

MILLENNIUM & COPTHORNE HOTELS plc
INTERIM MANAGEMENT REPORT
Half year and second quarter results to 30 June 2018
LEI: 2138003EQ104LZ1JNH19

First half 2018:

	H1 2018	Reported Currency			Constant Currency		
		H1 2017	Change		H1 2017	Change	
RevPAR	£75.29	£78.69	£(3.40)	(4.3)%	£74.95	£0.34	0.5%
Revenue - total	£477m	£485m	£(8)m	(1.6)%	£463m	£14m	3.0%
Revenue - hotel	£404m	£418m	£(14)m	(3.3)%	£399m	£5m	1.3%
Profit before tax (<i>Note 1</i>)	£65m	£63m	£2m	3.2%	£61m	£4m	6.6%
Basic earnings per share	8.5p	12.8p	(4.3)p	(33.6)%			
Interim dividend	2.08p	2.08p	-	-			

Second quarter 2018:

	Q2 2018	Reported Currency			Constant Currency		
		Q2 2017	Change		Q2 2017	Change	
RevPAR	£82.01	£86.64	£(4.63)	(5.3)%	£83.46	£(1.45)	(1.7)%
Revenue - total	£260m	£262m	£(2)m	(0.8)%	£253m	£7m	2.8%
Revenue - hotel	£217m	£227m	£(10)m	(4.4)%	£219m	£(2)m	(0.9)%
Profit before tax (<i>Note 1</i>)	£39m	£50m	£(11)m	(22.0)%	£48m	£(9)m	(18.8)%

Note 1: Pre-tax profit for H1 2018 includes gain of £3m from the disposal of two Australian hotels that were owned by CDL Hospitality Trusts ("CDLHT"). During the same period last year, pre-tax profit included reversal of loan impairment of £12m and impairment of assets of £9m, with a net credit of £3m recognised in the income statement.

- In reported currency, Group RevPAR decreased by 4.3% in H1 2018 to £75.29 (H1 2017: £78.69). In constant currency, it grew by 0.5%. Like-for-like* Group RevPAR for the six months of 2018 increased by 2.0%.
- RevPAR for the Group's London hotels in H1 2018 was down by 15.1% compared to H1 2017 mainly because of refurbishment work at our Mayfair hotel. Having been partially closed since November 2017, this property closed completely at the beginning of July 2018 to facilitate on-going refurbishment work to reposition the property as the Group's flagship property within a new luxury competitive set.
- Reported hotel revenue for H1 2018 fell by 3.3% to £404m (H1 2017: £418m). In constant currency, hotel revenue increased by 1.3%. Stronger sterling during the period had the effect of reducing our revenue from overseas hotels by £19m. Higher contributions from Millennium Hilton New York One UN Plaza (re-branded in August 2017) and M Social Auckland (opened in October 2017) were partially offset by lower revenue from the Mayfair hotel and London hotels.
- Total revenue for H1 2018 fell by £8m or 1.6% to £477m (H1 2017: £485m). In constant currency, total revenue for H1 2018 increased by £14m or 3.0%. Increased residential section sales in New Zealand added £5m, whilst CDLHT added £3m, helped mainly by recently acquired hotels.
- In Q2 2018, Group RevPAR fell by 5.3% in reported currency and by 1.7% in constant currency. Like-for-like* Group RevPAR increased slightly by 0.8%.
- In reported currency, pre-tax profit for the first half of 2018 increased by £2m to £65m (H1 2017: £63m). In constant currency, pre-tax profit for the period increased by £4m to £65m (H1 2017: £61m).
- Pre-tax profit in Q2 2018 declined, on a constant currency basis, by £9m versus Q2 2017. This decline largely resulted from weaker hotel performance, notably in London, as well as a £3m reduction due to the timing of one-off gains.
- The Board declared an interim dividend of 2.08p per share.

* Like-for-like comparisons exclude the impact of acquisitions, closures and refurbishments; and they are stated in constant currency terms.

Mr Kwek Leng Beng, Chairman commented:

"I am pleased to welcome Jennifer Fox as Group CEO. I am working with her closely to expedite the changes we agree are necessary to improve performance as a niche owner-operator of hospitality assets. I am confident that her expertise in branding and marketing will bring benefits to the Group.

Results in the first half of 2018 were mixed. Whilst North Asia and New Zealand saw higher revenue, our London hotels under-performed partly due to their slow adjustment to competitive market conditions in addition to the impact of refurbishment at our Mayfair property. Although New York RevPAR was up, mainly due to improvements at Millennium Hilton New York One UN Plaza, the region remains unprofitable. Singapore was down slightly.

Since the close of the second quarter, we underlined our commitment to stepping up investment in Group assets by closing the Mayfair hotel entirely at the beginning of July. We look forward to its re-opening as our flagship property in Q1 next year. Additional refurbishment projects in London and New York will be announced in due course.

Given current volatile political and economic conditions - especially Brexit and the unfolding trade tensions between the United States, China and Europe - the Group continues to be cautious about the immediate future. However, this will not affect our plan to step up investment in our hotels, which we regard as essential to the Group's long-term health."

Ms Jennifer Fox, Group Chief Executive Officer commented:

"I am pleased to have joined M&C and see there is opportunity to strengthen the company and drive results for our shareholders. Since arriving on 19 June, I have reinforced the leadership team with two key appointments in a Group Chief Marketing Officer and a Head of Human Resources. In the past six weeks I have been reviewing the earnings profile and potential of our most important properties. A strategic plan currently is being developed."

Enquiries

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FINANCIAL PERFORMANCE

For the six months ended 30 June 2018, Group reported revenue decreased by 1.6% to £477m (H1 2017: £485m). On a constant currency basis, Group revenue increased by £14m or 3.0%.

	H1 2018 £m	Reported Currency			Constant Currency		
		H1 2017 £m	Change		H1 2017 £m	Change	
			£m	%		£m	%
Hotel	404	418	(14)	(3.3)	399	5	1.3
Property	41	38	3	7.9	35	6	17.1
REIT	32	29	3	10.3	29	3	10.3
Total Revenue	477	485	(8)	(1.6)	463	14	3.0

In constant currency, hotel revenue for H1 2018 increased by 1.3% as compared to the first half last year with higher contributions from Millennium Hilton New York One UN Plaza (re-branded in August 2017) and M Social Auckland (opened in October 2017); partially offset by the reduced revenue from London, where the Mayfair hotel was partially closed from November 2017 and is now fully closed since the beginning of July 2018.

