisitions are scheduled to complete in the first and second quarters of 2014 respectively.

- The Board proposes a final dividend of 11.51p per share and a special dividend of 9.15p per share, giving a total dividend payout for the year of 22.74p per share (2012: 13.59p), an increase of 67.3%.

Commenting today Mr Kwek Leng Beng, Chairman said:

"In 2013, the Group's performance was boosted significantly by the recognition of profit from the Glyndebourne development. We remain cautiously optimistic about the Group's full year performance in 2014 despite uncertainty affecting some regions, and poor weather conditions in US and UK in the first quarter. The Group's performance will be further impacted by our refurbishment programme and the resulting temporary removal of rooms from inventory."

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[1] See Note 1 of the financial statements.

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

BUSINESS REVIEW

In 2013, the Group made good progress against its key strategic objectives, whilst delivering record revenue and profit for the year due to recognition of profits from the Glyndebourne development. This performance demonstrates the strength of the Group's business model as an owner and operator of hotels, with gains generated through timely and opportunistic asset management, in addition to income from hospitality services.

Although there was a 3.4% rise in Group RevPAR during the year from £67.32 to £69.58, the Group's hotel revenue fell by 1.5% to £738.0m (2012: £749.4m) due to the impact of rooms temporarily lost to refurbishment as well as a reduction in hotel non-room revenue.

The biggest single element driving growth in annual revenue and profit was the impact of the Glyndebourne development – the sale of 147 out of 150 apartments built on the site of the former Copthorne Orchid Hotel in Singapore. This development generated revenues of £273.7m and pre-tax profit of £139.3m, which were recognised in 2013 following the grant of the temporary occupation permit by local authorities.

Hotel Operations

Global revenue per available room (RevPAR) increased in 2013 by 3.4% to £69.58 (2012: £67.32). Positive RevPAR performance in London, New Zealand, New York and Regional US outweighed the fall in RevPAR in Singapore, Rest of Asia and UK regional hotels. Our operating tactics were consistent with previous years, with sales teams focused on achieving an optimal balance between occupancy and average room rate across the estate.

During 2013, there was a greater emphasis on driving revenue through higher occupancy ratios rather than increased room rates. This reflected a more competitive trading environment in some regions – especially Singapore – and other factors, notably the absence of the Olympics in London compared to 2012 and the reduced number of Japanese visitors to Seoul mainly as a result of political tensions.

Hotel revenues for the year totalled £738.0m – a reduction of 1.5% compared to 2012 (£749.4m). Apart from market pressure affecting business levels in parts of Asia, revenues were further impacted by the removal of a net 290,000 room nights from the system over the course of the year mainly due to the Group's ongoing asset management programme. As the programme continues, management anticipates that this effect will reverse. For example almost 14,000 room nights re-entered the system in 2013, with significantly higher room rates, following the refurbishment of ONE UN.

The Group achieved a consolidated hotel gross operating margin of 35.4% for the year (2012: 38.5%). The fall was mainly due to lower operating profit margins at our Asian properties. Central costs for the year increased by 29.5% to £30.7m (2012: £23.7m), mainly because of our continuing drive to strengthen the central management team.

Acquisitions

Our financial position remained strong throughout the year, which placed the Group in a good position to grow through acquisition. With the global economy showing signs of recovery, hotel capital values have increased, although at a faster rate than hotel earnings.

In December 2013, we announced the proposed acquisition of a leasehold interest in a luxury, all-suite hotel located within the Chelsea Harbour district in London. The property currently offers 154 suites and 4 penthouses and is situated in a prestigious riverside area that will be going through further transformation and improvement in the near future. The property is in an improving and already attractive area of the city and will fit efficiently into our existing portfolio of London properties with minimum impact on central management costs. The purchase price for the hotel is £65.0m, subject to standard purchase price adjustments. Completion is expected to occur during the first quarter of 2014.

Since the year-end, the Group has also announced that it has entered into a conditional agreement to acquire the 480 room 4-star Novotel New York Times Square for $273.6m (£167.0m) subject to standard purchase price adjustments. Completion is expected to occur during the second quarter of 2014.

Additionally in December 2013, our hospitality real estate investment trust associate, CDL Hospitality Trusts ("CDLHT") acquired the 35 villa Jumeirah Dhevanafushi, its second luxury resort hotel in the Maldives.

Development

In April 2013, the Group completed its purchase of a 1,563.7m² plot of land adjacent to the Millennium Seoul Hilton for a price of £17.2m. Architectural detailing is underway for a construction project, incorporating a hotel and serviced apartment complex which will be complementary to the Millennium Seoul Hilton.

In December 2013, we recognised revenues and costs arising from the 147 units sold in the Glyndebourne development in Singapore, following local authorities' grant of the temporary occupation permit. Work on this development commenced in 2011 following the closure of the Copthorne Orchid Hotel, which formerly occupied the site. The development resulted in revenue of £273.7m and an operating profit of £139.3m. The level of profit reflects the successful timing of the project, and the low historical book value of the land. Since the year-end, two further apartments have been sold, the profits of which will be recognised in 2014.

Construction of the Group's hotel in Tokyo's Ginza district is proceeding according to plan, with works scheduled to complete at the end of 2014. The new property will be a significant addition to the Group's portfolio, adding a new key gateway destination for business and leisure travellers in the capital of one of the world's largest economies. The site was acquired in 2011 for an initial capital outlay of JPY9.5b (£55.1m). Total construction costs are estimated at JPY5.6b (£32.5m).

Having fully examined a range of alternative scenarios for the Millennium Hotel St Louis, the Group determined that refurbishment of the property was unlikely to offer attractive returns in the foreseeable future. The hotel was closed in January 2014. The Group is considering a full range of options for the freehold property, which occupies a 17,033m² site in the city. In addition, the Group closed two hotels in New Zealand in 2013.

Refurbishment

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. Results from those hotels where we have completed significant renovations have generated higher room rates and RevPAR compared to their pre-renovation performance. Since the current programme commenced in 2011, £87.8m of the programme total of £240m had been spent up to 31 December 2013, mainly on the refurbishment of several key hotels including the west tower of ONE UN New York, Millennium Seoul Hilton, Millennium Hotel Minneapolis and Grand Hyatt Taipei. In 2013, £41.6m was spent under the programme, of which £3.5m was spent in the fourth quarter.

Refurbishment of the west wing of the Grand Hyatt Taipei was completed during the third quarter of 2013, with work currently underway on renovation of the east wing, which was closed when the west wing re-opened. The hotel is scheduled to re-open fully in the third quarter of 2014. Grand Hyatt Taipei is our largest current refurbishment project, with costs to the end of 2013 totalling £29m and a final anticipated total refurbishment cost of £62m.

In the US, refurbishment of the Millennium Hotel Minneapolis completed during the second quarter of 2013, with a total refurbishment cost of £14.4m. The hotel fully re-opened in May, 2013, since when it has received a much improved rating from guests, both directly and through hotel review sites. In the second half of 2013, RevPAR for the hotel was £52.89 compared to £44.19 in the same period of 2012, representing an increase of 19.7%.

The Group will continue to upgrade and improve its properties, with a number of refurbishment projects ready to commence in 2014, subject to relevant consents.

First Sponsor Capital Limited

M&C's associate, First Sponsor Capital Limited ("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, building our brand proposition in this key market. It also enables the Group to participate in hotel ownership through mixed use property development in a capital efficient manner.

For the year ended 31 December 2013, the Group has recognised £7.4m as its share of FSCL's net profit after tax (2012: £9.3m). 2013 profits arose mainly as a result of FSCL's disposal of the land in Humen and profits on the sale of the remaining Chengdu Cityspring residential units, the bulk of which were sold in 2012. The 196-room M Hotel Chengdu, part of the Chengdu Cityspring project, soft opened in September 2013. It is managed by the Group. Progress on the Wenjiang development land site in Chengdu, purchased in November 2011 and branded as Millennium Waterfront, is on track. The land is designated for residential, commercial and hotel development. The total residential component comprises 50 apartment blocks with 7,110 units. The sale of 10 blocks of 1,618 residential units had been launched at 31 December 2013. At that date 1,490 out of the 1,618 residential units launched had been sold either under option agreements or sale and purchase agreements. FSCL has also commenced the sales of some auxiliary retail commercial units and sales have been encouraging. Development will be phased according to demand. Construction of a Millennium branded hotel with convention facilities commenced in the second quarter of last year and is scheduled to open in 2017.

