

# VALUATION REPORT

---



CBRE Hotels Ltd  
St Martins Court  
10 Paternoster Row  
London  
EC4M 7HP

Switchboard +44 (0) 207 182 3700

<b>Report Date</b>	08 December 2017
<b>Addressees</b>	<p>Millennium &amp; Copthorne Hotels plc Scarsdale Place, Kensington, London, W8 5SR, United Kingdom</p> <p>(referred to as “the Company”)</p> <p>and</p> <p>Credit Suisse International One Cabot Square, London, E14 4QJ, United Kingdom</p> <p>(referred to as “Credit Suisse”) (in their capacity as Financial Advisers and Corporate Brokers to the Company)</p> <p>(collectively referred to as “the Addressees”)</p>
<b>The Properties</b>	The properties held by the Company as listed in the Schedule of Properties set out in Appendix A below.
<b>Property Descriptions</b>	Hotels.
<b>Ownership Purpose</b>	Operational real estate.
<b>Instruction</b>	To value the unencumbered freehold-equivalent or long leasehold interests in the Properties (as relevant) on the basis of Market Value as at the Valuation Date in accordance with the terms of engagement entered into between CBRE Hotels Ltd and the Addressees dated 30 October 2017, and amendment letter dated 22



November 2017.

**Valuation Date**

3 November 2017

**Capacity of Valuer**

External, as defined by the RICS Valuation Global Standards 2017.

**Purpose**

The Valuation has been prepared for a Regulated Purpose as defined in the RICS Valuation Global Standards 2017. We understand that our valuation report and the Appendices to it (together the "Valuation Report") is required for inclusion in Rule 2.7 announcement (the "Announcement") which is to be published by City Developments Limited (the "Offeror") and any further documents or announcements to be published by the Company and/or the Offeror in connection with the offer for the Company by the Offeror.

The effective date of valuation is 03 November 2017.

In accordance with the RICS Valuation Global Standards 2017 we have made certain disclosures in connection with this valuation instruction and our relationship with the Company.

**Market Value****UK properties:**

**£585,000,000 (FIVE HUNDRED AND EIGHTY-FIVE MILLION POUNDS)** excluding VAT.

**US properties:**

**\$470,000,000 (FOUR HUNDRED AND SEVENTY MILLION US DOLLARS)**

We have valued the Properties individually and no account has been taken of any discount or premium that may be negotiated in the market if all or part of the portfolio was to be marketed simultaneously, either in lots or as a whole.

Our opinion of Market Value is based upon the Scope of Work and Valuation Assumptions attached, and has been primarily derived using the discounted cashflow methodology as well as the income capitalisation approach and comparable recent market transactions on arm's length terms.

Where a property is owned by way of a joint tenancy in a trust for sale, or through an indirect investment

structure, our valuation represents the relevant apportioned percentage of ownership of the value of the whole property, assuming full management control. Our valuation does not necessarily represent the 'Market Value' (as defined in the RICS Valuation Global Standards 2017) of the interests in the indirect investment structure through which the property is held.

For the avoidance of doubt, we have valued the Properties as real estate and the values reported herein represent 100% of the market values of the assets. No account has been taken in reporting these market values of the extent of the Company's interests in the companies holding the subject Properties.

There are no negative values to report.

We are required to show the split of values between freehold-equivalent and leasehold property, and to report the following categories of property separately.

### UK Properties

Tenure	No. of Properties	Market Value
Freehold – Equivalent	3	£585,000,000
Long Leasehold	0	£0
Part Freehold / Part Leasehold	0	£0
<b>Total</b>	<b>3</b>	<b>£585,000,000</b>

### US Properties

Tenure	No. of Properties	Market Value
Freehold – Equivalent (fee simple)	1	\$290,000,000
Long Leasehold	0	£0
Part Freehold / Part Leasehold	1	\$180,000,000
<b>Total</b>	<b>2</b>	<b>\$470,000,000</b>

**Material Change**

We confirm that the Valuation Report has been prepared in accordance with the relevant provisions of The City Code on Takeovers and Mergers, particularly Rule 29.

