HALF YEAR RESULTS 2013

MANDARIN ORIENTAL
THE HOTEL GROUP

2013 HALF YEAR HIGHLIGHTS

- Strong growth in underlying profit
- Strong geographic diversification
- New hotels opened in Guangzhou and Shanghai
- Hotel project in Istanbul announced

2013 HALF YEAR PERFORMANCE

- Positive trading conditions in most destinations
- Solid performances in the majority of hotels

2013 HALF YEAR RESULTS HIGHLIGHTS

US$m	June 2013	June 2012
Combined Total Revenue	**661**	**619**
Underlying EBITDA *	**107**	**80**

- 2013 underlying EBITDA included benefit of US$7m of one-off items relating to the acquisition of the Paris property in February 2013
- Excluding one-off items, underlying EBITDA was US$100m in 2013

* EBITDA of subsidiaries plus the Group's share of EBITDA of associates excluding non-trading items

2013 HALF YEAR RESULTS HIGHLIGHTS

US$m	June 2013	June 2012
Underlying profit attributable to shareholders	**54**	**28**
Non-trading items*	**3**	**2**
Profit attributable to shareholders incl. non-trading items	**57**	**30**

* Non-trading items :

- 2013 includes a US$3m write-back of a provision against asset impairment
- 2012 includes a US$1.5m write-back of a provision against asset impairment

2013 HALF YEAR RESULTS HIGHLIGHTS

US¢	**June 2013**	**June 2012**
Underlying Earnings per Share	**5.36**	**2.83**
Earnings per Share including non-trading items	**5.67**	**2.98**

- Adjusted net asset value per share at 30th June 2013 was US$2.86 compared to US$2.88 at 31 December 2012
- Interim dividend of US¢2.00 per share, unchanged from 2012

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

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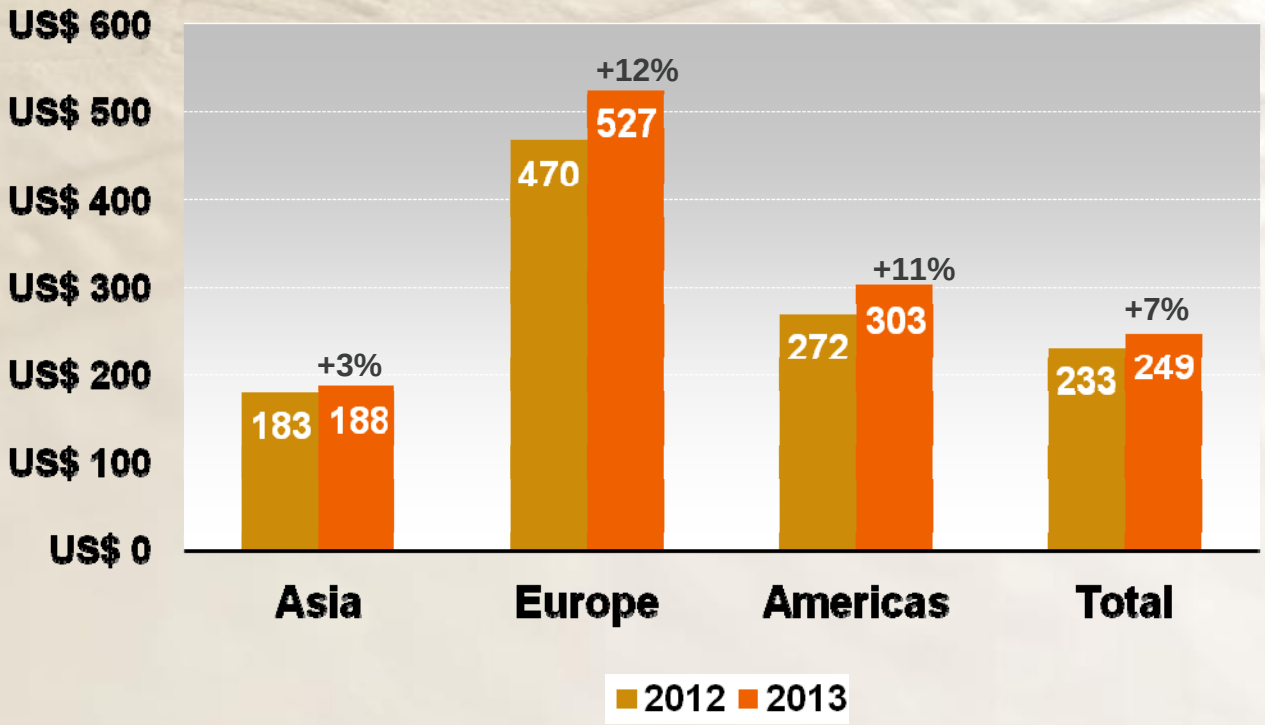
- Achieving a strong financial performance

STRENGTHEN OUR COMPETITIVE POSITION

- Most hotels performed well against key competitors
- Performance reflects:
  - strength of Mandarin Oriental brand
  - focused management teams in competitive and unstable markets