FSCL has informed the Group that it is considering an initial public offering and listing on the Singapore Stock Exchange of its principal operating subsidiary, First Sponsor Group Limited later in 2014.

Asset Disposals

The Group recognised profit of £9.1m from land sales in New Zealand during the year (2012: £6.3m). We also announced during the fourth quarter of 2013 that the Group had signed a Collective Sale Agreement ("CSA") with other selling unit-holders in Tanglin Shopping Centre, a shopping-cum-office complex situated within the Orchard Road tourist district in Singapore, in which the Group has approximately a 34% interest. This sale process will be directed by an independent sales committee, representing all selling unit-holders. In common with these unit holders, the Group is bound by a confidentiality agreement with respect to the proposed disposal which is highly conditional.

During 2013, the Copthorne Hotel Birmingham became the subject of a compulsory purchase order as part of the redevelopment of Birmingham city centre. The Group entered into an agreement with the developer of the scheme that grants the Group a number of options including the construction of a new hotel and/or the sale of the existing site, the timings of which are currently unknown.

The Group is also in discussions with the appropriate authorities in Scotland regarding the impact of the redevelopment of the local area on the Millennium Hotel Glasgow.

Board changes

The Group was pleased to welcome Susan Farr as a new Independent Non-Executive Director in December 2013. Ms Farr has specialist knowledge and experience of marketing, business development and corporate communications and will make a valuable contribution to the business. In addition, her appointment reflects the Group's support for the recommendations of the 2011 Davies Report on Board Diversity, with Ms Farr becoming the Group's first female Director. Ian Batey announced his resignation as an Independent Non-Executive Director, effective on 20 February 2014. The Group is grateful to Mr Batey for his services.

Dividends

In light of the Group's performance last year, the Board is recommending a final dividend of 11.51p per share (2012: 11.51p) and a special dividend of 9.15p per share (2012: £nil). Together with the interim dividend of 2.08p per share (2012: 2.08p), the total dividend for 2013 is 22.74p per share (2012: 13.59p), an increase of 67.3% over 2012.

Outlook

In 2014, the Group will continue to pursue its core strategic objective of improving returns on shareholders' capital whilst growing the business. We are looking forward to a year in which we will be fully re-opening all of the guest rooms at our largest hotel in Asia, the Grand Hyatt Taipei, before completing refurbishment of the public areas and restaurants and creating a truly outstanding five-star deluxe property. Elsewhere, we will continue to maximise the value of our real estate portfolio. We continue to be alert to acquisition and disposal opportunities.

The global economy is not fully restored to complete health, with pockets of uncertainty continuing to affect some travel destinations. However, we expect our properties in the main gateway cities to see improvements in 2014.

Group RevPAR was up 5.3% in the first six weeks of trading in 2014 on a reported currency basis, compared to the same period last year, with London down by 0.7%, New York up 5.8% and Singapore down 4.4%.

REGIONAL PERFORMANCE

For comparability, the following regional review is based on calculations in constant currency whereby 31 December 2012 average room rate and RevPAR have been translated at average exchange rates for the period ended 31 December. Full details are given in Appendices 1 and 2.

ASIA

	2013	2012 Constant currency	Change
Hotel revenue	**£297.0m**	£315.8m	(6.0%)
RevPAR	**£75.08**	£79.00	(5.0%)
Occupancy	**76.9%**	78.1%	(1.2%)*
ARR	**£97.62**	£101.14	(3.5%)

SINGAPORE

	2013	2012 Constant currency	Change
Hotel revenue	**£146.7m**	£154.0m	(4.7%)
RevPAR	**£94.24**	£102.27	(7.9%)
Occupancy	**86.4%**	88.1%	(1.7%)*
ARR	**£109.09**	£116.03	(6.0%)

REST OF ASIA

	2013	2012 Constant currency	Change
Hotel revenue	**£150.3m**	£161.8m	(7.1%)
RevPAR	**£61.56**	£63.52	(3.1%)
Occupancy	**70.2%**	71.4%	(1.2%)*
ARR	**£87.67**	£88.92	(1.4%)

* % points

Singapore
Singapore continues to be a favoured destination for both leisure and business travellers and is positioning itself as a major new leisure destination through regeneration and investment in tourism infrastructure. This led to a significant increase in the number of available hotel rooms in 2013 and new room supply is forecast to grow at a CAGR of 4.4% for the next three years. In addition, slower growth in China had a dampening effect on corporate travel budgets last year. The net result of these two features was a fall in both average room rates and occupancy at our Singapore hotels in 2013. The increase in capacity has put demand on the pool of local management talent and together with the government's guest worker restrictions, driven up labour costs in general.

Rest of Asia
Year-on-year performance movement in Rest of Asia is mainly the result of two factors: the closure of rooms for refurbishment at Grand Hyatt Taipei and the impact of geo-political tensions between Japan and South Korea on Millennium Seoul Hilton. The west wing of Grand Hyatt Taipei was closed for refurbishment during the third quarter of 2012. The refurbishment was completed in the second quarter of 2013, at which point refurbishment of the east wing commenced. This second major refurbishment phase is scheduled to complete in the first half of 2014. The hotel had over 73,000 fewer room nights available in 2013 than 2012 - almost a quarter of the total. This has had a significant performance impact on the hotel. Grand Hyatt Taipei's re-opened and refurbished rooms achieved room rates that were 25% higher than the previous year.

Revenue from Millennium Seoul Hilton was lower last year mainly reflecting fewer Japanese visitors as a result of geo-political tensions. Management worked throughout the year to substitute Japanese business, which succeeded in restoring occupancy levels in the second half of the year, but at lower room rates. Millennium Seoul Hilton RevPAR was down by nearly 20% from 2012 as a result.

In the remainder of the Rest of Asia portfolio, Grand Millennium Kuala Lumpur performed well, with double digit RevPAR growth, reflecting sustained Malaysian economic growth and the location's increasing popularity for both leisure and business travellers. The Heritage Hotel Manila saw weaker performance in the second half of the year following the closure of its casino in July 2013. Grand Millennium Beijing was slightly down year-on-year due to a slowdown in the growth of the Chinese economy and lower Government spending on hospitality.

EUROPE

	2013	2012 Constant currency	Change
Hotel revenue	**£180.9m**	£179.6m	0.7%
RevPAR	**£77.29**	£76.59	0.9%
Occupancy	**77.8%**	76.0%	1.8%*
ARR	**£99.33**	£100.83	(1.5%)

LONDON

	2013	2012 Constant currency	Change
Hotel revenue	**£110.7m**	£108.4m	2.1%
RevPAR	**£108.19**	£105.91	2.2%
Occupancy	**85.4%**	80.8%	4.6%*
ARR	**£126.73**	£131.15	(3.4%)

REST OF EUROPE

	2013	2012 Constant currency	Change
Hotel revenue	**£70.2m**	£71.2m	(1.4%)
RevPAR	**£48.04**	£48.84	(1.6%)
Occupancy	**70.7%**	71.4%	(0.7%)*
ARR	**£67.98**	£68.37	(0.6%)

* % points

London
Our London hotels continued their strong performance of recent years. Whilst the UK economic climate was subdued for most of 2013, the weak pound attracted more overseas visitors to the city. Management adjusted pricing strategies to reflect changes in the market's characteristics and the absence of the London Olympics, with revenue improvement driven mainly by increases in occupancy.

Rest of Europe
Performance in the majority of the Group's European hotels away from London was slightly down on 2012. Performance by our two Paris hotels reflected the uncertainty that continues to face the French economy. In the UK the performance was mixed. Whilst many of the UK‘s regional towns and cities have yet to participate in the perceived UK economic recovery, there were signs of improvement in our northern hotels, notably Aberdeen, Glasgow, Manchester and Newcastle.

