


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

Issuer & Securities

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| Issuer/ Manager | CITY DEVELOPMENTS LIMITED |
| Securities | CITY DEVELOPMENTS LIMITED - SG1R89002252 - C09 |
| Stapled Security | No |

Announcement Details

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| Submitted By (Co./ Ind. Name) | Enid Ling Peek Fong |
| Designation | Company Secretary |
| Description (Please provide a detailed description of the event in the box below) | Please refer to the Announcement released by Millennium & Copthorne Hotels plc on 30 October 2017 relating to Trading Update for Nine Months and Third Quarter Results Ended 30 September 2017. |
| Attachments | <p> 10302017_MCplc Trading Update Q3.pdf</p> <p>Total size =488K</p> |

MILLENNIUM & COPTHORNE HOTELS plc
TRADING UPDATE
Nine months and third quarter results to 30 September 2017

Nine months 2017:

| | 9 mths 2017 | Reported Currency | | | Constant Currency | | |
|-------------------------------------|----------------|-------------------|--------|-------|-------------------|--------|------|
| | | 9 mths 2016 | Change | | 9 mths 2016 | Change | |
| RevPAR | £82.41 | £73.94 | £8.47 | 11.5% | £79.26 | £3.15 | 4.0% |
| Revenue - total | £748m | £665m | £83m | 12.5% | £716m | £32m | 4.5% |
| Revenue - hotel | £649m | £581m | £68m | 11.7% | £624m | £25m | 4.0% |
| Profit before tax (Note 1) | £118m | £102m | £16m | 15.7% | £109m | £9m | 8.3% |

Third quarter 2017:

| | Q3 2017 | Reported Currency | | | Constant Currency | | |
|-------------------------------------|---------------|-------------------|--------|-------|-------------------|--------|-------|
| | | Q3 2016 | Change | | Q3 2016 | Change | |
| RevPAR | £89.75 | £85.78 | £3.97 | 4.6% | £87.57 | £2.18 | 2.5% |
| Revenue - total | £263m | £247m | £16m | 6.5% | £251m | £12m | 4.8% |
| Revenue - hotel | £231m | £221m | £10m | 4.5% | £224m | £7m | 3.1% |
| Profit before tax (Note 1) | £55m | £46m | £9m | 19.6% | £47m | £8m | 17.0% |

Note 1:

Pre-tax profit for the nine months of 2017 includes property impairment losses of £9m and the reversal of a loan impairment of £12m which were recognised during the first half of this year. The nine months pre-tax profit also includes a foreign currency exchange gain of £7m. As for Q3 2017, the exchange gain impact was only £1m.

- Reported Group RevPAR for the nine months of 2017 increased by 11.5%. In constant currency, Group RevPAR grew by 4.0% with increases in occupancy and average room rate of 2.2% points and 0.8% respectively.
- Like-for-like* Group RevPAR for the nine months of 2017 increased by 1.4% and was up in all regions except for Asia (down by 2.1%) and Rest of Europe (down by 0.2%). London and New York registered like-for-like RevPAR growth of 5.2% and 1.1% respectively.
- For Q3 2017, like-for-like Group RevPAR increased by 0.3% with New York up by 1.2%, London down by 2.5% and Singapore down by 2.1%.
- Group revenue increased by 4.5% in constant currency for the nine-month period. In reported currency, Group revenue increased by 12.5% to £748m (2016: £665m) reflecting a foreign currency exchange gain of £51m.
- In constant currency, hotel revenue for the first nine months of 2017 increased by 4.0%. The higher revenue was mainly from newly refurbished hotels and new property added to the Group's hotel portfolio.

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

FINANCIAL PERFORMANCE

For the nine months ended 30 September 2017, Group reported revenue increased by 12.5% to £748m (2016: £665m). On a constant currency basis, Group revenue increased by 4.5%.

| | 9 mths 2017 £m | Reported Currency | | | Constant Currency | | |
|----------------------|-------------------|-------------------|-----------|-------------|-------------------|-----------|------------|
| | | 9 mths 2016 £m | Change | | 9 mths 2016 £m | Change | |
| | | | £m | % | | £m | % |
| Hotel | 649 | 581 | 68 | 11.7 | 624 | 25 | 4.0 |
| Property | 51 | 42 | 9 | 21.4 | 47 | 4 | 8.5 |
| REIT | 48 | 42 | 6 | 14.3 | 45 | 3 | 6.7 |
| Total Revenue | 748 | 665 | 83 | 12.5 | 716 | 32 | 4.5 |

