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For Immediate Release **10 February 2015**

MILLENNIUM & COPTHORNE HOTELS PLC
FINAL RESULTS ANNOUNCEMENT
Full year and fourth quarter results to 31 December 2014

Highlights for the full year 2014:

	Full Year 2014	Full Year 2013[1]	Change	
RevPAR	**£71.55**	£69.58	£1.97	2.8%
Revenue[2]	**£826m**	£1,064m	(£238m)	(22.4%)
Revenue excluding Glyndebourne[2]	***£820m***	*£790m*	*£30m*	*3.8%*
Profit before tax[2]	**£188m**	£295m	(£107m)	(36.3%)
Profit before tax excluding Glyndebourne[2]	***£183m***	*£156m*	*£27m*	*17.3%*
Basic earnings per share	**34.0p**	69.4p	(35.4p)	(51.0%)
Ordinary Dividend	**13.59p**	13.59p	-	
Special Dividend	-	9.15p	(9.15p)	

Note 2: Revenue and profit from the sale of 147 Glyndebourne condominium were recognised in December 2013. The remaining three units were sold in early 2014. Revenue recognised in 2014 was £6m (2013: £274m) and profit before tax £5m (2013: £139m).

- Profit before tax excluding Glyndebourne increased by 17.3% to £183m (2013: £156m) at reported rates. This included net revaluation gains of £27m (2013: £19m) and no impairment losses for the year (2013: £21m).

- Group RevPAR increased by 2.8% to £71.55 (2013: £69.58) and by 6.9% in constant currency (2013: £66.95). Average room rate in constant currency increased by 4.2% and occupancy rose by 1.9 percentage points.

- The United States was the strongest performing region with RevPAR growth exceeding 13.0% in constant currency. Excluding the impact of the 2014 acquired Novotel Times Square New York and the closure of Millennium Hotel St Louis, US RevPAR increased 4.9%. RevPAR increased in all operating segments, except Singapore.

- Total revenue of £826m is £238m lower than 2013 (£1,064m), principally due to recognition of Glyndebourne revenue in 2013.

- Total revenue excluding Glyndebourne was £820m - an increase of 3.8% compared to 2013 (£790m). Hotel revenue increased by 2.6% to £750m (2013: £731m), driven mainly by acquisitions and positive results from recently refurbished hotels.

- Hotel operating margins increased to 36.0% (2013: 35.0%) reflecting good cost control and the impact of acquisitions.

- The Board recommends a final ordinary dividend of 11.51p per share, giving a total ordinary dividend for the year of 13.59p per share. There is no special dividend. In 2013 a special dividend of 9.15p pence per share was paid which reflected the profit from the Glyndebourne sale.

Commenting today Mr Kwek Leng Beng, Chairman said:

"The Group continues to build strong foundations for further growth through a carefully executed asset management strategy. Results from this in 2014 included the completion of the guest room refurbishment at the Grand Hyatt Taipei, the acquisition of new properties in London, New York and Rome, as well as the opening of a newly constructed hotel in Tokyo's Ginza district. Our results in 2013 were boosted significantly by the recognition of revenue and profit on the Glyndebourne development. Our hotel trading results were positive, despite revenue and profit being adversely affected by the strength of the pound sterling, especially during the earlier part of the financial year. On behalf of the Board, I would like to thank the Group CEO, Wong Hong Ren, who will be leaving this role at the end of February and to welcome his successor, Aloysius Lee."

[1] *The Group adopted IFRS 10 Consolidated Financial Statements with effect from 1 January 2014. This resulted in the Group consolidating CDL Hospitality Trusts ("CDLHT") which was previously treated as an associate undertaking and not consolidated. The comparatives for 2013 have been restated accordingly. RevPAR will continue to be reported excluding those CDLHT hotels that are not managed by the Group.*

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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

Underlying performance was positive, with hotel revenue up by 2.6% at £750m (2013: £731m) and hotel operating profit up by 5.7% at £168m (2013: £159m), mainly reflecting the positive impacts of acquisitions and hotel refurbishments.

Group profit before tax was 36.3% lower in 2014 at £188m (2013: £295m). Revenue was down by 22.4% to £826m (2013: £1,064m). The falls were largely due to the previous year's recognition of results from the sale of Glyndebourne condominium development in Singapore, which yielded a revenue and profit of £274m and £139m respectively in 2013. Reported results were also adversely affected during the early part of the year by the translation effect of the strong pound sterling, our reporting currency.

Hotel operations

Revenue per available room (RevPAR) increased by 2.8% to £71.55, or by 6.9% in constant currency. The improvement in performance was driven mainly by acquisitions and the impact of our refurbishment programme, especially at Millennium Hotel Minneapolis and Grand Hyatt Taipei. Closure of the poorly performing Millennium Hotel St Louis in January 2014 also helped to improve RevPAR.

The increase in hotel revenue was driven mainly by improved RevPAR and acquisitions. The Group's refurbishment programme also benefited hotel revenue through a net increase in the number of room nights available for sale from existing hotels compared to 2013, as well as through higher average room rates.

Closure of the Millennium Hotel St Louis reduced revenue by £4m. Revenue was also reduced by the strength of our reporting currency, the pound sterling. In constant currency, hotel revenue increased by 6.7% (2013: £703m).

Management continues to focus on cost control. The Group's hotel gross operating margin for the year rose to 36.0% (2013: 35.0%).

Acquisitions

The Group remained on alert for acquisition opportunities throughout 2014. In general, prices demanded by owners of hotel assets remained higher than justified by hotel operating performance. Despite this overall trend, the Group succeeded in acquiring three value-adding properties during the year:

- On 25 March 2014, the Group completed its purchase of the long leasehold interest in a 5-star, all-suite hotel located within London's Chelsea Harbour district for £65m. Situated in a prestigious and improving riverside location, the property – now renamed as The Chelsea Harbour Hotel - offers 154 suites and 4 penthouses.

- On 12 June 2014, the Group completed its acquisition of the 480-room 4-star Novotel New York Times Square, for which it paid $274m (£161m). The property is situated at a location that is consistently voted amongst the world's most important tourist destinations. It will continue to be managed by Accor under the Novotel brand.

- On 9 October 2014, the Group completed the purchase of its first hotel in Italy, for €66m (£51m). This is a 5-star, 87-room property, located on Rome's Via Veneto and the hotel is now renamed as Grand Hotel Palace Rome.

The three acquisitions added £32m to revenue and £6m to operating profit in 2014. Proportionately greater contributions are anticipated in 2015, which will be their first full year of ownership by the Group.

In addition, CDLHT acquired two hotels in Tokyo during December 2014, which will be managed under the MyStay brand.

Development

Construction and fitting out of the Group's first hotel in Japan was completed towards the end of the year, with the official opening on 17 December 2014. The new luxury hotel has 329 rooms and is located in Tokyo's fashionable Ginza district. Mitsui Fudosan Co., Ltd. operates the hotel as the Millennium Mitsui Garden Hotel Tokyo under a fixed-term lease and licensing arrangement. The Group co-owns the freehold and leasehold interests in the property through a joint venture with CDL.

In December 2014, Urban Environmental Improvement ("UEI") approval was granted for the Group's land in Seoul, South Korea to be used for lodging facilities. There was also UEI approval of the floor area ratio, footprint ratio and building height for a proposed hotel and serviced apartment construction project under consideration by the Group.

