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Miscellaneous

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>> Announcement Details

The details of the announcement start here ...

Announcement Title * Announcement by Subsidiary Company, Millennium & Copthorne Hotels plc on Results for Fourth Quarter and Full Year Ended 31 December 2009

Description Please see attached the above announcement released by Millennium & Copthorne Hotels plc on 19 February 2010.

Attachments

 [Results_Annnc.pdf](#)
 Total size = **239K**
 (2048K size limit recommended)

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MILLENNIUM & COPTHORNE HOTELS PLC**RESULTS ANNOUNCEMENT**
Fourth quarter and full year to 31 December 2009**HIGHLIGHTS****Highlights for the fourth quarter 2009:**

£ millions (unless otherwise stated)	Fourth Quarter 2009	Fourth Quarter 2008	Reported Currency Change %	Constant Currency Change %
RevPAR	£56.13	£59.79	(6.1%)	(7.6%)
Revenue	178.0	190.6	(6.6%)	(8.7%)
Headline operating profit	34.0	41.8	(18.7%)	(20.2%)
Profit before tax	29.5	14.4	104.9%	78.8%
Basic earnings per share	9.6p	1.9p	405.3%	

- RevPAR increased over the prior year in London and Rest of Asia in the 4th quarter. Rate of decline slowed down in other regions, especially New York and Singapore.
- Profit before tax increased to £29.5m (2008: £14.4m) primarily due to non-recurring costs in 2008 which included impairment and our share of revaluation deficit of CDLHT's investment properties.
- Basic earnings per share up due to lower one-off costs and lower tax charge.

Highlights for the full year 2009:

£ millions (unless otherwise stated)	Full Year 2009	Full Year 2008	Reported Currency Change %	Constant Currency Change %
RevPAR	£53.62	£57.19	(6.2%)	(16.3%)
Revenue	654.0	702.9	(7.0%)	(16.8%)
Headline operating profit	98.0	143.5	(31.7%)	(38.8%)
Profit before tax	81.9	102.8	(20.3%)	(31.9%)
Basic earnings per share	22.9p	21.3p	7.5%	

- RevPAR decline slowed in third and fourth quarters following steep falls in the first half of the year. London remained resilient with RevPAR only marginally down by 2.5% for the year.
- Implementation of profit protection plan achieved 55.0% recovery rate over 2008.
- Basic earnings per share up due to lower one-off costs and lower tax charge.
- Strong cash flows from operations of £83.4m, net debt reduced from £285.1m to £202.5m and gearing of 11.6%.
- Dividend: a second interim dividend of 4.17p, making a total dividend for the year of 6.25p (2008: 6.25p) per share.

Commenting today Mr Kwek Leng Beng, Chairman said:

"As I noted in our third quarter statement, we were anticipating stronger demand towards the year end and the actual results for the fourth quarter have exceeded our expectations. For the year as a whole the results are very pleasing owing, in large part, to tough, prudent and analytical management which has served us well in navigating through stormy seas to calmer waters. We have benefitted from ownership of a wide geographical spread of properties which has smoothed the overall impact of the economic crisis.

Over the past few years we have actively, and consistently, reduced the Group's debt profile and, through such foresight, now have gearing of 11.6% which is substantially lower than the hospitality sector generally. Through a combination of rigorous cost control, a focus on maximising returns on our assets and an enviable balance sheet we are now finely positioned to tackle any challenges and to grasp new opportunities."

Enquiries

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Analyst briefing

A meeting for analysts will be held at 9.00am at the offices of Buchanan Communications, 45 Moorfields, London EC2Y 9AE on Friday 19 February 2010.

REVIEW AND OUTLOOK

The year began with sharp RevPAR declines in most markets. Signs of abatement appeared in the third quarter, while fourth quarter decline in RevPAR fell to only 7.6%. This resulted in an overall RevPAR decrease of 16.3% for the year ended 31 December 2009.

In New York, the severe RevPAR decline of 37.8% in the first quarter was reduced in successive quarters to a decline of 11.7% in the fourth, resulting in a RevPAR decline for the year of 28.2%. In Singapore, where both corporate and leisure numbers have fallen since mid-2008, the second quarter RevPAR decline of 44.5% has eased to 18.9% in the fourth quarter with a resultant RevPAR decline of 31.8% for the year. However, our Singapore hotels continue to generate a good gross operating profit margin of 49.8% notwithstanding the fact that food and beverage operations are significant contributors to revenue.

At the other end of the scale, performance in London remained resilient with RevPAR only marginally down by 2.5% for the year, and is ahead of the overall London market.

The Rest of Asia region finished with a single digit decline in RevPAR of only 5.6% for the year, and finished the final quarter with a 3.2% increase, led by a strong performance at the Millennium Seoul Hilton.

We responded quickly to the RevPAR decline implementing our profit protection plan which focuses on cost control and cash management. At constant rates of exchange, for 2009 we succeeded in delivering savings of £72.7m in operating costs (including hotel fixed charges, non-hotel expenses and central costs) against a revenue fall of £132.2m resulting in a recovery rate of 55.0% (the recovery at hotel level was 51.1%). This has been achieved through a combination of head-count reduction, a careful redesign of key processes, basic attention to detail, and solid performances by our hotel management teams.

In reported currency terms, headline operating profit fell by £45.5m to £98.0m (2008: £143.5m) while headline profit before tax fell by £41.7m to £84.2m (2008: £125.9m) and headline earnings per share were reduced by 30.2% to 20.3p (2008: 29.1p).

Profit before tax of £81.9m, helped by a weak sterling, was 20.3% below the previous year (2008: £102.8m). Excluding the beneficial impact of foreign currency translation, profit before tax fell by 31.9%. Basic earnings per share increased by 7.5% to 22.9p (2008: 21.3p) as a result of the lower effective tax rate.

Financial Position

Our balance sheet has been further strengthened despite the tough economic conditions. Net debt reduced by £82.6m to £202.5m (2008: £285.1m) and all of the facilities that matured in 2009 were refinanced from other existing facilities and surplus cash. The Group generated £66.0m (2008: £46.6m) free cash flow. At 31 December 2009 the Group had cash reserves of £135.5m and total undrawn committed bank facilities of £178.8m available. Most of the facilities are clean and the unencumbered assets represent 87.8% of our fixed assets and investment properties. Gearing further improved to 11.6% (31 December 2008: 16.4%).

As a result of debt repayment and lower interest rates, net interest expense decreased to £7.3m (2008: £10.m). Average interest rate of borrowings reduced from 3.72% to 2.49% and average remaining tenure of borrowings decreased from 30 months to 27 months.

Development

During the year the Group opened three new hotels under management contract; one in Europe (the 158-room Copthorne Hotel Sheffield), and two in China (the 306-room Millennium Wuxi and the 343-room Millennium Chengdu, which soft opened in December). The 299-room owned hotel, Wynfield Inn Orlando Convention Centre (US), was closed and the management contract for the 304-room Millennium Oy Oun Hotel Sharm el Sheikh (Egypt) ended.

The Group also announced the signing of a further 15 management contracts, with two in the UK, six in the United Arab Emirates, three in Iraq, two in Saudi Arabia, one in Yemen and one in Taiwan. These properties are due to open between 2010 and 2013 and account for 4,368 additional rooms, bringing the number of rooms in the Group's worldwide pipeline to 8,361 rooms (27 hotels).

In November 2009 the Group unveiled the new Studio M brand aimed at the discerning guest, which offers both urban contemporary style and access to integrated technology and high connectivity. Our first Studio M hotel in Singapore is scheduled to soft-open in the second quarter of 2010.

We have recently approved a project to convert the Copthorne Orchid Hotel Singapore into condominiums. This is expected to generate cash and profit from an alternative use of an asset and save an estimated £10 million of maintenance expenditure required to retain the property in its current use. This is in-line with our owner-operator business model and asset management initiatives.

CDL Hospitality Trusts ("CDLHT"), our 39.5% owned REIT associate, today completed the acquisition of five hotels in Australia comprising 1,139 rooms. Novotel Brisbane, Mecure Brisbane, Ibis Brisbane, Mecure Perth and Ibis Perth will be purchased for A\$175.0m (£97.6m), which will bring the REIT's total portfolio of hotels to eleven. The five acquired hotels remain leased to Accor.

Dividend

The Board has declared a second interim dividend of 4.17p per share bringing the total dividend for the year to 6.25p per share (2008: 6.25p). The second interim dividend is in lieu of the final dividend.

Looking Forward

In 2009, the Group delivered a solid performance, despite the economic conditions which were particularly difficult in the first half of the year. The Group's financial position has strengthened. When the trading environment improves we expect that our tight control of operating expenditure will deliver benefits through our owner-operator business model. We are encouraged by the signs of stability in some of our markets, while conditions remain challenging in others. In the first 5 weeks of trading this year Group RevPAR increased by 3.5% with New York increasing by 4.3%, Singapore increasing by 18.8% and London declining by 7.6%, although it is too early to predict the trading performance for 2010.