For the purposes of Rule 29.4, we hereby confirm that as at the date of this report:

(i) we have not become aware (after having made enquiry of the Company) of any material change since 03 November 2017 in any matter relating to any property covered by our Valuation Report which in our opinion would have a material effect on the value as at today's date, and

(ii) in relation to market conditions and movements in the property markets in which the properties covered by our Valuation Report are located, based on observed transactions involving comparable properties which have occurred and independent data published, in each case, since 03 November 2017, we do not consider that the movement in respect of the subject properties constitutes material change.

**Report Format**

Appendix A of this Valuation Report contains the Schedule of Properties. Appendix B provides the Property Details and Market Values of the subject Portfolio.

**Compliance with Valuation Standards**

The valuation has been prepared in accordance with the RICS Valuation – Global Standards 2017, which incorporate the International Valuation Standards and the RICS Valuation – Professional Standards UK January 2014 (revised April 2015) ("the Red Book").

The valuations are compliant with the International Valuation Standards, and are in accordance with Rule 29 of the City Code on Takeovers and Mergers, paragraphs 128 to 130 of the ESMA update of the Committee of European Securities Regulators' (CESR) recommendations for the consistent implication of the European Commission Regulation (EC) no. 809/2004 implementing the Prospectus Directive and the Listing Rules of the UKLA for the London Stock Exchange.

We confirm that we have sufficient current local and national knowledge of the particular property market involved, and have the skills and understanding to

undertake the valuation competently.

Where the knowledge and skill requirements of the RICS Valuation – Global Standards 2017 have been met in aggregate by more than one valuer within CBRE Hotels Ltd, we confirm that a list of those valuers has been retained within the working papers, together with confirmation that each named valuer complies with the requirements of the RICS Valuation – Global Standards 2017.

This Valuation is a professional opinion and is expressly not intended to serve as a warranty, assurance or guarantee of any particular value of the subject properties. Other valuers may reach different conclusions as to the value of the subject properties. This Valuation is for the sole purpose of providing the intended users with the Valuer's professional opinion of the value of the subject properties as at the valuation date.

## **Assumptions**

The property details on which the valuations are based are as set out in this report. We have made various assumptions as to tenure, letting, town planning, and the condition and repair of buildings and sites – including ground and groundwater contamination – as set out below.

If any of the information or assumptions on which the valuation is based are subsequently found to be incorrect, the valuation figures may also be incorrect and should be reconsidered.

## **Variation from Standard Assumptions**

None.

## **Market Conditions**

The values stated in this report represent our objective opinion of Market Value in accordance with the definition set out above as of the date of valuation. Amongst other things, this assumes that the properties had been properly marketed and that exchange of contracts took place on this date.

## **Trading Potential**

The definition of 'Market Value', together with our comments and assumption adopted for the valuation – including trade related valuations – are detailed under Valuation Assumptions below.

When providing valuations of trade related properties, the RICS Valuation - Global Standards 2017 normally requires the Valuer to provide an indication of the effect of the closure of the business on the property. In the event that the Property referred to in this report was closed and the authorisations were not in place, the value would be based upon a potential purchaser's projections of the achievable trade that differ materially from the current market expectations or a value for alternative use. Accordingly, there may be a material difference between the value expressed in this report and those that would be reported in the event of business failure.

## **Valuer**

The Properties have been valued by a valuer who is qualified for the purpose of the valuation in accordance with the RICS Valuation – Global Standards 2017.

## **Independence**

The total fees, including the fee for this assignment, earned by CBRE Hotels Ltd (or other companies forming part of the same group of companies within the UK) from the Addressee (or other companies forming part of the same group of companies) are less than 5.0% of the total UK revenues.

It is not anticipated this situation will vary in the financial year to 31 December 2017.

We confirm that we do not have any material interest in the Company or the Properties.

We do not consider that any conflict of interest arises in us preparing this Valuation Report and the Company has confirmed to us that it also considers this to be the case.

## **Disclosure**

In accordance with the RICS Valuation – Global Standards 2017 we make the following disclosures:

We have provided formal independent valuation advice in respect of the Properties addressed to Millennium & Copthorne Hotels Plc. Those reports are dated the same date as the date of this report.