STRENGTHEN OUR COMPETITIVE POSITION

2013 Half-Year RevPAR PERFORMANCE



- Total RevPAR increased by 8% in local currency terms

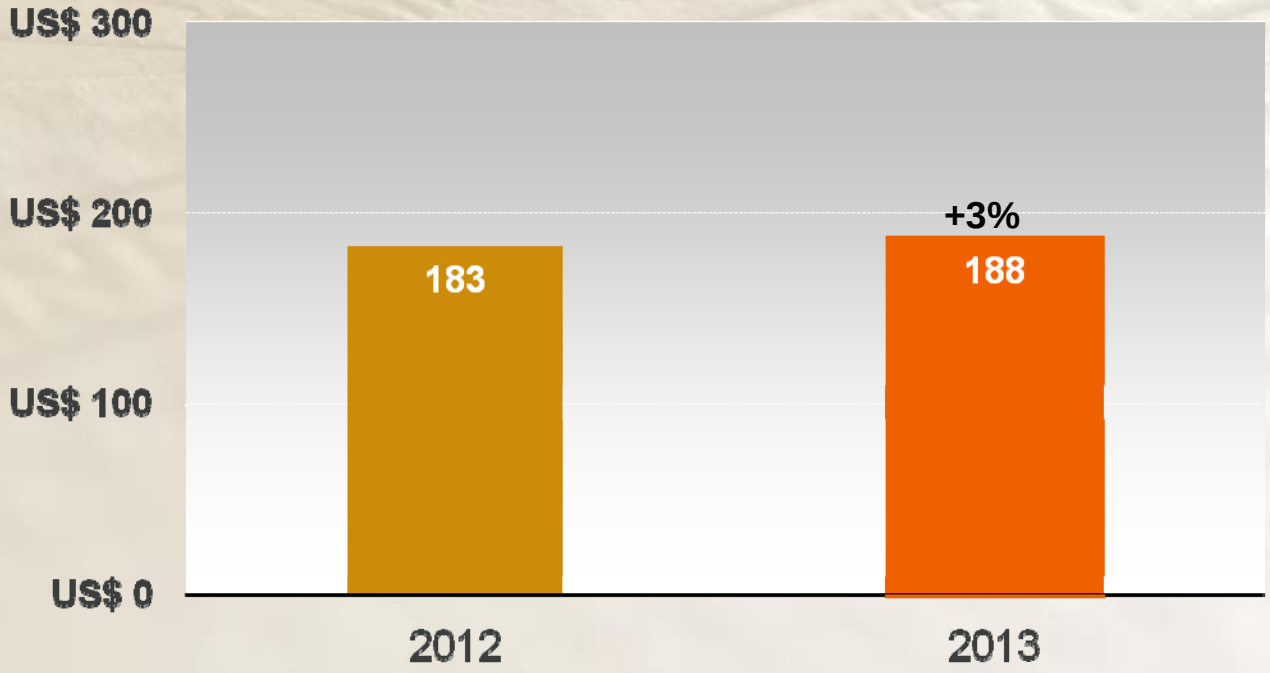
Includes only hotels that were fully operational in both years

STRENGTHEN OUR COMPETITIVE POSITION

- Resilient leisure business
- 14% growth in Mainland Chinese visitors over 2012
- Mainland China is 15% of total market mix - second largest source of business
- Global food and beverage revenues up – contributing over 35% of total revenues

STRENGTHEN OUR COMPETITIVE POSITION ASIA

2013 Half-Year RevPAR PERFORMANCE



- RevPAR increased by 3% 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)

- Maintained RevPAR despite softening corporate citywide demand
- Occupancy at 70% (69% in 2012)
- Strong average rate (US$471)
- Food and beverage revenues up 5%
- Celebrating its 50th Anniversary in 2013

The Mandarin

Dior
Christian
Dior

STRENGTHEN OUR COMPETITIVE POSITION

ASIA

The Landmark Mandarin Oriental, Hong Kong
(Management contract)

- Occupancy at 77% (76% in 2012)
- Average rate of US$560 (US$548 in 2012)
- RevPAR up 4%
- *Amber*
  - "Best Restaurant in China" in *San Pellegrino* 'World's Best Restaurants'
  - Retained 2 Michelin stars

STRENGTHEN OUR COMPETITIVE POSITION ASIA

The Excelsior, Hong Kong
(100% ownership)

- Performed well against its competitors
- Maintained occupancy at 88%
- Average rate remains at historic high levels

STRENGTHEN OUR COMPETITIVE POSITION ASIA

Mandarin Oriental, Tokyo
(Long-term lease)

- Continued recovery from effects of 2011's natural disaster
- Increased occupancy at 73% (57% in 2012)
- Average rate up 4% in local currency terms
- RevPAR up 34% in local currency terms
- Food and beverage revenues also up 9% in local currency terms

‘Top Hotel in Japan’ 2012 - *Travel & Leisure, US*

STRENGTHEN OUR COMPETITIVE POSITION ASIA

Mandarin Oriental, Bangkok
(44.9% ownership)

- Further improved performance with increased rates
- RevPAR up 6% in local currency terms
- Remains undisputed market leader

‘Top City Hotel in Asia’

Travel & Leisure, US - 2013

STRENGTHEN OUR COMPETITIVE POSITION ASIA

Mandarin Oriental, Singapore
(50% ownership)

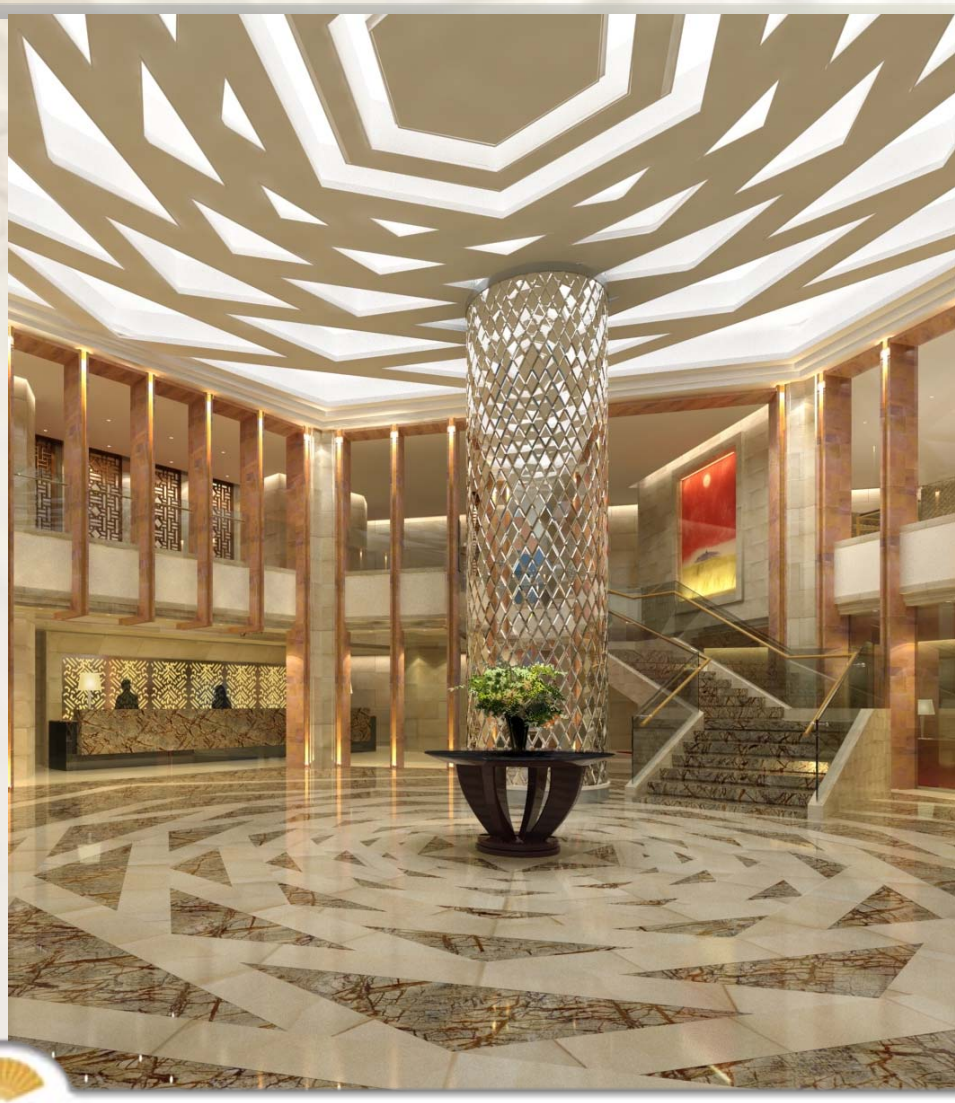
- Performed well against competition
- Weaker citywide demand
- Maintained strong average rates
- Only hotel in the city to achieve *Forbes* 'Five Star' status for both hotel and spa

