

23 February 2007

MILLENNIUM & COPTHORNE HOTELS PLC

FOURTH QUARTER AND FULL YEAR RESULTS TO 31 DECEMBER 2006

Millennium & Copthorne Hotels plc today announces fourth quarter and full year to 31 December 2006 results together with a trading update. The Group has a portfolio of 108 hotels located in the Americas, Europe, Middle-East, Asia and New Zealand.

Fourth quarter highlights

- Group RevPAR up by 5.0% and up by 10.4% at constant rates of exchange
- Revenue up 5.9% to £177.5m (2005: £167.6m), up 10.9% at constant rates of exchange
- Hotel operating profit up 15.0% to £42.1m (2005: £36.6m), up 17.9% at constant rates of exchange
- Headline operating profit up 13.3% to £43.4m (2005: £38.3m) ¹
- Headline profit before tax up 14.2% to £35.4m (2005: £31.0m) ¹
- Headline earnings per share up 6.8% to 9.4p (2005: 8.8p) ³

Full year highlights

- Group RevPAR up by 8.1% and up by 8.9% at constant rates of exchange with particularly strong performances in the US and Asia with RevPAR growth of 10.6% and 13.8% respectively (at constant rates of exchange)

- Group average rate growth of 6.8% at constant rates of exchange, reflects success in implementing rate-driven RevPAR strategy
- Revenue up 8.6% to £646.3m (2005: £595.2m)
- Hotel operating profit up 12.7% to £120.3m (2005: £106.7m)
- Headline operating profit up 15.4% to £124.7m (2005: £108.1m) ¹
- Headline profit before tax up 27.6% to £94.4m (2005: £74.0m) ¹
- Headline earnings per share up 16.6% to 21.8p (2005: 18.7p) ³
- Dividends of 12.5p per share for the year, up 62.3% comprising ordinary dividend of 8.5p per share and special dividend of 4.0p per share
- Sale of long-term leasehold interests in three Singapore hotels and subsequent leaseback gave rise to a £10.1m pre-tax profit, realised £210.6m in cash of which £78.0m was reinvested for a 39.1% stake in a CDLHT²
- Results of CDLHT and its impact on the Group have improved profit before tax by £2.7m, excluding the gains from the sale of long-term leasehold hotel interests and the Group's share of fair value adjustment to properties owned by CDLHT

¹ Adjusted to exclude other operating income (Group and share of associates) and impairment

² CDL Hospitality Trusts (a combination of a hospitality real estate investment trust and hospitality business trust, newly listed on the Stock Exchange of Singapore in July 2006)

³ Adjusted to exclude other operating income (Group and share of associates) and impairment (net of tax)

Commenting today, Mr Kwek Leng Beng, Chairman said:

I am pleased to report on our 2006 results which show an improvement in operating profits and further capital gains from the realisation of some of our assets. This has led to the Group's highest level of profits since our listing in 1996.

Since the industry's low point in 2003, the Group has achieved a steady and sustainable recovery through a focused strategy laid down by the Board in 2004. This strategy was aimed at restoring the Group's profitability, redeploying the Group's assets and developing the hotel brand whilst maintaining a dividend consistent with the Group's overall performance.

Revenue increased 8.6% to £646.3m with headline operating profit up 15.4% to £124.7m. Headline profit before tax rose to £94.4m an increase of 27.6%. During the period under review we sold the long term leasehold interests in 3 Singapore hotels to the Hospitality REIT, CDLHT. This realised £210.6m in cash of which £78m was reinvested for a 39.1% stake in the REIT.

The Board is recommending a dividend of 10.42p per share comprising a final dividend of 6.42p per share plus a special dividend of 4.00p per share. Together with the interim dividend of 2.08p per share (2005: 2.08p), the total dividend of 12.5p represents an increase of 62.3% over last year's total of 7.7p. The dividend increase reflects both the growth in profit before tax and the Group's future investment needs.

The Group remains committed to its priority to grow its international hotel business. Despite the divestment trend evident in a number of hotel groups in recent years, our strategy has always been to be both long-term owner and operator of hotels given the size of our portfolio. The Group will continue to grow the hotel business by adopting sustainable strategies. The financial capacity reflected in the Group's balance sheet and the flexibility created through the CDLHT platform put us in an advantageous position to seize opportunities.

As a hotel chain with substantial real estate assets, the Group is able to maximise the value of our hotels at the right time to create a larger sustainable earnings stream. We have demonstrated our ability to unlock shareholder value. The sale of The Plaza Hotel in New York is an example of how the Group maximised value by selling an asset based on its real estate potential rather than on earnings alone. The recent flotation of the CDLHT is another example where we have realised both one off gains and continue to enjoy the value that CDLHT is generating.

The Group is now well placed for growth. This will be realised through continued focus on improvements in operational performance and, in the medium term, by elevating the status of some of our key strategic hotels in prime locations. This repositioning exercise will be achieved through the total refurbishment and redevelopment of these hotels, with the ultimate objective of enhancing their earnings potential and value.

We have commissioned a study of the Millennium brand. This study confirms further improvement in both our brand recognition and reputation. This progress is particularly encouraging following a recovery period in which we reduced brand investment to protect Group earnings. In global terms, our brand awareness continues to grow and its strength is underlined by our success in winning management contracts in the highly competitive Asian, Middle Eastern and UK markets. The Group announced 9 new management contracts during the year taking the total number of rooms signed since 2004 to just under 4,000 and the total number of management contracts to 21.

In 2005, the Group announced its commitment to grow the Copthorne chain. Since that announcement, we have secured 4 management contracts. Over time, there remains a significant opportunity to increase the total number of Copthorne rooms without further acquisitions due to existing redevelopment potential within these properties. The Manchester Copthorne, for instance, should be suitable for redevelopment to take advantage of the transformation of the city where the super casino will be located.

Asia is a key region in the Group's future development. It has fully recovered from the Asian financial crisis and is once again a resurgent region. The growth in inter-city business and leisure travel resulting in increased demand for accommodation is expected to outstrip the growth in hotel rooms. This situation is expected to remain particularly acute in Singapore for at least the next three years. Beyond this timeframe visitor arrivals to Singapore are expected to increase from the current 9 million to 17 million, by 2015, as a result of initiatives to be implemented by the Singapore tourism board. The Group owns and operates prime assets in gateway Asian cities such as Bangkok, Kuala Lumpur, Taipei, Seoul, Shanghai and from 2008, Beijing. With the substantial growth of real estate values in some of these key cities, acquisition of prime sites has become more restricted and more expensive.