The Group is considering its options with regard to its freehold interest in Millennium Hotel St Louis, which closed in January 2014. The property occupies a 17,033m^2 site in the city. The Group is also considering its options with respect to its freehold interest in a 35,717m^2 mixed use landsite at Sunnyvale, California.

Refurbishment

In addition to acquisitions and new development, the Group regards prudent investment in the existing hotel portfolio as a means to improve return on capital. Such investment decisions are made with the utmost care, avoiding excessive disruption to current trading. Investment is also dependent on local planning constraints and permissions, which can delay individual projects.

In addition to standard maintenance expenditure across the estate, the Group invested £42m in existing properties during 2014. Most of this investment was accounted for by the continuing refurbishment of Grand Hyatt Taipei which, with 853 rooms, is the Group's largest hotel in Asia. The remaining work on the common parts of the property will conclude during 2015.

A smaller refurbishment project was completed during the summer at the Group's 125-room hotel in Arizona. On 1 October 2014, the former Millennium Resort and Villas Scottsdale was re-opened as The McCormick Scottsdale after a three-month closure over the normally quiet summer months. It is too early to assess the trading impact of the renovation.

Refurbishment of all 100 rooms in the main tower of Millennium Harvest House in Boulder was completed in May 2014.

Refurbishment projects are in process at Millennium Bailey's Hotel London, Millennium Hotel Buffalo, Millennium Hotel Anchorage and Millennium Biltmore Hotel Los Angeles. A number of significant refurbishment projects affecting other Group properties are being planned.

Asset disposals

The Group did not renew its lease on the loss-making Copthorne Hotel Hannover, which expired at the end of 2014.

In March 2014, the UK Secretary of State confirmed the compulsory purchase order for Birmingham's Paradise Circus Redevelopment scheme, which includes the Copthorne Hotel Birmingham. As previously announced, the Group has entered into an agreement with the developer of the scheme, granting the Group a number of options including construction of a new hotel and/or the sale of the existing site.

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

Joint ventures and associates

Joint ventures and associates contributed £10m to profit in 2014 (2013: £14m).

First Sponsor Group Limited ("First Sponsor") was listed on the Singapore Exchange on 22 July 2014. The Group has an effective interest of 36% in First Sponsor, which now reports its results publicly. First Sponsor will continue to be an important part of the Group strategy for growing its presence in China, through managing hotels that are developed and owned by First Sponsor in the course of its work as an international mixed use real estate developer. At 31 December 2014, the Group managed one property owned by First Sponsor – the 196-room M Hotel Chengdu. The 610-room Millennium Waterfront Chengdu Hotel is scheduled to open in Chengdu's Wenjiang district in 2017. Further properties are at the planning stage.

In 2014 the Group consolidated the performance of CDLHT in accordance with IFRS 10 Consolidated Financial Statements. Previously it was equity accounted under Joint Ventures and Associates. CDLHT is listed on the Singapore Exchange and reports its results and activities separately.

Board and management changes

Aloysius Lee Tse Sang joined the Group as CEO designate on 1 February 2015 and will take full control on 1 March 2015. He joined the Group from South Beach Consortium Pte Ltd in Singapore and has extensive experience within the real estate and hospitality industries. Mr Lee succeeds Wong Hong Ren, who will step down as the Group Chief Executive Officer and from the Board on 28 February 2015. Mr Wong will be available as a consultant to the Group for 12 months from 1 March 2015.

The Board thanks Mr Wong for his dedication to the Group, his work as Group CEO and his contribution as a Director for many years, during which time he has been instrumental in developing and executing key elements of Group strategy. The Board wishes him well for the future.

Gervase MacGregor was appointed as an independent Non-Executive Director of the Company on 11 December 2014. Mr MacGregor is a chartered accountant and a partner with the professional services firm, BDO LLP, where he is Head of International Advisory, Risk and Quality Services.

During the year, Ian Batey and Sean Collins resigned as independent Non-Executive Directors on 20 February 2014 and 11 December 2014 respectively. Mr MacGregor succeeded Mr Collins as Chairman of the Audit & Risk Committee, whilst Nicholas George succeeded Mr Collins as Senior Independent Director.

Dividends

The Board is recommending a final ordinary dividend of 11.51p per share (2013: 11.51p). Together with the interim ordinary dividend of 2.08p per share (2013: 2.08p), the total ordinary dividend for 2014 is 13.59p per share (2013: 13.59p).

A special dividend of 9.15p per share was declared with the 2013 results, reflecting recognition of profits from the Glyndebourne development in Singapore. The Directors have determined that a special dividend would not be appropriate in respect of 2014 profit.

Subject to approval by shareholders at the Annual General Meeting to be held on 7 May 2015, the final dividend will be paid on 15 May 2015 to shareholders on the register on 20 March 2015.

Outlook

In 2015 the Group will continue to focus on ownership and management of hospitality real estate assets, and will commit significant capital to the refurbishment of key gateway city and other properties, further strengthening the business. The Group's strong financial position also enables it to continue seeking out attractive acquisition opportunities. The Group is well positioned to generate further improvement in operating performance in 2015, subject to ongoing concern about the sustainability of economic recovery and other factors affecting the world travel and hospitality markets. In the first 31 days of trading in 2015 Group RevPAR increased by 6.9%, with Europe up by 9.1%, the United States up by 13.1%, Australasia up by 13% and Asia down by 1.6%.

REGIONAL PERFORMANCE

For comparability, the following performance review is based on calculations in constant currency whereby 31 December 2013 hotel revenue, RevPAR and average room rates have been translated at average exchange rates for the year ended 31 December 2014.

GROUP

	2014	2013	Change
Hotel Revenue	**£750m**	£703m	6.7%
RevPAR	**£71.55**	£66.95	6.9%
Occupancy	**74.2%**	72.3%	1.9%*
Average Room Rate	**£96.49**	£92.61	4.2%

* *% points*

In constant currency terms, Group hotel revenue for 2014 increased by 6.7%, compared to the same period in 2013. RevPAR increased by 6.9% as a result of higher room rates, increased occupancy levels and the positive impact of recent acquisitions.

Below is the regional performance review:

EUROPE

Regional Performance – Europe	**2014**	2013	Change
Hotel Revenue	**£196m**	£180m	8.9%
RevPAR	**£79.97**	£76.86	4.0%
Occupancy	**77.4%**	77.8%	(0.4%)*
Average Room Rate	**£103.38**	£98.78	4.7%

Regional Performance – London	**2014**	2013	Change
Hotel Revenue	**£125m**	£111m	12.6%
RevPAR	**£112.47**	£108.19	4.0%
Occupancy	**85.7%**	85.4%	0.3%*
Average Room Rate	**£131.23**	£126.73	3.6%

Regional Performance - Rest of Europe	**2014**	2013	Change
Hotel Revenue	**£71m**	£69m	2.9%
RevPAR	**£47.78**	£47.20	1.2%
Occupancy	**69.1%**	70.7%	(1.6%)*
Average Room Rate	**£69.16**	£66.80	3.5%

* *% points*

** *Includes revenue from management contracts in the Middle East region*

RevPAR increased by 4.0%, compared to 2013 as a result of higher average room rates.

London hotels increased RevPAR by 4.0%. The biggest impact on London results was the acquisition of The Chelsea Harbour Hotel, which made a positive contribution to the regional RevPAR calculation over three full quarters of 2014. On a like-for-like basis, London RevPAR increased by 1.4%. Meetings and events helped to further lift total hotel revenue.