STRENGTHEN OUR COMPETITIVE POSITION

ASIA

Mandarin Oriental, Jakarta
(96.9% ownership)

- Improved competitive position
- RevPAR up 15% in local currency terms



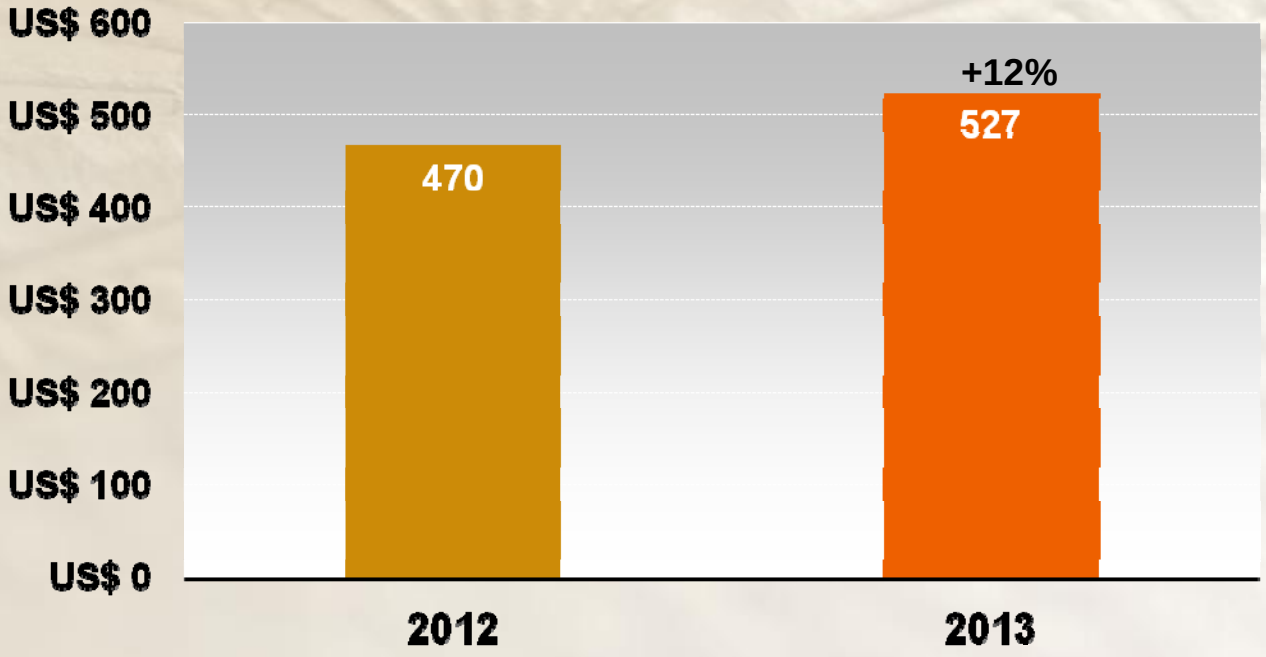
STRENGTHEN OUR COMPETITIVE POSITION ASIA

Other Hotels

❖Performed well in their competitive sets

STRENGTHEN OUR COMPETITIVE POSITION EUROPE

2013 Half Year RevPAR PERFORMANCE



- RevPAR increased by 13% 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 competitive position
- Average rate at £528 (£519 in 2012)
- RevPAR up 5% in local currency terms
- Award-winning restaurants attract strong following:
  - Daniel Boulud at *Bar Boulud*
  - Heston Blumenthal at *Dinner*

STRENGTHEN OUR COMPETITIVE POSITION EUROPE

Mandarin Oriental, Munich
(100% ownership)

- Maintained position as market leader
- Strong leisure demand
- RevPAR up 24% in local currency terms

STRENGTHEN OUR COMPETITIVE POSITION EUROPE

Mandarin Oriental, Geneva
(92.6% ownership)

- Rooms renovation successfully completed at end of 2012
- Performance negatively impacted by strong Swiss franc
- RevPAR down 5% in local currency terms

STRENGTHEN OUR COMPETITIVE POSITION EUROPE

Mandarin Oriental, Paris
(100% ownership)