The appointment of Peter Papas as the Group Chief Executive Officer, with effect from 1 March, will bring a fresh perspective to the management team. His broad experience as a chartered accountant, investment banker, director within the hospitality and private equity sectors as well as being a hands-on leader will be invaluable to the Group. Peter will be able to offer new approaches and provide the Group with fresh impetus to drive organic growth, and, if the right opportunities arise, growth through acquisition.

In the first six weeks of 2007, trading has continued to be in line with the positive trends of 2006 with RevPAR growth of 10.5%. We remain confident, therefore, of a successful outcome to the year as a whole.

I am confident that, with the new management team, we have a solid foundation from which we can move our business forward into the next stage of its development.

Enquiries:

Robin Lee, Senior Vice President +44 (0) 20 7872 2444
Finance
Millennium & Copthorne Hotels plc

Ben Foster/Charlie Watenphul
Financial Dynamics +44 (0) 20 7831 3113

There will be an audio webcast of the results presentation from 9:15am on 23rd February 2007 on

<http://www.millenniumhotels.com>

MILLENNIUM & COPTHORNE HOTELS PLC

FOURTH QUARTER AND FULL YEAR RESULTS TO 31 DECEMBER 2006

FINANCIAL REVIEW

	Fourth quarter	Fourth quarter	Full year	Full year
	2006	2005	2006	2005
	£m	£m	£m	£m
Revenue	177.5	167.6	646.3	595.2
Headline operating profit	43.4	38.3	124.7	108.1
Other operating income - subsidiaries ¹	11.2	12.2	21.6	28.3
Other operating income – share of associates ¹	17.7	-	17.7	-
Impairment	(3.5)	(6.5)	(3.5)	(6.5)
Other ²	(2.6)	(1.9)	(6.3)	(5.0)
Operating profit	66.2	42.1	154.2	124.9
Headline profit before tax ³	35.4	31.0	94.4	74.0
Profit before tax	60.8	36.7	130.2	95.8
Headline EPS	9.4p	8.8p	21.8p	18.7p
Basic EPS	17.4p	8.8p	34.5p	21.3p

Key performance measures				
RevPAR growth at constant rates of exchange*	10.4%	n/a	8.9%	n/a
Occupancy growth	2.5%	n/a	1.9%	n/a
Average room rate growth at constant rates of exchange*	7.7%	n/a	6.8%	n/a
Hotel revenue growth at constant rates of exchange*	9.7%	n/a	7.4%	n/a
Hotel operating profit growth at constant rates of exchange*	17.9%	n/a	12.9%	n/a
Hotel operating profit growth at constant rates of exchange*			21.1%	28.2%
Effective tax rate (excluding joint ventures and associates)			£283.3m	£69.0m
Free cash flow				

1. Other operating income – subsidiaries represents profit on disposal of operating assets, business interruption insurance proceeds and fair value adjustments to investment property.

Other operating income – share of associates, represents the Group's 39.1% share of fair value adjustment to properties owned by CDLHT.

2. Other represents share of interest, tax and minority interests of joint ventures and associates.

3. Headline profit before tax excludes other operating income and impairment.

* At constant rates of exchange (December 2006 exchange rates)

Trading performance

For the fourth quarter, the Group recorded a pre tax profit of £60.8m (2005: £36.7m). Hotel operating profit margin improved to 24.8% compared to 22.6% in 2005. Headline profit before tax increased by £4.4m to £35.4m (2005: £31.0m). Basic earnings per share increased by 97.7% to 17.4p (2005: 8.8p) and headline EPS increased by 6.8% to 9.4p (2005: 8.8p).

Group RevPAR for the fourth quarter increased by 10.4% at constant rates of exchange. Group occupancies increased by 2.5% and average rate grew by 7.7%. At constant rates of exchange, total hotel revenues increased by £15.1m and hotel operating profit by £6.4m to £42.1m.

For the full year, the Group recorded a pre tax profit of £130.2m (2005: £95.8m). Hotel operating profit margin improved to 19.4% compared to 18.4% in 2005. Headline profit before tax increased by £20.4m to £94.4m (2005: £74.0m). Basic earnings per share increased by 62.0% to 34.5p (2005: 21.3p) and headline EPS increased by 16.6% to 21.8p (2005: 18.7p).

Group RevPAR for the year increased by 8.9% at constant rates of exchange. Group occupancies increased by 1.9% and average rate grew by 6.8%. At constant rates of exchange, total hotel revenues increased by £43.0m and hotel operating profit by £13.7m to £120.3m.

The impact of CDLHT results on the Group has improved profit before tax by £2.7m, excluding the gains from sale of long-term leasehold interests.

Other operating income of the Group includes increases in the fair value of investment property £4.9m (2005: £5.9m), profit on sale and leaseback of three Singapore hotels of £10.1m and business interruption insurance proceeds £5.5m (2005: £12.8m). The share of associates other income of £17.7m represents the Group's share of uplift in value of properties owned by CDLHT.

Taxation

The total Group tax charge excluding the tax relating to joint ventures is £22.1m (2005: £26.0m), giving rise to an effective rate of 21.1% (2005: 28.2%). The lower rate in 2006 is primarily due to a tax credit arising on the disposal of three of our Singapore hotels.

A tax charge of £1.8m (2005: £1.4m) relating to joint ventures and associates is included in the reported profit before tax.

Sale of three Singapore hotels and investment in CDL Hospitality Trusts

Following a strategic review of its Singapore hotels and with a view to build an asset-light, fee based income platform, the Group has capitalised on the strong market sentiments of real estate investment trusts in Singapore and unlocked value through the sale of long term leasehold interests in three Singaporean hotels for a consideration of S\$612.2m (£210.6m) to CDL Hospitality Trusts ('CDLHT'), a hospitality real estate investment trust group on 19 July 2006. This has created a platform for the acceleration of future asset portfolio and fee income growth for the Group. To demonstrate our commitment to CDLHT, the Group re-invested £78.0m for a 39.1% interest in CDLHT.

Net proceeds from the sale have been used to reduce the Group's net debt.

CDLHT also acquired the Grand Copthorne Waterfront Hotel, a Group-managed hotel, from our intermediate parent company City Developments Limited for S\$234.1m (£80.5m). CDLHT, in turn entered into an agreement on 19 July 2006 to lease all four hotels back to the Group. The Group entered into a further agreement with CDLHT to manage CDLHT for which the Group receives a management fee.