Increased residential section sales in New Zealand and CDLHT's recently acquired hotels contributed £5m and £3m respectively to the higher total revenue. Higher profits from these activities were offset by lower hotel operating profit.

Pre-tax profit for H1 2018 includes gain of £3m from CDLHT's disposal of two Australian hotels. During the same period last year, pre-tax profit included reversal of loan impairment of £12m and impairment of assets of £9m, with a net credit of £3m recognised in the income statement.

Hotel operation

In constant currency, Group RevPAR for H1 2018 was flat at £75.29 (H1 2017: £74.95). Like-for-like* Group RevPAR increased by 2.0%.

	RevPAR			Occupancy			Average Room Rate		
	H1 2018 £	#H1 2017 £	Change %	H1 2018 %	H1 2017 %	Change %pts	H1 2018 £	#H1 2017 £	Change %
New York	141.11	133.13	6.0	82.3	80.3	2.0	171.53	165.83	3.4
Regional US	55.25	56.16	(1.6)	56.4	59.3	(2.9)	97.89	94.76	3.3
Total US	83.52	81.50	2.5	64.9	66.2	(1.3)	128.60	123.14	4.4
London	86.06	101.38	(15.1)	71.9	81.5	(9.6)	119.69	124.33	(3.7)
Rest of Europe	54.67	52.10	4.9	70.7	69.7	1.0	77.37	74.77	3.5
Total Europe	70.76	77.06	(8.2)	71.3	75.7	(4.4)	99.25	101.81	(2.5)
Singapore	80.65	81.00	(0.4)	84.1	86.3	(2.2)	95.85	93.85	2.1
Rest of Asia	62.75	59.47	5.5	65.0	63.8	1.2	96.61	93.18	3.7
Total Asia	69.68	67.81	2.8	72.4	72.5	(0.1)	96.27	93.49	3.0
Australasia	74.64	69.55	7.3	84.5	83.3	1.2	88.33	83.50	5.8
Total Group	75.29	74.95	0.5	71.0	72.3	(1.3)	106.01	103.72	2.2

	RevPAR			Occupancy			Average Room Rate		
	Q2 2018 £	#Q2 2017 £	Change %	Q2 2018 %	Q2 2017 %	Change %pts	Q2 2018 £	#Q2 2017 £	Change %
New York	175.60	166.67	5.4	89.2	88.4	0.8	196.86	188.46	4.5
Regional US	64.60	67.33	(4.1)	62.2	66.1	(3.9)	103.94	101.87	2.0
Total US	101.15	100.04	1.1	71.1	73.5	(2.4)	142.34	136.19	4.5
London	93.32	115.71	(19.4)	74.5	86.6	(12.1)	125.23	133.61	(6.3)
Rest of Europe	62.07	59.24	4.8	76.6	75.1	1.5	81.07	78.93	2.7
Total Europe	78.09	87.84	(11.1)	75.5	80.9	(5.4)	103.41	108.57	(4.8)
Singapore	79.00	80.55	(1.9)	81.7	85.2	(3.5)	96.74	94.49	2.4
Rest of Asia	66.72	62.80	6.2	66.9	65.4	1.5	99.77	95.98	3.9
Total Asia	71.47	69.67	2.6	72.6	73.1	(0.5)	98.45	95.31	3.3
Australasia	61.37	59.87	2.5	77.9	76.2	1.7	78.75	78.62	0.2
Total Group	82.01	83.46	(1.7)	73.4	75.4	(2.0)	111.74	110.66	1.0

In constant currency whereby 30 June 2017 RevPAR and average room rates have been translated at average exchange rates for the period ended 30 June 2018.

* Like-for-like comparisons exclude the impact of acquisitions, closures and refurbishments; and they are stated in constant currency terms.

US

US RevPAR for H1 2018 increased by 2.5% to £83.52 (H1 2017: £81.50). Average room rate increased by 4.4% offset partially by decrease in occupancy of 1.3% points.

New York RevPAR increased by 6.0% as a result of increases in both occupancy and average room rate of 2.0% points and 3.4% respectively. RevPAR for Regional US decreased by 1.6% to £55.25 (H1 2017: £56.16) with higher average room rate of 3.3% and lower occupancy of 2.9% points.

In Q2 2018, US RevPAR increased by 1.1% with room rates up by 4.5% and occupancy down 2.4% points.

Europe

Europe RevPAR for H1 2018 fell by 8.2% with lower occupancy and average room rate.

RevPAR for London decreased by 15.1% due to the phased closure of our Mayfair hotel during the first half of the year. It was fully closed at the start of July 2018. The closure of the Mayfair hotel resulted in about 81% of the lower London revenue. There was weaker trading in the other London hotels during the period mainly due to a lower level of corporate business.

RevPAR for Rest of Europe during H1 2018 grew by 4.9% with increase in occupancy and average room rate of 1.0% points and 3.5% respectively.

Excluding the Mayfair hotel and Millennium Hotel Glasgow where 56 rooms were permanently removed from the hotel in connection to the development of Queen Street Station, Europe RevPAR decreased by 1.1%. On the same basis, RevPAR for London and Rest of Europe was down by 4.4% and up by 4.9% respectively.

In Q2 2018, Europe RevPAR fell by 11.1% with room rates down by 4.8% and occupancy down 5.4% points. On a like-for-like basis, Europe RevPAR fell by 1.7%.

Asia

Asia RevPAR for H1 2018 increased by 2.8% to £69.68 (H1 2017: £67.81) driven mainly by a 3.0% increase in average room rates.

Singapore RevPAR fell by 0.4% with an increase in average room rate of 2.1% offset by lower occupancy of 2.2% points.

Although visitor numbers are increasing and the growth in hotel rooms is levelling off, Singapore remains highly competitive with recent additions to hotel inventory seeking to build market share.

Rest of Asia saw an improvement in performance with higher RevPAR of 5.5% reflecting increases in both average room rate and occupancy of 3.7% and 1.2% points respectively. Grand Hyatt Taipei benefited from the Computex show held in June 2018 whilst Millennium Seoul Hilton gained from increased government business as a result of the North Korea/South Korea summit.

