news release

Mandarin Oriental International Limited

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MANDARIN ORIENTAL
THE HOTEL GROUP SM

To: Business Editor

31st July 2008
For immediate release

The following announcement was issued today to a Regulatory Information Service approved by the Financial Services Authority in the United Kingdom.

MANDARIN ORIENTAL INTERNATIONAL LIMITED
HALF-YEARLY RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE 2008

Highlights
- Satisfactory start to the year
- New hotel project in Moscow announced
- Interim dividend per share increased to US¢2.00

"Mandarin Oriental's performance for the remainder of the year will depend on economic conditions, which are likely to become more challenging. Nevertheless, the Group is in a strong financial position and over the longer term its key markets should continue to benefit from the limited new supply of luxury hotels."

Simon Keswick, *Chairman*
31st July 2008

Results

	(unaudited) Six months ended 30th June		
	2008	2007	Change
	US$m	US$m	%
Combined total revenue of hotels under management[(1)]	**520.2**	477.4	+9
Earnings before interest, tax, depreciation and amortization[(2)]	**86.2**	84.5	+2
Profit attributable to shareholders	**36.1**	50.3	−28
Profit attributable to shareholders – excluding gain on disposal	**36.1**	34.3	+5
	US¢	US¢	%
Earnings per share	**3.68**	5.19	−29
Earnings per share – excluding gain on disposal	**3.68**	3.54	+4
Interim dividend per share	**2.00**	1.00	+100
	US$	US$	%
Net asset value per share	**1.17**	1.07	+9
Net asset value per share with leasehold properties valuation[(3)]	**2.32**	1.82	+27

(1) Combined revenue includes turnover of the Group's subsidiary hotels in addition to 100% of revenue from associate, joint venture and managed hotels.

(2) EBITDA does not include gain on disposal.

(3) The net asset value per share with leasehold properties at valuation has been presented after adjusting for the market value of the Group's leasehold interests. International Financial Reporting Standards ('IFRS') do not permit leasehold interests of owner-occupied land to be carried at valuation. The Group considers that the IFRS treatment does not reflect the economic substance of its underlying property investments. Therefore, the Group has presented the net asset value per share taking into account the fair market value of leasehold interests as supplementary financial information in addition to the net asset value per share in accordance with IFRS.

The interim dividend of US¢2.00 per share will be payable on 15th October 2008 to shareholders on the register of members at the close of business on 22nd August 2008. The ex-dividend date will be on 20th August 2008, and the share registers will be closed from 25th to 29th August 2008, inclusive.

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MANDARIN ORIENTAL INTERNATIONAL LIMITED
HALF-YEARLY RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE 2008

OVERVIEW

The Group's hotels continued to perform satisfactorily in the first half of 2008 against a background of a weaker economic environment. Conditions in several important markets, including Hong Kong, London and Singapore, have remained stable, and while softening demand has led to lower occupancies at some hotels, the effect has been offset by increases in room rates in most properties.

PERFORMANCE

Earnings before interest, tax, depreciation and amortization for the first six months of 2008 were US$86 million, compared to US$85 million in the first half of 2007.

Profit attributable to shareholders was US$36 million, which compares with US$34 million in the same period in 2007 after excluding a US$16 million property gain. Including the gain, the profit attributable to shareholders in the first half of 2007 was US$50 million.

For the first six months of 2008, earnings per share were US¢3.68, compared to US¢3.54 in the same period in 2007 excluding the property gain and US¢5.19 including the gain.

An increased interim dividend of US¢2.00 per share has been declared, which compares with US¢1.00 in 2007, reflecting the strong financial position of the Group.

GROUP REVIEW

Subsidiaries

The Group's two wholly-owned Hong Kong hotels continued to perform well. Occupancy levels remained stable as average rates increased by 15% and 9% at Mandarin Oriental, Hong Kong and The Excelsior, respectively. The supply of new hotel rooms on Hong Kong island remains low. In Tokyo, the Group's hotel was adversely affected by reduced demand from the financial services sector, although overall rates were maintained. The Group's hotel in Jakarta was closed throughout the period as extensive renovations progressed and will reopen in the second half of 2009.

