

# news release

Mandarin Oriental International Limited

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To: Business Editor

1st August 2013  
For immediate release

*The following announcement was issued today to a Regulatory Information Service approved by the Financial Conduct Authority in the United Kingdom.*

## **MANDARIN ORIENTAL INTERNATIONAL LIMITED HALF-YEARLY RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE 2013**

### **Highlights**

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

“While the economic outlook is uncertain, Mandarin Oriental remains in a strong competitive and financial position.”

Ben Keswick, *Chairman*  
1st August 2013

### **Results**

|                                                                                                 | (unaudited)<br>Six months ended 30th June |                                          | Change |
|-------------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------|--------|
|                                                                                                 | 2013<br>US\$m                             | 2012<br>US\$m<br>restated <sup>(5)</sup> | %      |
| Combined total revenue of hotels under management <sup>(1)</sup>                                | 661.1                                     | 618.8                                    | +7     |
| Underlying EBITDA (Earnings before interest, tax, depreciation and amortization) <sup>(2)</sup> | 107.2                                     | 79.9                                     | +34    |
| EBITDA <sup>(2)</sup>                                                                           | 110.3                                     | 81.4                                     | +35    |
| Underlying profit attributable to shareholders <sup>(3)</sup>                                   | 53.7                                      | 28.2                                     | +90    |
| Profit attributable to shareholders                                                             | 56.8                                      | 29.7                                     | +91    |
|                                                                                                 | US¢                                       | US¢                                      | %      |
| Underlying earnings per share <sup>(3)</sup>                                                    | 5.36                                      | 2.83                                     | +89    |
| Earnings per share                                                                              | 5.67                                      | 2.98                                     | +90    |
| Interim dividend per share                                                                      | 2.00                                      | 2.00                                     | -      |
|                                                                                                 | US\$                                      | US\$                                     | %      |
| Net asset value per share                                                                       | 0.94                                      | 0.90                                     | +4     |
| Adjusted net asset value per share <sup>(4)</sup>                                               | 2.86                                      | 2.68                                     | +7     |
| Net debt/shareholders' funds                                                                    | 54%                                       | 17%                                      |        |
| Net debt/adjusted shareholders' funds <sup>(4)</sup>                                            | 18%                                       | 6%                                       |        |

- (1) Combined revenue includes turnover of the Group's subsidiary hotels in addition to 100% of revenue from associate and managed hotels.
- (2) EBITDA of subsidiaries plus the Group's share of EBITDA of associates.
- (3) Underlying profit attributable to shareholders and underlying earnings per share exclude non-trading items such as gains on disposals, provisions against asset impairment and writeback thereof.
- (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.
- (5) The accounts have been restated due to a change in accounting policy upon adoption of IAS 19 (amended 2011) 'Employee Benefits', as set out in note 1 to the condensed financial statements.

The interim dividend of US¢2.00 per share will be payable on 16th October 2013 to shareholders on the register of members at the close of business on 23rd August 2013. The ex-dividend date will be on 21st August 2013, and the share registers will be closed from 26th to 30th August 2013, inclusive.

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## **MANDARIN ORIENTAL INTERNATIONAL LIMITED**

### **HALF-YEARLY RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE 2013**

#### **OVERVIEW**

Most of the Group's hotels benefited from positive trading conditions in the first half of 2013, with pleasing performances achieved across the majority of the portfolio. Two new luxury hotels opened in Guangzhou and Shanghai and a new management contract for a hotel in Istanbul was announced in the period. The Group's total global portfolio of properties in operation or under development is now 45 hotels in 27 countries.

#### **PERFORMANCE**

Underlying earnings before interest, tax, depreciation and amortization for the first six months of 2013 were up 34% at US\$107 million. The first half benefited from US\$7 million of one-off items relating to the acquisition in February of the freehold rights of the Group's Paris hotel. Underlying earnings have also benefited from the resulting increased contribution from the Paris hotel and rental income from the two retail units. The Group's underlying profit for the period was US\$54 million, compared to US\$28 million in 2012. Underlying earnings per share were US¢5.36 compared with US¢2.83 in 2012. Profit attributable to shareholders was US\$57 million, which includes the writeback of a US\$3 million provision against asset impairment. This compares to US\$30 million in the first half of 2012, which included the writeback of a US\$1.5 million provision against asset impairment.

An interim dividend of US¢2.00 per share has been declared, unchanged from 2012.

#### **GROUP REVIEW**

At the Group's two wholly-owned Hong Kong hotels occupancy and average rates were in line with the same period in 2012, despite a softening in corporate demand. The Group's other Asian hotels performed well, particularly in Tokyo where visitor arrivals continued to increase.

In Europe, improved results in Munich, further stabilization in Paris and a solid performance in London more than compensated for subdued results in Geneva, where market conditions remained difficult.

In The Americas, demand increased as the trading environment improved, resulting in higher occupancies and average rates across the region.

## **DEVELOPMENTS**

Within the next 18 months, four new hotels are scheduled to open in Taipei, Marrakech, Bodrum and Beijing.

In May, the Group announced a new management contract for a luxury hotel that will be developed on a prime waterfront site in Istanbul, which is scheduled to open in 2016.

Mandarin Oriental currently operates 29 hotels and has a further 16 hotels under development. Together these represent over 11,000 rooms, with 19 hotels in Asia, 12 in The Americas and 14 in Europe, Middle East and North Africa. In addition, the Group operates or has under development 14 *Residences at Mandarin Oriental* connected to its properties.

## **PEOPLE**

Simon Keswick stepped down as Chairman in May, and remains a non-executive Director. We appreciate greatly his tremendous contribution as Chairman of the Company since his appointment in 1986.

## **OUTLOOK**

While the economic outlook is uncertain, Mandarin Oriental remains in a strong competitive and financial position.