In constant currency, hotel revenue for the first nine months of 2017 increased by 4.0%. The higher revenue was driven mainly by contributions from Millennium Hilton New York One UN Plaza (previously known as ONE UN New York) which was closed for refurbishment during the same period last year and Grand Millennium Auckland which was added to the Group's hotel portfolio at the end of 2016. Excluding these two properties, like-for-like hotel revenue was flat compared to the same period last year.

Property revenue for the period increased by 8.5% in constant currency, mainly because of higher contribution from New Zealand land sales. REIT revenue benefited partly from newly acquired hotels in Europe.

Profit before tax increased by £16m or 15.7% to £118m (2016: £102m) for the nine-month period. This includes property impairment losses of £9m, the reversal of a loan impairment of £12m and an exchange gain of £7m. Newly refurbished properties and additions to hotel portfolio further contributed to the higher profit. In constant currency, pre-tax profit increased by 8.3%. Excluding non-trading items relating to impairment, pre-tax profit was £115m (2016: £104m). All these non-trading items were recognised in the first half of the year.

Hotel operations

In constant currency, Group RevPAR increased by 4.0% to £82.41 (2016: £79.26). Like-for-like RevPAR increased by 1.4%.

| 9 months 2017 | RevPAR | | | Occupancy | | | Average Room Rate | | |
|---------------------|------------------|-------------------|--------------|------------------|------------------|----------------|-------------------|-------------------|--------------|
| | 9 mths 2017 £ | #9 mths 2016 £ | Change % | 9 mths 2017 % | 9 mths 2016 % | Change %pts | 9 mths 2017 £ | #9 mths 2016 £ | Change % |
| New York | 156.36 | 142.15 | 10.0 | 84.0 | 74.8 | 9.2 | 186.19 | 189.93 | (2.0) |
| Regional US | 65.80 | 64.14 | 2.6 | 62.9 | 61.1 | 1.8 | 104.64 | 104.96 | (0.3) |
| Total US | 95.62 | 89.83 | 6.4 | 69.8 | 65.6 | 4.2 | 136.93 | 136.87 | - |
| London | 110.73 | 105.29 | 5.2 | 84.3 | 81.1 | 3.2 | 131.42 | 129.78 | 1.3 |
| Rest of Europe | 54.03 | 54.16 | (0.2) | 71.3 | 72.8 | (1.5) | 75.77 | 74.36 | 1.9 |
| Total Europe | 82.86 | 80.05 | 3.5 | 77.9 | 77.0 | 0.9 | 106.38 | 103.92 | 2.4 |
| Singapore | 84.67 | 85.87 | (1.4) | 86.8 | 84.8 | 2.0 | 97.59 | 101.22 | (3.6) |
| Rest of Asia | 62.11 | 63.85 | (2.7) | 64.6 | 64.1 | 0.5 | 96.08 | 99.56 | (3.5) |
| Total Asia | 70.84 | 72.37 | (2.1) | 73.2 | 72.1 | 1.1 | 96.77 | 100.32 | (3.5) |
| Australasia | 71.88 | 58.69 | 22.5 | 80.4 | 79.4 | 1.0 | 89.38 | 73.90 | 20.9 |
| Total Group | 82.41 | 79.26 | 4.0 | 73.9 | 71.7 | 2.2 | 111.46 | 110.61 | 0.8 |