US

	2013	2012 Constant currency	Change
Hotel revenue	**£217.3m**	£217.6m	(0.1%)
RevPAR	**£68.59**	£62.62	9.5%
Occupancy	**65.9%**	63.5%	2.4%*
ARR	**£104.12**	£98.62	5.6%

New York

	2013	2012 Constant currency	Change
Hotel revenue	**£106.3m**	£100.8m	5.5%
RevPAR	**£138.53**	£131.28	5.5%
Occupancy	**84.3%**	80.5%	3.8%*
ARR	**£164.33**	£163.01	0.8%

REGIONAL US

	2013	2012 Constant currency	Change
Hotel revenue	**£111.0m**	£116.8m	(5.0%)
RevPAR	**£42.75**	£40.01	6.8%
Occupancy	**59.1%**	57.9%	1.2%*
ARR	**£72.37**	£69.12	4.7%

* % points

New York
Our New York properties - ONE UN, Millennium Hilton, Millennium Broadway Hotel shared in the positive performance of the New York hotel market in 2013 with RevPAR up 5.5% to £138.53 (2012: £131.28). Normalisation of occupancy levels in 2013 was the leading driver of the region’s performance, with the newly refurbished West Tower of ONE UN - which was closed for five months during 2012 - achieving higher room rates.

Regional US
The regional US portfolio covers a wide geographical area which often results in mixed performance depending on the relative strength of local economies. The region's performance has also been influenced by closure of hotels for refurbishments or other reasons. Millennium Hotel Minneapolis re-opened in May 2013 following completion of its £15m refurbishment. Since re-opening the hotel has received positive reviews and has seen double digit rate growth compared to 2012, although this was not enough to offset the lost revenue during the closure period.

Management decided in early 2013 to reduce the number of rooms operating in Millennium Hotel St. Louis by 600 to 180. The hotel was subjected to a thorough review during the year, culminating in management's decision to close the hotel completely from January 2014. Closure of the hotel improved regional RevPAR performance and profitability.

Excluding the impacts of Millennium Hotel St. Louis and Millennium Hotel Minneapolis, regional RevPAR was slightly up. The largest gainers were Millennium Biltmore Hotel Los Angeles, Millennium Maxwell House Nashville and Millennium Knickerbocker Hotel Chicago, whilst Millennium Scottsdale Resort and Villas - which has been earmarked for refurbishment in 2014 - delivered the poorest performance. Millennium Bostonian Hotel Boston overcame the shock of the city's marathon bombing in April, to maintain a steady performance compared to 2012.

NEW ZEALAND

	2013	2012 Constant currency	Change
Hotel revenue	**£42.8m**	£45.4m	(5.7%)
RevPAR	**£38.46**	£35.96	7.0%
Occupancy	**67.5%**	63.6%	3.9%*
ARR	**£56.96**	£56.51	0.8%

* % points

Increasing visitor numbers from China helped lift performance by our New Zealand hotels during 2013, raising both occupancy and room rate. Revenue was lower compared to the previous year because of the closure of Kingsgate Hotel Parnell Auckland in August 2012, and because of higher insurance receipts relating to the Christchurch earthquake in the 2012 comparatives. On a like-for-like basis, revenue increased by 4.1%. Demolition of the Copthorne Hotel Christchurch Central is now complete and the Group is in discussion with local authorities as to the future of the site, freehold of which is owned by the Group.

FINANCIAL PERFORMANCE

For the full year to 31 December 2013, profit before tax increased by 53.9% to £263.6m (2012: £171.3m) principally due to the recognition of the profits on the Glyndebourne project.

Financial Performance – Full year overview

Total revenue increased by 35.0% to £1,037.5m (2012: £768.3m) for the full year to 31 December 2013.

Operating profit increased by 64.9% to £230.4m (2012: £139.7m). The increase was due to £139.3m of operating profit being recognised in relation to the Glyndebourne project. When this is stripped out, the Group's operating profit fell by 34.8% to £91.1m. This fall was due to two main factors. Firstly, more challenging hotel markets in Singapore and parts of Asia caused a reduction in revenue and profit contribution in Asia. Secondly, a net 290,000 room nights were taken out of inventory during the year mainly due to the Group's ongoing refurbishment programme. The resulting fall in revenue and profit was particularly evident at Millennium Hotel Minneapolis and Grand Hyatt Taipei.

Profit from joint ventures and associates in the year increased to £38.1m (2012: £37.2m) due to additional contributions from CDLHT.

Basic earnings per share increased by 67.9% to 70.5p (2012: 42.0p)

Dividends

The Board is recommending a final dividend of 11.51p per share (2012: 11.51p) plus a special dividend of 9.15p per share (2012: £nil). Together with the interim dividend of 2.08p per share (2012: 2.08p), the total dividend of 22.74p per share represents an increase of 67.3% over last year's total dividend of 13.59p per share. The dividend is determined by the Board on the basis of growth in profit after tax as well as the Group's future investment needs. Subject to approval by shareholders at the Annual General Meeting to be held on 1 May 2014, the final and special dividend will be paid on 16 May 2014 to shareholders on the register on 21 March 2014.

Foreign exchange translation

Currency (=£)	As at 31 December **2013**	2012	Average for 12 months January-December **2013**	2012
US dollar	**1.647**	1.614	**1.569**	1.589
Singapore dollar	**2.088**	1.973	**1.963**	1.985
New Taiwan dollar	**49.450**	46.865	**46.634**	46.713
New Zealand dollar	**2.013**	1.966	**1.917**	1.960
Malaysian ringgit	**5.419**	4.945	**4.953**	4.913
Korean won	**1,735.49**	1,729.19	**1,713.18**	1,785.34
Chinese renminbi	**9.999**	10.066	**9.648**	9.961
Euro	**1.197**	1.218	**1.179**	1.229
Japanese yen	**172.545**	138.262	**152.194**	126.452

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 above table sets out the sterling exchange rates of the other principal currencies in the Group. Sterling strengthened appreciably in 2013, particularly against the Japanese yen, the effect of which can be seen in the translation reserve on page 12.

Changes since 2012

Since the 2012 Annual Report, the Directors have reassessed the presentation of the income statement in light of the Group's continuing evolution and best reporting practice and have made a number of disclosure and categorisation amendments to the income statement, together with relevant comparatives. Notable changes are the inclusion of certain other income and expenses into operating profit and the exclusion of share of profit of joint venture and associates from operating profit. In addition, the Group is no longer using the term 'Headline operating profit' which was historically used. The Directors consider that these adjustments better reflect the commercial dynamics of the Group and facilitate comparison with peers. The amendments have no impact on revenue, profit before tax or profit for the year.

Financial Position and Resources

	2013 £m	2012 £m	Change £m
Property, plant and equipment and lease premium prepayment	**2,063.8**	2,096.1	(32.3)
Investment properties	**163.5**	169.1	(5.6)
Investments in and loans to joint ventures and associates	**441.5**	469.0	(27.5)
Other financial assets	**7.8**	7.9	(0.1)
Non-current assets	**2,676.6**	2,742.1	(65.5)
Current assets excluding cash	**254.8**	263.9	(9.1)
Provisions and other liabilities excluding interest bearing loans, bonds and borrowings	**(341.4)**	(467.3)	125.9
Net cash	**81.3**	52.2	29.1
Deferred tax liabilities	**(202.8)**	(228.1)	25.3
Net assets	**2,468.5**	2,362.8	105.7
Equity attributable to equity holders of the parent	**2,289.7**	2,176.0	113.7
Non-controlling interests	**178.8**	186.8	(8.0)
Total equity	**2,468.5**	2,362.8	105.7

Non-current assets

Non-current assets have reduced year-on-year, principally due the depreciation and amortisation charge of £38.0m recorded in the income statement in 2013, and the impact of foreign exchange movements.

The Group states land and buildings 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 aiming to cover the entire Group's hotel portfolio over a three year period. Based on external valuations conducted at 31 December 2013 on 30.7 % (based on net book value) of the Group's hotel portfolio, a valuation surplus of £249.0m is estimated but this has not been recorded in the accounts. Revaluation surplus of £90.5m and £197.2m for 2011 and 2012 respectively were previously estimated but not recorded in the accounts.

Provisions and other liabilities excluding interest bearing loans, bonds and borrowings

The balance as at 31 December 2013 is £341.4m, which is 27% lower than as at 31 December 2012. This is principally due to a reduction in deferred income as the balance in respect of the Glyndebourne development has been recognised in 2013 as part of revenue (2012: deferred income of £115.4m relating to Glyndebourne).

Financial structure

Group interest cover ratio for the year ended 31 December 2013 (excluding share of results of joint ventures and associates, other operating income and expense, and non-operating income) is 49.0 times (2012: 22.9 times).

