



MANDARIN ORIENTAL
THE HOTEL GROUP

2010 HALF-YEAR RESULTS HIGHLIGHTS

<i>US\$m</i>	June 2010	June 2009
Combined Total Revenue	474.2	389.7
Combined EBITDA *	57.8	34.5

- ❖ Benefited from increased demand in all markets, particularly Asia
- ❖ Occupancies not yet reached 2008 levels
- ❖ Strict cost controls continued and service standards maintained

* EBITDA of subsidiaries plus the Group's share of EBITDA of associates

2010 HALF-YEAR RESULTS HIGHLIGHTS

<i>US\$m</i>	June 2010	June 2009
Underlying Profit Attributable to Shareholders	13.5	1.1
Profit Attributable to Shareholders*	13.5	74.2

- * 2009 includes a non-trading gain of US\$78.5 million from the sale of a property disposal in Macau offset by a US\$5.4 million provision against asset impairment.

2010 HALF-YEAR RESULTS HIGHLIGHTS

<i>US¢</i>	June 2010	June 2009
Underlying Earnings per Share	1.36	0.11
Earnings per Share (including non-trading items)	1.36	7.53

- ❖ Adjusted net asset value per share was US\$2.12 compared to US\$2.18 at 31st December 2009, including leasehold properties at valuation.
- ❖ Interim dividend of US¢2 per share, unchanged from interim 2009.

KEY STRATEGIC OBJECTIVES

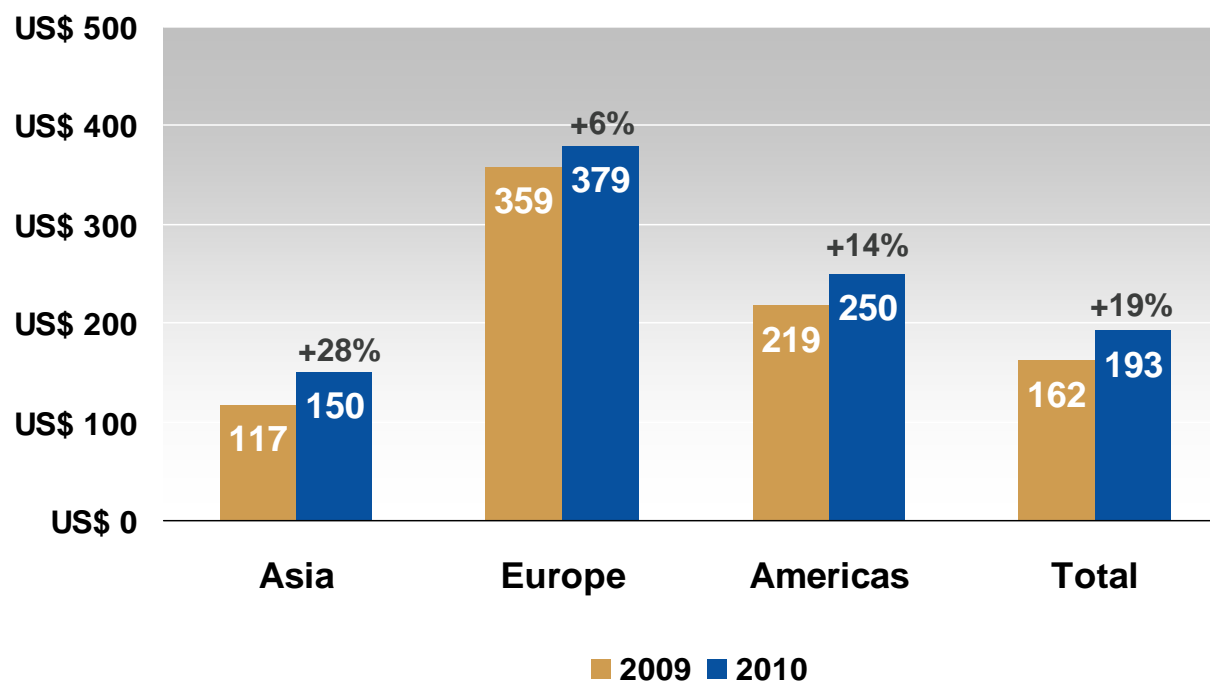
- ❖ Strengthening our competitive performance in all markets
- ❖ Being widely recognised as the world's best luxury hotel group
- ❖ Operating at least 10,000 rooms worldwide
- ❖ Achieving a strong financial performance

STRENGTHEN OUR COMPETITIVE POSITION

- ❖ Most hotels successfully strengthened or maintained their competitive position
- ❖ Improved performance reflects strength of Mandarin Oriental brand and focused management teams