The Group recorded a £10.1m pre-tax profit from the sale of long leasehold interests in the three hotels. This is calculated after the deduction of an unrealised pre-tax profit element of £6.5m (£9.3m post-tax profit) representing 39.1% of total profit which is in line with the Group's accounting policy whereby transactions with associates are eliminated to the extent of the Group's interest in the entity. This unrealised element has been reflected in a comparable reduction of the Group's cost of investment in associates shown in the balance sheet.

The CDLHT's initial public offering price of S\$0.83 has increased by S\$0.84 to S\$1.67 as at 31 December 2006. As at 30 January 2007, the share price was S\$1.76.

Fair value adjustments of investment properties

At the end of 2006, the Group's investment commercial properties consisting of the King's Tanglin Shopping Centre in Singapore and the Biltmore Court & Tower, Los Angeles were subject to an external professional valuation. These properties recorded an aggregated uplift in value of £4.9m (2005: £5.9m). In line with the Group's accounting policy this has been credited to the income statement under other operating income.

Under its accounting policies the properties of CDLHT were also subject to external valuation. The properties recorded an uplift for which the Group's 39.1% share was £17.7m. This has been credited to the income statement under other operating income - share of associates.

Valuation of hotel assets

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 on certain of the Group's hotel portfolio have taken place at 31 December in each of the years 2004, 2005 and 2006 covering the entire Group's hotel portfolio over this three year period. Valuation surpluses have not been recorded in the accounts. Based on external valuations conducted at 31 December 2006 on 29% (based on net book value) of the Group's hotel portfolio, a valuation surplus of £78.3m is estimated but this has not been recorded in the accounts.

The Group undertakes an annual review of the carrying value of hotel and property assets for indications of impairment. An impairment charge of £3.5m (2005: £6.5m) has been recorded in the year.

Earnings per share

Basic earnings per share grew by 13.2p to 34.5p (2005: 21.3p).

In the same way that the Group adjusts profit before tax to remove the impact of other operating income and impairment in arriving at headline profit before tax, it also reports headline earnings per share. The adjustments to earnings per share are set out in note 5 to this announcement. Headline earnings per share rose from 18.7p per share in 2005 to 21.8p per share in 2006, a 3.1p increase. The growth in headline earnings per share is due to a combination of both operating profit growth and a lower current tax rate noted above.

Dividend

The Group is recommending a final dividend of 6.42p per share this year plus a special dividend of 4.00p per share, compared to 5.62p last year. Taken together with the interim dividend of 2.08p (2005: 2.08p), the total dividend of 12.5p represents an increase of 62.3% over last year's total of 7.7p. The dividend increase is a reflection of both the growth in profit before tax and the Group's future investment needs.

This dividend for 2006 is covered 2.8 times by earnings (2005: 2.8 times). Subject to approval by shareholders at the Annual General Meeting to be held on 3 May 2007, the final dividend and special dividend will be paid on 18 May 2007 to shareholders on the register on 23 March 2007. The ex-dividend date of the Company's shares is 21 March 2007.

Future funding

With the Group's modest gearing levels, its substantial interest cover, £156.4m of undrawn and committed facilities and demonstrable ability to unlock property value through a REIT, the Group is confident that it will be able to finance its planned capital commitments.

Cash Flow and Balance sheet

During the year, the Group generated free cash flow (before dividend payments) of £283.3m, an increase of £214.3m compared to 2005. The improvement in free cash flow reflects the increase in profits, a net working capital outflow of £2.0m and disposal proceeds from the sale of long term leasehold interests in three Singapore hotels.

Of the £2.5m net additions to development properties, £6.2m was invested in the redevelopment of the Four Points Sunnyvale Hotel in California into 240 residential condominiums for sale and a 250-room hotel. Development of Four Points Sunnyvale Hotel is expected to complete in 2009.

At 31 December 2006, the Group's net debt was £220.0m lower than 2005 at £260.4m (2005: £480.4m).

	2006	2005
	£m	£m
Cash generated from operations (excluding development properties)	147.0	133.7
Interest and tax	(37.4)	(42.4)
Total investment in properties	(37.1)	(56.8)
Analysed between		
Development and refurbishment of hotels	(34.6)	(39.2)
Expenditure on development properties	(2.5)	(17.6)
Disposals	210.8	34.5
Free cash flow	283.3	69.0
Investment in associate (39.1% in CDL Hospitality Trusts)	(78.0)	-
Increase in loan to joint venture	(3.3)	-
Proceeds from disposal of joint venture	4.0	6.5
Dividends paid - to equity holders of the parent	(9.1)	(31.5)
- to minorities	(2.2)	(2.3)
Other movements	25.3	(39.1)
Decrease in net debt	220.0	2.6
Opening net debt	(480.4)	(483.0)

Closing net debt	(260.4)	(480.4)
-------------------------	----------------	----------------

Property, plant and equipment has been reduced by £185.7m comprising the net book values of the three hotels in which long term leasehold interests were sold less a nominal reversionary interest carrying values from the two freehold hotels disposed (Orchard Hotel and M-Hotel). Leasehold premium prepayment has also been reduced by £7.6m, being the land element of the remaining long leasehold interest of the Kings Hotel, now assigned to CDLHT.

Investments in associates have been: (i) increased by the Group's 39.1% investment in CDLHT of £78.0m which, as noted above, has been reduced by £9.3m of unrealised post-tax profits arising from the sale of the long leasehold interests; (ii) increased by CDLHT earnings, equity accounted for, that have not been distributed by way of dividend and its share of the asset revaluation reserves; and (iii) adjusted by exchange translation differences.

FULL YEAR PERFORMANCE BY REGION

UNITED STATES

New York

RevPAR growth in New York continues to be heavily rate-driven with average rate increases of 11.7% while occupancy has grown by 2.0 percentage points. This has resulted in a RevPAR improvement of 14.4%. GOP margin has increased from 34.2% in 2005 to 37.7% in 2006.

Market demand remains high in New York and, combined with our strong market position, this has allowed a continuation of the Group's aggressive rate strategy that was introduced in 2005.

The Millennium Hotel UN Plaza, in addition to good rate growth experienced the largest occupancy increase of our New York hotels and is now the strongest in terms of occupancy level. The Millennium Broadway and Millennium Hilton which continue to have higher occupancies used that base to sell for higher room rates.