At 31 December 2013, the Group had £424.0m cash and £226.4m 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 87.4% of fixed assets and investment properties. At 31 December 2013, total borrowing amounted to £342.7m of which £77.2m was drawn under £99.0m of secured bank facilities.

Future funding

Of the Group's total facilities of £586.9m, £138.7m matures within 12 months comprising £9.2m committed revolving credit facilities, £122.5m of uncommitted facilities and overdrafts subject to annual renewal and £7.0m secured term loans. Plans for refinancing the facilities are underway.

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.

2014 changes in accounting policy and presentation

IFRS 10 Consolidated Financial Statements which replaces requirements in IAS 27 Consolidated and Separate Financial Statements and SIC 12 Consolidation – Special Purpose Entities. It introduces new criteria to determine whether entities in which the Group has an interest should be consolidated. It will first be effective for the Group's 2014 accounts, and the implementation of IFRS 10 will result in the Group consolidating CDLHT which was previously treated as an associate undertaking and not consolidated. The financial impact on the Group as at 31 December 2013 if IFRS 10 had been adopted at that date would have been to increase assets by £405m, increase liabilities by £229m and increase total shareholders' equity by £176m. Consolidated profit after tax for the year ended 31 December 2013 would have increased by £30m, and consolidated profit after tax, attributable to equity holders of the parent would have decreased by £3.6m.

Consolidated income statement
for the year ended 31 December 2013

	Notes	**Fourth Quarter 2013 Unaudited £m**	Restated[1] Fourth Quarter 2012 Unaudited £m	**Full Year 2013 £m**	Restated[1] Full Year 2012 £m
Revenue	3	**471.3**	203.2	**1,037.5**	768.3
Cost of sales		**(216.0)**	(81.9)	**(450.4)**	(305.7)
Gross profit		**255.3**	121.3	**587.1**	462.6
Administrative expenses		**(92.0)**	(87.0)	**(347.1)**	(334.4)
Other operating income	4	**11.6**	12.3	**11.9**	12.9
Other operating expense	4	**(21.1)**	(0.1)	**(21.5)**	(1.4)
Operating profit		**153.8**	46.5	**230.4**	139.7
Share of profit of joint ventures and associates		**15.2**	9.0	**38.1**	37.2
Finance income		**1.2**	1.8	**6.3**	6.6
Finance expense		**(2.5)**	(3.1)	**(11.2)**	(12.2)
Net finance expense	3	**(1.3)**	(1.3)	**(4.9)**	(5.6)
Profit before tax	3	**167.7**	54.2	**263.6**	171.3
Income tax expense	5	**(17.3)**	(3.0)	**(28.6)**	(24.6)
Profit for the year		**150.4**	51.2	**235.0**	146.7
Attributable to:					
Equity holders of the parent		**150.0**	45.9	**228.5**	135.0
Non-controlling interests		**0.4**	5.3	**6.5**	11.7
		150.4	51.2	**235.0**	146.7
Basic earnings per share (pence)	6	**46.2p**	14.2p	**70.5p**	42.0p
Diluted earnings per share (pence)	6	**46.0p**	14.1p	**70.1p**	41.8p

The financial results above derive from continuing activities.

[1] See Note 1 for details.

Consolidated statement of comprehensive income
for the year ended 31 December 2013

	Full Year 2013 £m	Full Year 2012 £m
Profit for the year	**235.0**	146.7
Other comprehensive income/(expense):		
Items that are not reclassified subsequently to income statement:		
Defined benefit plan actuarial losses	**(1.2)**	(3.7)
Income tax on items that are not reclassified to income statement	**0.4**	0.6
	(0.8)	(3.1)
Items that may be reclassified subsequently to income statement:		
Foreign currency translation differences - foreign operations	**(70.8)**	(5.5)
Foreign currency translation differences - equity accounted investees	**(16.0)**	0.8
Net gain on hedge of net investments in foreign operations	**5.4**	3.0
Share of joint ventures and associates other reserve movements	**(0.1)**	0.1
Effective portion of changes in fair value of cash flow hedges	**0.1**	0.3
	(81.4)	(1.3)
Other comprehensive expense for the year, net of tax	**(82.2)**	(4.4)
Total comprehensive income for the year	**152.8**	142.3
Total comprehensive income attributable to:		
Equity holders of the parent	**156.6**	132.4
Non-controlling interests	**(3.8)**	9.9
Total comprehensive income for the year	**152.8**	142.3

Consolidated statement of financial position
as at 31 December 2013

	Note	As at 31 December 2013 £m	As at 31 December 2012 £m
Non-current assets			
Property, plant and equipment		**2,020.8**	2,051.7
Lease premium prepayment		**43.0**	44.4
Investment properties		**163.5**	169.1
Investments in joint ventures and associates		**441.5**	439.9
Loans due from associate		**-**	29.1
Other financial assets		**7.8**	7.9
		2,676.6	2,742.1
Current assets			
Inventories		**3.5**	3.8
Development properties		**71.1**	172.6
Lease premium prepayment		**1.3**	1.4
Trade and other receivables		**178.9**	67.6
Loans due from associate		**-**	18.5
Cash and cash equivalents	7	**424.0**	396.7
		678.8	660.6
Total assets		**3,355.4**	3,402.7
Non-current liabilities			
Loans due to associate		**-**	(16.4)
Interest-bearing loans, bonds and borrowings		**(229.6)**	(152.6)
Employee benefits		**(17.5)**	(17.2)
Provisions		**(7.3)**	(7.5)
Other non-current liabilities		**(115.0)**	(238.0)
Deferred tax liabilities		**(202.8)**	(228.1)
		(572.2)	(659.8)
Current liabilities			
Interest-bearing loans, bonds and borrowings		**(113.1)**	(191.9)
Trade and other payables		**(154.0)**	(154.6)
Other current financial liabilities		**(0.9)**	(2.4)
Provisions		**(6.2)**	(6.3)
Income taxes payable		**(40.5)**	(24.9)
		(314.7)	(380.1)
Total liabilities		**(886.9)**	(1,039.9)
Net assets		**2,468.5**	2,362.8
Equity			
Issued share capital		**97.4**	97.4
Share premium		**843.2**	843.0
Translation reserve		**191.4**	262.6
Cash flow hedge reserve		**(0.1)**	(0.2)
Treasury share reserve		**(2.2)**	(2.2)
Retained earnings		**1,160.0**	975.4
Total equity attributable to equity holders of the parent		**2,289.7**	2,176.0
Non-controlling interests		**178.8**	186.8
Total equity		**2,468.5**	2,362.8

Consolidated statement of cash flows
for the year ended 31 December 2013

	Full Year 2013 £m	Full Year 2012 £m
Cash flows from operating activities		
Profit for the year	**235.0**	146.7
Adjustments for:		
Depreciation and amortisation	**38.0**	34.6
Share of profit of joint ventures and associates	**(38.1)**	(37.2)
Other operating income	**(11.9)**	(12.9)
Other operating expense	**21.5**	1.4
Equity settled share-based transactions	**0.8**	2.0
Finance income	**(6.3)**	(6.6)
Finance expense	**11.2**	12.2
Income tax expense	**28.6**	24.6
Operating profit before changes in working capital and provisions	**278.8**	164.8
(Increase)/decrease in inventories, trade and other receivables	**(111.0)**	2.8
Decrease/(increase) in development properties	**95.2**	(21.2)
(Decrease)/increase in trade and other payables	**(120.1)**	54.6
Decrease in provisions and employee benefits	**(0.9)**	(5.0)
Cash generated from operations	**142.0**	196.0
Interest paid	**(9.2)**	(9.2)
Interest received	**5.0**	5.2
Income tax paid	**(31.5)**	(32.7)
Net cash generated from operating activities	**106.3**	159.3
Cash flows from investing activities		
Dividends received from joint venture and associate	**55.0**	23.7
Decrease in loans due from associate	**49.0**	19.5
Increase in investment in associates	**(35.7)**	(4.9)
Proceeds from sale of shares in associate	**1.4**	2.8
Net proceeds from sale of assets	**2.6**	18.7
Acquisition of property, plant and equipment, lease premium prepayment and investment properties	**(80.3)**	(55.8)
Net cash (used in)/generated from investing activities	**(8.0)**	4.0
Cash flows from financing activities		
Proceeds from issue of share capital	**0.2**	0.5
Repayment of borrowings	**(210.3)**	(66.8)
Drawdown of borrowings	**131.1**	28.3
Payment of transaction costs related to borrowings	**(0.6)**	(0.9)
Payment on termination of financial instruments	**(2.1)**	-
Dividends paid to non-controlling interests	**(4.2)**	(4.2)
(Decrease)/increase in loan due to associate	**(17.1)**	5.0
Dividends paid to equity holders of the parent	**(44.1)**	(24.5)
Net cash used in financing activities	**(147.1)**	(62.6)
Net (decrease)/increase in cash and cash equivalents	**(48.8)**	100.7
Cash and cash equivalents at beginning of the year	**379.0**	275.3
Effect of exchange rate fluctuations on cash held	**(12.3)**	3.0
Cash and cash equivalents at end of the year	**317.9**	379.0
Reconciliation of cash and cash equivalents		
Cash and cash equivalents shown in the consolidated statement of financial position	**424.0**	396.7
Bank overdrafts included in borrowings	**(106.1)**	(17.7)
Cash and cash equivalents for consolidated statement of cash flows	**317.9**	379.0

