2016 HALF YEAR RESULTS

Mandarin Oriental Hotel Group

2016 Half Year Results Highlights

US $ m	June 2016	June 2015
Combined Total Revenue *	644	641
Underlying EBITDA	71	82

* Includes revenue from the Group's total portfolio of hotels

2016 Half Year Results Highlights

Underlying EBITDA by geography *

US $ m	June 2016	June 2015
Hong Kong	33	35
Other Asia	24	23
Europe	9	16
The Americas	5	8
	71	82

* Subsidiaries and share of results of associates and joint ventures

2016 Half Year Results Highlights

	June 2016	June 2015
Underlying Profit Attributable to Shareholders (US$ m)	25	33
Underlying Earnings per Share (US ¢)	1.97	2.92

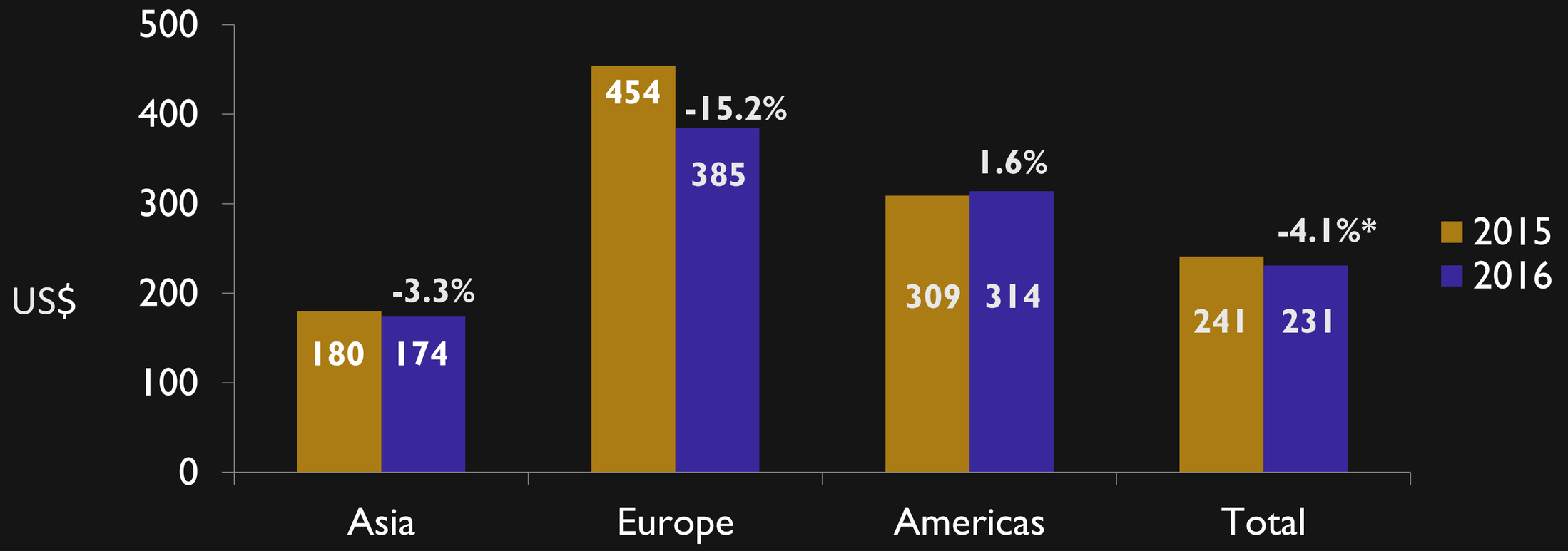
- Adjusted net asset value per share at 30th June 2016 was US$2.83. This compares to US$2.84 at 31st December 2015
- Interim dividend of US¢1.5 per share, compared with US¢2 in the same period in 2015

Agenda

- Strengthen our competitive performance in all markets
- Be widely recognized as the world's best luxury hotel group
- Grow the global portfolio of hotels
- Cashflow, Net Debt and Significant Capital Commitments
- Outlook

Strengthen our Competitive Position

2016 Half-Year RevPAR Performance



* Total RevPAR down by 2.5% in local currency terms
Includes only hotels that were operational in both years

GLOBAL PORTFOLIO

29 hotels

MANDARIN ORIENTAL
THE HOTEL GROUP

REVIEW OF OWNED AND PARTIALLY OWNED HOTELS

Strengthen our Competitive Position

ASIA

Hong Kong	Citywide market softness
Tokyo	Positive trading momentum
Bangkok	Renovation well received
Singapore	Stable performance
Jakarta	Challenging conditions

Strengthen our Competitive Position

Europe

London	Decline in demand across luxury hotel segment
Munich	Return to normal operations with Nobu Matsuhisa restaurant launched
Paris	Ongoing security concerns and increased supply
Geneva	Reduced demand
Madrid	Improved operating performance

Strengthen our Competitive Position

Americas

Washington DC	Results impacted by room renovation
Boston	Enhanced contribution following the acquisition
New York	Suite renovation leads to improved performance