Finally, I would like to thank all our staff for their formidable efforts in 2009 and to express my sincere gratitude to our shareholders for their continued enthusiasm and for remaining, as ever, confident in their expectation of good results for 2010 and beyond.

Kwek Leng Beng

CHAIRMAN
18 February 2010

FINANCIAL AND OPERATING HIGHLIGHTS

	2009 £m	2008 £m
Revenue	654.0	702.9
Operating profit	89.2	112.8
Headline operating profit ¹	98.0	143.5
Profit before tax	81.9	102.8
Adjustments for:		
Other operating income of the Group ²	-	(31.4)
Other operating expense of the Group ³	0.2	-
Other operating (income)/expense of joint ventures and associates (net of tax, interest and non-controlling interests) ⁴	(0.1)	19.4
Impairment ⁵	2.2	35.1
Headline profit before tax ¹	84.2	125.9
Headline profit after tax ¹	67.0	89.8
Profit for the year	74.6	70.9
Basic earnings per share (pence)	22.9p	21.3p
Headline earnings per share (pence) ¹	20.3p	29.1p
Net debt	202.5	285.1
Gearing (%)	11.6%	16.4%

Notes

¹ The Group believes that headline operating profit, headline profit before tax, headline profit after tax and headline earnings per share provide useful and necessary information on underlying trends to shareholders, the investment community and are used by the Group for internal performance analysis. Reconciliation of these measures to the closest equivalent GAAP measures are shown in notes 4,9 and 10 and to these financial statements.

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

³ Other operating expense of the Group for the year ended 31 December 2009 represents a loss of £0.2m on fair value adjustment to the Tanglin Shopping Centre, an investment property of the Group.

⁴ Other operating income of joint ventures and associates for the year ended 31 December 2009 primarily represents the Group's share of fair value adjustments of investment properties of First Sponsor Capital Limited of £0.6m net of £0.5m related interest, tax and non-controlling interests. For the year ended 31 December 2008, the other operating income/(expense) comprised a loss of £20.4m which represented the Group's share of the revaluation deficit of investment properties of CDL Hospitality Trusts, the Group's 39.0% associate in a Singapore-listed REIT; and a gain of £3.6m representing the Group's share of net revaluation surplus of investment property of First Sponsor Capital Limited net of £2.6m of related interest, tax and non-controlling interests.

⁵ Impairment for the year ended 31 December 2009 represents additional funding in the Group's 50% joint venture in Bangkok being fully written down by £1.3m and a £0.9m impairment of a piece of land in India. Impairment for the year ended 31 December 2008 comprised the Group's 30% and 50% investment in Beijing and Bangkok respectively being fully written down by an aggregate of £19.6m; a £8.1m aggregate write down of six hotels in the US and UK as well as land in India; and a £7.4m impairment of land at Sunnyvale.

FINANCIAL PERFORMANCE – FOURTH QUARTER OVERVIEW

For the fourth quarter to 31 December 2009, profit before tax increased by 104.9% to £29.5m (2008: £14.4m) primarily due to 2008 one-off costs including impairment and share of revaluation deficit of CDLHT's investment properties. Headline profit before tax, the Group's measure of underlying profit before tax, decreased by 18.7% from £37.5m to £30.5m. Headline operating profit declined by 18.7% to £34.0m.

The 18.7% fall in headline operating profit is the smallest during the year and is a reflection of the prior year comparatives, the levelling off of the economic decline since the second half of 2008 and improved trading performance of the Group.

Basic earnings per share increased to 9.6p (2008: 1.9p) due to the impact of 2008 one-off costs and lower tax in 2009 caused by a combination of lower corporate tax rates in a number of jurisdictions, profit mix and prior year adjustments. Headline earnings per share decreased by 32.0% to 6.6p (2008: 9.7p).

FINANCIAL PERFORMANCE – FULL YEAR OVERVIEW

Foreign exchange movements have enhanced the Group's year-on-year results but have also masked what was otherwise a creditable performance in mitigating the impact of the £48.9m downturn in revenue. Headline operating profit, which is the Group's measure of the underlying operating profit, fell by £45.5m from £143.5m to £98.0m suggesting minimal recovery of costs.

When the 2008 figures are restated at 2009 exchange rates, the true cost recovery picture can be seen. At constant rates of exchange the revenue variance increases by £83.3m to £132.2m and the operating profit variance increases by £12.7m to £59.5m leading to a further reduction in expenses (including hotel fixed charges, non-hotel expenses and central costs) of £70.6m to £72.7m. This is a 55.0% recovery, while at hotel level the recovery is 51.1%. This cost recovery reflects the impact that the profit protection scheme and the various restructuring exercises have had on the Group's profitability. The table below summarises the exchange impact on revenue and expenses.

	Reported Currency				Constant Currency			
	2009 £m	2008 £m	Variance £m	Change %	2009 £m	2008 £m	Variance £m	Change %
Revenue	654.0	702.9	(48.9)	(7.0%)	654.0	786.2	(132.2)	(16.8%)
Expenses	(576.6)	(578.7)	2.1	0.4%	(576.6)	(649.3)	72.7	11.2%
Operating profit (excluding impairment)	77.4	124.2	(46.8)	(37.7%)	77.4	136.9	(59.5)	(43.5%)
Share of joint ventures and associates	20.6	19.3	1.3	6.7%	20.6	23.1	(2.5)	(10.8%)
Headline operating profit	98.0	143.5	(45.5)	(31.7%)	98.0	160.0	(62.0)	(38.8%)

Included in the £72.7m of savings were £56.8m from hotel gross operating expenditure, £10.5m from hotel fixed charges, £2.2m from property operations and £3.2m from central costs. A large element of the saving in fixed charges (which includes rent) is due to the variable element of rent agreements for the four Singapore hotels in the REIT.

Profit before tax fell by 20.3% to £81.9m (2008: £102.8m) and headline profit before tax reduced by 33.1% to £84.2m (2008: £125.9m). Basic earnings per share increased by 7.5% to 22.9p (2008: 21.3p).

TAXATION

The Group recorded a tax expense of £7.3m (2008: £31.9m) excluding the tax relating to joint ventures and associates, giving rise to an effective rate of 10.8% (2008: 26.0%). The lower effective tax rate is due to a combination of lower corporate tax rates in a number of jurisdictions, in particular Taiwan and Korea, profit mix and prior year adjustments. Excluding the impact of changes in corporate tax rates on brought forward deferred taxes and adjustments to previous years, the Group's effective underlying tax rate is 33.2% (2008: 30.2%).

A tax charge of £2.4m (2008: £2.8m) relating to joint ventures and associates is included in the reported profit before tax.

EARNINGS PER SHARE

Basic earnings per share increased to 22.9p (2008: 21.3p) and headline earnings per share reduced to 20.3p (2008: 29.1p). The table below reconciles basic earnings per share to headline earnings per share.

	2009 pence	2008 pence
Reported basic earnings per share	22.9	21.3
Other operating income:		
- Group	-	(10.5)
- Share of joint ventures and associates	(0.1)	6.5
Fair value adjustments of investment properties	0.1	
Impairment (net of tax and non-controlling interest)	0.6	9.8
Change in tax legislation on hotel tax allowances	-	3.4
Change in tax rates on opening deferred taxes	(3.2)	(1.4)
Headline earnings per share	20.3	29.1

DIVIDENDS

The Board has declared a second interim dividend of 4.17p per share resulting in a total dividend for the year of 6.25p (2008: 6.25p). The 2009 dividend is covered 3.6 times by profit attributable to shareholders (2008: 3.4 times). The second interim dividend will be paid on 31 March 2010 to shareholders on the register on 5 March 2010. The ex-dividend date of the Company's shares is 3 March 2010.

FINANCIAL POSITION AND RESOURCES

Balance Sheet

	2009 £m	2008 £m	Change £m
Property, plant, equipment and lease premium prepayment	2,069.5	2,163.5	(94.0)
Investment properties	83.3	79.3	4.0
Investments in and loans to joint ventures and associates	326.4	338.7	(12.3)
Other non-current assets	6.4	6.7	(0.3)
Non-current assets	2,485.6	2,588.2	(102.6)
Current assets excluding cash	134.0	132.3	1.7
Provisions and other liabilities excluding interest bearing loans, bonds and borrowings	(282.8)	(296.4)	13.6
Net debt	(202.5)	(285.1)	82.6
Deferred tax liabilities	(230.6)	(258.1)	27.5
Net assets	1,903.7	1,880.9	22.8
Equity attributable to equity holders of the parent	1,752.3	1,737.5	14.8
Non-controlling interests	151.4	143.4	8.0
Total equity	1,903.7	1,880.9	22.8

Financial Position

Our balance sheet has been further strengthened despite the tough economic conditions. Net debt reduced by £82.6m to £202.5m (2008: £285.1m) and all of the facilities that matured in 2009 were refinanced from other existing facilities and surplus cash. The Group generated £66.0m (2008: £46.6m) free cash flow. At 31 December 2009 the Group had cash reserves of £135.5m and total undrawn committed bank facilities of £178.8m available. Most of the facilities are clean and the unencumbered assets represent 87.8% of our fixed assets and investment properties. Gearing further improved to 11.6% (31 December 2008: 16.4%).