Consolidated statement of changes in equity
for the year ended 31 December 2013

	Share capital £m	Share premium £m	Translation reserve £m	Cash flow hedge reserve £m	Treasury share reserve £m	Retained earnings £m	Total excluding non-controlling interests £m	Non-controlling interests £m	Total equity £m
Balance as at 1 January 2012	95.3	844.3	262.5	(0.5)	(2.2)	867.1	2,066.5	181.1	2,247.6
Profit	-	-	-	-	-	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 distribution to owners									
Dividends - equity holders	-	-	-	-	-	(52.5)	(52.5)	-	(52.5)
Issue of shares in lieu of dividends	1.7	(1.7)	-	-	-	28.0	28.0	-	28.0
Dividends - non controlling interests	-	-	-	-	-	-	-	(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
Balance as at 1 January 2013	**97.4**	**843.0**	**262.6**	**(0.2)**	**(2.2)**	**975.4**	**2,176.0**	**186.8**	**2,362.8**
Profit	**-**	**-**	**-**	**-**	**-**	**228.5**	**228.5**	**6.5**	**235.0**
Total other comprehensive income	**-**	**-**	**(71.2)**	**0.1**	**-**	**(0.8)**	**(71.9)**	**(10.3)**	**(82.2)**
Total comprehensive income for the year	**-**	**-**	**(71.2)**	**0.1**	**-**	**227.7**	**156.6**	**(3.8)**	**152.8**
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Dividends - equity holders	**-**	**-**	**-**	**-**	**-**	**(44.1)**	**(44.1)**	**-**	**(44.1)**
Dividends - non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(4.2)**	**(4.2)**
Share-based payment transactions (net of tax)	**-**	**-**	**-**	**-**	**-**	**1.0**	**1.0**	**-**	**1.0**
Share options exercised	**-**	**0.2**	**-**	**-**	**-**	**-**	**0.2**	**-**	**0.2**
Total contributions by and distributions to owners	**-**	**0.2**	**-**	**-**	**-**	**(43.1)**	**(42.9)**	**(4.2)**	**(47.1)**
Total transactions with owners	**-**	**0.2**	**-**	**-**	**-**	**(43.1)**	**(42.9)**	**(4.2)**	**(47.1)**
Balance as at 31 December 2013	**97.4**	**843.2**	**191.4**	**(0.1)**	**(2.2)**	**1,160.0**	**2,289.7**	**178.8**	**2,468.5**

Notes to the condensed consolidated financial statements

1. General information

Basis of preparation

The consolidated financial statements in this results announcement for Millennium & Copthorne Hotels plc (“M&C” or “the Company”) as at and for the year ended 31 December 2013 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 2013 and 2012. 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 2012 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 2012 are available from the Company’s website at:

http://www.millenniumhotels.com/corporate/investors/annual-reports-archive.html

The consolidated financial statements of the Group were prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the EU. The consolidated financial statements for the year ended 31 December 2013 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 2012.

The financial statements were approved by the Board of Directors on 20 February 2014.

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.

The Directors have reassessed the presentation of the income statement in light of the Group’s continuing evolution and best reporting practice and have made a number of disclosure and categorisation amendments to the income statement, together with relevant comparatives. Notable changes are the inclusion of certain other income and expenses into operating profit and the exclusion of share of profit of joint ventures and associates from operating profit. In addition, the Group is no longer using the term ‘Headline operating profit’ which was historically used. The Directors consider that these adjustments better reflect the commercial dynamics of the Group and facilitate comparison with peers. The amendments have no impact on revenue, profit before tax or profit for the year. Comparatives in the consolidated income statement and operating segment information for 31 December 2012 have been restated to reflect the change in definition.

Non-GAAP information

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

Notes to the condensed consolidated financial statements

2. Foreign currency translation

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

	As at 31 December		Average for 12 months January-December		Average for 3 months October-December	
Currency (=£)	**2013**	2012	**2013**	2012	**2013**	2012
US dollar	**1.647**	1.614	**1.569**	1.589	**1.622**	1.588
Singapore dollar	**2.088**	1.973	**1.963**	1.985	**2.033**	1.987
New Taiwan dollar	**49.450**	46.865	**46.634**	46.713	**48.295**	46.676
New Zealand dollar	**2.013**	1.966	**1.917**	1.960	**1.978**	1.960
Malaysian ringgit	**5.419**	4.945	**4.953**	4.913	**5.214**	4.911
Korean won	**1,735.49**	1,729.19	**1,713.18**	1,785.34	**1,720.43**	1,791.02
Chinese renminbi	**9.999**	10.066	**9.648**	9.961	**9.878**	9.954
Euro	**1.197**	1.218	**1.179**	1.229	**1.188**	1.229
Japanese yen	**172.545**	138.262	**152.194**	126.452	**164.500**	126.016

3. Operating segment information

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

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

Geographical segments
The hotel and property operations are managed on a worldwide basis and operate in seven principal geographical areas as follows:
- New York
- Regional US
- London
- Rest of Europe (including the Middle East)
- Singapore
- Rest of Asia
- Australasia

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

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

Notes to the condensed consolidated financial statements

3. Operating segment information (continued)

	Fourth Quarter 2013 (unaudited)								
	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	**29.3**	**25.3**	**29.9**	**19.0**	**37.2**	**40.3**	**11.2**	**-**	**192.2**
Property operations	**-**	**0.4**	**-**	**-**	**274.4**	**-**	**4.3**	**-**	**279.1**
Total revenue	**29.3**	**25.7**	**29.9**	**19.0**	**311.6**	**40.3**	**15.5**	**-**	**471.3**
Hotel gross operating profit	**9.2**	**3.7**	**15.9**	**4.8**	**16.8**	**12.2**	**5.3**	**-**	**67.9**
Hotel fixed charges [1]	**(4.6)**	**(5.6)**	**(4.2)**	**(2.7)**	**(10.5)**	**(6.9)**	**(1.2)**	**-**	**(35.7)**
Hotel operating profit	**4.6**	**(1.9)**	**11.7**	**2.1**	**6.3**	**5.3**	**4.1**	**-**	**32.2**
Property operating profit/(loss)	**-**	**(0.2)**	**-**	**-**	**139.8**	**-**	**0.5**	**-**	**140.1**
Central costs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(9.0)**	**(9.0)**
Other operating income [2]	**-**	**-**	**-**	**-**	**9.0**	**2.6**	**-**	**-**	**11.6**
Other operating expense [2]	**-**	**(12.3)**	**-**	**(3.5)**	**-**	**(5.3)**	**-**	**-**	**(21.1)**
Operating profit/(loss)	**4.6**	**(14.4)**	**11.7**	**(1.4)**	**155.1**	**2.6**	**4.6**	**(9.0)**	**153.8**
Share of profit of joint ventures and associates	**-**	**-**	**-**	**-**	**5.9**	**6.8**	**2.5**	**-**	**15.2**
Add: Depreciation and amortisation	**1.5**	**2.0**	**1.1**	**0.8**	**0.1**	**3.5**	**0.5**	**0.2**	**9.7**
EBITDA [3]	**6.1**	**(12.4)**	**12.8**	**(0.6)**	**161.1**	**12.9**	**7.6**	**(8.8)**	**178.7**
Less: Depreciation and amortisation									**(9.7)**
Net finance expense									**(1.3)**
Profit before tax									**167.7**

