



Update on the transformation of glh For half year ended Dec 2014

"I am delighted to have been appointed CEO of GuocoLeisure. We have made great progress at glh in the last 6 months as detailed in this note, and I look forward to reviewing the GuocoLeisure business and forming plans for the future development of the Group", Mike DeNoma – Chief Executive Officer, GuocoLeisure Limited

In the past six months we have made significant headway towards our vision of being the world's best managed hospitality company at the hotel level. We continue to focus on our new brands, London and international expansion.

July 2014 saw the launch of *every*, a new brand which is our direct response to the pressure that four star hoteliers are experiencing globally. This is our 3rd new brand and the first *every* hotel will open in the coming month.

In October 2014, our new Virtual Call Centre was awarded first place in the SME Best Contact Centre Solutions at the UK's Comms National Awards in conjunction with our technical implementation partner, IP Solutions. We were the only hospitality company to be shortlisted in any category at the awards, which were dominated by established technology organisations. This innovation together with other initiatives at the hotel level has driven cost savings of over US\$5m so far. Our new operating model and improved usage of technology continues to drive better operating efficiencies and improved customer satisfaction.

The first Amba Hotel worldwide, Amba Hotel Charing Cross, was launched in December 2014. The hotel offers the fastest Wi-Fi in the world in any Meetings & Events hotels. The Superfast WIFI at Amba Hotel Charing Cross recently achieved a prestigious second place in the Project of the Year category at the Technology Awards. Amba Hotel Charing Cross is now ranked #26 on Tripadvisor.com, improving from #220 in 2012.

glh recently refinanced its £138m mortgage debentures and secured an additional £62m in financing for working capital purposes and although this has not directly impacted performance in the first half it is expected to result in substantial interest savings for the period from 20 December 2014 to 30 June 2015.

For the 6 months to 31 Dec 2015, operating performance at glh has improved 61% with profit for the first half at US\$28.8m compared to the same period last financial year of US\$17.8m. This improvement was mainly driven by savings from operating cost and improved efficiencies. Revenues for the hotel improved marginally to US\$203.5m from a year ago. However this was accomplished despite rooms taken off for refurbishment

In the coming months, glh will continue to build on its progress and improvements to date. We look forward to the launch of our first *every* hotel at Piccadilly in Q1 2015 and our second Amba Hotel at Marble Arch in Q3 2015, and to sharing our plans going forward for GuocoLeisure.

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About glh.

glh. refers to GLH Hotels Management (UK) Limited, the new name of Guoman Hotel Management (UK) Limited, a subsidiary of GuocoLeisure Limited.

glh. is the largest owner-operator hotel company in London with over 4,000 hotel rooms. In total glh. has 8,279 bedrooms 337 meeting rooms across 36 Hotels in the UK.

Over the last year glh. announced three new brands – Clermont (5*), Amba (4*) and every (4*) – as well as two new significant hotels in Malaysia and Singapore.

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