| Q3 2017 | RevPAR | | | Occupancy | | | Average Room Rate | | |
|---------------------|---------------|---------------|--------------|--------------|--------------|----------------|-------------------|---------------|--------------|
| | Q3 2017 £ | #Q3 2016 £ | Change % | Q3 2017 % | Q3 2016 % | Change %pts | Q3 2017 £ | #Q3 2016 £ | Change % |
| New York | 178.91 | 162.77 | 9.9 | 91.3 | 82.1 | 9.2 | 196.04 | 198.30 | (1.1) |
| Regional US | 75.01 | 75.48 | (0.6) | 70.0 | 68.5 | 1.5 | 107.15 | 110.26 | (2.8) |
| Total US | 109.22 | 104.22 | 4.8 | 77.0 | 72.9 | 4.1 | 141.83 | 142.88 | (0.7) |
| London | 129.13 | 132.48 | (2.5) | 89.6 | 92.0 | (2.4) | 144.10 | 144.01 | 0.1 |
| Rest of Europe | 58.62 | 58.25 | 0.6 | 74.6 | 76.9 | (2.3) | 78.59 | 75.76 | 3.7 |
| Total Europe | 94.75 | 95.84 | (1.1) | 82.3 | 84.5 | (2.2) | 115.15 | 113.37 | 1.6 |
| Singapore | 87.28 | 89.12 | (2.1) | 87.6 | 90.1 | (2.5) | 99.58 | 98.92 | 0.7 |
| Rest of Asia | 63.51 | 61.03 | 4.1 | 66.2 | 64.8 | 1.4 | 95.88 | 94.12 | 1.9 |
| Total Asia | 72.71 | 71.91 | 1.1 | 74.5 | 74.6 | (0.1) | 97.57 | 96.36 | 1.3 |
| Australasia | 64.85 | 54.18 | 19.7 | 74.8 | 74.1 | 0.7 | 86.74 | 73.16 | 18.6 |
| Total Group | 89.75 | 87.57 | 2.5 | 77.3 | 76.4 | 0.9 | 116.18 | 114.63 | 1.4 |

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

US

US RevPAR for the first nine months of 2017 increased by 6.4% to £95.62 (2016: £89.83). Occupancy increased by 4.2% points and average room rate was flat.

New York RevPAR grew by 10.0% for the nine-month period, mainly reflecting the increased contribution from Millennium Hilton New York One UN Plaza whose East Tower was closed for refurbishment during the same period last year. Excluding this property, RevPAR for New York and US increased by 1.1% and 1.8% respectively.

RevPAR for Regional US for the nine months of 2017 increased by 2.6% to £65.80 (2016: £64.14) with an increase of 1.8% points in occupancy offset by lower average room rate.

Europe

Europe RevPAR for the first nine months of 2017 increased by 3.5%. RevPAR for London grew by 5.2% to £110.73 (2016: £105.29) 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.

RevPAR for Rest of Europe during the same period fell by 0.2%.

Asia

Asia RevPAR for the nine months of 2017 fell by 2.1% to £70.84 (2016: £72.37). Occupancy increased slightly by 1.1% points and average room rate dropped by 3.5%.

Singapore RevPAR dropped by 1.4% with average room rate lower by 3.6% offset by higher occupancy of 2.0% points. Rest of Asia RevPAR decreased by 2.7%. This is mainly due to reduced room rates in order to optimise occupancy especially at the Group's hotels in Seoul and Taipei.

Australasia

Grand Millennium Auckland joined the region's hotel portfolio in September 2016. This hotel was a major contributor to the 22.5% increase in the region's RevPAR for the first nine months of 2017. Like-for-like Australasia RevPAR grew by 7.8%.

Acquisition

CDL Hospitality Trusts ("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 and the Pullman Hotel Munich plus office and retail components for €102.5m (£90m) on 14 July 2017.

The Group took up its full entitlement of new stapled securities for a total cost of S\$94.4m (£52m) in the rights issue of CDLHT in July 2017.

Developments

Design for the Yangdong development project in Seoul continues to be reviewed for the most optimal and efficient design to be achieved. Construction is intended to commence once the design has been finalised.

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

Hotel refurbishments

Preliminary work on refurbishment of Millennium Hotel London Mayfair is planned to commence before the end of this year. Refurbishment of Millennium Hotel London Knightsbridge is anticipated to commence next year.

The renovation of 260 deluxe guest rooms at Orchard Hotel Singapore will be carried out by the end of this year for completion in H1 next year. The interior renovations works at the hotel's Chinese restaurant, Hua Ting commenced in August 2017 and it is scheduled for completion in the first quarter next year.

The final phase of the refurbishment of Grand Millennium Kuala Lumpur relating to the guestrooms at levels 7 and 8 is postponed to H2 next year. The rest of the guest rooms on levels 9 to 19 were completed late last year.

M Social Auckland (previously known as Copthorne Hotel Auckland Harbourcity) had its soft opening in early October 2017. During the coming months all of the hotel's 190 guest rooms and facilities will be commissioned in weekly releases, with the aim of having the new hotel fully operational by the end of December 2017.

