news release

Mandarin Oriental International Limited

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MANDARIN ORIENTAL
THE HOTEL GROUP

To: Business Editor

3rd March 2011
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
2010 PRELIMINARY ANNOUNCEMENT OF RESULTS

Highlights
- Recovery in demand across key markets, particularly Hong Kong
- Improved profitability and strong balance sheet
- Successful opening of the new Macau hotel
- New projects announced in Abu Dhabi, Doha and Shanghai

"Markets stabilized in 2010 and 2011 has begun well for Mandarin Oriental. While it is too early to anticipate the outcome for the year, over the medium term the Group should benefit from the strength of its brand, the limited new supply of hotel rooms in many of its key markets and the phased completion in coming years of hotels under development."

Simon Keswick, *Chairman*
3rd March 2011

Results

	Year ended 31st December		
	2010	2009	Change
	US$m	US$m (restated)	%
Combined total revenue of hotels under management[1]	**1,025.5**	838.3	+22
EBITDA (Earnings before interest, tax, depreciation and amortization)[2]	**136.4**	87.5	+56
Underlying profit attributable to shareholders[3]	**44.4**	12.5	+255
Profit attributable to shareholders	**44.4**	83.4	−47
	US¢	US¢	%
Underlying earnings per share[3]	**4.48**	1.27	+253
Earnings per share	**4.48**	8.47	−47
Dividends per share	**5.00**	7.00	−29
	US$	US$	%
Net asset value per share	**0.90**	0.92	−2
Adjusted net asset value per share[4]	**2.33**	2.18	+7
Net debt/shareholders' funds	**16%**	13%	
Net debt/adjusted shareholders' funds[4]	**6%**	5%	

(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 of subsidiaries plus the Group's share of EBITDA of associates and joint ventures.
(3) Underlying profit attributable to shareholders and underlying earnings per share exclude non-trading items such as gains on disposals and provisions against asset impairment.
(4) The adjusted net asset value per share and net debt/adjusted shareholders' funds have been adjusted to include the market value of the Group's freehold and leasehold interests which are carried in the consolidated balance sheet at amortized cost.

The final dividend of US¢3.00 per share will be payable on 18th May 2011, subject to approval at the Annual General Meeting to be held on 11th May 2011, to shareholders on the register of members at the close of business on 18th March 2011. The ex-dividend date will be on 16th March 2011, and the share registers will be closed from 21st to 25th March 2011, inclusive.

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MANDARIN ORIENTAL INTERNATIONAL LIMITED

PRELIMINARY ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST DECEMBER 2010

OVERVIEW

More favourable economic conditions throughout 2010 resulted in increased demand in most of the Group's markets, leading to a significant improvement in underlying profit. While cost control measures remained in place across the portfolio, all hotels focused on maintaining or enhancing their competitive positions.

PERFORMANCE

Earnings before interest, tax, depreciation and amortization for 2010 were US$136 million, compared to US$88 million in 2009.

Underlying profit was US$44 million in 2010, which compared with US$12 million in 2009. Underlying earnings per share were US¢4.48, compared to US¢1.27 in 2009. There were no non-trading items in 2010, while in 2009 the profit attributable to shareholders of US$83 million included such items, being principally a gain from a property disposal.

The Directors recommend a final dividend of US¢3.00 per share. This, together with the interim dividend of US¢2.00 per share, will make a total annual dividend of US¢5.00 per share, compared to US¢7.00 per share in 2009.

The net asset value per share with freehold and leasehold properties adjusted for fair market value was US$2.33 at 31st December 2010, compared to US$2.18 at the end of 2009. This is based on the valuation of the Group's hotel properties by its independent valuers. The Group's balance sheet remains strong with net debt of US$144 million, representing 6% of adjusted shareholders' funds.

GROUP REVIEW

Profitability improved across the Group's hotels in 2010 with the strongest performances being seen in Asia.

In Hong Kong, a significant recovery in demand produced increased occupancy and rates. As a result, revenue per available room ('RevPAR') at Mandarin Oriental, Hong Kong and The Excelsior rose by 38% and 30%, respectively. Mandarin Oriental, Singapore benefited from an increase in visitor arrivals to the city and delivered a strong performance with a 31% improvement in RevPAR in local currency terms. In Bangkok, while the hotel remains the market leader, business levels were down following the political demonstrations earlier in the year.

The Group's London property performed satisfactorily despite the disruption caused by the construction of the adjacent *One Hyde Park* complex and the volcanic ash cloud in April.

In The Americas, while business levels generally have yet to recover fully, the New York hotel produced a strong performance particularly in the second half of the year.

Under the Group's hotel management activity, fees received from its portfolio of hotels increased during the year, reflecting the improved market conditions.

DEVELOPMENTS

The Group now has a total of 26 hotels, with a further 16 under development.

A new Mandarin Oriental hotel opened in Macau in June 2010 under a long-term management contract. This was followed by the launch of *The Residences and Apartments at Mandarin Oriental, Macau* in November 2010, where the Group will benefit from branding fees as sales proceed.

During the year, three new projects were announced. Two developments due to open in 2014, in Abu Dhabi and Doha, mark the Group's entry into the Middle East. A new hotel in Pudong, Shanghai, which is scheduled to open in 2013, represents the fourth hotel in mainland China that the Group operates or has under development. One previously announced project in Atlanta will now not proceed.

In 2011, the Group will benefit from branding fees following the completion of the 86 *Residences at Mandarin Oriental, London*, located in the *One Hyde Park* complex. In addition, a non-trading gain of approximately US$10 million will be recognized following the grant by the developer of *One Hyde Park* of a leasehold interest within the complex at no cost, allowing the Group to add new facilities to the hotel.

Mandarin Oriental, Paris will open this summer, under a long-term lease. Located on fashionable rue Saint-Honoré, the hotel has been designed to compete amongst the city's legendary palace hotels.

PEOPLE

On behalf of the Board, I would like to express my appreciation to all employees throughout the Group for their exceptional commitment to excellent service delivery.

