


Miscellaneous	
* Asterisks denote mandatory information	
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Announcement is submitted by *	Enid Ling Peek Fong
Designation *	Company Secretary
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>> Announcement Details	
The details of the announcement start here ...	
Announcement Title *	Announcement on Second Quarter and Half Year Results for the period ended 30 June 2007 of Subsidiary Company, Millennium & Copthorne Hotels plc
Description	We attach herewith the second quarter and half year results announcement for the period ended 30 June 2007 issued by Millennium & Copthorne Hotels plc on 7 August 2007, for your information.
Attachments:	 MnC-Interim_results.pdf Total size = 217K (2048K size limit recommended)

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**MILLENNIUM & COPTHORNE HOTELS PLC**  
**SECOND QUARTER AND HALF YEAR RESULTS TO 30 JUNE 2007**

7 August 2007

Millennium & Copthorne Hotels plc today announces its second quarter and half year results to 30 June 2007. The Group has a portfolio of 112 hotels located in the Americas, Europe, Middle-East, Asia and New Zealand.

**Second quarter highlights**

- Revenue up 8.9% to £169.3m<sup>1</sup>
- Hotel operating profit margin improved by 2.1 percentage points to 22.7%
- Hotel operating profit up 19.8% to £37.1m<sup>1</sup>
- Headline operating profit up 22.9% to £39.7m (2006: £32.3m) <sup>2</sup>
- Headline profit before tax up 44.4% to £35.1m (2006: £24.3 m) <sup>2</sup>
- Headline earnings per share up 50.0% to 9.3p (2006: 6.2p) <sup>3</sup>
- Group RevPAR up by 9.3%<sup>1</sup>

**Half year highlights**

- Revenue up 8.9% to £322.4m<sup>1</sup>
- Hotel operating profit margin improved by 2.1 percentage points to 18.9%
- Hotel operating profit up 22.7% to £58.9m<sup>1</sup>
- Headline operating profit up 22.5% to £63.7m (2006: £52.0m) <sup>2</sup>
- Headline profit before tax up 49.4% to £53.5m (2006: £35.8 m) <sup>2</sup>
- Headline earnings per share up 61.7% to 13.1p (2006: 8.1p) <sup>3</sup>
- Group RevPAR up by 8.9%<sup>1</sup>
- Interim dividend of 2.08p (2006: 2.08p)

Separately, the Board today announced that Peter Papadimitropoulos has left the company by mutual consent with immediate effect. The search to appoint a new Chief Executive is underway and will be led by the Nominations Committee. In the meantime, Wong Hong Ren, an Executive Director of M&C, will act as Interim Group Chief Executive.

<sup>1</sup> At constant rates of exchange (June 2007 exchange rates)

<sup>2</sup> Adjusted to exclude other operating income

<sup>3</sup> Adjusted to exclude other operating income (net of tax) and effect of change in UK tax legislation to remove claw back on hotel tax allowances

**Commenting today, Mr Kwek Leng Beng, Chairman said:**

"Overall the half year results were strong, particularly in London, New York and Singapore where we have experienced buoyant market conditions. As outlined in May, the group has focused on actively maximising yield management opportunities and I am pleased to say that we have achieved our targets so far. The third quarter has begun well with RevPAR up by 7.6% in the first 4 weeks of July. The outlook for the year as a whole remains positive and our expectations are unchanged."

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**MILLENNIUM & COPTHORNE HOTELS PLC**  
**SECOND QUARTER AND HALF YEAR RESULTS TO 30 JUNE 2007**

**FINANCIAL AND OPERATING HIGHLIGHTS**

	Second quarter ended 30 June		Half year ended 30 June	
	2007 £m	2006 £m	2007 £m	2006 £m
<b>Financial information</b>				
Revenue	<b>169.3</b>	162.8	<b>322.4</b>	312.7
Operating profit	<b>38.9</b>	31.2	<b>62.4</b>	49.6
Profit before tax	<b>35.4</b>	24.6	<b>55.2</b>	36.1
Profit for the period	<b>43.6</b>	19.8	<b>58.4</b>	27.9
Basic earnings per share (pence)	<b>13.8p</b>	6.3p	<b>18.0p</b>	8.2p
<b>Performance reporting</b>				
Hotel operating profit	<b>37.1</b>	32.1	<b>58.9</b>	50.2
Headline operating profit	<b>39.7</b>	32.3	<b>63.7</b>	52.0
Headline profit before tax	<b>35.1</b>	24.3	<b>53.5</b>	35.8
Adjusted effective tax rate (excluding joint ventures and associates)#			<b>30.1%</b>	33.0%
Headline earnings per share (pence)	<b>9.3p</b>	6.2p	<b>13.1p</b>	8.1p
Net debt			<b>235.7</b>	448.0
Gearing (%)			<b>18.0%</b>	36.2%
<b>Operational</b>				
RevPAR growth at constant rates of exchange*	<b>9.3%</b>	6.8%	<b>8.9%</b>	8.4%
Occupancy movement	<b>(0.2%)</b>	0.4%	-	1.1%
Average room rate growth at constant rates of exchange*	<b>9.6%</b>	6.3%	<b>8.9%</b>	5.5%
Hotel revenue growth at constant rates of exchange*	<b>10.1%</b>	1.1%	<b>10.4%</b>	7.0%
Hotel operating profit growth at constant rates of exchange*	<b>19.8%</b>	8.9%	<b>22.7%</b>	11.0%

\* At constant rates of exchange (June 2007 exchange rates)

# Excludes the impact of a change in UK tax legislation in respect of the removal of claw back on hotel tax allowances, and the impact of changes in the tax rate on net opening deferred tax liabilities

**Second quarter overview**

For the second quarter to 30 June 2007, the Group recorded a pre tax profit of £35.4m (2006: £24.6m). Hotel operating profit increased by £5.0m to £37.1m (2006: £32.1m). Headline profit before tax increased by £10.8m to £35.1m (2006: £24.3m). In addition an overall tax credit of £8.2m resulted in basic earnings per share increasing by 119.0% to 13.8p (2006: 6.3p). Headline earnings per share increased by 50.0% to 9.3p (2006: 6.2p). The tax credit is primarily attributable to a change in UK tax legislation in respect of the removal of claw back on hotel tax allowances.

## SUMMARY OF HALF YEAR PERFORMANCE

For the half year to 30 June 2007, the Group recorded a pre tax profit of £55.2m (2006: £36.1m). Hotel operating profit increased by £8.7m to £58.9m (2006: £50.2m). Headline profit before tax increased by £17.7m to £53.5m (2006: £35.8m)

Group RevPAR increased by 8.9% to £50.70 at constant rates of exchange. Average room rates also grew by 8.9% to £69.26 and occupancy remained flat. At constant rates of exchange, total hotel revenues increased by £29.4m and hotel operating profit by £8.7m to £58.9m.

CDL Hospitality Trusts (CDLHT) has had a successful year and our share of profits before other operating income was £3.6m. CDLHT made its second acquisition with the purchase of the Novotel Clarke Quay in Singapore for S\$219.8m. This brings its portfolio of hotels to six.

Other operating income of the Group of £1.4m (2006: £0.3m) comprises a profit of £0.4m on the disposal of shares in CDLHT and following protracted negotiations, the release of a £1.0m property tax provision in the US set aside on the acquisition of Regal hotels in 1999.