Ben Keswick

*Chairman*

1st August 2013

**Mandarin Oriental International Limited**  
**Consolidated Profit and Loss Account**

|                                                     | (unaudited)<br>Six months ended 30th June |                                   |                |                                 |                                   |                            | Year ended 31st December<br>2012 |                                   |                            |
|-----------------------------------------------------|-------------------------------------------|-----------------------------------|----------------|---------------------------------|-----------------------------------|----------------------------|----------------------------------|-----------------------------------|----------------------------|
|                                                     | 2013                                      |                                   |                | 2012                            |                                   |                            |                                  |                                   |                            |
|                                                     | Underlying<br>US\$m                       | Non-<br>trading<br>items<br>US\$m | Total<br>US\$m | Underlying<br>US\$m<br>restated | Non-<br>trading<br>items<br>US\$m | Total<br>US\$m<br>restated | Underlying<br>US\$m<br>restated  | Non-<br>trading<br>items<br>US\$m | Total<br>US\$m<br>restated |
| Revenue ( <i>note 2</i> )                           | 327.2                                     | -                                 | 327.2          | 313.6                           | -                                 | 313.6                      | 648.3                            | -                                 | 648.3                      |
| Cost of sales                                       | (197.9)                                   | -                                 | (197.9)        | (205.7)                         | -                                 | (205.7)                    | (415.2)                          | -                                 | (415.2)                    |
| Gross profit                                        | 129.3                                     | -                                 | 129.3          | 107.9                           | -                                 | 107.9                      | 233.1                            | -                                 | 233.1                      |
| Selling and distribution costs                      | (22.2)                                    | -                                 | (22.2)         | (21.2)                          | -                                 | (21.2)                     | (44.0)                           | -                                 | (44.0)                     |
| Administration expenses                             | (46.0)                                    | -                                 | (46.0)         | (50.9)                          | 1.5                               | (49.4)                     | (106.7)                          | 1.5                               | (105.2)                    |
| Operating profit ( <i>note 3</i> )                  | 61.1                                      | -                                 | 61.1           | 35.8                            | 1.5                               | 37.3                       | 82.4                             | 1.5                               | 83.9                       |
| Financing charges                                   | (8.5)                                     | -                                 | (8.5)          | (7.4)                           | -                                 | (7.4)                      | (14.6)                           | -                                 | (14.6)                     |
| Interest income                                     | 0.8                                       | -                                 | 0.8            | 1.7                             | -                                 | 1.7                        | 3.5                              | -                                 | 3.5                        |
| Net financing charges                               | (7.7)                                     | -                                 | (7.7)          | (5.7)                           | -                                 | (5.7)                      | (11.1)                           | -                                 | (11.1)                     |
| Share of results of associates<br>( <i>note 4</i> ) | 10.0                                      | 3.1                               | 13.1           | 6.9                             | -                                 | 6.9                        | 15.5                             | -                                 | 15.5                       |
| Profit before tax                                   | 63.4                                      | 3.1                               | 66.5           | 37.0                            | 1.5                               | 38.5                       | 86.8                             | 1.5                               | 88.3                       |
| Tax ( <i>note 5</i> )                               | (9.0)                                     | -                                 | (9.0)          | (8.3)                           | -                                 | (8.3)                      | (17.3)                           | -                                 | (17.3)                     |
| Profit after tax                                    | 54.4                                      | 3.1                               | 57.5           | 28.7                            | 1.5                               | 30.2                       | 69.5                             | 1.5                               | 71.0                       |
| Attributable to:                                    |                                           |                                   |                |                                 |                                   |                            |                                  |                                   |                            |
| Shareholders of the Company                         | 53.7                                      | 3.1                               | 56.8           | 28.2                            | 1.5                               | 29.7                       | 69.2                             | 1.5                               | 70.7                       |
| Non-controlling interests                           | 0.7                                       | -                                 | 0.7            | 0.5                             | -                                 | 0.5                        | 0.3                              | -                                 | 0.3                        |
|                                                     | 54.4                                      | 3.1                               | 57.5           | 28.7                            | 1.5                               | 30.2                       | 69.5                             | 1.5                               | 71.0                       |
|                                                     | US¢                                       |                                   | US¢            | US¢                             |                                   | US¢                        | US¢                              |                                   | US¢                        |
| Earnings per share ( <i>note 6</i> )                |                                           |                                   |                |                                 |                                   |                            |                                  |                                   |                            |
| - basic                                             | 5.36                                      |                                   | 5.67           | 2.83                            |                                   | 2.98                       | 6.93                             |                                   | 7.08                       |
| - diluted                                           | 5.35                                      |                                   | 5.66           | 2.82                            |                                   | 2.97                       | 6.91                             |                                   | 7.06                       |

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**Mandarin Oriental International Limited**  
**Consolidated Statement of Comprehensive Income**


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|                                                                 | (unaudited)<br>Six months ended<br>30th June<br><b>2013</b><br><b>US\$m</b> | 2012<br>US\$m<br>restated | Year ended<br>31st<br>December<br>2012<br>US\$m<br>restated |
|-----------------------------------------------------------------|-----------------------------------------------------------------------------|---------------------------|-------------------------------------------------------------|
| Profit for the period                                           | <b>57.5</b>                                                                 | 30.2                      | 71.0                                                        |
| Other comprehensive (expense)/income                            |                                                                             |                           |                                                             |
| Items that will not be reclassified to profit or loss:          |                                                                             |                           |                                                             |
| Remeasurements of defined benefit plans                         | -                                                                           | 1.0                       | (0.3)                                                       |
| Tax on items that will not be reclassified                      | -                                                                           | (0.2)                     | -                                                           |
|                                                                 | -                                                                           | 0.8                       | (0.3)                                                       |
| Items that may be reclassified subsequently to profit or loss:  |                                                                             |                           |                                                             |
| Net exchange translation differences                            |                                                                             |                           |                                                             |
| - net (loss)/gain arising during the period                     | <b>(17.7)</b>                                                               | (4.9)                     | 11.6                                                        |
| Fair value gains on other investments                           | <b>0.4</b>                                                                  | -                         | -                                                           |
| Fair value gains on cash flow hedges                            | <b>5.0</b>                                                                  | 1.1                       | 4.0                                                         |
| Tax relating to items that may be reclassified                  | <b>(1.0)</b>                                                                | (0.3)                     | (0.8)                                                       |
| Share of other comprehensive (expense)/income of associates     | <b>(3.7)</b>                                                                | 0.4                       | 4.8                                                         |
|                                                                 | <b>(17.0)</b>                                                               | (3.7)                     | 19.6                                                        |
| Other comprehensive (expense)/income for the period, net of tax | <b>(17.0)</b>                                                               | (2.9)                     | 19.3                                                        |
| Total comprehensive income for the period                       | <b>40.5</b>                                                                 | 27.3                      | 90.3                                                        |
| Attributable to:                                                |                                                                             |                           |                                                             |
| Shareholders of the Company                                     | <b>39.9</b>                                                                 | 26.9                      | 89.9                                                        |
| Non-controlling interests                                       | <b>0.6</b>                                                                  | 0.4                       | 0.4                                                         |
|                                                                 | <b>40.5</b>                                                                 | 27.3                      | 90.3                                                        |