OUTLOOK

Markets stabilized in 2010 and 2011 has begun well for Mandarin Oriental. While it is too early to anticipate the outcome for the year, over the medium term the Group should benefit from the strength of its brand, the limited new supply of hotel rooms in many of its key markets and the phased completion in coming years of hotels under development.

Simon Keswick
Chairman
3rd March 2011

GROUP CHIEF EXECUTIVE'S REVIEW

BUSINESS STRATEGY

Mandarin Oriental Hotel Group aims to be widely recognized as the best international luxury hotel group operating in sought-after destinations around the globe. An award-winning owner and operator of some of the world's most prestigious hotels and resorts, the Group continues to grow its global presence, with 26 hotels in operation and a further 16 under development. Together, this brings the total number of rooms to more than 10,000 in 27 countries.

PROGRESS ACHIEVED

Continued recognition of the Mandarin Oriental brand internationally ensured that the Group benefited from the improvement in the global economy throughout 2010. The Group's financial performance was impacted positively as increased demand led to higher occupancies in almost every destination. This in turn allowed most hotels to raise their rates, although not yet back to the levels achieved in 2008. Performances were strong in Asia, particularly in Hong Kong, where corporate travel rebounded. Our hotels also benefited from the growing number of outbound leisure travellers from newer markets, particularly mainland China, which is now the Group's second largest source of business after the United States.

Cost control measures continued to be enforced across the portfolio. Nonetheless, all hotels ensured that the services and facilities they offered were of the highest quality, thereby maintaining or enhancing their competitive positions in their local marketplaces. The Group's global brand recognition was enhanced further with the opening of Mandarin Oriental, Macau in June 2010 and the announcements of three new management contracts for hotels under construction in Abu Dhabi, Doha and Shanghai. Mandarin Oriental's reputation for excellence continues to grow as more hotels open in key destinations, and this, combined with our financial strength, places the Group in a strong position to take advantage of opportunities for further growth.

PERFORMANCE IN 2010

Set out below is a review of the Group's performance in 2010, with reference to the following strategic objectives:

- Being recognized as the world's best luxury hotel group
- Strengthening our competitive position
- Increasing the number of rooms under operation to 10,000
- Achieving a strong financial performance

1. Being recognized as the world's best luxury hotel group

The Group is increasingly recognized for delivering 21st century luxury with oriental charm. Each of our hotels ensures its position as one of the best in its market through a combination of tradition, quality and innovation, while the Group continues to invest behind our core brand attributes of creative hotel design and architecture, holistic spa operations, excellent dining experiences and guest-orientated technology. Above all, the delivery of legendary service to our guests remains at the core of everything we do.

The Group's increasing global recognition in 2010 is evidenced by the achievement of many significant awards from respected travel associations and publications worldwide. Highlights include *Condé Nast Traveler US* 'Readers' Choice Awards 2010' which featured 15 award nominations, and 'The World's Best' 2011 from *Travel + Leisure* which had nominations for seven of our hotels. The Group's growing brand awareness in mainland China was also recognized with both Mandarin Oriental, Hong Kong and The Landmark Mandarin Oriental, Hong Kong being listed in the prestigious 2010 *Hurun* 'Presidential Awards'. Eight hotels were nominated in the *Forbes Travel Guide* listing and 11 hotels appeared in the prestigious *Institutional Investor's* 'World's Best 2010' listings.

The Group's reputation for excellent dining experiences has been acknowledged further, with nine restaurants being honoured, and a total of 11 stars awarded, in the most recent 2011 *Michelin* guides, including three at Mandarin Oriental, Tokyo alone. Mandarin Oriental, Barcelona's signature restaurant *Moments*, was awarded one Michelin star; an outstanding achievement in its first year of operation. The Group has also announced further partnerships with several internationally renowned chefs who will bring their well recognized cuisine to a number of unique restaurants already in existence and being planned for 2011 and beyond.

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The Group's overall spa operations were also recognized in 2010 with Mandarin Oriental being nominated for the third year as 'Best Spa Brand' in *SpaFinder's* 2010 'Readers' Choice Awards'. In addition, Mandarin Oriental, Sanya was nominated 'Best Destination Spa' and Mandarin Oriental, Hong Kong received 'Best Hotel Spa' of the year in *SpaChina* magazine. The prestigious *Forbes* 'Five Star Spa' award has also been granted to a record six hotels, more than any other hotel group in the world.

Mandarin Oriental's newly opened hotels in Barcelona and Las Vegas achieved impressive accolades in their first full year of operation. In addition to the Michelin award, Mandarin Oriental, Barcelona was also recognized on the 'Hot List' in *Condé Nast Traveller UK* and was voted 'Best Business Hotel' by *Wallpaper* and *Fortune* magazines. Mandarin Oriental, Las Vegas was awarded 'Best Getaway Spa' and 'Best Luxury Spa' by *SpaFinder,* and did well to receive the prestigious 'Five Diamond Lodging Award' for 2011 from the *American Automobile Association (AAA).* Once again, Mandarin Oriental's hotels in New York, Boston and Riviera Maya, Mexico also achieved this exceptional rating. Mandarin Oriental, Macau, which opened in June 2010, is already attracting positive reviews and accolades, in particular for its design quality.

Mandarin Oriental's global recognition is further enhanced by the Group's award-winning international advertising campaign which features 20 celebrity 'fans', who regularly stay in our hotels. The Group welcomed three new celebrities to the campaign in 2010: singer and actor, Harry Connick Jr; French classical pianist, Hélène Grimaud and Chinese singer and songwriter, Sa Dingding.

As the number of hotels we operate in new destinations grows, Mandarin Oriental is increasingly recognized for creating some of the world's most sought-after properties, providing exceptional services and amenities.

2. Strengthening our competitive position

Critical to the success of the Group is the ability of our hotels to maintain or enhance their leadership positions against primary competitors in their individual markets. Strong brand recognition, combined with the strength of our hotel management teams, plus the added support provided by an established corporate structure, allows our properties to compete effectively and to achieve premium rates.