Other operating income of associates and joint ventures of £0.3m represents the Group's share of the revaluation of the Novotel Hotel purchased by CDLHT in June.

### Taxation

Excluding the tax relating to joint ventures and associates, the Group has recorded a tax credit of £3.2m (2006: £8.2m tax expense). This tax credit is primarily attributable to the deferred tax impact of a change in UK tax legislation in respect of the removal of claw back of hotel tax allowances, resulting in an estimated attributed £13.0m tax credit, and also includes a £4.9m credit in respect of the impact of reduced tax rates applied to brought forward net deferred tax liabilities.

Excluding the impact of the tax credit adjustments arising from changes in tax legislation and tax rates, the underlying income tax expense for the period is calculated by applying an estimated average annual effective tax rate, in this case of 30.1%, to profit before tax for the period excluding the Group's share of joint venture profits.

A tax charge of £0.6m (2006: £0.6m) relating to joint ventures and associates is included in the reported profit before tax.

### Dividend

The Board recommends an interim dividend of [2.08p] per share. The interim dividend will be paid on 10 October 2007 to those shareholders on the register at the close of business on 17 August 2007. The ex-dividend date of the Company's shares is 15 August 2007.

### Earnings per share

In addition to growth in profit before tax an overall tax credit of £3.2m resulted in basic earnings per share increasing by 119.5% to 18.0p (2006: 8.2p). Headline earnings per share increased by 61.7% to 13.1p (2006: 8.1p). The tax credit is primarily attributable to a change in UK tax legislation in respect of the removal of claw back on hotel tax allowances.

## PERFORMANCE BY REGION

### UNITED STATES

#### New York

Further measures were put in place at the beginning of this year to grow average room rates. As a result of these actions the improvements seen in the first quarter have continued. Average rates increased by 14.8% to £140.47 (2006: £122.41). The growth in average rates came at a cost of a 2.1 percentage point fall in occupancy to 83.7%. The net result was an 11.9% increase in RevPAR to £117.57 (2006: £105.03). The resultant impact of this was to drive gross operating profit margins up 4.2 percentage points to 37.1% (2006: 32.9%). The strongest performer in the region was the Millennium UN Plaza.

#### Regional US

RevPAR increased by 7.1% to £32.57 (2006: £30.42). This was driven by a 7.5% increase in average room rates to £49.72 (2006: £46.23) offset by a 0.3 percentage points fall in occupancy to 65.5% (2006: 65.8%). The top five Millennium properties had RevPAR growth between 12% and 19%, with three of these properties managing to increase occupancy as well as rate.

### EUROPE

#### London

London continues to achieve the strongest growth in our geographical regions. RevPAR increased by 13.8% to £78.34 (2006: £68.85) on the back of high demand with a 15.0% increase in average room rates and a 0.9 percentage points decrease in occupancy to 84.1%. The strongest growth has been at the Millennium Gloucester which underwent a 142 room refurbishment in the first four months of 2006. The improvement is a combination of both the increased inventory available this year and a better product. We restructured the business mix at the Copthorne Tara last year. This had a negative impact in 2006, but the fruits of this restructuring can be seen in its double digit growth this year.

## **Rest of Europe**

RevPAR increased by 1.1% to £52.64 (2006: £52.05) driven by rate growth of 2.8% from £71.30 to £73.31 and occupancy levels which fell from 73.0% to 71.8%.

### *Regional UK*

RevPAR increased 5.2% to £55.64 driven by a 1.5 percentage point increase in occupancy to 77.4% (2006: 75.9%) and a 3.1% increase in rate to £71.88 (2006: £69.69). The strongest growth was in Glasgow & Aberdeen whilst our two Gatwick properties also grew RevPAR by more than 10%. Copthorne Gatwick has had a 129 room refurbishment this year which together with a change in marketing strategy has contributed to this growth.

### *France & Germany*

Our presence in these two countries remains limited to four hotels. RevPAR fell by 5.6% to £47.89. This year started with a weak set of results in our two German properties which has continued into the second quarter. As a result, we have sold 13.2% fewer rooms which, when combined with a small fall in rate, has resulted in a half year RevPAR decrease of 14.7%. Our two French properties showed a 3.8% increase in RevPAR.

## **ASIA**

RevPAR increased by 13.5% to £46.98 (2006: £41.41) driven by occupancy growth of 2.4 percentage points to 75.8% and a 9.9% increase in average room rates to £61.98 (2006: £56.42).

### *Singapore*

The Grand Copthorne Waterfront is now included in the statistics for this region and strong growth continues in this buoyant market. On a like-for-like basis, RevPAR increased 28.8% to £50.26 (2006: £39.03) driven by a 4.9 percentage points increase in occupancy to 85.5% and a 21.4% growth in average room rates to £58.78 (2006: £48.43).

### *Rest of Asia*

RevPAR figures in the rest of Asia have been impacted by the refurbishment works at the Regent Kuala Lumpur. RevPAR increased by 3.5% to £44.51 (2006: £43.01). On a like-for-like basis excluding the Regent Hotel, RevPAR increased by 7.5% to £48.89 (2006: £45.47). There was positive growth in the remaining properties within Asia with noteworthy performances in Seoul, Jakarta, Manila and Penang. Much of the occupancy increase has arisen in the Millennium Seoul Hilton, now benefiting from the addition of a state run Casino.

## **NEW ZEALAND**

In New Zealand, where we operate under the Millennium, Copthorne and Kingsgate brands, RevPAR has remained more or less flat at £29.33. Occupancy fell by 1.0 percentage point to 70.2% (2006: 71.2%) and average rate increased by 1.1% to £41.78 (2006: £41.33). The Oriental Bay has been undergoing a major refurbishment and has now been re-branded a Copthorne. If this property and that of the Kingsgate Greenlane whose lease expired in April 2007 were to be excluded from the statistics, RevPAR would have increased by 0.7%.

Seven Zenith apartments have been sold this year for a profit of £0.7m.

## **REVIEW AND OUTLOOK**

Overall the half year results were strong, particularly in London, New York and Singapore where we have experienced buoyant market conditions. As outlined in May, the group has focused on actively maximising yield management opportunities and I am pleased to say that we have achieved our targets so far. The third quarter has begun well with RevPAR up by 7.6% in the first 4 weeks of July. The outlook for the year as a whole remains positive and our expectations are unchanged.

**Kwek Leng Beng**  
**Chairman**  
**6 August 2007**

**Consolidated income statement (unaudited)  
for the half year ended 30 June 2007**

	Notes	Half year ended 30 June 2007 £m	Half year ended 30 June 2006 £m	Year ended 31 December 2006 £m
Revenue	2	322.4	312.7	646.3
Cost of sales		(135.7)	(140.0)	(277.4)
<b>Gross profit</b>		<b>186.7</b>	172.7	368.9
Administrative expenses		(132.0)	(125.5)	(261.5)
Other operating income	3	1.4	0.3	21.6
<b>Group operating profit</b>		<b>56.1</b>	47.5	129.0
Share of profit of joint ventures and associates		6.3	2.1	25.2
Analysed between share of:				
<b>Operating profit before other income</b>		<b>9.0</b>	4.8	13.8
Other operating income		0.3	-	17.7
Interest, tax and minority interests	4	(3.0)	(2.7)	(6.3)
<hr/>				
<b>Operating profit</b>		<b>62.4</b>	49.6	154.2
Analysed between:				
<b>Headline operating profit</b>	2	<b>63.7</b>	52.0	124.7
Other operating income - Group	3	1.4	0.3	21.6
Other operating income - Share of joint ventures and associates		0.3	-	17.7
Impairment		-	-	(3.5)
Share of interest, tax and minority interests of joint ventures and associates		(3.0)	(2.7)	(6.3)
Finance income		4.5	2.5	5.8
Finance expense		(11.7)	(16.0)	(29.8)
<b>Profit before tax</b>		<b>55.2</b>	36.1	130.2
Income tax credit/(expense)	5	3.2	(8.2)	(22.1)
<b>Profit for the period</b>		<b>58.4</b>	27.9	108.1
Attributable to:				
Equity holders of the parent		52.7	23.7	100.1
Minority interests		5.7	4.2	8.0
		<b>58.4</b>	27.9	108.1
<hr/>				
Basic earnings per share (pence)	6	18.0	8.2	34.5
Diluted earnings per share (pence)	6	17.9	8.2	34.4

The financial results above all derive from continuing activities.

