

General Announcement::Announcement by Subsidiary Company, Millennium & Copthorne Hotels plc

Issuer & Securities

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MILLENNIUM & COPTHORNE HOTELS plc
INTERIM MANAGEMENT REPORT
Half year and second quarter results to 30 June 2017

First half 2017:

	H1 2017	Reported Currency			Constant Currency		
		H1 2016	Change		H1 2016	Change	
RevPAR	£78.69	£67.91	£10.78	15.9%	£75.04	£3.65	4.9%
Revenue - total	£485m	£418m	£67m	16.0%	£465m	£20m	4.3%
Revenue - hotel	£418m	£360m	£58m	16.1%	£400m	£18m	4.5%
Profit before tax (Note 1)	£63m	£56m	£7m	12.5%	£62m	£1m	1.6%
Basic earnings per share	12.8p	9.3p	3.5p	37.6%			
Interim dividend	2.08p	2.08p	-	-			

Second quarter 2017:

	Q2 2017	Reported Currency			Constant Currency		
		Q2 2016	Change		Q2 2016	Change	
RevPAR	£86.64	£75.80	£10.84	14.3%	£82.52	£4.12	5.0%
Revenue - total	£262m	£226m	£36m	15.9%	£247m	£15m	6.1%
Revenue - hotel	£227m	£195m	£32m	16.4%	£214m	£13m	6.1%
Profit before tax (Note 1)	£50m	£38m	£12m	31.6%	£41m	£9m	22.0%

Note 1: Profit before tax for H1 2017 includes impairment losses of £9m offset by the reversal of impairment of loan of £12m. Excluding these non-trading items, pre-tax profit for H1 2017 is £60m (H1 2016: £58m). Similarly Q2 2017, the reported pre-tax profit is £47m (Q2 2016: £40m).

- In constant currency, Group RevPAR grew by 4.9% during the first six months of 2017 with increases in occupancy and average room rate of 3.0% points and 0.5% respectively. In reported currency, Group RevPAR increased by 15.9%.
- In Q1 and Q2 of 2017, London RevPAR grew by 14.5% and 7.9% respectively. For the first half of 2017, London RevPAR grew by 10.7%, driven by higher tourist numbers as a result of the weaker pound.
- New York RevPAR grew by 10.0% for the six-month period, mainly reflecting the increased contribution from ONE UN New York whose East Tower was closed for refurbishment during the same period last year. Excluding this property, RevPAR for New York increased by 1.0%. Despite higher revenue, the New York region was still loss making for the period due to high operating costs, in particular payroll costs and travel agent commissions.
- Singapore RevPAR was down by 1.1% with a 4.1% points increase in occupancy more than offset by a 5.8% fall in average room rate.
- Group revenue increased by 16.0% to £485m or by 4.3% in constant currency, with increased contributions from hotel trading and property, offset by reduced revenue from CDL Hospitality Trusts ("CDLHT").
- Profit before tax increased by £7m or 12.5% for the six-month period. The result was impacted by a number of non-trading items, including impairment losses of £9m relating to a hotel in Rest of Asia and a hotel recently acquired by CDLHT in Europe (H1 2016: revaluation deficit of £4m offset by gain on insurance claim of £2m). As reported in Q1 2017, there was a one-off foreign exchange loss arising at CDLHT of £4m.
- On the other hand pre-tax profit was positively impacted by a £12m gain on the reversal of impairment of the Group's shareholder loan to Fena Estate Co. Ltd ("Fena"), owner of Pullman Bangkok Grande Sukhumvit (formerly Grand Millennium Sukhumvit Bangkok). On 31 July 2017, the Group disposed of its 50% interest in Fena in exchange for a token sum and repayment of the shareholder loan, which had been impaired in earlier years. The Group has reinstated the loan on its balance sheet as at 30 June 2017 with an income of £12m recognised in the income statement.
- The Board has declared an interim dividend of 2.08p per share.

Mr Kwek Leng Beng, Chairman commented:

“Group results improved in the first half of 2017 on both a reported and constant currency basis, by 12.5% and 1.6% respectively. However, there is continuing pressure on the profitability of our hotel operations, particularly in North Asia and New York.

The decline in Singapore RevPAR appears to be shallowing out. However RevPAR from Rest of Asia was down more sharply, in part as a result of geopolitical tensions impacting visitor arrivals in our hotels in Taipei and Seoul, especially from China.

The Group recognises that its New York region is under-performing. As part of our regional strategy, the Group has agreed a contract with Hilton for the management of ONE UN New York which will be re-branded as the Millennium Hilton New York One UN Plaza from 30 August 2017. In addition, management changes are currently underway, with increased focus on sales, costs and controls. These are significant steps in our strategy to strengthen our US operations.”

Enquiries

Millennium & Copthorne Hotels plc

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FINANCIAL PERFORMANCE

For the six months ended 30 June 2017, Group reported revenue increased by 16.0% to £485m (H1 2016: £418m). On a constant currency basis, Group revenue increased by 4.3%.