Regional US

Excluding the impact of the Wynfield Hotel which the Group repossessed in December 2005 and the closure of the Sunnyvale Four Points Hotel at the beginning of 2006, like-for-like RevPAR increased by 10.3% to £35.92 (2005: £32.57). This was the result of a 2.0 percentage point occupancy increase and a 7.1% rate increase. The Regional US recovery continues to gain momentum, although it is not equally spread across the portfolio. All properties with one exception increased RevPAR, with particularly strong growth in our three key locations of Los Angeles, Boston and Chicago.

On an unadjusted basis, RevPAR was up 6.1% to £34.55 (2005: £32.56).

EUROPE

London

Full year RevPAR increased by 9.5% to £74.50 (2005: £68.01) driven by increases of 2.2 percentage points in occupancy and 6.8% in rate.

Overall London figures were impacted by the 142 room refurbishment during the first quarter at the Millennium Gloucester Hotel. RevPAR growth for this property in the second half of the year was much stronger once the refurbished room stock was available.

Year on year growth at the Copthorne Tara Hotel has been flat. This is the result of a decision to shed two large but low yielding pieces of business to enable future higher yielding corporate business to be booked in their place. Excluding the Tara's performance, London's RevPAR growth was 14%.

Rest of Europe

RevPAR increased by 2.7% to £52.08 with occupancy up by 0.5 percentage points to 73.3%, and average rate up 2.0% to £71.05.

Regional UK

RevPAR increased 2.8% to £53.90 which was entirely driven by rate.

Growth in the UK market remains mixed with the strongest improvements coming from our two Scottish hotels whilst over supply of room stock in Cardiff has had a negative impact on RevPAR in this city.

France & Germany

Our presence in these two countries remains limited to four hotels. RevPAR increased by 2.1% to £49.12 primarily through occupancy with a small increase in rate.

All four properties experienced positive RevPAR growth with our two German properties producing the stronger performance.

ASIA

Our rate-driven growth strategy in Asia achieved an increase in average rate of 10.2% to £59.07. Occupancy increased by 2.4 percentage points resulting in RevPAR up 13.8% to £44.95.

Singapore

Singapore was the strongest market in the Group this year. On a like for like basis, with full year pro-forma figures for the Grand Copthorne Waterfront, Singapore properties have grown RevPAR by 31.5% driven by occupancy growth and strong rate increases.

Rest of Asia

Outside of Singapore, overall growth has been more modest. RevPAR increased by 6.1% driven mainly by rate increases.

All hotels improved on prior year RevPAR with the strongest growth arising in our two Malaysian properties. Of our larger Asian properties, Grand Hyatt Taipei saw rate growth at the expense of occupancy whilst the Millennium Seoul Hilton showed a modest rate increase.

NEW ZEALAND

In New Zealand, where we operate under the Millennium, Copthorne and Kingsgate brands, RevPAR has remained flat at £27.65 with little change in occupancy or average rate.

There was modest growth in both the Millennium and Copthorne brands offset by a shortfall in the Kingsgate brand. The leases on two of the Kingsgate hotels were due to expire this year and sales and marketing activities were consequently scaled down. Subsequently, the leases were extended by one and two years. This resulted in the loss of specific seasonal business which was not readily replaceable. Also contributing to the shortfall within Kingsgate is the refurbishment of the Kingsgate Oriental Bay.

REVIEW AND OUTLOOK

I am pleased to report on our 2006 results which show an improvement in operating profits and further capital gains from the realisation of some of our assets. This has led to the Group's highest level of profits since our listing in 1996.

Since the industry's low point in 2003, the Group has achieved a steady and sustainable recovery through a focused strategy laid down by the Board in 2004. This strategy was aimed at restoring the Group's profitability, redeploying the Group's assets and developing the hotel brand whilst maintaining a dividend consistent with the Group's overall performance.

Revenue increased 8.6% to £646.3m with headline operating profit up 15.4% to £124.7m. Headline profit before tax rose to £94.4m an increase of 27.6%. During the period under review we sold the long term leasehold interests in 3 Singapore hotels to the Hospitality REIT, CDLHT. This realised £210.6m in cash of which £78m was reinvested for a 39.1% stake in the REIT.

The Board is recommending a dividend of 10.42p per share comprising a final dividend of 6.42p per share plus a special dividend of 4.00p per share. Together with the interim dividend of 2.08p per share (2005: 2.08p), the total dividend of 12.5p represents an increase of 62.3% over last year's total of 7.7p. The dividend increase reflects both the growth in profit before tax and the Group's future investment needs.

The Group remains committed to its priority to grow its international hotel business. Despite the divestment trend evident in a number of hotel groups in recent years, our strategy has always been to be both long-term owner and operator of hotels given the size of our portfolio. The Group will continue to grow the hotel business by adopting sustainable strategies. The financial capacity reflected in the Group's balance sheet and the flexibility created through the CDLHT platform put us in an advantageous position to seize opportunities.

As a hotel chain with substantial real estate assets, the Group is able to maximise the value of our hotels at the right time to create a larger sustainable earnings stream. We have demonstrated our ability to unlock shareholder value. The sale of The Plaza Hotel in New York is an example of how the Group maximised value by selling an asset based on its real estate potential rather than on earnings alone. The recent flotation of the CDLHT is another example where we have realised both one off gains and continue to enjoy the value that CDLHT is generating.

The Group is now well placed for growth. This will be realised through continued focus on improvements in operational performance and, in the medium term, by elevating the status of some of our key strategic hotels in prime locations. This repositioning exercise will be achieved through the total refurbishment and redevelopment of these hotels, with the ultimate objective of enhancing their earnings potential and value.

We have commissioned a study of the Millennium brand. This study confirms further improvement in both our brand recognition and reputation. This progress is particularly encouraging following a recovery period in which we reduced brand investment to protect Group earnings. In global terms, our brand awareness continues to grow and its strength is underlined by our success in winning management contracts in the highly competitive Asian, Middle Eastern and UK markets. The Group announced 9 new management contracts during the year taking the total number of rooms signed since 2004 to just under 4,000 and the total number of management contracts to 21.

In 2005, the Group announced its commitment to grow the Copthorne chain. Since that announcement, we have secured 4 management contracts. Over time, there remains a significant opportunity to increase the total number of Copthorne rooms without further acquisitions due to existing redevelopment potential within

these properties. The Manchester Copthorne, for instance, should be suitable for redevelopment to take advantage of the transformation of the city where the super casino will be located.