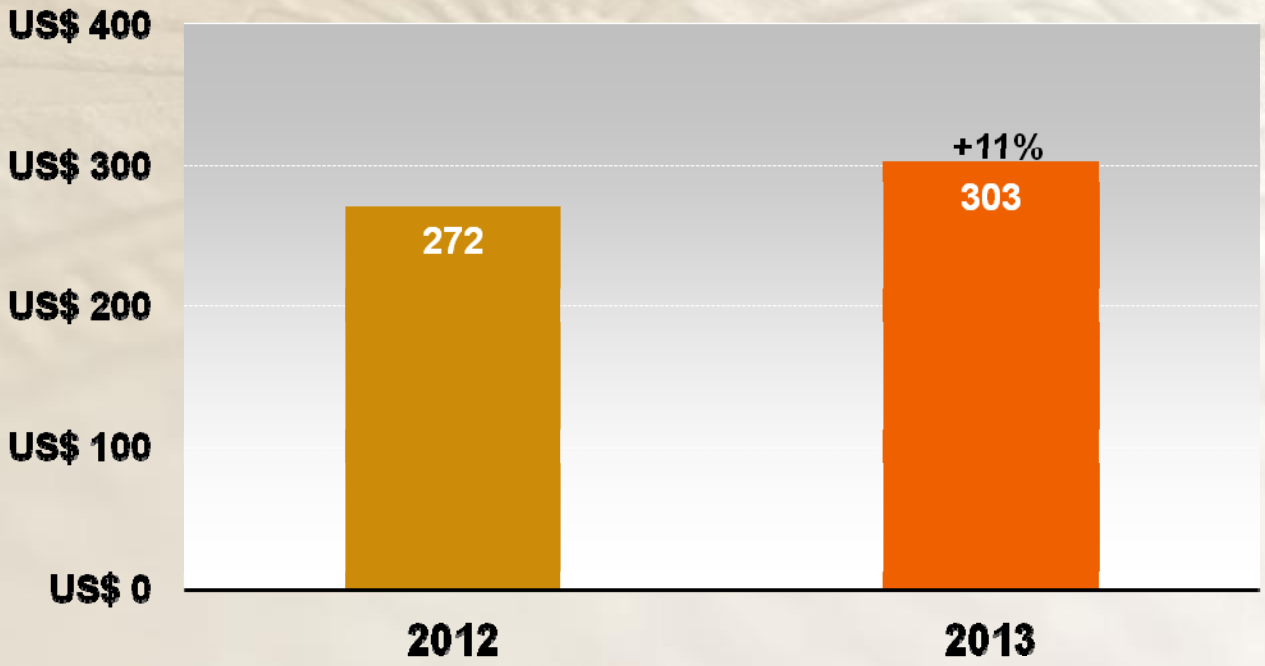
- Fully opened from September 2011
- Positioned as one of the city's best hotels
- Occupancy at 64% (49% in 2012)
- RevPAR up 38%
- Increased profit contribution following acquisition in February 2013
- Rental income from retail units

Sur Mesure

2 Michelin Stars

STRENGTHEN OUR COMPETITIVE POSITION THE AMERICAS

2013 Half-Year RevPAR PERFORMANCE



- Improved trading conditions

Includes only hotels that were fully operational in both years

STRENGTHEN OUR COMPETITIVE POSITION THE AMERICAS

Mandarin Oriental, Washington DC
(80% ownership)

- Benefited from stronger citywide demand
- Average rate at US$341 (US$308 in 2012)
- RevPAR up 13%
- *CityZen* Restaurant has been awarded the Triple A "Five Diamond Award"

STRENGTHEN OUR COMPETITIVE POSITION THE AMERICAS

Mandarin Oriental, New York
(25% ownership)

- Market leader in the city
- Average rate at US$857 (US$823 in 2012)
- RevPAR up 14%

Forbes

'Five Star' 2013

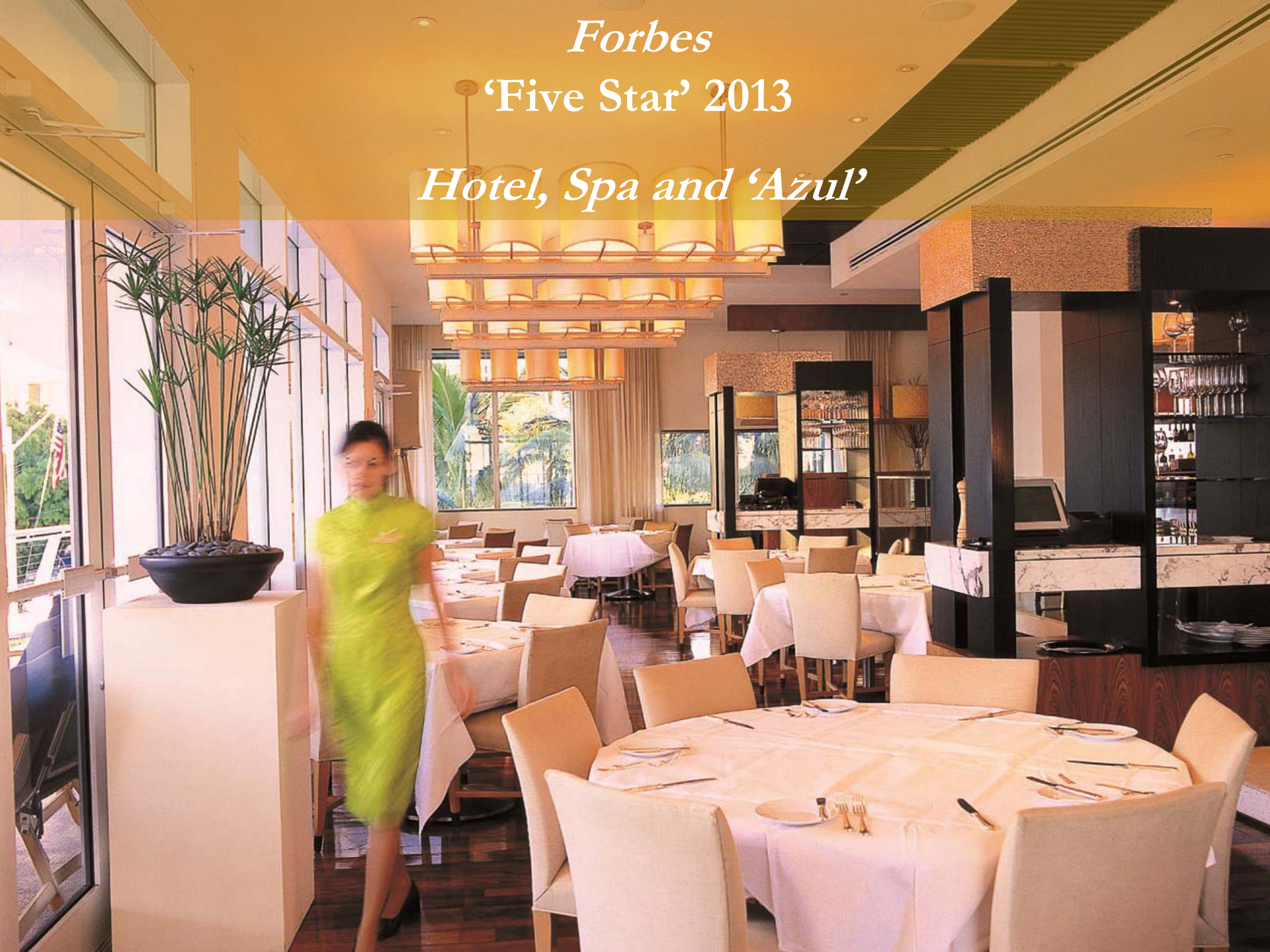
American Automobile Association (AAA)