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 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. In July 2017, 56 guestrooms were permanently removed from the hotel in connection with the development. The property now has 60 guestrooms compared to 116 previously.

The Group is entitled to compensation, which will either be negotiated with Network Rail or settled at the Lands Tribunal. Separation and other works arising from the order are expected to be completed in November 2017, with demolition of the extension anticipated to commence in Q1 2018. 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 £11m to profit during the nine months of 2017 (2016: £9m). 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 September 2017, the Group had net debt of £668m (Dec 2016: net debt £707m). Excluding CDLHT, net debt at 30 September 2017 was £192m (Dec 2016: net debt £232m).

Possible offer by CDL for the Group

On 19 October 2017, the boards of CDL and Agapier Investments Limited ("Bidco") and the independent non-executive directors of the Company announced further details of a possible recommended cash offer, pursuant to which Bidco would acquire the entire issued and to be issued ordinary share capital of the Company not already held by CDL and its subsidiaries. For further details please see the Company's website at <https://investors.millenniumhotels.com/regulatory-announcements-and-news/city-developments-ltd-offer-documents>.

Current trading

On a constant currency basis, Group RevPAR was up by 1.8% for the three weeks ended 21 October 2017. RevPAR for New York and Regional US were up by 7.5% and 7.0% respectively. RevPAR for London and Rest of Europe were down by 1.7% and 5.0% respectively. In Asia, RevPAR for Singapore and Rest of Asia were down by 5.3% and 0.8% respectively. Australasia had a RevPAR growth of 16.2%. In reported currency basis, Group RevPAR was up by 9.1%.

On a like-for-like basis, Group RevPAR increased by 0.7% with New York up by 3.3% and Australasia up by 8.0% respectively.

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 nine months ended 30 September 2017**

| | Third Quarter 2017 £m | Third Quarter 2016 £m | Nine Months 2017 £m | Nine Months 2016 £m | Full Year 2016 £m |
|--|--|--------------------------------|--|------------------------------|----------------------------|
| Revenue | 263 | 247 | 748 | 665 | 926 |
| Cost of sales | (108) | (101) | (324) | (283) | (395) |
| Gross profit | 155 | 146 | 424 | 382 | 531 |
| Administrative expenses | (101) | (99) | (304) | (274) | (382) |
| Other operating income | - | - | 12 | 2 | 13 |
| Other operating expense | - | - | (9) | (4) | (55) |
| Operating profit | 54 | 47 | 123 | 106 | 107 |
| Share of profit of joint ventures and associates | 5 | 4 | 11 | 9 | 26 |
| Finance income | 5 | 6 | 10 | 10 | 7 |
| Finance expense | (9) | (11) | (26) | (23) | (32) |
| Net finance expense | (4) | (5) | (16) | (13) | (25) |
| Profit before tax | 55 | 46 | 118 | 102 | 108 |
| Income tax credit/(expense) | 6 | (7) | 2 | (15) | (10) |
| | <i>Note 1</i> | | | | |
| Profit for the period | 61 | 39 | 120 | 87 | 98 |
| Attributable to: | | | | | |
| Equity holders of the parent | 50 | 29 | 92 | 59 | 78 |
| Non-controlling interests | 11 | 10 | 28 | 28 | 20 |
| | 61 | 39 | 120 | 87 | 98 |

Note 1:

The Group recorded an income tax credit of £2m for the first nine months of 2017 (tax expense 2016: £15m). This comprised a tax charge of £15m (2016: tax charge £15m) offset by the release of £17m (2016: £nil) tax provision in relation to exposures in Singapore that are now finalised.

The financial results above were derived from continuing activities.