STRENGTHEN OUR COMPETITIVE POSITION

2010 Half-Year RevPAR Performance



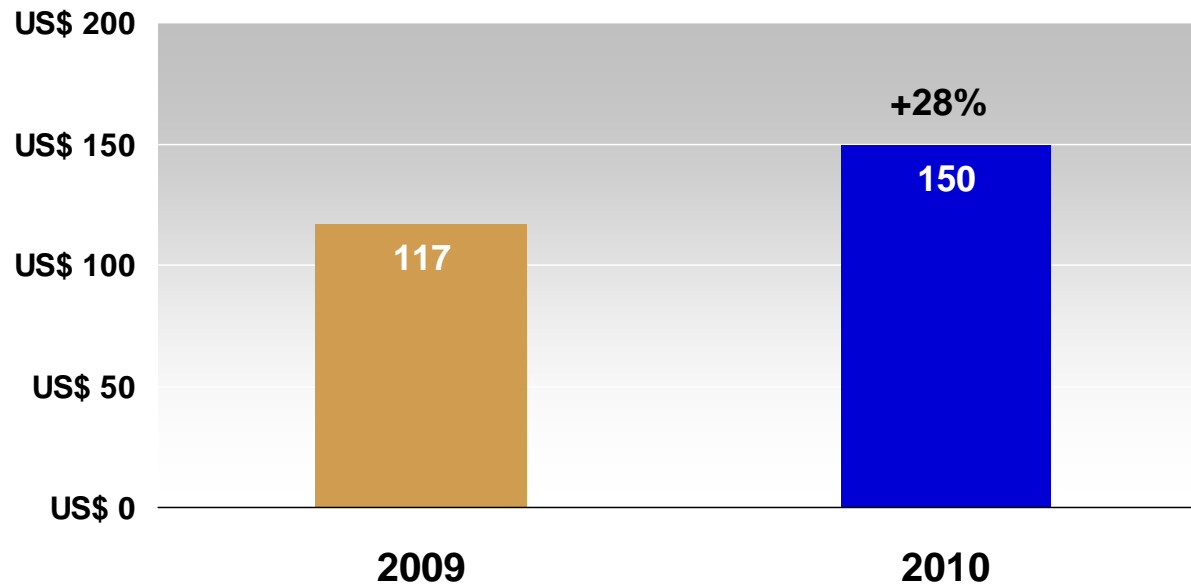
❖ RevPAR increased by 18% in local currency terms

• Includes only hotels that were fully operational in both years

STRENGTHEN OUR COMPETITIVE POSITION

ASIA

2010 Half-Year RevPAR Performance



❖ RevPAR increased by 25% in local currency terms

• Includes only hotels that were fully operational in both years

STRENGTHEN OUR COMPETITIVE POSITION ASIA

Mandarin Oriental, Hong Kong

(100% ownership)

- ❖ Benefited from upturn in the financial services industry
- ❖ Occupancy increased to 64% (49% in 2009)
- ❖ RevPAR up 46%
- ❖ Food and beverage revenues increased by 20%



STRENGTHEN OUR COMPETITIVE POSITION ASIA

The Landmark Mandarin Oriental, Hong Kong

(Management contract)

- ❖ Strengthened its competitive position
- ❖ RevPAR up 39%





“Blending Western and Asian designs, with dark or blond-wood paneling, the individually furnished rooms are sublimely relaxing.”

Conde Nast Traveler, US

“The ultra luxury Landmark Mandarin Oriental is wonderfully located in Central district. Don’t miss the hotel’s spa, probably the best in Hong Kong.”

Luxury Travel



STRENGTHEN OUR COMPETITIVE POSITION ASIA

The Excelsior, Hong Kong

(100% ownership)

- ❖ RevPAR up 30% in the first half of 2010
- ❖ Stronger occupancy at 84% (68% in 2009)



STRENGTHEN OUR COMPETITIVE POSITION ASIA

Mandarin Oriental, Tokyo

(Long-term lease)

- ❖ RevPAR up 25%
- ❖ Occupancy at 63% (50% in 2009)
- ❖ Challenging environment due to over-supply
- ❖ Average rate remained strong at above US\$500



STRENGTHEN OUR COMPETITIVE POSITION ASIA

Michelin Guide

- ❖ Maintained its unique culinary status as only hotel in city to have three restaurants with Michelin stars



STRENGTHEN OUR COMPETITIVE POSITION ASIA

Mandarin Oriental, Bangkok

(44.9% ownership)

- ❖ After a strong start, hotel negatively impacted from March by political demonstrations
- ❖ RevPAR up 7%
- ❖ Remains undisputed market leader



STRENGTHEN OUR COMPETITIVE POSITION ASIA

Mandarin Oriental, Singapore

(50% ownership)

- ❖ Benefited from an increased city-wide demand
- ❖ RevPAR up 46%
- ❖ Strengthened its competitive position
- ❖ Enhanced leisure facilities



STRENGTHEN OUR COMPETITIVE POSITION ASIA

Mandarin Oriental, Jakarta

(96.9% ownership)

- ❖ Improved average rate
- ❖ Re-opened end 2009 following a comprehensive renovation
- ❖ Will take time to stabilise in an over-supplied market