Asia is a key region in the Group's future development. It has fully recovered from the Asian financial crisis and is once again a resurgent region. The growth in inter-city business and leisure travel resulting in increased demand for accommodation is expected to outstrip the growth in hotel rooms. This situation is expected to remain particularly acute in Singapore for at least the next three years. Beyond this timeframe visitor arrivals to Singapore are expected to increase from the current 9 million to 17 million, by 2015, as a result of initiatives to be implemented by the Singapore tourism board. The Group owns and operates prime assets in gateway Asian cities such as Bangkok, Kuala Lumpur, Taipei, Seoul, Shanghai and from 2008, Beijing. With the substantial growth of real estate values in some of these key cities, acquisition of prime sites has become more restricted and more expensive.

The appointment of Peter Papas as the Group Chief Executive Officer, with effect from 1 March, will bring a fresh perspective to the management team. His broad experience as a chartered accountant, investment banker, director within the hospitality and private equity sectors as well as being a hands-on leader will be invaluable to the Group. Peter will be able to offer new approaches and provide the Group with fresh impetus to drive organic growth, and, if the right opportunities arise, growth through acquisition.

In the first six weeks of 2007, trading has continued to be in line with the positive trends of 2006 with RevPAR growth of 10.5%. We remain confident, therefore, of a successful outcome to the year as a whole.

I am confident that, with the new management team, we have a solid foundation from which we can move our business forward into the next stage of its development.

Kwek Leng Beng

Chairman

22 February 2007

Consolidated income statement

for the fourth quarter and full year ended 31 December 2006

	Notes	Fourth quarter 2006 £m	Fourth quarter 2005 £m	Full year 2006 £m	Full year 2005 £m
Revenue	2	177.5	167.6	646.3	595.2
Cost of sales		(72.7)	(69.4)	(277.4)	(259.1)
Gross profit		104.8	98.2	368.9	336.1
Administrative expenses		(70.3)	(69.6)	(261.5)	(243.0)
Other operating income	3	11.2	12.2	21.6	28.3
		45.7	40.8	129.0	121.4
Share of profit of joint ventures and associates		20.5	1.3	25.2	3.5
Analysed between share of:					
Operating profit before other income		5.4	3.2	13.8	8.5
Other operating income		17.7	-	17.7	-

Interest, tax and minority interests		(2.6)	(1.9)	(6.3)	(5.0)
Operating profit		66.2	42.1	154.2	124.9
Analysed between:					
Headline operating profit	2	43.4	38.3	124.7	108.1
Other operating income - Group	3	11.2	12.2	21.6	28.3
Other operating income – Share of joint ventures and associates		17.7	-	17.7	-
Impairment (included within administrative expenses)		(3.5)	(6.5)	(3.5)	(6.5)
Share of interest, tax and minority interests of joint ventures and associates		(2.6)	(1.9)	(6.3)	(5.0)
Finance income		1.8	0.3	5.8	6.7
Finance expense		(7.2)	(5.7)	(29.8)	(35.8)
Profit before tax		60.8	36.7	130.2	95.8
Income tax expense	4	(7.6)	(8.4)	(22.1)	(26.0)
Profit for the period		53.2	28.3	108.1	69.8
Attributable to:					
Equity holders of the parent		50.5	25.3	100.1	61.1

Minority interests		2.7	3.0	8.0	8.7
		53.2	28.3	108.1	69.8
Basic earnings per share	5	17.4p	8.8p	34.5p	21.3p
Diluted earnings per share	5	17.3p	8.8p	34.4p	21.2p

The financial results above all derive from continuing activities.

Consolidated statement of recognised income and expense

for the year ended 31 December 2006

	Year	Year
	ended	ended
	31	31
	December	December
	2006	2005
	£m	£m
Foreign exchange translation differences	(84.2)	80.7
Cash flow hedges: amounts recycled to income statement	-	4.0
Share of associates other reserve movements	(2.3)	-
Actuarial losses arising in respect of defined benefit pension schemes	(1.4)	(2.4)
Taxation credit arising on defined benefit pension schemes	0.4	0.6
Taxation credit arising in respect of revalued property	2.2	-
Income and expense recognised directly in equity	(85.3)	82.9
Profit for the period	108.1	69.8
Total recognised income and expense for the period	22.8	152.7
Attributable to:		
Equity holders of the parent	25.1	138.3
Minority interests	(2.3)	14.4

Total recognised income and expense for the period	22.8	152.7
---	-------------	--------------

Consolidated balance sheet

as at 31 December 2006

	As at 31 December 2006	As at 31 December 2005
	£m	£m
Non-current assets		
Property, plant and equipment	1,612.4	1,943.4
Lease premium prepayment	74.6	80.8
Investment properties	49.6	48.0
Investments in joint ventures and associates	115.5	29.0
Loans due from joint ventures and associates	26.5	26.3
Other financial assets	3.2	2.2
	1,881.8	2,129.7
Current assets		
Inventories	4.6	4.4
Development properties	68.6	48.5
Lease premium prepayment	1.3	1.0
Trade and other receivables	57.8	53.2
Other financial assets	7.2	5.9
Cash and cash equivalents	162.3	104.6
	301.8	217.6
Total assets	2,183.6	2,347.3
Non-current liabilities		
Interest-bearing loans, bonds and borrowings	(283.1)	(530.1)
Employee benefits	(15.0)	(16.0)
Provisions	(1.3)	(1.6)

Other non-current liabilities	(6.8)	(6.8)
Deferred tax liabilities	(224.6)	(239.9)
	(530.8)	(794.4)
Current liabilities		
Interest-bearing loans, bonds and borrowings	(139.6)	(54.9)
Trade and other payables	(102.6)	(100.3)
Provisions	(0.4)	(0.4)
Income taxes payable	(18.1)	(19.5)
	(260.7)	(175.1)
Total liabilities	(791.5)	(969.5)
Net assets	1,392.1	1,377.8
Equity		
Total equity attributable to equity holders of the parent	1,269.1	1,250.3
Minority interests	123.0	127.5
Total equity	7	1,377.8

Consolidated statement of cash flows
for the year ended 31 December 2006

	2006	2005
	£m	£m
Cash flows from operating activities		
Profit for the year	108.1	69.8
Adjustments for:		
Depreciation and amortisation	34.5	36.4
Share of profit of joint ventures and associates	(25.2)	(3.5)
Impairment losses for property, plant and equipment	3.5	6.5

