



MILLENNIUM & COPTHORNE HOTELS NEW ZEALAND LIMITED OPERATIONAL & FORECAST UPDATE - 25 MARCH 2020

With the COVID-19 Alert Level being raised by the New Zealand Government to Alert Level 4 from later today and a State of Emergency now declared, Millennium & Copthorne Hotels New Zealand Limited (**NZX: MCK**) advises:

Operational Update:

--Accommodation services for essential workers and people who need to be isolated or quarantined have been defined as an "essential service". If MCK's hotels are providing these services, they will remain open. We are assessing which properties will be required to stay open at this time;

--MCK will only take essential services bookings if required;

--All hotel restaurants and bars were closed on 23 March as soon as the announcement by the Government was made to increase the COVID-19 Alert Level to Level 3.

Consultation with employees:

--Since 18 March, MCK has been in consultation with all staff as to their future employment. Hotel and Corporate Office staff have been consulted on a range of options which include continuation on normal hours, a reduction in hours or redundancy. MCK is looking to apply to use the Government's Wage Subsidy Scheme for its employees where it can meet the employment conditions of this scheme;

--Most Corporate Office and some hotel staff are now working remotely from home.

Directors agree to reduce fees:

MCK's Board have unanimously agreed to reduce their directors' fees with immediate effect by 20% for the remainder of the year. The Board will monitor the Company's trading performance and may consider further adjustments at a later date.

Financial Outlook as at 24 March 2020:

On 18 March, MCK forecasted that the level of hotel revenue loss for the first half of 2020 would be approximately NZ\$24 million. With the closure of some of its hotels from tomorrow, this figure will certainly increase and it is now almost certain that MCK's hotel operations for both the first and second half of 2020 will trade at a loss.

MCK also notes that its majority-owned subsidiary CDL Investments New Zealand Limited has announced earlier today that it will be suspending development works from today for the four week shut down but that it expects to settle all of its unconditional agreements which it holds during the course of the year and that sales activity will continue. MCK's Australian property sales activity are also continuing with queries handled by phone and online.

Further updates will be provided once trading operations are able to resume.

ENDS

Issued by Millennium & Copthorne Hotels New Zealand Limited
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