In Europe, the London hotel performed well as demand from leisure travellers remained resilient. Mandarin Oriental, Munich benefited from increased occupancy levels following a room renovation programme in the first half of 2007. In Geneva, profit fell due to an extensive refurbishment, completed in July, which has transformed the hotel's public areas and restaurants. In addition, seven new suites will be added to the hotel's top floor.

In The Americas, the Group's 80%-owned hotel in Washington D.C. experienced lower occupancy while the average rate remained stable.

Associates and Joint Ventures

The contribution from associate and joint venture hotels rose due to revenue growth in some properties, particularly in Singapore and Bangkok. In Asia, this was partially offset by lower occupancy at Mandarin Oriental, Macau due to a significant increase in hotel supply in that market. In The Americas, Mandarin Oriental, New York maintained occupancy levels while increasing the average room rate by 7%, but Miami experienced lower demand.

DEVELOPMENTS

Mandarin Oriental now operates, or has under development, over 10,000 rooms in 24 countries with 16 hotels in Asia, 14 in The Americas and ten in Europe and North Africa.

The Group recently announced that it will manage a new 237-room luxury hotel in the centre of Moscow upon its completion in 2011. This brings to 19 the number of hotels Mandarin Oriental has under development, all of which, with the exception of Paris, will be managed on behalf of third-party owners.

Mandarin Oriental, Boston will open in October 2008 with 148 rooms and 50 *Residences at Mandarin Oriental*. Some projects have experienced delays, including the hotels in Beijing and Sanya that were expected to open in 2008 and are now likely to open in 2009.

The Group is to manage the *Residences at Mandarin Oriental*, *Taipei*, which will be located adjacent to the previously announced 300-room Mandarin Oriental, Taipei that is due to open in late 2010. This is the Group's first Residences project in Asia and brings the total number of such projects to 13.

OUTLOOK

Mandarin Oriental's performance for the remainder of the year will depend on economic conditions, which are likely to become more challenging. Nevertheless, the Group is in a strong financial position and over the longer term its key markets should continue to benefit from the limited new supply of luxury hotels.

Simon Keswick
Chairman
31st July 2008

Mandarin Oriental International Limited
Consolidated Profit and Loss Account

	2008 US$m	(unaudited) Six months ended 30th June 2007 US$m	Year ended 31st December 2007 US$m
Revenue *(note 2)*	**266.6**	250.5	529.5
Cost of sales	**(162.8)**	(154.1)	(318.8)
Gross profit	**103.8**	96.4	210.7
Selling and distribution costs	**(17.2)**	(15.3)	(32.6)
Administration expenses	**(42.3)**	(36.1)	(70.4)
Operating profit *(note 3)*	**44.3**	45.0	107.7
Interest income	**6.5**	7.7	18.9
Financing charges	**(15.0)**	(16.6)	(35.3)
Net financing charges	**(8.5)**	(8.9)	(16.4)
Share of results of associates and joint ventures excluding writeback of impairment of an associate	**8.8**	7.5	17.8
Writeback of impairment of an associate *(note 4)*	**-**	-	5.1
Share of results of associates and joint ventures *(note 4)*	**8.8**	7.5	22.9
Gain on disposal related to an associate *(note 5)*	**-**	16.0	16.0
Profit before tax	**44.6**	59.6	130.2
Tax *(note 6)*	**(8.9)**	(9.3)	(22.8)
Profit after tax	**35.7**	50.3	107.4
Attributable to:			
Shareholders of the Company	**36.1**	50.3	108.2
Minority interests	**(0.4)**	-	(0.8)
	35.7	50.3	107.4

	US¢	US¢	US¢
Earnings per share *(note 7)*			
- basic	**3.68**	5.19	11.16
- diluted	**3.64**	5.09	10.96

