ANNUAL RESULTS 2010

MANDARIN ORIENTAL
THE HOTEL GROUP

2010 PERFORMANCE

- Benefited from improvement in global economy
- Increased demand led to higher occupancies, particularly in Asia
- Hotels able to raise rates but not yet back to 2008 levels
- All hotels focused on effective cost control while maintaining service quality

2010 ANNUAL RESULTS HIGHLIGHTS

US$m	2010	2009
Combined Total Revenue	**1,026**	**838**
EBITDA	**136**	**88**

2010 ANNUAL RESULTS HIGHLIGHTS

US$m	2010	2009
Underlying profit attributable to shareholders	**44**	**12**
Profit attributable to shareholders incl. non-trading items*	**44**	**83**

* 2009 includes US$81m gain on the Macau hotel sale, offset by US$10m of provisions against asset impairment related to managed properties. There were no non-trading items in 2010

2010 ANNUAL RESULTS HIGHLIGHTS

	2010	2009
Underlying Earnings per Share *US¢*	**4.48**	**1.27**
Earnings per Share including non-trading items *US¢*	**4.48**	**8.47**
Adjusted Net Asset Value per Share* *US$*	**2.33**	**2.18**

* This includes freehold and leasehold properties at market valuation

- Final dividend of US¢3 per share recommended to shareholders
- Total dividend for 2010 of US¢5 per share (2009 – US¢7 per share)

KEY STRATEGIC OBJECTIVES

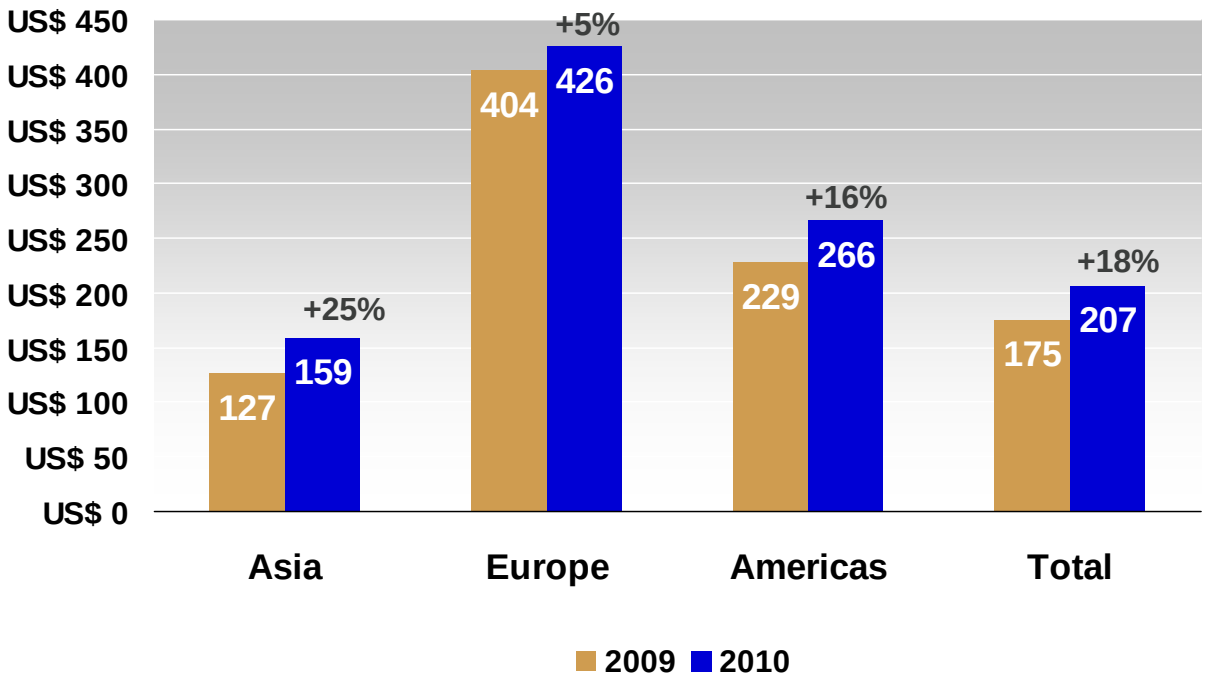
- Strengthening our competitive position in all markets
- Being widely recognized as the world's best luxury hotel group
- Operating at least 10,000 rooms worldwide
- Achieving a strong financial performance

STRENGTHEN OUR COMPETITIVE POSITION

- All hotels performed well against their primary competitors as market conditions improved
- Strong brand, focused hotel teams and experienced corporate organisation
- Return in demand from traditional markets
- Mainland China now provides 11% of total visitor arrivals (second largest source of business)
- Business from other emerging markets growing
- Limited new supply

