

ANNUAL RESULTS 2012



2012 PERFORMANCE

- Strong leisure demand resulted in higher rates in most destinations
- Compensated for weaker corporate demand in some markets
- Underlying profitability increased by 20% over 2011



2012 ANNUAL RESULTS HIGHLIGHTS

US\$m	2012	2011
Combined Total Revenue	1,283	1,196
Underlying EBITDA	175	163

- Underlying EBITDA in 2011 included US\$3m net one-off items:
 - US\$16m branding fees received in London
 - US\$13m pre-opening expenses in Paris
- Excluding one-off items in 2011, underlying EBITDA increased by US\$15m



2012 ANNUAL RESULTS HIGHLIGHTS

US\$m	2012	2011	Percentage Increase
Underlying profit attributable to shareholders	71	59	+20%
Profit attributable to shareholders incl. non-trading items	72	67	+7%



2012 ANNUAL RESULTS HIGHLIGHTS

	2012	2011
Underlying Earnings per Share <i>US¢</i>	7.09	5.92
Earnings per Share including non-trading items US¢	7.24	6.78
Adjusted Net Asset Value per Share* US\$	2.88	2.70

^{*} This includes freehold and leasehold properties at market valuation

- Final dividend of US¢5.00 per share recommended to shareholders
- ❖ Total dividend for 2012 of US¢7.00 per share vs. US¢6.00 in 2011



KEY STRATEGIC OBJECTIVES

- Strengthening our competitive position 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



- Most hotels maintained or enhanced their competitive position
- Performance reflects:
 - strength of Mandarin Oriental brand
 - focused management teams
 - experienced corporate organisation
- Limited new supply in key markets

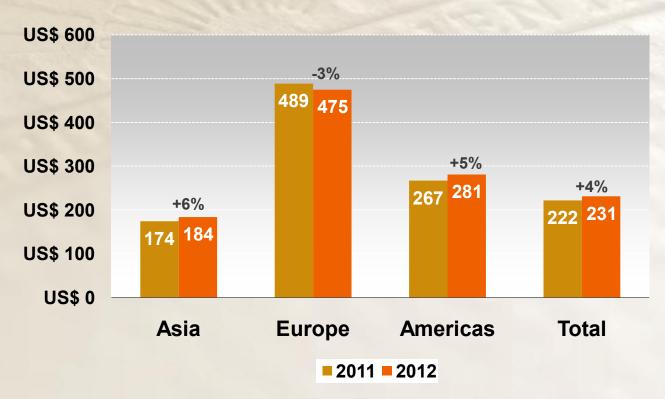


Mandarin Oriental, Paris

- ❖ Group acquires freehold rights to hotel and retail for €290 million (US\$389 million)
- Long-term presence in the city secured
- Prime real estate in central Paris
- Removal of lease
- Earnings enhancing



2012 RevPAR PERFORMANCE



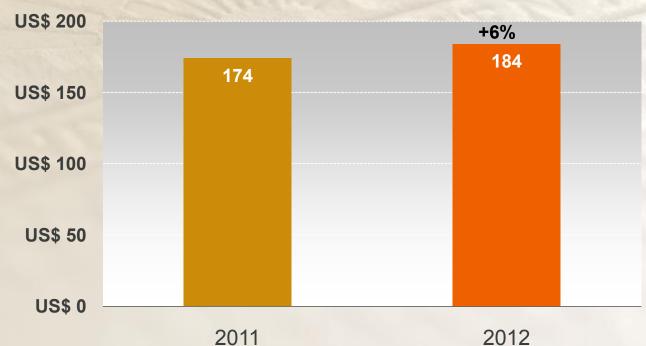
Total RevPAR increased by 5% in local currency terms includes only hotels that were fully operational in both years



- Increased demand from both traditional and new markets
- Mainland China remains the second largest source of business increasing by 7% over 2011
- China business will continue to grow as portfolio increases on the mainland



2012 RevPAR PERFORMANCE



- RevPAR increased by 6% in local currency terms
- All hotels raised rates, benefiting from increased leisure demand
- Improved performances in Tokyo and Bangkok after 2011 natural disasters

