



MILLENNIUM

HOTELS AND RESORTS

MILLENNIUM ■ COPTHORNE ■ KINGSGATE

HALF YEAR REPORT 2013





MILLENNIUM

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23
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CHAIRMAN'S REVIEW

Financial Performance:

The Directors of Millennium & Copthorne Hotels New Zealand Limited (MCK) announced an unaudited profit after tax and non-controlling interests of \$9.02 million for the six month period ended 30 June 2013 (2012: \$19.63 million). Profit before income tax and non-controlling interests was \$16.01 million (2012: \$25.67 million).

In 2012, First Sponsor Capital Limited (FSCL) made a contribution to first-half profit of \$11.88 million. That has not been repeated in 2013 as FSCL has not recognised sales from its development portfolio. Taking this into consideration, the 2013 half-year result is satisfactory. The results reflect increased profits from majority-owned land development subsidiary CDL Investments New Zealand Limited and also demonstrates consistent cost control from the New Zealand hotel operations.

Group revenue and other income for the period under review increased from \$57.53 million in 2012 to \$60.29 million. The increase is partly attributable to increased section sales by CDL investments. Gross profit for the period also increased from \$28.70 million in 2012 to \$31.23 million.

As at 30 June 2013, shareholders' funds excluding non-controlling interests totalled \$450.48 million (2012: \$427.74 million) with total assets at \$686.74 million (2012: \$675.29 million). Net asset backing (excluding non-controlling interests) per share as at 30 June 2013 now stands at 129.0 cents per share (2012: 122.5 cps).

Canterbury Update:

Works to repair Millennium Hotel Christchurch have been suspended pending further discussions between the insurers and the owner. Further guidance will be given once these works recommence. The group has renewed its insurance for this property in the meantime.

The demolition of Copthorne Hotel Christchurch Central is in progress and is expected to be completed within a few weeks. No decision has been made by the Christchurch Central Development Unit (CCDU) on the land and its use at time of writing and the Company continues to own the land. The Company reiterates its intention to rebuild on the site should the opportunity arise and dialogue with CCDU continues.

Front cover photo: Auckland CBD skyline at night.

CHAIRMAN'S REVIEW CONTINUED

All business interruption insurance claims for the Group's Christchurch hotels have been settled and the only claims outstanding relate to the Millennium Hotel Christchurch.

New Zealand Hotel Operations:

Total revenue for the New Zealand hotel operations (13 owned or leased and operated hotels excluding 11 franchised properties) for the period under review was \$39.85 million (2012: \$38.43 million). Occupancy for those owned / leased hotels for the period increased to 69.0% (2012: 63.3%) across the Group allowing for the closure of the three Christchurch CBD hotels.

Growth in inbound tourism has come about due to increases from Chinese and other Asian visitors. European and North American markets remain flat and there is also little growth from Australia.

The refurbishment of Kingsgate Hotel Rotorua to a Copthorne Hotel was completed at the end of 2012 and has delivered improvements to the hotel and to the Group.

The first stage of a refurbishment of the Kingsgate Hotel Palmerston North to a Copthorne Hotel is being finalized and work is scheduled to commence in the second half of this year.

Millennium Hotel Queenstown will also benefit from a room refurbishment in the second half of 2013. On completion, the hotel will be well positioned to attract conference and leisure business as more domestic and international guests visit Queenstown.

The company's hotels in Wellington have not been damaged in the earthquake in Wellington on 21 July 2013. Copthorne Hotel Wellington Oriental Bay, an owned property, and Kingsgate Hotel Wellington, a franchised property, were undamaged and have remained open.

CDL Investments New Zealand Limited (CDLI):

CDLI announced an unaudited operating profit after tax for the six months ended 30 June 2013 of \$5.73 million (2012: \$3.83 million). Sales from its Hamilton and Rolleston (Canterbury) subdivisions continue to be strong and are forecast to continue during the second half of this year. CDLI expects to better its 2012 results in 2013.

Offshore investments – Australia and China:

In China, First Sponsor Capital Limited (FSCL) (a 34.21% associate company) reported a profit of US\$0.49 million for the period to 30 June 2013 (2012: US\$28.17 million). MCK has recognized \$0.20 million as its share of this profit (2012: \$11.88 million).