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

| | As at 30 Sept 2017 £m | As at 30 Sept 2016 £m | As at 31 Dec 2016 £m |
|--|--------------------------------|--------------------------------|-------------------------------|
| Non-current assets | | | |
| Property, plant and equipment | 3,141 | 3,217 | 3,238 |
| Lease premium prepayment | 102 | 107 | 107 |
| Investment properties | 610 | 556 | 534 |
| Investment in joint ventures and associates | 312 | 293 | 320 |
| | 4,165 | 4,173 | 4,199 |
| Current assets | | | |
| Inventories | 4 | 4 | 5 |
| Development properties | 84 | 92 | 93 |
| Lease premium prepayment | 2 | 2 | 2 |
| Trade and other receivables | 97 | 94 | 95 |
| Cash and cash equivalents | 331 | 308 | 337 |
| | 518 | 500 | 532 |
| Total assets | 4,683 | 4,673 | 4,731 |
| Non-current liabilities | | | |
| Interest-bearing loans, bonds and borrowings | (663) | (964) | (951) |
| Employee benefits | (23) | (13) | (23) |
| Provisions | (9) | (9) | (10) |
| Other financial liabilities | (2) | - | - |
| Other non-current liabilities | (13) | (14) | (14) |
| Deferred tax liabilities | (198) | (238) | (220) |
| | (908) | (1,238) | (1,218) |
| Current liabilities | | | |
| Interest-bearing loans, bonds and borrowings | (336) | (64) | (93) |
| Trade and other payables | (223) | (218) | (214) |
| Provisions | (1) | (2) | (1) |
| Income taxes payable | (14) | (29) | (35) |
| | (574) | (313) | (343) |
| Total liabilities | (1,482) | (1,551) | (1,561) |
| Net assets | 3,201 | 3,122 | 3,170 |
| Equity | | | |
| Issued share capital | 97 | 97 | 97 |
| Share premium | 844 | 843 | 843 |
| Translation reserve | 428 | 490 | 537 |
| Treasury share reserve | (4) | (4) | (4) |
| Retained earnings | 1,272 | 1,184 | 1,195 |
| Total equity attributable to equity holders of the parent | 2,637 | 2,610 | 2,668 |
| Non-controlling interests | 564 | 512 | 502 |
| Total equity | 3,201 | 3,122 | 3,170 |

Notes to the condensed consolidated financial statements

1. Operating segment information

| | 9 months 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 | 111 | 113 | 91 | 52 | 98 | 127 | 57 | - | 649 |
| Property operations | - | 4 | - | - | 2 | 7 | 38 | - | 51 |
| REIT | - | - | - | 15 | 12 | 15 | 6 | - | 48 |
| Total revenue | 111 | 117 | 91 | 67 | 112 | 149 | 101 | - | 748 |
| Hotel gross operating profit | 14 | 26 | 45 | 12 | 40 | 42 | 28 | - | 207 |
| Hotel fixed charges ¹ | (26) | (16) | (17) | (7) | (3) | (27) | (4) | - | (100) |
| Hotel operating profit/(loss) | (12) | 10 | 28 | 5 | 37 | 15 | 24 | - | 107 |
| Property operating profit | - | - | - | - | 1 | 7 | 21 | - | 29 |
| REIT operating profit/(loss) | - | - | - | 3 | (3) | 4 | 5 | - | 9 |
| Central costs | - | - | - | - | - | - | - | (25) | (25) |
| Other operating income | - | - | - | - | - | 12 | - | - | 12 |
| Other operating expense | - | - | - | (4) | - | (5) | - | - | (9) |
| Operating profit/(loss) | (12) | 10 | 28 | 4 | 35 | 33 | 50 | (25) | 123 |
| Share of joint ventures and associates profit | - | - | - | 2 | - | 9 | - | - | 11 |
| Add: Depreciation and amortisation | 7 | 10 | 5 | 5 | 10 | 17 | 2 | 2 | 58 |
| Add: Impairment | - | - | - | 4 | - | 5 | - | - | 9 |
| EBITDA ² | (5) | 20 | 33 | 15 | 45 | 64 | 52 | (23) | 201 |
| Less: Depreciation, amortisation & impairment | | | | | | | | | (67) |
| Net finance expense | | | | | | | | | (16) |
| Profit before tax | | | | | | | | | 118 |