	H1 2017 £m	Reported Currency			Constant Currency		
		H1 2016 £m	Change		H1 2016 £m	Change	
			£m	%		£m	%
Hotel	418	360	58	16.1	400	18	4.5
Property	38	29	9	31.0	34	4	11.8
REIT	29	29	-	-	31	(2)	(6.5)
Total Revenue	485	418	67	16.0	465	20	4.3

In constant currency, hotel revenue for H1 2017 increased by 4.5%, driven by higher contributions from the Group's hotels in London and New Zealand. Property revenue for the period increased by 11.8% in constant currency, mainly because of higher contribution from New Zealand land sales.

Profit before tax for the first half of 2017 increased by 12.5% to £63m (H1 2016: £56m). Excluding non-trading items of net impairment reversal of £3m (H1 2016: revaluation deficit of £4m offset by gain on insurance claim of £2m) as stated in Note 4 to the financial statements, pre-tax profit for H1 2017 is £60m (H1 2016: £58m). Pre-tax profit also includes £4m of foreign exchange losses arising at CDLHT and recorded as finance cost in the Group income statement as previously reported in Q1 2017.

Hotel operations

In constant currency, Group RevPAR increased by 4.9% to £78.69 (H1 2016: £75.04). Like-for-like⁷ RevPAR increased by 2.0%.

	RevPAR			Occupancy			Average Room Rate		
	H1 2017 £	#H1 2016 £	Change %	H1 2017 %	H1 2016 %	Change %pts	H1 2017 £	#H1 2016 £	Change %
New York	144.90	131.72	10.0	80.3	71.2	9.1	180.49	185.05	(2.5)
Regional US	61.12	58.40	4.7	59.3	57.4	1.9	103.13	101.76	1.3
Total US	88.70	82.55	7.5	66.2	61.9	4.3	134.03	133.29	0.6
London	101.38	91.54	10.7	81.5	75.6	5.9	124.33	121.04	2.7
Rest of Europe	51.76	52.10	(0.7)	69.7	70.8	(1.1)	74.28	73.60	0.9
Total Europe	76.89	72.07	6.7	75.7	73.2	2.5	101.59	98.40	3.2
Singapore	83.34	84.23	(1.1)	86.3	82.2	4.1	96.56	102.50	(5.8)
Rest of Asia	61.39	65.27	(5.9)	63.8	63.8	-	96.19	102.36	(6.0)
Total Asia	69.89	72.61	(3.7)	72.5	70.9	1.6	96.36	102.43	(5.9)
Australasia	75.45	61.13	23.4	83.3	82.3	1.0	90.58	74.26	22.0
Total Group	78.69	75.04	4.9	72.3	69.3	3.0	108.90	108.36	0.5

	RevPAR			Occupancy			Average Room Rate		
	Q2 2017 £	#Q2 2016 £	Change %	Q2 2017 %	Q2 2016 %	Change %pts	Q2 2017 £	#Q2 2016 £	Change %
New York	178.26	159.55	11.7	88.4	78.2	10.2	201.56	203.92	(1.2)
Regional US	71.86	67.79	6.0	66.1	63.3	2.8	108.72	107.04	1.6
Total US	106.90	98.02	9.1	73.5	68.2	5.3	145.53	143.63	1.3
London	115.71	107.20	7.9	86.6	81.8	4.8	133.61	131.05	2.0
Rest of Europe	58.93	59.32	(0.7)	75.1	77.2	(2.1)	78.52	76.80	2.2
Total Europe	87.68	83.57	4.9	80.9	79.5	1.4	108.38	105.05	3.2
Singapore	81.85	82.81	(1.2)	85.2	81.7	3.5	96.02	101.39	(5.3)
Rest of Asia	64.07	67.54	(5.1)	65.4	64.0	1.4	97.93	105.56	(7.2)
Total Asia	70.95	73.45	(3.4)	73.1	70.8	2.3	97.06	103.70	(6.4)
Australasia	63.95	48.07	33.0	76.2	73.4	2.8	83.98	65.50	28.2
Total Group	86.64	82.52	5.0	75.4	72.3	3.1	114.87	114.18	0.6

In constant currency whereby 30 June 2016 RevPAR and average room rates have been translated at average exchange rates for the period ended 30 June 2017.

Note 1: Like-for-like comparisons exclude the impact of acquisitions, closures and refurbishments; and they are stated in constant currency terms.

US

US RevPAR for the period increased by 7.5% to £88.70 (H1 2016 £82.55). Occupancy and average room rate increased by 4.3% points and 0.6% respectively.

New York RevPAR increased by 10.0% as a result of a 9.1% points rise in occupancy which was partially offset by a 2.5% drop in average room rate. Excluding ONE UN New York where the east tower was closed for refurbishment during H1 2016, RevPAR for US and New York increased by 2.8% and 1.0% respectively.

RevPAR for Regional US increased by 4.7% to £61.12 (H1 2016: £58.40) with increases in both occupancy and average room rate.