STRENGTHEN OUR COMPETITIVE POSITION

2010 RevPAR Performance*

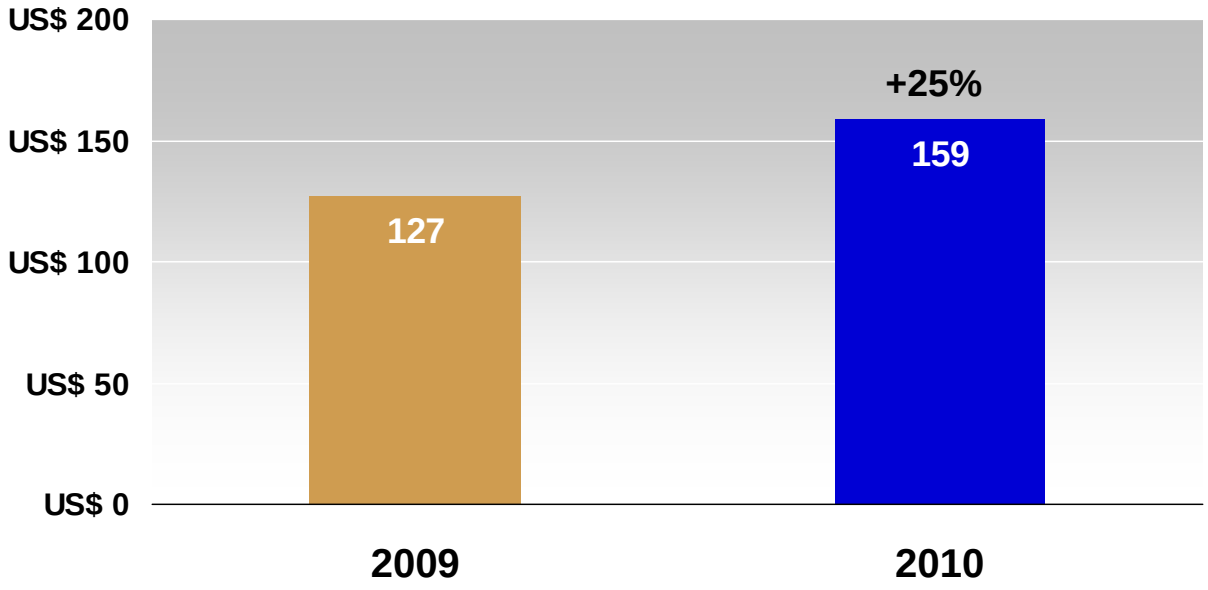


- RevPAR increased by 16% in local currency terms

* Includes only hotels that were fully operational in both years

STRENGTHEN OUR COMPETITIVE POSITION ASIA

2010 RevPAR Performance*

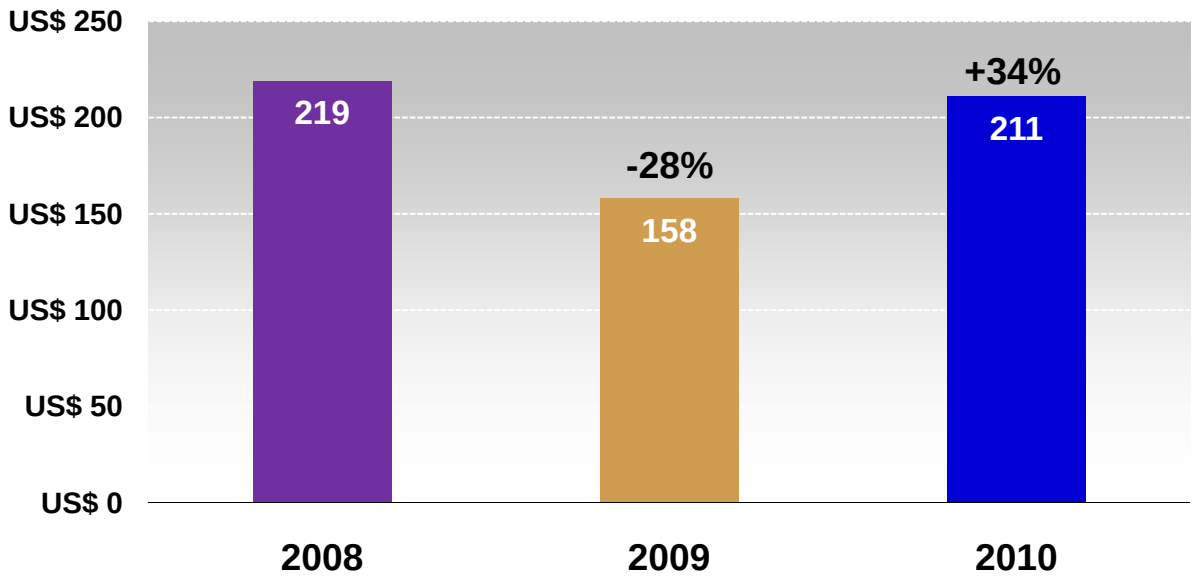


- RevPAR increased by 21% in local currency terms
- Rebound in corporate demand

* Includes only hotels that were fully operational in both years

STRENGTHEN OUR COMPETITIVE POSITION HONG KONG

2010 RevPAR Performance



- Based on the Group's three Hong Kong hotels
  - Mandarin Oriental, Hong Kong
  - The Excelsior, Hong Kong
  - The Landmark Mandarin Oriental, Hong Kong

STRENGTHEN OUR COMPETITIVE POSITION
ASIA

Mandarin Oriental, Hong Kong

(100% ownership)

- Occupancy increased to 68% (56%in 2009)
- RevPAR up 38%
- Improved competitive position
- Food and beverage revenues up by 21%

STRENGTHEN OUR COMPETITIVE POSITION ASIA

The Landmark Mandarin Oriental, Hong Kong

(Management contract)

- Strengthened its competitive position
- RevPAR up 34%
- Visitors from mainland China – 22% of room nights sold

STRENGTHEN OUR COMPETITIVE POSITION ASIA

Mandarin Oriental, Hong Kong and The Landmark Mandarin Oriental

- Both hotels maintained their exceptional 'Five Star' rating in *Forbes Travel Guide*
- Two of only five hotels in Hong Kong

"Central's acupuncture point… peerless, confident, stylish and extremely refined."

Conde Nast Traveller, UK

"Cool, calm and chic. Located in the centre of town, it's where the tired, travelled out, over-shopped and overworked go for respite. Beautifully understated design."

Vanity Fair Travel

STRENGTHEN OUR COMPETITIVE POSITION ASIA

The Excelsior, Hong Kong

(100% ownership)

- Maintained strong competitive position
- RevPAR up 30%
- Occupancy returns close to historical levels at 86% (74% in 2009)

STRENGTHEN OUR COMPETITIVE POSITION
ASIA

Mandarin Oriental, Tokyo

(Long-term lease)

- RevPAR up 19% (11% in local currency terms)
- Highly competitive market
- Occupancy at 64% (55% in 2009)
- Average rate of over US$530
- Retained three Michelin stars

‘Best Hotel in the World’ *Institutional Investor 2010*

STRENGTHEN OUR COMPETITIVE POSITION
ASIA

Mandarin Oriental, Bangkok

(44.9% ownership)

- Impacted by continued political uncertainty
- Did well to maintain average rate
- Remains undisputed market leader
- Continues to be internationally recognized in global award listings

STRENGTHEN OUR COMPETITIVE POSITION
ASIA

Mandarin Oriental, Singapore

(50% ownership)

- Benefited from increase in visitor arrivals
- RevPAR up 31% in local currency terms
- Improved competitive position

STRENGTHEN OUR COMPETITIVE POSITION
ASIA

Mandarin Oriental, Jakarta

(96.9% ownership)

- Fully operational in 2nd quarter following completion of US$50m renovation
- Will take time to stabilize in a highly competitive market
- Growing reputation as one of the best hotels in the city