Profit on sale of property, plant and equipment	(11.2)	(9.6)
Revaluation of investment properties	(4.9)	(5.9)
Employee stock options	0.6	0.7
Finance income	(5.8)	(6.7)
Finance expense	29.8	35.8
Income tax expense	22.1	26.0
Operating profit before changes in working capital and provisions	151.5	149.5
Increase in inventories, trade and other receivables	(5.1)	(19.3)
Increase in development properties	(2.5)	(17.6)
Increase in trade and other payables	0.9	3.9
Decrease in provisions and employee benefits	(0.3)	(0.4)
Cash generated from operations	144.5	116.1
Interest paid	(28.9)	(35.4)
Interest received	7.8	6.1
Income taxes paid	(16.3)	(13.1)
Net cash from operating activities	107.1	73.7
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment, investment properties and assets held for sale	210.8	34.5
Investment in other financial assets	(3.1)	(1.8)
Proceeds from disposal of joint venture	4.0	6.5
Increase in investment in joint ventures and associates	(81.3)	-
Acquisition of property, plant and equipment	(34.6)	(39.2)
Net cash from investing activities	95.8	-
Balance carried forward	202.9	73.7

Consolidated statement of cash flows (continued)

for the year ended 31 December 2006

	2006	2005
	£m	£m
Balance brought forward	202.9	73.7
Cash flows from financing activities		
Proceeds from the issue of share capital	2.2	2.1
Repayment of borrowings	(205.0)	(419.0)
Drawdown of borrowings	79.7	387.0
Payment of finance lease obligations	(2.0)	(1.8)
Loan arrangement fees	(0.6)	(1.4)
Dividends paid to minorities	(2.2)	(2.3)
Dividends paid to equity holders of the parent	(9.1)	(31.5)
Net cash from financing activities	(137.0)	(66.9)
Net increase in cash and cash equivalents	65.9	6.8
Cash and cash equivalents at beginning of period	103.7	89.8
Effect of exchange rate fluctuations on cash held	(8.1)	7.1
Cash and cash equivalents at end of the period	161.5	103.7
Reconciliation of cash and cash equivalents		
Cash and cash equivalents shown in the balance sheet	162.3	104.6
Overdraft bank accounts included in borrowings	(0.8)	(0.9)
Cash and cash equivalents for cash flow statement purposes	161.5	103.7

Notes to the fourth quarter and full year results announcement

1. General information

Basis of preparation

The fourth quarter and full year financial statements for Millennium & Copthorne Hotels plc ('the Company') to 31 December 2006 comprise the Company and its subsidiaries (together referred to as 'the Group') and the Group's interests in jointly controlled and associate entities.

The financial information set out in this preliminary announcement does not constitute the Company's statutory accounts for the years ended 31 December 2006 or 2005. Statutory accounts for 2005 have been delivered to the registrar of companies, and those for 2006, prepared under accounting standards adopted by the EU, will be delivered in due course. The auditors have reported on those accounts; their reports were (i) unqualified, (ii) did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their reports and (iii) did not contain statements 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 2005 are available from the Company's website www.millenniumhotels.com

Use of adjusted measures

A number of measures quoted in this preliminary 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 IFRS 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 IFRS 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 fourth quarter and full year results announcement

2. Segmental analysis

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

Geographical segments

	Fourth quarter 2006	Fourth quarter 2006	Fourth quarter 2006	Fourth quarter 2006	Fourth quarter 2006	Fourth quarter 2006	Fourth quarter 2006	Fourth quarter 2006
	New York £m	Regional US £m	London £m	Rest of Europe £m	Asia £m	Australasia £m	Central cost £m	Total Group £m
Revenue								
Hotel	30.1	28.1	23.4	26.0	50.2	12.2	-	170.0
Property operations	-	0.4	-	-	0.4	6.7	-	7.5
Total	30.1	28.5	23.4	26.0	50.6	18.9	-	177.5
Hotel gross operating profit	14.2	6.3	11.9	7.9	22.8	5.4	-	68.5
Hotel fixed charges *	(1.5)	(4.5)	(4.0)	(4.7)	(10.0)	(1.7)	-	(26.4)

Hotel operating profit	12.7	1.8	7.9	3.2	12.8	3.7	-	42.1
Property operations operating profit	-	(0.1)	-	-	-	3.1	-	3.0
Central costs	-	-	-	-	-	-	(7.1)	(7.1)
Share of joint ventures and associates operating profit	-	-	-	-	5.4	-	-	5.4
Headline operating profit	12.7	1.7	7.9	3.2	18.2	6.8	(7.1)	43.4
Other operating income – Group	5.5	3.1	-	-	2.6	-	-	11.2
Other operating income – share of joint ventures and associates	-	-	-	-	17.7	-	-	17.7
Impairment	-	(0.6)	-	(2.9)	-	-	-	(3.5)
Share of interest, tax and minority interests of joint ventures	-	-	-	-	(2.6)	-	-	(2.6)

and
associate
s

Operating profit	18.2	4.2	7.9	0.3	35.9	6.8	(7.1)	66.2
Net financing costs								<u>(5.4)</u>
Profit before tax								<u>60.8</u>

Notes to the fourth quarter and full year results announcement

2. Segmental analysis (continued)

Geographical segments

	Fourth quarter 2005	Fourth quarter 2005	Fourth quarter 2005	Fourth quarter 2005	Fourth quarter 2005	Fourth quarter 2005	Fourth quarter 2005	Fourth quarter 2005
	New York £m	Regional US £m	London £m	Rest of Europe £m	Asia £m	Australasia £m	Central cost £m	Total Group £m
Revenue								
Hotel Property operations	28.7	29.1	21.2	27.3	42.5	13.2	-	162.0
	-	0.7	-	-	0.3	4.6	-	5.6