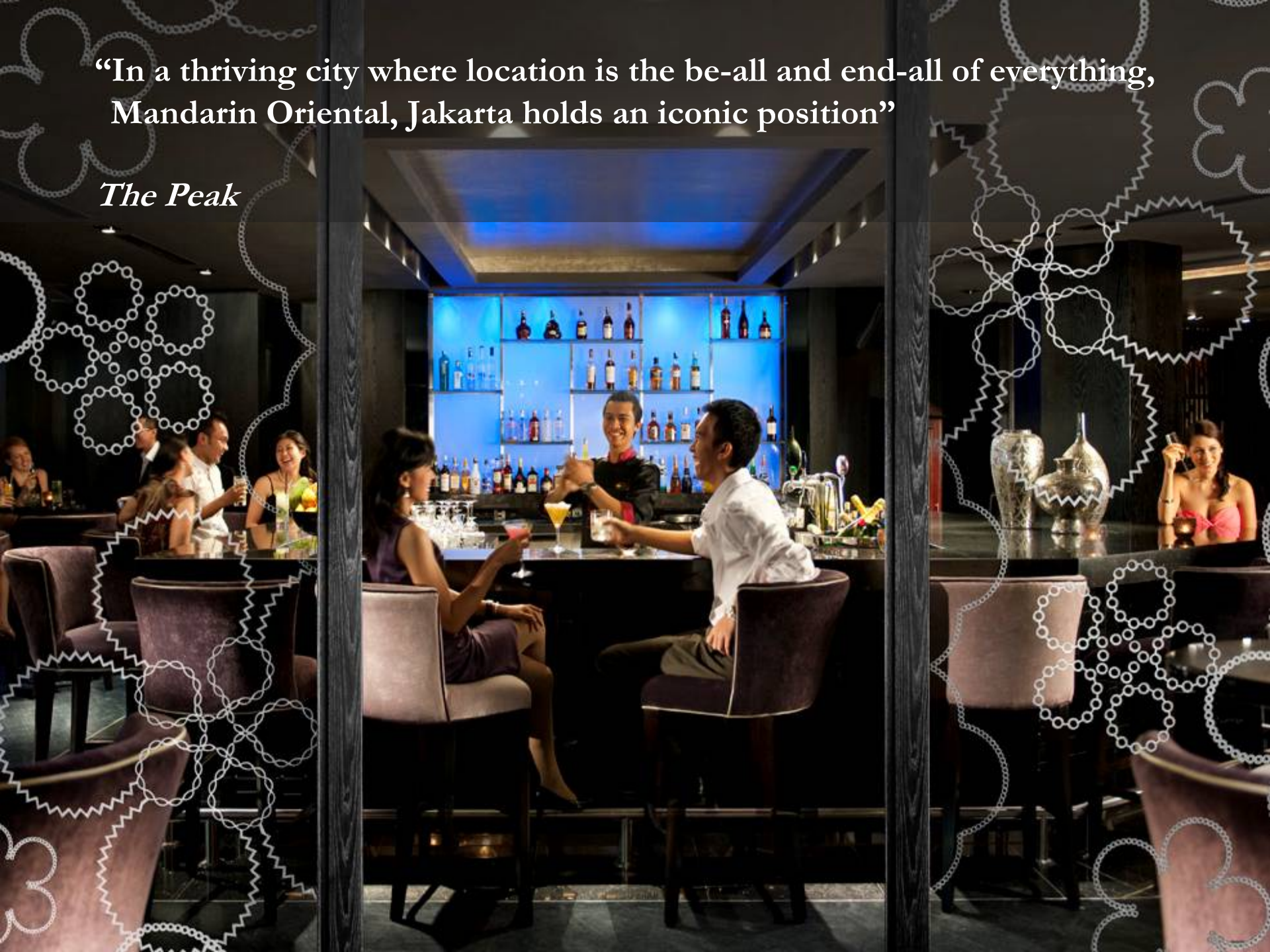
“Mandarin Oriental, Jakarta has been given a modern touch without abandoning its classy core... The beautifully furnished rooms are spacious and comfortable”

Jakarta Post



“In a thriving city where location is the be-all and end-all of everything,
Mandarin Oriental, Jakarta holds an iconic position”

The Peak



STRENGTHEN OUR COMPETITIVE POSITION ASIA

Other Hotels

- ❖ RevPAR increased due to recovery of corporate travel in all markets



STRENGTHEN OUR COMPETITIVE POSITION ASIA

Mandarin Oriental, Macau

(Management contract)

- ❖ 213 guestrooms
- ❖ Opened end of June 2010
- ❖ Part of *One Central*
- ❖ 92 *Residences and Apartments at Mandarin Oriental*



“Mandarin Oriental raises the bar . Lovely rooms. Beautiful spa. Good service. But whoever designed and built the bar and restaurant on the second floor really deserves every cent they were paid.”