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**Mandarin Oriental International Limited**  
**Consolidated Balance Sheet**

|                               | 2013<br>US\$m | (unaudited)<br>At 30th June<br>2012<br>US\$m | At 31st<br>December<br>2012<br>US\$m |
|-------------------------------|---------------|----------------------------------------------|--------------------------------------|
| <b>Net assets</b>             |               |                                              |                                      |
| Intangible assets             | 41.7          | 40.5                                         | 42.1                                 |
| Tangible assets               | 1,407.5       | 1,030.6                                      | 1,055.5                              |
| Associates                    | 113.6         | 101.7                                        | 108.6                                |
| Other investments             | 8.7           | 6.7                                          | 7.2                                  |
| Loans receivable              | -             | -                                            | -                                    |
| Pension assets                | 10.0          | 12.0                                         | 11.2                                 |
| Deferred tax assets           | 3.6           | 6.9                                          | 4.7                                  |
| Non-current assets            | 1,585.1       | 1,198.4                                      | 1,229.3                              |
| Stocks                        | 6.0           | 5.9                                          | 6.3                                  |
| Debtors and prepayments       | 68.0          | 62.9                                         | 78.2                                 |
| Current tax assets            | 0.7           | 0.8                                          | 0.7                                  |
| Cash at bank                  | 267.0         | 432.2                                        | 453.7                                |
| Current assets                | 341.7         | 501.8                                        | 538.9                                |
| Creditors and accruals        | (123.9)       | (114.1)                                      | (135.8)                              |
| Current borrowings            | (130.2)       | (3.4)                                        | (9.7)                                |
| Current tax liabilities       | (13.3)        | (11.8)                                       | (10.6)                               |
| Current liabilities           | (267.4)       | (129.3)                                      | (156.1)                              |
| Net current assets            | 74.3          | 372.5                                        | 382.8                                |
| Long-term borrowings          | (644.6)       | (580.6)                                      | (580.5)                              |
| Deferred tax liabilities      | (64.0)        | (64.8)                                       | (64.3)                               |
| Pension liabilities           | (0.6)         | (0.2)                                        | (0.6)                                |
| Other non-current liabilities | (5.1)         | (18.2)                                       | (15.5)                               |
|                               | 945.1         | 907.1                                        | 951.2                                |
| <b>Total equity</b>           |               |                                              |                                      |
| Share capital                 | 50.1          | 50.0                                         | 50.0                                 |
| Share premium                 | 184.4         | 182.0                                        | 182.1                                |
| Revenue and other reserves    | 704.7         | 669.8                                        | 713.8                                |
| Shareholders' funds           | 939.2         | 901.8                                        | 945.9                                |
| Non-controlling interests     | 5.9           | 5.3                                          | 5.3                                  |
|                               | 945.1         | 907.1                                        | 951.2                                |

**Mandarin Oriental International Limited**  
**Consolidated Statement of Changes in Equity**

|                                                           | Share<br>capital<br>US\$m | Share<br>premium<br>US\$m | Capital<br>reserves<br>US\$m | Revenue<br>reserves<br>US\$m | Hedging<br>reserves<br>US\$m | Exchange<br>reserves<br>US\$m | Attributable to<br>shareholders<br>of<br>the Company<br>US\$m | Attributable<br>to<br>non-<br>controlling<br>interests<br>US\$m | Total<br>equity<br>US\$m |
|-----------------------------------------------------------|---------------------------|---------------------------|------------------------------|------------------------------|------------------------------|-------------------------------|---------------------------------------------------------------|-----------------------------------------------------------------|--------------------------|
| <b><i>Six months ended 30th June 2013 (unaudited)</i></b> |                           |                           |                              |                              |                              |                               |                                                               |                                                                 |                          |
| At 1st January 2013                                       | 50.0                      | 182.1                     | 281.3                        | 442.6                        | (12.9)                       | 2.8                           | 945.9                                                         | 5.3                                                             | <b>951.2</b>             |
| Total comprehensive income                                | -                         | -                         | -                            | 57.1                         | 4.1                          | (21.3)                        | 39.9                                                          | 0.6                                                             | <b>40.5</b>              |
| Dividends paid by the Company                             | -                         | -                         | -                            | (50.1)                       | -                            | -                             | (50.1)                                                        | -                                                               | <b>(50.1)</b>            |
| Issue of shares                                           | 0.1                       | 1.6                       | -                            | -                            | -                            | -                             | 1.7                                                           | -                                                               | <b>1.7</b>               |
| Employee share option schemes                             | -                         | 0.3                       | 1.5                          | -                            | -                            | -                             | 1.8                                                           | -                                                               | <b>1.8</b>               |
| Transfer between reserves                                 | -                         | 0.4                       | (0.4)                        | -                            | -                            | -                             | -                                                             | -                                                               | -                        |
| At 30th June 2013                                         | <b>50.1</b>               | <b>184.4</b>              | <b>282.4</b>                 | <b>449.6</b>                 | <b>(8.8)</b>                 | <b>(18.5)</b>                 | <b>939.2</b>                                                  | <b>5.9</b>                                                      | <b>945.1</b>             |
| <b><i>Six months ended 30th June 2012 (unaudited)</i></b> |                           |                           |                              |                              |                              |                               |                                                               |                                                                 |                          |
| At 1st January 2012                                       | 49.8                      | 179.7                     | 278.7                        | 432.1                        | (16.1)                       | (13.5)                        | 910.7                                                         | 4.9                                                             | 915.6                    |
| Total comprehensive income                                | -                         | -                         | -                            | 30.5                         | 0.8                          | (4.4)                         | 26.9                                                          | 0.4                                                             | 27.3                     |
| Dividends paid by the Company                             | -                         | -                         | -                            | (39.9)                       | -                            | -                             | (39.9)                                                        | -                                                               | (39.9)                   |
| Issue of shares                                           | 0.2                       | 2.3                       | -                            | -                            | -                            | -                             | 2.5                                                           | -                                                               | 2.5                      |
| Employee share option schemes                             | -                         | -                         | 1.6                          | -                            | -                            | -                             | 1.6                                                           | -                                                               | 1.6                      |
| At 30th June 2012                                         | <b>50.0</b>               | <b>182.0</b>              | <b>280.3</b>                 | <b>422.7</b>                 | <b>(15.3)</b>                | <b>(17.9)</b>                 | <b>901.8</b>                                                  | <b>5.3</b>                                                      | <b>907.1</b>             |
| <b><i>Year ended 31st December 2012</i></b>               |                           |                           |                              |                              |                              |                               |                                                               |                                                                 |                          |
| At 1st January 2012                                       | 49.8                      | 179.7                     | 278.7                        | 432.1                        | (16.1)                       | (13.5)                        | 910.7                                                         | 4.9                                                             | 915.6                    |
| Total comprehensive income                                | -                         | -                         | -                            | 70.4                         | 3.2                          | 16.3                          | 89.9                                                          | 0.4                                                             | 90.3                     |
| Dividends paid by the Company                             | -                         | -                         | -                            | (59.9)                       | -                            | -                             | (59.9)                                                        | -                                                               | (59.9)                   |
| Issue of shares                                           | 0.2                       | 2.4                       | -                            | -                            | -                            | -                             | 2.6                                                           | -                                                               | 2.6                      |
| Employee share option schemes                             | -                         | -                         | 2.6                          | -                            | -                            | -                             | 2.6                                                           | -                                                               | 2.6                      |
| At 31st December 2012                                     | <b>50.0</b>               | <b>182.1</b>              | <b>281.3</b>                 | <b>442.6</b>                 | <b>(12.9)</b>                | <b>2.8</b>                    | <b>945.9</b>                                                  | <b>5.3</b>                                                      | <b>951.2</b>             |