The Group's hotels in Rest of Europe increased RevPAR by 1.2% or 0.6% like-for-like, with the best performers being the two Gatwick hotels and Millennium Hotel Glasgow, which benefited from the Commonwealth Games. Copthorne Hotel Birmingham saw the steepest decline. The Group did not renew its lease on Copthorne Hotel Hannover, which was unprofitable in 2014.

The Rest of Europe region benefited from the acquisition of Grand Hotel Palace Rome. The region added one new management contract hotel, the Grand Millennium Hotel Sulaimainah in the Middle East region during the year.

ASIA

Regional Performance – Asia	**2014**	2013	Change
Hotel Revenue	**£283m**	£274m	3.3%
RevPAR	**£70.62**	£70.89	(0.4%)
Occupancy	**78.1%**	76.9%	1.2%*
Average Room Rate	**£90.45**	£92.18	(1.9%)

Regional Performance – Singapore	**2014**	2013	Change
Hotel Revenue	**£131m**	£131m	-
RevPAR	**£86.88**	£88.64	(2.0%)
Occupancy	**88.3%**	86.4%	1.9%*
Average Room Rate	**£98.40**	£102.61	(4.1%)

Regional Performance - Rest of Asia	**2014**	2013	Change
Hotel Revenue	**£152m**	£143m	6.3%
RevPAR	**£59.64**	£58.37	2.2%
Occupancy	**71.2%**	70.2%	1.0%*
Average Room Rate	**£83.78**	£83.13	0.8%

* *% points*

Singapore visitor arrivals fell by 3.4% in the 11 months ending 30 November 2014. This was led by lower visitor numbers from China which fell by 26% compared to the same period in 2013, although month-on-month comparisons turned positive in October and November. There was also an estimated 3.3% increase in the number of Singapore hotel rooms compared to the previous year. Increasing supply and falling demand put pressure on average room rate with the result that the Group's Singapore RevPAR fell by 2.0% for the year. However, the Group's occupancy-led strategy, together with higher receipts from meetings and events, kept hotel revenue flat compared to the previous year.

The main factor supporting revenue growth in Rest of Asia was the re-opening of rooms closed for refurbishment at the Grand Hyatt Taipei. Work on the common parts of the hotel is scheduled to complete in 2015. Elsewhere, RevPAR performance was relatively flat, except for Heritage Hotel Manila where RevPAR fell by 11.7% following the closure of the casino, which had been operated by a third party.

The Millennium Mitsui Garden Hotel in Tokyo, which is held as an investment property, opened in mid-December 2014 and did not make a material contribution to the year's results. The Group further strengthened its presence in Tokyo when CDLHT acquired two budget hotels at the end of the year. These will be operated under the MyStays brand. The Group added two management contract hotels in Asia during the year: Copthorne Hotel Cameron Highlands in Malaysia and the Group's first resort destination in China, Millennium Resort Hangzhou.

UNITED STATES

Regional Performance – USA	**2014**	2013	Change
Hotel Revenue	**£229m**	£208m	10.1%
RevPAR	**£74.44**	£65.40	13.8%
Occupancy	**68.5%**	65.9%	2.6%*
Average Room Rate	**£108.70**	£99.28	9.5%

Regional Performance – New York	**2014**	2013	Change
Hotel Revenue	**£123m**	£102m	20.6%
RevPAR	**£141.30**	£132.10	7.0%
Occupancy	**86.7%**	84.3%	2.4%*
Average Room Rate	**£162.93**	£156.70	4.0%

Regional Performance - Regional US	**2014**	2013	Change
Hotel Revenue	**£106m**	£106m	-
RevPAR	**£44.19**	£40.76	8.4%
Occupancy	**60.2%**	59.1%	1.1%*
Average Room Rate	**£73.37**	£69.01	6.3%

* *% points*

The US was the Group's strongest performing region in 2014, helped by the Novotel New York Times Square acquisition, as well as recent refurbishments and the improving national economy.

Like-for-like RevPAR for New York grew by 1.9% compared to 2013 with hotels showing an aggregate RevPAR gain of 7.0%. Acquisition of the Novotel New York Times Square in June 2014 had a significant positive impact on revenue and RevPAR.

Revenue for the Group's regional US estate was in line with 2013, despite a RevPAR gain of 8.4% for the year. This reflected the closure of Millennium Hotel St Louis in January 2014. Excluding this property, RevPAR grew 7.3% and hotel revenue by 4.6% in the region. The recently refurbished Millennium Hotel Minneapolis was the biggest single contributor to growth with high double digit RevPAR growth compared to 2013. The majority of the regional US hotels delivered RevPAR gains, led by significant increases at Millennium Bostonian Hotel, Millennium Biltmore Hotel Los Angeles and Millennium Maxwell House Hotel Nashville. RevPAR declined at Millennium Knickerbocker Hotel Chicago, Millennium Hotel Cincinnati and Millennium Hotel Buffalo.

AUSTRALASIA

Regional Performance – Australasia	**2014**	2013	Change
Hotel Revenue	**£42m**	£41m	2.4%
RevPAR	**£42.10**	£37.06	13.6%
Occupancy	**73.7%**	67.5%	6.2%*
Average Room Rate	**£57.09**	£54.89	4.0%

* *% points*

RevPAR increased by 13.6% in 2014. Property refurbishment, together with increased overseas visitor numbers helped to increase average room rate and occupancy in most locations. The hotels in Auckland and Queenstown in particular performed well.

Hotel revenue does not fully reflect improved RevPAR performance due to the cessation in the first quarter of 2014 of business interruption insurance receipts relating to the three Christchurch hotels damaged in the 2011 earthquake. Excluding this factor, hotel revenues increased by 6.6% compared to 2013.

FINANCIAL PERFORMANCE

Financial performance – full year overview

For the full year to 31 December 2014, total revenue decreased by 22.4% to £826m (2013: £1,064m) principally due to the recognition of Glyndebourne revenue in 2013.

Operating profit decreased by 33.7% to £195m (2013: £294m). The decrease was due to £139m of operating profit being recognised in relation to the Glyndebourne project in 2013 (2014: £5m). When Glyndebourne is stripped out, the Group's operating profit increased by 22.6%. This was helped by the £27m of net revaluation gains on the Group's investment properties, particularly the new Ginza hotel, and by the £21m impairment charge in 2013 which did not recur in 2014.

Profit from joint ventures and associates in the year decreased to £10m (2013: £14m) due to lower contributions from First Sponsor. Basic earnings per share decreased by 51.0% to 34.0p (2013: 69.4p).

Financial performance – fourth quarter 2014

	Fourth Quarter 2014	Fourth Quarter 2013[1]	Change	
RevPAR	**£76.48**	£70.07	£6.41	9.1%
Revenue excluding Glyndebourne[2]	**£230m**	£205m	£25m	12.2%
Profit before tax excluding Glyndebourne[2]	**£76m**	£40m	£36m	90.0%

Note 2: Revenue and profit from the sale of 147 Glyndebourne condominium were recognised in December 2013. The remaining three units were sold in early 2014.

Excluding Glyndebourne, revenue for the fourth quarter increased by 12.2% (Q4 2013: £205m) and profit before tax increased by 90.0% (Q4 2013: £40m). This reflected improvement in hotel trading, driven by acquisitions and refurbishments, as well as net revaluation gain of the Group's investment properties of £27m (Q4 2013: £19m) and no impairment losses (Q4 2013: £21m).