'Five Diamond Lodging Award' 2013

STRENGTHEN OUR COMPETITIVE POSITION THE AMERICAS

Mandarin Oriental, Miami
(25% ownership)

- Benefited from strong citywide demand
- RevPAR up 9%
- Maintained competitive position


Forbes
'Five Star' 2013
Hotel, Spa and 'Azul'

STRENGTHEN OUR COMPETITIVE POSITION THE AMERICAS

Mandarin Oriental, San Francisco
(Management contract)

- Strong start to the year following 2012 renovation
- Average rate at US$457 (US$427 in 2012)
- A 'Hot Hotel' 'in *Conde Nast Traveler* Awards 2013

STRENGTHEN OUR COMPETITIVE POSITION THE AMERICAS

Other Hotels

- Maintained strong competitive positions
- RevPAR up in all locations

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
- Attracting individuals prepared to pay a premium for luxury experiences
- Investing behind our core brand attributes

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

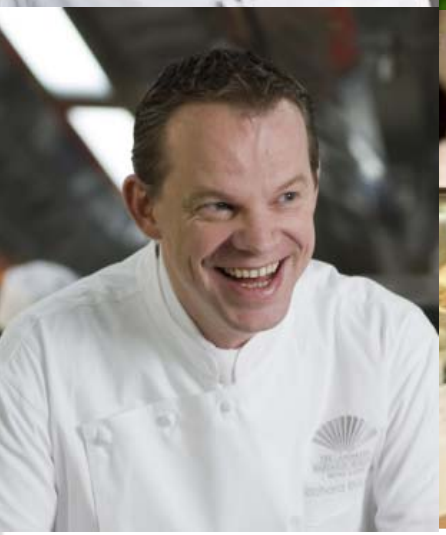
- Partnerships with internationally acclaimed architects and designers
- Hotels with a sense of place – embracing local culture

MANDARIN ORIENTAL, GUANGZHOU

'It List of New Properties' *Travel & Leisure US*

INNOVATIVE DINING

- Memorable dining experiences with creative interiors
- Partnering with extraordinary, award-winning chefs



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

Mandarin Oriental, Geneva
Rasoi

Mandarin Oriental, Munich
Mark's

Mandarin Oriental, Barcelona
Moments (Two stars)

Mandarin Oriental, Paris
Sur Mesure (Two stars)

2013 *San Pellegrino* 'World's 50 Best Restaurants'

DINNER at Mandarin Oriental Hyde Park, London	AMBER at The Landmark Mandarin Oriental, Hong Kong