**Consolidated statement of recognised income and expense (unaudited)  
for the half year ended 30 June 2007**

	<b>Half year ended 30 June 2007 £m</b>	Half year ended 30 June 2006 £m	Year ended 31 December 2006 £m
Foreign exchange translation differences	(1.9)	(40.2)	(84.2)
Share of associates other reserve movements	-	-	(2.3)
Actuarial losses arising in respect of defined benefit pension schemes	(1.7)	-	(1.4)
Taxation credit arising on defined benefit pension schemes	0.5	-	0.4
Taxation credit arising in respect of previously revalued property	2.4	-	2.2
<b>Income and expense recognised directly in equity</b>	<b>(0.7)</b>	<b>(40.2)</b>	<b>(85.3)</b>
Profit for the period	58.4	27.9	108.1
<b>Total recognised income and expense for the period</b>	<b>57.7</b>	<b>(12.3)</b>	<b>22.8</b>
Attributable to:			
Equity holders of the parent	47.6	(6.8)	25.1
Minority interests	10.1	(5.5)	(2.3)
<b>Total recognised income and expense for the period</b>	<b>57.7</b>	<b>(12.3)</b>	<b>22.8</b>

**Consolidated balance sheet (unaudited)  
as at 30 June 2007**

	Notes	As at 30 June 2007 £m	As at 30 June 2006 £m	As at 31 December 2006 £m
<b>Non-current assets</b>				
Property, plant and equipment		1,612.6	1,863.4	1,612.4
Lease premium prepayment		74.0	82.8	74.6
Investment properties		48.4	46.7	49.6
Investments in joint ventures and associates		138.7	29.8	115.5
Loans due from joint ventures and associates		4.9	25.8	26.5
Other financial assets		2.9	2.6	3.2
		<b>1,881.5</b>	<b>2,051.1</b>	<b>1,881.8</b>
<b>Current assets</b>				
Inventories		4.3	4.1	4.6
Development properties		71.0	60.8	68.6
Lease premium prepayment		1.2	1.7	1.3
Trade and other receivables		61.3	56.0	57.8
Other financial assets		4.1	6.9	7.2
Cash and cash equivalents		162.4	121.8	162.3
		<b>304.3</b>	<b>251.3</b>	<b>301.8</b>
<b>Total assets</b>		<b>2,185.8</b>	<b>2,302.4</b>	<b>2,183.6</b>
<b>Non-current liabilities</b>				
Interest-bearing loans, bonds and borrowings		(341.0)	(482.4)	(283.1)
Employee benefits		(16.5)	(15.9)	(15.0)
Provisions		(1.2)	(1.5)	(1.3)
Other non-current liabilities		(6.5)	(6.7)	(6.8)
Deferred tax liabilities		(201.7)	(235.6)	(224.6)
		<b>(566.9)</b>	<b>(742.1)</b>	<b>(530.8)</b>
<b>Current liabilities</b>				
Interest-bearing loans, bonds and borrowings		(57.1)	(87.4)	(139.6)
Trade and other payables		(98.3)	(100.9)	(102.6)
Provisions		(0.4)	(0.4)	(0.4)
Income taxes payable		(21.4)	(14.7)	(18.1)
		<b>(177.2)</b>	<b>(203.4)</b>	<b>(260.7)</b>
<b>Total liabilities</b>		<b>(744.1)</b>	<b>(945.5)</b>	<b>(791.5)</b>
<b>Net assets</b>		<b>1,441.7</b>	<b>1,356.9</b>	<b>1,392.1</b>
<b>Equity</b>				
Total equity attributable to equity holders of the parent		1,310.8	1,237.1	1,269.1
Minority interests		130.9	119.8	123.0
<b>Total equity</b>	8	<b>1,441.7</b>	<b>1,356.9</b>	<b>1,392.1</b>



**Consolidated statement of cash flows (unaudited)  
for the half year ended 30 June 2007**

	<b>Half year ended 30 June 2007 £m</b>	Half year ended 30 June 2006 £m	Year ended 31 December 2006 £m
<b>Cash flows from operating activities</b>			
Profit for the period	58.4	27.9	108.1
<i>Adjustments for:</i>			
Depreciation and amortisation	14.8	18.1	34.5
Share of profit of joint ventures and associates	(6.3)	(2.1)	(25.2)
Impairment losses for property, plant and equipment	-	-	3.5
Profit on sale of property, plant and equipment	-	(0.3)	(11.2)
Profit on sale of shares in associates	(0.4)	-	-
Revaluation of investment properties	-	-	(4.9)
Employee stock options	0.4	0.4	0.6
Finance income	(4.5)	(2.5)	(5.8)
Finance expense	11.7	16.0	29.8
Income tax (credit)/expense	(3.2)	8.2	22.1
<b>Operating profit before changes in working capital and provisions</b>	<b>70.9</b>	65.7	151.5
Increase in inventories, trade and other receivables	(1.4)	(1.5)	(5.1)
(Increase)/decrease in development properties	(0.6)	1.6	(2.5)
(Decrease)/increase in trade and other payables	(2.2)	2.7	0.9
Increase/(decrease) in provisions and employee benefits	1.4	(0.2)	(0.3)
<b>Cash generated from operations</b>	<b>68.1</b>	68.3	144.5
Interest paid	(11.2)	(16.5)	(28.9)
Interest received	3.6	3.9	7.8
Income taxes paid	(7.9)	(8.6)	(16.3)
<b>Net cash from operating activities</b>	<b>52.6</b>	47.1	107.1
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment and investment properties	0.1	0.2	210.8
Investment in financial assets	-	(4.7)	(3.1)
Proceeds from disposal of joint venture	-	2.3	4.0
Proceeds from the sale of shares in associates	1.3	-	-
Dividends received from associates	2.7	-	-
Increase in joint ventures and associates	(0.6)	-	(81.3)
Acquisition of property, plant and equipment	(29.8)	(14.0)	(34.6)
<b>Net cash flow from investing activities</b>	<b>(26.3)</b>	(16.2)	95.8
<b>Balance carried forward</b>	<b>26.3</b>	30.9	202.9