Europe

Europe RevPAR for H1 2017 increased by 6.7%, reflecting the benefits arising from the weak pound making travel to UK attractive, resulting in higher tourist number especially from US and China. RevPAR for London grew by 10.7% to £101.38 (H1 2016: £91.54) with increases in both average room rate and occupancy. Both the average room rate and occupancy at The Bailey's Hotel London continued to improve after its refurbishment, completed in Q1 2016. UK hotels were impacted by increased security costs following recent terrorist attacks, as well as pressure on labour supply and operating costs.

RevPAR for Rest of Europe during H1 2017 fell by 0.7% as a result of weaker performance at Rome and the two Paris hotels.

Asia

Asia RevPAR for H1 2017 fell by 3.7% to £69.89 (H1 2016: £72.61). Occupancy increased slightly by 1.6% points and average room rate dropped by 5.9%.

Singapore RevPAR dropped by 1.1% with average room rate lower by 5.8% offset by higher occupancy of 4.1% points. The Group continues to deploy a competitive pricing strategy in growing its occupancy. Rest of Asia RevPAR decreased by 5.9% in H1 2017, mainly due to the lower number of Chinese visitors to the major cities. Revenue from Millennium Seoul Hilton was sharply down as a result of falling tourist numbers following recent geopolitical tensions. Room supply also increased in Seoul during the first half of 2017, putting additional pressure on occupancy and room rates.

Australasia

On a like-for-like basis, Australasia RevPAR grew by 8.2% during H1 2017 driven by demand for accommodation. With the inclusion of Grand Millennium Auckland, Australasia RevPAR increased by 23.4% in H1 2017 with a significant increase in average room rate of 22.0% and a small increase in occupancy of 1.0% points. Grand Millennium Auckland was added to the region's hotel portfolio at the end of 2016 contributed the bulk of the growth in the Australasian RevPAR.

Acquisition

CDLHT which is consolidated within the Group's accounts under IFRS 10 and in which the Group owns a 37% stake, acquired The Lowry Hotel in Manchester for £52.9m on 4 May 2017. The property is a 165-room purpose-built 5-star luxury hotel, which was opened in 2001.

The Group took up its full entitlement of new stapled securities for a total cost of S\$94.4m (£53m) in the rights issue launched by CDLHT on 27 June 2017.

Developments

Design for the Yangdong development project in Seoul is under review. This may delay the commencement of construction, which had been scheduled for the end of 2017.

Design of the proposed mixed-use development of the Group's 35,717m² freehold landsite at Sunnyvale, California is also under review by the new US management team.

Hotel refurbishments

Refurbishment of Millennium Hotel London Mayfair is planned to commence later this year. The Group estimates total cost of the refurbishment at £40m. Refurbishment of Millennium Hotel London Knightsbridge is anticipated to commence in 2018.

Orchard Hotel Singapore plans to commence renovation of its Orchard Wing guestrooms and the Hua Ting Restaurant in the last quarter of this year for completion in early 2018. Work on the reception lobby, all day dining restaurant and bar is planned for the later part of next year.

The final phase of the refurbishment of Grand Millennium Kuala Lumpur relating to the guestrooms at levels 7 and 8 is scheduled for completion by the end of this year. The guestrooms on levels 9 to 19 were refurbished last year.

Copthorne Hotel Auckland Harbourcity will soft-open in October 2017 and be rebranded M Social Auckland.

Asset disposals

On 31 July 2017 the Group, via its subsidiary company, City Hotels Pte Ltd., disposed of its 50% interest in Fena Estate Co.,Ltd. in exchange for a token payment ("Disposal of Fena"). Fena is the owner of Pullman Bangkok Grande Sukhumvit (formerly "Grand Millennium Sukhumvit Bangkok"). There was no carrying book value on the Group's balance sheet for this investment, which had been impaired in previous years. In conjunction with the transaction, there was repayment of a shareholder's loan which had also been fully impaired. The Group re-instated the loan on its balance sheet at 30 June 2017 and an income of £12m was recognised in the income statement.

The Group continues to engage with the developer of Birmingham's Paradise Circus redevelopment scheme, under previously agreed commercial arrangements, regarding the closure and acquisition by the developer of the Copthorne Hotel Birmingham and possible acquisition by the Group of an alternative site for development of a new hotel within the scheme.

As previously reported, in March 2017 the Scottish Ministers approved an order that allows Network Rail Infrastructure Limited ("Network Rail") to take permanently and to demolish the 1970s-built, 51-room extension of the Millennium Hotel Glasgow, in connection with the redevelopment of Queen Street Station. The Group is entitled to compensation, which will either be negotiated with Network Rail or settled at the Lands Tribunal. Separation works arising from the order have commenced and are anticipated to be completed in October 2017. The Group is continuing to consider its options with respect to the refurbishment of the remaining hotel areas.

Other Group operations

Joint ventures and associates contributed £6m to profit in H1 2017 (H1 2016: £5m). 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.