Demographic trends continue to support the Group's strategy of creating quality services and facilities which attract individuals who will pay a premium for genuine luxury experiences that are meaningful and of value. This is particularly relevant in today's environment where understated luxury is in demand and preferable to the conspicuous consumption of the pre-crisis years. Higher-spending leisure customers make up more than 40% of the Group's room nights, and across the portfolio, our hotels have witnessed a return in demand from our traditional markets. Our hotels have also experienced growth from newer markets where the Group has been increasing its investment in recent years. Mainland China now provides 11% of our total visitor arrivals, up from 4% in 2009.

Our position is further supported by limited new supply in many of the key markets in which we operate. A lack of suitable sites on which to build luxury hotels and the high costs associated with their construction, continues to enhance the competitive position of many of our properties.

Overall, the Group's profitability improved as a result of better conditions in all markets.

The highlights of each region are as follows:

Asia

The Group's strongest performance was in Asia, where our hotels were well placed to benefit from the improved economy, particularly in Hong Kong. As a result of increased demand in most markets, overall Revenue Per Available Room ('RevPAR') for Asia was up by 25% in US dollar terms on a like-for-like basis.

The Group's flagship, Mandarin Oriental, Hong Kong, benefited from improved city-wide activity and an increase in demand from the corporate segment, achieving a 38% increase in RevPAR over 2009. At the same time the hotel improved its competitive position in the market. Both Mandarin Oriental, Hong Kong and The Landmark Mandarin Oriental maintained their exceptional 'Five Star' rating in the *Forbes Travel Guide*; two of only five hotels in Hong Kong to achieve the highest rating.

Visitor arrivals at The Excelsior, Hong Kong have returned close to historical levels with occupancy back up to 86%. Average rates also increased, although they remain below 2008 levels. Overall the hotel achieved a 30% increase in RevPAR compared to 2009.

In Tokyo, the market became even more competitive with new supply in the luxury hotel segment. Despite this, Mandarin Oriental's excellent reputation amongst Japan's domestic leisure travellers resulted in higher occupancy levels and the hotel did well to increase its RevPAR by 11% in local currency terms. Importantly Mandarin Oriental, Tokyo was voted the 'Best Hotel in the World' in the 2010 *Institutional Investor's* survey.

Mandarin Oriental, Singapore took full advantage of strong economic conditions and growth in visitor arrivals to the city to increase its occupancy to 81% and improve its average rate. This resulted in a 31% increase in RevPAR in local currency terms.

Mandarin Oriental, Bangkok was impacted by the continuing political uncertainty, further exacerbated by the anti-government demonstrations that occurred in the first half of the year. The hotel, however, remains the market leader in the city. Once again the property was recognized as one of the world's best hotels in the most important worldwide travel awards.

Throughout the rest of Southeast Asia, our hotels took full advantage of the stronger demand with both Kuala Lumpur and Manila increasing their RevPAR in local currency terms by 11% and 10% respectively. After soft opening in October 2009 with a partial room inventory, Mandarin Oriental, Jakarta finalized the completion of its comprehensive US$50 million renovation during the second quarter of 2010. The hotel is building market share, but it will take time to stabilize in what remains a highly competitive environment.

Mandarin Oriental, Macau, which opened in June, is on track to establish itself as a leader in luxury hospitality in the territory.

Europe

In Europe, the Group's hotels were successful in maintaining or enhancing their competitive positions at the top of their markets and improved their performances despite the economic downturn. Consequently, overall RevPAR for Europe increased by 5% in US dollar terms on a like-for-like basis.

Mandarin Oriental Hyde Park, London experienced resilient demand, particularly from leisure travellers, with occupancy remaining high at 80%. Average rates in local currency terms increased by 4% over the previous year. The hotel benefited from the successful opening of *Bar Boulud* in May, a contemporary French bistro operated by celebrity chef Daniel Boulud, which received excellent reviews in the international media and was listed as 'The Best Restaurant' to open in London in the 2010 *Time Out* guide. Since January 2011, the hotel's facilities have been further enhanced with the highly acclaimed launch of Heston Blumenthal's first London operation, *Dinner*, as well as the completion of Mandarin Oriental's first *Residences* in London in the *One Hyde Park* project adjacent to the hotel.

The 86 *Residences at Mandarin Oriental, London* will generate a significant amount of branding fees for the Group in 2011. A gain of approximately US$10 million will also be recognized following the grant to the Group by the developer of *One Hyde Park* of a long-term leasehold interest within the complex at no cost. This space will be used primarily to add a swimming pool, an enhanced fitness centre and car parking to the hotel's existing guest facilities.

In Munich, our hotel maintained its position as the undisputed market leader in the city and benefited from strong demand in the high-end leisure market, resulting in a 29% increase in RevPAR over 2009 in local currency terms. Mandarin Oriental, Geneva maintained its competitive position and was able to increase average rates by 5% to CHF 720 as a result of improved corporate demand.

Mandarin Oriental, Barcelona has successfully positioned itself at the forefront of the city's luxury hotel market in its first full year of operation, with a strong average rate and solid occupancy levels. The hotel has been designated 'The Best New City Hotel in the World' in the annual *Tatler UK Travel Guide*.

The Americas

While the economic recovery was uneven across the region, most properties improved their performances when compared to 2009. Overall, the Group's RevPAR in this region increased by 16% in US dollar terms on a like-for-like basis.

In Washington D.C., although occupancy increased to 61%, average rates were below last year's due to the competitive market environment for meetings and conventions in the city. The hotel remains well established as one of the city's most luxurious properties, and appeared in numerous reader surveys in prestigious US publications including *Institutional Investor's* 'World's Best 2010'.

Mandarin Oriental, New York performed strongly, particularly in the second half of the year as corporate and leisure travel to the city improved. Overall, the hotel increased its RevPAR by 22% when compared to 2009. The hotel's excellent positioning in this important destination was further reinforced by the retention of both the prestigious *Forbes* 'Five Star' rating and the *American Automobile Association's* 'Five Diamond Lodging Award'.

In Miami, while the market remains challenging, the hotel capitalized on increases in demand with occupancy at 65%, up from 56% last year. The hotel continues to perform well against competition, receiving positive media attention and a listing in all of the major readership surveys. The Spa at Mandarin Oriental, Miami once again received the *Forbes* 'Five Star' rating, and remains the only hotel in Florida to do so.