Foreign exchange translation

	As at 31 December		Average for 12 months January-December	
Currency (=£)	**2014**	2013	**2014**	2013
US dollar	**1.556**	1.647	**1.645**	1.569
Singapore dollar	**2.059**	2.088	**2.087**	1.963
New Taiwan dollar	**49.419**	49.450	**49.938**	46.634
New Zealand dollar	**2.001**	2.013	**1.990**	1.917
Malaysian ringgit	**5.442**	5.419	**5.391**	4.953
Korean won	**1,708.55**	1,735.49	**1,727.98**	1,713.18
Chinese renminbi	**9.684**	9.999	**10.138**	9.648
Euro	**1.278**	1.197	**1.240**	1.179
Japanese yen	**187.334**	172.545	**173.950**	152.194

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 compared to major currencies during the early months of the year and later it retraced its gains against a stronger US dollar but strengthened further against the Euro and the Japanese yen, the effect of which can be seen in the translation reserve on page 12.

[1] *Restated due to the adoption of IFRS 10.*

Financial Position and Resources

	2014 £m	Restated[1] 2013 £m	Change £m
Property, plant and equipment and lease premium prepayment	**2,851**	2,457	394
Investment properties	**479**	414	65
Investments in and loans to joint ventures and associates	**235**	203	32
Other financial assets	**5**	5	-
Non-current assets	**3,570**	3,079	491
Current assets excluding cash	**182**	259	(77)
Provisions and other liabilities excluding interest bearing loans, bonds and borrowings	**(271)**	(236)	(35)
Net debt	**(525)**	(215)	(310)
Deferred tax liabilities	**(221)**	(208)	(13)
Net assets	**2,735**	2,679	56
Equity attributable to equity holders of the parent	**2,263**	2,176	87
Non-controlling interests	**472**	503	(31)
Total equity	**2,735**	2,679	56

Non-current assets

Non-current assets have increased year-on-year, principally due to the acquisition of the five new hotels and the completion of the Tokyo hotel.

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.

External professional open market valuations took place at the end of 2014 for all investment properties and those property assets identified as having impairment risks. This resulted in a revaluation surplus of £29m (2013: £21m) and a revaluation deficit of £2m (2013: £2m) relating to the Group's investment properties being recorded in the accounts for 2014. No impairment charge was made for the Group's hotels during the year ended 31 December 2014 (2013: £21m).

Financial structure

Group interest cover ratio for the year ended 31 December 2014 (excluding share of results of joint ventures and associates, and other operating income and expense) is 10 times (2013: 23 times).

At 31 December 2014, the Group had £392m cash and £255m 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 90.7% of fixed assets and investment properties. At 31 December 2014, total borrowing amounted to £917m of which £70m was drawn under £90m of secured bank facilities.

Future funding

Of the Group's total facilities of £1,188m, £575m matures within 12 months comprising £29m unsecured bonds, £196m committed revolving credit facilities, £45m uncommitted facilities and overdrafts subject to annual renewal, £303m unsecured term loans and £2m 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 was effective for the Group's 2014 accounts, and the implementation of IFRS 10 resulted in the Group consolidating CDLHT which was previously treated as an associate undertaking and not consolidated. The comparatives for 2013 have been restated accordingly

1 *Restated due to the adoption of IFRS 10.*

Consolidated income statement
for the year ended 31 December 2014

	Notes	**Fourth Quarter 2014 Unaudited £m**	Restated[1] Fourth Quarter 2013 Unaudited £m	**Full Year 2014 £m**	Restated[1] Full Year 2013 £m
Revenue	3	**229**	478	**826**	1,064
Cost of sales		**(86)**	(222)	**(333)**	(457)
Gross Profit		**143**	256	**493**	607
Administrative expenses		**(89)**	(78)	**(325)**	(313)
Other operating income	4	**29**	23	**29**	23
Other operating expense	4	**(2)**	(23)	**(2)**	(23)
Operating profit		**81**	178	**195**	294
Share of profit of joint ventures and associates		**5**	5	**10**	14
Finance income		**3**	1	**7**	6
Finance expense		**(9)**	(5)	**(24)**	(19)
Net finance expense	3	**(6)**	(4)	**(17)**	(13)
Profit before tax	3	**80**	179	**188**	295
Income tax expense	5	**(18)**	(18)	**(37)**	(30)
Profit for the year		**62**	161	**151**	265
Attributable to:					
Equity holders of the parent		**44**	147	**110**	224
Non-controlling interests		**18**	14	**41**	41
		62	161	**151**	265
Basic earnings per share (pence)	6	**13.7p**	45.4p	**34.0p**	69.4p
Diluted earnings per share (pence)	6	**13.7p**	45.2p	**33.9p**	69.0p

The financial results above derive from continuing activities.

[1] *Restated due to the adoption of IFRS 10.*

Consolidated statement of comprehensive income
for the year ended 31 December 2014

	Full Year 2014 £m	Restated[1] Full Year 2013 £m
Profit for the year	**151**	265
Other comprehensive income/(expense):		
Items that are not reclassified subsequently to income statement:		
Remeasurement of defined benefit plan actuarial net gains/(losses)	**3**	(1)
	3	(1)
Items that may be reclassified subsequently to income statement:		
Foreign currency translation differences - foreign operations	**47**	(100)
Foreign currency translation differences - equity accounted investees	**7**	1
Net (loss)/gain on hedge of net investments in foreign operations	**(17)**	5
	37	(94)
Other comprehensive income/(expense) for the year, net of tax	**40**	(95)
Total comprehensive income for the year	**191**	170
Total comprehensive income attributable to:		
Equity holders of the parent	**162**	160
Non-controlling interests	**29**	10
Total comprehensive income for the year	**191**	170

[1] *Restated due to the adoption of IFRS 10.*

Consolidated statement of financial position
as at 31 December 2014

	As at 31 December 2014 £m	Restated[1] As at 31 December 2013 £m	Restated[1] As at 1 January 2013 £m
Non-current assets			
Property, plant and equipment	**2,753**	2,370	2,381
Lease premium prepayment	**98**	87	92
Investment properties	**479**	414	392
Investments in joint ventures and associates	**235**	203	193
Loans due from associate	**-**	-	29
Other financial assets	**5**	5	4
	3,570	3,079	3,091
Current assets			
Inventories	**4**	4	4
Development properties	**72**	71	173
Lease premium prepayment	**2**	1	1
Trade and other receivables	**104**	183	74
Loans due from associate	**-**	-	18
Cash and cash equivalents	**392**	351	418
	574	610	688
Total assets	**4,144**	3,689	3,779
Non-current liabilities			
Loans due to associate	**-**	-	(16)
Interest-bearing loans, bonds and borrowings	**(518)**	(489)	(289)
Employee benefits	**(15)**	(18)	(17)
Provisions	**(7)**	(7)	(8)
Other non-current liabilities	**(11)**	(8)	(123)
Deferred tax liabilities	**(221)**	(208)	(232)
	(772)	(730)	(685)
Current liabilities			
Interest-bearing loans, bonds and borrowings	**(399)**	(77)	(307)
Trade and other payables	**(197)**	(156)	(162)
Other current financial liabilities	**-**	(1)	(2)
Provisions	**(6)**	(6)	(6)
Income taxes payable	**(35)**	(40)	(25)
	(637)	(280)	(502)
Total liabilities	**(1,409)**	(1,010)	(1,187)
Net assets	**2,735**	2,679	2,592
Equity			
Issued share capital	**97**	97	97
Share premium	**843**	843	843
Translation reserve	**210**	160	223
Treasury share reserve	**(4)**	(2)	(2)
Retained earnings	**1,117**	1,078	898
Total equity attributable to equity holders of the parent	**2,263**	2,176	2,059
Non-controlling interests	**472**	503	533
Total equity	**2,735**	2,679	2,592