In Q2 2018, Asia RevPAR increased by 2.6% with room rates up by 3.3% and occupancy down 0.5% points.

Australasia

Like-for-like Australasia RevPAR grew by 4.5% during H1 2018. With the inclusion of M Social Auckland, Australasia RevPAR increased by 7.3% in H1 2018 with an increase in average room rate and occupancy of 5.8% and 1.2% points respectively.

In Q2 2018, Australasia RevPAR increased by 2.5% with room rates up slightly by 0.2% and occupancy up 1.7% points. Like-for-like RevPAR was flat, with decrease in average room rate by 2.4% and higher occupancy by 2.0%.

Developments

The construction of a 263-room hotel and a 250-unit residential apartment block on 35,717m² mixed use freehold landsite at Sunnyvale, California has commenced this year with site preparation and pre-construction work. The construction cost is estimated at US\$200m (£152m).

The Group is re-considering the design of the Yangdong development in Seoul, possibly with a view to increase the number of hotel rooms and apartment units. The construction cost will be determined once the new design is finalised.

Hotel refurbishments

The on-going refurbishment work at our Mayfair hotel started in November 2017 and will cost around £40m in total. The hotel ceased trading at the start of July 2018 and is scheduled to re-open in Q1 next year.

Refurbishment plans for Millennium Hotel London Knightsbridge are under review. As previously announced, the Group plans to spend about US\$80m (£61m) to upgrade its New York properties over the next two years.

Orchard Hotel Singapore has commenced work on its lobby and food & beverage outlets, which is expected to complete by end 2018. The hotel remains fully operational but some disruption and revenue loss is anticipated. The guest rooms in the Orchard wing will be renovated progressively from 4Q 2018 to around 1Q 2019, as well as the ballroom and some meeting spaces in the hotel.

Other Group operations

Joint ventures and associates contributed £8m to profit in H1 2018 (H1 2017: £6m). The Group has an effective interest of 36% in First Sponsor Group Limited, which is listed on the Singapore Exchange and reports its results publicly.

In April 2018, the Group subscribed for its full entitlement of FSGL's rights issue of new perpetual convertible capital securities ("PCCS") for a total cost of S\$58.2m (£32m) and the PCCS were allotted on 19 April 2018.

Financial position

At 30 June 2018, the Group had net debt of £674m (Dec 2017: net debt of £650m). Excluding CDLHT, net debt at 30 June 2018 was £232m (Dec 2017: net debt of £186m).

Board and management changes

As previously announced, Jennifer Fox was appointed as the Group Chief Executive Officer and a member of the Board of Directors on 19 June 2018. The Group has also appointed a Group Chief Marketing Officer and a Head of Human Resources, both based in London.

Dividend

The Board has declared an interim dividend of 2.08 pence per share. The interim dividend will be paid on 28 September 2018 to shareholders on the register at the close of business on 17 August 2018. The ex-dividend date of the Company's shares is 16 August 2018. The Board will consider the full dividend for the year following the close of the financial year.

Current trading

In the first 21 days of trading in July 2018, Group RevPAR in constant currency decreased by 3.5%. RevPAR for New York down by 5.1%, Regional US down by 5.3%, London was flat, Rest of Europe up by 1.3%, Singapore down by 3.0%, Rest of Asia up by 8.1% and Australasia down by 9.9%.

Excluding Millennium Hotel Glasgow (116 rooms reduced to 60 rooms from July 2017), M Social Auckland (opened October 2017), our Mayfair hotel (closed from 1 July 2018) and Millennium New Plymouth NZ (acquired in February 2018), like-for-like Group RevPAR dropped by 1.0% with London up by 8.9%. Rest of Europe was up by 0.4%. Australasia was down by 10.6%, in part attributable to strong comparatives in 2017 due to the British and Irish Lions rugby tour.

This trading update contains certain statements that are or may be forward-looking with respect to the financial condition, results or operations and business of Millennium & Copthorne Hotels plc. By their nature forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. Undue reliance should not be placed on forward looking statements which speak only as of the date of this document. The Group accepts no obligation to publicly revise or update these forward-looking statements or adjust them to future events or developments, whether as a result of new information, future events or otherwise, except to the extent legally required.

**Condensed consolidated income statement (unaudited)
for the half year ended 30 June 2018**

	Notes	Second Quarter 2018 £m	Second Quarter 2017 £m	First Half 2018 £m	First Half 2017 £m	Full Year 2017 £m
Revenue	3	260	262	477	485	1,008
Cost of sales		(111)	(111)	(212)	(216)	(431)
Gross profit		149	151	265	269	577
Administrative expenses		(103)	(102)	(198)	(203)	(415)
Other operating income	4	-	12	3	12	30
Other operating expense	4	-	(9)	-	(9)	(47)
Operating profit		46	52	70	69	145
Share of profit of joint ventures and associates		3	2	8	6	22
Finance income		-	2	4	5	11
Finance expense		(10)	(6)	(17)	(17)	(31)
Net finance expense		(10)	(4)	(13)	(12)	(20)
Profit before tax	3	39	50	65	63	147
Income tax (expense)/credit	5	(8)	(2)	(12)	(4)	12
Profit for the period		31	48	53	59	159
Attributable to:						
Equity holders of the parent		20	39	28	42	124
Non-controlling interests		11	9	25	17	35
		31	48	53	59	159
Basic earnings per share (pence)	6	6.2p	11.9p	8.5p	12.8p	38.1p
Diluted earnings per share (pence)	6	6.2p	11.9p	8.5p	12.8p	38.1p

The financial results above were derived from continuing activities.