In other destinations, Mandarin Oriental, Boston performed strongly in a highly competitive environment, achieving a RevPAR increase of 41% over 2009. In Las Vegas, depressed market conditions resulted in lack of demand and significant pressure on average rates. Nonetheless, Mandarin Oriental has quickly established itself as the leading luxury hotel in the city, achieving international recognition and awards, including the *Forbes* 'Five Star' rating for its spa in its first full year of operation.

3. Increasing the number of rooms under operation to 10,000

Mandarin Oriental should achieve its mid-term goal of operating 10,000 rooms in key global locations within the next few years. Moreover, the Group has achieved strong geographic diversification with a well balanced portfolio across the globe.

In June 2010, the Group successfully opened its 213-room luxury hotel in Macau, further establishing the brand's presence in this strategically important destination. Mandarin Oriental, Barcelona and Mandarin Oriental, Las Vegas, which both opened to great acclaim at the end of 2009, successfully completed their first full year of operation and have strengthened further the Group's brand recognition in southern Europe and on the west coast of the United States respectively. In 2011, the Group will add a new luxury property to its portfolio in the historic centre of Paris.

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The Group announced three new projects over the course of 2010, all of which will be operated under long-term management contracts. In February, the Group announced a 160-room luxury hotel and 35 serviced apartments in Abu Dhabi, which is scheduled to open in 2014. This development will also feature 50 branded *Residences at Mandarin Oriental*. This was followed in June by the announcement of a second development in the Middle East, Mandarin Oriental, Doha in Qatar, which is also scheduled to complete in 2014 with 160 rooms and 95 serviced apartments. In October 2010, the Group announced a new luxury hotel currently under development in Pudong in Shanghai, which will open in 2013 with 362 rooms and 210 serviced apartments.

While some projects are experiencing delays, construction work in most of the Group's 16 hotel developments is progressing well. One previously announced project, in Atlanta, will no longer proceed.

In 2010, the Group's third *Residences* project was completed in Las Vegas, and in June 2010, *The Residences and Apartments at Mandarin Oriental, Macau* were announced. This project will be the first branded Mandarin Oriental residential concept in Asia when it opens in mid-2011. There are now a total of 13 *Residences at Mandarin Oriental* projects open or under development. The associated branding fees from these projects will provide an additional return for the Group over the next few years.

The potential for further growth remains significant and the Group continues to review opportunities for additional luxurious hotels and resorts in important or unique locations around the world. Mandarin Oriental is well positioned to invest in hotels in strategic locations that offer attractive returns, while at the same time Mandarin Oriental's strong brand continues to be compelling to luxury hotel developers. In fact, all 16 of the Group's announced projects, except for the leasehold interest in Paris, are long-term management contracts without equity participation, reflecting the brand's strength. Overall, the Group's strategy of operating both owned and managed hotels remains in place.

4. Achieving a strong financial performance

Mandarin Oriental's financial performance recovered in 2010, reflecting the improved performance across the Group, particularly in the owned hotels in Hong Kong. Branding fees received during the year from *Residences* projects in Taipei and Las Vegas also contributed to the Group's results. Excluding non-trading items, profit attributable to shareholders in 2010 was US$44 million compared to US$12 million in 2009.

The financial well being of the Group remains a critical factor in its continued success. Mandarin Oriental remains in a strong financial position with a low level of gearing and significant cash balances. There is no requirement for refinancing any of the Group's significant bank borrowings in 2011, and the investment required to complete Mandarin Oriental, Paris will be met from the Group's cash resources.

Reflecting the Group's strong financial position, the Board has recommended a final dividend of US¢3.00, which, when combined with the interim dividend of US¢2.00, makes a full year dividend of US¢5.00.

THE FUTURE

Further improvement in demand for Mandarin Oriental's luxury hotels is dependent on a sustained recovery of the global economy. The Group, however, will benefit from its growing portfolio as new properties open and stabilize in sought-after destinations around the world.

With the credibility of the brand now firmly established, supported by our strong balance sheet, Mandarin Oriental is moving ever closer to its goal of being widely recognized as the best luxury hotel group in the world.

Edouard Ettedgui
Group Chief Executive
3rd March 2011

Mandarin Oriental International Limited
Consolidated Profit and Loss Account
for the year ended 31st December 2010

	2010 **Underlying** **US$m**	**2010** **Non-trading items** **US$m**	**2010** **Total** **US$m**	2009 Underlying US$m (restated)	2009 Non-trading items US$m (restated)	2009 Total US$m (restated)
Revenue *(note 2)*	**513.2**	**-**	**513.2**	438.0	-	438.0
Cost of sales	**(326.6)**	**-**	**(326.6)**	(298.1)	-	(298.1)
Gross profit	**186.6**	**-**	**186.6**	139.9	-	139.9
Selling and distribution costs	**(35.9)**	**-**	**(35.9)**	(33.6)	-	(33.6)
Administration expenses	**(85.8)**	**-**	**(85.8)**	(78.5)	(4.2)	(82.7)
Operating profit (*note 3)*	**64.9**	**-**	**64.9**	27.8	(4.2)	23.6
Financing charges	**(14.8)**	**-**	**(14.8)**	(19.1)	-	(19.1)
Interest income	**1.7**	**-**	**1.7**	3.9	-	3.9
Net financing charges	**(13.1)**	**-**	**(13.1)**	(15.2)	-	(15.2)
Share of results of associates and joint ventures *(note 4)*	**4.3**	**-**	**4.3**	0.9	(5.7)	(4.8)
Gain on disposal of joint venture *(note 5)*	**-**	**-**	**-**	-	80.8	80.8
Profit before tax	**56.1**	**-**	**56.1**	13.5	70.9	84.4
Tax *(note 6)*	**(12.0)**	**-**	**(12.0)**	(1.1)	-	(1.1)
Profit after tax	**44.1**	**-**	**44.1**	12.4	70.9	83.3
Attributable to:						
Shareholders of the Company	**44.4**	**-**	**44.4**	12.5	70.9	83.4
Minority interests	**(0.3)**	**-**	**(0.3)**	(0.1)	-	(0.1)
	44.1	**-**	**44.1**	12.4	70.9	83.3
			US¢			US¢
Earnings per share *(note 7)*						
- basic			**4.48**			8.47
- diluted			**4.46**			8.43