Total comprehensive income for the six months ended 30th June 2013 included in revenue reserves comprises profit attributable to shareholders of the Company of US\$56.8 million (2012: US\$29.7 million) and net fair value gains on other investments of US\$0.3 million (2012: nil). There was no net actuarial gain on employee benefit plans in 2013 (2012: US\$0.8 million).

Total comprehensive income for the year ended 31st December 2012 included in revenue reserves comprises profit attributable to shareholders of the Company of US\$70.7 million and net actuarial loss on employee benefit plans of US\$0.3 million.

**Mandarin Oriental International Limited**  
**Consolidated Cash Flow Statement**

|                                                          | (unaudited)<br>Six months ended<br>30th June<br><b>2013</b><br><b>US\$m</b> | Year ended<br>31st<br>December<br>2012<br>US\$m<br>restated |
|----------------------------------------------------------|-----------------------------------------------------------------------------|-------------------------------------------------------------|
| <b>Operating activities</b>                              |                                                                             |                                                             |
| Operating profit                                         | <b>61.1</b>                                                                 | 37.3                                                        |
| Depreciation                                             | <b>26.0</b>                                                                 | 25.3                                                        |
| Amortization of intangible assets                        | <b>1.2</b>                                                                  | 1.2                                                         |
| Other non-cash items                                     | <b>(4.4)</b>                                                                | (0.3)                                                       |
| Movements in working capital                             | <b>(11.8)</b>                                                               | (13.7)                                                      |
| Interest received                                        | <b>0.8</b>                                                                  | 1.9                                                         |
| Interest and other financing charges paid                | <b>(9.1)</b>                                                                | (7.1)                                                       |
| Tax paid                                                 | <b>(5.3)</b>                                                                | (6.1)                                                       |
|                                                          | <b>58.5</b>                                                                 | 38.5                                                        |
| Dividends from associates                                | <b>4.4</b>                                                                  | 3.3                                                         |
| Cash flows from operating activities                     | <b>62.9</b>                                                                 | 41.8                                                        |
| <b>Investing activities</b>                              |                                                                             |                                                             |
| Purchase of tangible assets                              | <b>(17.8)</b>                                                               | (24.5)                                                      |
| Purchase of intangible assets                            | <b>(0.7)</b>                                                                | (1.2)                                                       |
| Acquisition of Paris freehold interest ( <i>note 8</i> ) | <b>(381.3)</b>                                                              | -                                                           |
| Investments in and loans to associates                   | -                                                                           | (19.3)                                                      |
| Repayment of mezzanine loan                              | -                                                                           | 1.5                                                         |
| Purchase of other investments                            | <b>(1.1)</b>                                                                | (0.7)                                                       |
| Cash flows from investing activities                     | <b>(400.9)</b>                                                              | (44.2)                                                      |
| <b>Financing activities</b>                              |                                                                             |                                                             |
| Issue of shares                                          | <b>2.0</b>                                                                  | 2.5                                                         |
| Drawdown of borrowings ( <i>note 8</i> )                 | <b>204.6</b>                                                                | 4.9                                                         |
| Repayment of borrowings                                  | <b>(2.1)</b>                                                                | (2.2)                                                       |
| Dividends paid by the Company ( <i>note 9</i> )          | <b>(50.1)</b>                                                               | (39.9)                                                      |
| Cash flows from financing activities                     | <b>154.4</b>                                                                | (34.7)                                                      |
| Net decrease in cash and cash equivalents                | <b>(183.6)</b>                                                              | (37.1)                                                      |
| Cash and cash equivalents at beginning of period         | <b>453.4</b>                                                                | 469.1                                                       |
| Effect of exchange rate changes                          | <b>(3.2)</b>                                                                | (0.3)                                                       |
| Cash and cash equivalents at end of period               | <b>266.6</b>                                                                | 431.7                                                       |

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**Mandarin Oriental International Limited**  
**Notes to Condensed Financial Statements**


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**1. ACCOUNTING POLICIES AND BASIS OF PREPARATION**

The condensed financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting'. The condensed financial statements have not been audited or reviewed by the Group's auditor pursuant to the UK Auditing Practices Board guidance on the review of interim financial information.