**Condensed consolidated statement of comprehensive income (unaudited)
for the half year ended 30 June 2018**

	First Half 2018 £m	First Half 2017 £m	Full Year 2017 £m
Profit for the period	53	59	159
Other comprehensive expense, net of tax:			
Items that are not reclassified subsequently to income statement:			
Remeasurement of defined benefit plan actuarial net gains	-	-	4
	-	-	4
Items that may be reclassified subsequently to income statement:			
Foreign currency translation differences - foreign operations	(1)	(22)	(102)
Foreign currency translation differences - equity accounted investees	6	(9)	(16)
Net gain on hedge of net investments in foreign operations	(2)	8	12
	3	(23)	(106)
Other comprehensive income/(expense) for the period, net of tax	3	(23)	(102)
Total comprehensive income for the period, net of tax	56	36	57
 Total comprehensive income attributable to:			
Equity holders of the parent	33	11	22
Non-controlling interests	23	25	35
Total comprehensive income for the period, net of tax	56	36	57

Condensed consolidated statement of financial position (unaudited)
as at 30 June 2018

	As at 30 June 2018 £m	As at 30 June 2017 £m	As at 31 Dec 2017 £m
Non-current assets			
Property, plant and equipment	3,130	3,242	3,129
Lease premium prepayment	102	105	103
Investment properties	582	531	577
Investment in joint ventures and associates	369	317	324
	4,183	4,195	4,133
Current assets			
Inventories	5	5	4
Development properties	103	88	93
Lease premium prepayment	2	2	2
Trade and other receivables	102	122	88
Cash and cash equivalents	343	361	354
	555	578	541
Assets held for sale	-	-	41
	555	578	582
Total assets	4,738	4,773	4,715
Non-current liabilities			
Interest-bearing loans, bonds and borrowings	(896)	(869)	(791)
Employee benefits	(18)	(23)	(19)
Provisions	(9)	(9)	(9)
Other non-current liabilities	(13)	(14)	(13)
Deferred tax liabilities	(188)	(213)	(188)
	(1,124)	(1,128)	(1,020)
Current liabilities			
Interest-bearing loans, bonds and borrowings	(121)	(226)	(213)
Trade and other payables	(210)	(227)	(208)
Provisions	(2)	(2)	(2)
Income taxes payable	(16)	(26)	(23)
	(349)	(481)	(446)
Total liabilities	(1,473)	(1,609)	(1,466)
Net assets	3,265	3,164	3,249
Equity			
Issued share capital	97	97	97
Share premium	843	843	843
Translation reserve	436	506	431
Treasury share reserve	(4)	(4)	(4)
Retained earnings	1,327	1,223	1,309
Total equity attributable to equity holders of the parent	2,699	2,665	2,676
Non-controlling interests	566	499	573
Total equity	3,265	3,164	3,249

**Condensed consolidated statement of changes in equity (unaudited)
for the half year ended 30 June 2018**

	Share capital £m	Share premium £m	Translation reserve £m	Treasury share reserve £m	Retained earnings £m	Total excluding non-controlling interests £m	Non- controlling interests £m	Total equity £m
Balance at 1 January 2018	97	843	431	(4)	1,309	2,676	573	3,249
Profit	-	-	-	-	28	28	25	53
Other comprehensive income/(expense)	-	-	5	-	-	5	(2)	3
Total comprehensive income	-	-	5	-	28	33	23	56
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Dividends - equity holders	-	-	-	-	(14)	(14)	-	(14)
Dividends - non-controlling interests	-	-	-	-	-	-	(26)	(26)
Share-based payment transactions (net of tax)	-	-	-	-	1	1	-	1
Changes in ownership interests								
Change in interests in subsidiaries without loss of control	-	-	-	-	3	3	(3)	-
Return of capital to non-controlling interests	-	-	-	-	-	-	(1)	(1)
Total transactions with owners	-	-	-	-	(10)	(10)	(30)	(40)
Balance at 30 June 2018	97	843	436	(4)	1,327	2,699	566	3,265

	Share capital £m	Share premium £m	Translation reserve £m	Treasury share reserve £m	Retained earnings £m	Total excluding non-controlling interests £m	Non- controlling interests £m	Total equity £m
Balance at 1 January 2017	97	843	537	(4)	1,195	2,668	502	3,170
Profit	-	-	-	-	42	42	17	59
Other comprehensive income/(expense)	-	-	(31)	-	-	(31)	8	(23)
Total comprehensive income/(expense)	-	-	(31)	-	42	11	25	36
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Dividends - equity holders	-	-	-	-	(18)	(18)	-	(18)
Dividends - non-controlling interests	-	-	-	-	-	-	(23)	(23)
Changes in ownership interests								
Change in interests in subsidiaries without loss of control	-	-	-	-	4	4	(4)	-
Return of capital to non-controlling interests	-	-	-	-	-	-	(1)	(1)
Total transactions with owners	-	-	-	-	(14)	(14)	(28)	(42)
Balance at 30 June 2017	97	843	506	(4)	1,223	2,665	499	3,164
Profit	-	-	-	-	82	82	18	100
Other comprehensive income/(expense)	-	-	(75)	-	4	(71)	(8)	(79)
Total comprehensive income/(expense)	-	-	(75)	-	86	11	10	21
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Dividends - equity holders	-	-	-	-	(7)	(7)	-	(7)
Dividends - non-controlling interests	-	-	-	-	-	-	(17)	(17)
Changes in ownership interests								
Change in interests in subsidiaries without loss of control	-	-	-	-	7	7	(7)	-
Rights issue by subsidiary with NCI	-	-	-	-	-	-	89	89
Return of capital to non-controlling interests	-	-	-	-	-	-	(1)	(1)
Total transactions with owners	-	-	-	-	-	-	64	64
Balance at 31 December 2017	97	843	431	(4)	1,309	2,676	573	3,249