Mandarin Oriental International Limited
Consolidated Statement of Comprehensive Income
for the year ended 31st December 2010

	2010 US$m	2009 US$m (restated)
Profit for the year	**44.1**	83.3
Other comprehensive income		
Actuarial gains on employee benefit plans	**2.6**	8.7
Net exchange translation differences	**(4.6)**	15.7
Fair value (losses)/gains on cash flow hedges	**(4.2)**	7.2
Share of other comprehensive income of associates	**8.2**	2.2
Tax relating to components of other comprehensive income *(note 6)*	**0.3**	(2.8)
Other comprehensive income for the year	**2.3**	31.0
Total comprehensive income for the year	**46.4**	114.3
Attributable to:		
Shareholders of the Company	**46.1**	114.5
Minority interests	**0.3**	(0.2)
	46.4	114.3

Mandarin Oriental International Limited
Consolidated Balance Sheet
as at 31st December 2010

	At 31st December		At 1st January
	2010	2009	2009
	US$m	US$m	US$m
		(restated)	(restated)
Net assets			
Intangible assets	**67.4**	46.9	46.4
Tangible assets *(note 9)*	**985.6**	976.6	936.5
Associates and joint ventures	**77.9**	68.4	84.7
Other investments	**4.9**	4.3	3.9
Loans receivable	**4.7**	3.1	4.8
Pension assets	**19.3**	16.5	6.6
Deferred tax assets	**15.0**	15.5	16.5
Non-current assets	**1,174.8**	1,131.3	1,099.4
Stocks	**4.4**	4.2	4.1
Debtors and prepayments	**59.2**	57.5	61.3
Current tax assets	**0.3**	6.8	15.2
Cash at bank	**433.5**	561.6	514.9
Current assets	**497.4**	630.1	595.5
Creditors and accruals	**(101.9)**	(91.5)	(92.9)
Current borrowings *(note 10)*	**(3.3)**	(120.2)	(7.4)
Current tax liabilities	**(6.9)**	(4.9)	(5.2)
Current liabilities	**(112.1)**	(216.6)	(105.5)
Net current assets	**385.3**	413.5	490.0
Long-term borrowings *(note 10)*	**(574.5)**	(557.1)	(653.9)
Deferred tax liabilities	**(64.1)**	(58.9)	(52.7)
Pension liabilities	**(0.1)**	(0.5)	-
Other non-current liabilities	**(17.5)**	(12.7)	(19.2)
	903.9	915.6	863.6
Total equity			
Share capital	**49.8**	49.4	49.2
Share premium	**178.3**	171.3	168.9
Revenue and other reserves	**671.2**	690.6	641.0
Shareholders' funds	**899.3**	911.3	859.1
Minority interests	**4.6**	4.3	4.5
	903.9	915.6	863.6

Mandarin Oriental International Limited
Consolidated Statement of Changes in Equity
for the year ended 31st December 2010

	Attributable to shareholders of the Company									
	Share capital US$m	Share premium US$m	Capital reserves US$m	Revenue reserves US$m	Asset revaluation reserves US$m	Hedging reserves US$m	Exchange reserves US$m	Attributable to shareholders of the Company US$m	Attributable to minority interests US$m	Total equity US$m
2010										
At 1st January										
- as previously reported	49.4	171.3	272.4	436.8	182.5	(10.7)	(73.2)	1,028.5	4.5	**1,033.0**
- change in accounting policy for owner-occupied properties	-	-	-	6.0	(182.5)	-	59.3	(117.2)	(0.2)	**(117.4)**
- as restated	49.4	171.3	272.4	442.8	-	(10.7)	(13.9)	911.3	4.3	**915.6**
Total comprehensive income	-	-	-	46.8	-	(3.8)	3.1	46.1	0.3	**46.4**
Dividends paid by the Company	-	-	-	(69.2)	-	-	-	(69.2)	-	**(69.2)**
Issue of shares	0.4	7.0	-	-	-	-	-	7.4	-	**7.4**
Employee share option schemes	-	-	3.7	-	-	-	-	3.7	-	**3.7**
At 31st December	**49.8**	**178.3**	**276.1**	**420.4**	**-**	**(14.5)**	**(10.8)**	**899.3**	**4.6**	**903.9**
2009										
At 1st January										
- as previously reported	49.2	168.9	268.4	415.5	220.0	(16.3)	(99.3)	1,006.4	5.1	1,011.5
- change in accounting policy for owner-occupied properties	-	-	-	5.4	(220.0)	-	67.3	(147.3)	(0.6)	(147.9)
- as restated	49.2	168.9	268.4	420.9	-	(16.3)	(32.0)	859.1	4.5	863.6
Total comprehensive income	-	-	-	90.8	-	5.6	18.1	114.5	(0.2)	114.3
Dividends paid by the Company	-	-	-	(68.9)	-	-	-	(68.9)	-	(68.9)
Issue of shares	0.2	2.4	-	-	-	-	-	2.6	-	2.6
Employee share option schemes	-	-	4.0	-	-	-	-	4.0	-	4.0
At 31st December	49.4	171.3	272.4	442.8	-	(10.7)	(13.9)	911.3	4.3	915.6

Total comprehensive income included in revenue reserves comprises profit attributable to shareholders of the Company of US$44.4 million (2009: US$83.4 million), actuarial gains on employee benefit plans of US$2.3 million (2009: US$7.4 million) and deferred tax on fair value losses on revaluation of other investment of US$0.1 million (2009: nil).