Includes only hotels that were fully operational in both years



Mandarin Oriental, Hong Kong (100% ownership)

- Maintained strong RevPAR performance
- Average rate of US\$475 (US\$468 in 2011)
- Further growth from mainland China
- ❖ 7% increase from the leisure sector
- Food and beverage revenues up 7%



The Landmark Mandarin Oriental, Hong Kong (Management contract)

- Average rate of US\$548 (US\$519 in 2011)
- Amber restaurant
 - 2 Michelin stars
 - Only Hong Kong restaurant in San Pellegrino listing of the 'World's 50 Best Restaurants'



Mandarin Oriental, Hong Kong and The Landmark Mandarin Oriental

2013 Forbes' Five Star' rating for hotel and spa



The Excelsior, Hong Kong (100% ownership)

- Maintained competitive position
- RevPAR at similar levels to 2011



Mandarin Oriental, Tokyo (Long-term lease)

- Continued recovery from the effects of 2011 natural disasters
- ❖ Occupancy at 59% (50% in 2011)
- Average rate at US\$595(US\$570 in 2011)
- ❖RevPAR up 26% in local currency terms
- Food and beverage revenues up 14%



'Top Hotel in Japan' Mandarin Oriental, Tokyo

Travel + Leisure's World's Best Hotels 2012



Mandarin Oriental, Bangkok (44.9% ownership)

- Improved performance following widespread floods in Thailand in 4th quarter 2011
- RevPAR up 21% in local currency terms
- Remains undisputed market leader





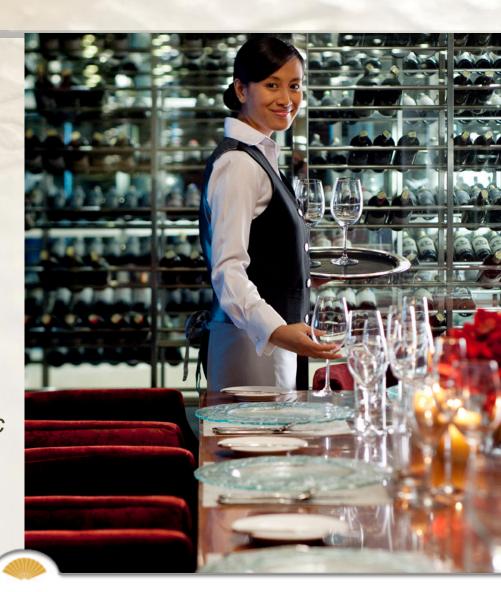
Mandarin Oriental, Singapore (50% ownership)

- Strong city-wide demand positively impacted performance
- RevPAR up 10% in local currency terms
- Improved competitive position
- Only hotel in the city to achieve Forbes 'Five Star' status for both hotel and spa



Mandarin Oriental, Jakarta (96.9% ownership)

- Further improved competitive position
- Increased both occupancy and rate
- RevPAR up 27% in local currency terms
- Best Business Hotel in Jakarta'
 2012 Business Traveller Asia Pacific

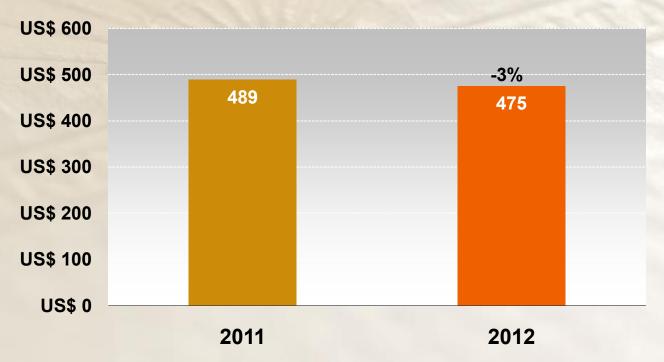


Other Hotels

- Benefited from region's stronger demand
- RevPAR up in almost all locations



2012 RevPAR PERFORMANCE



- Difficult market conditions, however leisure demand remained resilient
- RevPAR increased by 1% in local currency terms