As a result of debt repayment and lower interest rates, net interest expense decreased to £7.3m (2008: £10.0m). Average interest rate of borrowings reduced from 3.72% to 2.49% and average remaining tenure of borrowings decreased from 30 months to 27 months.

Non-current assets

Property, plant, equipment and lease premium prepayment

Property, plant, equipment and lease premium prepayment decreased by £94.0m. The main contributor to the decrease was a £65.8m effect of exchange movements. The Group also invested £15.6m to improve its hotel portfolio which included £7.7m on construction of Studio M, a new 365-room hotel in Singapore that will open during 2010, the balance of £7.9m on additions, reflecting the Group's tight controls on capital expenditure.

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. An external valuation was carried out on those properties that were principally last valued in 2006. Based on external valuations conducted at 31 December 2009 on 46.1% (based on net book value) of the Group's hotel portfolio, a valuation surplus of £171.0m is estimated but this has not been recorded in the accounts.

Investment Properties

Investment properties increased by £4.0m due to a £10.3m transfer made from property, plant and equipment to investment properties for the residential component of the Sunnyvale site, net of a £0.2m fair value adjustment and £6.1m adverse exchange movements.

Sunnyvale residences were transferred from property, plant and equipment (under the scope of IAS 16) at 1 January 2009 to investment properties (IAS 40). This was required under changes to improve the annual reporting process that the IASB instigated for investment property under construction,

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 of £12.3m.

	2009 £m
Share of profits/(losses) analysed:	
- Operating profit before other operating income/(expense) and impairment	20.6
- Other operating income	0.6
- Impairment (Bangkok)	(1.3)
- Interest, tax and non-controlling interests	(7.0)
	12.9
Additions (CDLHT management fees paid in stapled units)	2.9
Dividends received from associates	(12.5)
Loan to joint venture	2.3
Other movements	0.3
Foreign exchange adjustment	(18.2)
Total movement	(12.3)

Impairment represents the partial write-down of additional funding in the Group's 50% investment in Bangkok.

Liquidity and Capital Resources

Cash flow and net debt

At 31 December 2009 the Group's net debt was £82.6m lower than 2008 at £202.5m (2008: £285.1m). The factors contributing to this decrease are shown in the table below.

	2009 £m	2008 £m
Cash flows from operating activities before changes in working capital, provisions, interest and tax	111.5	154.9
Changes in working capital and provisions	(0.3)	(7.8)
Interest and tax paid	(27.8)	(36.7)
Acquisition of property, plant and equipment	(17.5)	(64.6)
Proceeds from sale of property, plant and equipment	0.1	0.8
Free cash flow	66.0	46.6
Investment in and loans to joint ventures and associates	(5.2)	(27.8)
Proceeds less expenses from aborted sale of a CDL Hotels (Korea) Limited	-	27.3
Dividends received from associates	12.5	12.3
Dividends paid		
- to equity holders of the parent	(4.0)	(15.0)
- to minority interests	(2.6)	(3.4)
Share buyback of non-controlling interests	-	(9.4)
Other movements (primarily foreign exchange)	15.9	(53.6)
Decrease/(Increase) in net debt	82.6	(23.0)
Opening net debt	(285.1)	(262.1)
Closing net debt	(202.5)	(285.1)

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.

	2009 £m	2008 £m
Net Debt		
Cash and cash equivalents (as per cash flow statement)	134.9	209.3
Bank overdrafts (included as part of borrowings)	0.6	2.8
Cash and cash equivalents (as per the consolidated balance sheet)	135.5	212.1
Interest-bearing loans, bonds and borrowings		
- Non current	(233.0)	(415.1)
- Current	(105.0)	(82.1)
Net debt	(202.5)	(285.1)
Gearing (%)	11.6%	16.4%

The Group invested £15.6m (£17.5m cash outflow in 2009) in its properties and, as previously noted, this included £7.7m on construction of Studio M, a new 365-room hotel in Singapore. Investments in and loans to joint ventures and associates of £5.2m comprise additional investments in CDLHT of £2.9m (management fees paid in stapled units) and a loan to Bangkok of £2.3m. Other movements in net debt of £15.9m principally reflect the effects of exchange rate fluctuations on net debt.

Financial structure

Group interest cover ratio, excluding share of results of joint ventures and associates and other operating income, was high at 10.6 times in 2009. The decrease in net finance cost of £2.7m reflects a decrease in net exchange gain of £2.8m offset by a reduction in net interest expenses of £5.5m.

At 31 December 2009, the Group had £135.5m cash and £178.8m of undrawn and committed facilities available, comprising revolving credit facilities which provide the Group with financial flexibility. The net book value of the Group's unencumbered properties as at 31 December 2009 was £1,891.6m (31 December 2008: £1,986.2m). At 31 December 2009, total borrowing amounted to £338.0m of which £51.8m was drawn under £76.3m of secured bank facilities.

Future funding

Of the Group's total facilities of £533.8m, £151.8m matures during 2010, comprising £85.7m committed facilities (of which £29.6m is currently undrawn), £17.8m overdrafts subject to annual renewal, and £22.3m unsecured bonds, and £26.0m secured notes. Plans for refinancing of maturing facilities are underway.

The Directors have reviewed the financial resources available to the Group and the possible impact of a range of trading scenarios that could face the Group's business in the current uncertain economic environment.

The Directors reasonably expect that the Group will have adequate resources to continue in operation for the foreseeable future and have continued to adopt the going concern basis in preparing the Annual Report and Accounts.

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 activities presented at each Board meeting.

PERFORMANCE BY REGION

For comparability, the following regional review is based on calculations in constant currency whereby 2008 average room rate, RevPAR, revenue, gross operating profit and headline operating profit have been translated at 2009 average exchange rates.

UNITED STATES

New York

New York, along with Singapore, was one of the two regions in the Group's portfolio where the impact of the economic crisis was most strongly felt in 2009. RevPAR was £118.62 (2008: £165.30) a fall of 28.2% for the year. The fall in New York was primarily rate led with a fall of 26.5% to £143.43 (2008: £195.16). Occupancy was more stable with a fall of only 2.0 percentage points to 82.7% (2008: 84.7%). There was still demand in the city, but this has had to be driven through different, lower yielding channels. The decline was particularly noticeable at the Millennium Broadway and Millenium Hilton hotels. In the former, in addition to the corporate market, a sizeable proportion of business is derived from the meetings and events business which, in an economic downturn, is one of the easier expenses for companies to cut back on. This had a consequent impact on food and beverage revenues. The downtown located Millenium Hilton on the other hand had much more exposure to the banking sector.

New York was first impacted by the downturn in the final quarter of 2008, and comparables in the final quarter show that the rate of decline has slowed significantly. RevPAR in the final quarter fell by 11.7% to £142.20 (2008: £160.98). This was still driven by a 17.7% fall in rate to £164.58 (2008: £199.97) offset by a 5.9 percentage point increase in occupancy to 86.4% (2008: 80.5%).

Regional US

RevPAR fell by 11.0% to £35.24 (2008: £39.59). The 2009 figures were enhanced by the 2008 refurbishments at our hotels in Boston and Chicago, and by the January 2009 closure of the Wynfield Inn which traded at a much lower rate than the rest of the region. If these hotels are excluded from both years' results, the like-for-like (LFL) RevPAR fell by 19.8% which more accurately reflects the general level of decline. This LFL fall was the result of a 7.0% percentage point fall in occupancy and a 9.5% fall in average room rates to £57.75 (2008: £63.84).

As with New York, falls in the final quarter were much reduced, with LFL RevPAR down 12.4% to £25.62 (2008: £29.23) driven primarily by rate which fell by 9.1% to £52.61 (2008: £57.88).

EUROPE

London

London has proven to be the most resilient of the Group's markets throughout the year. Despite the economic conditions, London RevPAR only fell by 2.5% to £83.45 (2008: £85.55), with a 2.2% fall in rate to £99.11 (2008: £101.36) and a marginal fall in occupancy to 84.2% (2008: 84.4%). When Millennium, the Group's core brand in London is taken in isolation, the RevPAR fall is only 0.3%, reflecting a 2.4% fall in rate and a 1.7 percentage point increase in occupancy. This is partly the result of putting more emphasis on the internet channels and selective rate and occupancy strategies in the different London hotels to best match the opportunities available. Also helping London is the weakness of sterling making London a more attractive destination than previously for overseas visitors. London also had the highest hotel gross operating profit margin of 52.7%.

The year in London finished on a strong note, with RevPAR showing a 1.9% increase in the final quarter to £86.91 (2008: £85.28). The growth was driven by a 4.5% increase in rate to £105.47 (2008: £100.92) at the expense of a 2.1 percentage point fall in occupancy.