	Fourth Quarter 2012 (Restated) [4] (unaudited)								
	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)
Other operating income [2]	-	-	-	-	1.8	-	10.5	-	12.3
Other operating expense [2]	-	-	-	-	-	(0.1)	-	-	(0.1)
Operating profit/(loss)	4.8	(0.6)	11.5	0.7	10.3	8.5	17.7	(6.4)	46.5
Share of profit of joint ventures and associates	-	-	-	-	6.0	2.0	1.0	-	9.0
Add: Depreciation and amortisation	1.6	1.5	1.2	0.9	-	3.0	0.4	0.3	8.9
EBITDA [3]	6.4	0.9	12.7	1.6	16.3	13.5	19.1	(6.1)	64.4
Less: Depreciation and amortisation									(8.9)
Net finance expense									(1.3)
Profit before tax									54.2

Notes to the condensed consolidated financial statements

3. Operating segment information (continued)

	Full Year 2013								
	New York £m	**Regional US £m**	**London £m**	**Rest of Europe £m**	**Singapore £m**	**Rest of Asia £m**	**Australasia £m**	**Central Costs £m**	**Total Group £m**
Revenue									
Hotel	**106.3**	**111.0**	**110.7**	**70.2**	**146.7**	**150.3**	**42.8**	**-**	**738.0**
Property operations	**-**	**1.8**	**-**	**-**	**276.2**	**-**	**21.5**	**-**	**299.5**
Total revenue	**106.3**	**112.8**	**110.7**	**70.2**	**422.9**	**150.3**	**64.3**	**-**	**1,037.5**
Hotel gross operating profit	**26.1**	**18.6**	**59.6**	**16.7**	**72.3**	**50.0**	**18.3**	**-**	**261.6**
Hotel fixed charges [1]	**(19.2)**	**(18.3)**	**(15.4)**	**(11.7)**	**(43.5)**	**(26.2)**	**(4.8)**	**-**	**(139.1)**
Hotel operating profit	**6.9**	**0.3**	**44.2**	**5.0**	**28.8**	**23.8**	**13.5**	**-**	**122.5**
Property operating profit/(loss)	**-**	**(0.8)**	**-**	**-**	**140.5**	**-**	**8.5**	**-**	**148.2**
Central costs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(30.7)**	**(30.7)**
Other operating income [2]	**-**	**-**	**-**	**-**	**9.3**	**2.6**	**-**	**-**	**11.9**
Other operating expense [2]	**-**	**(12.3)**	**-**	**(3.5)**	**-**	**(5.7)**	**-**	**-**	**(21.5)**
Operating profit/(loss)	**6.9**	**(12.8)**	**44.2**	**1.5**	**178.6**	**20.7**	**22.0**	**(30.7)**	**230.4**
Share of profit of joint ventures and associates	**-**	**-**	**-**	**-**	**14.5**	**17.3**	**6.3**	**-**	**38.1**
Add: Depreciation and amortisation	**6.4**	**7.1**	**4.5**	**3.5**	**0.2**	**13.3**	**2.0**	**1.0**	**38.0**
EBITDA [3]	**13.3**	**(5.7)**	**48.7**	**5.0**	**193.3**	**51.3**	**30.3**	**(29.7)**	**306.5**
Less: Depreciation and amortisation									**(38.0)**
Net finance expense									**(4.9)**
Profit before tax									**263.6**

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

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

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

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

[4] See Note 1 for details.

Notes to the condensed consolidated financial statements

3. Operating segment information (continued)

Segmental assets and liabilities

As at 31 December 2013	**New York £m**	**Regional US £m**	**London £m**	**Rest of Europe £m**	**Singapore £m**	**Rest of Asia £m**	**Australasia £m**	**Total Group £m**
Hotel operating assets	**339.0**	**272.5**	**434.3**	**192.0**	**140.5**	**626.2**	**145.5**	**2,150.0**
Hotel operating liabilities	**(11.6)**	**(31.5)**	**(30.4)**	**(15.5)**	**(134.5)**	**(52.1)**	**(7.1)**	**(282.7)**
Investment in and loans due from joint ventures and associates	**-**	**-**	**-**	**-**	**150.0**	**118.0**	**57.1**	**325.1**
Total hotel operating net assets	**327.4**	**241.0**	**403.9**	**176.5**	**156.0**	**692.1**	**195.5**	**2,192.4**
Property operating assets	**-**	**27.5**	**-**	**-**	**181.5**	**63.1**	**67.8**	**339.9**
Property operating liabilities	**-**	**(0.3)**	**-**	**-**	**(15.2)**	**(0.9)**	**(1.8)**	**(18.2)**
Investment in and loans due from joint ventures and associates	**-**	**-**	**-**	**-**	**-**	**116.4**	**-**	**116.4**
Total property operating net assets	**-**	**27.2**	**-**	**-**	**166.3**	**178.6**	**66.0**	**438.1**
Deferred tax liabilities								**(202.8)**
Income taxes payable								**(40.5)**
Net cash								**81.3**
Net assets								**2,468.5**

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

Notes to the condensed consolidated financial statements

4. Other operating income and expense

	Notes	Fourth Quarter 2013 Unaudited £m	Restated Fourth Quarter 2012 Unaudited £m	Full Year 2013 £m	Restated Full Year 2012 £m
Other operating income					
Revaluation gain of investment properties	**(a)**	**9.0**	1.8	**9.0**	1.8
Gain arising on disposal of assets	**(b)**	**2.6**	10.5	**2.6**	10.5
Gain on disposal of stapled securities in CDLHT	**(c)**	**-**	-	**0.3**	0.6
		11.6	12.3	**11.9**	12.9
Other operating expense					
Impairment	**(d)**	**(20.9)**	(0.1)	**(21.3)**	(1.4)
Revaluation deficit of investment properties	**(a)**	**(0.2)**	-	**(0.2)**	-
		(21.1)	(0.1)	**(21.5)**	(1.4)

(a) Revaluation gain/deficit of investment properties
At the end of 2013, 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 £9.0m (2012: £1.8m) and Biltmore Court & Tower recorded a deficit in value of £0.2m (2012: £nil).

(b) Gain arising on disposal of assets
In October 2013, the Group disposed of its investment in India for £3.4m (350m rupees) resulted in a profit of £2.6m after deducting its book cost of £0.8m.

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

(c) Gain on disposal of stapled securities in CDLHT
In 2013, the Group disposed of 1,303,000 stapled securities in CDLHT for S$2.6m or £1.4m which net of the carrying value of the stapled securities and the dilution impact totalling S$2.0m or £1.1m resulted in a net gain of S$0.6m or £0.3m.

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

(d) Impairment
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, an impairment charge of £20.7m (2012: £nil) was made for the year ended 31 December 2013, consisting of £3.5m in relation to four Regional UK hotels in Rest of Europe, £12.1m for a hotel in Regional US and £5.1m in relation to a hotel in Rest of Asia.

A £0.6m (2012: £1.4m) impairment charge was made during the year ended 31 December 2013 relating to interest on shareholder loans to the Group's 50% investment in Fena Estate Company Limited.

Notes to the condensed consolidated financial statements

5. Income tax expense

For the year ended 31 December 2013, the Group recorded a tax expense of £28.6m (2012: £24.6m) excluding the tax relating to joint ventures and associates, giving rise to an effective tax rate of 12.7% (2012: 18.4%). The effective tax rate has been affected by a number of factors which include the following items:

- Other income and expense of the Group;
- Reduced tax rates applied to brought forward net deferred tax liabilities in the UK;
- Tax adjustments in respect of previous years; and
- The impact of the Glyndebourne development profits.

Excluding the impact of the items noted above, the Group's underlying effective tax rate is 28.7% (2012: 26.7%).

For the year ended 31 December 2013, a tax charge of £5.9m (2012: £8.5m) relating to joint ventures and associates is included in the profit before tax.