The following standards, amendments and interpretations which are effective in the current accounting period and relevant to the Group's operations are adopted in 2013:

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|                                   |                                                                                                                          |
|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| IFRS 10                           | Consolidated Financial Statements                                                                                        |
| IFRS 11                           | Joint Arrangements                                                                                                       |
| IFRS 12                           | Disclosure of Interests in Other Entities                                                                                |
| IFRS 13                           | Fair Value Measurement                                                                                                   |
| Amendments to IFRS 7              | Disclosure – Offsetting Financial Assets and Financial Liabilities                                                       |
| Amendments to IFRSs 10, 11 and 12 | Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance |
| Amendments to IAS 1               | Presentation of Items of Other Comprehensive Income                                                                      |
| IAS 19 (amended 2011)             | Employee Benefits                                                                                                        |
| IAS 27 (2011)                     | Separate Financial Statements                                                                                            |
| IAS 28 (2011)                     | Investments in Associates and Joint Ventures                                                                             |
| Annual Improvement to IFRS        | 2009 – 2011 Cycle                                                                                                        |

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There have been no changes to the accounting policies described in the 2012 annual financial statements except for the adoption of IAS 19 (amended 2011).

IFRS 10 'Consolidated Financial Statements' replaces SIC Interpretation 12 'Consolidation – Special Purpose Entities' and most of IAS 27 'Consolidated and Separate Financial Statements'. It contains a new single consolidation model that identifies control as the basis for consolidation for all types of entities. It provides a definition of control that comprises the elements of power over an investee; exposure of rights to variable returns from an investee; and ability to use power to affect the reporting entity's returns.

IFRS 11 'Joint Arrangements' replaces IAS 31 'Interests in Joint Ventures' and SIC 13 'Jointly Controlled Entities – Non Monetary Contributions by Venturers'. Under IFRS 11, joint arrangements are classified as either joint operations (whereby the parties that have joint control have rights to the assets and obligations for the liabilities of the joint arrangements) or joint ventures (whereby the parties that have joint control have rights to the net assets of the joint arrangements). Joint operations are accounted for by showing the party's interest in the assets, liabilities, revenue and expenses, and/or its relative share of jointly controlled assets, liabilities, revenue and expenses, if any. Accounting for joint ventures is now covered by IAS 28 (2011) as proportionate consolidation is no longer permitted.

## 1. ACCOUNTING POLICIES AND BASIS OF PREPARATION (*CONTINUED*)

IFRS 12 ‘Disclosure of Interests in Other Entities’ requires entities to disclose information that helps financial statements readers to evaluate the nature, risks and financial effects associated with the entity’s interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. Disclosure required includes significant judgements and assumptions made in determining whether an entity controls, jointly controls, significantly influences or has some other interest in other entities.

IFRS 13 ‘Fair Value Measurement’ requires entities to disclose information about the valuation techniques and inputs used to measure fair value, as well as information about the uncertainty inherent in fair value measurements. The standard applies to both financial and non-financial items measured at fair value. Fair value is now defined as ‘the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date’ (i.e. an exit price).

Amendments to IFRS 7 ‘Disclosures – Offsetting Financial Assets and Financial Liabilities’ focus on disclosures of quantitative information about recognized financial instruments that are offset in the balance sheet, as well as those recognized financial instruments that are subject to master netting or similar arrangements irrespective of whether they are offset.

Amendments to IFRSs 10, 11 and 12 on transition guidance provide additional transition relief to IFRSs 10, 11 and 12, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. For disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before IFRS 12 is first applied.

Amendments to IAS 1 ‘Presentation of Items of Other Comprehensive Income’ improve the consistency and clarity of the presentation of items of other comprehensive income. The amendments require entities to separate items presented in other comprehensive income into two groups, based on whether or not they may be reclassified to profit or loss in the future. Items that will not be reclassified – such as remeasurements of defined benefit pension plans – will be presented separately from items that may be reclassified in the future – such as deferred gains and losses on cash flow hedges. The amounts of tax related to the two groups are required to be allocated on the same basis.

IAS 19 (amended 2011) ‘Employee Benefits’ requires, for defined benefit plans, the assumed return on plan assets recognized in the profit and loss to be the same as the rate used to discount the defined benefit obligation. Previously, the Group determined income on plan assets based on their long-term rate of expected return. It also requires past service costs to be recognized immediately in profit or loss. Additional disclosures are required to present the characteristics of defined benefit plans, the amount recognized in the financial statements, and the risks arising from defined benefit plans and multi-employer plans. The Group has applied the amended standard retrospectively and the comparative financial statements have been restated in accordance with the transition provisions of the standard. Details of the effect of the change are set out on page 12.

## 1. ACCOUNTING POLICIES AND BASIS OF PREPARATION (*CONTINUED*)

IAS 27 (2011) 'Separate Financial Statements' supersedes IAS 27 (2008) and prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. There is no impact on the consolidated financial statements as the changes only affect the separate financial statements of the investing entity.

IAS 28 (2011) 'Investments in Associates and Joint Ventures' supersedes IAS 28 (2008) and prescribes the accounting for investments in associates and joint ventures and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

Amendment to IAS 1 'Presentation of Financial Statements' clarifies the disclosure requirements for comparative information when an entity provides a third balance sheet either as required by IAS 8, 'Accounting policies, changes in accounting estimates and errors'; or voluntarily. When an entity produces an additional balance sheet as required by IAS 8, the balance sheet should be as at the date of the beginning of the preceding period – that is, the opening position. No notes are required to support this balance sheet. When management provides additional comparative information voluntarily – for example, profit and loss account, balance sheet – it should present the supporting notes to these additional statements.

Amendment to IAS 16 'Property, Plant and Equipment' clarifies that spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment. The previous wording of IAS 16 indicated that servicing equipment should be classified as inventory, even if it was used for more than one period. Following the amendment, this equipment used for more than one period is classified as property, plant and equipment.

Amendment to IAS 32 'Financial Instruments: Presentation' clarifies that income tax related to profit distributions is recognized in the profit and loss account, and income tax related to the costs of equity transactions is recognized in equity. Prior to the amendment, IAS 32 was ambiguous as to whether the tax effects of distributions and the tax effects of equity transactions should be accounted for in the profit and loss account or in equity.