HOLISTIC SPAS

- Combining Asian philosophies with western techniques
- Award-winning concepts

BEST SPA BRAND

SpaFinder Readers' Choice Awards

FORBES 'FIVE STAR' SPAS

Mandarin Oriental, Hong Kong

The Landmark Mandarin Oriental, Hong Kong

Mandarin Oriental, Macau

Mandarin Oriental, Singapore

Mandarin Oriental, Boston

Mandarin Oriental, Las Vegas

Mandarin Oriental, Miami

Mandarin Oriental, New York

LEGENDARY SERVICE

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

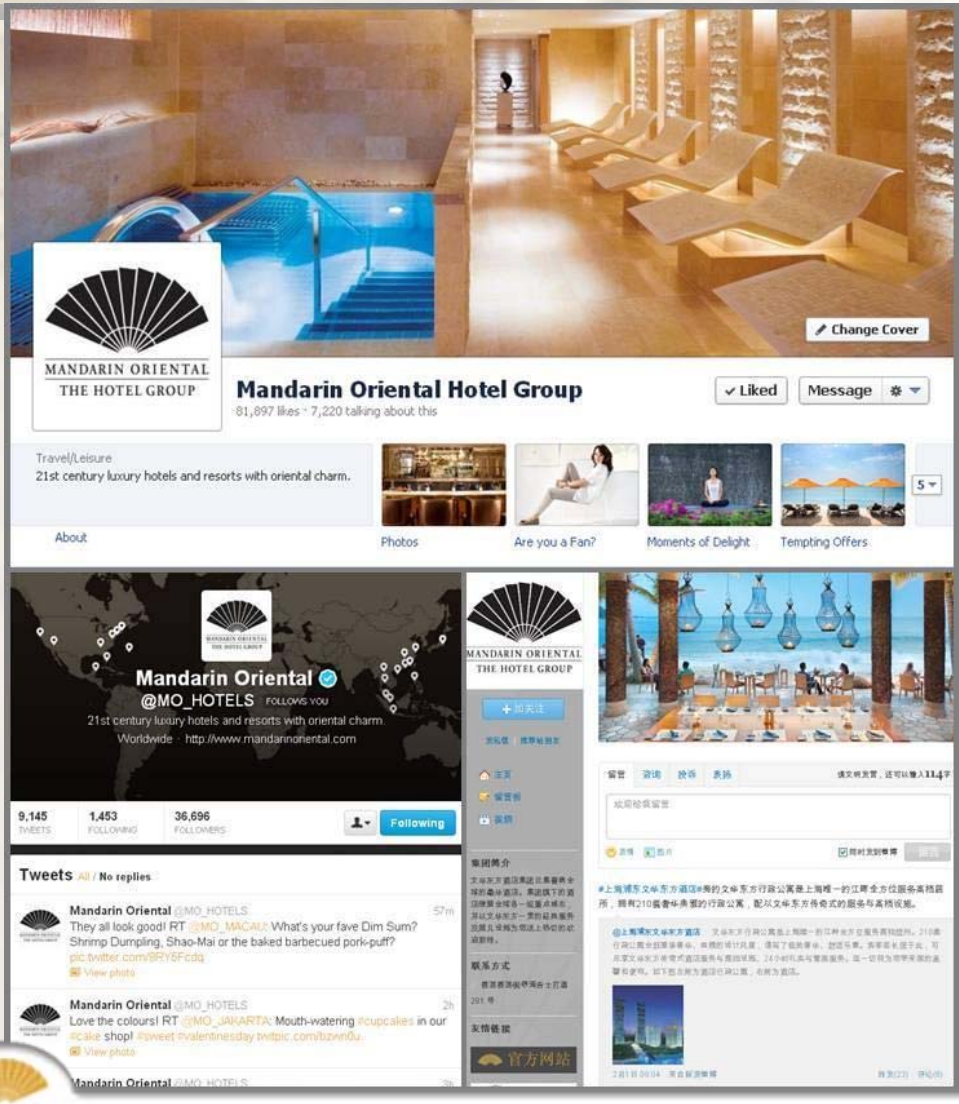
International Advertising Campaign

- 26 celebrity fans endorse our brand
- New fan in 2013:
  - Cecilia Bartoli, Italian mezzo-soprano
- Add their support to openings and events

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

Digital Marketing & Social Media

- Global conversation with consumers
  - Facebook
  - Twitter
  - YouTube
  - Sina Weibo
- New website launch in 2012:
  - 15% increase in room night bookings vs. same period in 2012