Financial position

At 30 June 2017, the Group had net debt of £734m (Dec 2016: net debt £707m). Excluding CDLHT, net debt at 30 June 2017 was £203m (Dec 2016: net debt £232m).

Board and management changes

Martin Leitch was appointed as an Independent Non-Executive Director on 22 May 2017. Howard Wu, as announced previously, resigned from the Board with effect from the close of the Board meeting on 3 August 2017 in order to take up executive responsibility as President, North America, and Chief Technology and Solutions Officer.

Dividend

The Board has declared an interim dividend of 2.08 pence per share. The interim dividend will be paid on 29 September 2017 to shareholders on the register at the close of business on 18 August 2017. The ex-dividend date of the Company's shares is 17 August 2017. The Board will consider the full dividend for the year following the close of the financial year.

Current trading

On a constant currency basis, Group RevPAR was up by 4.3% for the three weeks ended 21 July 2017 with growth in all regions apart from Asia. RevPAR for Singapore and Rest of Asia were down by 0.1% and 3.2% respectively. RevPAR for New York was up by 9.1%, Regional US up by 1.7%, London up by 4.8%, Rest of Europe up by 4.0% and Australasia up by 32.4%.

On a like-for-like basis excluding One UN New York and Grand Millennium Auckland, Group RevPAR increased by 2.0% with New York up by 0.8% and Australasia up by 14.1%.

The Group has signed an agreement with Hilton under which Hilton will take on management of ONE UN New York from 30 August 2017. The hotel will be branded Millennium Hilton New York One UN Plaza. Hilton has also renewed its contract with the Group to manage Millennium Hilton New York Downtown.

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 2017**

	Notes	Second Quarter 2017 £m	Second Quarter 2016 £m	First Half 2017 £m	First Half 2016 £m	Full Year 2016 £m
Revenue	3	262	226	485	418	926
Cost of sales		(111)	(95)	(216)	(182)	(395)
Gross profit		151	131	269	236	531
Administrative expenses		(102)	(87)	(203)	(175)	(382)
Other operating income	4	12	2	12	2	13
Other operating expense	4	(9)	(4)	(9)	(4)	(55)
Operating profit		52	42	69	59	107
Share of profit of joint ventures and associates		2	2	6	5	26
Finance income		2	-	5	4	7
Finance expense		(6)	(6)	(17)	(12)	(32)
Net finance expense		(4)	(6)	(12)	(8)	(25)
Profit before tax	3	50	38	63	56	108
Income tax expense	5	(2)	(5)	(4)	(8)	(10)
Profit for the period		48	33	59	48	98
Attributable to:						
Equity holders of the parent		39	24	42	30	78
Non-controlling interests		9	9	17	18	20
		48	33	59	48	98
Basic earnings per share (pence)	6	11.9p	7.5p	12.8p	9.3p	24.0p
Diluted earnings per share (pence)	6	11.9p	7.5p	12.8p	9.3p	24.0p

The financial results above were derived from continuing activities.

**Condensed consolidated statement of comprehensive income (unaudited)
for the half year ended 30 June 2017**

	First Half 2017 £m	First Half 2016 £m	Full Year 2016 £m
Profit for the period	59	48	98
Other comprehensive expense, net of tax:			
Items that are not reclassified subsequently to income statement:			
Remeasurement of defined benefit plan actuarial net losses	-	-	(8)
	-	-	(8)
Items that may be reclassified subsequently to income statement:			
Foreign currency translation differences - foreign operations	(22)	288	422
Foreign currency translation differences - equity accounted investees	(9)	24	41
Net gain/(loss) on hedge of net investments in foreign operations	8	(21)	(33)
	(23)	291	430
Other comprehensive income/(expense) for the period, net of tax	(23)	291	422
Total comprehensive income for the period, net of tax	36	339	520
Total comprehensive income attributable to:			
Equity holders of the parent	11	250	411
Non-controlling interests	25	89	109
Total comprehensive income for the period, net of tax	36	339	520

**Condensed consolidated statement of financial position (unaudited)
as at 30 June 2017**

	As at 30 June 2017 £m	As at 30 June 2016 £m	As at 31 Dec 2016 £m
Non-current assets			
Property, plant and equipment	3,242	3,057	3,238
Lease premium prepayment	105	106	107
Investment properties	531	598	534
Investment in joint ventures and associates	317	283	320
	4,195	4,044	4,199
Current assets			
Inventories	5	4	5
Development properties	88	89	93
Lease premium prepayment	2	2	2
Trade and other receivables	122	90	95
Cash and cash equivalents	361	283	337
	578	468	532
Total assets	4,773	4,512	4,731
Non-current liabilities			
Interest-bearing loans, bonds and borrowings	(869)	(820)	(951)
Employee benefits	(23)	(13)	(23)
Provisions	(9)	(9)	(10)
Other non-current liabilities	(14)	(14)	(14)
Deferred tax liabilities	(213)	(234)	(220)
	(1,128)	(1,090)	(1,218)
Current liabilities			
Interest-bearing loans, bonds and borrowings	(226)	(172)	(93)
Trade and other payables	(227)	(200)	(214)
Provisions	(2)	(2)	(1)
Income taxes payable	(26)	(30)	(35)
	(481)	(404)	(343)
Total liabilities	(1,609)	(1,494)	(1,561)
Net assets	3,164	3,018	3,170
Equity			
Issued share capital	97	97	97
Share premium	843	843	843
Translation reserve	506	416	537
Treasury share reserve	(4)	(4)	(4)
Retained earnings	1,223	1,162	1,195
Total equity attributable to equity holders of the parent	2,665	2,514	2,668
Non-controlling interests	499	504	502
Total equity	3,164	3,018	3,170