**Consolidated statement of cash flows (unaudited) (continued)  
for the half year ended 30 June 2007**

	<b>Half year ended 30 June 2007 £m</b>	Half year ended 30 June 2006 £m	Year ended 31 December 2006 £m
<b>Balance brought forward</b>	<b>26.3</b>	30.9	202.9
<b>Cash flows from financing activities</b>			
Proceeds from the issue of share capital	1.2	0.5	2.2
Repayment of borrowings	(110.1)	(78.6)	(205.0)
Drawdown of borrowings	92.4	80.7	79.7
Payment of finance lease obligations	(1.0)	(1.0)	(2.0)
Loan arrangement fees	(0.1)	(0.6)	(0.6)
Dividends paid to minorities	(2.2)	(2.2)	(2.2)
Dividends paid to equity holders of the parent	(7.6)	(7.3)	(9.1)
<b>Net cash from financing activities</b>	<b>(27.4)</b>	(8.5)	(137.0)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1.1)</b>	22.4	65.9
Cash and cash equivalents at beginning of period	161.5	103.7	103.7
Effect of exchange rate fluctuations on cash held	1.5	(5.3)	(8.1)
<b>Cash and cash equivalents at end of the period</b>	<b>161.9</b>	120.8	161.5
<b>Reconciliation of cash and cash equivalents</b>			
Cash and cash equivalents shown in the balance sheet	162.4	121.8	162.3
Overdraft bank accounts included in borrowings	(0.5)	(1.0)	(0.8)
<b>Cash and cash equivalents for cash flow statement purposes</b>	<b>161.9</b>	120.8	161.5

## Notes to the half year results announcement (unaudited)

### 1. General information

#### Basis of preparation

The half year financial statements for Millennium & Copthorne Hotels plc ('the Company') to 30 June 2007 comprise the Company and its subsidiaries (together referred to as 'the Group') and the Group's interests in jointly controlled and associate entities.

These primary statements and selected notes comprise the unaudited interim consolidated financial results of the Group for the half years ended 30 June, 2007 and 2006 together with the audited results for the year ended 31 December 2006. These half year results do not comprise statutory accounts within the meaning of Section 240 of the Companies Act 1985.

The comparative figures for the financial year ended 31 December 2006 have been extracted from the Group's statutory accounts for that financial year but do not constitute those accounts. Those accounts have been reported on by the Company's auditors and (i) were unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 237(2) or (3) of the Companies Act 1985. The consolidated financial statements of the Group for the financial year ended 31 December 2006 are available from the Company's website [www.millenniumhotels.com](http://www.millenniumhotels.com).

The interim financial information has been prepared applying the accounting policies and presentation that were applied in the preparation of the Group's published consolidated financial statements for the year ended 31 December 2006.

The half year financial statements were approved by the Board of Directors on 6 August 2007.

#### Use of adjusted measures

A number of measures quoted in this half year results announcement are 'non-GAAP' measures. The directors believe these measures provide a more meaningful analysis of trading results of the Group and are consistent with the way financial performance is measured by management. These include hotel operating profit, headline operating profit, headline profit before tax, headline earnings per share, net debt and free cash flow. These measures are used for internal performance analysis and are useful in connection with discussion with the investment analyst community. They are not defined by Adopted IFRSs and therefore may not be directly comparable with other companies' adjusted performance measures. It is not intended to be a substitute for, or superior to Adopted IFRSs performance measures.

The adjustments made to reported profit before tax are:

- Fair value adjustments of investment property
- Business interruption insurance proceeds
- Gains/losses on disposal of property
- Impairment
- Share of other operating income, impairment, interest, tax and minority interests of joint ventures and associates

## Notes to the half year results announcement (unaudited)

### 2. Segmental analysis

The following segmental analysis is not intended to be a full statutory disclosure.

Revenue	Half year ended 30 June 2007							Central costs £m	Total Group £m
	New York £m	Regional US £m	London £m	Rest of Europe £m	Asia £m	Australasia £m			
Hotel	49.0	53.9	43.9	47.4	94.2	22.7	-	311.1	
Property operations	-	0.9	-	-	0.7	9.7	-	11.3	
<b>Total</b>	<b>49.0</b>	<b>54.8</b>	<b>43.9</b>	<b>47.4</b>	<b>94.9</b>	<b>32.4</b>	-	<b>322.4</b>	
Hotel gross operating profit	18.2	12.0	21.6	14.4	39.1	9.5	-	114.8	
Hotel fixed charges*	(7.5)	(8.8)	(8.4)	(8.4)	(18.6)	(4.2)	-	(55.9)	
Hotel operating profit	10.7	3.2	13.2	6.0	20.5	5.3	-	58.9	
Property operations operating profit	-	-	-	-	0.3	4.2	-	4.5	
Central costs	-	-	-	-	-	-	(8.7)	(8.7)	
Share of joint ventures and associates operating profit	-	-	-	-	9.0	-	-	9.0	
<b>Headline operating profit</b>	<b>10.7</b>	<b>3.2</b>	<b>13.2</b>	<b>6.0</b>	<b>29.8</b>	<b>9.5</b>	<b>(8.7)</b>	<b>63.7</b>	
Other operating income - Group	-	-	-	-	0.4	-	1.0	1.4	
Other operating income - Share of joint ventures and associates	-	-	-	-	0.3	-	-	0.3	
Share of interest, tax and minority interests of joint ventures and associates	-	-	-	-	(3.0)	-	-	(3.0)	
<b>Operating profit</b>	<b>10.7</b>	<b>3.2</b>	<b>13.2</b>	<b>6.0</b>	<b>27.5</b>	<b>9.5</b>	<b>(7.7)</b>	<b>62.4</b>	
Net financing costs								(7.2)	
<b>Profit before tax</b>								<b>55.2</b>	

Revenue	Half year ended 30 June 2006							Central costs £m	Total Group £m
	New York £m	Regional US £m	London £m	Rest of Europe £m	Asia £m	Australasia £m			
Hotel	49.0	57.3	39.2	47.9	81.8	23.1	-	298.3	
Property operations	-	1.3	-	-	0.7	12.4	-	14.4	
<b>Total</b>	<b>49.0</b>	<b>58.6</b>	<b>39.2</b>	<b>47.9</b>	<b>82.5</b>	<b>35.5</b>	-	<b>312.7</b>	
Hotel gross operating profit	16.1	12.2	17.6	13.8	30.0	9.9	-	99.6	
Hotel fixed charges*	(9.3)	(9.3)	(6.7)	(7.8)	(11.7)	(4.6)	-	(49.4)	
Hotel operating profit	6.8	2.9	10.9	6.0	18.3	5.3	-	50.2	
Property operations operating profit	-	0.3	-	-	0.3	4.0	-	4.6	
Central costs	-	-	-	-	-	-	(7.6)	(7.6)	
Share of joint ventures and associates operating profit	-	-	-	-	4.8	-	-	4.8	
<b>Headline operating profit</b>	<b>6.8</b>	<b>3.2</b>	<b>10.9</b>	<b>6.0</b>	<b>23.4</b>	<b>9.3</b>	<b>(7.6)</b>	<b>52.0</b>	
Other operating income - Group	-	-	-	-	0.3	-	-	0.3	
Share of interest, tax and minority interests of joint ventures and associates	-	-	-	-	(2.7)	-	-	(2.7)	
<b>Operating profit</b>	<b>6.8</b>	<b>3.2</b>	<b>10.9</b>	<b>6.0</b>	<b>21.0</b>	<b>9.3</b>	<b>(7.6)</b>	<b>49.6</b>	
Net financing costs								(13.5)	
<b>Profit before tax</b>								<b>36.1</b>	