STRENGTHEN OUR COMPETITIVE POSITION
ASIA

Other Hotels

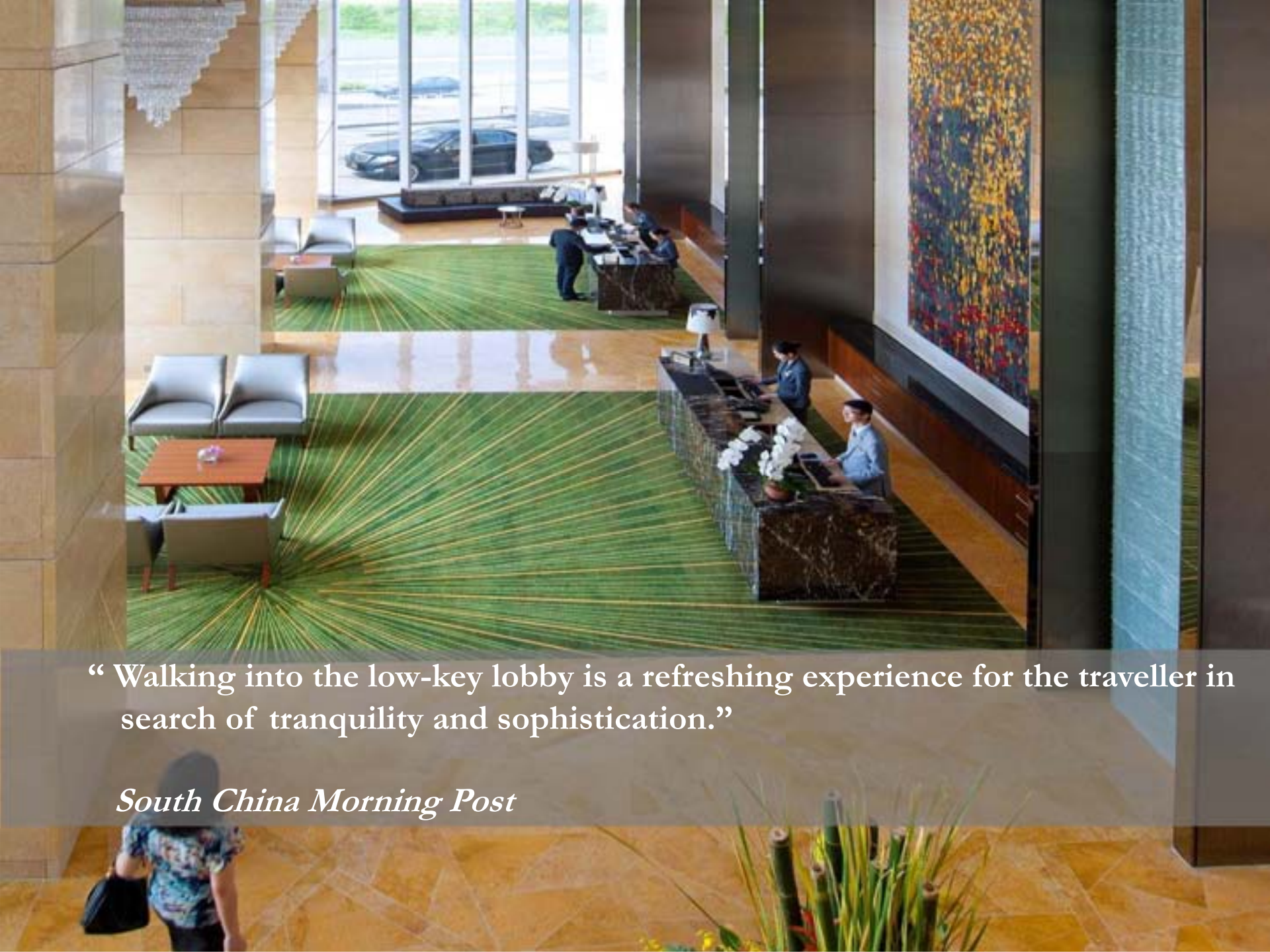
- Benefited from stronger demand
- RevPAR increased in most markets

STRENGTHEN OUR COMPETITIVE POSITION
ASIA

Mandarin Oriental, Macau

(Management contract)

- 213 luxurious guestrooms
- Located in the prestigious *One Central* complex
- Opened June 2010
- *Residences & Apartments at Mandarin Oriental* launched 2010
- Establishing itself as one of Macau's most luxurious properties



“ Walking into the low-key lobby is a refreshing experience for the traveller in search of tranquility and sophistication.”

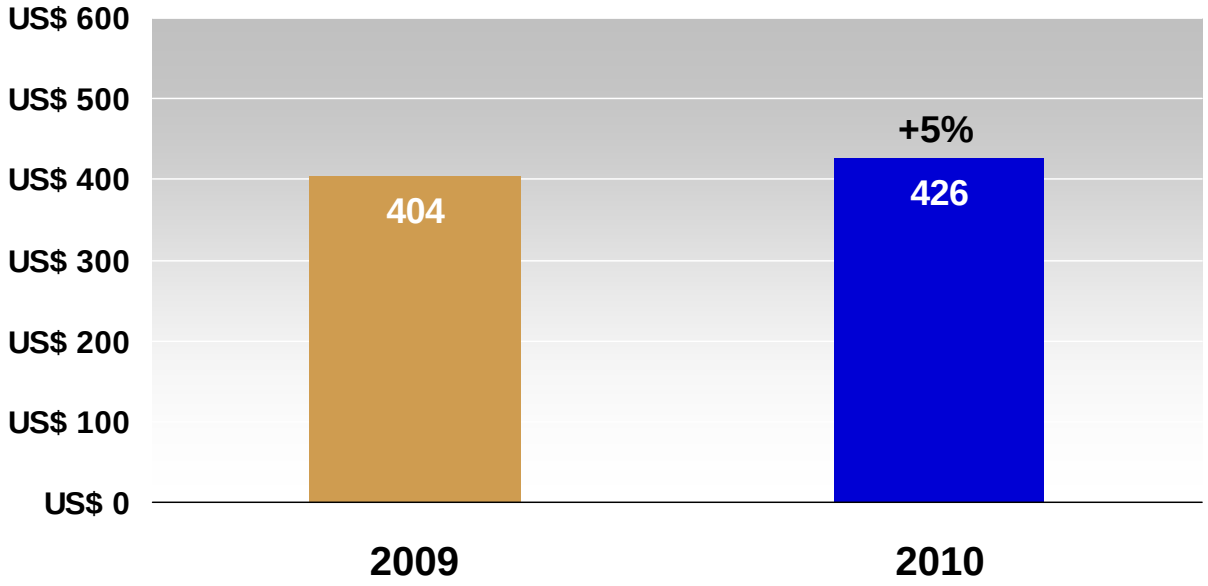
South China Morning Post

"Mandarin Oriental, Macau is chic, modern and in a prime location."

The Peak

STRENGTHEN OUR COMPETITIVE POSITION EUROPE

2010 RevPAR Performance*



- Hotels competed effectively at top of their markets
- RevPAR increased by 6% in local currency terms

* Includes only hotels that were fully operational in both years

STRENGTHEN OUR COMPETITIVE POSITION EUROPE

Mandarin Oriental Hyde Park, London

(100% ownership)

- Performed well despite *One Hyde Park* construction and volcanic ash cloud
- Maintained occupancy levels at 80%
- Average rate increased to GBP467 (GBP448 in 2009)
- Strong market position

STRENGTHEN OUR COMPETITIVE POSITION EUROPE

- Introduction of two 3 star Michelin chefs
  - *Daniel Boulud*
  - *Heston Blumenthal*

"Bar Boulud knocks the socks off most openings in the past 18 months. French charcuterie and seasonal bistro cooking with a reasonably priced wine list. Friendly service and a Manhattan buzz – I'm awarding it four stars."

The Observer, UK

"…without question the best new restaurant in London. That makes it the best new restaurant in Britain…and therefore the best new restaurant in the whole wide world. So there."