Mandarin Oriental International Limited
Consolidated Cash Flow Statement
for the year ended 31st December 2010

	2010	2009
	US$m	US$m
		(restated)
Operating activities		
Operating profit *(note 3)*	**64.9**	23.6
Depreciation	**42.2**	39.0
Amortization of intangible assets	**2.4**	1.7
Non-cash items	**4.3**	10.8
Movements in working capital	**5.2**	(0.2)
Interest received	**1.7**	4.0
Interest and other financing charges paid	**(13.8)**	(18.1)
Tax (paid)/refunded	**1.0**	10.6
	107.9	71.4
Dividends from associates and joint ventures	**6.3**	9.9
Cash flows from operating activities	**114.2**	81.3
Investing activities		
Purchase of tangible assets	**(50.5)**	(51.0)
Purchase of intangible assets	**(24.2)**	(4.3)
Investments in and loans to associates	**(3.3)**	(4.2)
Advance of mezzanine loans	**(2.8)**	(1.3)
Purchase of other investments	**(0.6)**	(0.3)
Proceeds on disposal of joint venture *(note 5)*	**-**	90.0
Cash flows from investing activities	**(81.4)**	28.9
Financing activities		
Issue of shares	**7.4**	2.7
Drawdown of borrowings	**25.2**	11.9
Repayment of borrowings	**(125.0)**	(11.0)
Dividends paid by the Company *(note 12)*	**(69.2)**	(68.9)
Cash flows from financing activities	**(161.6)**	(65.3)
Effect of exchange rate changes	**0.7**	1.6
Net (decrease)/increase in cash and cash equivalents	**(128.1)**	46.5
Cash and cash equivalents at 1st January	**561.2**	514.7
Cash and cash equivalents at 31st December	**433.1**	561.2

Mandarin Oriental International Limited
Notes

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards, including International Accounting Standards and Interpretations adopted by the International Accounting Standards Board. The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

Previously, the Group's freehold land and buildings, and the building component of owner-occupied leasehold properties were stated at valuation. Independent valuations were performed every three years on an open market basis, and in the case of the building component of leasehold properties, on the basis of depreciated replacement cost. In the intervening years, the Directors reviewed the carrying values and adjustments were made where there were material changes. Revaluation surpluses and deficits were recognized in other comprehensive income and accumulated in equity under asset revaluation reserves, except for movements on individual properties below depreciated cost which were recognized in profit and loss. Leasehold land was carried at amortized cost.

With effect from 1st January 2010, the Group revised its accounting policy in respect of its freehold land and buildings and the building component of owner-occupied leasehold properties to the cost model, under which these assets are carried at cost less any accumulated depreciation and impairment. This change harmonizes the treatment of land and buildings, both freehold and leasehold, and aligns the Group's accounting policy with industry practice, enhancing the comparability of the Group's financial statements with those of its international peers. The Directors believe that the new policy provides reliable and more relevant financial information to the users of the financial statements.

This change in accounting policy has been accounted for retrospectively, and the comparative financial statements have been restated.

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION *(continued)*

The following standards, amendments and interpretations which are effective in the current accounting year and relevant to the Group's operations are adopted in 2010:

Amendments to IFRS 2	Group Cash-settled Share-based Payment Transactions
Amendment to IAS 39	Eligible Hedged Items
Improvements to IFRSs (2009)	

With the exception of IAS 17 (amendment) (which is part of the 2009 improvement project), the adoption of the above standards, amendments and interpretations do not have a material impact on the Group's accounting policies.

IAS 17 (amendment) 'Leases' specifies that a land lease may be classified as a finance lease when significant risks and rewards associated with the land are transferred to the lessee despite there being no transfer of title at the end of the lease term. Previously, the Group's leasehold land was included under land use rights in intangible assets and stated at cost less accumulated amortization. In accordance with the amendment, certain long-term interests in leasehold land have been classified as finance leases and grouped under tangible assets as if substantially all risks and rewards relating to the land have been transferred to the Group. The amendment has been applied retrospectively to unexpired leases at the date of adoption of the amendment on the basis of information existing at the inception of the leases. There is no impact on the consolidated profit and loss account on the adoption of IAS 17 (amendment).

Effects of change in accounting policies:

a) <u>On the consolidated profit and loss account for the year ended 31st December</u>

   There is no material impact on the consolidated profit and loss account arising from the change in accounting policy to the cost model.

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION *(continued)*

Effects of change in accounting policies *(continued)* :

b) On the consolidated balance sheet at 31st December

	Increase/(decrease) in net assets				Decrease in total equity	
	Intangible assets US$m	Tangible assets US$m	Associates and joint ventures US$m	Deferred tax liabilities US$m	Revenue and other reserves US$m	Minority interests US$m
2010						
Effect of:						
Change to cost model for owner-occupied properties	-	(105)	(70)	33	(139)	(3)
Adopting IAS 17 (amendment)	(184)	184	-	-	-	-
Total	**(184)**	**79**	**(70)**	**33**	**(139)**	**(3)**
2009						
Effect of:						
Change to cost model for owner-occupied properties	-	(89)	(55)	27	(117)	-
Adopting IAS 17 (amendment)	(185)	185	-	-	-	-
Total	(185)	96	(55)	27	(117)	-
2008						
Effect of:						
Change to cost model for owner-occupied properties	-	(110)	(71)	33	(147)	(1)
Adopting IAS 17 (amendment)	(186)	186	-	-	-	-
Total	(186)	76	(71)	33	(147)	(1)

The following standards, amendments and interpretations which are effective after 2010 and relevant to the Group's operations are yet to be adopted:

IFRS 9	Financial Instruments
Revised IAS 24	Related Party Disclosures
Amendments to IFRIC 14	Prepayments of a Minimum Funding Requirement
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments
Improvements to IFRSs (2010)	

Certain comparative figures have been reclassified to conform with current year presentation.