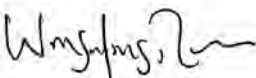
FSCL is in the process of constructing its new mixed development in Chengdu, Sichuan Province, the Millennium Waterfront Project, and over 80% of the available units in the first and second stages have now been sold. FSCL has now commenced construction on the third stage of residential units and will also commence construction of a Millennium-branded hotel with convention facilities in the second half of 2013. Sales from the residential units are expected to be recognised from 2014.

FSCL continues to look for new opportunities in China and advised its shareholders accordingly. It has also continued to review its property portfolios and made divestments of non-core assets.

In Australia, occupancy at the Zenith Residences remains steady at 97%. The units owned by the Group are leased out on short-term leases.

Outlook:

The Company's various business units have traded consistently during the first half of 2013 and are expected to continue to perform satisfactorily in the second half of the year. The Group's property investment arms and other business units are expected to report increased profitability due to better sales. The Group's hotels continue to benefit from its investment into the growth of Asian tourists. The Board expects to see these patterns reflected in the year-end results.



Wong Hong Ren

Chairman

31 July 2013

Interim Income Statement

For the six months ended 30 June 2013

Dollars in thousands	Note	Unaudited 6 months to 30/6/13	Unaudited 6 months to 30/6/12
Revenue		55,404	50,389
Cost of sales		(24,177)	(21,690)
Gross profit		31,227	28,699
Other income		2,652	6,078
Administrative expenses		(9,609)	(11,789)
Other operating expenses		(9,429)	(9,043)
Operating profit before finance income		14,841	13,945
Finance income		2,233	1,068
Finance costs		(1,271)	(1,221)
Net finance income		962	(153)
Share of profit of associate	8	204	11,877
Profit before income tax		16,007	25,669
Income tax expense	3	(4,445)	(3,657)
Profit for the period		11,562	22,012
Profit for the period attributable to:			
Equity holders of the parent		9,023	19,634
Non-controlling interests		2,539	2,378
Profit for the period		11,562	22,012
Basic earnings per share (cents)	4	2.58c	5.62c
Diluted earnings per share (cents)	4	2.58c	5.62c

The attached notes on pages 10 to 15 form part of, and are to be read in conjunction with, these financial statements.

Interim Statement of Comprehensive Income

For the six months ended 30 June 2013

Dollars in thousands	Unaudited 6 months to 30/6/13	Unaudited 6 months to 30/6/12
Profit for the period	11,562	22,012
Other comprehensive income		
Share of post acquisition reserves in associate	(39)	168
Movement in exchange translation reserve		
- Recognised in equity	4,503	(8,236)
- Tax credit on foreign exchange	714	329
Total comprehensive income for the period	16,740	14,273
Total comprehensive income for the period attributable to:		
Equity holders of the parent	15,586	12,806
Non-controlling interests	1,154	1,467
Total comprehensive income for the period	16,740	14,273

DETAILS OF SPECIFIC RECEIPTS/OUTLAYS, REVENUES/EXPENSES:

Other income (Business interruption income)	2,652	6,078
Audit fees	(172)	(187)
Depreciation	(3,247)	(3,398)
Interest income	2,233	1,066
Net foreign exchange gain/(loss)	(20)	2
Interest expense	(1,251)	(1,221)
Leasing and rental expenses	(976)	(2,519)
Net loss on disposal of property, plant and equipment	-	(5)

The attached notes on pages 10 to 15 form part of, and are to be read in conjunction with, these financial statements.