Mandarin Oriental International Limited
Consolidated Balance Sheet

	2008	(unaudited) At 30th June 2007	At 31st December 2007
	US$m	US$m	US$m
Net assets			
Intangible assets	**215.9**	214.7	216.2
Tangible assets	**1,017.5**	912.9	995.0
Associates and joint ventures	**178.0**	190.1	204.6
Other investments	**11.0**	7.9	10.3
Loans receivable	**5.0**	3.0	3.4
Pension assets	**33.6**	26.8	34.0
Deferred tax assets	**28.2**	25.7	27.5
Other non-current assets	**1.2**	4.8	0.2
Non-current assets	**1,490.4**	1,385.9	1,491.2
Stocks	**4.1**	3.9	4.7
Debtors and prepayments	**69.8**	55.2	69.3
Current tax assets	**4.6**	-	3.4
Cash at bank	**491.6**	438.3	492.4
Current assets	**570.1**	497.4	569.8
Creditors and accruals	**(86.7)**	(87.3)	(105.5)
Current borrowings	**(13.8)**	(19.9)	(13.4)
Current tax liabilities	**(9.1)**	(6.5)	(7.2)
Current liabilities	**(109.6)**	(113.7)	(126.1)
Net current assets	**460.5**	383.7	443.7
Long-term borrowings	**(676.8)**	(647.9)	(663.9)
Deferred tax liabilities	**(112.2)**	(75.6)	(107.7)
Pension liabilities	**(0.1)**	(1.5)	(0.1)
Other non-current liabilities	**(1.2)**	(0.2)	(2.9)
	1,160.6	1,044.4	1,160.3
Total equity			
Share capital	**49.1**	48.4	48.7
Share premium	**168.3**	160.8	163.5
Revenue and other reserves	**935.4**	831.5	940.1
Shareholders' funds	**1,152.8**	1,040.7	1,152.3
Minority interests	**7.8**	3.7	8.0
	1,160.6	1,044.4	1,160.3

Mandarin Oriental International Limited
Consolidated Statement of Recognized Income and Expense

	(unaudited) Six months ended 30th June **2008** **US$m**	(unaudited) Six months ended 30th June 2007 US$m	Year ended 31st December 2007 US$m
Surplus on revaluation of properties	**-**	-	78.4
Actuarial gains on defined benefit pension plans	**-**	-	7.6
Net exchange translation differences	**5.6**	15.8	38.3
Gain on other investments	**-**	-	0.1
Gain/(Loss) on cash flow hedges	**2.3**	1.8	(5.5)
Tax on items taken directly to equity	**(0.6)**	(0.4)	(29.6)
Net income recognized directly in equity	**7.3**	17.2	89.3
Transfer to profit and loss on realization of exchange reserves	**(0.7)**	-	(8.3)
Profit after tax	**35.7**	50.3	107.4
Total recognized income and expense for the period/year	**42.3**	67.5	188.4
Attributable to:			
Shareholders of the Company	**42.5**	67.5	184.1
Minority interests	**(0.2)**	-	4.3
	42.3	67.5	188.4

Mandarin Oriental International Limited
Consolidated Cash Flow Statement

	(unaudited) Six months ended 30th June **2008** **US$m**	2007 US$m	Year ended 31st December 2007 US$m
Operating activities			
Operating profit	**44.3**	45.0	107.7
Depreciation	**19.3**	18.4	37.6
Amortization of intangible assets	**0.6**	0.4	0.9
Non-cash items	**0.6**	0.7	(3.9)
Movements in working capital	**(14.1)**	(5.4)	5.3
Interest received	**6.5**	8.0	18.5
Interest and other financing charges paid	**(17.9)**	(16.3)	(34.9)
Tax paid	**(5.0)**	(7.3)	(14.0)
	34.3	43.5	117.2
Dividends from associates and joint ventures	**9.5**	4.7	12.3
Cash flows from operating activities	**43.8**	48.2	129.5
Investing activities			
Purchase of tangible assets	**(30.0)**	(30.5)	(50.1)
Purchase of intangible assets	**(0.3)**	-	(1.6)
Advance of mezzanine loans	**(1.6)**	(3.0)	(3.4)
Repayment of mezzanine loan	**-**	12.0	12.0
Increase in other investments	**(0.7)**	(1.1)	(3.6)
Proceeds on disposal related to an associate	**-**	74.6	70.7
Capital distribution from associates	**22.4**	12.3	14.4
Cash flows from investing activities	**(10.2)**	64.3	38.4
Financing activities			
Issue of shares	**5.2**	0.5	3.5
Drawdown of borrowings	**18.9**	185.4	535.9
Repayment of borrowings	**(9.3)**	(118.1)	(464.4)
Dividends paid by the Company *(note 9)*	**(49.0)**	(29.1)	(38.7)
Dividends paid to minority shareholders	**(0.1)**	-	-
Cash flows from financing activities	**(34.3)**	38.7	36.3
Effect of exchange rate changes	**0.2**	0.3	1.3
Net (decrease)/increase in cash and cash equivalents	**(0.5)**	151.5	205.5
Cash and cash equivalents at beginning of period	**492.1**	286.6	286.6
Cash and cash equivalents at end of period	**491.6**	438.1	492.1