Includes only hotels that were fully operational in both years



Mandarin Oriental Hyde Park, London (100% ownership)

- Strong leisure demand
- Landmark year for city Queen's Jubilee and Olympics
- ❖Occupancy at 78% (80% in 2011)
- *Average rate at £566 (£538 in 2011)
- RevPAR up 3% in local currency terms



Mandarin Oriental Hyde Park, London (100% ownership)

- Food and beverage revenues increased by 7% in local currency terms
- Dinner by Heston Blumenthal and Bar Boulud by Daniel Boulud continue to attract great acclaim
- ❖ New hotel facilities to open in 2013:
 - swimming pool
 - fitness centre



Mandarin Oriental, Munich (100% ownership)

- Maintained position as market leader
- Average rate at US\$819 (US\$768 in 2011)
- RevPAR up 7% in local currency terms



Mandarin Oriental, Geneva (92.6% ownership)

- Performance negatively impacted by strong Swiss franc and phased rooms renovation
- RevPAR down 9% in local currency terms



Mandarin Oriental, Paris (100% ownership)

- Positioned as one of the city's best hotels
- ❖ Occupancy at 58% (32% in 2011)
- Average rate at €910
- Strong food and beverage results

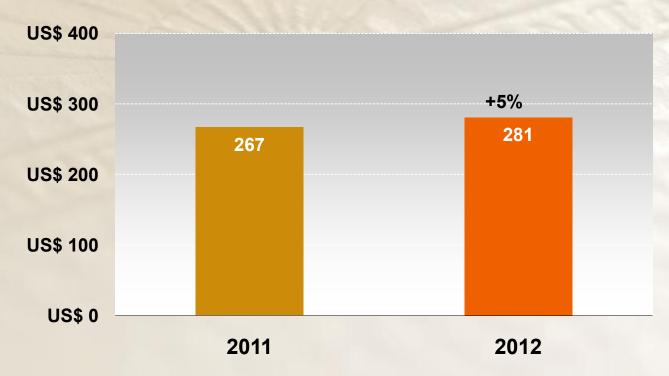


Sur Mesure

2 Michelin Stars



2012 RevPAR PERFORMANCE



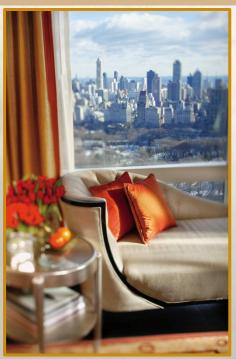
Uneven pace of recovery across the United States

Includes only hotels that were fully operational in both years



Forbes 'Five Star' 2013

American Automobile Association (AAA) 'Five Diamond Hotel Award' 2013









Mandarin Oriental, New York

Mandarin Oriental, Boston

Mandarin Oriental, Las Vegas

Mandarin Oriental, Miami



Mandarin Oriental, Washington DC (80% ownership)

- Impacted by weaker city-wide demand
- ❖ RevPAR down 4%
- Overall revenue similar to 2011 due to food and beverage performance
- Cityzen received the Triple A Five Diamond Award' for seventh consecutive year



Mandarin Oriental, New York (25% ownership)

- Improved competitive position
- Average rate at US\$915 (US\$883 in 2011)
- ❖ RevPAR up 4%







Mandarin Oriental, Miami (25% ownership)

- Increased competition negatively impacted occupancy
- Average rate at US\$347 (US\$312 in 2011)
- Maintained competitive position





STRENGTHENING OUR COMPETITIVE POSITION THE AMERICAS

Mandarin Oriental, San Francisco (Management contract)

- Celebrated 25th anniversary
- Rooms and public area renovation completed
- New facilities well received
- Average rate at US\$445 (US\$391 in 2011)



STRENGTHENING OUR COMPETITIVE POSITION THE AMERICAS

Other Hotels

- Maintained strong competitive positions
- Mandarin Oriental, Boston increased RevPAR by 11%
- Mandarin Oriental, Las Vegas increased RevPAR by 30%
 - ❖Both achieved Forbes 'Five Star' ratings for hotel and spa