| | 9 months 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 | 92 | 103 | 88 | 56 | 92 | 115 | 35 | - | 581 |
| Property operations | - | 3 | - | - | 2 | 7 | 30 | - | 42 |
| REIT | - | - | - | 8 | 10 | 14 | 10 | - | 42 |
| Total revenue | 92 | 106 | 88 | 64 | 104 | 136 | 75 | - | 665 |
| Hotel gross operating profit | 11 | 23 | 45 | 13 | 38 | 38 | 15 | - | 183 |
| Hotel fixed charges ¹ | (22) | (17) | (16) | (7) | (3) | (25) | (3) | - | (93) |
| Hotel operating profit/(loss) | (11) | 6 | 29 | 6 | 35 | 13 | 12 | - | 90 |
| Property operating profit/(loss) | - | (1) | - | - | 1 | 6 | 17 | - | 23 |
| REIT operating profit/(loss) | - | - | - | 2 | (4) | 5 | 9 | - | 12 |
| Central costs | - | - | - | - | - | - | - | (17) | (17) |
| Other operating income | - | - | - | - | - | - | 2 | - | 2 |
| Other operating expense | - | - | - | - | (4) | - | - | - | (4) |
| Operating profit/(loss) | (11) | 5 | 29 | 8 | 28 | 24 | 40 | (17) | 106 |
| Share of joint ventures and associates profit | - | - | - | 3 | - | 6 | - | - | 9 |
| Add: Depreciation and amortisation | 6 | 8 | 5 | 4 | 9 | 16 | 1 | 1 | 50 |
| Add: Revaluation deficit | - | - | - | - | 4 | - | - | - | 4 |
| EBITDA ² | (5) | 13 | 34 | 15 | 41 | 46 | 41 | (16) | 169 |
| Less: Depreciation, amortisation & revaluation deficit | | | | | | | | | (54) |
| Net finance expense | | | | | | | | | (13) |
| Profit before tax | | | | | | | | | 102 |

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

² EBITDA is earnings before interest, tax and, depreciation and amortisation.

APPENDIX 1: KEY OPERATING STATISTICS
for the nine months ended 30 September 2017

| | Nine Months 2017 Reported currency | Nine Months 2016 Constant currency | Nine Months 2016 Reported currency | Full Year 2016 Reported currency |
|--|---|---|---|---|
| Owned or leased hotels* | | | | |
| Occupancy (%) | | | | |
| New York | 84.0 | | 74.8 | 77.9 |
| Regional US | 62.9 | | 61.1 | 58.6 |
| Total US | 69.8 | | 65.6 | 65.0 |
| London | 84.3 | | 81.1 | 81.9 |
| Rest of Europe | 71.3 | | 72.8 | 72.2 |
| Total Europe | 77.9 | | 77.0 | 77.1 |
| Singapore | 86.8 | | 84.8 | 84.2 |
| Rest of Asia | 64.6 | | 64.1 | 65.4 |
| Total Asia | 73.2 | | 72.1 | 72.7 |
| Australasia | 80.4 | | 79.4 | 81.3 |
| Total Group | 73.9 | | 71.7 | 71.8 |
| Average Room Rate (£) | | | | |
| New York | 186.19 | 189.93 | 174.14 | 186.85 |
| Regional US | 104.64 | 104.96 | 96.23 | 98.12 |
| Total US | 136.93 | 136.87 | 125.49 | 133.18 |
| London | 131.42 | 129.78 | 129.78 | 130.83 |
| Rest of Europe | 75.77 | 74.36 | 72.32 | 72.86 |
| Total Europe | 106.38 | 103.92 | 102.96 | 104.04 |
| Singapore | 97.59 | 101.22 | 93.83 | 95.22 |
| Rest of Asia | 96.08 | 99.56 | 90.26 | 92.66 |
| Total Asia | 96.77 | 100.32 | 91.88 | 93.81 |
| Australasia | 89.38 | 73.90 | 65.37 | 71.84 |
| Total Group | 111.46 | 110.61 | 103.18 | 106.78 |
| RevPAR (£) | | | | |
| New York | 156.36 | 142.15 | 130.32 | 145.64 |
| Regional US | 65.80 | 64.14 | 58.80 | 57.49 |
| Total US | 95.62 | 89.83 | 82.35 | 86.52 |
| London | 110.73 | 105.29 | 105.29 | 107.18 |
| Rest of Europe | 54.03 | 54.16 | 52.67 | 52.61 |
| Total Europe | 82.86 | 80.05 | 79.32 | 80.24 |
| Singapore | 84.67 | 85.87 | 79.60 | 80.21 |
| Rest of Asia | 62.11 | 63.85 | 57.88 | 60.63 |
| Total Asia | 70.84 | 72.37 | 66.29 | 68.21 |
| Australasia | 71.88 | 58.69 | 51.92 | 58.40 |
| Total Group | 82.41 | 79.26 | 73.94 | 76.71 |
| Gross Operating Profit Margin (%) | | | | |
| New York | 12.7 | | 11.9 | 15.9 |
| Regional US | 23.2 | | 22.6 | 20.9 |
| Total US | 18.0 | | 17.5 | 18.4 |
| London | 49.8 | | 50.5 | 49.8 |
| Rest of Europe | 22.6 | | 22.9 | 19.1 |
| Total Europe | 39.9 | | 39.8 | 37.8 |
| Singapore | 40.8 | | 41.0 | 40.8 |
| Rest of Asia | 32.9 | | 32.8 | 34.0 |
| Total Asia | 36.3 | | 36.5 | 37.0 |
| Australasia | 48.6 | | 43.1 | 46.5 |
| Total Group | 31.9 | | 31.3 | 31.6 |