Intelligence Macau



“The new Mandarin Oriental, Macau promises a personalised experience for the sophisticated traveller”

The Peak



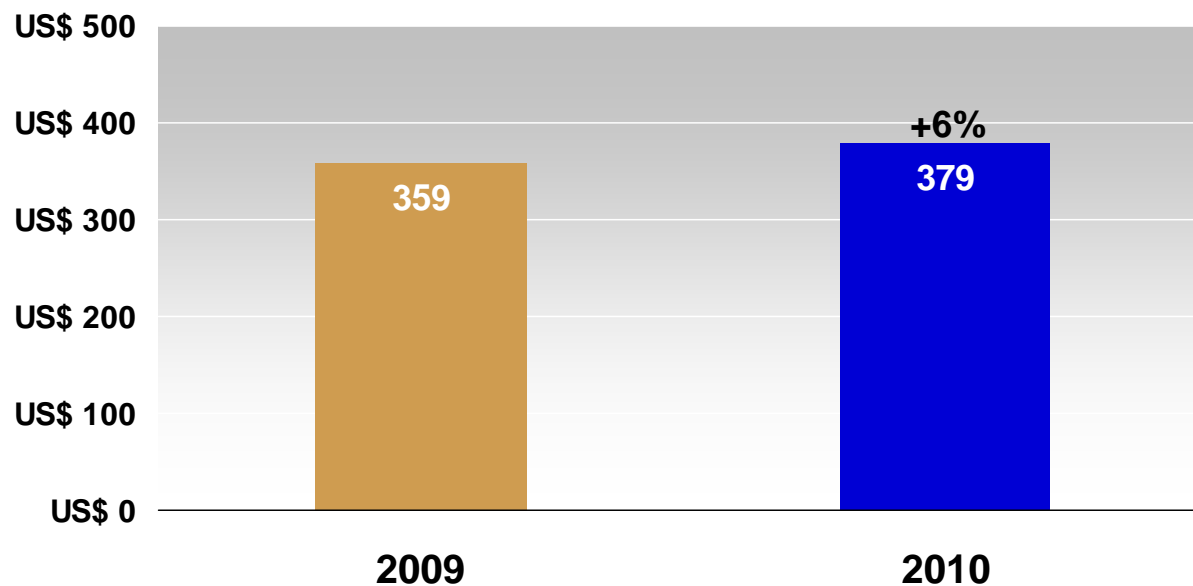
“Mandarin Oriental, Macau is chic, modern and in a prime location”

South China Morning Post



STRENGTHEN OUR COMPETITIVE POSITION EUROPE

2010 Half-Year RevPAR Performance



- ❖ Europe less impacted by economic downturn in 2009
- ❖ RevPAR increased by 4% 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)

- ❖ Maintained occupancy levels despite impact of renovation
- ❖ Average rate increased to US\$654 (US\$641 in 2009)
- ❖ Strong market position improved with new restaurant opening





“Monsieur Boulud’s attention to the old fashioned virtue of flavoursome cooking is faultless. He and his bar are hugely welcome in the metropolis.”

The Independent, UK

“This is a kitchen that knows what it’s doing. It is the kind of French food you would dream of getting in France, but rarely do.”

The Observer, UK



STRENGTHEN OUR COMPETITIVE POSITION EUROPE

Mandarin Oriental Hyde Park, London (100% ownership)

- ❖ Newly designed Royal Suite to open in August 2010
- ❖ Heston Blumenthal's first London restaurant to open in December
- ❖ *The Residences at Mandarin Oriental* will complete in phases with branding fees received in 2011



STRENGTHEN OUR COMPETITIVE POSITION EUROPE

Mandarin Oriental, Munich

(100% ownership)

- ❖ RevPAR up 12%
- ❖ Improved occupancy and rates
- ❖ Maintained its leading competitive position
- ❖ Enhanced facilities include a new rooftop bar and outdoor café



STRENGTHEN OUR COMPETITIVE POSITION EUROPE

Mandarin Oriental, Geneva

(92.6% ownership)

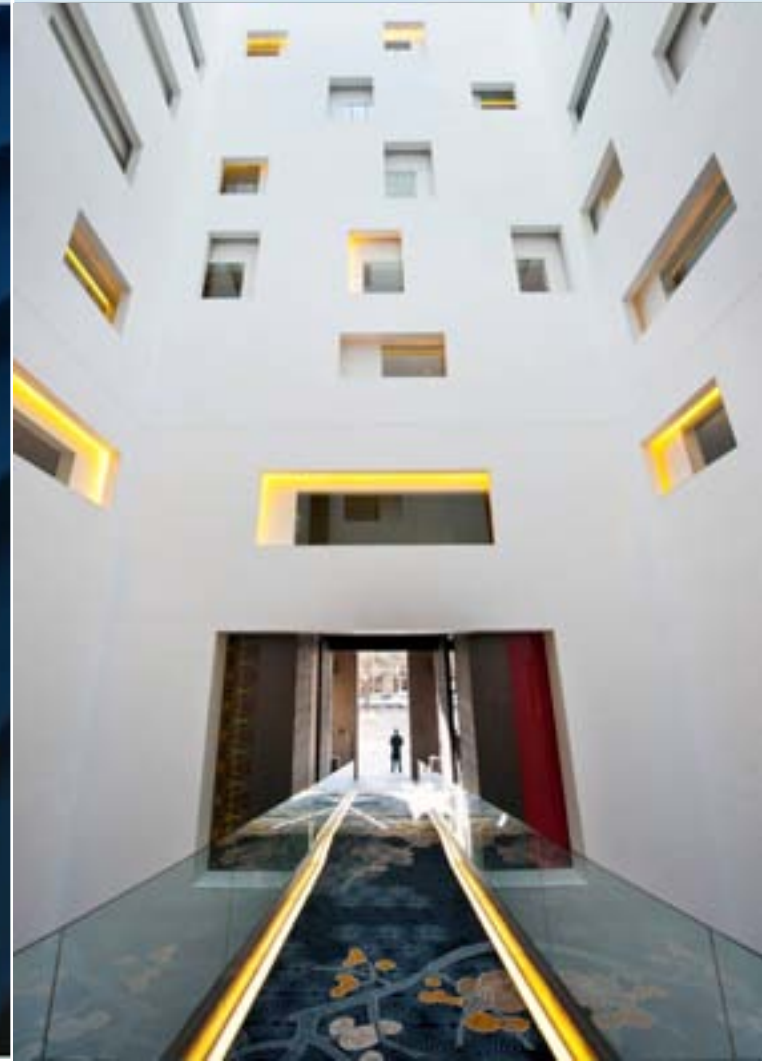
- ❖ Average rate at US\$658
- ❖ RevPAR up 17%
- ❖ Continues to benefit from 2008 renovations
- ❖ Improved position within local market