Amendment to IAS 34 'Interim Financial Reporting' clarifies the disclosure requirements for segment assets and liabilities in interim financial statements. A measure of total assets and liabilities is required for an operating segment in interim financial statements if such information is regularly provided to the chief operating decision maker and there has been a material change in those measures since the last annual financial statements.

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

The effects of adopting IAS 19 (amended 2011) were as follows:

On the consolidated profit and loss for the six months ended 30th June 2012

|                                              | US\$m        |
|----------------------------------------------|--------------|
| Increase in administration expense           | (1.0)        |
| Decrease in tax                              | 0.2          |
| Decrease in profit after tax                 | <u>(0.8)</u> |
| Attributable to:                             |              |
| Shareholders of the Company                  | (0.8)        |
| Non-controlling interests                    | <u>-</u>     |
| Decrease in basic earnings per share (US¢)   | <u>0.08</u>  |
| Decrease in diluted earnings per share (US¢) | <u>0.08</u>  |

There was no impact on the consolidated balance sheet as at 31st December 2012 and 2011.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

## 2. REVENUE

|                              | Six months ended 30th June |              |
|------------------------------|----------------------------|--------------|
|                              | <b>2013</b>                | 2012         |
|                              | <b>US\$m</b>               | US\$m        |
| <i>By geographical area:</i> |                            |              |
| Hong Kong                    | <b>118.9</b>               | 115.9        |
| Other Asia                   | <b>67.2</b>                | 68.5         |
| Europe                       | <b>106.4</b>               | 97.3         |
| The Americas                 | <b>34.7</b>                | 31.9         |
|                              | <u><b>327.2</b></u>        | <u>313.6</u> |

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

|                                                                   | Six months ended 30th June |          |
|-------------------------------------------------------------------|----------------------------|----------|
|                                                                   | <b>2013</b>                | 2012     |
|                                                                   | <b>US\$m</b>               | US\$m    |
|                                                                   |                            | restated |
| <i>By geographical area:</i>                                      |                            |          |
| Hong Kong                                                         | <b>40.0</b>                | 40.3     |
| Other Asia                                                        | <b>16.8</b>                | 12.5     |
| Europe                                                            | <b>26.7</b>                | 6.4      |
| The Americas                                                      | <b>4.8</b>                 | 3.1      |
| Underlying EBITDA from subsidiaries                               | <b>88.3</b>                | 62.3     |
| Writeback of provision against asset impairment ( <i>note 7</i> ) | -                          | 1.5      |
| EBITDA from subsidiaries                                          | <b>88.3</b>                | 63.8     |
| Less depreciation and amortization                                | <b>(27.2)</b>              | (26.5)   |
| Operating profit                                                  | <b>61.1</b>                | 37.3     |

### 4. SHARE OF RESULTS OF ASSOCIATES

|                                                                   | EBITDA      | Depreciation and amortization | Operating profit | Net financing charges | Tax          | Net profit/(loss) |
|-------------------------------------------------------------------|-------------|-------------------------------|------------------|-----------------------|--------------|-------------------|
|                                                                   | US\$m       | US\$m                         | US\$m            | US\$m                 | US\$m        | US\$m             |
| <b>Six months ended 30th June 2013</b>                            |             |                               |                  |                       |              |                   |
| <i>By geographical area:</i>                                      |             |                               |                  |                       |              |                   |
| Other Asia                                                        | 16.2        | (4.6)                         | 11.6             | (0.8)                 | (1.1)        | 9.7               |
| The Americas                                                      | 2.7         | (1.5)                         | 1.2              | (0.9)                 | -            | 0.3               |
|                                                                   | 18.9        | (6.1)                         | 12.8             | (1.7)                 | (1.1)        | 10.0              |
| Non-trading item in Other Asia:                                   |             |                               |                  |                       |              |                   |
| Writeback of provision against asset impairment ( <i>note 7</i> ) | 3.1         | -                             | 3.1              | -                     | -            | 3.1               |
|                                                                   | <b>22.0</b> | <b>(6.1)</b>                  | <b>15.9</b>      | <b>(1.7)</b>          | <b>(1.1)</b> | <b>13.1</b>       |
| <b>Six months ended 30th June 2012</b>                            |             |                               |                  |                       |              |                   |
| <i>By geographical area:</i>                                      |             |                               |                  |                       |              |                   |
| Other Asia                                                        | 15.8        | (4.5)                         | 11.3             | (0.9)                 | (2.4)        | 8.0               |
| The Americas                                                      | 1.8         | (1.4)                         | 0.4              | (1.5)                 | -            | (1.1)             |
|                                                                   | 17.6        | (5.9)                         | 11.7             | (2.4)                 | (2.4)        | 6.9               |

## 5. TAX

|                                                        | Six months ended 30th June |            |
|--------------------------------------------------------|----------------------------|------------|
|                                                        | 2013                       | 2012       |
|                                                        | US\$m                      | US\$m      |
|                                                        |                            | restated   |
| Tax charged to profit and loss is analyzed as follows: |                            |            |
| Current tax                                            | 8.1                        | 6.9        |
| Deferred tax                                           | 0.9                        | 1.4        |
|                                                        | <b>9.0</b>                 | <b>8.3</b> |
| <i>By geographical area:</i>                           |                            |            |
| Hong Kong                                              | 5.9                        | 5.3        |
| Other Asia                                             | 0.7                        | 1.1        |
| Europe                                                 | 2.3                        | 2.0        |
| The Americas                                           | 0.1                        | (0.1)      |
|                                                        | <b>9.0</b>                 | <b>8.3</b> |

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

|                                               |              |              |
|-----------------------------------------------|--------------|--------------|
| Actuarial valuation of employee benefit plans | -            | (0.2)        |
| Fair value gains on other investments         | (0.1)        | -            |
| Cash flow hedges                              | (0.9)        | (0.3)        |
|                                               | <b>(1.0)</b> | <b>(0.5)</b> |

Tax on profits has been calculated at rates of taxation prevailing in the territories in which the Group operates.

Share of tax charge of associates of US\$1.1 million (2012: US\$2.4 million) is included in share of results of associates (*note 4*).