Rest of Europe

The strength shown by London was not repeated in the Rest of Europe and RevPAR fell by 16.5% to £49.73 (2008: £59.56). The 11.5% fall in rate to £74.33 (2008: £84.01) played a bigger part than the 4.0 percentage point fall in occupancy to 66.9%, but the combined fall shows there was weakness in both demand and room rate.

Regional UK

RevPAR fell 14.8% to £45.28 primarily driven by a 12.3% fall in rate to £63.69 (2008: £72.64) and a 2.1 percentage point fall in occupancy to 71.1% (2008: 73.2%). Every hotel produced a lower RevPAR than 2008, but shortfalls showed some distinct variations throughout the UK with Aberdeen and the South East, in particular Gatwick producing the largest shortfalls. The final quarter was marginally better, with a RevPAR fall of 13.1%, but this decrease is not enough to indicate that the corner has been turned in Regional UK.

France & Germany

Our presence in these two countries remains limited to four hotels. RevPAR fell by 18.7% to £56.75 through falls in occupancy and rate. Occupancy fell by 7.1 percentage points to 60.1% (2008: 67.2%) while rate fell by 9.0% to £94.43 (2008: £103.82). The decline in the final quarter was slightly higher at 20.4% reflecting the fact that our markets face challenges.

Middle East

Twelve new management contracts were signed in the year, eleven of which are new build hotels and one contract involving a change of flag to Millennium. The hotels are due to open between 2010 and 2013. Two pipeline contracts were cancelled. No new hotels were opened in 2009, and the Millennium Oyoum Hotel, Sharm el Sheikh contract was terminated.

ASIA

RevPAR fell by 20.1% to £52.81 (2008: £66.11) driven by a 17.3% fall in average room rates to £72.14 (2008: £87.21) and a 2.6 percentage point occupancy fall to 73.2%.

Singapore

Singapore suffered the largest percentage RevPAR fall of the Group's seven main geographic segments at 31.8%. Full year RevPAR was £58.84 (2008: £86.24) driven by a 26.9% fall in rate to £75.43 (2008: £103.16) and an occupancy fall of 5.6 percentage points to 78.0% (2008: 83.6%). This steep fall can be partly attributed to the accelerated rate of growth in Singapore since 2003, where RevPAR has risen by a compound annual growth rate of 27.4%.

The RevPAR decline reached its peak in the second quarter with a fall of 44.5% which has gradually fallen over the second half of the year, finishing with a 18.9% decline in the fourth quarter.

Rest of Asia

After London, the Rest of Asia showed the smallest RevPAR decline of 5.6% to £48.19 (2008: £51.04). Lower average rate was the primary driver of this decline as rates fell by 4.9% to £69.34 (2008: £72.91) while occupancy fell by 0.5 percentage points to 69.5%. Three of the six hotels showed an improvement in RevPAR with the most significant contribution coming from the Group's property in Seoul which benefited from an influx of foreign visitors, especially from Japan as a result of the weaker Korean Won.

The region finished the final quarter as the strongest in the Group with a 3.2% increase in RevPAR to £52.65 (2008: £51.00). This growth was witnessed in five hotels, with only the Copthorne Orchid Penang showing a small decline.

The Group's presence in China increased by two hotels: The Millennium Wuxi opened its doors in June, while the Millennium Chengdu soft opened in December. Both properties are managed and not consolidated into the Group's RevPAR statistics.

The Group's share of losses after interest, tax and non-controlling interests from our two joint venture hotels in Beijing and Bangkok was £1.2m (2008: £5.1m). The Group's investment in The Grand Millennium Beijing and Grand Millennium Sukhumvit were both fully written down in 2008. No losses are being recognised in the Beijing property while those in Bangkok have been limited to the levels of further funding in 2009.

AUSTRALASIA

In New Zealand, where we operate under the Millennium, Copthorne and Kingsgate brands, RevPAR fell by 11.8% to £28.58 (2008: £32.42). Occupancy fell by 4.1 percentage points to 62.4% (2008: 66.5%) and average rate fell by 6.1% to £45.80 (2008: £48.75). Average rate fell in every hotel with falls of between 1.0% and 12.7%. The Copthorne brand was the most resilient due to a better ability to hold occupancy, although this was at the expense of rate which had the largest fall of the three brands.

Hotel operating profit benefited from a £1.2m one-off dilapidations provision release in the third quarter.

With a fall of 8.2% to £32.90 (2008: £35.83) the final quarter of the year was the best quarter and was the second consecutive quarter of declining RevPAR falls. New Zealand is also moving in the right direction, although not with the same momentum as some of the other regions.

The Group's land development operations in New Zealand have seen another year of minimal sales in 2009 with a small overall increase in revenue and a resultant profit of £0.8m (2008: £0.7m).

**Consolidated income statement
for the year ended 31 December 2009**

	Notes	Fourth Quarter 2009 £m	Fourth Quarter 2008 £m	Full Year 2009 £m	Full Year 2008 £m
Revenue		178.0	190.6	654.0	702.9
Cost of sales		(72.3)	(76.1)	(279.0)	(285.5)
Gross profit		105.7	114.5	375.0	417.4
Administrative expenses		(80.3)	(100.6)	(300.0)	(316.1)
Other operating income	5	-	31.4	-	31.4
		25.4	45.3	75.0	132.7
Share of profit of joint ventures and associates		5.4	(28.4)	14.2	(19.9)
Analysed between:					
Operating profit before other income/expense and impairment		7.5	5.0	20.6	19.3
Impairment		-	(12.2)	-	(12.2)
Other operating income		0.6	3.6	0.6	3.6
Other operating expense		-	(20.4)	-	(20.4)
Interest, tax and non-controlling interests	7	(2.7)	(4.4)	(7.0)	(10.2)
Operating profit		30.8	16.9	89.2	112.8
Analysed between:					
Headline operating profit	4	34.0	41.8	98.0	143.5
Other operating income - Group	5	-	31.4	-	31.4
Other operating expense - Group		(0.2)	-	(0.2)	-
Share of joint ventures and associates					
- Other operating income		0.6	-	0.6	-
- Other operating expense		-	(16.8)	-	(16.8)
Impairment	6	-	(19.6)	(1.3)	(19.6)
- Joint ventures investments and loans		-	(19.6)	(1.3)	(19.6)
- Hotels and land		(0.9)	(8.1)	(0.9)	(8.1)
- Other property		-	(7.4)	-	(7.4)
Share of interest, tax and non-controlling interests of joint ventures and associates	7	(2.7)	(4.4)	(7.0)	(10.2)
Finance income		0.6	0.8	3.0	12.0
Finance expense		(1.9)	(3.3)	(10.3)	(22.0)
Net finance expense		(1.3)	(2.5)	(7.3)	(10.0)
Profit before tax		29.5	14.4	81.9	102.8
Income tax expense	8	1.2	(7.5)	(7.3)	(31.9)
Profit for the year		30.7	6.9	74.6	70.9
Attributable to:					
Equity holders of the parent		29.7	5.8	70.1	64.0
Non-controlling interests		1.0	1.1	4.5	6.9
		30.7	6.9	74.6	70.9
Basic earnings per share (pence)	9	9.6p	1.9p	22.9p	21.3p
Diluted earnings per share (pence)	9	9.6p	1.9p	22.9p	21.3p

The financial results above all derive from continuing activities.

**Consolidated statement of comprehensive income
for the year ended 31 December 2009**

	2009	2008
	£m	£m
Profit for the year	74.6	70.9
Other comprehensive income:		
Foreign exchange translation differences on net investment in foreign operations	(43.7)	284.0
Defined benefit plan actuarial (losses)/gains, net of tax	(5.0)	0.6
Share of associate's other reserve movements	0.3	(0.1)
Income tax relating to other components of other comprehensive income	1.5	(1.8)
Other comprehensive income for the year, net of tax	(46.9)	282.7
Total comprehensive income for the year	27.7	353.6
Total comprehensive income attributable to:		
Equity holders of the parent	17.1	325.9
Non-controlling interests	10.6	27.7
Total comprehensive income for the year	27.7	353.6

**Consolidated statement of financial position
as at 31 December 2009**

	Notes	As at 31 December 2009 £m	As at 31 December 2008 £m
Non-current assets			
Property, plant and equipment		1,975.9	2,067.7
Lease premium prepayment		93.6	95.8
Investment properties		83.3	79.3
Investments in joint ventures and associates		326.4	338.7
Other financial assets		6.4	6.7
		2,485.6	2,588.2
Current assets			
Inventories		4.2	4.9
Development properties		72.3	63.2
Lease premium prepayment		1.4	1.3
Trade and other receivables		56.1	62.9
Cash and cash equivalents	10	135.5	212.1
		269.5	344.4
Total assets		2,755.1	2,932.6
Non-current liabilities			
Interest-bearing loans, bonds and borrowings		(233.0)	(415.1)
Employee benefits		(18.1)	(12.8)
Provisions		(0.6)	(0.9)
Other non-current liabilities		(112.2)	(118.6)
Deferred tax liabilities		(230.6)	(258.1)
		(594.5)	(805.5)
Current liabilities			
Interest-bearing loans, bonds and borrowings		(105.0)	(82.1)
Trade and other payables		(122.0)	(133.3)
Provisions		(0.2)	(0.3)
Income taxes payable		(29.7)	(30.5)
		(256.9)	(246.2)
Total liabilities		(851.4)	(1,051.7)
Net assets		1,903.7	1,880.9
Equity			
Issued share capital		92.9	90.7
Share premium		845.6	847.7
Translation reserve		185.8	230.8
Retained earnings		628.0	568.3
Total equity attributable to equity holders of the parent		1,752.3	1,737.5
Non-controlling interests		151.4	143.4
Total equity		1,903.7	1,880.9