The Times UK

"Dinner is a sure thing, the go-to dining room. Mandarin Oriental now boasts the best pair of restaurants of any of the great Mayfair hotels, this and Bar Boulud."

AA Gill, The Sunday Times

STRENGTHEN OUR COMPETITIVE POSITION EUROPE

The Residences at Mandarin Oriental, London

- Opened in January 2011
- 86 Residences
- Significant branding fees in 2011
- Hotel granted leasehold space from the developer at no cost; US$10m gain to be recognized in 2011
- Will provide new hotel facilities:
  - swimming pool
  - fitness centre
  - car parking

STRENGTHEN OUR COMPETITIVE POSITION EUROPE

Mandarin Oriental, Munich

(100% ownership)

- Strong demand from high-end leisure market
- RevPAR up 29% in local currency terms
- Enhanced facilities include a new rooftop bar and outdoor café
- Remains undisputed market leader

STRENGTHEN OUR COMPETITIVE POSITION EUROPE

Mandarin Oriental, Geneva

(92.6% ownership)

- Benefited from improved corporate demand
- Increased average rate to over CHF700
- Maintained its competitive position

STRENGTHEN OUR COMPETITIVE POSITION EUROPE

Mandarin Oriental, Barcelona

(*Management contract)*

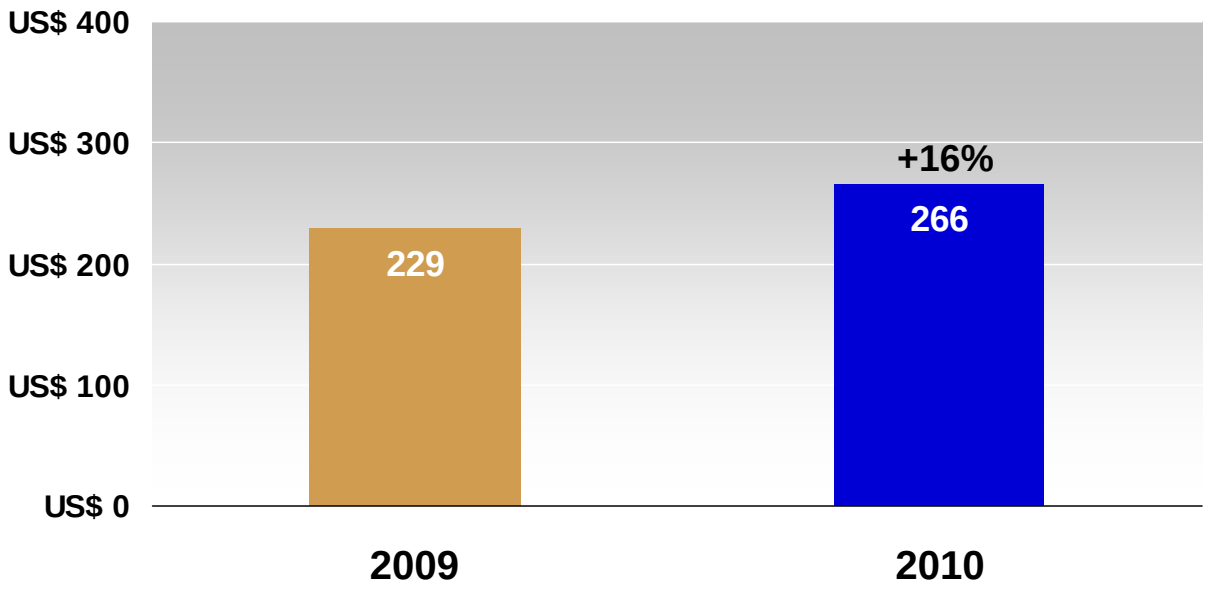
- Performed well in first full year
- Established market leader
- ‘Best City Hotel in the World’ Tatler UK Travel Guide

"Last year's luxury arrival has a great location on a fashion-store lined street. The bar is the star."

The Sunday Times Travel Magazine

STRENGTHEN OUR COMPETITIVE POSITION THE AMERICAS

2010 RevPAR Performance*



- Uneven economic recovery across the region

* Includes only hotels that were fully operational in both years

STRENGTHEN OUR COMPETITIVE POSITION THE AMERICAS

Mandarin Oriental, Washington DC

(80% ownership)

- Competitive market environment
- Rates under pressure
- Occupancy at 61% (53% in 2009)
- Voted one of the 'Best Hotels in the World' *Institutional Investor*