STRENGTHEN OUR COMPETITIVE POSITION EUROPE

Mandarin Oriental, Barcelona *(Management contract)*

- ❖ Opened in November 2009
- ❖ Solid performance with average rate of US\$450 achieved
- ❖ Establishing itself as a market leader



“This new outpost of the swish Mandarin Oriental chain only opened in 2009 but judging by the number of elegant Catalans gliding in and out, it has already become established as a place to see and be seen.”

The Independent, UK



“The 98 room Mandarin Oriental, created from a former Bank’s headquarters, has made a big stir as the city’s first full-bore luxury hotel, playing up to its Asian pedigree.”

New York Times



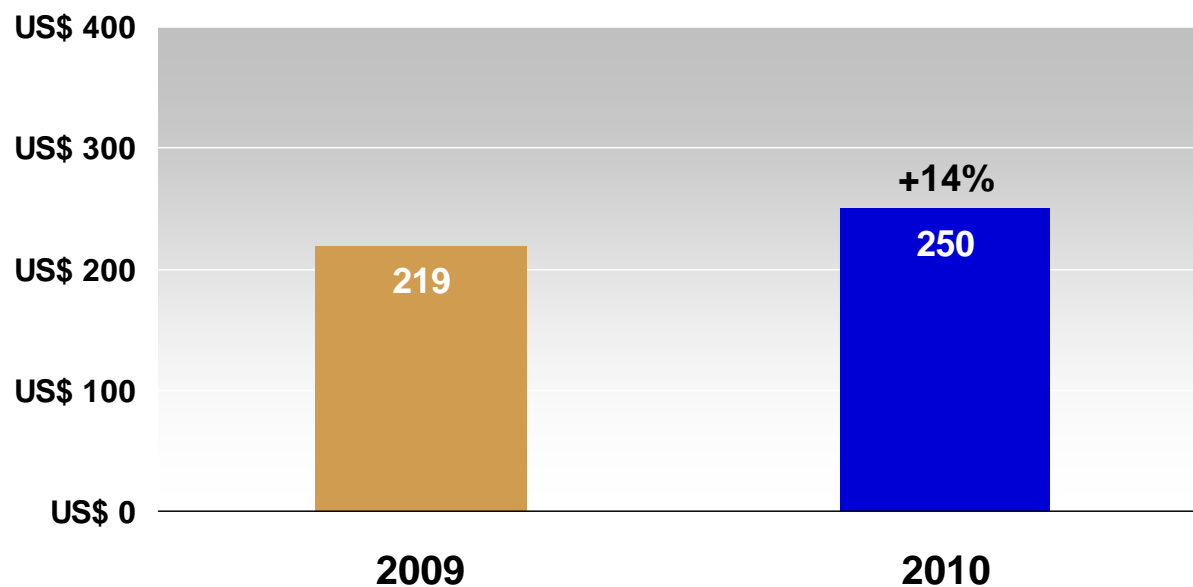
“Each of Mandarin Oriental, Barcelona’s 98 spacious rooms is a distinctly peaceful hideaway from the buzzing city below, while the Terrat rooftop terrace features a pool and cocktails with a spectacular skyline view.”

Robb Report



STRENGTHEN OUR COMPETITIVE POSITION THE AMERICAS

2010 Half-Year RevPAR Performance



- ❖ Higher occupancies in most locations
- Includes only hotels that were fully operational in both years

STRENGTHEN OUR COMPETITIVE POSITION THE AMERICAS

Mandarin Oriental, Washington DC

(80% ownership)

- ❖ Occupancy up to 61% (59% in 2009)
- ❖ Average rate down over 2009 which benefited from Presidential Inauguration
- ❖ Remains in a strong competitive position



STRENGTHEN OUR COMPETITIVE POSITION THE AMERICAS

Mandarin Oriental, New York

(25% ownership)

- ❖ Strong occupancy-led recovery
- ❖ Occupancy at 65% (50% in 2009)
- ❖ RevPAR up 29%