**Consolidated statement of changes in equity
for the year ended 31 December 2009**

	Share capital £m	Share premium £m	Translation reserve £m	Retained earnings £m	Total excluding non- controlling interests £m	Non- controlling interests £m	Total equity £m
Balance as at 1 January 2008	88.9	848.8	(27.6)	513.4	1,423.5	130.2	1,553.7
Total comprehensive income for the year	-	-	258.4	67.5	325.9	27.7	353.6
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Dividends paid to equity holders	-	-	-	(37.2)	(37.2)	-	(37.2)
Issue of shares in lieu of dividends	1.7	(1.7)	-	22.2	22.2	-	22.2
Dividends paid – non-controlling interests	-	-	-	-	-	(3.4)	(3.4)
Share-based payment transactions	-	-	-	1.1	1.1	-	1.1
Share options exercised	0.1	0.6	-	-	0.7	-	0.7
Total contributions by and distributions to owners	1.8	(1.1)	-	(13.9)	(13.2)	(3.4)	(16.6)
Total changes in ownership interests in Subsidiaries	-	-	-	1.3	1.3	(11.1)	(9.8)
Total transactions with owners	1.8	(1.1)	-	(12.6)	(11.9)	(14.5)	(26.4)
Balance as at 31 December 2008	90.7	847.7	230.8	568.3	1,737.5	143.4	1,880.9
Balance at 1 January 2009	90.7	847.7	230.8	568.3	1,737.5	143.4	1,880.9
Reclassification	-	-	4.8	(4.8)	-	-	-
Balance at 1 January (restated)	90.7	847.7	235.6	563.5	1,737.5	143.4	1,880.9
Total comprehensive income for the year	-	-	(49.8)	66.9	17.1	10.6	27.7
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Dividends paid to equity holders	-	-	-	(19.0)	(19.0)	-	(19.0)
Issue of shares in lieu of dividends	2.2	(2.2)	-	15.0	15.0	-	15.0
Dividends paid – non-controlling interests	-	-	-	-	-	(2.6)	(2.6)
Share-based payment transactions	-	-	-	1.6	1.6	-	1.6
Share options exercised	-	0.1	-	-	0.1	-	0.1
Total contributions by and distributions to owners	2.2	(2.1)	-	(2.4)	(2.3)	(2.6)	(4.9)
Total transactions with owners	2.2	(2.1)	-	(2.4)	(2.3)	(2.6)	(4.9)
Balance as at 31 December 2009	92.9	845.6	185.8	628.0	1,752.3	151.4	1,903.7

**Consolidated statement of cash flows
for the year ended 31 December 2009**

	Full Year 2009 £m	Full Year 2008 £m
Cash flows from operating activities		
Profit for the year	74.6	70.9
<i>Adjustments for:</i>		
Depreciation and amortisation	32.1	30.0
Share of (profit)/losses of joint ventures and associates	(14.2)	19.9
Impairment	2.2	22.9
Other operating expense	0.2	-
Loss/(profit) on sale of property, plant and equipment	0.4	(0.4)
Profit from aborted sale of a subsidiary	-	(31.4)
Equity settled share-based transactions	1.6	1.1
Finance income	(3.0)	(12.0)
Finance expense	10.3	22.0
Income tax expense	7.3	31.9
Operating profit before changes in working capital and provisions	111.5	154.9
Decrease in inventories, trade and other receivables	3.8	10.0
Increase in development properties	(2.7)	(6.2)
Decrease in trade and other payables	(0.1)	(10.9)
Increase /(decrease) in provisions and employee benefits	(1.3)	(0.7)
Cash generated from operations	111.2	147.1
Interest paid	(10.3)	(18.7)
Interest received	2.3	4.8
Income taxes paid	(19.8)	(22.8)
Net cash generated from operating activities	83.4	110.4
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	0.1	0.8
Investment in financial assets	-	10.6
Proceeds less expenses from aborted sale of a subsidiary	-	27.3
Dividends received from associates	12.5	12.3
Acquisitions of non-controlling interests	-	(1.9)
Increase in loan to joint venture	(2.3)	(2.3)
Increase in investment in joint ventures and associates	(2.9)	(25.5)
Acquisition of property, plant and equipment, and lease premium prepayment	(17.5)	(64.6)
Net cash used in investing activities	(10.1)	(43.3)
Cash flows from financing activities		
Proceeds from the issue of share capital	0.1	0.7
Repayment of borrowings	(170.0)	(134.4)
Drawdown of borrowings	36.2	101.8
Share buy back of non-controlling interests	-	(9.4)
Dividends paid to non-controlling interests	(2.6)	(3.4)
Dividends paid to equity holders of the parent	(4.0)	(15.0)
Net cash used in financing activities	(140.3)	(59.7)
Net (decrease)/increase in cash and cash equivalents	(67.0)	7.4
Cash and cash equivalents at beginning of the year	209.3	155.9
Effect of exchange rate fluctuations on cash held	(7.4)	46.0
Cash and cash equivalents at end of the year	134.9	209.3
Reconciliation of cash and cash equivalents		
Cash and cash equivalents shown in the consolidated statement of changes in financial position	135.5	212.1
Overdraft bank accounts included in borrowings	(0.6)	(2.8)
Cash and cash equivalents for cash flow statement purposes	134.9	209.3

Notes to the consolidated financial statements

1. General information

Basis of preparation

The consolidated financial statements in this preliminary results announcement for Millennium & Copthorne Hotels plc ('the Company') as at and year ended 31 December 2009 comprise the Company and its subsidiaries (together referred to as the 'Group') and the Group's interests in joint ventures and associates.

These primary statements and selected notes comprise the audited consolidated financial results of the Group for the year ended 31 December 2009 and 2008. The information set out in this preliminary announcement does not comprise statutory accounts within the meaning of Section 435 of the Companies Act 2006.

The comparative figures as at 31 December 2008 have been extracted from the Group's statutory Annual Report and Accounts for that financial year but do not constitute those accounts. Those accounts have been reported on by the auditors and delivered to the Registrar of Companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 237(2) or (3) of the Companies Act 1985. The consolidated financial statements of the Group as at and for the financial year ended 31 December 2008 are available from the Company's website www.millenniumhotels.co.uk.

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

The financial statements were approved by the Board of Directors on 18 February 2010.

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

In addition, certain comparatives have been restated. The consolidated statement of changes in total equity for the year ended 31 December 2009 also reflects a reclassification of £4.8m between translation reserve and retained earnings.

Non-GAAP information

Headline operating profit, headline EBITDA, headline profit before tax and headline profit after tax.

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

Net debt and gearing percentage

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

Like-for-like growth

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

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

2. Accounting policies

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

Change in accounting policies

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for year ended 31 December 2009, and have not been applied in preparing these consolidated financial statements:

Notes to the consolidated financial statements

2. Accounting policies (continued)

IASB/IFRIC documents that have been endorsed

- Amended IAS 27 *Consolidated and Separate Financial Statements (2008)* requires accounting for changes in ownership interests by the Group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the Group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The amendments to IAS 27, which will become mandatory for the Group's 2010 consolidated financial statements, are not expected to have a significant impact on the consolidated financial statements.
- Revised IFRS 3 *Business Combinations (2008)* incorporates the following changes that are likely to be relevant to the Group's operations:
 - The definition of a business has been broadened, which is likely to result in more acquisitions being treated as business combinations.
 - Contingent consideration will be measured at fair value, with subsequent changes therein recognised in profit or loss.
 - Transaction costs, other than share and debt issue costs, will be expensed as incurred.
 - Any pre-existing interest in the acquiree will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquiree, on a transaction-by-transaction basis.
- Revised IFRS 3, which will become mandatory for the Group's 2010 consolidated financial statements, will be applied prospectively and therefore there will be no impact on prior periods in the Group's 2010 consolidated financial statements.