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

* excluding managed, franchised and investment hotels.

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

| Owned or leased hotels* | Q3 2017 Reported currency | Q3 2016 Constant currency | Q3 2016 Reported currency | FY 2016 Reported currency |
|--|--|--|--|--|
| Occupancy (%) | | | | |
| New York | 91.3 | | 82.1 | 77.9 |
| Regional US | 70.0 | | 68.5 | 58.6 |
| Total US | 77.0 | | 72.9 | 65.0 |
| London | 89.6 | | 92.0 | 81.9 |
| Rest of Europe | 74.6 | | 76.9 | 72.2 |
| Total Europe | 82.3 | | 84.5 | 77.1 |
| Singapore | 87.6 | | 90.1 | 84.2 |
| Rest of Asia | 66.2 | | 64.8 | 65.4 |
| Total Asia | 74.5 | | 74.6 | 72.7 |
| Australasia | 74.8 | | 74.1 | 81.3 |
| Total Group | 77.3 | | 76.4 | 71.8 |
| Average Room Rate (£) | | | | |
| New York | 196.04 | 198.30 | 192.54 | 186.85 |
| Regional US | 107.15 | 110.26 | 106.79 | 98.12 |
| Total US | 141.83 | 142.88 | 138.56 | 133.18 |
| London | 144.10 | 144.01 | 144.01 | 130.83 |
| Rest of Europe | 78.59 | 75.76 | 74.30 | 72.86 |
| Total Europe | 115.15 | 113.37 | 112.72 | 104.04 |
| Singapore | 99.58 | 98.92 | 97.13 | 95.22 |
| Rest of Asia | 95.88 | 94.12 | 92.63 | 92.66 |
| Total Asia | 97.57 | 96.36 | 94.74 | 93.81 |
| Australasia | 86.74 | 73.16 | 70.79 | 71.84 |
| Total Group | 116.18 | 114.63 | 112.29 | 106.78 |
| RevPAR (£) | | | | |
| New York | 178.91 | 162.77 | 158.04 | 145.64 |
| Regional US | 75.01 | 75.48 | 73.10 | 57.49 |
| Total US | 109.22 | 104.22 | 101.06 | 86.52 |
| London | 129.13 | 132.48 | 132.48 | 107.18 |
| Rest of Europe | 58.62 | 58.25 | 57.13 | 52.61 |
| Total Europe | 94.75 | 95.84 | 95.29 | 80.24 |
| Singapore | 87.28 | 89.12 | 87.51 | 80.21 |
| Rest of Asia | 63.51 | 61.03 | 60.07 | 60.63 |
| Total Asia | 72.71 | 71.91 | 70.70 | 68.21 |
| Australasia | 64.85 | 54.19 | 52.42 | 58.40 |
| Total Group | 89.75 | 87.57 | 85.78 | 76.71 |
| Gross Operating Profit Margin (%) | | | | |
| New York | 22.3 | | 18.9 | 15.9 |
| Regional US | 28.4 | | 30.0 | 20.9 |
| Total US | 25.3 | | 24.7 | 18.4 |
| London | 54.3 | | 55.4 | 49.8 |
| Rest of Europe | 25.2 | | 26.5 | 19.1 |
| Total Europe | 44.1 | | 44.9 | 37.8 |
| Singapore | 41.0 | | 41.7 | 40.8 |
| Rest of Asia | 33.7 | | 31.3 | 34.0 |
| Total Asia | 36.9 | | 36.1 | 37.0 |
| Australasia | 45.3 | | 38.5 | 46.5 |
| Total Group | 35.0 | | 34.4 | 31.6 |

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

* excluding managed, franchised and investment hotels.