Interim Statement of Changes in Equity

For the six months ended 30 June 2013

	Attributable to Equity Holders of the Parent						Unaudited Non-controlling Interests	Unaudited Total Equity
	Unaudited Share Capital	Unaudited Revaluation Reserves	Unaudited Exchange Reserves	Unaudited Accumulated Losses	Unaudited Treasury Stock	Unaudited Total		
Dollars in thousands								
Balance at 1 January 2012	430,330	92,128	9,574	(112,820)	(85)	419,127	100,422	519,549
Share of post acquisition reserves in associate	-	-	-	164	-	164	4	168
Movement in exchange translation reserve	-	-	(6,992)	-	-	(6,992)	(915)	(7,907)
Income and expense recognised directly in equity	-	-	(6,992)	164	-	(6,828)	(911)	(7,739)
Profit for the period	-	-	-	19,634	-	19,634	2,378	22,012
Total comprehensive income / (loss) for the period	-	-	(6,992)	19,798	-	12,806	1,467	14,273
Transactions with owners, recorded directly in equity:								
Dividends paid to:								
Equity holders of the parent	-	-	-	(4,191)	-	(4,191)	-	(4,191)
Non-controlling interests	-	-	-	-	-	-	(1,454)	(1,454)
Movement in non-controlling interests	-	-	-	-	-	-	423	423
Supplementary dividends	-	-	-	(130)	-	(130)	-	(130)
Foreign investments tax credits	-	-	-	130	-	130	-	130
Balance at 30 June 2012	430,330	92,128	2,582	(97,213)	(85)	427,742	100,858	528,600
Balance at 1 January 2013	430,330	73,624	1,170	(61,761)	(85)	443,278	98,516	541,794
Share of post acquisition reserves in associate	-	-	-	(38)	-	(38)	(1)	(39)
Movement in exchange translation reserve	-	-	6,601	-	-	6,601	(1,384)	5,217
Income and expense recognised directly in equity	-	-	6,601	(38)	-	6,563	(1,385)	5,178
Profit for the period	-	-	-	9,023	-	9,023	2,539	11,562
Total comprehensive income / (loss) for the period	-	-	6,601	8,985	-	15,586	1,154	16,740
Transactions with owners, recorded directly in equity:								
Dividends paid to:								
Equity holders of the parent	-	-	-	(8,382)	-	(8,382)	-	(8,382)
Non-controlling interests	-	-	-	-	-	-	(1,727)	(1,727)
Movement in non-controlling interests	-	-	-	-	-	-	738	738
Supplementary dividends	-	-	-	(316)	-	(316)	-	(316)
Foreign investment tax credits	-	-	-	316	-	316	-	316
Balance at 30 June 2013	430,330	73,624	7,771	(61,158)	(85)	450,482	98,681	549,163

The attached notes on pages 10 to 15 form part of, and are to be read in conjunction with, these financial statements.

Interim Statement of Financial Position

As at 30 June 2013

Dollars in thousands	Note	Unaudited as at 30/6/13	Audited as at 31/12/12	Unaudited as at 30/6/12
SHAREHOLDERS' EQUITY				
Issued capital		430,330	430,330	430,330
Reserves		20,237	13,033	2,503
Treasury stock		(85)	(85)	(85)
Non-controlling interests		98,681	98,516	100,858
Total equity		549,163	541,794	528,600
<i>Represented by:</i>				
NON CURRENT ASSETS				
Property, plant and equipment		283,735	284,535	323,263
Development properties		122,812	124,193	144,415
Intangible assets		2,823	2,823	3,284
Investment in associates	8	137,573	128,059	131,108
Total non-current assets		546,943	539,610	602,070
CURRENT ASSETS				
Cash and cash equivalents		103,600	109,508	45,434
Trade and other receivables		13,755	15,362	20,894
Inventories		1,323	1,454	1,381
Income tax receivable		2,233	-	1,527
Development properties		18,882	20,176	3,983
Total current assets		139,793	146,500	73,219
Total assets		686,736	686,110	675,289
NON CURRENT LIABILITIES				
Interest-bearing loans and borrowings		68,654	65,579	63,050
Provisions		701	676	650
Provision for deferred taxation		40,961	41,171	48,364
Total non-current liabilities		110,316	107,426	112,064
CURRENT LIABILITIES				
Trade and other payables		14,376	23,560	18,909
Trade payables due to related parties	7	1,138	465	650
Loans due to related parties	7	9,500	9,500	10,500
Provisions		2,243	2,243	4,566
Income tax payable		-	1,122	-
Total current liabilities		27,257	36,890	34,625
Total liabilities		137,573	144,316	146,689
Net assets		549,163	541,794	528,600

The attached notes on pages 10 to 15 form part of, and are to be read in conjunction with, these financial statements.