We confirm that we have had no other previous material involvement with the properties or the parties and have no personal interest in the outcome of the transaction, and that copies of our conflict of interest checks have been retained within the working papers.

We confirm that we have had no previous material involvement with the Offeror.

## **Responsibility**

We are responsible for this Valuation Report and accept responsibility for the information contained in this Valuation Report and confirm that to the best of our knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this Valuation Report is in accordance with the facts and contains no omissions likely to affect its import. This Valuation Report complies with Rule 29 of the City Code on Takeovers and Mergers as well as Rule 5.6.5G of the Prospectus Rules and Paragraphs 128 to 130 of the ESMA update of CESR'S recommendations for the consistent implementation the European Commission Regulation (EC) No. 809/2004 implementing the Prospectus Directive.

## **Reliance**

This Valuation Report will be relied on by the Company and the Company's shareholders.

No reliance may be placed upon the contents of this Valuation Report by any party for any purpose other than in connection with the Purpose of Valuation.

## **Publication**

We consent to the inclusion of the Valuation Report in the Announcement, and in any further announcement to be published or made available by the Company or by the Offeror in accordance with the Code, and to the publication and reproduction of this report in relation to the offer including any announcement, circular or other documents sent to shareholders of the Company by the Company or with the Company's agreement.

Save as set out above, neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form and context in which it will appear.

Further, save as set out above, before this Valuation Report, or any part thereof, is disclosed orally or otherwise to a third party, CBRE's written approval of the form and context of such publication or disclosure must first be obtained. Such publication or disclosure will not be permitted unless where relevant it incorporates the Assumptions referred to herein. For the avoidance of doubt, such approval is required whether or not CBRE is referred to by name and

whether or not the contents of our Valuation Report are combined with others.

Such publication of, or reference to this report will not be permitted unless it contains a sufficient contemporaneous reference to any departure from the RICS Valuation – Global Standards 2017 or the incorporation of the special assumptions referred to herein.

Yours faithfully



**Andrew Michael MRICS**  
**RICS Registered Valuer**  
**Associate Director**

For and on behalf of  
CBRE Hotels Ltd

T: +44 (0) 207 182 8053

E: [andrew.michael@cbrehotels.com](mailto:andrew.michael@cbrehotels.com)

Yours faithfully



**Robert Chess FRICS**  
**RICS Registered Valuer**  
**Senior Director**

For and on behalf of  
CBRE Hotels Ltd

+44 (0) 207 182 2753

E: [robert.chess@cbrehotels.com](mailto:robert.chess@cbrehotels.com)

CBRE Hotels | St Martins Court | 10 Paternoster Row | London | EC4M 7HP | UK CBRE Hotels Limited  
T: +44 (0) 20 7182 3700  
F: +44 (0) 20 7182 2001  
W: [www.cbrehotels.com](http://www.cbrehotels.com)



# SCOPE OF WORK & SOURCES OF INFORMATION

---

## Sources of Information

We have carried out our work based upon information supplied to us by the Company, which we have assumed to be correct and comprehensive.

The table below outlines the information we have been provided with:

- Management accounts;
- Management forecasts;
- Leases / Sub-leases;
- Capital Expenditure details;
- STR Benchmarking data;
- Floor Plans.

The trading figures supplied have been supplemented by our interviews with Management during inspections and additional information obtained by us during the site visits.

In the event of a future change in the trading potential or actual level of trade from that identified by the financial information provided (for example as a result of the conduct of trade at the Properties) the value(s) reported herein could materially vary.

We have requested but not been provided with:

- Reports on Title;
- Building / Structural Surveys;
- Environmental Reports.

## The Properties

Our report contains a brief summary of the properties details on which our valuation has been based.