## Notes to the half year results announcement (unaudited)

### 2. Segmental analysis (continued)

	Year ended 31 December 2006							Central costs £m	Total Group £m
	New York £m	Regional US £m	London £m	Rest of Europe £m	Asia £m	Australasia £m			
<b>Revenue</b>									
Hotel	103.1	117.0	84.2	96.8	175.1	44.9	-	621.1	
Property operations	-	2.3	-	-	1.4	21.5	-	25.2	
<b>Total</b>	<b>103.1</b>	<b>119.3</b>	<b>84.2</b>	<b>96.8</b>	<b>176.5</b>	<b>66.4</b>	<b>-</b>	<b>646.3</b>	
Hotel gross operating profit	38.9	27.7	40.1	28.9	69.4	18.8	-	223.8	
Hotel fixed charges*	(16.3)	(18.5)	(13.8)	(16.6)	(29.8)	(8.5)	-	(103.5)	
Hotel operating profit	22.6	9.2	26.3	12.3	39.6	10.3	-	120.3	
Property operations operating profit	-	0.2	-	-	0.6	8.0	-	8.8	
Central costs	-	-	-	-	-	-	(18.2)	(18.2)	
Share of joint ventures and associates operating profit	-	-	-	-	13.8	-	-	13.8	
<b>Headline operating profit</b>	<b>22.6</b>	<b>9.4</b>	<b>26.3</b>	<b>12.3</b>	<b>54.0</b>	<b>18.3</b>	<b>(18.2)</b>	<b>124.7</b>	
Other operating income - Group	5.5	3.1	-	-	13.0	-	-	21.6	
Other operating income - Share of associates and joint ventures	-	-	-	-	17.7	-	-	17.7	
Impairment	-	(0.6)	-	(2.9)	-	-	-	(3.5)	
Share of interest, tax and minority interests of joint ventures and associates	-	-	-	-	(6.3)	-	-	(6.3)	
<b>Operating profit</b>	<b>28.1</b>	<b>11.9</b>	<b>26.3</b>	<b>9.4</b>	<b>78.4</b>	<b>18.3</b>	<b>(18.2)</b>	<b>154.2</b>	
Net financing costs								(24.0)	
<b>Profit before tax</b>								<b>130.2</b>	

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

## Notes to the half year results announcement (unaudited)

### 2. Segmental analysis (continued)

#### Segmental assets and liabilities

	New York	Regional US	London	Rest of Europe	Asia	Australasia	Total Group
<b>Half year – 30 June 2007</b>	<b>2007</b>	<b>2007</b>	<b>2007</b>	<b>2007</b>	<b>2007</b>	<b>2007</b>	<b>2007</b>
	£m	£m	£m	£m	£m	£m	£m
Hotel operating assets	282.1	240.3	456.1	214.9	463.2	104.6	1,761.2
Hotel operating liabilities	(59.7)	(54.1)	(53.0)	(33.7)	(126.3)	(11.1)	(337.9)
Investments in joint ventures and associates	-	-	-	-	138.1	-	138.1
Loans to joint ventures	-	-	-	-	4.9	-	4.9
<b>Total hotel operating net assets</b>	<b>222.4</b>	<b>186.2</b>	<b>403.1</b>	<b>181.2</b>	<b>479.9</b>	<b>93.5</b>	<b>1,566.3</b>
Property operating assets	-	43.2	-	-	33.3	43.3	119.8
Property operating liabilities	-	(7.3)	-	-	(0.6)	(0.8)	(8.7)
<b>Total property operating net assets</b>	<b>-</b>	<b>35.9</b>	<b>-</b>	<b>-</b>	<b>32.7</b>	<b>42.5</b>	<b>111.1</b>
Net debt							(235.7)
<b>Net assets</b>							<b>1,441.7</b>
<b>Half year – 30 June 2006</b>	<b>2006</b>	<b>2006</b>	<b>2006</b>	<b>2006</b>	<b>2006</b>	<b>2006</b>	<b>2006</b>
	£m	£m	£m	£m	£m	£m	£m
Hotel operating assets	306.4	280.3	456.4	225.8	660.4	87.3	2,016.6
Hotel operating liabilities	(72.5)	(51.1)	(66.8)	(43.9)	(118.8)	(13.8)	(366.9)
Investments in joint ventures and associates	-	-	-	-	29.8	-	29.8
Loans to joint ventures	-	-	-	-	25.8	-	25.8
<b>Total hotel operating net assets</b>	<b>233.9</b>	<b>229.2</b>	<b>389.6</b>	<b>181.9</b>	<b>597.2</b>	<b>73.5</b>	<b>1,705.3</b>
Property operating assets	-	40.9	-	-	28.7	38.9	108.5
Property operating liabilities	-	(7.4)	-	-	(0.6)	(0.9)	(8.9)
<b>Total property operating net assets</b>	<b>-</b>	<b>33.5</b>	<b>-</b>	<b>-</b>	<b>28.1</b>	<b>38.0</b>	<b>99.6</b>
Net debt							(448.0)
<b>Net assets</b>							<b>1,356.9</b>
<b>Year – 31 December 2006</b>	<b>2006</b>	<b>2006</b>	<b>2006</b>	<b>2006</b>	<b>2006</b>	<b>2006</b>	<b>2006</b>
	£m	£m	£m	£m	£m	£m	£m
Hotel operating assets	292.3	235.9	452.0	216.1	468.8	97.4	1,762.5
Hotel operating liabilities	(60.1)	(64.7)	(67.0)	(36.1)	(126.8)	(11.6)	(366.3)
Investments in joint ventures and associates	-	-	-	-	115.5	-	115.5
Loans to joint ventures	-	-	-	-	26.5	-	26.5
<b>Total hotel operating net assets</b>	<b>232.2</b>	<b>171.2</b>	<b>385.0</b>	<b>180.0</b>	<b>484.0</b>	<b>85.8</b>	<b>1,538.2</b>
Property operating assets	-	43.3	-	-	33.9	42.0	119.2
Property operating liabilities	-	(3.7)	-	-	(0.4)	(0.8)	(4.9)
<b>Total property operating net assets</b>	<b>-</b>	<b>39.6</b>	<b>-</b>	<b>-</b>	<b>33.5</b>	<b>41.2</b>	<b>114.3</b>
Net debt							(260.4)
<b>Net assets</b>							<b>1,392.1</b>

## Notes to the half year results announcement (unaudited)

### 3. Other operating income

	<b>Half year ended 30 June 2007 £m</b>	Half year ended 30 June 2006 £m	Year ended 31 December 2006 £m
Release of property tax provision set aside on acquisition of Regal hotels in 1999	1.0	-	-
Profit on disposal of shares in CDLHT	0.4	-	-
Profit on sale and leaseback of three Singapore hotels – Orchard Hotel, Copthorne Kings Hotels and M Hotel	-	-	10.1
Changes in fair value upon revaluation of investment property	-	-	4.9
Business interruption insurance proceeds	-	-	5.5
Other	-	0.3	1.1
	<b>1.4</b>	<b>0.3</b>	<b>21.6</b>

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

	<b>Half year ended 30 June 2007 £m</b>	Half year ended 30 June 2006 £m	Year ended 31 December 2006 £m
Interest	(0.9)	(0.8)	(1.4)
Tax	(0.6)	(0.6)	(1.8)
Minority interests	(1.5)	(1.3)	(3.1)
	<b>(3.0)</b>	<b>(2.7)</b>	<b>(6.3)</b>