Interim Statement of Cash Flows

For the six months ended 30 June 2013

Dollars in thousands	Unaudited 6 months to 30/6/13	Unaudited 6 months to 30/6/12
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash was provided from:		
Receipts from customers	57,163	44,303
Receipts from insurers	-	9,586
Interest received	2,046	974
	<u>59,209</u>	<u>54,863</u>
Cash was applied to:		
Payments to suppliers and employees	(46,636)	(29,097)
Interest paid	(1,245)	(1,269)
Income tax paid	(7,212)	(7,162)
	<u>(55,093)</u>	<u>(37,528)</u>
Net cash inflow from operating activities	<u>4,116</u>	<u>17,335</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash was applied to:		
Purchase of property, plant and equipment	(2,451)	(2,146)
Net cash outflow from investing activities	<u>(2,451)</u>	<u>(2,146)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash was provided from/(applied to):		
Drawdown of borrowings	3,075	-
Repayment of borrowings	-	(227)
Dividends paid to shareholders of Millennium & Copthorne Hotels New Zealand Ltd	(8,382)	(4,191)
Dividends paid to non-controlling interests	(1,727)	(1,454)
Net cash outflow from financing activities	<u>(7,034)</u>	<u>(5,872)</u>
Net increase/(decrease) in cash and cash equivalents	<u>(5,369)</u>	<u>9,317</u>
Add opening cash and cash equivalents	109,508	36,314
Exchange rate adjustment	(539)	(197)
Closing cash and cash equivalents	<u>103,600</u>	<u>45,434</u>

The attached notes on pages 10 to 15 form part of, and are to be read in conjunction with, these financial statements.

Interim Statement of Cash Flows

For the six months ended 30 June 2013

Dollars in thousands	Note	Unaudited 6 months to 30/6/13	Unaudited 6 months to 30/6/12
RECONCILIATION OF NET PROFIT FOR THE PERIOD TO CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period		11,562	22,012
Adjusted for non cash items:			
Depreciation		3,247	3,398
Income tax expense	3	4,445	3,657
Net loss on disposal of property, plant and equipment		-	5
Share of associate profit	8	(204)	(11,877)
Adjustments for movements in working capital:			
(Increase)/decrease in receivables		1,607	(2,670)
Decrease in inventories		131	114
(Increase)/decrease in development properties		(974)	1,363
Increase/(decrease) in payables		(7,908)	6,296
Increase in related parties		673	3,470
Cash generated from operations		12,579	25,768
Interest paid		(1,251)	(1,271)
Income tax paid		(7,212)	(7,162)
Net cash inflow from operating activities		4,116	17,335

The attached notes on pages 10 to 15 form part of, and are to be read in conjunction with, these financial statements.

Notes to the Interim Financial Statements

For the six months ended 30 June 2013 (unaudited)

1. Significant accounting policies

Millennium & Copthorne Hotels New Zealand Limited is a company domiciled in New Zealand, registered under the Companies Act 1993 and listed on the New Zealand Stock Exchange. Millennium & Copthorne Hotels New Zealand Limited (the "Company") is an issuer in terms of the Financial Reporting Act 1993. The interim financial statements of the Company for the six months ended 30 June 2013 comprise the Company and its subsidiaries (together referred to as the "Group"). The registered office is located at level 13, 280 Centre, 280 Queen Street, Auckland, New Zealand.

The principal activities of the Group are; ownership and operation of hotels in New Zealand; residential development and sale of land in New Zealand; development and sale of residential units in Australia and associate investment in residential and commercial property development in China.

The interim financial statements were authorised for issuance on 31 July 2013.

(a) Statement of compliance

The interim financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with NZ IAS 34 Interim Financial Reporting. The interim financial statements do not include all of the information required for full annual financial statements.

The accounting policies applied by the Group in these interim financial statements are the same as those applied by the Group in its financial statements for the year ended 31 December 2012.

2. Segment reporting

Segment information is presented in the interim financial statements in respect of the Group's reporting segments. Operating segments are the primary basis of segment reporting. The Group has determined that its chief operating decision maker is the Board of Directors on the basis that it is this group which determines the allocation of resources to segments and assesses their performance.

Inter-segment pricing is determined on an arm's length basis. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Operating segments

The Group consisted of the following main operating segments:

- Hotel operations, comprising income from the ownership and management of hotels.
- Residential land development, comprising the development and sale of land.
- Residential and commercial property development, comprising the development and sale of residential apartments and commercial properties.