## Inspection

We have inspected the Properties as follows:

Property	Address	Inspection Date
Millennium Gloucester Hotel, London	4-18 Harrington Gardens, Kensington, London SW7 4LH, UK	05 September 2017
Tara Copthorne Hotel, London	Scarsdale Pl, Kensington, London W8 5SY, UK	05 September 2017
The Bailey's Hotel London	140 Gloucester Road, London, SW7 4QH	21 November 2017
Millennium Broadway, Premier Hotel and Hudson Theatre, New York	139-153 West 44 <sup>th</sup> Street, New York, New York County, New York, 10036	05 September 2017
Millennium One UN Hilton	1 United Nations Plaza, New York, New York County, New York, 10017	05 September 2017

## Areas

We have not measured the Properties. The measurement of hotels for valuations purposes is not normal practice and the valuation is not undertaken by reference to floor areas.

## Environmental Matters

We have not undertaken, nor are we aware of the content of, any environmental audit or other environmental investigation or soil survey which may have been carried out on the Properties and which may draw attention to any contamination or the possibility of any such contamination.

We have not carried out any investigations into the past or present uses of the Properties, nor of any neighbouring land, in order to establish whether there is any potential for contamination and have therefore assumed that none exists.

## Services and Amenities

We understand that all main services including water, drainage, electricity and telephone are available to the properties.

None of the services have been tested by us.

## Repair and Condition

We have not carried out building surveys, tested services, made independent site investigations, inspected woodwork, exposed parts of the structure which were covered, unexposed or inaccessible, nor arranged for any investigations to be carried out to determine whether or not any deleterious or hazardous materials or techniques have been used, or are present,

in any part of the Properties. We are unable, therefore, to give any assurance that the Properties are free from defect.

### **Town Planning**

We have made verbal Planning enquiries only. Information supplied to us by planning officers is given without liability on their part. We cannot, therefore, accept responsibility for incorrect information or for material omissions in the information supplied to us.

### **Titles, Tenures and Lettings**

Details of title/tenure under which the Properties are held and of lettings to which they are subject are as supplied to us. We have not generally examined nor had access to all the deeds, leases or other documents relating thereto. Where information from deeds, leases or other documents is recorded in this report, it represents our understanding of the relevant documents. We should emphasise, however, that the interpretation of the documents of title (including relevant deeds, leases and planning consents) is the responsibility of your legal adviser.

We have not conducted credit enquiries on the financial status of any tenants. We have, however, reflected our general understanding of purchasers' likely perceptions of the financial status of tenants.

# VALUATION ASSUMPTIONS

---

## Introduction

An Assumption is defined in the Red Book Glossary and Appendix 3 to be a “supposition taken to be true” (an “Assumption”).

Assumptions are facts, conditions or situations affecting the subject of, or approach to, a valuation that it has been agreed need not be verified by the valuer as part of the valuation process. Assumptions are made when it is reasonable for the valuer to accept that something is true without the need for specific investigation.

The Company has confirmed and we confirm that our Assumptions are correct as far as the Company and we, respectively, are aware. In the event that any of these Assumptions prove to be incorrect then our valuations should be reviewed. The principal Assumptions which we have made are stated within this Valuation Report.

For the avoidance of doubt, the Assumptions made do not affect compliance with the approach to Market Value under the Red Book.

## Capital Values

Each valuation has been prepared on the basis of "Market Value", which is defined as:

“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

The valuation represents the figure that would appear in a hypothetical contract of sale at the valuation date. No allowances have been made for any expenses of realisation nor for taxation which might arise in the event of a disposal. Acquisition costs have not been included in our valuation.

No account has been taken of any inter-company leases or arrangements, nor of any mortgages, debentures or other charges.

No account has been taken of the availability or otherwise of capital based Government or other grants.

## **Taxation, Costs and Realisation Costs**

As stated above, no allowances have been made for any expenses of realisation nor for taxation which might arise in the event of a disposal.

Our valuations reflect purchasers' statutory and other normal acquisition costs.

## **VAT**

We have not been advised whether the properties are elected for VAT.

All rents and capital values stated in this report are exclusive of VAT.

## **Trade Related Valuations**

We have had regard to the RICS Guidance Note on the valuation of individual trade related properties. Key considerations are set out below.

The essential characteristics of properties that are normally sold on the basis of their trading or underlying trading potential is that they are designed, or adapted, for a specific use and the resulting lack of flexibility usually means that the value of the property interest is intrinsically linked to the trading potential of the property.