2. REVENUE

	2010 US$m	2009 US$m
By geographical area:		
Hong Kong and Macau	**204.4**	163.6
Other Asia	**122.9**	101.4
Europe	**126.5**	118.1
The Americas	**59.4**	54.9
	513.2	438.0

3. EBITDA FROM SUBSIDIARIES (EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTIZATION)

	2010 US$m	2009 US$m
By geographical area:		
Hong Kong and Macau	**67.2**	45.8
Other Asia	**12.8**	3.7
Europe	**26.2**	26.3
The Americas	**3.3**	(7.3)
EBITDA from subsidiaries before provisions against asset impairment	**109.5**	68.5
Less provisions against asset impairment *(refer note 8)*		
Europe	**-**	(0.8)
The Americas	**-**	(3.4)
EBITDA from subsidiaries	**109.5**	64.3
Less depreciation and amortization	**(44.6)**	(40.7)
Operating profit	**64.9**	23.6

4. SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

	EBITDA US$m	Depreciation and amortization US$m	Operating profit US$m	Net financing charges US$m	Tax US$m	Net profit/ (loss) US$m
2010						
By geographical area:						
Other Asia	23.5	(8.2)	15.3	(2.1)	(5.2)	**8.0**
The Americas	3.4	(2.9)	0.5	(4.3)	0.1	**(3.7)**
	26.9	**(11.1)**	**15.8**	**(6.4)**	**(5.1)**	**4.3**
2009						
By geographical area:						
Hong Kong and Macau	0.1	-	0.1	-	-	0.1
Other Asia	18.0	(7.4)	10.6	(2.3)	(0.9)	7.4
The Americas	0.9	(2.9)	(2.0)	(4.2)	(0.4)	(6.6)
	19.0	(10.3)	8.7	(6.5)	(1.3)	0.9
Less provision against asset impairment in Other Asia *(refer note 8)*	(5.7)	-	(5.7)	-	-	(5.7)
	13.3	(10.3)	3.0	(6.5)	(1.3)	(4.8)

5. GAIN ON DISPOSAL OF JOINT VENTURE

The sale of the Group’s 50% interest in Mandarin Oriental, Macau was completed on 15th June 2009. The hotel was valued at US$205.0 million for the purpose of the sale. On disposal of its 50% interest, the Group received proceeds of US$90.0 million, with a post-tax gain of US$80.8 million. The Group continues to manage the hotel for a period of up to two years under a short-term management agreement from the date of disposal.

6. TAX

	2010 **US$m**	2009 US$m
Tax charged/(credited) to profit and loss is analyzed as follows:		
Current tax	**7.5**	(2.3)
Deferred tax	**4.5**	3.4
	12.0	1.1
By geographical area:		
Hong Kong and Macau	**8.6**	5.5
Other Asia	**(0.5)**	0.8
Europe	**3.6**	2.6
The Americas	**0.3**	(7.8)
	12.0	1.1

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$5.1 million (2009: US$1.3 million) are included in share of results of associates and joint ventures *(refer note 4)* .

Tax relating to components of other comprehensive income is analyzed as follows:

Defined benefit pension plan	**(0.3)**	(1.3)
Fair value change on other investments	**0.1**	-
Cash flow hedges	**0.5**	(1.5)
	0.3	(2.8)

7. EARNINGS PER SHARE

Basic earnings per share are calculated on the profit attributable to shareholders of US$44.4 million (2009: US$83.4 million) and on the weighted average number of 990.8 million (2009: 985.1 million) shares in issue during the year. 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$44.4 million (2009: US$83.4 million) and on the weighted average number of 996.1 million (2009: 989.4 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 year.

7. EARNINGS PER SHARE *(continued)*

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

	Ordinary shares in millions **2010**	2009
Weighted average number of shares in issue	**990.8**	985.1
Adjustment for shares deemed to be issued for no consideration under the Senior Executive Share Incentive Schemes	**5.3**	4.3
Weighted average number of shares for diluted earnings per share	**996.1**	989.4

Additional basic and diluted earnings per share are also calculated based on underlying profit attributable to shareholders. A reconciliation of earnings is set out below:

	2010			2009		
	US$m	**Basic earnings per share US¢**	**Diluted earnings per share US¢**	US$m	Basic earnings per share US¢	Diluted earnings per share US¢
Underlying profit attributable to shareholders	**44.4**	**4.48**	**4.46**	12.5	1.27	1.26
Non-trading items *(refer note 8)*	**-**	**-**	**-**	70.9	7.20	7.17
Profit attributable to shareholders	**44.4**	**4.48**	**4.46**	83.4	8.47	8.43

8. NON-TRADING ITEMS

Non-trading items are separately identified to provide greater understanding of the Group's underlying business performance. Items classified as non-trading items include the gain from disposal of a hotel interest and provisions against asset impairment, which are non-recurring in nature.

An analysis of non-trading items after interest, tax and minority interests is set out below:

	2010 US$m	2009 US$m
Gain on disposal of joint venture	**-**	80.8
Provisions against asset impairment in subsidiaries	**-**	(4.2)
Provision against asset impairment in associates	**-**	(5.7)
	-	70.9

9. TANGIBLE ASSETS AND CAPITAL COMMITMENTS

	2010 US$m	2009 US$m
Opening net book value		
- as previously reported	**880.7**	860.8
- change in accounting policies for		
- owner-occupied properties	**(89.5)**	(110.2)
- long-term interests in leasehold land	**185.4**	185.9
- as restated	**976.6**	936.5
Exchange differences	**(1.9)**	31.4
Additions	**53.2**	47.7
Disposals	**(0.1)**	-
Depreciation charge	**(42.2)**	(39.0)
Closing net book value	**985.6**	976.6
Capital commitments	**51.8**	111.6

Freehold land and buildings include a property of US$101.5 million (2009: US$101.9 million), which is stated net of tax increment financing of US$27.3 million (2009: US$28.1 million) *(refer note 11)* .

10. BORROWINGS

	2010 US$m	2009 US$m
Bank loans	**566.6**	666.7
Other borrowings	**9.5**	8.9
Tax increment financing *(refer note 11)*	**1.7**	1.7
	577.8	677.3
Current	**3.3**	120.2
Long-term	**574.5**	557.1
	577.8	677.3

11. TAX INCREMENT FINANCING

	2010 **US$m**	2009 US$m
Netted off against the net book value of property *(refer note 9)*	**27.3**	28.1
Loan *(refer note 10)*	**1.7**	1.7
	29.0	29.8

A development agreement was entered into between one of the Group's subsidiaries and the District of Columbia ('District'), pursuant to which the District agreed to provide certain funds to the subsidiary out of the net proceeds obtained through the issuance and sale of certain tax increment financing bonds ('TIF Bonds') for the development and construction of Mandarin Oriental, Washington D.C.