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

| Hotel and room count | 30 Sep 2017 | Hotels 31 Dec 2016 | Change | 30 Sep 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 | 21 | 19 | 2 | 3,528 | 3,081 | 447 |
| Middle East | 31 | 26 | 5 | 10,346 | 7,805 | 2,541 |
| Singapore | 7 | 7 | - | 3,011 | 3,011 | - |
| Rest of Asia | 26 | 27 | (1) | 9,694 | 10,036 | (342) |
| Australasia | 25 | 25 | - | 3,641 | 3,641 | - |
| Total | 137 | 131 | 6 | 39,668 | 37,022 | 2,646 |

Analysed by ownership type:

| | | | | | | |
|-----------------|------------|------------|----------|---------------|---------------|--------------|
| Owned or Leased | 66 | 66 | - | 19,481 | 19,534 | (53) |
| Managed | 16 | 42 | (26) | 4,100 | 11,924 | (7,824) |
| Franchised | 38 | 7 | 31 | 11,437 | 1,091 | 10,346 |
| Investment | 17 | 16 | 1 | 4,650 | 4,473 | 177 |
| Total | 137 | 131 | 6 | 39,668 | 37,022 | 2,646 |

Analysed by brand:

| | | | | | | |
|------------------|------------|------------|----------|---------------|---------------|--------------|
| Grand Millennium | 9 | 9 | - | 3,734 | 3,732 | 2 |
| Millennium | 52 | 49 | 3 | 17,418 | 15,960 | 1,458 |
| Copthorne | 35 | 35 | - | 6,923 | 6,944 | (21) |
| Kingsgate | 7 | 7 | - | 671 | 671 | - |
| Other M&C | 14 | 12 | 2 | 4,647 | 3,617 | 1,030 |
| Third Party | 20 | 19 | 1 | 6,275 | 6,098 | 177 |
| Total | 137 | 131 | 6 | 39,668 | 37,022 | 2,646 |

| Pipeline | 30 Sep 2017 | Hotels 31 Dec 2016 | Change | 30 Sep 2017 | Rooms 31 Dec 2016 | Change |
|----------|----------------|--------------------------|--------|----------------|-------------------------|--------|
|----------|----------------|--------------------------|--------|----------------|-------------------------|--------|

Analysed by region:

| | | | | | | |
|----------------|-----------|-----------|------------|--------------|--------------|----------------|
| Middle East | 10 | 17 | (7) | 3,239 | 5,465 | (2,226) |
| Asia | 4 | 4 | - | 1,587 | 1,608 | (21) |
| Regional US | 1 | 1 | - | 263 | 263 | - |
| Rest of Europe | 1 | 1 | - | 152 | 153 | (1) |
| Total | 16 | 23 | (7) | 5,241 | 7,489 | (2,248) |

Analysed by ownership type:

| | | | | | | |
|--------------|-----------|-----------|------------|--------------|--------------|----------------|
| Managed | 3 | 21 | (18) | 1,045 | 6,684 | (5,639) |
| Owned | 2 | 2 | - | 805 | 805 | - |
| Franchised | 11 | - | 11 | 3,391 | - | 3,391 |
| Total | 16 | 23 | (7) | 5,241 | 7,489 | (2,248) |

Analysed by brand:

| | | | | | | |
|------------------|-----------|-----------|------------|--------------|--------------|----------------|
| Grand Millennium | 2 | 2 | - | 539 | 847 | (308) |
| Millennium | 8 | 11 | (3) | 2,715 | 3,079 | (364) |
| Copthorne | 2 | 2 | - | 666 | 666 | - |
| Kingsgate | - | 2 | (2) | - | 559 | (559) |
| Other M&C | 4 | 6 | (2) | 1,321 | 2,338 | (1,017) |
| Total | 16 | 23 | (7) | 5,241 | 7,489 | (2,248) |

The Group's worldwide pipeline comprises 16 hotels offering 5,241 rooms, which are mainly franchise contracts.