Geographical segments

The Group operates in the following main geographic segments:

- New Zealand
- Australia
- Asia (pre-dominantly China)

Segment revenue is based on the geographical location of the asset. The Group has no major customer representing greater than 10% of the Group's total revenue.

Notes to the Interim Financial Statements

For the six months ended 30 June 2013 (unaudited)

2. Segment reporting - continued

	Hotel Operations		Residential Land Development		Property Development		Residential and Commercial		Group	
	Unaudited 6 months to 30/6/13	Unaudited 6 months to 30/6/12	Unaudited 6 months to 30/6/13	Unaudited 6 months to 30/6/12	Unaudited 6 months to 30/6/13	Unaudited 6 months to 30/6/12	Unaudited 6 months to 30/6/13	Unaudited 6 months to 30/6/12	Unaudited 6 months to 30/6/13	Unaudited 6 months to 30/6/12
Dollars in thousands										
External revenue	38,581	38,208	15,350	10,679	1,473	1,502	55,404	50,389		
Finance income	1,266	226	465	222	500	620	2,233	1,068		
Finance expense	(408)	(343)	-	-	(863)	(878)	(1,271)	(1,221)		
Depreciation and amortisation	(3,231)	(3,378)	(1)	(1)	(15)	(19)	(3,247)	(3,398)		
Segment profit before income tax	8,089	9,737	7,962	5,325	(248)	(1,270)	15,803	13,792		
Share of profit of associate	-	-	-	-	204	11,877	204	11,877		
Profit before income tax	8,089	9,737	7,962	5,325	(44)	10,607	16,007	25,669		
Income tax expense	(2,283)	(2,322)	(2,229)	(1,491)	67	156	(4,445)	(3,657)		
Business interruption insurance income	2,652	6,078	-	-	-	-	2,652	6,078		
Segment assets	353,933	354,893	111,662	101,634	81,335	86,127	546,930	542,654		
Tax assets	579	674	(116)	(156)	1,770	1,009	2,233	1,527		
Investment in associates	-	-	2	2	137,571	131,106	137,573	131,108		
Total assets	354,512	355,567	111,548	101,480	220,676	218,242	686,736	675,289		
Segment liabilities	(45,325)	(49,324)	(135)	(230)	(51,152)	(48,771)	(96,612)	(98,325)		
Tax liabilities	(39,823)	(44,755)	(220)	(250)	(918)	(3,359)	(40,961)	(48,364)		
Total liabilities	(85,148)	(94,079)	(355)	(480)	(52,070)	(52,130)	(137,573)	(146,689)		
Capital expenditure	2,450	2,142	-	-	1	4	2,451	2,146		

Millennium & Copthorne Hotels New Zealand Limited and Subsidiaries

Notes to the Interim Financial Statements

For the six months ended 30 June 2013 (unaudited)

2. Segment reporting - continued

	New Zealand			Australia			Asia			Group		
	Unaudited 6 months to 30/6/13	Unaudited 6 months to 30/6/12	Unaudited 6 months to 30/6/13	Unaudited 6 months to 30/6/13	Unaudited 6 months to 30/6/12	Unaudited 6 months to 30/6/12	Unaudited 6 months to 30/6/13	Unaudited 6 months to 30/6/12	Unaudited 6 months to 30/6/12	Unaudited 6 months to 30/6/13	Unaudited 6 months to 30/6/12	
Dollars in thousands												
External revenue	53,931	48,887	1,473	1,502	-	-	55,404	-	-	55,404	50,389	
Finance income	1,757	468	476	600	-	-	2,233	-	-	2,233	1,068	
Finance expense	(1,271)	(1,221)	-	-	-	-	(1,271)	-	-	(1,271)	(1,221)	
Depreciation and amortisation	(3,232)	(3,379)	(15)	(19)	-	-	(3,247)	-	-	(3,247)	(3,398)	
Segment profit before income tax	15,245	13,548	558	244	-	-	15,803	-	-	15,803	13,792	
Share of profit of associate	-	-	-	-	-	204	204	11,877	-	204	11,877	
Profit before income tax	15,245	13,548	558	244	-	204	16,007	11,877	-	16,007	25,669	
Income tax expense	(4,211)	(3,587)	(234)	(70)	-	-	(4,445)	-	-	(4,445)	(3,657)	
Business interruption insurance income	2,652	6,078	-	-	-	-	2,652	-	-	2,652	6,078	
Segment assets	467,054	457,689	79,876	84,965	-	-	546,930	-	-	546,930	542,654	
Tax assets	2,360	1,800	(127)	(273)	-	-	2,233	-	-	2,233	1,527	
Investment in associates	2	2	-	-	-	137,571	137,573	131,106	-	137,573	131,108	
Total assets	469,416	459,491	79,749	84,692	-	137,571	686,736	131,106	-	686,736	675,289	
Segment liabilities	(94,731)	(96,808)	(1,881)	(1,517)	-	-	(96,612)	-	-	(96,612)	(98,325)	
Tax liabilities	(40,043)	(46,474)	(918)	(1,890)	-	-	(40,961)	-	-	(40,961)	(48,564)	
Total liabilities	(134,774)	(143,282)	(2,799)	(3,407)	-	-	(137,573)	-	-	(137,573)	(146,689)	
Capital expenditure	2,450	2,142	1	4	-	-	2,451	-	-	2,451	2,146	