Forbes 'Five Star' rating for Twist by Pierre Gagnaire Mandarin Oriental, Las Vegas



KEY STRATEGIC OBJECTIVES

- Strengthening our competitive position 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



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

- Delivering 21st century luxury with oriental charm
- Hotels positioned as the best in their local markets
- Services combine quality, tradition and innovation
- Attracting individuals prepared to pay a premium for luxury experiences that are worth it



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

Core Brand Attributes

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

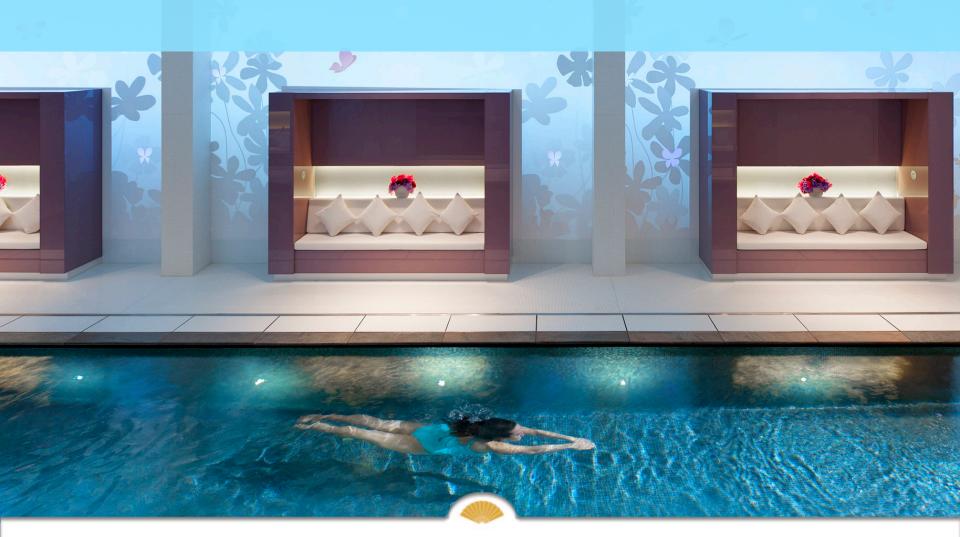


CREATIVE DESIGN, ARCHITECTURE & TECHNOLOGY

- Partnerships with internationally acclaimed architects and designers
- Collection of unique hotels with a sense of place embracing local culture



MANDARIN ORIENTAL, PARIS 'Interior Design of the Year' European Hotel Design Awards 2012



INNOVATIVE DINING

- Sophisticated dining experiences with award-winning cuisine
- Partnering with celebrity chefs as well as home-grown talent



MICHELIN STAR STATUS

Mandarin Oriental, Hong Kong Pierre; Mandarin Grill

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

Mandarin Oriental, Tokyo Signature

Mandarin Oriental Hyde Park, London Dinner by Heston Blumenthal

Mandarin Oriental, Geneva *Rasoi*

Mandarin Oriental, Munich

Mark's

Mandarin Oriental, Barcelona
Moments (Two stars)