6. Earnings per share

Earnings per share are calculated using the following information:

	Fourth Quarter 2013 Unaudited	Fourth Quarter 2012 Unaudited	**Full Year 2013**	Full Year 2012
(a) Basic				
Profit for the year attributable to holders of the parent (£m)	**150.0**	45.9	**228.5**	135.0
Weighted average number of shares in issue (m)	**324.6**	324.1	**324.3**	321.6
Basic earnings per share (pence)	**46.2p**	14.2p	**70.5p**	42.0p
(b) Diluted				
Profit for the year attributable to holders of the parent (£m)	**150.0**	45.9	**228.5**	135.0
Weighted average number of shares in issue (m)	**324.6**	324.1	**324.3**	321.6
Potentially dilutive share options under the Group's share option schemes (m)	**1.7**	1.4	**1.7**	1.4
Weighted average number of shares in issue (diluted) (m)	**326.3**	325.5	**326.0**	323.0
Diluted earnings per share (pence)	**46.0p**	14.1p	**70.1p**	41.8p

7. Non-GAAP measures

Net cash/debt

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

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

Notes to the condensed consolidated financial statements

7. Non-GAAP measures (continued)

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

	As at 31 December 2013 £m	As at 31 December 2012 £m
Net cash		
Cash and cash equivalents (as per the consolidated statement of cash flows)	**317.9**	379.0
Bank overdrafts (included as part of borrowings)	**106.1**	17.7
Cash and cash equivalents (as per the consolidated statement of financial position)	**424.0**	396.7
Interest-bearing loans, bonds and borrowings		
– Non-current	**(229.6)**	(152.6)
– Current	**(113.1)**	(191.9)
Net cash	**81.3**	52.2

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

Reconciliation of net cash flow to movement in net cash/debt	**As at 31 December 2013 £m**	As at 31 December 2012 £m
Net cash/(debt) at beginning of year	**52.2**	(100.2)
(Decrease)/increase in cash and cash equivalents (as per the consolidated statement of cash flows)	**(48.8)**	100.7
Net decrease in loans	**79.8**	39.4
Translation adjustments	**(1.9)**	12.3
Movements in net cash	**29.1**	152.4
Net cash at end of year	**81.3**	52.2
Gearing (%)	**-**	-

8. 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 Holdings Pte. Ltd ("Hong Leong") which is the ultimate holding and controlling company of Millennium & Copthorne Hotels plc and holds 59% (2012: 55%) of the Company's shares via City Developments Limited ("CDL"), the intermediate holding company of the Group. During the year ended 31 December 2013, 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 £0.3m (2012: £0.8m). At 31 December 2013, £nil (2012: £0.5m) 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 £0.1m (2012: £0.1m) was received during the year. As at 31 December 2013, £16.5m (2012: £29.6m) of cash was deposited with Hong Leong Finance Limited.

Fees paid/payable by the Group to CDL were £1.8m (2012: £1.5m) 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 (2012: £0.2m) 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 2013, £0.2ml (2012: £0.2m) of total fees payable was outstanding.

In 2013, CDL China (Shanghai) Consulting Co., Ltd, a subsidiary of CDL was appointed by the Group to provide marketing consultancy services in China. A fee of £0.03m was charged during the year and at 31 December 2013, no fees payable was outstanding.

8. Related parties (continued)

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 £0.2m (2012: £0.3m) was charged by RHI during the year and as at 31 December 2013, £0.1m (2012: £0.1m) was due to RHI. Fees for taxation services amounting to £0.03m (2012: £0.03m) were charged by CDL Hotels USA Inc., a subsidiary of the Group, to RHI.The Group provided a total of £nil (2012: £0.02m) hotel management services to a joint venture company of HL Global Enterprises Limited, a subsidiary of Hong Leong. As at 31 December 2013, no amount (2012: £nil) was due to the Group.

The Group provided accounting and management services to CES and CDL Hospitality Trusts ("CDLHT") totalling £0.10m (2012: £0.08m). At 31 December 2013, £0.03m (2012: £0.03m) 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 (2012: £0.1m) of which £nil (2012: £0.1m) was outstanding at the end of December 2013.

As at 31 December 2013, CES held 1,152,031 (2012: 1,152,031) ordinary shares in M&C. In the year 2013, CES received dividends of £0.2m (2012: £0.2m) from M&C.

HL Suntek Insurance Brokers Pte Ltd ("Suntek"), an associate of Hong Leong provided insurance services to the Group totalling £0.4m (2012: £0.1m) during the year. As at 31 December 2013, there was no amount (2012: £nil) 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:

	2013	2012
	£m	£m
Copthorne King's Hotel	**4.2**	4.8
Orchard Hotel	**13.0**	14.0
M Hotel	**7.9**	8.4
Grand Copthorne Waterfront Hotel	**12.0**	12.6
Studio M Hotel	**4.7**	5.5
	41.8	45.3

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 (2012: £0.4m). 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 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 £5.1m (2012: £4.9m) and the balance payable in cash was £1.3m (2012: £1.2m). Acquisition fees £0.8m (2012: £nil) was paid in cash during the year. At 31 December 2013, £0.7m (2012: £0.3m) is outstanding. Interest receivable of £0.1m (2012: £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$1.7m or £1.1m (2012: US$2.3m or £1.4m) was paid in the year. During the year ended 31 December 2013, the total loan outstanding of US$77.0m was fully repaid.

Notes to the consolidated financial statements

8. Related parties (continued)

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. During the year ended 31 December 2013, a further loan of RMB25m (£2.6m) was provided. The loan attracts interest of 7% per annum and interest of RMB13.1m or £1.4m (2012: RMB10.9m or £1.1m) was paid in the year. The total loan outstanding was fully repaid before the end of 31 December 2013.

City Hotels Pte. Ltd, a 100% subsidiary of the Group, provided a shareholder loan facility of 550m Thai Baht (£10.2m) (2012: 550m Thai Baht (£11.1m)) to Fena Estate Company Limited ("Fena"), its 50% owned joint venture. At 31 December 2013 and 2012 all of this facility was fully drawn. The loan attracts interest of 4.5% (2012: 4.5%) per annum and interest of £0.4m (2012: £0.5m) was accrued for in the year. This interest was rolled up into the carrying value of the loan. The total loan outstanding as at 31 December 2013, including rolled up interest, was 705m Thai Baht (£13.0m) (2012: 680m Thai Baht (£13.7m)).

The Group provided a further US$2.0m (£1.3m) (2012: US$2.0m (£1.4m)) operator loan facility to Fena which was fully drawn down at 31 December 2013. The loan attracts interest of 2.2% (2012: 0.75%) per annum and interest of £0.1m (2012: £0.1m) was accrued for in the year. This was rolled up into the carrying value of the loan. The carrying value of the loan outstanding as at 31 December 2013, including rolled up interest was US$2.2m (£1.4m) (2012: US$2.2m (£1.4m)).

Management fees were charged to Fena in respect of maintenance and other services at the Grand Millennium Sukhumvit Bangkok totalling £0.5m (2012: £0.5m) of which £0.8m (2012: £0.5m) was outstanding at 31 December 2013. 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 (2012: £0.5m) of which £nil (2012: £nil) was outstanding at 31 December 2013.

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 (2012: £0.4m) to Mr Al Zaabi for remuneration and other expenses. As at 31 December 2013, £0.2m (2012: £0.2m) was owed to Mr Al Zaabi. In addition £0.1m (2012: £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 2013, £0.1m (2012: £0.2m) was outstanding.

9. Financial commitments, contingencies and subsequent events

Capital commitments at 31 December 2013 which are contracted but not yet provided for in the financial statements amount to £123.4m (2012: £59.1m) including £59.0m (2012: £nil) of balance outstanding in relation to the proposed acquisition of a property at Chelsea Harbour mentioned below.

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.

Millennium Hotels (West London) Limited, a wholly-owned subsidiary of M&C, on 23 December 2013 entered into conditional sale and purchase agreements with subsidiaries of Harcourt Developments Limited, an Ireland-based development company, for the acquisition by the company of the leasehold interest in a hotel located within the Chelsea Harbour mixed-use development in London, SW10 0XG, and its related hotel assets. The hotel is a luxury property that borders the River Thames and offers 154 suites and 4 penthouses. The primary lease to be acquired has a remaining term of approximately 98 years. The total purchase price for the hotel and its related assets is £65.0m, subject to standard purchase price adjustments, and completion of the acquisition is expected to occur during the first quarter of 2014. A total of £6.0m has been paid upon signing the sale and purchase agreements.