3. Foreign currency translation

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

Currency (=£)	As at		Average for 12 months		Average for 3 months	
	31 December 2009	2008	January - December 2009	2008	October - December 2009	2008
US dollar	1.596	1.474	1.553	1.859	1.622	1.565
Singapore dollar	2.245	2.132	2.257	2.628	2.280	2.329
New Taiwan dollar	51.081	49.295	51.654	59.464	52.162	53.115
New Zealand dollar	2.253	2.563	2.461	2.592	2.269	2.677
Malaysian ringgit	5.473	5.139	5.472	6.200	5.566	5.608
Korean won	1,847.74	1,878.41	1,969.72	1,995.67	1,910.98	2,077.93
Euro	1.110	1.052	1.114	1.261	1.110	1.181

4. Operating segment information

The Group has adopted IFRS 8 *Operating Segments* for its 2009 consolidated financial statements and comparatives have been restated. Disclosure of segmental information is principally presented in respect of the Group's geographical segments.

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

Geographical segments

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

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

Notes to the consolidated financial statements

4. Operating segment information (continued)

The segments reported reflect the operating segment information included in the internal reports that the Chief Operating Decision Maker ('CODM'), 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. Each operating segment has a Chief Operating Officer (COO) or equivalent who is directly accountable for the functioning of the segment and who maintains regular contact with the executive members of the CODM to discuss the operational and financial performance. The CODM makes decisions about allocation of resources to the regions managed by the COO.

	Fourth Quarter 2009								
	New York 2009	Regional US 2009	London 2009	Rest of Europe 2009	Singapore 2009	Rest of Asia 2009	Australasia 2009	Central Costs 2009	Total Group 2009
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Revenue									
Hotel	29.0	25.4	23.4	25.0	28.5	32.7	11.7	-	175.7
Property operations	-	0.3	-	-	0.5	-	1.5	-	2.3
Total Revenue	29.0	25.7	23.4	25.0	29.0	32.7	13.2	-	178.0
Hotel Gross Operating Profit	10.2	3.5	13.0	6.0	14.5	12.9	4.6	-	64.7
Hotel fixed charges ¹	(3.9)	(5.1)	(3.2)	(7.1)	(8.6)	(3.5)	(1.7)	-	(33.1)
Hotel operating profit	6.3	(1.6)	9.8	(1.1)	5.9	9.4	2.9	-	31.6
Property operations operating profit/(loss)	-	(0.3)	-	-	0.4	(0.1)	0.5	-	0.5
Central costs	-	-	-	-	-	-	-	(5.6)	(5.6)
Share of joint ventures and associates operating profit	-	-	-	-	3.8	3.7	-	-	7.5
Headline operating profit/(loss)	6.3	(1.9)	9.8	(1.1)	10.1	13.0	3.4	(5.6)	34.0
Add back depreciation and amortisation	1.3	2.2	1.2	1.0	0.1	1.1	0.5	0.4	7.8
Headline EBITDA²	7.6	0.3	11.0	(0.1)	10.2	14.1	3.9	(5.2)	41.8
Depreciation and amortisation									(7.8)
Share of interest, tax and non-controlling interests of joint ventures and associates									(2.2)
Net finance expense									(1.3)
Headline profit before tax									30.5
Other operating expense - Group									(0.2)
Other operating income of joint ventures and associates									0.6
Share of interest, tax and non-controlling interest of joint ventures and associates other operating income									(0.5)
Impairment - Hotels									(0.9)
Profit before tax									29.5

Notes to the consolidated financial statements

4. Operating segment information (continued)

	Fourth Quarter 2008								
	New York 2008 £m	Regional US 2008 £m	London 2008 £m	Rest of Europe 2008 £m	Singapore ³ 2008 £m	Rest of Asia ³ 2008 £m	Australasia 2008 £m	Central Costs 2008 £m	Total Group 2008 £m
Revenue									
Hotel	32.8	29.5	24.3	29.0	31.6	31.0	10.9	-	189.1
Property operations	-	0.4	-	-	0.5	0.1	0.5	-	1.5
Total Revenue	32.8	29.9	24.3	29.0	32.1	31.1	11.4	-	190.6
Hotel Gross Operating Profit	13.3	4.9	12.8	9.4	17.0	12.5	4.6	-	74.5
Hotel fixed charges ¹	(4.8)	(5.1)	(2.8)	(4.2)	(9.5)	(3.2)	(1.4)	-	(31.0)
Hotel operating profit	8.5	(0.2)	10.0	5.2	7.5	9.3	3.2	-	43.5
Property operations operating profit/(loss)	-	(0.5)	-	-	0.3	0.3	-	-	0.1
Central costs	-	-	-	-	-	-	-	(6.8)	(6.8)
Share of joint ventures and associates operating profit	-	-	-	-	3.0	2.0	-	-	5.0
Headline operating profit/(loss)	8.5	(0.7)	10.0	5.2	10.8	11.6	3.2	(6.8)	41.8
Add back depreciation and amortisation	1.4	2.3	1.4	1.0	(0.1)	1.6	0.3	0.3	8.2
Headline EBITDA²	9.9	1.6	11.4	6.2	10.7	13.2	3.5	(6.5)	50.0
Depreciation and amortisation									(8.2)
Share of interest, tax and non-controlling interests of joint ventures and associates									(1.8)
Net finance expense									(2.5)
Headline profit before tax									37.5
Other operating income – Group									31.4
Other operating income - Share of joint ventures and Associates									3.6
Other operating expense - share of joint ventures and Associates									(20.4)
Share of interest, tax and non-controlling interest of joint ventures and associates other operating income									(2.6)
Impairment									
- Joint ventures investments and loans									(19.6)
- Hotels									(8.1)
- Other property									(7.4)
Profit before tax									14.4

Notes to the consolidated financial statements

4. Operating segment information (continued)

	Full Year 2009								
	New York 2009 £m	Regional US 2009 £m	London 2009 £m	Rest of Europe 2009 £m	Singapore 2009 £m	Rest of Asia 2009 £m	Australasia 2009 £m	Central Costs 2009 £m	Total Group 2009 £m
Revenue									
Hotel	95.6	110.8	88.0	92.9	102.8	116.1	40.7	-	646.9
Property operations	-	1.5	-	-	2.3	0.1	3.2	-	7.1
Total Revenue	95.6	112.3	88.0	92.9	105.1	116.2	43.9	-	654.0
Hotel Gross Operating Profit	24.3	18.3	46.4	23.8	51.2	42.2	15.3	-	221.5
Hotel fixed charges ¹	(19.0)	(21.8)	(12.7)	(22.2)	(29.3)	(15.5)	(5.6)	-	(126.1)
Hotel operating profit	5.3	(3.5)	33.7	1.6	21.9	26.7	9.7	-	95.4
Property operations operating profit/(loss)	-	(1.2)	-	-	1.7	(0.1)	0.8	-	1.2
Central costs	-	-	-	-	-	-	-	(19.2)	(19.2)
Share of joint ventures and associates operating profit	-	-	-	-	12.6	8.0	-	-	20.6
Headline operating profit/(loss)	5.3	(4.7)	33.7	1.6	36.2	34.6	10.5	(19.2)	98.0
Add back depreciation and amortisation	5.2	9.4	5.2	3.9	0.3	5.3	1.7	1.1	32.1
Headline EBITDA ²	10.5	4.7	38.9	5.5	36.5	39.9	12.2	(18.1)	130.1
Depreciation and amortisation									(32.1)
Share of interest, tax and non-controlling interests of joint ventures and associates									(6.5)
Net finance expense									(7.3)
Headline profit before tax									84.2
Other operating expense - Group									(0.2)
Other operating income of joint ventures and associates									0.6
Share of interest, tax and non-controlling interests of joint ventures and associates other operating income									(0.5)
Impairment									
- Joint ventures investments and loans									(1.3)
- Hotels									(0.9)
Profit before tax									81.9

Notes to the consolidated financial statements

4. Operating segment information (continued)

	Full Year 2008								
	New York 2008 £m	Regional US 2008 £m	London 2008 £m	Rest of Europe 2008 £m	Singapore ³ 2008 £m	Rest of Asia ³ 2008 £m	Australasia 2008 £m	Central Costs 2008 £m	Total Group 2008 £m
Revenue									
Hotel	112.3	110.7	93.8	104.6	115.0	114.9	44.8	-	696.1
Property operations	-	1.5	-	-	1.8	0.6	2.9	-	6.8
Total Revenue	112.3	112.2	93.8	104.6	116.8	115.5	47.7	-	702.9
Hotel Gross Operating Profit									
Hotel fixed charges ¹	(16.7)	(18.5)	(12.4)	(17.1)	(33.4)	(14.2)	(8.4)	-	(120.7)
Hotel operating profit	26.9	2.4	34.4	14.7	28.8	29.0	9.3	-	145.5
Property operations operating profit	-	(2.0)	-	-	1.1	(0.5)	0.6	-	(0.8)
Central costs	-	-	-	-	-	-	-	(20.5)	(20.5)
Share of joint ventures and associates operating profit	-	-	-	-	12.4	6.9	-	-	19.3
Headline operating profit	26.9	0.4	34.4	14.7	42.3	35.4	9.9	(20.5)	143.5
Add back depreciation and amortisation	4.8	7.7	5.4	3.9	0.4	5.3	1.6	0.9	30.0
Headline EBITDA²	31.7	8.1	39.8	18.6	42.7	40.7	11.5	(19.6)	173.5
Depreciation and amortisation									(30.0)
Share of interest, tax and non-controlling interests of joint ventures and associates									(7.6)
Net finance expense									(10.0)
Headline profit before tax									125.9
Other operating income – Group									31.4
Other operating income - share of joint ventures and associates									3.6
Other operating expense - share of joint ventures and associates									(20.4)
Share of interest, tax and non-controlling interest of joint ventures and associates other operating income									(2.6)
Impairment									
- Joint ventures Investments and loans									(19.6)
- Hotels									(8.1)
- Other property									(7.4)
Profit before tax									102.8

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

² Earnings before interest, tax, depreciation and amortisation.