Mandarin Oriental International Limited
Notes to Condensed Financial Statements

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION

The condensed financial statements have not been audited or reviewed by the auditor pursuant to the UK Auditing Practices Board guidance on the review of interim financial information. The condensed financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting.

In 2008, the Group adopted the following interpretations to existing standards which are relevant to its operations:

IFRIC 11	IFRS 2 - Group and Treasury Share Transactions
IFRIC 14	IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

There have been no changes to the accounting policies described in the 2007 annual financial statements as a result of adoption of the above interpretations.

The Group's reportable segments are set out in note 2.

2. REVENUE

	Six months ended 30th June	
	2008	2007
	US$m	US$m
By geographical area:		
Hong Kong and Macau	**106.6**	93.5
Other Asia	**60.0**	57.5
Europe	**68.8**	67.0
The Americas	**31.2**	32.5
	266.6	250.5

3. OPERATING PROFIT

	Six months ended 30th June	
	2008	2007
	US$m	US$m
By geographical area:		
Hong Kong and Macau	**31.1**	24.3
Other Asia	**2.9**	3.1
Europe	**10.8**	14.2
The Americas	**(0.5)**	3.4
	44.3	45.0

4. SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

	Operating profit US$m	Net finance charges US$m	Tax US$m	Net profit US$m
Six months ended 30th June 2008				
By geographical area:				
Hong Kong and Macau	**1.5**	**(0.2)**	**(0.1)**	**1.2**
Other Asia	**11.2**	**(1.6)**	**(2.5)**	**7.1**
The Americas	**2.9**	**(2.4)**	**-**	**0.5**
	15.6	**(4.2)**	**(2.6)**	**8.8**
Six months ended 30th June 2007				
By geographical area:				
Hong Kong and Macau	2.9	(0.2)	(0.1)	2.6
Other Asia	8.7	(1.6)	(2.6)	4.5
The Americas	3.1	(2.4)	(0.3)	0.4
	14.7	(4.2)	(3.0)	7.5

Share of results of associates and joint ventures are stated after charging depreciation and amortization of US$6.4 million (2007: US$6.0 million).

The consolidated profit and loss account for the year ended 31st December 2007 included a US$5.1 million writeback of an impairment previously made against the value of the Group's interest in Mandarin Oriental, Kuala Lumpur.

5. GAIN ON DISPOSAL RELATED TO AN ASSOCIATE

The sale of half of the Group's 50% investment in Mandarin Oriental, New York was completed on 1st March 2007. This sale has reduced the Group's interest in the hotel from 50% to 25%. The hotel was valued at US$340.0 million for the purpose of the sale. On disposal of the 25% interest, the Group recorded a pre-tax gain of US$25.0 million, with a post-tax gain of US$16.0 million after a tax charge of US$9.0 million arising on the disposal. The Group continues to manage the hotel under a long-term agreement.

6. TAX

	Six months ended 30th June	
	2008	2007
	US$m	US$m
Current tax	**5.6**	5.3
Deferred tax	**3.3**	4.0
	8.9	9.3
By geographical area:		
Hong Kong and Macau	**5.0**	4.3
Other Asia	**1.5**	1.4
Europe	**4.0**	1.8
The Americas	**(1.6)**	1.8
	8.9	9.3

Tax on profits has been calculated at rates of taxation prevailing in the territories in which the Group operates. Share of tax of associates and joint ventures of US$2.6 million (2007: US$3.0 million) are included in share of results of associates and joint ventures.