Total	28.7	29.8	21.2	27.3	42.8	17.8	-	167.6
Hotel gross operating profit	12.1	5.7	10.8	9.8	17.0	6.1	-	61.5
Hotel fixed charges *	(4.7)	(5.4)	(3.4)	(4.4)	(4.7)	(2.3)	-	(24.9)
Hotel operating profit	7.4	0.3	7.4	5.4	12.3	3.8	-	36.6
Property operations operating profit	-	0.1	-	-	0.2	2.7	-	3.0
Central costs	-	-	-	-	-	-	(4.5)	(4.5)
Share of joint ventures and associates operating profit	-	-	-	-	3.2	-	-	3.2
Headline operating profit	7.4	0.4	7.4	5.4	15.7	6.5	(4.5)	38.3
Other operating income – Group	-	5.9	-	-	-	6.3	-	12.2
Other operating income – share of joint ventures and	-	-	-	-	-	-	-	-

associate s Impairme nt	-	-	-	(6.5)	-	-	-	(6.5)
Share of interest, tax and minority interests of joint ventures and associate s	-	-	-	-	(1.9)	-	-	(1.9)
Operatin g profit	7.4	6.3	7.4	(1.1)	13.8	12.8	(4.5)	42.1
Net financin g costs								<u>(5.4)</u>
Profit before tax								<u>36.7</u>

Notes to the fourth quarter and full year results announcement

2. Segmental analysis (continued)

Geographical segments

Full yea r 200 6	Full year 2006	Full year 2006	Full year 2006	Full year 200 6	Full year 2006	Full year 2006	Full year 2006
New Yor k	Region al US	Londo n	Rest of Euro	Asia	Australas ia	Centr al costs	Total Grou p

	£m	£m	£m	pe £m	£m	£m	£m	£m
Revenue	103.1	117.0	84.2	96.8	175.1	44.9	-	621.1
Hotel Property operatio ns	-	2.3	-	-	1.4	21.5	-	25.2
Total	103.1	119.3	84.2	96.8	176.5	66.4	-	646.3
Hotel gross operatin g 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 operatin g profit	22.6	9.2	26.3	12.3	39.6	10.3	-	120.3
Property operatio ns operating profit	-	0.2	-	-	0.6	8.0	-	8.8
Central costs	-	-	-	-	-	-	(18.2)	(18.2)
Share of joint ventures and associate s operating profit	-	-	-	-	13.8	-	-	13.8
Headline operatin g profit	22.6	9.4	26.3	12.3	54.0	18.3	(18.2)	124.7
Other operatin g income – Group	5.5	3.1	-	-	13.0	-	-	21.6

Other operating income – share of joint ventures and associates	-	-	-	-	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)
Operating profit	28.1	11.9	26.3	9.4	78.4	18.3	(18.2)	154.2
Net financing costs								<u>(24.0)</u>
Profit before tax								<u>130.2</u>

Notes to the fourth quarter and full year results announcement

2. Segmental analysis (continued)

Geographical segments

	Full year 200 5	Full year 2005	Full year 2005	Full year 2005	Full year 200 5	Full year 2005	Full year 2005	Full year 200 5
	New York £m	Region al US £m	Londo n £m	Rest of Euro pe £m	Asia £m	Australasi a £m	Centr al costs £m	Total Gro up £m
Revenue								
Hotel Property operatio ns	91.2 -	112.8 2.6	78.7 -	97.7 -	151. 7 1.4	48.6 10.5	- -	580. 7 14.5
Total	91.2	115.4	78.7	97.7	153. 1	59.1	-	595. 2
Hotel gross operatin g profit	31.2	23.5	38.1	31.1	55.7	20.4	-	200. 0
Hotel fixed charges*	(14.2)	(18.5)	(13.5)	(17.0)	(20.7)	(9.4)	-	(93.3)
Hotel operatin g profit	17.0	5.0	24.6	14.1	35.0	11.0	-	106. 7
Property operatio ns operating profit	-	0.6	-	-	0.8	5.3	-	6.7
Central costs	-	-	-	-	-	-	(13.8)	(13.8)
Share of joint ventures and associate s operating profit	-	-	-	-	8.5	-	-	8.5

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

Notes to the fourth quarter and full year results announcement

2. Segmental analysis (continued)

Segmental assets and liabilities

	New York	Regiona l US	Londo n	Rest of Europ e	Asia	Australasi a	Total Group
	2006 £m	2006 £m	2006 £m	2006 £m	2006 £m	2006 £m	2006 £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)
Investment s in joint ventures and associates	-	-	-	-	115.5	-	115.5
Loans to joint ventures	-	-	-	-	26.5	-	26.5

Total hotel operating net assets	232.2	171.2	385.0	180.0	484.0	85.8	1,538.2
Property operations assets	-	43.3	-	-	33.9	42.0	119.2
Property operations liabilities	-	(3.7)	-	-	(0.4)	(0.8)	(4.9)
Total property operations net assets	-	39.6	-	-	33.5	41.2	114.3
Net debt							(260.4)
Net assets							1,392.1

	New York	Regional US	London	Rest of Europe	Asia	Australasia	Total Group
	2005 £m	2005 £m	2005 £m	2005 £m	2005 £m	2005 £m	2005 £m
Hotel operating assets	328.5	291.8	449.7	227.1	694.3	106.1	2,097.5
Hotel operating liabilities	(72.5)	(61.7)	(65.7)	(41.6)	(129.4)	(14.6)	(385.5)
Investments in joint ventures and associates	-	-	-	-	29.0	-	29.0
Loans to joint ventures	-	-	-	-	26.3	-	26.3
Total hotel	256.0	230.1	384.0	185.5	620.2	91.5	1,767.

operating net assets							3
Property operations assets	-	19.8	-	-	29.2	48.5	97.5
Property operations liabilities	-	(4.7)	-	-	(0.5)	(1.4)	(6.6)
Total property operations net assets	-	15.1	-	-	28.7	47.1	90.9
Net debt							(480.4)
Net assets							1,377.8

Notes to the fourth quarter and full year results announcement

3. Other operating income

	Fourth quarter 2006	Fourth quarter 2005	Full year 2006	Full year 2005
	£m	£m	£m	£m
Profit on sale and leaseback of 3 Singapore hotels - Orchard Hotel, Copthorne Kings Hotel and M Hotel	-	-	10.1	-
Changes in fair value upon revaluation of investment property	4.9	5.9	4.9	5.9
Business interruption insurance proceeds	5.5	-	5.5	12.8
Other	0.8	6.3	1.1	9.6
	11.2	12.2	21.6	28.3

4. Income tax expense

The £22.1m total income tax charge for 2006 comprises a UK tax charge of £1.1m and an overseas tax charge of £21.0m (2005: a UK credit of £4.2m and overseas tax charge of £30.2m).

Taxation for the period comprises both the Group tax charge and the joint venture taxation charge which is included separately within the Group's share of joint venture profits (but disclosed on the face of the income statement).