TRAVEL + LEISURE US

THE WORLD'S BEST HOTELS 2013

Mandarin Oriental, Bangkok

Mandarin Oriental Dhara Dhevi, Chiang Mai

Mandarin Oriental, Hong Kong

The Landmark Mandarin Oriental, Hong Kong

Mandarin Oriental, Singapore

Mandarin Oriental, Tokyo

Mandarin Oriental Hyde Park, London

Mandarin Oriental, Munich

Mandarin Oriental, Atlanta

Mandarin Oriental, Boston

Mandarin Oriental, Las Vegas

Mandarin Oriental, Miami

Mandarin Oriental, New York

CONDÉ NAST TRAVELER US

GOLD LIST 2013

Mandarin Oriental, Bangkok

Mandarin Oriental Dhara Dhevi, Chiang Mai

Mandarin Oriental, Hong Kong

Mandarin Oriental, Barcelona

Mandarin Oriental, Munich

Mandarin Oriental, Prague

Mandarin Oriental, Boston

Mandarin Oriental, Miami

FORBES 'FIVE STAR' AWARDS

Mandarin Oriental, Hong Kong

The Landmark Mandarin Oriental ,Hong Kong

Mandarin Oriental, Macau

Mandarin Oriental, Singapore

Mandarin Oriental, Boston

Mandarin Oriental, Las Vegas

Mandarin Oriental, Miami

Mandarin Oriental, New York

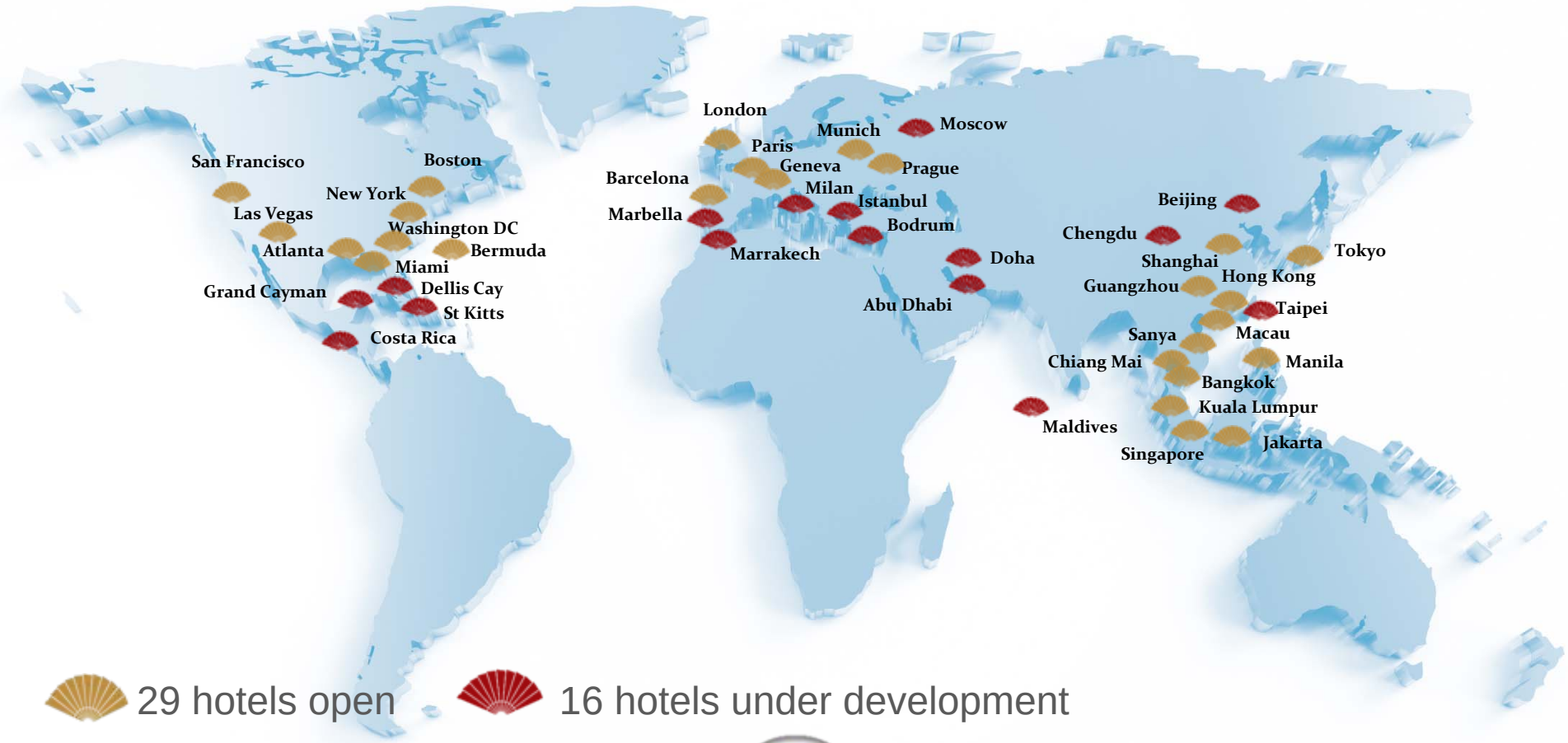
KEY STRATEGIC OBJECTIVES

- 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

TOWARDS 10,000 ROOMS

- Over 8,500 rooms operating in 29 hotels
- 16 further hotels under development
- Total portfolio, including hotels under development:
  - Over 11,000 rooms
  - 45 hotels
  - 27 countries

GEOGRAPHIC DIVERSIFICATION



TOWARDS 10,000 ROOMS

Mandarin Oriental, Guangzhou
(Management contract)

- Opened in January 2013 to great acclaim
- Prestigious mixed use development, Swire's *TaiKoo Hui*
- 287 guestrooms and serviced apartments

MANDARIN ORIENTAL, GUANGZHOU

MANDARIN ORIENTAL, GUANGZHOU

MANDARIN ORIENTAL, GUANGZHOU

"With a wall of sheer glass, the new Mandarin Oriental, Guangzhou gives you a stunning view over the booming city landscape. Perfect while you try out some of the finest room service in the world."

The Spectator, UK

"Among the international brands staking their claim in Guangzhou, Mandarin Oriental sets itself apart with alluring interiors; the guest rooms created by star hotel designer Tony Chi, are clad in black wood, muted bronze and mirrored chrome."

'It List' - Travel & Leisure, US

TOWARDS 10,000 ROOMS

Mandarin Oriental Pudong, Shanghai ***(Management contract)***

- Successfully opened April 2013
- Prime riverfront location in financial district
- 362 guestrooms and suites
- 210 serviced apartments
- Largest Presidential Suite in the city

MANDARIN ORIENTAL PUDONG, SHANGHAI

MANDARIN ORIENTAL PUDONG, SHANGHAI

MANDARIN ORIENTAL PUDONG, SHANGHAI

"The newly opened Mandarin Oriental in Shanghai stuns by design and a promise of solace."

South China Morning Post

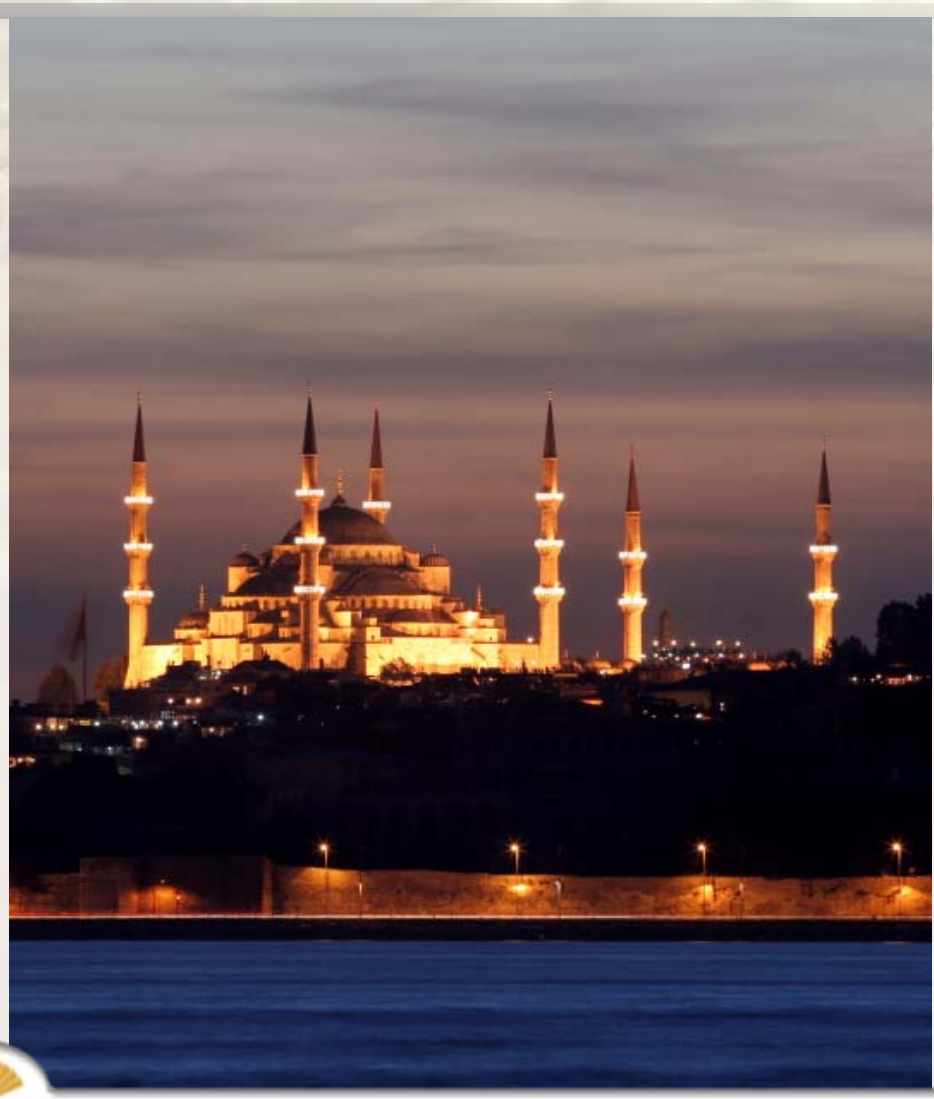
“Before you leave, take some time to meander through the property to observe the breath-taking array of artwork. More than 4,000 original pieces are on display throughout the public spaces and guest rooms of the hotel.”