7. EARNINGS PER SHARE

Basic earnings per share are calculated on profit attributable to shareholders of US$36.1 million (2007: US$50.3 million) and on the weighted average number of 980.6 million (2007: 968.6 million) shares in issue during the period. The weighted average number excludes shares held by the Trustee of the Senior Executive Share Incentive Schemes.

Diluted earnings per share are calculated on profit attributable to shareholders of US$36.1 million (2007: US$50.3 million) and on the weighted average number of 991.8 million (2007: 988.2 million) shares after adjusting for the number of shares which are deemed to be issued for no consideration under the Senior Executive Share Incentive Schemes based on the average share price during the period.

The weighted average number of shares is arrived at as follows:

	Ordinary shares in millions	
	2008	2007
Weighted average number of shares in issue	**980.6**	968.6
Adjustment for shares deemed to be issued for no consideration under the Senior Executive Share Incentive Schemes	**11.2**	19.6
Weighted average number of shares for diluted earnings per share	**991.8**	988.2

7. EARNINGS PER SHARE (Continued)

Basic and diluted earnings per share are also presented based on profit attributable to shareholders excluding gain on disposal. A reconciliation of earnings is set out below.

	Six months ended 30th June					
	2008			2007		
	US$m	**Basic earnings per share US¢**	**Diluted earnings per share US¢**	US$m	Basic earnings per share US¢	Diluted earnings per share US¢
Profit attributable to shareholders excluding gain on disposal	**36.1**	**3.68**	**3.64**	34.3	3.54	3.47
Gain on disposal	**-**	**-**	**-**	16.0	1.65	1.62
Profit attributable to shareholders	**36.1**	**3.68**	**3.64**	50.3	5.19	5.09

8. CAPITAL COMMITMENTS

	At 30th June		At 31st December
	2008	2007	2007
	US$m	US$m	US$m
Capital commitments	**67.7**	33.0	62.6

9. DIVIDENDS

An interim dividend of US¢2.00 per share has been declared in respect of 2008 (2007: US¢1.00 per share). A final dividend of US¢5.00 per share amounting to a total of US$49.0 million has been paid in respect of 2007. This amount will be accounted for as an appropriation of revenue reserves in the year ending 31st December 2008.

10. RELATED PARTY TRANSACTIONS

The Group managed seven associate and joint venture hotels and received management fees of US$8.2 million (2007: US$8.0 million) based on long-term management agreements on normal commercial terms.

Mandarin Oriental International Limited
Principal Risks and Uncertainties

The following are the principal risks and uncertainties facing the Company as required to be disclosed pursuant to The Disclosure and Transparency Rules issued by the Financial Services Authority and are in addition to the matters referred to in the Chairman's Statement:

1. Economic Risk, Market Risk and Competition

   The Group's business is exposed to the risk of negative developments in global and regional economies and financial markets. These developments can result in recession, inflation, currency fluctuations or increases in financing costs. Such developments might increase operating costs, particularly labour, or reduce revenues. These developments could also adversely affect travel patterns.

   The Group operates within the global hotel industry which is highly competitive, and failure to compete effectively in terms of quality of product, levels of service or price can have an adverse effect on earnings. Significant pressure from such competition may lead to reduced margins.

   The Group competes with other luxury hotel operators for management opportunities, and a failure to compete successfully or to establish and maintain relationships with hotel owners could adversely affect the Group's business.

   The Group also makes investment decisions in respect of new hotel properties that take time to come to fruition and achieve the desired returns and are, therefore, subject to market risks, including the oversupply of hotel rooms. Mandarin Oriental's continued development depends on the opening of individual hotels, which are primarily controlled by third party owners and can be subject to delays for reasons such as planning and construction issues, sourcing of adequate capital, and the sale of residential units. In extreme circumstances, such factors might lead to the cancellation of a project.

   The steps taken by the Group to manage its exposure to financial risk are set out in the Financial Risk Management section on page 41 and in the description of the systems of internal control set out in the Corporate Governance section on page 78 of the Company's 2007 Annual Report, which is available from the Company's website www.mandarinoriental.com.