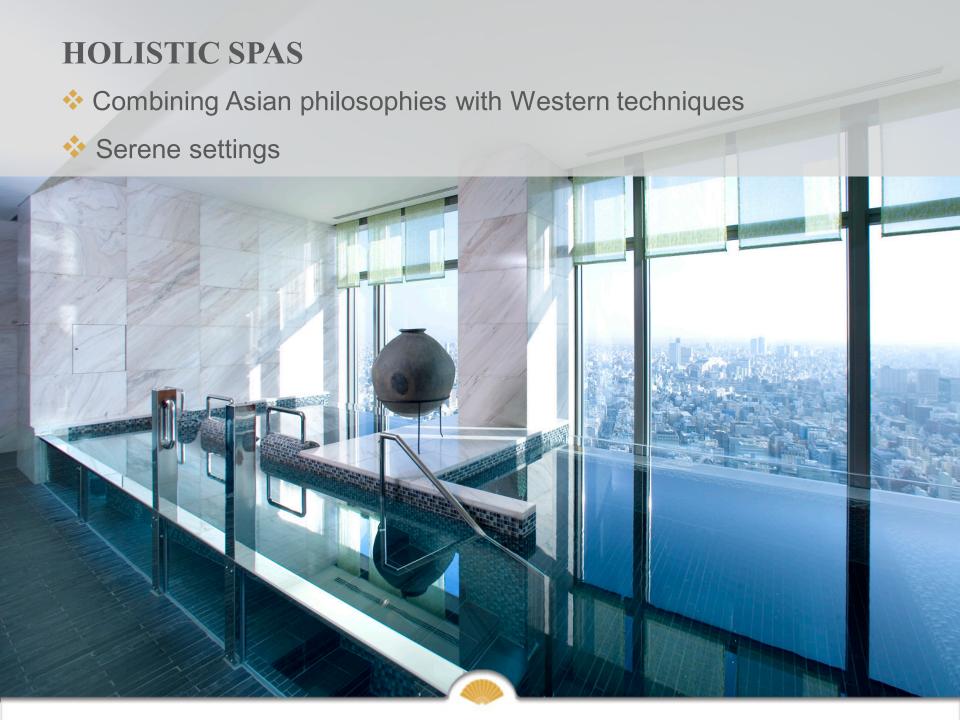
Mandarin Oriental, Paris
Sur Mesure (Two stars)

2012 San Pellegrino 'World's 50 Best Restaurants'

AMBER at
The Landmark Mandarin Oriental,
Hong Kong

DINNER at
Mandarin Oriental Hyde Park, London





HOLISTIC SPAS

Spafinders 'Readers' Choice Awards'

'Best Spa Brand' for Mandarin Oriental Hotel Group (fifth consecutive year)







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

International Advertising Campaign

- 25 celebrity fans endorse our brand
- ❖ Three new fans in 2012:
 - Karen Mok
 - Lin Chiling
 - Caterina Murino
- Add their support to openings and events





INVESTMENTS IN DIGITAL MARKETING



Our Company • Careers • Media • Investors • Corporate Responsibility

Social Media 💆 f more • Gift Cards • Destination MO

Global Home • Find A Hotel • Explore Map • Contact Us • My Profile

Residences • MO App • Policies

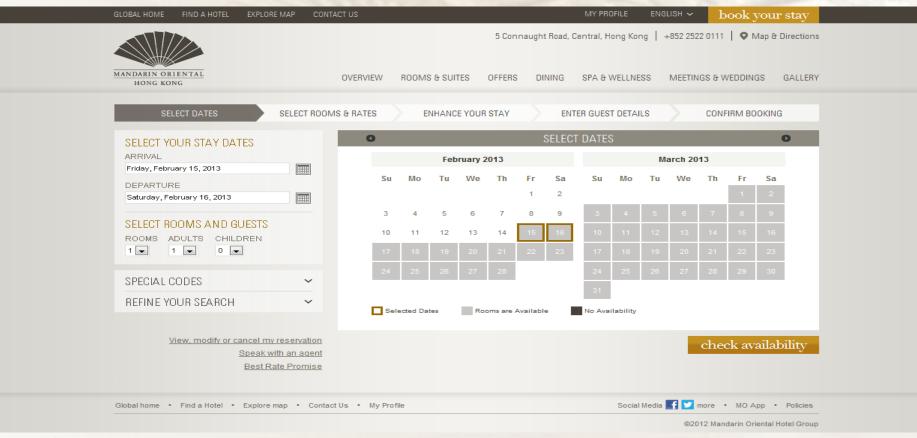
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INVESTMENTS IN DIGITAL MARKETING

New Website



14% increase in online bookings since launch



INVESTMENTS IN DIGITAL MARKETING

Social Media

- Global conversation with consumers
 - Facebook
 - Twitter
 - YouTube
 - Sina Weibo