The District agreed to contribute to the subsidiary US$33.0 million through the issuance of TIF Bonds in addition to US$1.7 million issued in the form of a loan, bearing simple interest at an annual rate of 6.0%. The US$1.7 million loan plus all accrued interest will be due on the earlier of 10th April 2017 or the date of the first sale of the hotel.

The receipt of the TIF Bonds has been treated as a government grant and netted off against the net book value in respect of the property *(refer note 9)*. The loan of US$1.7 million (2009: US$1.7 million) is included in long-term borrowings *(refer note 10)*.

12. DIVIDENDS

	2010 **US$m**	2009 US$m
Final dividend in respect of 2009 of US¢5.00 (2008: of US¢5.00) per share	**49.4**	49.2
Interim dividend in respect of 2010 of US¢2.00 (2009: US¢2.00) per share	**19.8**	19.7
	69.2	68.9

A final dividend in respect of 2010 of US¢3.00 (2009: US¢5.00) per share amounting to a total of US$29.9 million (2009: US$49.4 million) is proposed by the Board. The dividend proposed will not be accounted for until it has been approved at the Annual General Meeting. The amount will be accounted for as an appropriation of revenue reserves in the year ending 31st December 2011.

13. RELATED PARTY TRANSACTIONS

During 2010, the Group managed five (2009: five) associate hotels and received management fees of US$10.9 million (2009: US$8.9 million) based on long-term management agreements on normal commercial terms.

Mandarin Oriental International Limited
Principal Risks and Uncertainties

The Board has overall responsibility for risk management and internal control. The process by which the Group identifies and manages risk will be set out in more detail in the Corporate Governance section of the Company's 2010 Annual Report (the 'Report'). 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 in the United Kingdom and are in addition to the matters referred to in the Chairman's Statement and Group Chief Executive's Review.

1. Economic and Financial Risk

   The Group's business is exposed to the risk of negative developments in global and regional economies and financial markets, either directly or through the impact on the Group's investment partners, third-party hotel owners and developers, bankers, suppliers or customers. These developments can result in recession, inflation, deflation, currency fluctuations, restrictions in the availability of credit, business failures, or increases in financing costs. Such developments may increase operating costs, reduce revenues, lower asset values or result in the Group being unable to meet in full its strategic objectives. These developments could also adversely affect travel patterns which would impact demand for the Group's products and services.

   The steps taken by the Group to manage its exposure to financial risk will be set out in the Financial Risk Management section in a note to the Financial Statements in the Report.

2. Commercial and Market Risk

   Risks are an integral part of normal commercial practices, and where practicable steps are taken to mitigate such risks.

   The Group operates within the global hotel industry which is highly competitive. 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 competition or the oversupply of hotel rooms in any given market may also lead to reduced margins.

   The Group competes with other luxury hotel operators for new management opportunities. Failure to establish and maintain relationships with hotel owners or developers could adversely affect the Group's business. The Group also makes investment decisions in respect of acquiring new hotel properties. The success of these investments is measured over the longer term and as a result is subject to market risk.

   Mandarin Oriental's continued growth depends on the opening of individual hotels. Most of the Group's new hotel developments are controlled by third party owners and developers and can be subject to delays due to issues attributable to planning and construction, sourcing of finance, and the sale of residential units. In extreme circumstances, such factors might lead to the cancellation of a project.

Mandarin Oriental International Limited
Principal Risks and Uncertainties *(continued)*

3. Pandemic, Terrorism, and Natural Disasters

   The Group's business would be impacted by a global or regional pandemic as this would impact travel patterns, demand for the Group's products and services and could also affect the Group's ability to operate effectively. The Group's hotels 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 the Group operates can experience from time to time natural disasters such as typhoons and earthquakes.

4. Key Agreements

   The Group's business is reliant upon joint venture and partnership agreements, property leasehold arrangements, management, license and services agreements or other key contracts. Cancellation, expiry or termination, or the renegotiation of any of these key agreements and contracts, could have an adverse effect on the financial performance of individual hotels as well as the wider Group.

5. 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.

6. 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, foreign ownership of assets, 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 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, including International Accounting Standards and Interpretations adopted by the International Accounting Standards Board; and

(b) the sections of the Company's 2010 Annual Report, including the Chairman's Statement, Group Chief Executive's Review and Principal Risks and Uncertainties, which constitute the management report include a fair review of all information required to be disclosed by the Disclosure and Transparency Rules 4.1.8 to 4.1.11 issued by the Financial Services Authority of the United Kingdom.

For and on behalf of the Board

Edouard Ettedgui
Stuart Dickie

Directors

3rd March 2011

The final dividend of US¢3.00 per share will be payable on 18th May 2011, subject to approval at the Annual General Meeting to be held on 11th May 2011, to shareholders on the register of members at the close of business on 18th March 2011. The ex-dividend date will be on 16th March 2011, and the share registers will be closed from 21st to 25th March 2011, 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 2010 final dividend by notifying the United Kingdom transfer agent in writing by 21st April 2011. The sterling equivalent of dividends declared in United States dollars will be calculated by reference to a rate prevailing on 4th May 2011. 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, resorts and residences in sought-after destinations around the world. The Group now operates, or has under development, 42 hotels representing over 10,000 rooms in 27 countries, with 18 hotels in Asia, 12 in The Americas and 12 in Europe, Middle East and North Africa. In addition, the Group operates, or has under development, 13 *Residences at Mandarin Oriental* connected to its properties. The Group has equity interests in a number of its properties and net assets of approximately US$2.3 billion as at 31st December 2010.

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 a premium listing on the London Stock Exchange, with secondary 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.

- end -

For further information, please contact:

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Full text of the Preliminary Announcement of Results and the Preliminary Financial Statements for the year ended 31st December 2010 can be accessed through the Internet at 'www.mandarinoriental.com'.