### 5. Income tax (credit)/expense

	<b>Half year ended 30 June 2007 £m</b>	Half year ended 30 June 2006 £m	Year ended 31 December 2006 £m
UK	(15.8)	1.0	0.7
Overseas	12.6	7.2	21.4
Total income tax (credit)/expense in income statement	<b>(3.2)</b>	<b>8.2</b>	<b>22.1</b>

## Notes to the half year results announcement (unaudited)

### 5. Income tax (credit)/expense (continued)

	Half year ended 30 June 2007 £m	Half year ended 30 June 2006 £m	Year ended 31 December 2006 £m
<b>Current tax</b>			
Corporation tax charge for the period	11.4	6.7	18.2
Adjustment in respect of prior years	-	(2.1)	(6.6)
<b>Total current tax expense</b>	<b>11.4</b>	<b>4.6</b>	<b>11.6</b>
<b>Deferred tax</b>			
Origination and reversal of timing differences	1.7	3.3	0.3
(Reduction)/increase in tax rate	(4.9)	0.1	0.2
Benefits of tax losses recognised	1.7	-	9.0
(Over)/under provision in respect of prior years	(13.1)	0.2	1.0
<b>Total deferred tax (credit)/expense</b>	<b>(14.6)</b>	<b>3.6</b>	<b>10.5</b>
<b>Total income tax (credit)/expense in the income statement</b>	<b>(3.2)</b>	<b>8.2</b>	<b>22.1</b>

	Half year ended 30 June 2007 £m	Half year ended 30 June 2006 £m	Year ended 31 December 2006 £m
<b>Income tax reconciliation</b>			
Profit before tax in income statement	55.2	36.1	130.2
Less share of profit in joint ventures and associates	(6.3)	(2.1)	(25.2)
	<b>48.9</b>	<b>34.0</b>	<b>105.0</b>
Income tax on ordinary activities at the standard rate of UK tax of 30%	14.7	10.2	31.5
Effects of:			
Permanent differences	(1.4)	(1.2)	(5.5)
Non-utilisation of tax losses arising in year	0.3	0.3	0.5
Utilisation of brought forward tax losses	(0.1)	-	(0.6)
Higher/(lower) rates on overseas earnings	0.3	0.1	(1.2)
Overseas tax suffered	1.0	0.6	1.6
Effect of change in tax rates on opening deferred taxes	(4.9)	0.1	0.3
Effect of change in UK tax legislation in respect of the removal of claw back on hotel tax allowances	(13.0)	-	-
Other adjustments to tax charge in respect of prior years	(0.1)	(1.9)	(5.6)
Unrecognised deferred tax assets	-	-	1.1
<b>Total income tax (credit)/expense in the income statement</b>	<b>(3.2)</b>	<b>8.2</b>	<b>22.1</b>

Excluding the tax relating to joint ventures and associates, the Group has recorded a tax credit of £3.2m (half year ended 30 June 2006 a £8.2m tax expense and for the year ended 31 December 2006 a £22.1m tax expense). This tax credit is primarily attributable to the deferred tax impact of a change in UK tax legislation in respect of the removal of claw back on hotel tax allowances, resulting in an estimated attributed £13.0m tax credit, and also includes a £4.9m credit in respect of the impact of reduced tax rates applied to brought forward net deferred tax liabilities.

Excluding the impact of the tax credit adjustments arising from changes in tax legislation and tax rates, the underlying income tax expense for the period is calculated by applying an estimated average annual effective tax rate, in this case of 30.1%, to profit before tax for the period excluding the Group's share of joint venture profits.

A tax charge of £0.6m (2006: £0.6m) relating to joint ventures and associates is included in the reported profit before tax.



## Notes to the half year results announcement (unaudited)

### 6. Earnings per share

	<b>Half year ended 30 June 2007</b>	Half year ended 30 June 2006	Year ended 31 December 2006
<b>Basic</b>			
Profit for period attributable to holders of the parent (£m)	52.7	23.7	100.1
Weighted average number of shares outstanding (m)	292.8	288.8	289.9
Basic earnings per share (pence)	18.0	8.2	34.5
<b>Diluted</b>			
Weighted average number of shares outstanding (m)	293.7	289.8	290.6
Diluted earnings per share (pence)	17.9	8.2	34.4
<b>Headline earnings per share</b>			
Profit for the period attributable to holders of the parent (£m)	52.7	23.7	100.1
Adjustment to exclude:			
- Other operating income (net of tax) (£m)	(1.0)	(0.2)	(22.4)
- Impairment (net of tax) (£m)	-	-	3.3
- Share of associates other operating income (nil tax) (£m)	(0.3)	-	(17.7)
- Change in UK tax legislation on hotel tax allowances (£m)	(13.0)	-	-
Adjusted profit for the period attributable to holders of the parent (£m)	38.4	23.5	63.3
Weighted average number of shares outstanding (m)	292.8	288.8	289.9
Adjusted earnings per share (pence)	13.1	8.1	21.8

### 7. Dividends

Dividends have been recognised within equity as follows:

	<b>Half year ended 30 June 2007 £m</b>	Half year ended 30 June 2006 £m	Year ended 31 December 2006 £m
Final ordinary dividend paid for 2006 of 6.42p (for 2005: 5.62p)	18.7	16.2	16.2
Interim ordinary dividend paid for 2006 of 2.08p (for 2005: 2.08p)	-	-	6.1
	18.7	16.2	22.3
Final special ordinary dividend paid for 2006 of 4.00p (for 2005: Nil)	11.7	-	-
	30.4	16.2	22.3

After the balance sheet date, the Directors have declared an interim dividend of [2.08p] per share (2006 interim dividend: 2.08p) payable on 10 October 2007 to the holders of relevant shares on the register at 17 August 2007. The ex-dividend date of the Company's shares is 15 August 2007. The interim dividend amounts to £6.2m (2006: £6.1m) and will be reflected in the financial statements in the second half of the financial year.

The Directors again offer the option of a scrip dividend reinvestment plan. Those shareholders who have not elected to participate in this plan, and who would like to participate with respect to the 2007 interim dividend, may do so by contacting Lloyds TSB Registrars direct on 0870 2413018. The last day for election for the interim dividend is 26 September 2007 and any requests should be made in good time ahead of that date.

## Notes to the half year results announcement (unaudited)

### 8. Statement of changes to total equity

	<b>Half year ended 30 June 2007 £m</b>	Half year ended 30 June 2006 £m	Year ended 31 December 2006 £m
Total recognised income and expense for the period	<b>57.7</b>	(12.3)	22.8
Dividends paid to equity holders of the parent	<b>(30.4)</b>	(16.2)	(22.3)
Issue of shares in lieu of dividends	<b>22.8</b>	8.9	13.2
Dividends paid to minority interests	<b>(2.2)</b>	(2.2)	(2.2)
Share options exercised	<b>1.2</b>	0.5	2.2
Equity settled transactions	<b>0.5</b>	0.4	0.6
Net increase/(decrease) in total equity	<b>49.6</b>	(20.9)	14.3
Opening total equity	<b>1,392.1</b>	1,377.8	1,377.8
<b>Closing total equity</b>	<b>1,441.7</b>	1,356.9	1,392.1

## Notes to the half year results announcement (unaudited)

### 9. Non-GAAP measures

#### Headline operating profit

Headline operating profit is the Group's measure of the underlying profit before interest and tax. It includes the operating results of joint ventures and associates but excludes other operating income (of Group and share of associates) which is normally a one-off item.