TRAVEL + LEISURE US WORLD'S BEST AWARDS 2012

Mandarin Oriental, Bangkok Mandarin Oriental Dhara Dhevi, Chiang Mai Mandarin Oriental, Hong Kong Mandarin Oriental, Singapore Mandarin Oriental, Munich Mandarin Oriental, Atlanta Mandarin Oriental, Boston Mandarin Oriental, Las Vegas Mandarin Oriental, Miami Mandarin Oriental, New York

CONDE NAST TRAVELER US READERS' CHOICE AWARDS 2012

Mandarin Oriental, Bangkok Mandarin Oriental Dhara Dhevi, Chiang Mai Mandarin Oriental, Hong Kong Mandarin Oriental, Tokyo Mandarin Oriental, Singapore Mandarin Oriental, Barcelona Mandarin Oriental, Geneva Mandarin Oriental, Hyde Park, London Mandarin Oriental, Munich Mandarin Oriental, Prague Mandarin Oriental, Boston Mandarin Oriental, Las Vegas Mandarin Oriental, Miami Mandarin Oriental, New York Mandarin Oriental, San Francisco



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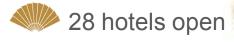
- Close to 8,000 rooms operating in 28 hotels
- 16 further hotels under development
- Total portfolio, including hotels under development:
 - Over 11,000 rooms
 - 44 hotels
 - 27 countries



GEOGRAPHIC DIVERSIFICATION











- Four new management contracts announced in 2012:
 - Bodrum, Turkey
 - Marrakech, Morocco
 - Atlanta, Georgia, USA
 - Chengdu, China



Mandarin Oriental, Bodrum (Management contract) Opening 2014

- Exclusive waterfront hideaway on the Turkish Riviera
- *82 luxurious guestrooms and 20 suites
- ❖214 branded Residences at Mandarin Oriental



Mandarin Oriental, Marrakech (Management contract) Opening 2014

- Exclusive resort in the heart of the Palmeraie region
- 54 individual villas and 7 suites set in a unique environment



Mandarin Oriental, Atlanta (Management contract)

- ❖ Rebranded in May 2012
- 127 luxurious guestrooms
- Located in the prestigious Buckhead neighbourhood
- ❖ Includes 25 Residences at Mandarin Oriental – will provide additional branding fees to the Group



Mandarin Oriental, Chengdu (Management contract) Opening 2015

- ❖ 320 guestrooms and suites
- A mixed-use development in the city centre
- Prime riverfront location



Mandarin Oriental, Guangzhou (Management contract)

- Opened in January 2013 to great acclaim
- Prestigious mixed use development, Swire's TaiKoo Hui
- 233 guestrooms
- ❖ 30 suites
- 24 serviced apartments





MANDARIN ORIENTAL, GUANGZHOU

MANDARIN ORIENTAL, GUANGZHOU





'Many call Guangzhou the culinary capital of Southern China and the collection of excellent food and beverage offerings within the hotel is proof of that claim.'

Fodor's



TOWARDS 10,000 ROOMS

Mandarin Oriental Pudong, Shanghai (Management contract) Opening 2013

- In the heart of the financial district
- 362 guestrooms and suites
- 210 serviced apartments
- Prime landscaped riverfront location



TOWARDS 10,000 ROOMS

Mandarin Oriental , Taipei (Management contract) Opening 2013

- 303 luxurious guestrooms
- 26 Residences at Mandarin Oriental
- Prime city centre location