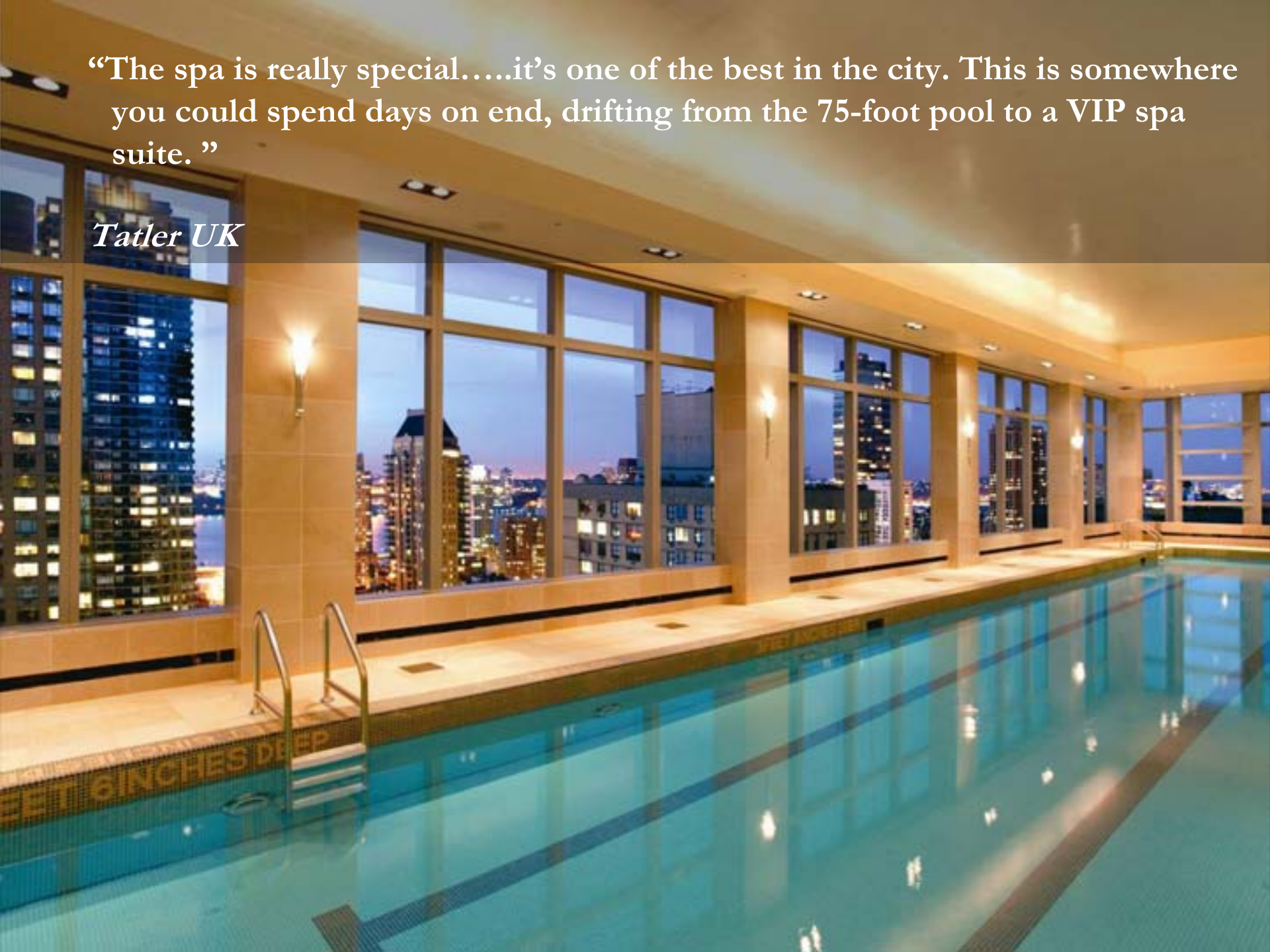
“Superb facilities and a view of Central Park - a truly glamorous respite.”

The Times Online



“The spa is really special.....it’s one of the best in the city. This is somewhere you could spend days on end, drifting from the 75-foot pool to a VIP spa suite. ”

Tatler UK



STRENGTHEN OUR COMPETITIVE POSITION THE AMERICAS

Mandarin Oriental, Miami

(25% ownership)

- ❖ Significant over-supply in a challenging market
- ❖ Improved competitive position
- ❖ RevPAR up 14%



STRENGTHEN OUR COMPETITIVE POSITION THE AMERICAS

Mandarin Oriental, Boston *(Management contract)*

- ❖ Occupancy up to 54% (34% in 2009)
- ❖ Average rate of US\$480 achieved
- ❖ Established as one of the leading hotels in the city



STRENGTHEN OUR COMPETITIVE POSITION THE AMERICAS

Mandarin Oriental, Las Vegas

(Management contract)

- ❖ Opened in December 2009
- ❖ Encouraging performance in a very competitive market
- ❖ Already successfully positioned as one of the top hotels in the city



“As the most luxurious, non-gaming hotel in City Center, the 47-story Mandarin Oriental brings new aesthetics and expectations to hospitality.”

LA Times.com



“The 27,000 sq. ft. Spa evokes the ambience of 1930’s Shanghai... and views of the sparkling cityscape below can be enjoyed from toasty loungers.”

