



MCK REPORTS AN INCREASE IN REVENUE AND OPERATING PROFIT FOR THE FIRST HALF OF 2017

New Zealand hotel owner / operator, Millennium & Copthorne Hotels New Zealand Limited (NZX:MCK), today announced its (unaudited) results for the six months to 30 June 2017:

MCK's key results were:

• Average hotel occupancy across the Group	81.3% (2016: 82.3%)
• Group revenue and other income	\$104.14 million (2016: \$95.71 million)*
• Operating profit before finance income	\$42.92 million (2016: \$40.72 million)*
• Profit before income tax and non-controlling interests	\$43.91 million (2016: \$41.08 million)*
• Profit after tax and non-controlling interests	\$24.23 million (2016: \$23.79 million)*

*in 2016 there was a non-recurring gain of \$4.31m from the Millennium Christchurch insurance settlement.

MCK's results in the first half of 2017 were enhanced by the consistent performance of its land development subsidiary CDL Investments New Zealand Limited (NZX:CDI).

Mr BK Chiu, Managing Director said that the Grand Millennium Auckland hotel continues to benefit from RevPAR growth. "The new addition to the Millennium brand has also added to the strength of our Conferencing and Incentive network of hotels from the Bay of Islands to Rotorua and Queenstown" noted Mr Chiu.

On the progress of the M Social Auckland hotel, he said that the hotel is now transitioning from a construction site to an operational hotel. "The recruitment and training of "M Bassadors" has brought a different energy as the team practice and perfect every detail of food and beverage tastings, to the programming of multiple technology platforms. With the full replacement of all building services and seismic strengthening to an A grade, the team will continue to test the services over the coming weeks. We are all looking forward to Aucklanders and visitors "getting Social" when the hotel opens in October" Mr Chiu added.

In July, the Auckland Council introduced the new targeted rates to be levied only on a selected group of commercial accommodation providers including hotels, motels and service apartments. This tax and spend targeted rate based on the capital value of a property is a crude and inequitable model to finance the city's infrastructure and visitor promotions.

"It is disappointing that despite the extensive submissions by the accommodation providers, the council went ahead with this short sighted approach that will not only impact the financials of targeted accommodation providers but also the long term investment decisions of an industry that has brought many benefits to the city" Mr Chiu said.

ENDS

Issued by Millennium & Copthorne Hotels New Zealand Ltd

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