Notes to the Interim Financial Statements

For the six months ended 30 June 2013 (unaudited)

3. Income tax expense Recognised in the income statement

Dollars in thousands	Unaudited 6 months to 30/6/13	Unaudited 6 months to 30/6/12
Current tax expense		
Current year	3,931	4,028
Adjustments for prior years	(67)	(99)
	3,864	3,929
Deferred tax expense		
Origination and reversal of temporary difference	563	(231)
Adjustments for prior years	18	(41)
	581	(272)
Total income tax expense in interim income statement	4,445	3,657

4. Earnings per share

The basic earnings per share of 2.58 cents (30 June 2012: 5.62 cents) are based on the profit attributable to ordinary shareholders of \$9.02m (30 June 2012: \$19.63m) and weighted average number of ordinary shares outstanding during the period ended 30 June 2013 of 349,268,439 (30 June 2012: 349,268,439).

The calculation of diluted earnings per share of 2.58 cents (30 June 2012: 5.62 cents) is the same as basic earnings per share.

5. Material events subsequent to the end of the interim period

There were no material events subsequent to the end of the six month period ended 30 June 2013 that would require disclosure.

6. Changes in contingent liabilities and contingent assets since last annual balance sheet date

There were no changes in contingent liabilities and contingent assets that would require disclosure for the six month period ended 30 June 2013 (30 June 2012: Nil). There are no contingent liabilities as at 30 June 2013 (30 June 2012: Nil).

7. Related party transactions

Millennium & Copthorne Hotels New Zealand Limited is a 70.22% owned subsidiary of CDL Hotels Holdings New Zealand Limited which is a wholly owned subsidiary of Millennium & Copthorne Hotels plc in the United Kingdom. The ultimate parent company is Hong Leong Investment Holdings Pte Ltd in Singapore.

During the six month period ending 30 June 2013, costs amounting to \$125,000 (30 June 2012: \$125,000) have been recorded in the Income Statement in respect of fees payable to Millennium & Copthorne International Limited (a subsidiary of Millennium & Copthorne Hotels plc) for the provision of management and marketing support.

Notes to the Interim Financial Statements

For the six months ended 30 June 2013 (unaudited)

7. Related party transactions (continued)

As at balance date \$125,000 was outstanding and payable to Millennium & Copthorne International Limited (30 June 2012: \$125,000).

CDL Hotels Holdings New Zealand Limited has lent a total of \$9.50m (30 June 2012: \$10.50m) to Millennium & Copthorne Hotels New Zealand Limited. The interest rates are fixed and range between 3.08% and 3.22% until the loans are reviewed between 27 August 2013 and 30 September 2013. The unsecured loans are repayable on demand.

At 30 June 2013 Millennium & Copthorne Hotels New Zealand Limited has lent \$42.55m (30 June 2012: \$42.55m) to its subsidiary, MCHNZ Investments Ltd. The interest rate is fixed at 4.10% until it is reviewed on 29 October 2013. The unsecured loan is repayable on demand.