**Condensed consolidated statement of cash flows (unaudited)
for the half year ended 30 June 2017**

	First Half 2017 £m	First Half 2016 £m	Full Year 2016 £m
Cash flows from operating activities			
Profit for the period	59	48	98
<i>Adjustments for:</i>			
Depreciation and amortisation	37	32	73
Share of profit of joint ventures and associates	(6)	(5)	(26)
Other operating income	(12)	(2)	(13)
Other operating expense	9	4	55
Finance income	(5)	(4)	(7)
Finance expense	17	12	32
Income tax expense	4	8	10
Operating profit before changes in working capital and provisions	103	93	222
Movement in inventories, trade and other receivables	(15)	(14)	(20)
Movement in development properties	6	3	4
Movement in trade and other payables	16	4	15
Movement in provisions and employee benefits	-	-	(1)
Cash generated from operations	110	86	220
Interest paid	(11)	(11)	(21)
Interest received	2	2	4
Income tax paid	(18)	(17)	(33)
Net cash generated from operating activities	83	60	170
Cash flows from investing activities			
Dividends received from joint ventures and associates	1	1	2
Proceeds from insurance claim	-	2	2
Acquisition of subsidiary, net of cash acquired	(52)	-	-
Acquisition of property, plant and equipment, lease premium prepayment and investment properties	(32)	(48)	(100)
Net cash used in investing activities	(83)	(45)	(96)
Cash flows from financing activities			
Repayment of borrowings	(5)	(153)	(339)
Drawdown of borrowings	71	178	377
Dividends paid to non-controlling interests	(23)	(19)	(35)
Return of capital to non-controlling interests	(1)	-	(4)
Acquisition of non-controlling interests	-	-	(2)
Dividends paid to equity holders of the parent	(18)	(14)	(21)
Net cash used in financing activities	24	(8)	(24)
Net increase in cash and cash equivalents	24	7	50
Cash and cash equivalents at beginning of the period	337	238	238
Effect of exchange rate fluctuations on cash held	-	38	49
Cash and cash equivalents at end of the period	361	283	337
Reconciliation of cash and cash equivalents			
Cash and cash equivalents shown in the consolidated statement of financial position	361	283	337
Bank overdrafts included in borrowings	-	-	-
Cash and cash equivalents for consolidated statement of cash flows	361	283	337

**Condensed consolidated statement of changes in equity (unaudited)
for the half year ended 30 June 2017**

	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								
Return of capital to non-controlling interests	-	-	-	-	4	4	(4)	-
	-	-	-	-	-	-	(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

	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 2016	97	843	196	(4)	1,144	2,276	436	2,712
Profit	-	-	-	-	30	30	18	48
Other comprehensive income	-	-	220	-	-	220	71	291
Total comprehensive income	-	-	220	-	30	250	89	339
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Dividends - equity holders	-	-	-	-	(14)	(14)	-	(14)
Dividends - non-controlling interests	-	-	-	-	-	-	(19)	(19)
Changes in ownership interests								
Change in interests in subsidiaries without loss of control								
	-	-	-	-	2	2	(2)	-
Total transactions with owners	-	-	-	-	(12)	(12)	(21)	(33)
Balance at 30 June 2016	97	843	416	(4)	1,162	2,514	504	3,018

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 2017 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 2016.

The comparative figures for the financial year ended 31 December 2016 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 3 August 2017.

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 millions.

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 2016.

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 2016.

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		As at 31 December 2016	Average for 6 months January-June		Average for 3 months April-June		Average for the year 2016
	2017	2016		2017	2016	2017	2016	
US dollar	1.283	1.335	1.228	1.261	1.428	1.280	1.423	1.355
Singapore dollar	1.778	1.809	1.781	1.774	1.976	1.784	1.942	1.879
New Taiwan dollar	39.034	43.208	39.679	38.807	46.714	38.950	46.233	43.7000
New Zealand dollar	1.766	1.886	1.772	1.778	2.105	1.807	2.066	1.952
Malaysian ringgit	5.515	5.433	5.503	5.535	5.867	5.542	5.747	5.640
Korean won	1,467.88	1,563.61	1,486.48	1,445.40	1,687.45	1,455.04	1,663.83	1,576.43
Chinese renminbi	8.722	8.881	8.537	8.677	9.347	8.778	9.339	9.008
Euro	1.127	1.206	1.174	1.162	1.288	1.156	1.274	1.231
Japanese yen	143.819	136.536	144.311	141.880	160.650	142.712	155.144	147.961