Agenda

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- Outlook

To be widely recognised as the world's best luxury hotel group

- Award winning hotels at the top of their markets
- Delivering contemporary luxury with a sense of place
- Attracting individuals who pay a premium for luxury experiences
- Higher spending leisure guests account for almost 50% of Group's business

Forbes Five Star Awards

14 Mandarin Oriental hotels achieved 'Five Star' ranking

Mandarin Oriental, Bangkok
Mandarin Oriental, Guangzhou
Mandarin Oriental, Hong Kong
The Landmark Mandarin Oriental, Hong Kong
Mandarin Oriental, Macau
Mandarin Oriental Pudong, Shanghai
Mandarin Oriental, Singapore
Mandarin Oriental, Tokyo
Mandarin Oriental, Milan
Mandarin Oriental, Paris
Mandarin Oriental, Boston
Mandarin Oriental, Las Vegas
Mandarin Oriental, Miami
Mandarin Oriental, New York

Institutional Investor

World's Best Hotels

14 Mandarin Oriental hotels ranked as the best in their location

Mandarin Oriental, Bangkok
Mandarin Oriental, Boston
Mandarin Oriental, Hong Kong
The Landmark Mandarin Oriental, Hong Kong
Mandarin Oriental, Kuala Lumpur
Mandarin Oriental Hyde Park, London
Hotel Ritz, Madrid
Mandarin Oriental, Miami
Mandarin Oriental, Munich
Mandarin Oriental, New York
Mandarin Oriental, Singapore
Mandarin Oriental, Taipei
Mandarin Oriental, Tokyo
Mandarin Oriental, Washington D.C.

To be widely recognised as the world's best luxury hotel group

Core Brand Attributes

- Legendary service
- Creative hotel design and architecture
- Innovative dining
- Spa and wellness

Michelin Star Status
11 restaurants with 16 stars
More than any other hotel group

Mandarin Oriental, Hong Kong
Pierre (Two stars);
Man Wah; Mandarin Grill+Bar

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

Mandarin Oriental, Tokyo
Signature; Sense;
Tapas Molecular Bar

Mandarin Oriental, Barcelona
Moments (Two stars)

Mandarin Oriental Hyde Park, London
Dinner (Two stars)

Mandarin Oriental, Paris
Sur Mesure (Two stars)

Mandarin Oriental, Milan
Seta

2016 San Pellegrino Award

- ***Amber***
  The Landmark Mandarin Oriental, Hong Kong

- ***Dinner by Heston Blumenthal***
  Mandarin Oriental Hyde Park, London

THE WORLD'S 50 BEST RESTAURANTS
sponsored by S.Pellegrino & Acqua Panna

Forbes 'Five Star Spas'

Mandarin Oriental, Bangkok
Mandarin Oriental, Hong Kong
The Landmark Mandarin Oriental, Hong Kong
Mandarin Oriental, Macau
Mandarin Oriental, Singapore
Mandarin Oriental Pudong, Shanghai
Mandarin Oriental, Tokyo
Mandarin Oriental Hyde Park, London
Mandarin Oriental, Boston
Mandarin Oriental, Las Vegas
Mandarin Oriental, Miami
Mandarin Oriental, New York