	Half year ended 30 June 2007 £m	Half year ended 30 June 2006 £m	Year ended 31 December 2006 £m
<b>Profit before tax</b>	<b>55.2</b>	36.1	130.2
Adjusted to exclude:			
Fair value adjustments of investment property	-	-	(4.9)
Business interruption insurance proceeds	-	-	(5.5)
Net gain on disposal of property - sale and leaseback of 3 Singapore hotels	-	-	(10.1)
- other	-	(0.3)	(1.1)
Profit on disposal of shares in CDLHT	<b>(0.4)</b>	-	-
Release of property tax provision set aside on acquisition of Regal hotels in 1999	<b>(1.0)</b>	-	-
Share of associates (CDLHT) fair value adjustments to investment property	<b>(0.3)</b>	-	(17.7)
Impairment	-	-	3.5
<b>Headline profit before tax</b>	<b>53.5</b>	35.8	94.4
Add back:			
Share of results of joint ventures and associates			
- interest	<b>0.9</b>	0.8	1.4
- taxation	<b>0.6</b>	0.6	1.8
- minority interests	<b>1.5</b>	1.3	3.1
Net financing costs	<b>7.2</b>	13.5	24.0
<b>Headline operating profit</b>	<b>63.7</b>	52.0	124.7
	<b>As at 30 June 2007 £m</b>	As at 30 June 2006 £m	As at 31 December 2006 £m
<b>Net Debt</b>			
Cash and cash equivalents (as presented in the consolidated balance sheet)	<b>161.9</b>	120.8	161.5
Bank overdrafts	<b>0.5</b>	1.0	0.8
Cash and cash equivalents (as presented in the consolidated balance sheet)	<b>162.4</b>	121.8	162.3
Interest-bearing loans, bonds and borrowings - Non-current	<b>(341.0)</b>	(482.4)	(283.1)
- Current	<b>(57.1)</b>	(87.4)	(139.6)
<b>Net debt</b>	<b>(235.7)</b>	(448.0)	(260.4)
<b>Gearing (%)</b>	<b>18.0%</b>	36.2%	20.5%

### 10. Subsequent events

On 12 July 2007, the Group was allocated an additional 41,213,790 new stapled securities of CDL Hospitality Trusts ('CDLHT') costing S\$100.0m (£32.8m) under a three for every 20 existing stapled preferential offering of 107,162,695 new stapled securities. This now takes the Group's cost of investment in CDLHT to £98.4m for a 38.5% interest.

## **Independent review report to Millennium & Copthorne Hotels plc**

### **Introduction**

We have been instructed by the company to review the financial information for the half year ended 30 June 2007 which comprises the consolidated income statement, consolidated statement of recognised income and expense, consolidated balance sheet, consolidated statement of cash flows and the related notes (1) to (10).

We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the Listing Rules of the Financial Services Authority. Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

### **Directors' responsibilities**

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

### **Review work performed**

We conducted our review in accordance with guidance contained in Bulletin 1999/4 *Review of interim financial information* issued by the Auditing Practices Board for use in the UK. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with International Standards on Auditing (UK and Ireland) and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

### **Review conclusion**

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the half year ended 30 June 2007.

**KPMG Audit Plc**  
*Chartered Accountants*

8 Salisbury Square  
London  
EC4Y 8BB

Date: 6 August 2007

**APPENDIX 1: Key operating statistics (unaudited)  
for the half year ended 30 June 2007**

	Half year ended 30 June 2007 Reported currency	Half year ended 30 June 2006 Constant currency	Half year ended 30 June 2006 Reported currency
<b>Occupancy %</b>			
New York	83.7		85.8
Regional US	65.5		65.8
Total US	69.7		70.4
London	84.1		85.0
Rest of Europe	71.8		73.0
Total Europe	77.3		78.3
Asia	75.8		73.4
Australasia	70.2		71.2
<b>Total Group</b>	<b>73.2</b>		<b>73.2</b>
<b>Average Room Rate (£)</b>			
New York	140.47	122.41	135.84
Regional US	49.72	46.23	51.30
Total US	74.92	67.68	75.11
London	93.15	81.00	81.00
Rest of Europe	73.31	71.30	71.88
Total Europe	82.89	75.97	76.27
Asia	61.98	56.42	60.87
Australasia	41.78	41.33	40.86
<b>Total Group</b>	<b>69.26</b>	<b>63.59</b>	<b>67.36</b>
<b>RevPAR (£)</b>			
New York	117.57	105.03	116.55
Regional US	32.57	30.42	33.76
Total US	52.22	47.65	52.88
London	78.34	68.85	68.85
Rest of Europe	52.64	52.05	52.47
Total Europe	64.07	59.48	59.72
Asia	46.98	41.41	44.68
Australasia	29.33	29.43	29.09
<b>Total Group</b>	<b>50.70</b>	<b>46.55</b>	<b>49.31</b>
<b>Gross Operating Profit Margin (%)</b>			
New York	37.1		32.9
Regional US	22.3		21.3
Total US	29.3		26.6
London	49.2		44.9
Rest of Europe	30.4		28.8
Total Europe	39.4		36.1
Asia	41.5		36.7
Australasia	41.9		42.9
<b>Total Group</b>	<b>36.9</b>		<b>33.4</b>

For comparability the 30 June 2006 Average Room Rate and RevPAR have been translated at 30 June 2007 exchange rates.

**APPENDIX 2: Consolidated income statement (unaudited)  
for the second quarter ended 30 June 2007**

	<b>Second quarter ended 30 June 2007 £m</b>	Second quarter ended 30 June 2006 £m
Revenue	<b>169.3</b>	162.8
Cost of sales	<b>(68.3)</b>	(70.2)
<b>Gross profit</b>	<b>101.0</b>	92.6
Administrative expenses	<b>(65.7)</b>	(62.6)
Other operating income	-	0.3
<b>Group operating profit</b>	<b>35.3</b>	30.3
Share of profit of joint ventures and associates	<b>3.6</b>	0.9
Analysed between share of:		
<b>Operating profit before other income</b>	<b>4.4</b>	2.3
Other operating income	<b>0.3</b>	-
Interest, tax and minority interests	<b>(1.1)</b>	(1.4)
<b>Operating profit</b>	<b>38.9</b>	31.2
Analysed between:		
<b>Headline operating profit</b>	<b>39.7</b>	32.3
Other operating income - Group	-	0.3
Other operating income - Share of joint ventures and associates	<b>0.3</b>	-
Share of interest, tax and minority interests of joint ventures and associates	<b>(1.1)</b>	(1.4)
Finance income	<b>2.3</b>	1.3
Finance expense	<b>(5.8)</b>	(7.9)
<b>Profit before tax</b>	<b>35.4</b>	24.6
Income tax credit/(expense)	<b>8.2</b>	(4.8)
<b>Profit for the period</b>	<b>43.6</b>	19.8
Attributable to:		
Equity holders of the parent	<b>40.5</b>	18.1
Minority interests	<b>3.1</b>	1.7
	<b>43.6</b>	19.8
Basic earnings per share (pence)	<b>13.8</b>	6.3
Diluted earnings per share (pence)	<b>13.7</b>	6.3

The financial results above all derive from continuing activities.