Notes to the condensed consolidated financial statements

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
- 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 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
Revenue									
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
EBITDA²	(7)	8	17	7	31	43	37	(15)	121
Less: Depreciation, amortisation & impairment									(46)
Net finance expense									(12)
Profit before tax									63

	First Half 2016								
	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	55	61	53	36	58	75	22	-	360
Property operations	-	2	-	-	1	5	21	-	29
REIT	-	-	-	5	7	10	7	-	29
Total revenue	55	63	53	41	66	90	50	-	418
Hotel gross operating profit	4	11	25	8	24	25	10	-	107
Hotel fixed charges ¹	(14)	(10)	(11)	(5)	(2)	(16)	(2)	-	(60)
Hotel operating profit/(loss)	(10)	1	14	3	22	9	8	-	47
Property operating profit/(loss)	-	(1)	-	-	1	4	11	-	15
REIT operating profit/(loss)	-	-	-	1	(3)	3	6	-	7
Central costs	-	-	-	-	-	-	-	(8)	(8)
Other operating income ²	-	-	-	-	-	-	2	-	2
Other operating expense ²	-	-	-	-	(4)	-	-	-	(4)
Operating profit/(loss)	(10)	-	14	4	16	16	27	(8)	59
Share of joint ventures and associates profit	-	-	-	3	-	2	-	-	5
Add: Depreciation and amortisation	4	5	3	3	6	10	1	-	32
Add: Revaluation deficit	-	-	-	-	4	-	-	-	4
EBITDA³	(6)	5	17	10	26	28	28	(8)	100
Less: Depreciation, amortisation & revaluation deficit									(36)
Net finance expense									(8)
Profit before tax									56

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 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

As at 30 June 2016	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	620	339	499	243	22	669	162	2,554
REIT operating assets	-	-	-	62	613	149	181	1,005
Hotel operating liabilities	(28)	(43)	(11)	(34)	(19)	(64)	(6)	(205)
REIT operating liabilities	-	-	-	(2)	(12)	(4)	(2)	(20)
Investment in joint ventures and associates	-	-	-	-	-	130	-	130
Total hotel operating net assets	592	296	488	269	604	880	335	3,464
Property operating assets	-	37	-	-	83	178	89	387
Property operating liabilities	-	(1)	-	-	(5)	(3)	(4)	(13)
Investment in joint ventures and associates	-	-	-	(5)	-	158	-	153
Total property operating net assets	-	36	-	(5)	78	333	85	527
Deferred tax liabilities								(234)
Income taxes payable								(30)
Net debt								(709)
Net assets								3,018

4. Other operating income and expense

	Notes	First Half 2017 £m	First Half 2016 £m	Full Year 2016 £m
Gain on insurance claim	(a)	-	2	2
Revaluation gain of investment properties	(b)	-	-	11
Revaluation deficit of investment properties	(b)	-	(4)	(31)
Reversal of impairment of loan (repayment of loan)	(c)	12	-	-
Impairment of assets	(d)	(9)	-	(24)

(a) Gain on insurance claim

In May 2016, a settlement was reached with the insurers in relation to Millennium Hotel Christchurch which was one of the hotels affected by the 2011 New Zealand earthquake. A gain of £2m in respect of material damage claim relating to fixtures, fittings and equipment was recognised by the Group in the first half of 2016. The lease for this property has expired and this 2016 settlement is the last insurance claim relating to the Christchurch earthquake damage.

(b) Revaluation gain/deficit 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)

(c) Reversal of impairment of loan (repayment of loan)

On 31 July 2017, the Group disposed of its 50% interest in Fena in exchange for a token sum and repayment of the shareholder loan, which had been impaired in earlier years. The Group has re-instated the loan on its balance sheet as at 30 June 2017 with an income of £12m recognised in the income statement.

(d) Impairment of assets

The total impairment charge for the first half of 2017 was £9m (H1 2016: £nil) comprising £5m of impairment of property, plant & equipment in Rest of Asia and £4m of goodwill impaired in relation to the recent acquisition by CDLHT of The Lowry Hotel in Manchester. In 2016, a total impairment charge of £24m consisting of £15m in New York, £5m in Rest of Europe, £2m in Rest of Asia and £2m for Regional US was recognised.

5. Income tax expense

The Group recorded a tax expense of £4m for the first half of 2017 (H1 2016: £8m) excluding the tax relating to joint ventures and associates. This includes the release of a £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 2017	First Half 2016	Full Year 2016
(a) Basic			
Profit for the period attributable to holders of the parent (£m)	42	30	78
Weighted average number of shares in issue (m)	325	325	325
Basic earnings per share (pence)	12.8	9.3	24.0
(b) Diluted			
Profit for the period attributable to holders of the parent (£m)	42	30	78
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)	12.8	9.3	24.0

7. Dividends

	First Half 2017	First Half 2016	Full Year 2016
	pence	pence	pence
Final ordinary dividend paid	5.66	4.34	4.34
Interim ordinary dividend paid	-	-	2.08
	5.66	4.34	6.42

Dividends paid to equity holders in the first half of 2017 totalled £18m (2016: £14m).