## 6. EARNINGS PER SHARE

Basic earnings per share are calculated on the profit attributable to shareholders of US\$56.8 million (2012: US\$29.7 million) and on the weighted average number of 1,001.3 million (2012: 997.8 million) shares in issue during the period. 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\$56.8 million (2012: US\$29.7 million) and on the weighted average number of 1,003.5 million (2012: 1,000.4 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 period.

## 6. EARNINGS PER SHARE (CONTINUED)

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

|                                                                                                                   | Ordinary shares in millions |         |
|-------------------------------------------------------------------------------------------------------------------|-----------------------------|---------|
|                                                                                                                   | 2013                        | 2012    |
| Weighted average number of shares in issue                                                                        | <b>1,001.3</b>              | 997.8   |
| Adjustment for shares deemed to be issued for no consideration under the Senior Executive Share Incentive Schemes | <b>2.2</b>                  | 2.6     |
| Weighted average number of shares for diluted earnings per share                                                  | <b>1,003.5</b>              | 1,000.4 |

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:

|                                                | Six months ended 30th June |                              |                                |                |                                       |                                         |
|------------------------------------------------|----------------------------|------------------------------|--------------------------------|----------------|---------------------------------------|-----------------------------------------|
|                                                | 2013                       |                              |                                | 2012           |                                       |                                         |
|                                                | US\$m                      | Basic earnings per share US¢ | Diluted earnings per share US¢ | US\$m restated | Basic earnings per share US¢ restated | Diluted earnings per share US¢ restated |
| Profit attributable to shareholders            | <b>56.8</b>                | <b>5.67</b>                  | <b>5.66</b>                    | 29.7           | 2.98                                  | 2.97                                    |
| Non-trading items (note 7)                     | <b>(3.1)</b>               | <b>(0.31)</b>                | <b>(0.31)</b>                  | (1.5)          | (0.15)                                | (0.15)                                  |
| Underlying profit attributable to shareholders | <b>53.7</b>                | <b>5.36</b>                  | <b>5.35</b>                    | 28.2           | 2.83                                  | 2.82                                    |

## 7. 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 include items such as gains on disposals, provisions against asset impairment and writeback thereof as well as material items which are non-recurring in nature.

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

|                                                 | Six months ended 30th June |               |
|-------------------------------------------------|----------------------------|---------------|
|                                                 | 2013<br>US\$m              | 2012<br>US\$m |
| Writeback of provision against asset impairment | <b>3.1</b>                 | 1.5           |

## 8. ACQUISITION OF PARIS FREEHOLD INTEREST

On 8th February 2013, the Group completed the acquisition of the freehold interest in the building housing Mandarin Oriental, Paris and two prime street front retail units from Société Foncière Lyonnaise for €290.0 million (US\$388.9 million). The Group had paid a €10.0 million (US\$13.1 million) advance deposit in late 2012; and the remaining balance together with transaction expenses of US\$5.5 million was paid in February 2013.

The acquisition was partly funded by new five-year €150.0 million (US\$201.1 million) debt facilities, with the balance from the Group's cash reserves.

Pursuant to this acquisition, one-off items totalling US\$7.4 million have been credited to the profit and loss account in February 2013. These one-off credits include the release of lease accrual of €3.0 million (US\$4.0 million), the capitalization of acquisition costs (US\$1.5 million), as well as an exchange gain arising on acquisition (US\$1.9 million).

## 9. DIVIDENDS

An interim dividend of US¢2.00 per share has been declared in respect of 2013 (2012: US¢2.00 per share).

A final dividend of US¢5.00 per share amounting to a total of US\$50.1 million has been paid in respect of 2012. This amount has been accounted for as an appropriation of revenue reserves in the year ending 31st December 2013.

## 10. CAPITAL COMMITMENTS

|                     | At 30th June<br><b>2013</b><br><b>US\$m</b> | 2012<br>US\$m | At 31st<br>December<br>2012<br>US\$m |
|---------------------|---------------------------------------------|---------------|--------------------------------------|
| Capital commitments | <b>20.5</b>                                 | 29.3          | 23.7                                 |

## 11. FINANCIAL INSTRUMENTS

## Financial instruments by category

The fair values of financial assets and financial liabilities, together with carrying amounts at 30th June 2013 are as follows:

|                                                                       | Loans and<br>receivables<br>US\$m                | Derivatives<br>US\$m | Available-<br>for-sale<br>US\$m                                    | Total<br>carrying<br>amount<br>US\$m | Fair<br>value<br>US\$m |
|-----------------------------------------------------------------------|--------------------------------------------------|----------------------|--------------------------------------------------------------------|--------------------------------------|------------------------|
| <i>Assets</i>                                                         |                                                  |                      |                                                                    |                                      |                        |
| Other investments                                                     | -                                                | -                    | 8.7                                                                | 8.7                                  | 8.7                    |
| Debtors                                                               | 56.0                                             | -                    | -                                                                  | 56.0                                 | 56.0                   |
| Bank balances and<br>other liquid funds                               | 267.0                                            | -                    | -                                                                  | 267.0                                | 267.0                  |
|                                                                       | <b>323.0</b>                                     | <b>-</b>             | <b>8.7</b>                                                         | <b>331.7</b>                         | <b>331.7</b>           |
|                                                                       |                                                  |                      |                                                                    |                                      |                        |
|                                                                       | Fair value<br>through<br>profit or loss<br>US\$m | Derivatives<br>US\$m | Other<br>financial<br>liabilities at<br>amortized<br>cost<br>US\$m | Total<br>carrying<br>amount<br>US\$m | Fair<br>value<br>US\$m |
| <i>Liabilities</i>                                                    |                                                  |                      |                                                                    |                                      |                        |
| Borrowings                                                            | -                                                | -                    | 774.8                                                              | 774.8                                | 775.0                  |
| Trade and other<br>payables excluding<br>non-financial<br>liabilities | -                                                | 10.3                 | 113.2                                                              | 123.5                                | 123.5                  |
|                                                                       | <b>-</b>                                         | <b>10.3</b>          | <b>888.0</b>                                                       | <b>898.3</b>                         | <b>898.5</b>           |

*Fair value estimation**(i) Financial instruments that are measured at fair value*

For financial instruments that are measured at fair value in the balance sheet, the corresponding fair value measurements are disclosed by level of the following fair value measurement hierarchy:

- (a) Quoted prices (unadjusted) in active markets for identical assets or liabilities ('quoted prices in active markets')

The fair value of listed securities, which are classified as available-for-sale, is based on quoted prices in active markets at the balance sheet date. The quoted market price used for listed investments held by the Group is the current bid price.