[1] *Restated due to the adoption of IFRS 10.*

Consolidated statement of changes in equity
for the year ended 31 December 2014

	Share capital £m	Share premium £m	Translation reserve £m	Treasury share reserve £m	Retained earnings £m	Total excluding non-controlling interests £m	Non-controlling interests £m	Total equity £m
Balance at 1 January 2013, as previously reported	97	843	263	(2)	975	2,176	187	2,363
IFRS 10 adjustments	-	-	(40)	-	(77)	(117)	346	229
Restated balance as at 1 January 2013	**97**	**843**	**223**	**(2)**	**898**	**2,059**	**533**	**2,592**
Profit	-	-	-	-	224	224	41	265
Other comprehensive expense	-	-	(63)	-	(1)	(64)	(31)	(95)
Total comprehensive income /(expense)	-	-	(63)	-	223	160	10	170
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Dividends - equity holders	-	-	-	-	(44)	(44)	-	(44)
Dividends - non-controlling interests	-	-	-	-	-	-	(40)	(40)
Share-based payment transactions (net of tax)	-	-	-	-	1	1	-	1
Total transactions with owners	-	-	-	-	(43)	(43)	(40)	(83)
Restated at 31 December 2013	97	843	160	(2)	1,078	2,176	503	2,679
Balance at 1 January 2014, as previously reported	**97**	**843**	**191**	**(2)**	**1,160**	**2,289**	**179**	**2,468**
IFRS 10 adjustments	**-**	**-**	**(31)**	**-**	**(82)**	**(113)**	**324**	**211**
Restated balance at 1 January 2014	**97**	**843**	**160**	**(2)**	**1,078**	**2,176**	**503**	**2,679**
Profit	**-**	**-**	**-**	**-**	**110**	**110**	**41**	**151**
Other comprehensive income/(expense)	**-**	**-**	**50**	**-**	**2**	**52**	**(12)**	**40**
Total comprehensive income	**-**	**-**	**50**	**-**	**112**	**162**	**29**	**191**
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Dividends - equity holders	**-**	**-**	**-**	**-**	**(73)**	**(73)**	**-**	**(73)**
Dividends - non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**(35)**	**(35)**
Share-based payment transactions (net of tax)								
Purchase of own shares	**-**	**-**	**-**	**(2)**	**-**	**(2)**	**-**	**(2)**
Contribution by non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**3**	**3**
Changes in ownership interests								
Distribution to minority interests	**-**	**-**	**-**	**-**	**-**	**-**	**(28)**	**(28)**
Total transactions with owners	**-**	**-**	**-**	**(2)**	**(73)**	**(75)**	**(60)**	**(135)**
Balance as at 31 December 2014	**97**	**843**	**210**	**(4)**	**1,117**	**2,263**	**472**	**2,735**

Consolidated statement of cash flows
for the year ended 31 December 2014

	2014 £m	Restated[1] 2013 £m
Cash flows from operating activities		
Profit for the year	**151**	265
Adjustments for:		
Depreciation and amortisation	**52**	47
Share of profit of joint ventures and associates	**(10)**	(14)
Other operating income	**(30)**	(23)
Other operating expense	**3**	23
Equity settled share-based transactions	**-**	1
Finance income	**(7)**	(6)
Finance expense	**24**	19
Income tax expense	**37**	30
Operating profit before changes in working capital and provisions	**220**	342
Movement in inventories, trade and other receivables	**76**	(110)
Movement in development properties	**(1)**	95
Movement in trade and other payables	**35**	(122)
Movement in provisions and employee benefits	**-**	(1)
Cash generated from operations	**330**	204
Interest paid	**(17)**	(17)
Interest received	**5**	5
Income tax paid	**(37)**	(32)
Net cash generated from operating activities	**281**	160
Cash flows from investing activities		
Dividends received from joint venture and associate	**-**	36
Decrease in loans due from associate	**-**	49
Increase in investment in associate	**(44)**	-
Return of capital from associate	**3**	-
Net proceeds from sale of assets	**-**	3
Acquisition of property, plant and equipment, lease premium prepayment and investment properties	**(429)**	(173)
Net cash used in investing activities	**(470)**	(85)
Cash flows from financing activities		
Repayment of borrowings	**(49)**	(420)
Drawdown of borrowings	**377**	426
Payment of transaction costs related to loans and borrowings	**(1)**	(1)
Payment on termination of financial instruments	**-**	(2)
Dividends paid to non-controlling interests	**(35)**	(39)
Movement in loan due to associate	**-**	(17)
Purchase of own shares	**(2)**	-
Capital contribution from non-controlling interests	**3**	-
Dividends paid to equity holders of the parent	**(73)**	(44)
Net cash used in financing activities	**220**	(97)
Net increase/(decrease) in cash and cash equivalents	**31**	(22)
Cash and cash equivalents at beginning of the period	**351**	418
Effect of exchange rate fluctuations on cash held	**6**	(45)
Cash and cash equivalents at end of the year	**388**	351
Reconciliation of cash and cash equivalents		
Cash and cash equivalents shown in the consolidated statement of financial position	**392**	351
Bank overdrafts included in borrowings	**(4)**	-
Cash and cash equivalents for consolidated statement of cash flows	**388**	351

[1] *Restated due to the adoption of IFRS 10.*

Notes to the consolidated financial statements

1. General information

Basis of preparation

The consolidated financial statements in this results announcement for Millennium & Copthorne Hotels plc ("M&C" or "the Company") as at and for the year ended 31 December 2014 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 2014 and 2013. 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 2013 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 2013 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. Other than the adoption of IFRS 10, 11 and 12, the consolidated financial statements for the year ended 31 December 2014 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 2013.

The financial statements were approved by the Board of Directors on 9 February 2015.

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 million.

Notes to the consolidated financial statements

2. Foreign currency translation

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

	As at 31 December		Average for 12 months January-December		Average for 3 months October-December	
Currency (=£)	**2014**	2013	**2014**	2013	**2014**	2013
US dollar	**1.556**	1.647	**1.645**	1.569	**1.582**	1.622
Singapore dollar	**2.059**	2.088	**2.087**	1.963	**2.054**	2.033
New Taiwan dollar	**49.419**	49.450	**49.938**	46.634	**49.134**	48.295
New Zealand dollar	**2.001**	2.013	**1.990**	1.917	**2.012**	1.978
Malaysian ringgit	**5.442**	5.419	**5.391**	4.953	**5.329**	5.214
Korean won	**1,708.55**	1,735.49	**1,727.98**	1,713.18	**1,708.78**	1,720.43
Chinese renminbi	**9.684**	9.999	**10.138**	9.648	**9.750**	9.878
Euro	**1.278**	1.197	**1.240**	1.179	**1.266**	1.188
Japanese yen	**187.334**	172.545	**173.950**	152.194	**179.751**	164.500

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.

The results of CDLHT have been incorporated within the existing geographical regions. In addition, CDLHT operations are reviewed separately by its board on a monthly basis.