**Condensed consolidated statement of cash flows (unaudited)
for the half year ended 30 June 2018**

	First Half 2018 £m	First Half 2017 £m	Full Year 2017 £m
Cash flows from operating activities			
Profit for the period	53	59	159
<i>Adjustments for:</i>			
Depreciation and amortisation	34	37	75
Share of profit of joint ventures and associates	(8)	(6)	(22)
Other operating income	(3)	(12)	(30)
Other operating expense	-	9	47
Finance income	(4)	(5)	(11)
Finance expense	17	17	31
Income tax expense	12	4	(12)
Equity settled share-based transactions	1	-	-
Operating profit before changes in working capital and provisions	102	103	237
Movement in inventories, trade and other receivables	(15)	(15)	9
Movement in development properties	(12)	6	(4)
Movement in trade and other payables	3	16	(13)
Movement in provisions and employee benefits	-	-	1
Cash generated from operations	78	110	230
Interest paid	(11)	(11)	(21)
Interest received	2	2	4
Income tax paid	(20)	(18)	(33)
Net cash generated from operating activities	49	83	180
Cash flows from investing activities			
Proceeds from sale of property, plant & equipment	44	-	-
Dividends received from joint ventures and associates	1	1	2
Proceeds from settlement of shareholder's loan	-	-	12
Acquisition of subsidiary, net of cash acquired	(6)	(52)	(52)
Increase in investment in joint ventures and associates	(32)	-	-
Acquisition of property, plant and equipment, lease premium prepayment and investment properties	(23)	(32)	(142)
Net cash used in investing activities	(16)	(83)	(180)
Cash flows from financing activities			
Repayment of borrowings	(124)	(5)	(306)
Drawdown of borrowings	126	71	309
Dividends paid to non-controlling interests	(26)	(23)	(40)
Return of capital to non-controlling interests	(1)	(1)	(2)
Acquisition of non-controlling interests	(3)	-	-
Dividends paid to equity holders of the parent	(14)	(18)	(25)
Proceeds from issue of share capital	-	-	89
Net cash generated from/(used in) financing activities	(42)	24	25
Net increase/(decrease) in cash and cash equivalents	(9)	24	25
Cash and cash equivalents at beginning of the period	354	337	337
Effect of exchange rate fluctuations on cash held	(2)	-	(8)
Cash and cash equivalents at end of the period	343	361	354
Reconciliation of cash and cash equivalents			
Cash and cash equivalents shown in the consolidated statement of financial position	343	361	354
Bank overdrafts included in borrowings	-	-	-
Cash and cash equivalents for consolidated statement of cash flows	343	361	354

Notes to the condensed consolidated financial statements

1. General information

Basis of preparation

The consolidated financial statements in this interim management report for Millennium & Copthorne Hotels plc ("the Company") as at and for the half year ended 30 June 2018 comprise the Company and its subsidiaries (together referred to as "the Group") and the Group's interests in joint ventures and associates.

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2017 and during the three month period ended 30 June 2018 ("Second Quarter 2018").

The comparative figures for the financial year ended 31 December 2017 are not the Company's statutory accounts for that financial year. Those accounts have been reported on by the Company's auditor and delivered to the registrar of companies. The report of the auditor was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

These interim financial statements were authorised for issue by the Company's Board of Directors on 2 August 2018.

Use of judgements and estimates

The financial statements were prepared on a going concern basis supported by the Directors' assessment of the Group's current and forecast financial position and forecast for the foreseeable future; and are presented in the Company's functional currency of sterling, rounded to the nearest million.

In preparing these interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2017.

Significant accounting policies

The accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2017.

New standards and interpretations

'IFRS 15 Revenue from Contracts with Customers' is effective from the start of the Group's current financial year. IFRS 15 provides a principles-based approach for revenue recognition and introduces the concept of recognising revenue for obligations as they are satisfied. The Group has assessed the requirements of the standard and the conclusion is that there is no material impact to revenue.

'IFRS 9 Financial Instruments: Recognition and Measurement' is effective from the start of the Group's current financial year. IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. Debt instruments currently classified as held-to maturity and measured at amortised cost will meet the conditions for classification at amortised cost under IFRS 9. The Group believes that its current hedge relationships will qualify as continuing hedges, upon the adoption of IFRS 9. The impact of this accounting standard on the Group's accounts for the current year is considered immaterial.

'IFRS 16 Leases' is effective for annual periods beginning on or after 1 January 2019 and results in lessees accounting for most leases within the scope of the standard in a manner similar to the way in which finance leases are currently accounted for under IAS 17 Leases. The Group is currently assessing the impact of this standard but it is not practicable to quantify the effect as at the date of the publication of this report.

Notes to the condensed consolidated financial statements

2. Foreign currency translation

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

Currency (=£)	As at 30 June 2018	2017	As at 31 December 2017	Average for 6 months January-June 2018	2017	Average for 3 months April-June 2018	2017	Average for the year 2017
US dollar	1.320	1.283	1.339	1.373	1.261	1.353	1.280	1.290
Singapore dollar	1.800	1.778	1.796	1.825	1.774	1.813	1.784	1.782
New Taiwan dollar	40.250	39.034	40.083	40.732	38.807	40.560	38.950	39.338
New Zealand dollar	1.935	1.766	1.896	1.929	1.778	1.938	1.807	1.814
Malaysian ringgit	5.318	5.515	5.473	5.426	5.535	5.371	5.542	5.544
Korean won	1,475.41	1,467.88	1,438.03	1,481.17	1,445.40	1,469.17	1,455.04	1,455.88
Chinese renminbi	8.708	8.722	8.779	8.782	8.677	8.703	8.778	8.722
Euro	1.134	1.127	1.127	1.138	1.162	1.140	1.156	1.143
Japanese yen	144.811	143.819	151.569	149.574	141.880	148.607	142.712	144.878

3. Operating segment information

Disclosure of segmental information is principally presented in respect of the Group's geographical segments.

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

Geographical segments

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

- New York
- Regional US
- London
- Rest of Europe (including the Middle East)
- Singapore
- Rest of Asia
- Australasia

The segments reported reflect the operating segment information included in the internal reports that the Chief Operating Decision Maker ("CODM"), which is the Board, regularly reviews.

The reportable segments are aligned with the structure of the Group's internal organisation which is based according to geographical region. Discrete financial information is reported to and is reviewed by the CODM on a geographical basis. Operating segments have Chief Operating Officers ("COOs") or equivalent who are directly accountable for the functioning of their segments and who maintain regular contact with the Chief Executive Officer and Chairman of the CODM to discuss the operational and financial performance. The CODM makes decisions about allocation of resources to the regions managed by the COOs.