³ Restated – formerly Singapore and Rest of Asia were aggregated.

Notes to the consolidated financial statements

4. Operating segment information (continued)

Segmental assets and liabilities

As at 31 December 2009	New York £m	Regional US £m	London £m	Rest of Europe £m	Singapore £m	Rest of Asia £m	Australasia £m	Total Group £m
Hotel operating assets	346.9	295.8	443.5	216.6	210.5	480.1	140.6	2,134.0
Hotel operating liabilities	(9.8)	(29.5)	(22.8)	(25.5)	(125.0)	(33.1)	(5.1)	(250.8)
Investments in and loans to joint ventures and associates	-	-	-	-	175.3	151.1	-	326.4
Total hotel operating net assets	337.1	266.3	420.7	191.1	260.8	598.1	135.5	2,209.6
Property operating assets	-	33.0	-	-	50.8	8.1	67.3	159.2
Property operating liabilities	-	(0.1)	-	-	(1.3)	-	(0.9)	(2.3)
Total property operating net assets	-	32.9	-	-	49.5	8.1	66.4	156.9
Deferred tax liabilities	-	-	-	-	-	-	-	(230.6)
Income taxes payable	-	-	-	-	-	-	-	(29.7)
Net debt	-	-	-	-	-	-	-	(202.5)
Net assets								1,903.7

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

5. Other operating income

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

6. Impairment

	Notes	2009 £m	2008 £m
Impairment			
- Joint venture loans	(a)	(1.3)	(7.4)
- Hotels	(b)	(0.9)	(8.1)
- Other property	(c)	-	(7.4)
	(d)	(2.2)	(22.9)
- Joint venture investments	(a)	-	(12.2)
		(2.2)	(35.1)

(a) Joint ventures investments and loans

Impairment for 2009 represents the full write-down of the additional funding in the Group's 50% Investment in Bangkok. For 2008, carrying value of the Group's investment in Beijing and Bangkok were written down by an aggregate of £19.6m and comprise £12.2m investments and a £7.4m provision for loans. These followed a review of the difficult economic conditions and over supplied hotel situation in Beijing post the Olympics and the unstable political conditions affecting business in Thailand.

(b) Hotels

The Directors undertook an annual review of the carrying value of the hotels and property assets for indications of impairment and where appropriate external valuations were also undertaken. An impairment charge of £0.9m was in relation to land in India. In 2008, an impairment charge of £8.1m was made and related to 6 hotels in US and UK as well as land in India.

(c) Other property

In 2008, an impairment charge of £7.4m was made in respect of Sunnyside based on an external professional valuation obtained.

(d) Included in administrative expenses.

Notes to the consolidated financial statements

7. Share of joint ventures and associates interest, tax and non-controlling interests

	Fourth Quarter 2009 £m	Fourth Quarter 2008 £m	Full Year 2009 £m	Full Year 2008 £m
Interest	(0.8)	(0.5)	(2.8)	(3.5)
Tax	(0.6)	(1.7)	(2.3)	(2.8)
Non-controlling interests	(1.3)	(2.2)	(1.9)	(3.9)
	(2.7)	(4.4)	(7.0)	(10.2)

8. Income tax expense

The Group recorded an income tax expense of £7.3m (2008: £31.9m) excluding the tax relating to joint ventures and associates, giving rise to an effective rate of 10.8% (2008: 26.0%). The lower effective tax rate is due to a combination of lower corporate tax rates in a number of jurisdictions, in particular Taiwan and Korea, profit mix and prior year adjustments. Excluding the impact of changes in corporate tax rates on brought forward deferred taxes and adjustments in respect of previous years, the Group's underlying effective tax rate is 33.2% (2008: 30.2%).

The income tax expense of £7.3m (2008: £31.9m) comprises a UK tax charge of £7.8m (2008: £14.5m) and an overseas tax credit of £0.5m (2008: £17.4m tax charge).

A tax charge of £2.4m (2008: £2.8m) relating to joint ventures and associates is included in the reported profit before tax.

	Full Year 2009 £m	Full Year 2008 £m
Current tax		
Corporation tax charge for the period	23.0	27.8
Adjustments in respect of previous years	(3.1)	5.0
Total current tax expense	19.9	32.8
Deferred tax		
Origination and reversal of timing differences	3.4	(0.9)
Reduction in tax rate	(9.9)	(4.2)
(Utilisation)/benefits of tax losses recognised	(3.1)	2.3
Over provision in respect of prior years	(3.0)	(8.4)
Change in UK tax legislation in respect of the removal of claw back on hotel tax allowance	-	10.3
Total deferred tax credit	(12.6)	(0.9)
Total income tax charge in the income statement	7.3	31.9
UK	7.8	14.5
Overseas	(0.5)	17.4
Total income tax charge in the income statement	7.3	31.9

Income tax reconciliation

Profit before income tax in income statement	81.9	102.8
(Less)/add share of (profits)/losses of joint ventures and associates	(14.2)	19.9
	67.7	122.7
Income tax on ordinary activities at the standard rate of UK tax of 28.0% (2008: 28.5%)	19.0	35.0
Tax exempt income	(1.6)	(3.2)
Non deductible expenses	5.1	3.0
Recognition of deferred tax on share of undistributed associate's profit	-	2.0
Current year losses for which no deferred tax asset was recognised	0.8	0.2
Unrecognised deferred tax assets relating to impairment	1.3	0.6
Recognition of previously unrecognised tax losses	(1.0)	-
Effect of lower tax rates of other operating income	-	(9.0)
Effect of higher tax rates on impairment	-	(1.4)
Other effect of tax rates in foreign jurisdictions	(0.3)	2.0
Effect of change in tax rates on opening deferred taxes	(9.9)	(4.2)
Effect of change in UK tax legislation in respect of the removal of claw back on hotel tax allowances	-	10.3
Other adjustments to tax charge in respect of previous years	(6.1)	(3.4)
Total income tax charge in the income statement	7.3	31.9

9. Earnings per share

Earnings per share are calculated using the following information:

	Fourth Quarter 2009	Fourth Quarter 2008	Full Year 2009	Full Year 2008
(a) Basic				
Profit for the period attributable to holders of the parent (£m)	29.7	5.8	70.1	64.0
Weighted average number of shares in issue (m)	309.5	302.3	306.1	300.0
Basic earnings per share (pence)	9.6p	1.9p	22.9p	21.3p
(b) Diluted				
Profit for the period attributable to holders of the parent (£m)	29.7	5.8	70.1	64.0
Weighted average number of shares in issue (m)	309.5	302.3	306.1	300.0
Potentially dilutive share options under Group's share option schemes (m)	1.1	-	0.6	0.1
Weighted average number of shares in issue (diluted) (m)	310.6	302.3	306.7	300.1
Diluted earnings per share (pence)	9.6p	1.9p	22.9p	21.3p
<hr/>				
Profit for the period attributable to holders of the parent (£m)	29.7	5.8	70.1	64.0
Adjustments for:				
- Other operating income (net of tax) (£m)	-	(31.4)	-	(31.4)
- Fair value adjustments of investment property	0.2		0.2	
- Impairment (net of tax) (£m)	0.5	29.1	1.8	29.1
- Share of other operating expenses/income of joint ventures and associates (nil tax) (£m)	(0.1)	19.6	(0.1)	19.6
- Change in UK tax legislation on hotel tax allowances (£m)	-	10.3	-	10.3
- Change in tax rates on opening deferred tax (£m)	(9.9)	(4.2)	(9.9)	(4.2)
Adjusted profit for the period attributable to holders of the parent (£m)	20.4	29.2	62.1	87.4
Weighted average number of shares in issue (m)	309.5	302.3	306.1	300.0
Headline earnings per share (pence)	6.6p	9.7p	20.3p	29.1p
(d) Diluted headline earnings per share				
Adjusted profit for the period attributable to holders of the parent (£m)	20.4	29.2	62.1	87.4
Weighted average number of shares in issue (diluted) (m)	310.6	302.3	306.7	300.1
Diluted headline earnings per share (pence)	6.6p	9.7p	20.2p	29.1p

10. Non-GAAP measures

Headline profit before tax, headline operating profit, and headline EBITDA

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

Headline profit after tax

Reconciliation of headline profit after tax is shown below.