Notes to the consolidated financial statements

3. Operating segment information (continued)

	Fourth Quarter 2014								
	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	**40**	**26**	**34**	**20**	**34**	**46**	**12**	**-**	**212**
Property operations	**-**	**1**	**-**	**-**	**1**	**-**	**4**	**-**	**6**
REIT	**-**	**-**	**-**	**-**	**2**	**6**	**3**	**-**	**11**
Total revenue	**40**	**27**	**34**	**20**	**37**	**52**	**19**	**-**	**229**
Hotel gross operating profit	**14**	**5**	**17**	**5**	**16**	**19**	**5**	**-**	**81**
Hotel fixed charges [1]	**(7)**	**(5)**	**(5)**	**(1)**	**(1)**	**(8)**	**(1)**	**-**	**(28)**
Hotel operating profit	**7**	**-**	**12**	**4**	**15**	**11**	**4**	**-**	**53**
Property operating profit/(loss)	**-**	**(1)**	**-**	**-**	**4**	**-**	**1**	**-**	**4**
REIT operating profit/(loss)	**-**	**-**	**-**	**-**	**-**	**3**	**3**	**-**	**6**
Central costs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(9)**	**(9)**
Other operating income [2]	**-**	**-**	**-**	**-**	**3**	**16**	**-**	**-**	**19**
Other operating expense - REIT [2]	**-**	**-**	**-**	**-**	**5**	**1**	**2**	**-**	**8**
Operating profit/(loss)	**7**	**(1)**	**12**	**4**	**27**	**31**	**10**	**(9)**	**81**
Share of joint ventures and associates profit	**-**	**-**	**-**	**-**	**-**	**5**	**-**	**-**	**5**
Add: Depreciation and amortisation	**2**	**2**	**1**	**1**	**3**	**5**	**1**	**-**	**15**
EBITDA [3]	**9**	**1**	**13**	**5**	**30**	**41**	**11**	**(9)**	**101**
Less: Depreciation and amortisation									**(15)**
Net finance expense									**(6)**
Profit before tax									**80**

	Fourth Quarter 2013 (Restated)								
	New York £m	Regional US £m	London £m	Rest of Europe £m	Singapore £m	Rest of Asia £m	Australasia £m	Central Costs £m	Total Group £m
Revenue									
Hotel	30	25	30	18	35	41	11	-	190
Property operations	-	-	-	-	274	-	5	-	279
REIT	-	-	-	-	3	3	3	-	9
Total revenue	30	25	30	18	312	44	19	-	478
Hotel gross operating profit	9	4	16	5	15	12	5	-	66
Hotel fixed charges [1]	(5)	(5)	(4)	(3)	-	(7)	(1)	-	(25)
Hotel operating profit/(loss)	4	(1)	12	2	15	5	4	-	41
Property operating profit	-	-	-	-	140	-	1	-	141
REIT operating profit/(loss)	-	-	-	-	-	2	3	-	5
Central costs	-	-	-	-	-	-	-	(9)	(9)
Other operating income [2]	-	-	-	-	9	3	-	-	12
Other operating expense [2]	-	(12)	-	(4)	-	(6)	-	-	(22)
Other operating expense - REIT [2]	-	-	-	-	1	4	5	-	10
Operating profit/(loss)	4	(13)	12	(2)	165	8	13	(9)	178
Share of joint ventures and associates profit	-	-	-	-	-	5	-	-	5
Add: Depreciation and amortisation	2	2	1	1	2	3	-	-	11
EBITDA [3]	6	(11)	13	(1)	167	16	13	(9)	194
Less: Depreciation and amortisation									(11)
Net finance expense									(4)
Profit before tax									179

Notes to the consolidated financial statements

3. Operating segment information (continued)

	Full Year 2014								
	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	**123**	**106**	**125**	**71**	**131**	**152**	**42**	**-**	**750**
Property operations	**-**	**2**	**-**	**-**	**9**	**1**	**24**	**-**	**36**
REIT	**-**	**-**	**-**	**-**	**11**	**16**	**13**	**-**	**40**
Total revenue	**123**	**108**	**125**	**71**	**151**	**169**	**79**	**-**	**826**
Hotel gross operating profit	**35**	**21**	**64**	**18**	**62**	**53**	**17**	**-**	**270**
Hotel fixed charges [1]	**(22)**	**(16)**	**(19)**	**(11)**	**(2)**	**(28)**	**(4)**	**-**	**(102)**
Hotel operating profit	**13**	**5**	**45**	**7**	**60**	**25**	**13**	**-**	**168**
Property operating profit/(loss)	**-**	**(1)**	**-**	**-**	**8**	**-**	**8**	**-**	**15**
REIT operating profit/(loss)	**-**	**-**	**-**	**-**	**(3)**	**6**	**13**	**-**	**16**
Central costs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(31)**	**(31)**
Other operating income [2]	**-**	**-**	**-**	**-**	**3**	**16**	**-**	**-**	**19**
Other operating expense - REIT [2]	**-**	**-**	**-**	**-**	**5**	**1**	**2**	**-**	**8**
Operating profit/(loss)	**13**	**4**	**45**	**7**	**73**	**48**	**36**	**(31)**	**195**
Share of joint ventures and associates profit	**-**	**-**	**-**	**-**	**-**	**10**	**-**	**-**	**10**
Add: Depreciation and amortisation	**6**	**7**	**5**	**3**	**11**	**17**	**2**	**1**	**52**
EBITDA [3]	**19**	**11**	**50**	**10**	**84**	**75**	**38**	**(30)**	**257**
Less: Depreciation and amortisation									**(52)**
Net finance expense									**(17)**
Profit before tax									**188**

	Full Year 2013 (Restated)								
	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	111	111	69	140	151	43	-	731
Property operations	-	2	-	-	276	-	21	-	299
REIT	-	-	-	-	14	5	15	-	34
Total revenue	106	113	111	69	430	156	79	-	1,064
Hotel gross operating profit	26	19	59	17	67	50	18	-	256
Hotel fixed charges [1]	(19)	(18)	(15)	(12)	(2)	(26)	(5)	-	(97)
Hotel operating profit	7	1	44	5	65	24	13	-	159
Property operating profit/(loss)	-	(1)	-	-	141	-	9	-	149
REIT operating profit/(loss)	-	-	-	-	(2)	5	14	-	17
Central costs	-	-	-	-	-	-	-	(31)	(31)
Other operating income [2]	-	-	-	-	9	2	-	-	11
Other operating expense [2]	-	(12)	-	(3)	-	(6)	-	-	(21)
Other operating expense - REIT [2]	-	-	-	-	1	4	5	-	10
Operating profit/(loss)	7	(12)	44	2	214	29	41	(31)	294
Share of joint ventures and associates profit	-	-	-	-	-	14	-	-	14
Add: Depreciation and amortisation	6	7	5	3	10	13	2	1	47
EBITDA [3]	13	(5)	49	5	224	56	43	(30)	355
Less: Depreciation and amortisation									(47)
Net finance expense									(13)
Profit before tax									295

[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 and, depreciation and amortisation.