12 'Five Star Spas'
More than any other hotel group

MANDARIN ORIENTAL
THE HOTEL GROUP

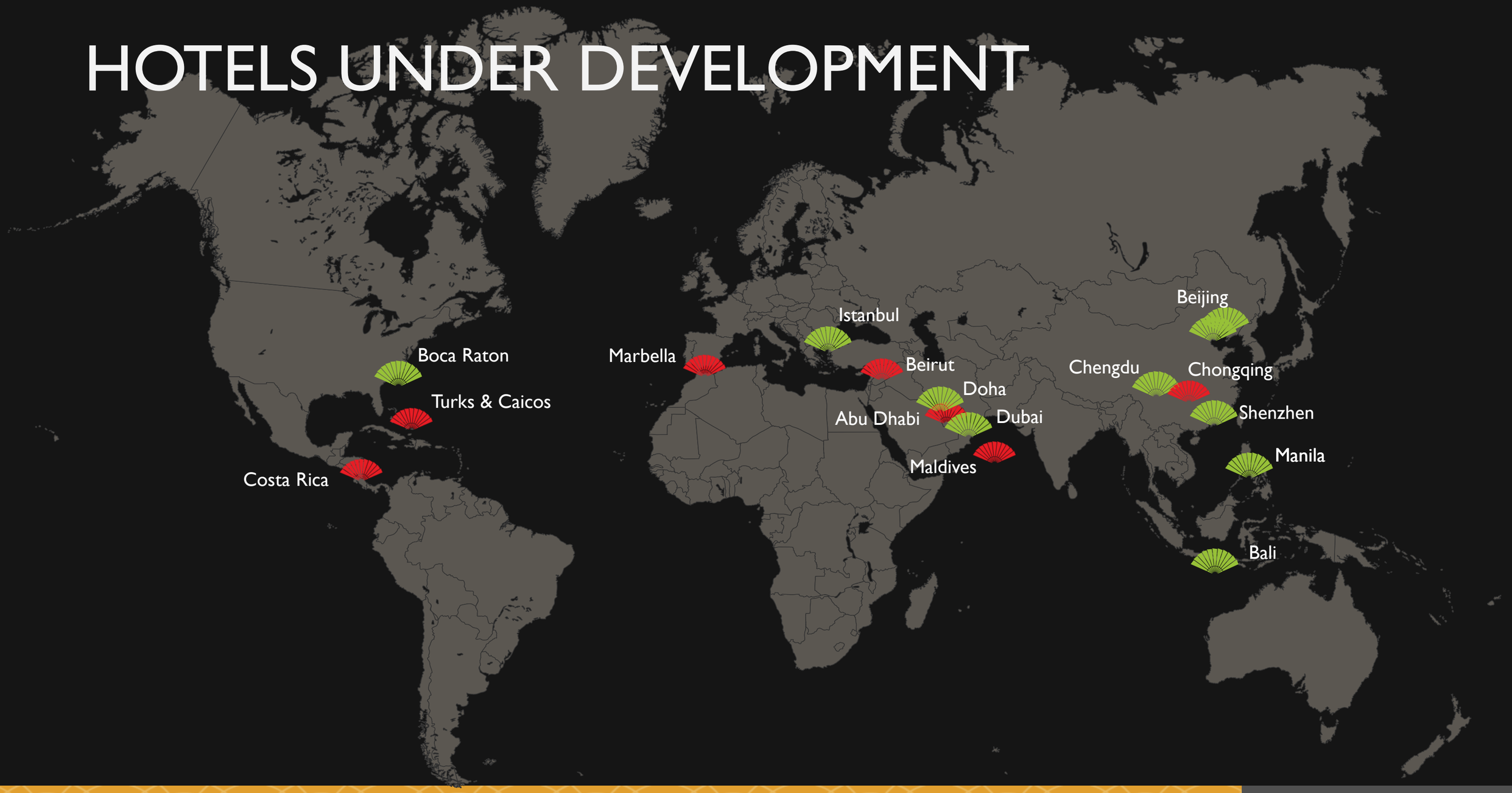
DEVELOPMENT STRATEGY

CURRENT GLOBAL PORTFOLIO

29 hotels
8,029 rooms
19 countries and territories

HOTELS UNDER DEVELOPMENT

HOTELS UNDER DEVELOPMENT



Development Strategy

- Increased management contracts, brand of choice for owners
- Continual re-investment in flagship properties
- Selective investment in strategic locations
- Strategy of ownership and management at the core of our business

Hotels under Development

Mandarin Oriental, Doha
(Management contract) Opening 2017

- First Mandarin Oriental in Middle East
- A new city centre development
- 158 guestrooms and 91 serviced apartments

Residences at Mandarin Oriental

- Eight *Residences* around the world
- Provide one-off branding fees and ongoing management fees
- Bali *Residences* announced earlier this month
- Bangkok *Residences* being marketed for sale

MANDARIN ORIENTAL
THE HOTEL GROUP

CASH FLOW, NET DEBT & SIGNIFICANT CAPITAL COMMITMENTS

Summary Cash Flow Statement

US $ m	June 2016	June 2015
Operating Activities		
EBITDA from subsidiaries	56	69
Dividends and interest from associates and JVs	4	4
Net interest paid	(5)	(6)
Tax paid	(8)	(5)
Other (principally working capital)	(15)	(16)
Total	32	46

- Weighted average interest was 2.1% (2.0% in 2015)
- Underlying EBITDA net interest was 10.0 times (9.5 times in 2015)

Summary Cash Flow Statement

US $ m	June 2016	June 2015
Investing Activities		
Madrid acquisition	-	(73)
Boston acquisition	(140)	
Capital expenditure at existing hotels	(32)	(14)
Others	(2)	(1)
Total	(174)	(88)

Financial Review

Summary Cash Flow Statement

US $ m	June 2016	June 2015
Operating Activities	32	46
Investing Activities	(174)	(88)
Financing Activities		
Issue of shares	-	316
Net drawdown/(repayment) of borrowings	51	(261)
Dividends paid	(38)	(50)
Other	-	(1)
Net decrease in cash	(129)	(38)
Opening cash balance 1st Jan	308	324
Effect of exchange rate changes	2	(5)
Closing cash balance 30th June	181	281

Financial Review

	June 2016	Dec 2015
Net debt (US$ million)	304	132
Adjusted shareholders' funds (US$ million)	3,555	3,569
Gearing	9%	4%

Future Significant Capital Commitments (as previously announced)

	US$	Timing
London renovation	130m	2016-17
Madrid renovation (Group's 50% share)	50m	2017-18
Munich extension*	125m	2017-21
Total	305m	

- Projects will be funded through the use of an appropriate mix of external debt and Group cash reserves

* Excludes US$17 million already spent up to 30th June 2015

Financial Review

- Approximately 50% of Group's debt hedged
- Average tenor of Group's borrowings is 3.1 years
- US$181 million of cash and US$81 million of undrawn committed facilities

Outlook

- Challenging conditions likely to continue in key markets
- Focus on service delivery and product quality whilst managing costs
- Future earnings supported by flagship hotel renovations and new openings
- Strong balance sheet

THANK YOU