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

Notes to the condensed consolidated financial statements

3. Operating segment information (continued)

First Half 2018									
	New York £m	Regional US £m	London £m	Rest of Europe £m	Singapore £m	Rest of Asia £m	Australasia £m	Central Costs £m	Total Group £m
Revenue									
Hotel	67	64	49	34	62	85	43	-	404
Property operations	-	2	-	-	1	5	33	-	41
REIT	-	-	-	14	8	7	3	-	32
Total revenue	67	66	49	48	71	97	79	-	477
Hotel gross operating profit	5	12	19	7	24	29	21	-	117
Hotel fixed charges ¹	(16)	(12)	(11)	(5)	(2)	(17)	(3)	-	(66)
Hotel operating profit/(loss)	(11)	-	8	2	22	12	18	-	51
Property operating profit	-	1	-	-	1	5	18	-	25
REIT operating profit/(loss)	-	-	-	5	(2)	2	3	-	8
Central costs	-	-	-	-	-	-	-	(17)	(17)
Other operating income ²	-	-	-	-	-	-	-	-	-
Other operating expense ²	-	-	-	-	-	-	-	-	-
Other operating income - REIT ²	-	-	-	-	-	-	3	-	3
Operating profit/(loss)	(11)	1	8	7	21	19	42	(17)	70
Share of joint ventures and associates profit	-	-	-	3	-	5	-	-	8
Add: Depreciation and amortisation	5	6	3	1	6	10	2	1	34
Add: Impairment	-	-	-	-	-	-	-	-	-
EBITDA ³	(6)	7	11	11	27	34	44	(16)	112
Less: Depreciation, amortisation & impairment									(34)
Net finance expense									(13)
Profit before tax									65

First Half 2017									
	New York £m	Regional US £m	London £m	Rest of Europe £m	Singapore £m	Rest of Asia £m	Australasia £m	Central Costs £m	Total Group £m
Hotel	68	71	57	34	65	83	40	-	418
Property operations	-	2	-	-	1	5	30	-	38
REIT	-	-	-	7	8	10	4	-	29
Total revenue	68	73	57	41	74	98	74	-	485
Hotel gross operating profit	5	14	27	7	26	27	20	-	126
Hotel fixed charges ¹	(17)	(13)	(13)	(4)	(1)	(19)	(3)	-	(70)
Hotel operating profit/(loss)	(12)	1	14	3	25	8	17	-	56
Property operating profit	-	-	-	-	1	5	15	-	21
REIT operating profit/(loss)	-	-	-	-	(2)	3	4	-	5
Central costs	-	-	-	-	-	-	-	(16)	(16)
Other operating income ²	-	-	-	-	-	12	-	-	12
Other operating expense ²	-	-	-	(4)	-	(5)	-	-	(9)
Operating profit/(loss)	(12)	1	14	(1)	24	23	36	(16)	69
Share of joint ventures and associates profit	-	-	-	2	-	4	-	-	6
Add: Depreciation and amortisation	5	7	3	2	7	11	1	1	37
Add: Impairment	-	-	-	4	-	5	-	-	9
EBITDA ³	(7)	8	17	7	31	43	37	(15)	121
Less: Depreciation, amortisation & impairment									(46)
Net finance expense									(12)
Profit before tax									63

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

² See Note 4 for details of other operating income and expense.

³ EBITDA is earnings before interest, tax and, depreciation and amortisation.

Notes to the condensed consolidated financial statements

3. Operating segment information (continued)

Segmental assets and liabilities

At 30 June 2018	New York £m	Regional US £m	London £m	Rest of Europe £m	Singapore £m	Rest of Asia £m	Australasia £m	Total Group £m
Hotel operating assets	619	324	505	235	21	659	179	2,542
REIT operating assets	-	-	-	207	595	119	153	1,074
Hotel operating liabilities	(32)	(45)	(14)	(43)	(20)	(62)	(9)	(225)
REIT operating liabilities	-	-	-	(5)	(6)	(3)	(4)	(18)
Investment in joint ventures and associates	-	-	-	-	-	158	-	158
Total hotel operating net assets	587	279	491	394	590	871	319	3,531
Property operating assets	-	37	-	-	84	185	104	410
Property operating liabilities	-	(1)	-	-	(3)	(3)	(2)	(9)
Investment in joint ventures and associates	-	-	-	67	-	144	-	211
Total property operating net assets	-	36	-	67	81	326	102	612
Deferred tax liabilities								(188)
Income taxes payable								(16)
Net cash								(674)
Net assets								3,265

As at 30 June 2017	New York £m	Regional US £m	London £m	Rest of Europe £m	Singapore £m	Rest of Asia £m	Australasia £m	Total Group £m
Hotel operating assets	649	353	502	240	22	696	187	2,649
REIT operating assets	-	-	-	115	610	133	197	1,055
Hotel operating liabilities	(34)	(51)	(16)	(42)	(21)	(64)	(10)	(238)
REIT operating liabilities	-	-	-	(5)	(8)	(2)	(11)	(26)
Investment in joint ventures and associates	-	-	-	-	-	155	-	155
Total hotel operating net assets	615	302	486	308	603	918	363	3,595
Property operating assets	-	41	-	-	85	177	88	391
Property operating liabilities	-	(1)	-	-	(5)	(3)	(2)	(11)
Investment in joint ventures and associates	-	-	-	18	-	144	-	162
Total property operating net assets	-	40	-	18	80	318	86	542
Deferred tax liabilities								(213)
Income taxes payable								(26)
Net cash								(734)
Net assets								3,164

4. Other operating income and expense

	Notes	First Half 2018 £m	First Half 2017 £m	Full Year 2017 £m
Net revaluation gain of investment properties	(a)	-	-	9
Reversal of impairment of loan	(b)	-	12	12
Impairment of assets	(c)	-	(9)	(38)
Gain from disposal of investment properties	(d)	3	-	-

(a) Net revaluation gain of investment properties

Based on external valuations, the revaluation gain or deficit was recorded as considered appropriate by the Directors.

Notes to the condensed consolidated financial statements

4. Other operating income and expense (continued)

(b) Reversal of impairment of loan

On 31 July 2017, the Group disposed of its 50% interest in Fena Estate Co. Ltd, owner of Pullman Bangkok Grande Sukhumvit (formerly Grand Millennium Sukhumvit Bangkok) in exchange for a token sum and repayment of the shareholder loan, which had been impaired in earlier years. The Group re-instated the loan on its balance sheet during 2017 with an income of £12m recognised in the income statement.

(c) Impairment of assets

The total impairment charge for the first half of 2018 was £nil (H1 2017: £9m).

(d) Gain from disposal of investment properties

On 11 January 2018, CDLHT completed the divestment of two hotels in Australia, the Mercure Brisbane and Ibis Brisbane for A\$77m (£44m) and a gain of £3m was recognised by the Group.

5. Income tax expense

The Group recorded a tax expense of £12m for the first half of 2018 (H1 2017: £4m) excluding the tax relating to joint ventures and associates. The tax expense of £4m recorded during the first half of last year included the release of £4m provision in relation to an exposure in Singapore that was finalised in July 2017.