Notes to the consolidated financial statements

3. Operating segment information (continued)

Segmental assets and liabilities

At 31 December 2014	**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	**542**	**279**	**502**	**242**	**18**	**654**	**147**	**2,384**
REIT operating assets	**-**	**-**	**-**	**-**	**539**	**128**	**162**	**829**
Hotel operating liabilities	**(34)**	**(22)**	**(34)**	**(19)**	**(21)**	**(59)**	**(8)**	**(197)**
REIT operating liabilities	**-**	**-**	**-**	**-**	**(15)**	**(3)**	**(2)**	**(20)**
Investment in joint ventures and associates	**-**	**-**	**-**	**-**	**-**	**96**	**-**	**96**
Total hotel operating net assets	**508**	**257**	**468**	**223**	**521**	**816**	**299**	**3,092**
Property operating assets	**-**	**31**	**-**	**-**	**97**	**102**	**74**	**304**
Property operating liabilities	**-**	**(1)**	**-**	**-**	**(8)**	**(6)**	**(4)**	**(19)**
Investment in and loans due from joint ventures and associates	**-**	**-**	**-**	**-**	**-**	**139**	**-**	**139**
Total property operating net assets	**-**	**30**	**-**	**-**	**89**	**235**	**70**	**424**
Deferred tax liabilities								**(221)**
Income taxes payable								**(35)**
Net cash								**(525)**
Net assets								**2,735**

At 31 December 2013 restated	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	272	436	191	47	626	145	2,056
REIT operating assets	-	-	-	-	488	87	163	738
Hotel operating liabilities	(12)	(31)	(30)	(16)	(25)	(52)	(7)	(173)
REIT operating liabilities	-	-	-	-	(3)	-	(2)	(5)
Investment in and loans due from joint ventures and associates	-	-	-	-	-	87	-	87
Total hotel operating net assets	327	241	406	175	507	748	299	2,703
Property operating assets	-	28	-	-	182	63	68	341
Property operating liabilities	-	-	-	-	(15)	(1)	(2)	(18)
Investment in and loans due from joint ventures and associates	-	-	-	-	-	116	-	116
Total property operating net assets	-	28	-	-	167	178	66	439
Deferred tax liabilities								(208)
Income taxes payable								(40)
Net debt								(215)
Net assets								2,679

Notes to the consolidated financial statements

4. Other operating income and expense

	Notes	Fourth Quarter 2014 Unaudited £m	Restated Fourth Quarter 2013 Unaudited £m	Full Year 2014 £m	Restated Full Year 2013 £m
Other operating income					
Revaluation gain of investment properties					
- REIT properties	**(a)**	**10**	12	**10**	12
- Millennium Mitsui Garden Hotel Tokyo	**(a)**	**16**	-	**16**	-
- Tanglin Shopping Centre	**(a)**	**3**	9	**3**	9
Gain arising on disposal of assets	**(b)**	**-**	2	**-**	2
		29	23	**29**	23
Other operating expense					
Revaluation deficit of investment properties					
- REIT properties	**(a)**	**(2)**	(2)	**(2)**	(2)
Impairment	**(c)**	**-**	(21)	**-**	(21)
		(2)	(23)	**(2)**	(23)

(a) Revaluation gain/deficit of investment properties
At the end of 2014 and 2013, the Group's investment properties were subject to external professional valuation on an open-market existing use basis. Based on these valuations, the revaluation gain or deficit was recorded as considered appropriate by the Directors.

(b) Gain arising on disposal of assets
In 2013, the Group disposed of its investment in India for £3m (350m rupees) resulted in a profit of £2m after deducting its book cost of £1m.

(c) 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 obtained. As a result of this review, no impairment charge was made for the year ended 31 December 2014. For 2013, the total impairment charge was £21m consisting £4m in relation to four Regional UK hotels in Rest of Europe, £12m for a hotel in Regional US and £5m in relation to a hotel in Rest of Asia.

5. Income tax expense

For the year ended 31 December 2014, the Group recorded a tax expense of £37m (2013: £30m) excluding the tax relating to joint ventures and associates, giving rise to an effective tax rate of 20.7% (2013: 10.7%). The effective tax rate has been affected by a number of factors which include the following items:

- Other income and expense of the Group; and
- Tax adjustments in respect of previous years.

Excluding the impact of the items noted above, the Group's underlying effective tax rate is 17.2% (2013: 20.9%).

For the year ended 31 December 2014, a tax charge of £6m (2013: £5m) relating to joint ventures and associates is included in the profit before tax.

Notes to the consolidated financial statements

6. Earnings per share

Earnings per share are calculated using the following information:

	Fourth Quarter 2014 Unaudited	Fourth Quarter 2013 Unaudited	**Full Year 2014**	Full Year 2013
(a) Basic				
Profit for the year attributable to holders of the parent (£m)	**44**	147	**110**	224
Weighted average number of shares in issue (m)	**324**	325	**324**	324
Basic earnings per share (pence)	**13.7**	45.4	**34.0**	69.4
(b) Diluted				
Profit for the year attributable to holders of the parent (£m)	**44**	147	**110**	224
Weighted average number of shares in issue (m)	**324**	325	**324**	324
Potentially dilutive share options under the Group's share option schemes (m)	**1**	1	**1**	2
Weighted average number of shares in issue (diluted) (m)	**325**	326	**325**	326
Diluted earnings per share (pence)	**13.7**	45.2	**33.9**	69.0

7. 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 61% (2013: 59%) of the Company's shares via City Developments Limited ("CDL"), the intermediate holding company of the Group. During the year ended 31 December 2014, the Group had the following transactions with those subsidiaries.

The Group deposited certain surplus cash with Hong Leong Finance Limited, a subsidiary of Hong Leong, on normal commercial terms. As at 31 December 2014, £30m (2013: £17m) of cash was deposited with Hong Leong Finance Limited.

Fees paid/payable by the Group to CDL and its other subsidiaries were £2m (2013: £2m) which included rentals paid for the Grand Shanghai restaurant and Kings Centre; property management fees for Tanglin Shopping Centre and Glyndebourne in Singapore; car parking, leasing commission and professional services.

As at 31 December 2014, City e-Solutions Limited ("CES"), a subsidiary of CDL held 1,152,031 (2013: 1,152,031) ordinary shares in M&C. CES through its subsidiaries provided consultancy, management and reservation services to M&C for the year ended 31 December 2014 for a total of £1m (2013: £nil).

Transactions with joint venture

City Hotels Pte. Ltd, a 100% subsidiary of the Group, provided a shareholder loan facility of 550m Thai Baht (£10m) to Fena Estate Company Limited ("Fena"), its 50% owned joint venture. At 31 December 2014 and 2013 all of this facility was fully drawn. The loan attracts interest of 4.5% (2013: 4.5%) per annum. This interest was rolled up into the carrying value of the loan. The total loan outstanding as at 31 December 2014, including rolled up interest, was 730m Thai Baht (£14m) (2013: 705m Thai Baht (£13m)).

The Group provided a further US$2.0m (£1m) (2013: US$2.0m (£1m)) operator loan facility to Fena which was fully drawn down at 31 December 2014. The loan attracts interest of 2.2% (2013: 2.2%) per annum. This was rolled up into the carrying value of the loan. Full impairment charge was made by the Group for the interest receivable.

8. Financial commitments, contingencies and subsequent events

Capital commitments at 31 December 2014 which are contracted but not yet provided for in the financial statements amount to £25m (2013: £129m). 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.