M&C New York (Times Square), LLC, a wholly-owned indirect subsidiary of M&C, on 7 February 2014 has entered into a conditional sale and purchase agreement with 226 West Fifty-Second Street, LLC, a partnership led by a fund affiliated with Apollo Global Management, LLC and Chartres Lodging Group, for the acquisition by the company (or its assignee) of the freehold interest in the building. The purchase price is US$273.6m (£167.0m), to be paid in cash, subject to standard purchase price adjustments. Completion of the acquisition is expected to occur during the second quarter of 2014.

Other than the above transactions, there are no events subsequent to the balance sheet date which require adjustments to or disclosure within these consolidated financial statements.

APPENDIX 1: KEY OPERATING STATISTICS (UNAUDITED)
for the year ended 31 December 2013

Owned or leased hotels*	Year Ended 2013 Reported currency	Year Ended 2012 Constant currency	Year Ended 2012 Reported currency
Occupancy (%)			
New York	**84.3**		80.5
Regional US	**59.1**		57.9
Total US	**65.9**		63.5
London	**85.4**		80.8
Rest of Europe	**70.7**		71.4
Total Europe	**77.8**		76.0
Singapore	**86.4**		88.1
Rest of Asia	**70.2**		71.4
Total Asia	**76.9**		78.1
Australasia	**67.5**		63.6
Total Group	**72.3**		70.8
Average Room Rate (£)			
New York	**164.33**	163.01	160.89
Regional US	**72.37**	69.12	68.22
Total US	**104.12**	98.62	97.34
London	**126.73**	131.15	131.15
Rest of Europe	**67.98**	68.37	67.39
Total Europe	**99.33**	100.83	100.35
Singapore	**109.09**	116.03	114.75
Rest of Asia	**87.67**	88.92	87.59
Total Asia	**97.62**	101.14	99.83
Australasia	**56.96**	56.51	55.29
Total Group	**96.25**	96.17	95.08
RevPAR (£)			
New York	**138.53**	131.28	129.58
Regional US	**42.75**	40.01	39.49
Total US	**68.59**	62.62	61.81
London	**108.19**	105.91	105.91
Rest of Europe	**48.04**	48.84	48.13
Total Europe	**77.29**	76.59	76.23
Singapore	**94.24**	102.27	101.14
Rest of Asia	**61.56**	63.52	62.57
Total Asia	**75.08**	79.00	77.97
Australasia	**38.46**	35.96	35.18
Total Group	**69.58**	68.08	67.32
Gross Operating Profit Margin (%)			
New York	**24.6**		24.4
Regional US	**16.8**		19.1
Total US	**20.6**		21.6
London	**53.8**		57.0
Rest of Europe	**23.8**		24.5
Total Europe	**42.2**		44.2
Singapore	**49.3**		53.6
Rest of Asia	**35.6**		38.4
Total Asia	**42.4**		45.8
Australasia	**42.8**		46.2
Total Group	**35.4**		38.5

For comparability, the 31 December 2012 Average Room Rate and RevPAR have been translated at average exchange rates for the period ended 31 December 2013.

** excluding managed, franchised and investment hotels.*

APPENDIX 2: KEY OPERATING STATISTICS (UNAUDITED)
for the fourth quarter year ended 31 December 2013

Owned or leased hotels*	**Fourth Quarter 2013 Reported currency**	Fourth Quarter 2012 Constant currency	Fourth Quarter 2012 Reported currency
Occupancy (%)			
New York	**85.6**		82.9
Regional US	**51.6**		51.5
Total US	**60.8**		59.3
London	**87.2**		83.3
Rest of Europe	**68.9**		69.4
Total Europe	**77.8**		76.2
Singapore	**85.5**		87.8
Rest of Asia	**76.4**		74.5
Total Asia	**80.2**		80.0
Australasia	**69.5**		67.6
Total Group	**71.7**		70.2
Average Room Rate (£)			
New York	**180.88**	187.57	188.68
Regional US	**70.26**	67.98	69.03
Total US	**112.52**	109.42	110.49
London	**128.04**	124.31	124.31
Rest of Europe	**68.93**	69.16	68.28
Total Europe	**101.14**	98.50	98.08
Singapore	**103.87**	108.18	112.31
Rest of Asia	**85.86**	84.84	86.77
Total Asia	**93.93**	95.58	98.52
Australasia	**57.51**	55.89	56.50
Total Group	**97.71**	96.87	98.13
RevPAR (£)			
New York	**154.86**	155.55	156.47
Regional US	**36.24**	35.01	35.55
Total US	**68.44**	64.87	66.50
London	**111.65**	103.59	103.59
Rest of Europe	**47.52**	48.02	47.40
Total Europe	**78.71**	75.04	74.73
Singapore	**88.85**	94.45	98.57
Rest of Asia	**65.56**	63.18	64.62
Total Asia	**75.34**	76.51	78.86
Australasia	**39.98**	37.78	38.19
Total Group	**70.07**	67.96	68.85
Gross Operating Profit Margin (%)			
New York	**31.4**		33.4
Regional US	**14.6**		17.1
Total US	**23.6**		25.6
London	**53.2**		57.0
Rest of Europe	**25.3**		25.5
Total Europe	**42.3**		44.1
Singapore	**45.2**		52.0
Rest of Asia	**30.3**		36.9
Total Asia	**37.4**		44.4
Australasia	**47.3**		50.0
Total Group	**35.3**		39.2

For comparability, the 31 December 2012 Average Room Rate and RevPAR have been translated at average exchange rates for the period ended 31 December 2013.

** excluding managed, franchised and investment hotels.*

APPENDIX 3: HOTEL ROOM COUNT AND PIPELINE (UNAUDITED)
as at 31 December 2013

Hotel and room count	Hotels			Rooms		
	31 December 2013	31 December 2012	Change	**31 December 2013**	31 December 2012	Change
Analysed by region:						
New York	**3**	3	-	**1,758**	1,758	-
Regional US	**16**	16	-	**4,938**	5,554	(616)
London	**7**	7	-	**2,493**	2,493	-
Rest of Europe	**16**	16	-	**2,695**	2,695	-
Middle East	**16**	14	2	**4,816**	4,211	605
Singapore	**6**	6	-	**2,716**	2,716	-
Rest of Asia	**21**	17	4	**7,894**	6,861	1,033
Australasia	**29**	31	(2)	**4,423**	4,651	(228)
Total	**114**	110	4	**31,733**	30,939	794
Analysed by ownership type:						
Owned or Leased	**62**	63	(1)	**18,434**	19,229	(795)
Managed	**28**	25	3	**7,984**	6,543	1,441
Franchised	**11**	11	-	**1,564**	1,564	-
Investment	**13**	11	2	**3,751**	3,603	148
Total	**114**	110	4	**31,733**	30,939	794
Analysed by brand:						
Grand Millennium	**5**	5	-	**2,455**	2,488	(33)
Millennium	**43**	42	1	**14,644**	14,373	271
Copthorne	**33**	32	1	**6,838**	6,577	261
Kingsgate	**12**	13	(1)	**1,277**	1,326	(49)
Other M&C	**6**	5	1	**2,081**	1,885	196
Third Party	**15**	13	2	**4,438**	4,290	148
Total	**114**	110	4	**31,733**	30,939	794

Pipeline	Hotels			Rooms		
	31 December 2013	31 December 2012	Change	**31 December 2013**	31 December 2012	Change
Analysed by region:						
New York	**1**	-	1	**480**	-	480
Middle East	**17**	18	(1)	**4,796**	4,772	24
Rest of Asia	**5**	3	2	**1,936**	668	1,268
London	**1**	-	1	**158**	-	158
Total	**24**	21	3	**7,370**	5,440	1,930
Analysed by ownership type:						
Owned or Leased	**3**	1	2	**1,145**	322	823
Managed	**20**	19	1	**5,896**	4,923	973
Franchised	**-**	1	(1)	**-**	195	(195)
Investment	**1**	-	1	**329**	-	329
Total	**24**	21	3	**7,370**	5,440	1,930
Analysed by brand:						
Grand Millennium	**2**	1	1	**578**	250	328
Millennium	**15**	11	4	**4,078**	2,780	1,298
Copthorne	**5**	8	(3)	**1,727**	2,215	(488)
Other M&C	**1**	1	-	**507**	195	312
Third party	**1**	-	1	**480**	-	480
Total	**24**	21	3	**7,370**	5,440	1,930

The Group’s worldwide pipeline comprises 24 hotels offering 7,370 rooms, which are mainly management contracts.