STRENGTHEN OUR COMPETITIVE POSITION THE AMERICAS

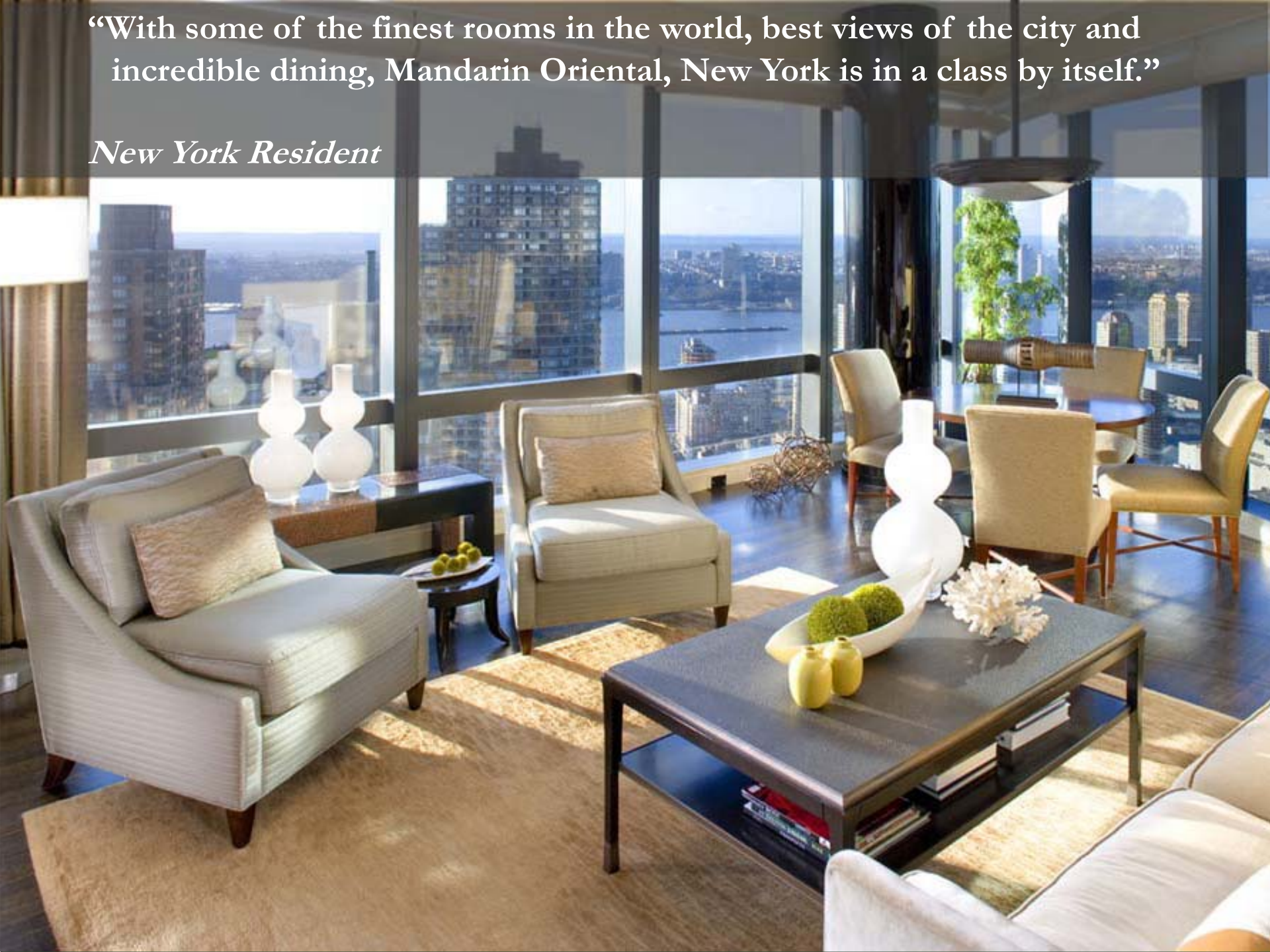
Mandarin Oriental, New York

(25% ownership)

- Strong performance
- RevPAR up 22%
- Enhanced competitive position
- Retained the prestigious *Forbes* 'Five Star' rating and *AAA* 'Five Diamond Lodging Award'

"Mandarin-collared staff are brilliantly on the ball. The design is true to form Asian, huge windows at every turn, clean lines and bold colours."

Tatler UK



"With some of the finest rooms in the world, best views of the city and incredible dining, Mandarin Oriental, New York is in a class by itself."

New York Resident

STRENGTHEN OUR COMPETITIVE POSITION THE AMERICAS

Mandarin Oriental, Miami

(*25% ownership)*

- Significant over-supply in luxury sector
- Improved competitive position
- RevPAR up 15%
- Only hotel in Florida to receive *Forbes* 'Five Star' rating for its Spa

STRENGTHEN OUR COMPETITIVE POSITION THE AMERICAS

Mandarin Oriental, Boston

(*Management contract)*

- Strong performance
- RevPAR up 41%
- Retained the *AAA* 'Five Diamond Lodging Award' and *Forbes* 'Five Star' rating for its Spa

STRENGTHEN OUR COMPETITIVE POSITION
THE AMERICAS

Mandarin Oriental, Las Vegas

(*Management contract)*

- Performance impacted by depressed market conditions
- Pressure on rates
- Successfully positioned as one of the top hotels in the city
- *AAA* ‘Five Diamond Lodging Award’ and *Forbes* ‘Five Star’ rating for its Spa

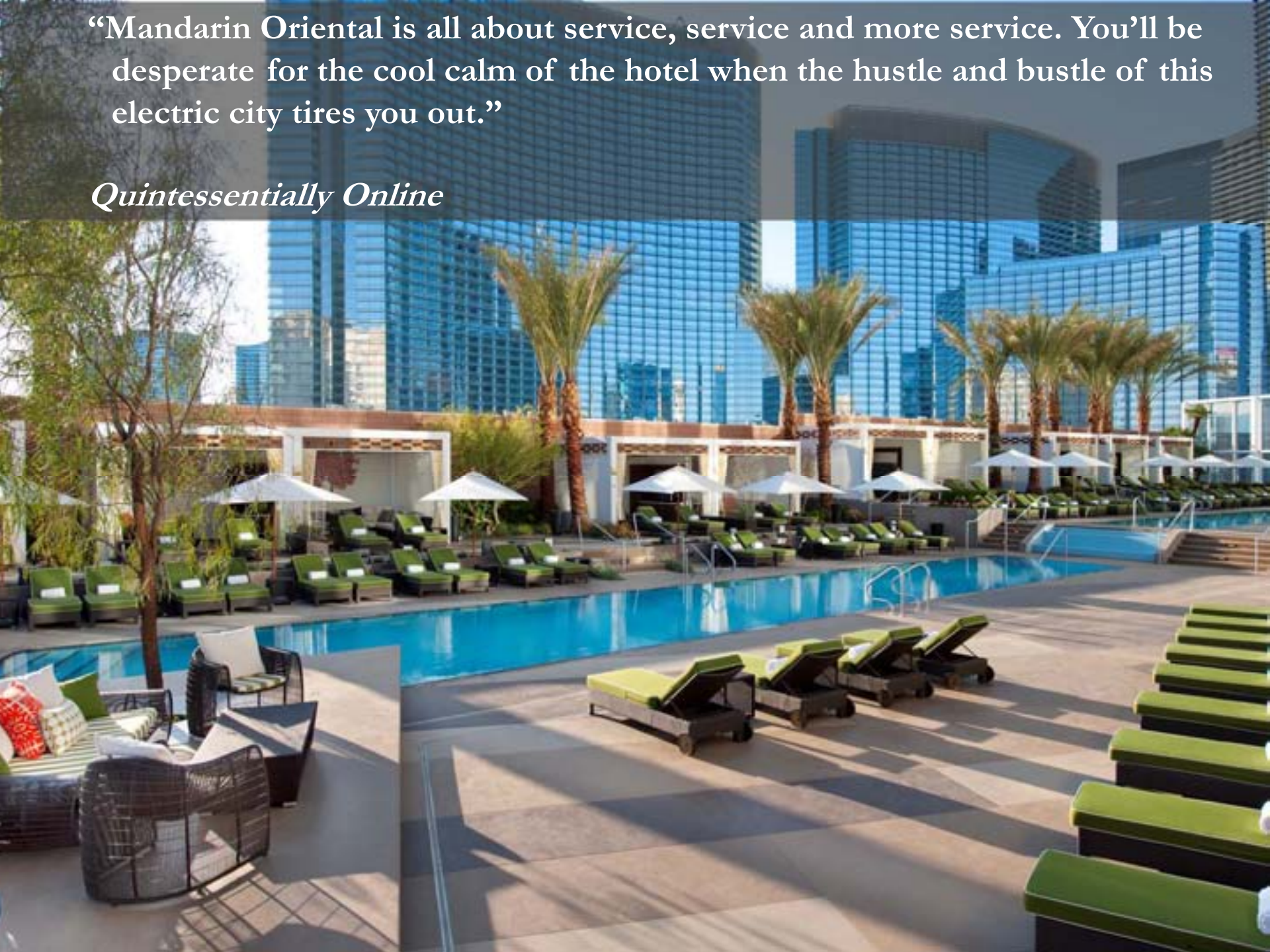
STRENGTHEN OUR COMPETITIVE POSITION THE AMERICAS

The Residences at Mandarin Oriental, Las Vegas

- 225 *Residences at Mandarin Oriental*
- The Group continues to receive branding fees arising from these sales

"This is a discreet and refined hotel with an almost boutique feel. The rooms are wonderfully calm, where lofty airy spaces and vast picture windows offer breathtaking views over the city."