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
for the year ended 31 December 2014

Owned or leased hotels*	**Year ended 2014 Reported currency**	Year ended 2013 Constant currency	Year ended 2013 Reported currency
Occupancy (%)			
New York	**86.7**		84.3
Regional US	**60.2**		59.1
Total US	**68.5**		65.9
London	**85.7**		85.4
Rest of Europe	**69.1**		70.7
Total Europe	**77.4**		77.8
Singapore	**88.3**		86.4
Rest of Asia	**71.2**		70.2
Total Asia	**78.1**		76.9
Australasia	**73.7**		67.5
Total Group	**74.2**		72.3
Average Room Rate (£)			
New York	**162.93**	156.7	164.33
Regional US	**73.37**	69.01	72.37
Total US	**108.70**	99.28	104.12
London	**131.23**	126.73	126.73
Rest of Europe	**69.16**	66.80	67.98
Total Europe	**103.38**	98.78	99.33
Singapore	**98.40**	102.61	109.09
Rest of Asia	**83.78**	83.13	87.67
Total Asia	**90.45**	92.18	97.62
Australasia	**57.09**	54.89	56.96
Total Group	**96.49**	92.61	96.25
RevPAR (£)			
New York	**141.30**	132.10	138.53
Regional US	**44.19**	40.76	42.75
Total US	**74.44**	65.40	68.59
London	**112.47**	108.19	108.19
Rest of Europe	**47.78**	47.20	48.04
Total Europe	**79.97**	76.86	77.29
Singapore	**86.88**	88.64	94.24
Rest of Asia	**59.64**	58.37	61.56
Total Asia	**70.62**	70.89	75.08
Australasia	**42.10**	37.06	38.46
Total Group	**71.55**	66.95	69.58
Gross Operating Profit Margin (%)			
New York	**28.0**		24.6
Regional US	**20.1**		16.8
Total US	**24.3**		20.6
London	**50.9**		53.8
Rest of Europe	**24.9**		23.8
Total Europe	**41.5**		42.2
Singapore^	**47.4**		48.0
Rest of Asia	**35.1**		33.3
Total Asia^	**40.8**		40.4
Australasia	**41.4**		42.8
Total Group^	**36.0**		35.1

For comparability, the 31 December 2013 Average Room Rate and RevPAR have been translated at average exchange rates for the period ended 31 December 2014.

** excluding managed, franchised and investment hotels.*
^ restated to reflect REIT consolidation.

APPENDIX 2: KEY OPERATING STATISTICS
for the quarter year ended 31 December 2014

Owned or leased hotels*	**Fourth Quarter 2014 Reported currency**	Fourth Quarter 2013 Constant currency	Fourth Quarter 2013 Reported currency
Occupancy (%)			
New York	**89.2**		85.6
Regional US	**53.5**		51.6
Total US	**65.4**		60.8
London	**86.9**		87.2
Rest of Europe	**66.0**		68.9
Total Europe	**76.4**		77.8
Singapore	**89.5**		85.5
Rest of Asia	**73.9**		76.4
Total Asia	**80.0**		80.2
Australasia	**81.1**		69.5
Total Group	**74.1**		71.7
Average Room Rate (£)			
New York	**186.40**	182.91	180.88
Regional US	**76.30**	72.90	70.26
Total US	**126.44**	114.93	112.52
London	**135.13**	128.04	128.04
Rest of Europe	**73.82**	67.42	68.93
Total Europe	**108.39**	100.45	101.14
Singapore	**97.01**	103.07	103.87
Rest of Asia	**87.20**	85.27	85.86
Total Asia	**91.48**	93.24	93.93
Australasia	**58.68**	56.48	57.51
Total Group	**103.21**	97.91	97.71
RevPAR (£)			
New York	**166.25**	156.60	154.86
Regional US	**40.81**	37.61	36.24
Total US	**82.71**	69.91	68.44
London	**117.45**	111.65	111.65
Rest of Europe	**48.72**	46.49	47.52
Total Europe	**82.76**	78.18	78.71
Singapore	**86.83**	88.16	88.85
Rest of Asia	**64.42**	65.11	65.56
Total Asia	**73.15**	74.79	75.34
Australasia	**47.57**	39.26	39.98
Total Group	**76.48**	70.21	70.07
Gross Operating Profit Margin (%)			
New York	**34.3**		31.4
Regional US	**18.6**		14.6
Total US	**28.0**		23.6
London	**49.4**		53.2
Rest of Europe	**26.4**		25.3
Total Europe	**40.9**		42.3
Singapore^	**46.3**		43.5
Rest of Asia	**42.3**		30.3
Total Asia^	**44.0**		36.4
Australasia	**45.3**		47.3
Total Group^	**38.3**		34.9

For comparability, the 31 December 2013 Average Room Rate and RevPAR have been translated at average exchange rates for the period ended 31 December 2014.

* *excluding managed, franchised and investment hotels.*
^ *restated to reflect REIT consolidation.*

APPENDIX 3: HOTEL ROOM COUNT AND PIPELINE
as at 31 December 2014

Hotel and room count	Hotels **31 December 2014**	31 December 2013	Change	Rooms **31 December 2014**	31 December 2013	Change
Analysed by region:						
New York	**4**	3	1	**2,238**	1,758	480
Regional US	**15**	16	(1)	**4,463**	4,938	(475)
London	**8**	7	1	**2,651**	2,493	158
Rest of Europe	**16**	16	-	**2,560**	2,695	(135)
Middle East	**17**	16	1	**5,123**	4,816	307
Singapore	**6**	6	-	**2,716**	2,716	-
Rest of Asia	**26**	21	5	**9,431**	7,894	1,537
Australasia	**28**	29	(1)	**4,185**	4,423	(238)
Total	**120**	114	6	**33,367**	31,733	1,634
Analysed by ownership type:						
Owned or Leased	**64**	62	2	**19,044**	18,434	610
Managed	**31**	28	3	**8,780**	7,984	796
Franchised	**10**	11	(1)	**1,427**	1,564	(137)
Investment	**15**	13	2	**4,116**	3,751	365
Total	**120**	114	6	**33,367**	31,733	1,634
Analysed by brand:						
Grand Millennium	**8**	5	3	**3,273**	2,455	818
Millennium	**43**	43	-	**14,336**	14,644	(308)
Copthorne	**33**	33	-	**6,895**	6,838	57
Kingsgate	**11**	12	(1)	**1,126**	1,277	(151)
Other M&C	**8**	6	2	**2,321**	2,081	240
Third Party	**17**	15	2	**5,416**	4,438	978
Total	**120**	114	6	**33,367**	31,733	1,634

Pipeline	Hotels **31 December 2014**	31 December 2013	Change	Rooms **31 December 2014**	31 December 2013	Change
Analysed by region:						
Middle East	**15**	17	(2)	**4,300**	4,796	(496)
Asia	**3**	5	(2)	**1,676**	1,936	(260)
New York	**-**	1	(1)	**-**	480	(480)
London	**-**	1	(1)	**-**	158	(158)
Total	**18**	24	(6)	**5,976**	7,370	(1,394)
Analysed by ownership type:						
Managed	**17**	20	(3)	**5,469**	5,896	(427)
Owned	**1**	3	(2)	**507**	1,145	(638)
Investment	**-**	1	(1)	**-**	329	(329)
Total	**18**	24	(6)	**5,976**	7,370	(1,394)
Analysed by brand:						
Grand Millennium	**2**	2	-	**887**	578	309
Millennium	**12**	15	(3)	**3,490**	4,078	(588)
Copthorne	**1**	5	(4)	**164**	1,727	(1,563)
Other M&C	**3**	1	2	**1,435**	507	928
Third party	**-**	1	(1)	**-**	480	(480)
Total	**18**	24	(6)	**5,976**	7,370	(1,394)

The Group’s worldwide pipeline comprises 18 hotels offering 5,976 rooms, which are mainly management contracts.