Income tax expense for the period is the expected income tax payable on the taxable income for the period, calculated at the estimated average underlying annual effective income tax rate applied to the pre-tax income for the period, and further adjusted to take into account the impact of over or under-provision adjustments for prior years.

6. Earnings per share

Earnings per share are calculated using the following information:

	First Half 2018	First Half 2017	Full Year 2017
(a) Basic			
Profit for the period attributable to holders of the parent (£m)	28	42	124
Weighted average number of shares in issue (m)	325	325	325
Basic earnings per share (pence)	8.5p	12.8p	38.1p
(b) Diluted			
Profit for the period attributable to holders of the parent (£m)	28	42	124
Weighted average number of shares in issue (m)	325	325	325
Potentially dilutive share options under the Group's share option schemes (m)	-	-	-
Weighted average number of shares in issue (diluted) (m)	325	325	325
Diluted earnings per share (pence)	8.5p	12.8p	38.1p

7. Dividends

	First Half 2018 pence	First Half 2017 pence	Full Year 2017 pence
Final ordinary dividend paid	4.42	5.66	5.66
Interim ordinary dividend paid	-	-	2.08
	4.42	5.66	7.74

Dividends paid to equity holders in the first half of 2018 totalled £14m (H1 2017: £18m).

Notes to the condensed consolidated financial statements

8. Significant related parties' transactions

Identity of related parties

Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of material transactions between the Group and other related parties are disclosed below. All transactions with related parties were entered into in the normal course of business and at arm's length.

The Group has a related party relationship with its joint ventures, associates, controlling shareholder and with its Directors and executive officers.

Significant transactions with ultimate holding company and other related companies

The Group has a related party relationship with certain subsidiaries of Hong Leong Investment Holdings Pte. Ltd. ("Hong Leong"), which is the ultimate holding and controlling company of Millennium & Copthorne Hotels plc and is deemed to have an interest of 65.2% (31 December 2017: 65.2%) of the Company's shares via City Developments Limited ("CDL"), the intermediate holding company of the Group. During the half year ended 30 June 2018, the Group had the following significant transactions with those subsidiaries:

The Group deposited certain surplus cash with Hong Leong Finance Limited, a subsidiary of Hong Leong, on normal commercial terms. As at 30 June 2018, £3m (December 2017: £4m) of cash was deposited with Hong Leong Finance Limited.

Fees paid/payable by the Group to CDL and its other subsidiaries were £1m (H1 2017: £1m) which included rentals paid for the Grand Shanghai restaurant and Kings Centre; property management fees for Tanglin Shopping Centre; charges for car parking, leasing commission and professional services.

9. Risks and uncertainties

The Directors believe that the principal risks and uncertainties facing the Group are consistent with those outlined in the Annual Report and Accounts for the year ended 31 December 2017, with the Board further noting that:

Uncertainties concerning the outcome of Britain leaving the European Union have not been clarified, and may have a continuing impact on the value of the pound sterling and the supply and cost of labour in the UK.

Continuing geopolitical tensions and increasing protectionism may affect the global economic conditions negatively.

The EU General Data Protection Regulation ("GDPR") came into force in May 2018. The Group had implemented a comprehensive programme to assess and address the requirements under the GDPR, and this work continues on an on-going basis as the protection of personal data of our guests, employees and other stakeholders is of paramount importance to the Group.

The Group, led by its Audit and Risk Committee, continues to monitor the principal risks and work with the Group's Management Risk Committee, chaired by the Group Chief Executive Officer, to ensure that the Company's risk management framework remains effective.

10. Financial commitments, contingencies and subsequent events

Except as stated below, there have been no material changes to commitments, contingencies and subsequent events as disclosed in the annual report and accounts for the year ended 31 December 2017:

Capital commitments

Contracts placed for future capital expenditure not provided in the financial statements amount to £60m at 30 June 2018 (31 December 2017: £70m).

Subsequent events

There are no events subsequent to the balance sheet date which require adjustments to or disclosure within these consolidated financial statements.

MILLENNIUM & COPTHORNE HOTELS plc

Responsibility statement of the Directors in respect of the interim management report

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU;
- the interim management report includes a fair review of the information required by:

(a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

(b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

By order of the board

Kwek Leng Beng
Chairman

2 August 2018

INDEPENDENT REVIEW REPORT TO MILLENNIUM & COPTHORNE HOTELS plc

Conclusion

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2018 which comprises the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, and consolidated statement of cash flows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2018 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

The annual financial statements of the group are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted by the EU.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

The purpose of our review work and to whom we owe our responsibilities

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 DTR of the UK FCA. 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.

**Jonathan Downer (Senior Statutory Auditor)
for and on behalf of KPMG LLP**

Chartered Accountants
15 Canada Square
London
E14 5GL

2 August 2018

APPENDIX 1: KEY OPERATING STATISTICS
for the half year ended 30 June 2018

	First Half 2018 Reported currency	First Half 2017 Constant currency	First Half 2017 Reported currency	Full Year 2017 Reported currency
Owned or leased hotels*				
Occupancy (%)				
New York	82.3		80.3	85.3
Regional US	56.4		59.3	60.0
Total US	64.9		66.2	68.3
London	71.9		81.5	83.0
Rest of Europe	70.7		69.7	70.5
Total Europe	71.3		75.7	76.9
Singapore	84.1		86.3	85.6
Rest of Asia	65.0		63.8	66.4
Total Asia	72.4		72.5	73.9
Australasia	84.5		83.3	81.2
Total Group	71.0		72.3	73.5
Average Room Rate (£)				
New York	171.53	165.83	180.49	193.18
Regional US	97.89	94.76	103.13	103.23
Total US	128.60	123.14	134.03	140.23
London	119.69	124.33	124.33	132.47
Rest of Europe	77.37	74.77	74.28	76.16
Total Europe	99.25	101.81	101.59	107.15
Singapore	95.85	93.85	96.56	97.91
Rest of Asia	96.61	93.18	96.19	96.93
Total Asia	96.27	93.49	96.36	97.37
Australasia	88.33	83.50	90.58	90.01
Total Group	106.01	103.72	108.90	112.68
RevPAR (£)				
New York	141.11	133.13	144.90	164.84
Regional US	55.25	56.16	61.12	61.90
Total US	83.52	81.50	88.70	95.79
London	86.06	101.38	101.38	109.98
Rest of Europe	54.67	52.10	51.76	53.66
Total Europe	70.76	77.06	76.89	82.35
Singapore	80.65	81.00	83.34	83.83
Rest of Asia	62.75	59.47	61.39	64.39
Total Asia	69.68	67.81	69.89	71.91
Australasia	74.64	69.55	75.45	73.06
Total Group	75.29	74.95	78.69	82.78
Gross Operating Profit Margin (%)				
New York	7.6		6.6	15.1
Regional US	18.1		20.0	21.2
Total US	12.8		13.4	18.0
London	38.5		47.1	49.5
Rest of Europe	20.6		20.8	22.2
Total Europe	31.2		37.3	39.6
Singapore	39.0		40.3	40.5
Rest of Asia	33.8		32.4	34.1
Total Asia	36.0		35.8	36.9
Australasia	49.0		49.9	49.1
Total Group	28.9		30.0	32.2