### APPENDIX 3: Segmental analysis for the second quarter ended 30 June 2007

Revenue	Second quarter ended 30 June 2007							Central costs £m	Total Group £m
	New York £m	Regional US £m	London £m	Rest of Europe £m	Asia £m	Australasia £m			
Hotel	27.6	30.4	23.4	24.0	48.9	9.3	-	163.6	
Property operations	-	0.4	-	-	0.4	4.9	-	5.7	
<b>Total</b>	<b>27.6</b>	<b>30.8</b>	<b>23.4</b>	<b>24.0</b>	<b>49.3</b>	<b>14.2</b>	<b>-</b>	<b>169.3</b>	
Hotel gross operating profit	12.0	8.8	12.0	7.3	21.7	3.0	-	64.8	
Hotel fixed charges*	(4.0)	(4.5)	(3.5)	(4.3)	(9.6)	(1.8)	-	(27.7)	
Hotel operating profit	8.0	4.3	8.5	3.0	12.1	1.2	-	37.1	
Property operations operating profit	-	-	-	-	0.1	2.1	-	2.2	
Central costs	-	-	-	-	-	-	(4.0)	(4.0)	
Share of joint ventures and associates operating profit	-	-	-	-	4.4	-	-	4.4	
<b>Headline operating profit</b>	<b>8.0</b>	<b>4.3</b>	<b>8.5</b>	<b>3.0</b>	<b>16.6</b>	<b>3.3</b>	<b>(4.0)</b>	<b>39.7</b>	
Other operating income - Share of joint ventures and associates	-	-	-	-	0.3	-	-	0.3	
Share of interest, tax and minority interests of joint ventures and associates	-	-	-	-	(1.1)	-	-	(1.1)	
<b>Operating profit</b>	<b>8.0</b>	<b>4.3</b>	<b>8.5</b>	<b>3.0</b>	<b>15.8</b>	<b>3.3</b>	<b>(4.0)</b>	<b>38.9</b>	
Net financing costs								(3.5)	
<b>Profit before tax</b>								<b>35.4</b>	

Revenue	Second quarter ended 30 June 2006							Central costs £m	Total Group £m
	New York £m	Regional US £m	London £m	Rest of Europe £m	Asia £m	Australasia £m			
Hotel	27.6	31.8	21.2	24.5	41.8	9.3	-	156.2	
Property operations	-	0.6	-	-	0.4	5.6	-	6.6	
<b>Total</b>	<b>27.6</b>	<b>32.4</b>	<b>21.2</b>	<b>24.5</b>	<b>42.2</b>	<b>14.9</b>	<b>-</b>	<b>162.8</b>	
Hotel gross operating profit	11.0	9.0	9.9	7.2	16.2	3.3	-	56.6	
Hotel fixed charges*	(5.2)	(4.8)	(3.3)	(3.4)	(5.7)	(2.1)	-	(24.5)	
Hotel operating profit	5.8	4.2	6.6	3.8	10.5	1.2	-	32.1	
Property operations operating profit	-	0.2	-	-	0.1	1.8	-	2.1	
Central costs	-	-	-	-	-	-	(4.2)	(4.2)	
Share of joint ventures and associates operating profit	-	-	-	-	2.3	-	-	2.3	
<b>Headline operating profit</b>	<b>5.8</b>	<b>4.4</b>	<b>6.6</b>	<b>3.8</b>	<b>12.9</b>	<b>3.0</b>	<b>(4.2)</b>	<b>32.3</b>	
Other operating income - Group	-	-	-	-	0.3	-	-	0.3	
Share of interest, tax and minority interests of joint ventures and associates	-	-	-	-	(1.4)	-	-	(1.4)	
<b>Operating profit</b>	<b>5.8</b>	<b>4.4</b>	<b>6.6</b>	<b>3.8</b>	<b>11.8</b>	<b>3.0</b>	<b>(4.2)</b>	<b>31.2</b>	
Net financing costs								(6.6)	

Profit before tax

24.6

#### APPENDIX 4: Non-GAAP measures for the second quarter ended 30 June 2007

##### Headline operating profit

Headline operating profit is the Group's measure of the underlying profit before interest and tax. It includes the operating results of joint ventures and associates but excludes other operating income (of Group and share of associates) which is normally a one-off item.

	Second quarter ended 30 June 2007 £m	Second quarter ended 30 June 2006 £m
<b>Profit before tax</b>	<b>35.4</b>	24.6
Adjusted to exclude:		
Other operating income – Group	-	(0.3)
Share of associates (CDLHT) fair value adjustments to investment property	<b>(0.3)</b>	-
<b>Headline profit before tax</b>	<b>35.1</b>	24.3
Add back:		
Share of results of associates and joint ventures		
- interest	<b>0.1</b>	0.4
- taxation	<b>0.3</b>	0.3
- minority interests	<b>0.7</b>	0.7
Net financing costs	<b>3.5</b>	6.6
<b>Headline operating profit</b>	<b>39.7</b>	32.3



**APPENDIX 5: Key operating statistics (unaudited)  
for the second quarter ended 30 June 2007**

	Second quarter ended 30 June 2007 Reported currency	Second quarter ended 30 June 2006 Constant currency	Second quarter ended 30 June 2006 Reported currency
<b>Occupancy %</b>			
New York	89.2		90.8
Regional US	70.6		70.2
<b>Total US</b>	<b>74.9</b>		<b>75.0</b>
London	85.9		88.0
Rest of Europe	72.7		75.5
<b>Total Europe</b>	<b>78.6</b>		<b>81.1</b>
Asia	76.2		73.8
Australasia	58.7		61.3
<b>Total Group</b>	<b>74.1</b>		<b>74.3</b>
<b>Average Room Rate (£)</b>			
New York	148.29	129.76	142.73
Regional US	52.49	48.75	53.62
<b>Total US</b>	<b>78.85</b>	<b>71.44</b>	<b>78.58</b>
London	98.34	85.68	85.68
Rest of Europe	75.03	72.58	73.12
<b>Total Europe</b>	<b>86.33</b>	<b>78.89</b>	<b>79.17</b>
Asia	64.95	58.37	62.80
Australasia	40.65	40.12	36.44
<b>Total Group</b>	<b>73.12</b>	<b>66.73</b>	<b>70.15</b>
<b>RevPAR (£)</b>			
New York	132.27	117.82	129.60
Regional US	37.06	34.22	37.64
<b>Total US</b>	<b>59.06</b>	<b>53.58</b>	<b>58.94</b>
London	84.47	75.40	75.40
Rest of Europe	54.55	54.80	55.21
<b>Total Europe</b>	<b>67.86</b>	<b>63.98</b>	<b>64.21</b>
Asia	49.49	43.08	46.35
Australasia	23.86	24.59	22.34
<b>Total Group</b>	<b>54.18</b>	<b>49.58</b>	<b>52.12</b>
<b>Gross Operating Profit Margin (%)</b>			
New York	43.5		39.9
Regional US	28.9		28.3
<b>Total US</b>	<b>35.9</b>		<b>33.7</b>
London	51.3		46.7
Rest of Europe	30.4		29.4
<b>Total Europe</b>	<b>40.7</b>		<b>37.4</b>
Asia	44.4		38.8
Australasia	32.3		35.5
<b>Total Group</b>	<b>39.6</b>		<b>36.2</b>

For comparability the 30 June 2006 Average Room Rate and RevPAR have been translated at 30 June 2007 exchange rates.