The Sunday Telegraph, UK



"Mandarin Oriental is all about service, service and more service. You'll be desperate for the cool calm of the hotel when the hustle and bustle of this electric city tires you out."

Quintessentially Online

“ We think the Spa at Mandarin Oriental, Las Vegas may very well take the cake. It gives guests plenty of room to relax and escape the busy city. ”

Luxury Travel Advisor

KEY STRATEGIC OBJECTIVES

- Strengthening our competitive position in all markets
- Being widely recognized as the world's best luxury hotel group
- Operating at least 10,000 rooms worldwide
- Achieving a strong financial performance

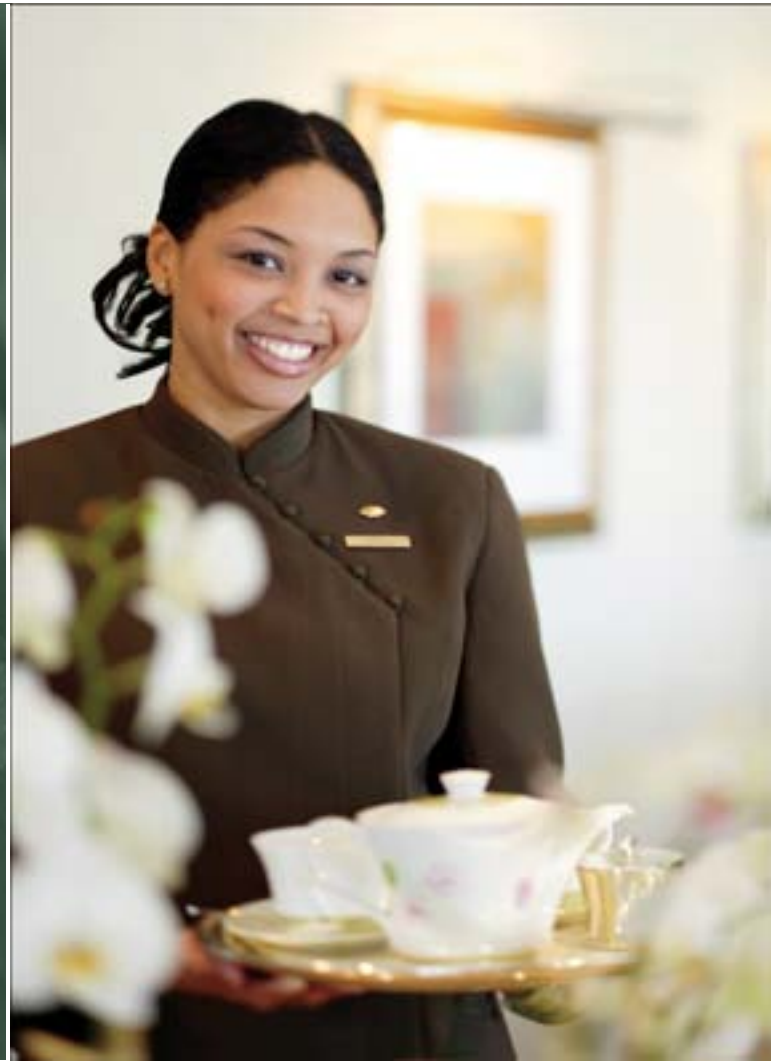
TO BE WIDELY RECOGNIZED AS THE WORLD'S BEST LUXURY HOTEL GROUP

- Delivering 21st century luxury with oriental charm
- Demographic trends support strategy
- Continue to attract individuals prepared to pay a premium for luxury experiences
- Value and understated luxury important to today's consumer

TO BE WIDELY RECOGNIZED AS THE WORLD'S BEST LUXURY HOTEL GROUP

Core Brand Attributes

- Creative hotel design and architecture
- Holistic spas
- Innovative dining
- Guest-oriented technology
- Underpinned by legendary service

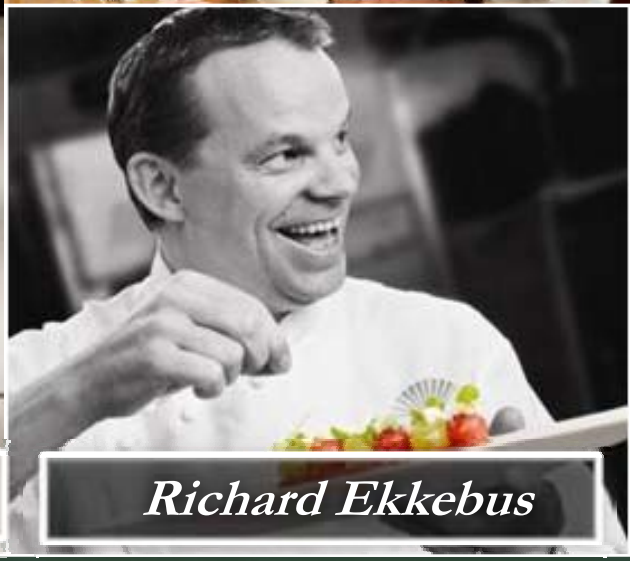


TO BE WIDELY RECOGNIZED AS THE WORLD'S BEST LUXURY HOTEL GROUP

Creative Design and Architecture

- *Wallpaper Magazine* 2010 voted Mandarin Oriental, Barcelona 'Best New Hotel Design'

TO BE WIDELY RECOGNIZED AS THE WORLD'S BEST LUXURY HOTEL GROUP



MICHELIN STAR STATUS

Mandarin Oriental, Hong Kong
Pierre (Two stars) ; Mandarin Grill

The Landmark Mandarin Oriental, Hong Kong
Amber (Two stars)

Mandarin Oriental, Tokyo
Sense; Signature; Tapas Molecular Bar

Mandarin Oriental, Geneva
Rasoi

Mandarin Oriental, Munich
Mark's

Mandarin Oriental, Barcelona,
Moments

TO BE WIDELY RECOGNIZED AS THE WORLD'S BEST LUXURY HOTEL GROUP

Holistic Spas

- *SpaFinder Reader's Choice Award*
  Mandarin Oriental Hotel Group 'Best Spa Brand'