The total Group tax charge excluding the tax relating to joint ventures is £22.1m (2005: £26.0m), giving rise to an effective rate of 21.1% (2005: 28.2%). The lower rate in 2006 is primarily due to a tax credit arising on the disposal of three of our Singapore hotels.

5. Earnings per share

	Fourth quarter 2006	Fourth quarter 2005	Full year 2006	Full year 2005
	£m	£m	£m	£m
Basic				
Profit for period attributable to holders of the parent (£m)	50.5	25.3	100.1	61.1
Weighted average number of shares outstanding (m)	290.5	287.5	289.9	287.0
	17.4	8.8	34.5	21.3
Basic earnings per share (pence)				
Diluted				

Weighted average number of shares outstanding (m)	291.9	287.5	290.6	287.9
	17.3	8.8	34.4	21.2
Diluted earnings per share (pence)				
Headline earnings per share				
Profit for the period attributable to holders of the parent (£m)	50.5	25.3	100.1	61.1
Adjustment to exclude:				
- Other operating income (net of tax and minorities)	(8.8)	(5.8)	(22.4)	(13.8)
- Impairment (net of tax)	3.3	6.5	3.3	6.5
- Share of associates other operating income (nil tax)	(17.7)	-	(17.7)	-
Adjusted profit for the period attributable to holders of the parent (£m)				
	27.3	26.0	63.3	53.8
Weighted average number of shares outstanding (m)	290.5	287.5	289.9	287.0
	9.4	9.0	21.8	18.7
Headline earnings per share (pence)				

Notes to the fourth quarter and full year results announcement

6. Dividends

Dividends have been recognised within equity as follows:

	Fourth quarter 2006	Fourth quarter 2005	Full year 2006	Full year 2005
	£m	£m	£m	£m
Final ordinary dividend paid for 2005 of 5.62p (for 2004: 4.17p)				

Interim ordinary dividend approved for 2006 of 2.08p (for 2005: 2.08p)	-	-	16.2	11.9
	6.1	5.9	6.1	5.9
Total ordinary dividend paid/approved	6.1	5.9	22.3	17.8
Final special dividend paid for 2004 of 6.25p	-	-	-	17.9
	6.1	5.9	22.3	35.7

7. Reconciliation of movements in total equity

	Full year 2006 £m	Full year 2005 £m
Total recognised income and expense for the period	22.8	152.7
First time adoption of IAS 39	-	(5.4)
Dividends paid/payable to equity holders of the parent	(22.3)	(35.7)
Issue of shares in lieu of dividends	13.2	4.2
Dividends paid to minority interests	(2.2)	(2.3)
Transfer from share of associates	-	0.6

Share options exercised	2.2	2.1
Equity settled transactions	0.6	0.6
Net increase in total equity	14.3	116.8
Opening total equity	1,377.8	1,261.0
Closing total equity	1,392.1	1,377.8

APPENDIX 1: Key operating statistics

for the fourth quarter ended 31 December 2006

	Fourth quarter 2006 Reported Currency	Fourth quarter 2005 Constant Currency	Fourth quarter 2005 Reported currency
Occupancy %			
New York	87.3		87.0
Regional US	62.7		60.1
Total US	68.4		66.2
London	85.4		84.7
Rest of Europe	72.3		72.7
Total Europe	78.1		78.0
Asia	78.4		74.9
Australasia	73.9		73.9
Total Group	74.1		72.3
Average Room Rate (£)			
New York	164.48	146.16	156.74
Regional US	50.36	46.23	51.13
Total US	84.04	76.21	82.82
London	92.61	82.89	82.89

Rest of Europe	71.76	69.60	69.98
Total Europe	81.86	75.99	76.19
Asia	58.36	54.07	55.63
Australasia	40.15	39.59	44.56
Total Group	70.48	65.43	68.83

RevPAR (£)			
New York	143.59	127.16	136.36
Regional US	31.58	27.78	30.73
Total US	57.48	50.45	54.83
London	79.09	70.21	70.21
Rest of Europe	51.88	50.60	50.88
Total Europe	63.93	59.27	59.43
Asia	45.75	40.50	41.67
Australasia	29.67	29.26	32.93
Total Group	52.23	47.31	49.76

Gross Operating Profit Margin (%)			
New York	47.2		42.2
Regional US	22.4		19.6
Total US	35.2		30.8
London	50.9		50.9
Rest of Europe	30.4		35.9
Total Europe	40.1		42.5
Asia	45.4		40.0
Australasia	44.3		46.2
Total Group	40.3		38.0

For comparability the 31 December 2005 Average Room Rate and RevPAR have been translated at 31 December 2006 exchange rates.

APPENDIX 2: Key operating statistics

for the full year ended 31 December 2006

	Full year	Full year	Full year
--	------------------	-----------	-----------

	2006	2005	2005
	Reported	Constant	Reported
	Currency	Currency	currency
Occupancy %			
New York	86.5		84.5
Regional US	67.3		66.2
Total US	71.7		70.4
London	87.0		84.8
Rest of Europe	73.3		72.8
Total Europe	79.4		78.1
Asia	76.1		73.7
Australasia	69.6		69.6
Total Group	74.4		73.0
Average Room Rate (£)			
New York	143.34	128.28	129.42
Regional US	51.33	49.19	49.63
Total US	76.98	70.90	71.53
London	85.63	80.20	80.20
Rest of Europe	71.05	69.67	69.83
Total Europe	78.14	74.74	74.82
Asia	59.07	53.58	52.40
Australasia	39.72	39.81	43.43
Total Group	67.92	63.59	64.01
RevPAR (£)			
New York	123.99	108.40	109.36
Regional US	34.55	32.56	32.86
Total US	55.19	49.91	50.36
London	74.50	68.01	68.01
Rest of Europe	52.08	50.72	50.84
Total Europe	62.04	58.37	58.43
Asia	44.95	39.49	38.62
Australasia	27.65	27.71	30.23
Total Group	50.53	46.42	46.73
Gross Operating Profit			
gin (%)			
New York	37.7		34.2
Regional US	23.7		20.8
Total US	30.3		26.8
London	47.6		48.4
Rest of Europe	29.9		31.8
Total Europe	38.1		39.2

Asia	<u>39.6</u>	<u>36.7</u>
Australasia	<u>41.9</u>	<u>42.0</u>
Total Group	<u>36.0</u>	<u>34.4</u>

For comparability the 31 December 2005 Average Room Rate and RevPAR have been translated at 31 December 2006 exchange rates.

END