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.

Notes to the condensed consolidated financial statements

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 holds 65.2% (31 December 2016: 64.9%) of the Company's shares via City Developments Limited ("CDL"), the intermediate holding company of the Group. During the half year ended 30 June 2017, 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 2017, £4m (December 2016: £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 2016: £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 principal risks and uncertainties facing the Group are consistent with those outlined in the Annual Report and Accounts for the year ended 31 December 2016, with the Board further noting that:

Recent events have highlighted the increasing geopolitical and security risks around the world, including the terror attacks in London and Manchester during the first half of the year and the rising tensions in the Korean Peninsula; and

The external cyber risk environment continues to worsen with recent ransomware cyber-attacks affecting global and national organisations as well as governments.

The Group, led by the Board's Risk Committee, continues to monitor these risks and work with the Group Management Risk Committee to seek to ensure adequate controls and mitigation measures are in place.

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 2016:

Capital commitments

Contracts placed for future capital expenditure not provided in the financial statements amount to £25m at 30 June 2016 (31 December 2016: £37m).

Subsequent events

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

- 1) On 14 July 2017 CDLHT completed the acquisition of Pullman Hotel Munich, a 4-star hotel and its office and retail components for a purchase consideration of €100.6m (£89m).

As stated in Note 4, the Group has adjusted for the impact of the Disposal of Fena in its financial statements as at 30 June 2017.

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

3 August 2017

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 2017 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 2017 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

3 August 2017

APPENDIX 1: KEY OPERATING STATISTICS
for the half year ended 30 June 2017

	First Half 2017 Reported currency	First Half 2016 Constant currency	First Half 2016 Reported currency	Full Year 2016 Reported currency
Owned or leased hotels*				
Occupancy (%)				
New York	80.3		71.2	77.9
Regional US	59.3		57.4	58.6
Total US	66.2		61.9	65.0
London	81.5		75.6	81.9
Rest of Europe	69.7		70.8	72.2
Total Europe	75.7		73.2	77.1
Singapore	86.3		82.2	84.2
Rest of Asia	63.8		63.8	65.4
Total Asia	72.5		70.9	72.7
Australasia	83.3		82.3	81.3
Total Group	72.3		69.3	71.8
Average Room Rate (£)				
New York	180.49	185.05	163.41	186.85
Regional US	103.13	101.76	89.86	98.12
Total US	134.03	133.29	117.70	133.18
London	124.33	121.04	121.04	130.83
Rest of Europe	74.28	73.60	71.22	72.86
Total Europe	101.59	98.40	97.27	104.04
Singapore	96.56	102.50	92.00	95.22
Rest of Asia	96.19	102.36	89.04	92.66
Total Asia	96.36	102.43	90.36	93.81
Australasia	90.58	74.26	62.73	71.84
Total Group	108.90	108.36	98.06	106.78
RevPAR (£)				
New York	144.90	131.72	116.31	145.64
Regional US	61.12	58.40	51.57	57.49
Total US	88.70	82.55	72.89	86.52
London	101.38	91.54	91.54	107.18
Rest of Europe	51.76	52.10	50.42	52.61
Total Europe	76.89	72.07	71.24	80.24
Singapore	83.34	84.23	75.60	80.21
Rest of Asia	61.39	65.27	56.77	60.63
Total Asia	69.89	72.61	64.06	68.21
Australasia	75.45	61.13	51.64	58.40
Total Group	78.69	75.04	67.91	76.71
Gross Operating Profit Margin (%)				
New York	6.6		7.1	15.9
Regional US	20.0		17.6	20.9
Total US	13.4		12.7	18.4
London	47.1		47.3	49.8
Rest of Europe	20.8		20.9	19.1
Total Europe	37.3		36.6	37.8
Singapore	40.3		40.7	40.8
Rest of Asia	32.4		33.6	34.0
Total Asia	35.8		36.6	37.0
Australasia	49.9		45.5	46.5
Total Group	30.0		29.5	31.6

For comparability, the 30 June 2016 Average Room Rate and RevPAR have been translated at average exchange rates for the period ended 30 June 2017.

* excluding managed, franchised and investment hotels.