The valuation of the operational entity usually includes:

- a) the legal interest in the land and buildings;
- b) the trade inventory, usually comprising all trade fixtures, fittings, furnishings and equipment; and
- c) the market's perception of the trading potential, together with an assumed ability to obtain/renew existing licences, consents, certificates and permits.

The valuation excludes consumables and stock in trade and any antiques, fine art and chattels.

The valuation includes trade items and equipment that are essential to the running of the operational entity but which either are owned separately from the land and buildings or are leased – see under Trading Properties heading below.

Unless we state otherwise, our valuation is based on an estimate of the maintainable level of trade (fair maintainable turnover) and future profitability (fair maintainable operating profit) a competent operator of a business conducted on the premises acting in an efficient manner would expect to achieve. The concept

involves estimating the trading potential of the property having regard to its inherent characteristics and prevailing market conditions rather than the actual level of trade under the existing ownership. Therefore, personal goodwill that is created by the present owner or management is excluded.

The goodwill that is included in the valuation is generally considered to include value which attaches to the property and runs with the property by virtue of circumstances such as its location, design, planning permission, property-specific name and reputation, customer patronage, licence and occupation for its particular use (known as transferable goodwill or inherent goodwill).

This is differentiated from personal goodwill, which is created by the current operator and is the value of profit generated over and above market expectations, and which would be extinguished upon sale of the trade related property, together with financial factors related specifically to the current operator of the business. Personal goodwill is not expected to remain with the business in the event of the property being sold, but to be extinguished upon sale, and we exclude it from our valuation of the property.

A new owner will expect to assume the benefit of the income from the existing owners of the property and the forward-bookings, which are an important part of the ongoing business. Generally, the purchaser will be obliged to take over the employment of existing staff, whose statutory and service-related employment rights will be maintained. Certain activities can only be carried on under licences or other statutory consents, approvals and certificates and their continuance or grant on the date of transfer or renewal is an explicit assumption in our valuation.

As with all properties valued by reference to trading potential, valuations are vulnerable to external influences and the introduction of competition. The trading valuation is inextricably linked to the performance of the national economy.

Unless stated otherwise within this report, our valuation assumes that the property is open for business and trading at the valuation date. The valuation of the Property is as a fully-equipped operational entity having

regard to trading potential on the assumption that there will be a continuation of trading. Where the property is empty through cessation of trade, or it is a new property with no existing trade to transfer and/or there is no trade inventory, different assumptions and/or Special Assumptions apply as set out in this report. The valuation is of the empty property having regard to trading potential subject to those assumptions/Special Assumptions.

Unless stated otherwise within this report, where provided, vacant possession valuations are of the property on the basis that it continues to trade, save that the existing operator is no longer involved.

## Rental Values

Rental values where indicated in our report are those which have been adopted by us as appropriate in assessing the capital value and are not necessarily appropriate for other purposes, nor do they necessarily accord with the definition of Market Rent.

## Trading Properties

Items of plant and machinery normally considered as landlord's fixtures such as lifts, escalators, air conditioning, central heating and other normal service installations have been treated as an integral part of the building and are included within our valuation.

Furthermore, a number of items that normally might be regarded as tenant's fixtures and fittings - such as trade appliances, furniture and equipment - as well as soft goods considered necessary to generate the turnover and profit, are included in our valuation of the properties. The vacant possession valuation assumes that Properties are available for sale including all fixtures and fittings. We understand that fixtures, machinery and equipment are either owned, leased or under contract. We have made no adjustment to reflect the net present value of meeting any existing lease contracts in respect of the equipment. Unless stated otherwise within this report, we have assumed that any such leasing costs are reflected in the trading figures supplied to us, and that all trade fixtures and fittings essential to the running of the properties as an operational entity would be capable of transfer as part of a sale of the building, and any necessary third party consents obtained.

All measurements, areas and ages quoted in our report are approximate.