Forbes Travel Guide

TOWARDS 10,000 ROOMS

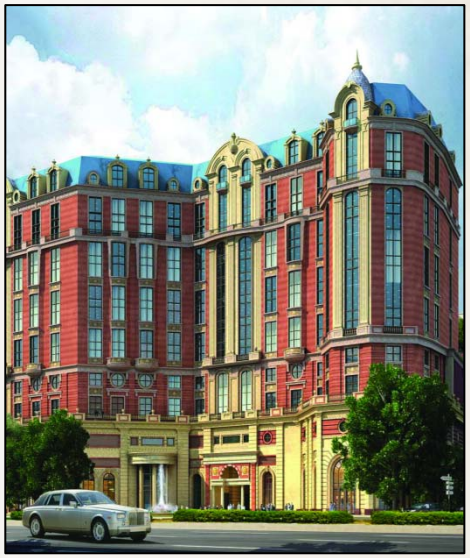
Mandarin Oriental Bosphorus, Istanbul ***(Management contract)***
Opening 2016

- Located on the shores of the Bosphorus
- 130 guestrooms and suites
- Private terraces with panoramic views
- Mandarin Oriental spa and restaurant concepts
- Will complement resort in Bodrum, Turkey



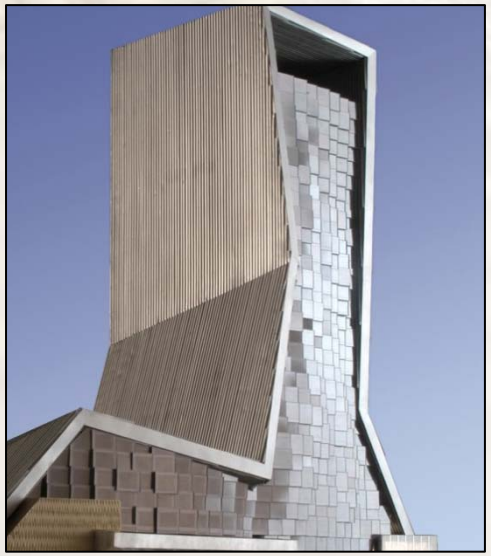
TOWARDS 10,000 ROOMS

- Scheduled to open four new hotels in next 18 months



Mandarin Oriental, Taipei

Mandarin Oriental, Marrakech



Mandarin Oriental, Beijing

Mandarin Oriental, Bodrum

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, such as our acquisition in Paris
- Brand strength attracts hotel owners and developers
- Strategy of ownership and management at the core of our business
- Continual review of development opportunities in key destinations

FINANCIAL REVIEW

FINANCIAL REVIEW

Summary Cash Flow Statement

US$m	June 2013	June 2012
Operating Activities		
Underlying EBITDA from subsidiaries	**88**	**62**

- 2013 underlying EBITDA from subsidiaries included US$7m of one-off items related to the acquisition of the Paris property in February 2013
- Excluding one-off items underlying EBITDA from subsidiaries was US$81m in 2013

FINANCIAL REVIEW

Summary Cash Flow Statement

US$m	June 2013	June 2012
Operating Activities		
Underlying EBITDA from subsidiaries	**88**	**62**
Dividends from associates	**4**	**3**
Net interest paid	**(8)**	**(5)**
Tax paid	**(5)**	**(6)**
Other (principally working capital)	**(16)**	**(12)**
Total	**63**	**42**

- Weighted average interest rate at 2.1% on Group borrowings (2.4% in 2012)
- Underlying EBITDA net interest cover was 11.4 times (9.9 times in 2012)

FINANCIAL REVIEW

Summary Cash Flow Statement

US$m	June 2013	June 2012
Investing Activities		
Capital expenditure at existing hotels	**(18)**	**(25)**
Paris acquisition	**(381)**	**-**
New York hotel*	**-**	**(19)**
Others	**(2)**	**-**
Total	**(401)**	**(44)**

* US$19m cash injection as part of the refinancing in 2012

FINANCIAL REVIEW

Analysis of capital expenditure at existing hotels

US$m	June 2013	June 2012
New London facilities	(7)	(9)
Geneva rooms renovation	(4)	(6)
Ongoing capex across the portfolio	(7)	(10)
Total capital expenditure at existing hotels	**(18)**	**(25)**

FINANCIAL REVIEW

Acquisition of Paris freehold

(rental income stream from hotel and two street-front retail units)

	€m	US$m
Purchase price	290	389
Transaction costs	5	5
	295 *	394
Deposit paid in 2012	(10)	(13)
	285	381

* Funded with €150m (US$201m) of new debt facilities and €145m (US$193m) of cash

FINANCIAL REVIEW

Summary Cash Flow Statement

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FINANCIAL REVIEW

Summary Cash Flow Statement

US$m	June 2013	June 2012
Operating Activities	**63**	**42**
Investing Activities	**(401)**	**(44)**
Financing Activities		
Dividends paid	**(50)**	**(40)**
Net drawdown of borrowings*	**203**	**3**
Other	**(1)**	**2**
Net increase/(decrease) in cash	**(186)**	**(37)**
Opening cash balance 1st Jan	**453**	**469**
Closing cash balance 30th Jun	**267**	**432**

* US$201m (€150m) of new debt facilities for the acquisition of the Paris property

FINANCIAL REVIEW

	June 2013	Dec 2012
Net debt (US$ million)	**508**	**137**
Adjusted shareholders' funds (US$ million)	**2,870**	**2,876**
Gearing	**18%**	**5%**

FINANCIAL REVIEW

- Approximately 41% of Group's gross debt hedged
- Average tenor of Group's borrowings is 1.6 years
- US$267 million of cash and US$85 million of undrawn, committed facilities
- The Group is in a very strong financial position

OUTLOOK

- Global economy remains uncertain
- Full year earnings will benefit from:
  - new hotel openings
  - further stabilisation of the Paris hotel's performance
  - strong competitive position with limited new supply in key markets
- Over the long term:
  - global expansion of brand
  - new business from traditional and emerging markets

MANDARIN ORIENTAL

THE HOTEL GROUP