APPENDIX 2: KEY OPERATING STATISTICS
for the quarter ended 30 June 2017

Owned or leased hotels*	Q2 2017 Reported currency	Q2 2016 Constant currency	Q2 2016 Reported currency	FY 2016 Reported currency
Occupancy (%)				
New York	88.4		78.2	77.9
Regional US	66.1		63.3	58.6
Total US	73.5		68.2	65.0
London	86.6		81.8	81.9
Rest of Europe	75.1		77.2	72.2
Total Europe	80.9		79.5	77.1
Singapore	85.2		81.7	84.2
Rest of Asia	65.4		64.0	65.4
Total Asia	73.1		70.8	72.7
Australasia	76.2		73.4	81.3
Total Group	75.4		72.3	71.8
Average Room Rate (£)				
New York	201.56	203.92	182.16	186.85
Regional US	108.72	107.04	95.74	98.12
Total US	145.53	143.63	128.38	133.18
London	133.61	131.05	131.05	130.83
Rest of Europe	78.52	76.80	74.31	72.86
Total Europe	108.38	105.05	103.86	104.04
Singapore	96.02	101.39	93.16	95.22
Rest of Asia	97.93	105.56	93.23	92.66
Total Asia	97.06	103.70	93.20	93.81
Australasia	83.98	65.50	58.23	71.84
Total Group	114.87	114.18	104.88	106.78
RevPAR (£)				
New York	178.26	159.55	142.53	145.64
Regional US	71.86	67.79	60.64	57.49
Total US	106.90	98.02	87.62	86.52
London	115.71	107.20	107.20	107.18
Rest of Europe	58.93	59.32	57.40	52.61
Total Europe	87.68	83.57	82.62	80.24
Singapore	81.85	82.81	76.09	80.21
Rest of Asia	64.07	67.54	59.65	60.63
Total Asia	70.95	73.45	66.02	68.21
Australasia	63.95	48.07	42.74	58.40
Total Group	86.64	82.52	75.80	76.71
Gross Operating Profit Margin (%)				
New York	21.9		21.1	15.9
Regional US	28.4		25.6	20.9
Total US	25.1		23.3	18.4
London	51.6		52.8	49.8
Rest of Europe	29.2		26.1	19.1
Total Europe	43.1		42.3	37.8
Singapore	39.7		40.1	40.8
Rest of Asia	34.5		34.8	34.0
Total Asia	36.7		37.0	37.0
Australasia	44.3		38.5	46.5
Total Group	34.5		33.6	31.6

For comparability, the 30 June 2016 Average Room Rate and RevPAR have been translated at average exchange rates for the period ended 30 June 2017.

* excluding managed, franchised and investment hotels.

APPENDIX 3: HOTEL ROOM COUNT AND PIPELINE
as at 30 June 2017

Hotel and room count	30 June 2017	Hotels 31 Dec 2016	Change	30 June 2017	Rooms 31 Dec 2016	Change
Analysed by region:						
New York	4	4	-	2,238	2,238	-
Regional US	15	15	-	4,559	4,559	-
London	8	8	-	2,651	2,651	-
Rest of Europe	20	19	1	3,246	3,081	165
Middle East	28	26	2	8,759	7,805	954
Singapore	7	7	-	3,011	3,011	-
Rest of Asia	27	27	-	10,016	10,036	(20)
Australasia	25	25	-	3,641	3,641	-
Total	134	131	3	38,121	37,022	1,099

Analysed by ownership type:						
Owned or Leased	66	66	-	19,536	19,534	2
Managed	16	42	(26)	4,097	11,924	(7,827)
Franchised	35	7	28	9,850	1,091	8,759
Investment	17	16	1	4,638	4,473	165
Total	134	131	3	38,121	37,022	1,099

Analysed by brand:						
Grand Millennium	9	9	-	3,734	3,732	2
Millennium	49	49	-	15,886	15,960	(74)
Copthorne	35	35	-	6,923	6,944	(21)
Kingsgate	7	7	-	671	671	-
Other M&C	14	12	2	4,644	3,617	1,027
Third Party	20	19	1	6,263	6,098	165
Total	134	131	3	38,121	37,022	1,099

Pipeline	30 June 2017	Hotels 31 Dec 2016	Change	30 June 2017	Rooms 31 Dec 2016	Change
Analysed by region:						
Middle East	11	17	(6)	3,538	5,465	(1,927)
Asia	4	4	-	1,608	1,608	-
Regional US	1	1	-	263	263	-
Rest of Europe	2	1	1	489	153	336
Total	18	23	(5)	5,898	7,489	(1,591)
Analysed by ownership type:						
Managed	3	21	(18)	1,066	6,684	(5,618)
Owned	2	2	-	805	805	-
Franchised	12	-	12	3,690	-	3,690
Investment	1	-	1	337	-	337
Total	18	23	(5)	5,898	7,489	(1,591)
Analysed by brand:						
Grand Millennium	3	2	1	1,102	847	255
Millennium	8	11	(3)	2,447	3,079	(632)
Copthorne	2	2	-	666	666	-
Kingsgate	-	2	(2)	-	559	(559)
Other M&C	4	6	(2)	1,346	2,338	(992)
Third Party	1	-	1	337	-	337
Total	18	23	(5)	5,898	7,489	(1,591)

The Group's worldwide pipeline comprises 18 hotels offering 5,898 rooms, which are mainly franchise contracts.