FORBES 'FIVE STAR' SPAS

Mandarin Oriental, Hong Kong

The Landmark Mandarin Oriental, Hong Kong

Mandarin Oriental, Boston

Mandarin Oriental, Miami

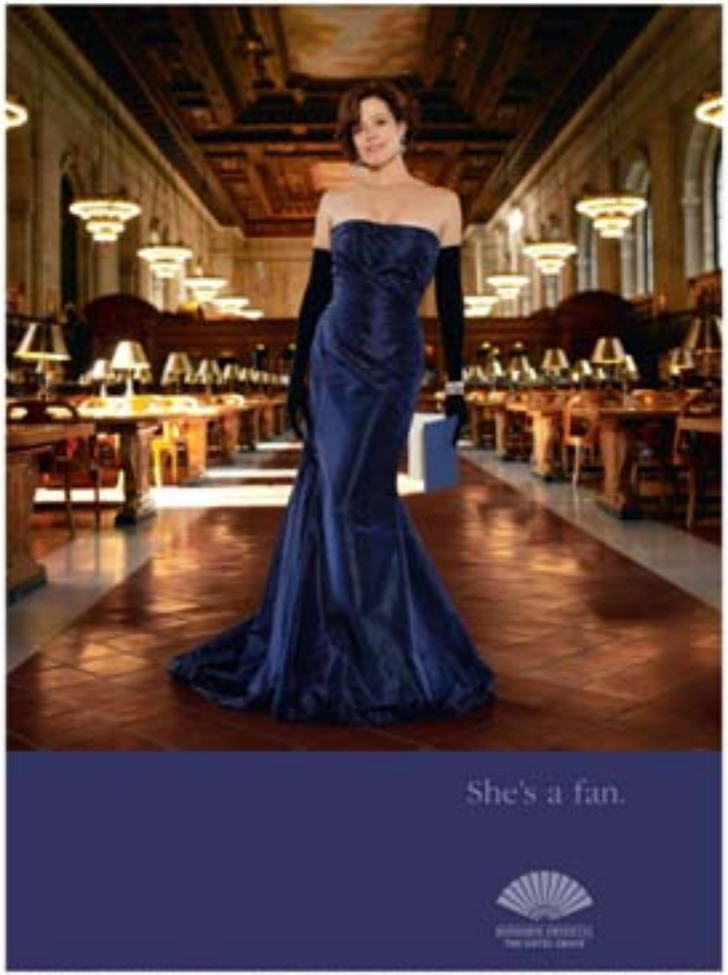
Mandarin Oriental, Las Vegas

Mandarin Oriental, New York

TO BE WIDELY RECOGNIZED AS THE WORLD'S BEST LUXURY HOTEL GROUP

International Advertising Campaign

- Celebrated 10th Anniversary in 2010



SA DINGDING

HÉLÈNE GRIMAUD

HARRY CONNICK JNR

INTERNATIONAL ADVERTISING CAMPAIGN

CONDÉ NAST TRAVELER US

READERS' CHOICE AWARDS 2010

Mandarin Oriental, Bangkok

Mandarin Oriental Dhara Dhevi, Chiang Mai

The Landmark Mandarin Oriental, Hong Kong

Mandarin Oriental, Hong Kong

Mandarin Oriental, Kuala Lumpur

Mandarin Oriental, Singapore

Mandarin Oriental, Tokyo

Mandarin Oriental, Geneva

Mandarin Oriental Hyde Park, London

Mandarin Oriental, Munich

Mandarin Oriental, Prague

Mandarin Oriental, Boston

Mandarin Oriental, Miami

Mandarin Oriental, New York

Mandarin Oriental, San Francisco

TRAVEL & LEISURE US

500 WORLD'S BEST HOTELS 2010

Mandarin Oriental, Bangkok

Mandarin Oriental Dhara Dhevi, Chiang Mai

Mandarin Oriental, Hong Kong

Mandarin Oriental, Kuala Lumpur

Mandarin Oriental, Prague

Mandarin Oriental, New York

Mandarin Oriental, San Francisco

INSTITUTIONAL INVESTOR

THE WORLD'S BEST HOTELS 2010

TOP 100 HOTELS

Mandarin Oriental, Bangkok

Mandarin Oriental, Hong Kong

Mandarin Oriental, Singapore

Mandarin Oriental, Tokyo

Mandarin Oriental, Geneva

Mandarin Oriental Hyde Park, London

Mandarin Oriental, Boston

Mandarin Oriental, Miami

Mandarin Oriental, New York

Mandarin Oriental, San Francisco

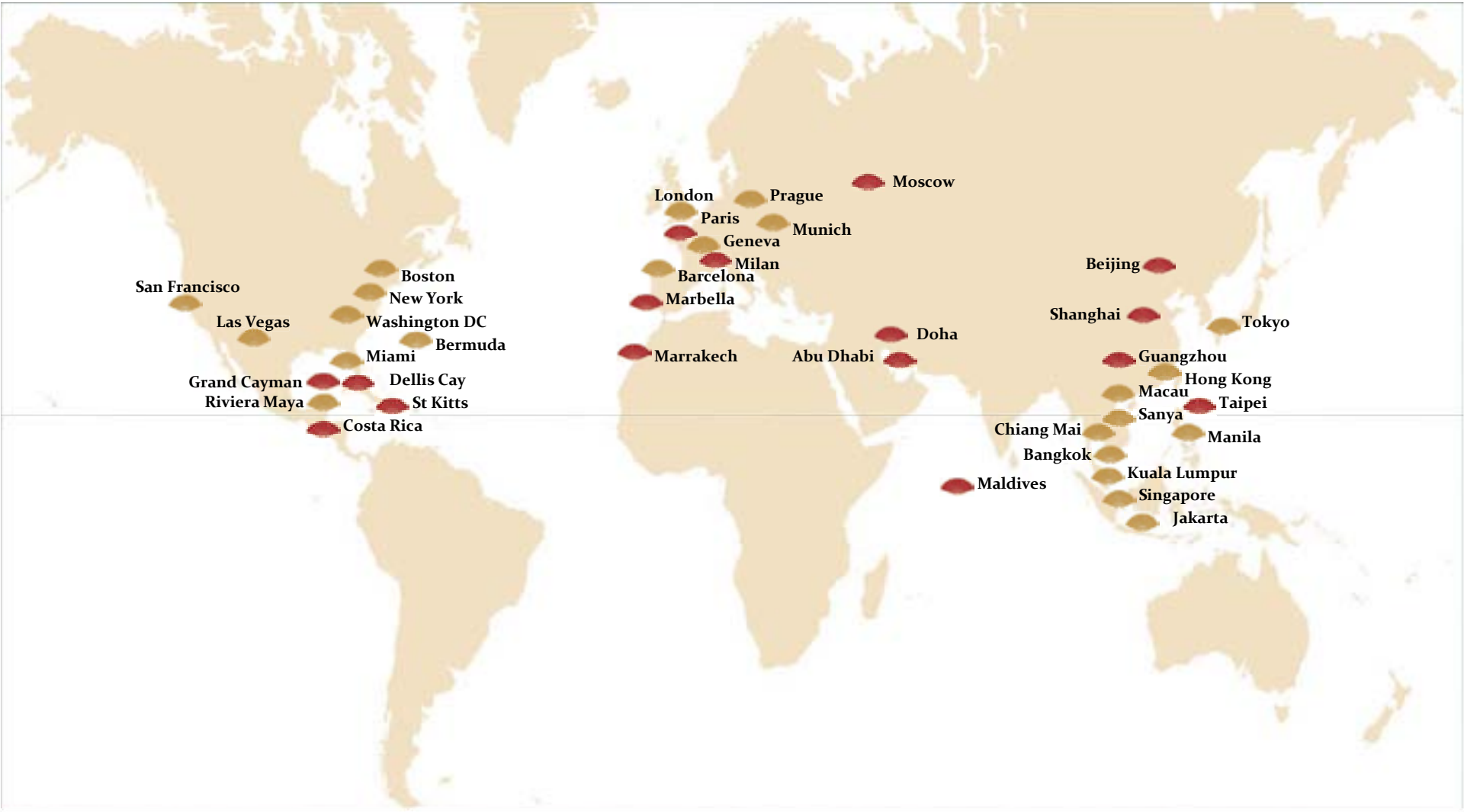
Mandarin Oriental ,Washington D.C.