The Times Online



“Twist, the hotel’s signature restaurant on the 23rd floor has amazing views of the city, and the Mandarin Bar on the same floor, is the new place to see and be seen. ”

You and Your Wedding



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



TO BE WIDELY RECOGNISED 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



“Mandarin Oriental has long been renowned for offering excellence and innovation in food and beverage. The group knows only too well the importance of a great restaurant in boosting bedroom turnover.”

Hotel and Caterer, UK





MICHELIN STAR STATUS

Mandarin Oriental, Hong Kong
Pierre; Mandarin Grill

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

Grand Lapa, Macau
Tung Yee Heen

Mandarin Oriental, Tokyo
Sense; Signature; Tapas Molecular Bar

Mandarin Oriental, Geneva
Rasoi

Mandarin Oriental, Munich
Mark's

A photograph of a spa room with a large window overlooking a city at dusk. The room contains two massage tables covered in white linens. A small table with a lit candle and a bowl is on the right. The text is overlaid on a semi-transparent dark grey rectangle in the center.

READER'S SPA POLLS

Mandarin Oriental, Bangkok

Mandarin Oriental Dhara Dhevi, Chiang Mai

Mandarin Oriental Hyde Park, London

Mandarin Oriental, Miami

Mandarin Oriental, New York

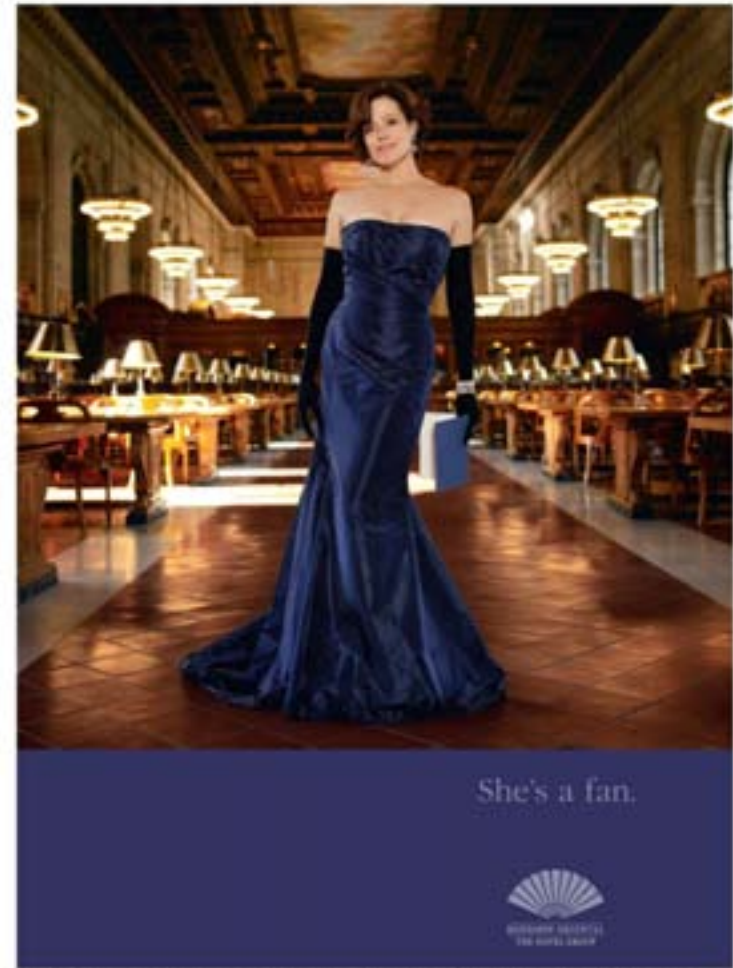
Mandarin Oriental, Washington DC

Elbow Beach, Bermuda

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

International Advertising Campaign

- ❖ Three new celebrity fans
- ❖ 20 celebrities now endorse the brand



SA DINGDING



HÉLÈNE GRIMAUD



HARRY CONNICK JNR.



CONDE NAST TRAVELER US

GOLD LIST – 2010

Mandarin Oriental, Bangkok

Mandarin Oriental Dhara Dhevi, Chiang Mai

The Landmark Mandarin Oriental, Hong Kong

Mandarin Oriental, Hong Kong

Mandarin Oriental, Singapore

Mandarin Oriental, Tokyo

Mandarin Oriental, Prague

Mandarin Oriental, Boston

Mandarin Oriental, New York

Mandarin Oriental, Miami

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, Singapore
Mandarin Oriental Hyde Park, London
Mandarin Oriental, New York
Mandarin Oriental, San Francisco

The background of the slide features three identical glass vases filled with water and containing a single yellow flower. The vases are placed on a highly reflective surface, creating clear reflections. The background behind the vases is a soft-focus view of a city skyline under a bright sky.