<b>Environmental Matters</b>	<p>In the absence of any information to the contrary, we have assumed that:</p> <ul style="list-style-type: none"><li>(a) the Properties are not contaminated and are not adversely affected by any existing or proposed environmental law;</li><li>(b) any processes which are carried out on the Properties which are regulated by environmental legislation are properly licensed by the appropriate authorities.</li></ul>
<b>Energy Performance Certificates</b>	<p>We have assumed that the Properties possess or will possess current Energy Performance Certificates as required under Government Directives.</p>
<b>Repair and Condition</b>	<p>In the absence of any information to the contrary, we have assumed that:</p> <ul style="list-style-type: none"><li>(a) there are no abnormal ground conditions, nor archaeological remains, present which might adversely affect the current or future occupation, development or value of the property;</li><li>(b) the Properties are free from rot, infestation, structural or latent defect;</li><li>(c) no currently known deleterious or hazardous materials or suspect techniques, including but not limited to Composite Panelling, have been used in the construction of, or subsequent alterations or additions to, the Properties; and</li><li>(d) the services, and any associated controls or software, are in working order and free from defect.</li></ul>
<b>Title, Tenure, Planning and Lettings</b>	<p>We have otherwise had regard to the age and apparent general condition of the Properties. Comments made in the property details do not purport to express an opinion about, or advice upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.</p> <p>Unless stated otherwise within this report, and in the absence of any information to the contrary, we have assumed that:</p>



- (a) the properties possess a good and marketable title free from any onerous or hampering restrictions or conditions;
- (b) the building has been erected either prior to planning control, or in accordance with planning permissions, and has the benefit of permanent planning consents or existing use rights for their current use;
- (c) the properties are not adversely affected by town planning or road proposals;
- (d) the building complies with all statutory and local authority requirements including building, licensing, fire and health and safety regulations;
- (e) only minor or inconsequential costs will be incurred if any modifications or alterations are necessary in order for occupiers of the properties to comply with the provisions of the Equality Act 2010;
  
- (f) all rent reviews are upward only and are to be assessed by reference to full current market rents;
  
- (g) there are no tenant's improvements that will materially affect our opinion of the rent that would be obtained on review or renewal;
- (h) tenants will meet their obligations under their leases, and are responsible for insurance, payment of business rates, and all repairs, whether directly or by means of a service charge;
  
- (i) there are no user restrictions or other restrictive covenants in leases which would adversely affect value;
- (j) where more than 50% of the floorspace of the properties are in residential use, the Landlord and Tenant Act 1987 (the "Act") gives certain rights to defined residential tenants to acquire the freehold/head leasehold interest in the properties. Where this is applicable, we have assumed that necessary notices have been given to the residential tenants under the provisions of the Act, and that such tenants have elected not to acquire the freehold/head leasehold interest. Disposal on the open market is therefore unrestricted;
  
- (k) where appropriate, permission to assign the interest being valued herein would not be withheld by the landlord where required; and

(l) vacant possession can be given of all accommodation which is unlet or is let on a service occupancy.

(m) Stamp Duty Land Tax (SDLT) or Land and Buildings Transaction Tax (LABTT) will apply at the rate currently applicable in the UK.

## Appendix A: Schedule of Properties

### Properties Held as Operational real estate

Property	Address	Tenure
Millennium Gloucester Hotel, London	4-18 Harrington Gardens, Kensington, London SW7 4LH, UK	Freehold
Tara Copthorne Hotel, London	Scarsdale Pl, Kensington, London W8 5SY, UK	Freehold
The Bailey's Hotel London	140 Gloucester Road, London, SW7 4QH	Freehold
Millennium Broadway, Premier Hotel and Hudson Theatre, New York	139-153 West 44 <sup>th</sup> Street, New York, New York County, New York, 10036	Freehold
Millennium One UN Hilton, New York	1 United Nations Plaza, New York, New York County, New York, 10017	Part Freehold / Part Leasehold