2. Pandemics, Terrorism and Natural Disasters

   The Group's business would be impacted by a global or regional pandemic which could be expected to seriously affect economic activity and the ability of our business to operate smoothly. The Group's operations are also vulnerable to the effects of terrorism, either directly through the impact of an act of terrorism or indirectly through the impact of generally reduced economic activity in response to the threat of or an actual act of terrorism. In addition, a number of the territories in which we operate can experience from time to time natural disasters such as typhoons and earthquakes.

3. Key Agreements

   The Group's business is reliant upon joint venture and partnership agreements, property leasehold arrangements, management contracts or other key agreements. Cancellation, expiry or termination, or the renegotiation of any of these key agreements and contracts, could have an adverse effect on the financial condition and results of operations of certain hotels.

4. Intellectual Property and Value of the Brand

   Brand recognition is important to the success of the Group and significant resources have been invested in protecting its intellectual property in the form of trade marks, logos and domain names. Any material act or omission by any person working for or representing the Group's operations which is contrary to its standards could impair Mandarin Oriental's reputation and the equity value of the brand, as could any negative publicity regarding the Group's product or services.

5. Regulatory and Political Risk

   The Group's business is subject to a number of regulatory environments in the territories in which it operates. Changes in the regulatory approach to such matters as employment legislation, tax rules, planning controls and exchange controls have the potential to impact the operations and profitability of the Group's business. Changes in the political environment, including prolonged civil unrest, could also affect the Group's business.

Mandarin Oriental International Limited
Responsibility Statement

The Directors of the Company confirm to the best of their knowledge that:

(a) the condensed financial statements have been prepared in accordance with IAS 34; and

(b) the interim management report includes a fair review of all information required to be disclosed by the Disclosure and Transparency Rules 4.2.7 and 4.2.8 issued by the Financial Services Authority of the United Kingdom.

For and on behalf of the Board

Edouard Ettedgui
John R Witt

Directors

31st July 2008

The interim dividend of US¢2.00 per share will be payable on 15th October 2008 to shareholders on the register of members at the close of business on 22nd August 2008. The ex-dividend date will be on 20th August 2008, and the share registers will be closed from 25th to 29th August 2008, inclusive. Shareholders will receive their dividends in United States Dollars, unless they are registered on the Jersey branch register where they will have the option to elect for Sterling. These shareholders may make new currency elections for the 2008 interim dividend by notifying the United Kingdom transfer agent in writing by 26th September 2008. The Sterling equivalent of dividends declared in United States Dollars will be calculated by reference to a rate prevailing on 2nd October 2008. Shareholders holding their shares through The Central Depository (Pte) Limited ('CDP') in Singapore will receive United States Dollars unless they elect, through CDP, to receive Singapore Dollars.

Mandarin Oriental Hotel Group

Mandarin Oriental Hotel Group is an international hotel investment and management group with deluxe and first class hotels and resorts in sought-after destinations around the world. The Group now operates, or has under development, 40 hotels representing over 10,000 rooms in 24 countries, with 16 hotels in Asia, 14 in The Americas and ten in Europe and North Africa. The Group has equity interests in many of its properties and net assets of approximately US$2.3 billion as at 30th June 2008.

Mandarin Oriental's aim is to be recognized widely as the best global luxury hotel group, providing 21st century luxury with oriental charm in each of its hotels. This will be achieved by investing in the Group's exceptional facilities and its people, while maximizing profitability and long-term shareholder value. The Group regularly receives recognition and awards for outstanding service and quality management. The strategy of the Group is to open the hotels currently under development, while continuing to seek further selective opportunities for expansion around the world.

The parent company, Mandarin Oriental International Limited, is incorporated in Bermuda and has its primary listing in London, and further listings in Bermuda and Singapore. Mandarin Oriental Hotel Group International Limited, which operates from Hong Kong, manages the activities of the Group's hotels. Mandarin Oriental is a member of the Jardine Matheson Group.

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For further information, please contact:

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As permitted by the Disclosure and Transparency Rules of the Financial Services Authority of the United Kingdom, the Company will not be posting a printed version of the Half-Yearly Results announcement to shareholders. The Half-Yearly Results announcement will remain available on the Company's website, www.mandarinoriental.com, together with other Group announcements.