INSTITUTIONAL INVESTOR
THE WORLD'S BEST HOTELS 2010

Best Hotels by City in Asia:

Mandarin Oriental, Bangkok

Best Hotels by City in Americas:

Mandarin Oriental, Boston

Mandarin Oriental, New York

Mandarin Oriental, San Francisco

Mandarin Oriental, New York

Best Hotels by City in Europe:

Mandarin Oriental, Geneva

Mandarin Oriental, Munich



DEVELOPMENT REVIEW

TOWARDS 10,000 ROOMS

- ❖ Over 7,500 rooms in operation in 26 hotels
- ❖ Total portfolio including hotels under development:
 - ❖ More than 10,000 rooms
 - ❖ 42 hotels
 - ❖ 27 countries



TOWARDS 10,000 ROOMS



Operating hotels



Under development

Mandarin Oriental

TOWARDS 10,000 ROOMS

Mandarin Oriental, Abu Dhabi

(Management contract)

- ❖ Scheduled to open in 2013
- ❖ 195 luxurious guestrooms
- ❖ 50 *Residences at Mandarin Oriental*



TOWARDS 10,000 ROOMS

Mandarin Oriental, Doha *(Management contract)*

- ❖ Scheduled to open in 2014
- ❖ 160 luxurious guestrooms
- ❖ 95 serviced apartments
- ❖ Located in Musheireb, the new heart of the city



TOWARDS 10,000 ROOMS

Mandarin Oriental Jnan Rahma, Marrakech *(Management contract)*

- ❖ Scheduled for completion by the end of 2010 with 161 guestrooms
- ❖ Spectacular destination spa and resort
- ❖ Located in foothills of the Atlas mountains



TOWARDS 10,000 ROOMS

Mandarin Oriental, Paris

(Long-term lease)

- ❖ Opening summer 2011 on rue Saint Honoré
- ❖ Set to become one of the city's most fashionable palace hotels
- ❖ 138 expansive and luxurious guestrooms and suites
- ❖ Holistic Spa and indoor pool
- ❖ Innovative dining overseen by renowned two star Michelin chef Thierry Marx



TOWARDS 10,000 ROOMS

- ❖ In total 16 announced projects
- ❖ Some are experiencing delays due to funding
- ❖ Continued discussions with owners and developers

TOWARDS 10,000 ROOMS

The Residences at Mandarin Oriental

- ❖ 14 *Residences* projects
- ❖ Provides the Group with one-off branding fees



TOWARDS 10,000 ROOMS

- ❖ Significant long-term potential for future growth due to demographic trends
- ❖ Luxury services and facilities attract individuals prepared to pay a premium for quality experiences
- ❖ Limited new supply in the markets in which we operate
- ❖ Well positioned to take advantage of selective investment opportunities in strategic destinations
- ❖ Strategy of ownership and management remains 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

	June 2010	June 2009
Operating Activities		
EBITDA from subsidiaries	46	32
Dividends from associates	3	7
Net financing charges paid	(7)	(8)
Tax paid	(2)	(3)
Other (mainly movements in working capital)	(9)	(7)
Total	31	21

- ❖ Revenue from subsidiaries up by US\$32 million; EBITDA up by US\$14 million
- ❖ Weighted average interest rate of 2.3% on Group borrowings (2009 – 2.8%)
- ❖ EBITDA net interest cover was 5.7x (2009 – 3.6x)

FINANCIAL REVIEW

Summary Cash Flow Statement

<i>US\$m</i>	June 2010	June 2009
Investing Activities		
Capital expenditure	(18)	(22)
Investment in Paris hotel*	(6)	-
Proceeds on 50% Macau property disposal	-	91
Other	(5)	(1)
Total	(29)	68

- * Total investment in Paris will be approximately US\$70 million, including US\$8 million of pre-opening expenses. US\$13 million of cost incurred to date.

FINANCIAL REVIEW

Summary Cash Flow Statement

US\$m

	June 2010	June 2009
Operating Activities	31	21
Investing Activities	(29)	68
Financing Activities		
Issue of shares	4	2
Drawdown of borrowings	-	12
Repayment of borrowings*	(99)	(7)
Dividends paid	(49)	(49)
Other	(1)	1
Net (decrease)/increase in cash	(143)	48
Opening cash balance 1st Jan	<u>561</u>	<u>515</u>
Closing cash balance 30th Jun	<u>418</u>	<u>563</u>

* Includes US\$87m loan repayment on Washington DC hotel

❖ 2010 Interim dividend of US¢2 (2009: US¢2)

FINANCIAL REVIEW

	June 2010	December 2009
Net debt (US\$ million)	147	116
Adjusted shareholders' funds (US\$ million)	2,098	2,149
Gearing	7%	5%

FINANCIAL REVIEW

- ❖ Approximately 50% of Group's gross debt hedged
- ❖ Average tenor of Group's borrowings is 4 years
- ❖ No significant financing required in the next 18 months
- ❖ No debt service covenants in any of our facilities
- ❖ US\$418 million of cash resources with US\$132 million of undrawn, committed facilities
- ❖ The Group is in a very strong financial position

CONCLUSION

- ❖ Further improvements expected as rates and occupancies move towards pre-crisis levels
- ❖ Full recovery dependent on global economy
- ❖ Over the long term the Group should benefit from:
 - ❖ Strong market position
 - ❖ Increased brand recognition
 - ❖ Growing portfolio of award-winning hotels



MANDARIN ORIENTAL
THE HOTEL GROUP