## Appendix B: Properties Details

### Property Details: Properties held as Operational real estate - LONDON

Property	Description, Age and Tenure	Market Value (100%)
Millennium Gloucester Hotel, London	<ul style="list-style-type: none"> <li>• Freehold;</li> <li>• Owner-operated;</li> <li>• Central London location; Adjoins The Bailey's Hotel and shares some back of house areas;</li> <li>• 1970s construction; Basement, Ground &amp; 6 upper floors; Concrete-clad elevations;</li> <li>• 610 guest bedrooms; 3 food &amp; beverage outlets; Meeting rooms; Small gym; 100 basement car parking spaces;</li> <li>• Millennium Convention Centre – licence fee payable to adjoining Bailey's Hotel;</li> <li>• Casino leased to third party operator;</li> <li>• Appears to be in fair condition – would benefit from refurbishment.</li> </ul>	£217,000,000
The Bailey's Hotel London	<ul style="list-style-type: none"> <li>• Freehold;</li> <li>• Owner-operated;</li> <li>• Central London location; Adjoins the Millennium Gloucester Hotel and shares some back of house areas;</li> <li>• 1876 construction; Comprehensive refurbishment to all bedrooms completed in 2015;</li> <li>• Basement, Ground &amp; 5 upper floors; Ornate brick elevations;</li> <li>• 212 guest bedrooms; 1 food &amp; beverage outlets in-house; 1 Meeting rooms; Parking spaces shared with Gloucester Hotel;</li> <li>• Five retail/restaurant units leased to third party operators;</li> <li>• Millennium Convention Centre – licence fee receivable from Millennium Gloucester Hotel;</li> <li>• Appears to be in good condition commensurate with recent refurbishment.</li> </ul>	£110,000,000
Tara Copthorne Hotel, London	<ul style="list-style-type: none"> <li>• Freehold;</li> <li>• Owner-operated;</li> <li>• Central London location;</li> <li>• 1970s construction; 2 Basement levels, Ground &amp; 12 upper floors; Reinforced concrete structure with brick elevations;</li> <li>• 833 guest bedrooms; 4 food &amp; beverage outlets; 13 Meeting rooms; Small gym; 80 car parking spaces;</li> <li>• Retail unit leased to third party;</li> <li>• Millennium &amp; Copthorne Plc corporate offices</li> <li>• Appears to be in fair condition – would benefit from refurbishment.</li> </ul>	£258,000,000
<b>SUB-TOTAL</b>		<b>£585,000,000</b>

**Property Details: Properties held as Operational real estate – NEW YORK**

Property	Description, Age and Tenure	Market Value (100%)
Millennium Broadway, Premier Hotel and Hudson Theatre, New York	<ul style="list-style-type: none"> <li>• Freehold (Fee Simple interest)</li> <li>• Mid-town Manhattan;</li> <li>• 3 buildings:                             <ul style="list-style-type: none"> <li>○ Millennium Broadway Hotel: Full-service hotel, 626 guest bedrooms, 65,000 square feet function space, restaurant</li> <li>○ Premier Hotel: Limited-service hotel, 124 guest bedrooms, all bedrooms and common areas recently renovated;</li> <li>○ The Hudson Theatre has a 900-seat capacity and is leased to a third-party theatre operator; it is a landmark theatre dating from 1923 and refurbished in 2016;</li> </ul> </li> <li>• The hotels are arranged over 21 and 40 stories and were developed in 1990;</li> <li>• The Millennium Broadway and parts of the Premier Hotel would benefit from a comprehensive refurbishment.</li> </ul>	\$290,000,000
Millennium One UN Hilton, New York	<ul style="list-style-type: none"> <li>• Part Freehold, Part Long Leasehold;</li> <li>• East Tower is held Freehold (Fee Simple interest);</li> <li>• West Tower subject to a long lease expiring 30 July 2079;</li> <li>• Branded and operated as a Hilton Hotel under the terms of a Management Agreement expiring 31 December 2027;</li> <li>• Built in 1976; Arranged in two towers over 38 &amp; 40 storeys respectively;</li> <li>• A renovation was completed in 2016 at a cost of \$68 million that addressed all bedrooms, bathrooms, corridors and meeting space;</li> <li>• 439 guest bedrooms; 2 food &amp; beverage outlets, 1 ballroom, 7 meeting rooms;</li> <li>• Fitness centre, executive club, indoor tennis court on 38<sup>th</sup> floor;</li> <li>• Appears to be in good condition commensurate with recent refurbishment.</li> </ul>	\$180,000,000
<b>SUB-TOTAL</b>		<b>\$470,000,000</b>