	As at 31 December 2009 £m	As at 31 December 2008 £m
Headline profit before tax (per note 4 'Operating segment information')	84.2	125.9
Income tax expense (per note 8 'Income tax expense')	(7.3)	(31.9)
Change in tax rates on opening deferred tax (per note 8 'Income tax expense')	(9.9)	(4.2)
Headline profit after tax	67.0	89.8

Net debt

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

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

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

Notes to the consolidated financial statements

10. Non-GAAP measures (continued)

	As at 31 December 2009 £m	As at 31 December 2008 £m
Net Debt		
Cash and cash equivalents (as per cash flow statement)	134.9	209.3
Bank overdrafts (included as part of borrowings)	0.6	2.8
Cash and cash equivalents (as per the consolidated statement of changes in financial position)	135.5	212.1
Interest-bearing loans, bonds and borrowings - Non-current	(233.0)	(415.1)
- Current	(105.0)	(82.1)
Net debt	(202.5)	(285.1)
Gearing (%)	11.6%	16.4%

An analysis of movements in net debt is presented below:

	As at 31 December 2009 £m	As at 31 December 2008 £m
Net (decrease)/increase in cash, cash equivalents and bank overdrafts per consolidated cash flow statement	(67.0)	7.4
Decrease in debt and lease financing	133.8	32.6
Movement in net debt	66.8	40.0
Translation adjustments	15.8	(63.0)
Net debt at beginning of period	(285.1)	(262.1)
Net debt at end of period	(202.5)	(285.1)

APPENDIX 1: KEY OPERATING STATISTICS (UNAUDITED)
for the year ended 31 December 2009

	Year Ended 2009 Reported currency	Year Ended 2008 Constant currency	Year Ended 2008 Reported currency
Occupancy %			
New York	82.7		84.7
Regional US	55.8		59.9
Total US	62.2		65.6
London	84.2		84.4
Rest of Europe	66.9		70.9
Total Europe	74.6		76.9
Singapore	78.0		83.6
Rest of Asia	69.5		70.0
Total Asia	73.2		75.8
Australasia	62.4		66.5
Total Group	68.3		71.2
Average Room Rate (£)			
New York	143.43	195.16	163.08
Regional US	63.15	66.09	55.23
Total US	88.73	104.60	87.41
London	99.11	101.36	101.36
Rest of Europe	74.33	84.01	79.60
Total Europe	86.71	92.43	90.16
Singapore	75.43	103.16	88.59
Rest of Asia	69.34	72.91	66.08
Total Asia	72.14	87.21	76.72
Australasia	45.80	48.75	46.29
Total Group	78.51	90.00	80.32
RevPAR (£)			
New York	118.62	165.30	138.13
Regional US	35.24	39.59	33.08
Total US	55.19	68.62	57.34
London	83.45	85.55	85.55
Rest of Europe	49.73	59.56	56.44
Total Europe	64.69	71.08	69.33
Singapore	58.84	86.24	74.06
Rest of Asia	48.19	51.04	46.26
Total Asia	52.81	66.11	58.15
Australasia	28.58	32.42	30.78
Total Group	53.62	64.08	57.19
Gross Operating Profit Margin (%)			
New York	25.4		38.8
Regional US	16.5		18.9
Total US	20.6		28.9
London	52.7		49.9
Rest of Europe	25.6		30.4
Total Europe	38.8		39.6
Singapore	49.8		52.9
Rest of Asia	36.3		37.4
Total Asia	42.7		45.8
Australasia	37.6		39.5
Total Group	34.2		38.2

For comparability, the 31 December 2008 Average Room Rate and RevPAR have been translated at average exchange rates for the year ended 31 December 2009.

APPENDIX 2: KEY OPERATING STATISTICS (UNAUDITED)
for the year ended 31 December 2009

	Fourth Quarter 2009 Reported Currency	Fourth Quarter 2008 Constant currency	Fourth Quarter 2008 Reported currency
Occupancy %			
New York	86.4		80.5
Regional US	50.4		50.8
Total US	59.1		57.7
London	82.4		84.5
Rest of Europe	67.3		69.4
Total Europe	73.9		76.1
Singapore	87.4		82.4
Rest of Asia	75.7		70.7
Total Asia	80.8		75.7
Australasia	66.9		67.6
Total Group	69.6		68.2
Average Room Rate (£)			
New York	164.58	199.97	200.19
Regional US	59.57	62.59	65.56
Total US	96.55	106.89	108.98
London	105.47	100.92	100.92
Rest of Europe	72.58	84.29	81.65
Total Europe	88.78	92.45	91.11
Singapore	71.45	93.42	91.18
Rest of Asia	69.55	72.14	69.30
Total Asia	70.43	82.09	79.53
Australasia	49.18	53.00	45.28
Total Group	80.64	89.08	87.67
RevPAR (£)			
New York	142.20	160.98	161.15
Regional US	30.02	31.80	33.30
Total US	57.06	61.68	62.88
London	86.91	85.28	85.28
Rest of Europe	48.85	58.50	56.67
Total Europe	65.61	70.35	69.33
Singapore	62.45	76.98	75.13
Rest of Asia	52.65	51.00	49.00
Total Asia	56.91	62.14	60.20
Australasia	32.90	35.83	30.61
Total Group	56.13	60.75	59.79
Gross Operating Profit Margin (%)			
New York	35.2		40.5
Regional US	13.8		16.6
Total US	25.2		29.2
London	55.6		52.7
Rest of Europe	24.0		32.4
Total Europe	39.3		41.7
Singapore	50.9		54.1
Rest of Asia	39.4		40.0
Total Asia	44.8		47.1
Australasia	39.3		42.2
Total Group	36.8		39.4

For comparability, the 31 December 2008 Average Room Rate and RevPAR have been translated at average exchange rates for the year ended 31 December 2009.

APPENDIX 3: HOTEL ROOM COUNT AND PIPELINE (UNAUDITED)
for the year ended 31 December 2009

Hotel and room count	Hotels			Rooms		
	2009	2008	Change	2009	2008	Change
Analysed by region:						
New York	3	3	-	1,746	1,746	-
Regional US	16	17	(1)	5,727	6,025	(298)
London	7	7	-	2,487	2,487	-
Rest of Europe	18	17	1	3,231	3,073	158
Middle East	8	9	(1)	2,416	2,689	(273)
Singapore	5	5	-	2,390	2,390	-
Rest of Asia	17	15	2	7,594	6,913	681
Australasia	30	30	-	3,533	3,477	56
Total	104	103	1	29,124	28,800	324
Analysed by ownership type:						
Owned and leased	66	67	(1)	20,288	20,610	(322)
Managed	19	17	2	4,526	4,011	515
Franchised	13	13	-	1,883	1,807	76
Investment	6	6	-	2,427	2,372	55
Total	104	103	1	29,124	28,800	324
Analysed by brand:						
Grand Millennium	4	4	-	1,657	1,666	(9)
Millennium	41	40	1	14,571	14,222	349
Copthorne	35	34	1	7,128	6,950	178
Kingsgate	14	14	-	1,425	1,375	50
Third party	10	11	(1)	4,343	4,587	(244)
Total	104	103	1	29,124	28,800	324
Pipeline						
	Hotels			Rooms		
	2009	2008	Change	2009	2008	Change
Analysed by region:						
Regional US	1	1	-	250	250	-
Rest of Europe	3	2	1	639	340	299
Middle East	20	10	10	6,743	3,418	3,325
Singapore	1	1	-	365	370	(5)
Rest of Asia	2	3	(1)	364	790	(426)
Total	27	17	10	8,361	5,168	3,193
Analysed by ownership type:						
Owned or leased	3	3	-	735	740	(5)
Managed	24	14	10	7,626	4,428	3,198
Total	27	17	10	8,361	5,168	3,193
Analysed by brand:						
Grand Millennium	2	-	2	1,423	-	1,423
Millennium	13	10	3	3,700	3,555	145
Copthorne	3	1	2	480	140	340
Kingsgate	3	2	1	752	478	274
Other	6	4	2	2,006	995	1,011
Total	27	17	10	8,361	5,168	3,193

During the year the Group opened three new hotels under management contract; one in Europe (the 158-room Copthorne Hotel Sheffield), and two in China (the 306-room Millennium Wuxi and the 343-room Millennium Chengdu, which soft opened in December). The 299-room owned hotel, Wynfield Inn Orlando Convention Centre (US), was closed and the management contract for the 304-room Millennium Oy Oun Hotel Sharm el Sheikh (Egypt) ended.

The Group also announced the signing of a further 15 management contracts, with two in the UK, six in the United Arab Emirates, three in Iraq, two in Saudi Arabia, one in Yemen and one in Taiwan. These properties are due to open between 2010 and 2013 and account for 4,368 additional rooms. This brings the number of rooms in the Group's worldwide pipeline to 8,361 rooms (27 hotels).