## 11. FINANCIAL INSTRUMENTS (CONTINUED)

*Fair value estimation (continued)*

- (b) Inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly ('observable current market transactions')  
The fair values of all interest rate swaps and caps, cross-currency swaps, forward foreign exchange contracts and credit default swaps are determined using rates quoted by the Group's bankers at the balance sheet date which are calculated by reference to market interest rates and foreign exchange rates.

The fair values of unlisted investments, which are classified as available-for-sale, are determined using prices quoted by brokers at the balance sheet date.

- (c) Inputs for assets or liabilities that are not based on observable market data ('unobservable inputs')  
The fair value of unlisted securities, which are classified as available-for-sale, is determined using valuation techniques by reference to observable current market transactions (including price-earnings and price-book multiples of listed securities of entities engaged in similar industries) or the market prices of the underlying investments with certain degree of entity specific estimates.

There were no changes in valuation techniques during the period.

The table below analyzes financial instruments carried at fair value at 30th June 2013, by the levels in the fair value measurement hierarchy:

|                                     | Quoted<br>prices in<br>active<br>markets<br>US\$m | Observable<br>current<br>market<br>transactions<br>US\$m | Unobservable<br>inputs<br>US\$m | Total<br>US\$m |
|-------------------------------------|---------------------------------------------------|----------------------------------------------------------|---------------------------------|----------------|
| <i>Assets</i>                       |                                                   |                                                          |                                 |                |
| Available-for-sale financial assets |                                                   |                                                          |                                 |                |
| - unlisted investments              | -                                                 | 3.1                                                      | 5.6                             | 8.7            |
|                                     | <b>-</b>                                          | <b>3.1</b>                                               | <b>5.6</b>                      | <b>8.7</b>     |
| <i>Liabilities</i>                  |                                                   |                                                          |                                 |                |
| Derivative financial instruments    | -                                                 | 10.3                                                     | -                               | 10.3           |
|                                     | <b>-</b>                                          | <b>10.3</b>                                              | <b>-</b>                        | <b>10.3</b>    |

## 11. FINANCIAL INSTRUMENTS (CONTINUED)

### *Fair value estimation (continued)*

There are no transfers among the three categories during the period ended 30th June 2013.

Movement of financial instruments which are valued based on unobservable inputs during the six months ended 30th June 2013 are as follow:

|                             | Available-<br>for-sale<br>financial<br>assets<br>US\$m |
|-----------------------------|--------------------------------------------------------|
| Balance at 1st January 2013 | 4.8                                                    |
| Additions                   | 0.8                                                    |
|                             | <b>5.6</b>                                             |

### *(ii) Financial instruments that are not measured at fair value*

The fair values of debtors and prepayments, bank balances and other liquid funds, creditors and accruals and current borrowings are assumed to approximate their carrying amounts due to the short-term maturities of these assets and liabilities.

The fair values of long-term borrowings are based on market prices or are estimated using the expected future payments discounted at market interest rates.

## 12. RELATED PARTY TRANSACTIONS

In the normal course of business the Group undertakes a variety of transactions with certain of its associates.

The most significant of such transactions are management fees of US\$7.7 million (2012: US\$7.4 million) received from the Group's five (2012: five) associate hotels which are based on long-term management agreements on normal commercial terms.

There were no other related party transactions that might be considered to have a material effect on the financial position or performance of the Group that were entered into or changed during the first six months of the current financial year.

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**Mandarin Oriental International Limited**  
**Going Concern Statement**

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The Directors are required to consider whether it is appropriate to prepare financial statements on the basis that the Company and the Group are going concerns. The Group prepares comprehensive financial forecasts and, based on these forecasts, cash resources and existing credit facilities, the Directors consider that the Company and the Group have adequate resources to continue in business for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

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**Principal Risks and Uncertainties**

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The Board has overall responsibility for risk management and internal control. The following have been identified previously as the areas of principal risk and uncertainty facing the Company, and they remain relevant in the second half of the year:

- Economic and Financial Risk
- Commercial and Market Risk
- Pandemic, Terrorism and Natural Disasters
- Key Agreements
- Intellectual Property and Value of the Brand
- Regulatory and Political Risk

For greater detail, please refer to pages 84 to 85 of the Company's Annual Report for 2012, a copy of which is available on the Company's website [www.mandarinoriental.com](http://www.mandarinoriental.com).

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**Responsibility Statement**

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The Directors of the Company confirm to the best of their knowledge that:

- (a) the condensed financial statements have been prepared in accordance with IAS 34; and
- (b) the interim management report includes a fair review of all information required to be disclosed by the Disclosure and Transparency Rules 4.2.7 and 4.2.8 issued by the Financial Conduct Authority of the United Kingdom.

For and on behalf of the Board

Edouard Ettegui  
Stuart Dickie

*Directors*

1st August 2013

*The interim dividend of US\$2.00 per share will be payable on 16th October 2013 to shareholders on the register of members at the close of business on 23rd August 2013. The ex-dividend date will be on 21st August 2013, and the share registers will be closed from 26th to 30th August 2013, 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 2013 interim dividend by notifying the United Kingdom transfer agent in writing by 27th September 2013. The sterling equivalent of dividends declared in United States dollars will be calculated by reference to a rate prevailing on 2nd October 2013. 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, 45 hotels representing over 11,000 rooms in 27 countries, with 19 hotels in Asia, 12 in The Americas and 14 in Europe, Middle East and North Africa. In addition, the Group operates, or has under development, 14 *Residences at Mandarin Oriental* connected to its properties. The Group has equity interests in a number of its properties and net assets worth approximately US\$2.9 billion as at 30th June 2013.

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 -

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As permitted by the Disclosure and Transparency Rules of the Financial Conduct Authority of the United Kingdom, the Company will not be posting a printed version of the Half-Yearly Results announcement to shareholders. The Half-Yearly Results announcement will remain available on the Company's website, [www.mandarinoriental.com](http://www.mandarinoriental.com), together with other Group announcements.