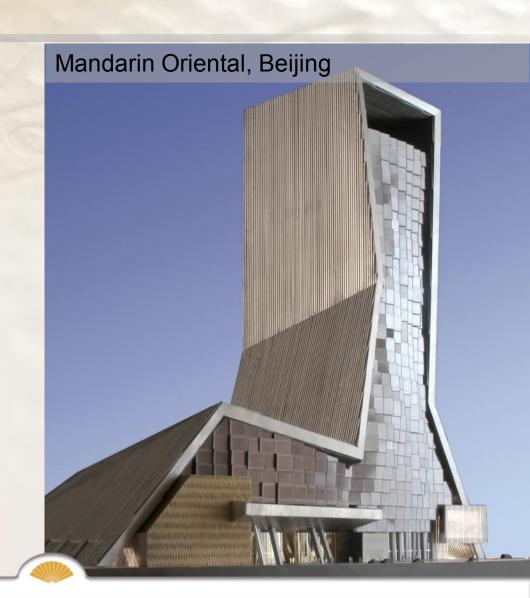




TOWARDS 10,000 ROOMS

Mainland China Portfolio

- 5 hotels
 - Sanya (2009)
 - Guangzhou (2013)
 - Shanghai (2013)
 - ❖ Beijing (2014)
 - Chengdu (2015)
- Further growth potential in this important market



RESIDENCES AT MANDARIN ORIENTAL

- 14 Residences around the world
- Provide one-off branding fees and on-going management fees



DEVELOPMENT STRATEGY

- Strong balance sheet for selective investment opportunities
- Brand strength attracts hotel owners and developers
- Strategy of ownership and management at the core of our business
- Continue to review development opportunities in key destinations





US\$m	2012	2011
Operating Activities		
Underlying EBITDA from subsidiaries	138	130

- Improved contribution from most subsidiary hotels, particularly Tokyo and Paris
- Reduced contribution from Geneva



US\$m	2012	2011
Operating Activities		
Underlying EBITDA from subsidiaries	138	130
Movements in working capital	3	18
Dividends and interest from associates	10	8
Net financing charges paid	(11)	(12)
Tax paid	(16)	(7)
Other	2	9
Total	126	146

- Weighted average interest rate at 0.8% on Group deposits, 0.6% in 2011
- Weighted average interest rate at 2.4% on Group borrowings, 2.3% in 2011
- Underlying EBITDA net interest cover was 11.3 times (8.9 times in 2011)



Analysis of capital expenditure at existing hotels

US\$m	2012	2011
New London facilities*	20	10
Geneva rooms renovation	8	6
Ongoing capex across the portfolio	23	22
Total capital expenditure at existing hotels	51	38



^{*} In 2012, principally new swimming pool, fitness centre and back of house facilities

US\$m	2012	2011
Investing Activities		
Capital expenditure at existing hotels	(51)	(38)
New York associate - reduction in bank debt	(19)	-
Paris acquisition - advance deposit	(13)	-
Paris hotel: fit-out costs	-	(25)
Intangible assets	(5)	(3)
Other	1	1
Total	(87)	(65)



US\$m	2012	2011
Operating Activities	126	146
Investing Activities	(87)	(65)
Financing Activities		
Dividends paid	(60)	(50)
Net drawdown of borrowings	3	3
Other	2	2
Net (decrease)/increase in cash	(16)	36
Opening cash balance 1st Jan	469	<u>433</u>
Closing cash balance 31st Dec	<u>453</u>	<u>469</u>



	2012	2011
Net debt (US\$ million)	137	113
Adjusted shareholders' funds (US\$ million)	2,876	2,692
Gearing	5%	4%



- Approximately 44% of Group's gross debt hedged
- Average tenor of Group's borrowings is 2.1 years
- No significant debt refinancing required until 2014
- US\$453 million of cash balances, in addition to US\$90 million of undrawn, committed facilities



Pro-forma Impact of Paris Acquisition (February 2013) on 2012 Balance Sheet

	Actual on 31st Dec 2012	Pro-forma with Paris
Net debt (US\$ million)	137	519
Gearing	5%	18%
Cash balance (US\$ million)	453	272

- Total investment outlay, including transaction expenses of US\$395m
 - US\$13m deposit paid in 2012
 - ❖ Balance of US\$382m paid in 2013



OUTLOOK

- Positive trading momentum in first two months of 2013
- Overall performance influenced by global economy
- Earnings should benefit from portfolio growth and results in Paris
- Limited new supply in key locations
- Expected growth will come from traditional and emerging markets



CONCLUSION

- Solid financial position
- Strong reputation for exceptional service delivery and innovative product development
- Growing portfolio of award-winning hotels
- Well positioned to become the world's best luxury hotel group





ANNUAL RESULTS 2012