For comparability, the 30 June 2017 Average Room Rate and RevPAR have been translated at average exchange rates for the period ended 30 June 2018.

* excluding managed, franchised and investment hotels.

APPENDIX 2: KEY OPERATING STATISTICS
for the quarter ended 30 June 2018

Owned or leased hotels*	Q2 2018 Reported currency	Q2 2017 Constant currency	Q2 2017 Reported currency	FY 2017 Reported currency
Occupancy (%)				
New York	89.2		88.4	85.3
Regional US	62.2		66.1	60.0
Total US	71.1		73.5	68.3
London	74.5		86.6	83.0
Rest of Europe	76.6		75.1	70.5
Total Europe	75.5		80.9	76.9
Singapore	81.7		85.2	85.6
Rest of Asia	66.9		65.4	66.4
Total Asia	72.6		73.1	73.9
Australasia	77.9		76.2	81.2
Total Group	73.4		75.4	73.5
Average Room Rate (£)				
New York	196.86	188.46	201.56	193.18
Regional US	103.94	101.87	108.72	103.23
Total US	142.34	136.19	145.53	140.23
London	125.23	133.61	133.61	132.47
Rest of Europe	81.07	78.93	78.52	76.16
Total Europe	103.41	108.57	108.38	107.15
Singapore	96.74	94.49	96.02	97.91
Rest of Asia	99.77	95.98	97.93	96.93
Total Asia	98.45	95.31	97.06	97.37
Australasia	78.75	78.62	83.98	90.01
Total Group	111.74	110.66	114.87	112.68
RevPAR (£)				
New York	175.60	166.67	178.26	164.84
Regional US	64.60	67.33	71.86	61.90
Total US	101.15	100.04	106.90	95.79
London	93.32	115.71	115.71	109.98
Rest of Europe	62.07	59.24	58.93	53.66
Total Europe	78.09	87.84	87.68	82.35
Singapore	79.00	80.55	81.85	83.83
Rest of Asia	66.72	62.80	64.07	64.39
Total Asia	71.47	69.67	70.95	71.91
Australasia	61.37	59.87	63.95	73.06
Total Group	82.01	83.46	86.64	82.78
Gross Operating Profit Margin (%)				
New York	21.7		21.9	15.1
Regional US	26.1		28.4	21.2
Total US	23.7		25.1	18.0
London	41.9		51.6	49.5
Rest of Europe	26.8		29.2	22.2
Total Europe	35.6		43.1	39.6
Singapore	37.7		39.7	40.5
Rest of Asia	35.2		34.5	34.1
Total Asia	36.2		36.7	36.9
Australasia	42.1		44.3	49.1
Total Group	32.0		34.5	32.2

For comparability, the 30 June 2017 Average Room Rate and RevPAR have been translated at average exchange rates for the period ended 30 June 2018.

* excluding managed, franchised and investment hotels.

APPENDIX 3: HOTEL ROOM COUNT AND PIPELINE
as at 30 June 2018

Hotel and room count	30 June 2018	Hotels 31 Dec 2017	Change	30 June 2018	Rooms 31 Dec 2017	Change
Analysed by region:						
New York	4	4	-	2,238	2,238	-
Regional US	15	15	-	4,559	4,559	-
London	8	8	-	2,602	2,649	(47)
Rest of Europe	22	21	1	3,655	3,528	127
Middle East	32	31	1	10,521	10,346	175
Singapore	7	7	-	3,011	3,011	-
Rest of Asia	25	25	-	9,239	9,240	(1)
Australasia	24	25	(1)	3,461	3,831	(370)
Total	137	136	1	39,286	39,402	(116)

Analysed by ownership type:						
Owned or Leased	67	66	1	19,710	19,672	38
Managed	15	15	-	3,733	4,098	(365)
Franchised	40	38	2	11,605	10,982	623
Investment	15	17	(2)	4,238	4,650	(412)
Total	137	136	1	39,286	39,402	(116)

Analysed by brand:						
Grand Millennium	9	9	-	3,733	3,734	(1)
Millennium	54	52	2	17,543	17,415	128
Copthorne	34	33	1	6,641	6,469	172
Kingsgate	7	7	-	671	671	-
Other M&C	15	15	-	4,838	4,838	-
Third Party	18	20	(2)	5,860	6,275	(415)
Total	137	136	1	39,286	39,402	(116)

Pipeline	30 June 2018	Hotels 31 Dec 2017	Change	30 June 2018	Rooms 31 Dec 2017	Change
Analysed by region:						
Middle East	8	10	(2)	2,790	3,239	(449)
Asia	5	4	1	1,726	1,594	132
Regional US	1	1	-	263	263	-
Rest of Europe	1	1	-	318	184	134
Australasia	-	1	(1)	-	42	(42)
Total	15	17	(2)	5,097	5,322	(225)

Analysed by ownership type:						
Managed	4	3	1	1,184	1,052	132
Franchised	9	11	(2)	3,108	3,423	(315)
Owned	2	3	(1)	805	847	(42)
Total	15	17	(2)	5,097	5,322	(225)

Analysed by brand:						
Grand Millennium	2	1	1	569	251	318
Millennium	8	9	(1)	2,761	2,789	(28)
Copthorne	2	2	-	666	666	-
Other M&C	3	5	(2)	1,101	1,616	(515)
Total	15	17	(2)	5,097	5,322	(225)

The Group's worldwide pipeline comprises 15 hotels offering 5,097 rooms, which are mainly franchise contracts.