DEVELOPMENT REVIEW

TOWARDS 10,000 ROOMS

- On track to reach 10,000 rooms in operation in next few years
- Total portfolio, including hotels under development:
  - Over 10,700 rooms
  - 42 hotels
  - 27 countries
- Over 7,500 rooms in operation in 26 hotels

TOWARDS 10,000 ROOMS



Operating hotels

Under development

Mandarin Oriental

TOWARDS 10,000 ROOMS

Mandarin Oriental, Abu Dhabi

(*Management contract) – Opening 2014*

- 195 luxurious guestrooms
- 50 *Residences at Mandarin Oriental*

TOWARDS 10,000 ROOMS

Mandarin Oriental, Doha

(*Management contract) – Opening 2014*

- 160 luxurious guestrooms
- 95 serviced apartments

TOWARDS 10,000 ROOMS

Mandarin Oriental Pudong, Shanghai

(*Management contract)*

- 362 luxurious guestrooms
- 210 serviced apartments
- Scheduled to open in 2013

TOWARDS 10,000 ROOMS

Mandarin Oriental, Paris

(*Long-term lease)*

- Opening mid-2011 on rue Saint Honoré
- Set to become one of the city's most fashionable palace hotels
- 138 expansive and luxurious guestrooms and suites
- Spa at Mandarin Oriental
- Exciting new restaurants overseen by renowned two star Michelin chef Thierry Marx

TOWARDS 10,000 ROOMS

- 16 announced projects
- Most developments progressing well but delays may occur
- The Atlanta project has been cancelled

TOWARDS 10,000 ROOMS

The Residences at Mandarin Oriental

- 13 *Residences* projects
- Combine luxurious private homes with legendary service
- Provide one-off branding fees
- Ongoing management fees

TOWARDS 10,000 ROOMS

- Significant long-term potential for growth
- Strong brand attracts hotel owners and developers
- Poised to take advantage of selective investment opportunities
- Strategy of ownership and management at the core of our business
- Continue to review a number of opportunities in key destinations

FINANCIAL REVIEW

FINANCIAL REVIEW

Summary Cash Flow Statement

US$m	2010	2009
Operating Activities		
EBITDA from subsidiaries [(i)]	**110**	**69**

- Increase in demand led to improved profitability
- Strong contribution from the two subsidiary hotels in Hong Kong
- Increase in fees across the portfolio

(i) 2009 EBITDA is before provisions against asset impairment

FINANCIAL REVIEW

Summary Cash Flow Statement

US$m	2010	2009
Operating Activities		
EBITDA from subsidiaries[(i)]	**110**	**69**
Dividends and interest from associates	**6**	**10**
Net financing charges paid[(ii)]	**(12)**	**(14)**
Tax (paid)/refunded	**1**	**11**
Other	**9**	**5**
Total	**114**	**81**

(i) 2009 EBITDA is before provisions against asset impairment

(ii) US$87m loan in Washington D.C. was repaid in May

- Weighted average interest rate at 2.3% on Group borrowings (2.7% in 2009)
- EBITDA net interest cover was 7.0 times (4.0 times in 2009)

Summary Cash Flow Statement

US$m	2010	2009
Investing Activities		
Capital expenditure at existing hotels	(44)	(51)
Paris hotel	(28)	-
Total	(72)	(51)

Analysis of capital expenditure at existing hotels

US$m	2010	2009
New London facilities[(i)]	18	6
Jakarta renovation	5	23
Ongoing capex across the portfolio	21	22
Total capital expenditure at existing hotels	**44**	**51**

(i) An additional US$20m will be incurred in 2011 principally on a new swimming pool and enhanced fitness facilities

Mandarin Oriental, Paris – opening mid 2011

(Long-term lease, 138 guestrooms)

US$m	Before 2010	**2010**	2011	**Total**
Leasehold improvements and FF&E*	8	**28**	26	**62**
Pre-opening expenses (charged to P&L)	-	**2**	6	**8**
Total	8	**30**	32	**70**

* Furniture, Fixtures & Equipment

Summary Cash Flow Statement

US$m	2010	2009
Investing Activities		
Capital expenditure and Paris	(72)	(51)
Intangible assets	(3)	(4)
Other	(6)	(6)
Proceeds on 50% Macau hotel disposal	-	90
Total (outflow) / inflow	(81)	29

FINANCIAL REVIEW

Summary Cash Flow Statement

US$m	2010	2009
Operating Activities	**114**	**81**
Investing Activities	**(81)**	**29**
Financing Activities		
Dividends paid	**(69)**	**(69)**
Drawdown of borrowings	**25**	**12**
Repayment of borrowings[(i)]	**(125)**	**(11)**
Other	**8**	**4**
Net (decrease)/increase in cash	**(128)**	**46**
Opening cash balance 1st Jan	**561**	**515**
Closing cash balance 31st Dec	**433**	**561**

(i) US$87m loan on the Washington D.C. hotel repaid using surplus cash

FINANCIAL REVIEW

	2010	2009
Net debt (US$ million)	144	116
Adjusted shareholders' funds (US$ million)	2,315	2,149
Gearing	6%	5%

FINANCIAL REVIEW

- Approximately 45% of Group's gross debt hedged
- Average tenor of Group's borrowings is 3.7 years
- No significant refinancing required in 2011
- US$433 million of cash resources and US$138 million of undrawn, committed facilities
- The Group is in a very strong financial position

OUTLOOK

- Further improvements dependent on the sustained recovery of the global economy, but 2011 has started well
- Continued growth anticipated as spending behaviour improves
- Increased business from emerging markets expected
- Limited new supply in key locations
- Future profitability will further benefit from new hotel openings

CONCLUSION

- Strong brand recognition
- Growing portfolio of award-winning hotels
- Healthy financial position
- Well positioned to become the world's best luxury hotel group

MANDARIN ORIENTAL

THE HOTEL GROUP