8. Associate companies

Associate	Principal Activity	% Holding by the Group 30 June 2013	% Holding by the Group 30 June 2012
First Sponsor Capital Ltd	Investment Holding	34.21%	34.21%
		% Holding by CDL Land New Zealand Limited 30 June 2013	% Holding by CDL Land New Zealand Limited 30 June 2012
Prestons Road Ltd	Service Provider	33.33%	33.33%

First Sponsor Capital Ltd has a 31 December balance date and Prestons Road Ltd has a 31 March balance date.

Movements in the carrying value of associates

Dollars in thousands	First Sponsor Capital Ltd		Prestons Road Ltd	
	2013	2012	2013	2012
Balance at 1 January	128,057	124,949	2	2
Share of post acquisition movement in foreign exchange reserves for the period	9,349	(5,888)	-	-
Share of post acquisition capital reserves	(39)	168	-	-
Share of profit for the period	204	11,877	-	-
Balance at 30 June	137,571	131,106	2	2

9. Capital commitments

As at 30 June 2013, the Group has entered into contracts to purchase property, plant and equipment and construction on development properties totalling \$8.45m (30 June 2012: \$1.61m).

Notes to the Interim Financial Statements

For the six months ended 30 June 2013 (unaudited)

10. Canterbury earthquake

The Millennium Hotel Christchurch was closed after the 22 February 2011 earthquake. It is currently undergoing engineering assessment before remedial repairs. The building is insured for material damage and negotiations are in progress between the insurers and the landlord.

The business interruption claim for Millennium Hotel Christchurch was settled on 5 October 2012 and \$0.83m was recognised for the business interruption period from 1 January 2013 to 30 June 2013 (June 2012: \$2.23m).

The Copthorne Hotel Christchurch Central was assessed as uneconomic to repair after the 22 February 2011 earthquake. The material damage claim was settled with the insurers on 22 November 2012. The demolition and clearing of the site is expected to complete in August 2013.

The business interruption claim for Copthorne Hotel Christchurch Central was settled on 15 March 2012 and \$1.33m was recognised for the business interruption period from 1 January 2013 to 30 June 2013 (June 2012: \$2.48m).

In relation to the land at Copthorne Hotel Christchurch Central, which is subject to a compulsory acquisition by the Canterbury Earthquake Recovery Authority (CERA), the decision now rests with the CERA whether to proceed with the acquisition of the land to form part of the performing arts precinct.

Millennium & Copthorne Hotels New Zealand Limited and Subsidiaries
Shareholder Information and Disclosures

20 LARGEST SHAREHOLDERS (as at 3 September 2013)

Rank	Name	Units	% of Units
1.	CDL HOTELS HOLDINGS NEW ZEALAND LIMITED	245,493,635	70.22
2.	HSBC NOMINEES (NEW ZEALAND) LIMITED - NZCSD	25,246,671	7.22
3.	NATIONAL NOMINEES NEW ZEALAND LIMITED - NZCSD	12,429,150	3.56
4.	ZETA BETA LIMITED	8,813,829	2.52
5.	ACCIDENT COMPENSATION CORPORATION - NZCSD	7,611,087	2.18
6.	HSBC NOMINEES (NEW ZEALAND) LIMITED A/C STATE STREET - NZCSD	7,499,281	2.15
7.	SKY HILL LIMITED	5,287,228	1.51
8.	CITIBANK NOMINEES (NEW ZEALAND) LIMITED - NZCSD	4,497,080	1.29
9.	LENG BENG KWEK	3,000,000	0.86
10.	AMALGAMATED DAIRIES LIMITED	2,268,147	0.65
11.	HONG REN WONG	2,000,000	0.57
12.	TEA CUSTODIANS LIMITED - NZCSD	1,946,005	0.56
13.	KAY HONG CHIAM	1,219,500	0.35
14.	JOAN LESLEY THOMPSON	750,000	0.21
15.	GEOK LOO GOH	556,300	0.16
16.	STEPHEN JOHN LOBB + NICOLETTA MARIA BARTOLI	527,972	0.15
17.	SITA SINGH	500,000	0.14
18.	VINCENT WEE ENG YEO	500,000	0.14
19.	PETER LOH	420,000	0.12
20.	PRIYA DARSHANI SINGH + ARSENAL TRUSTEE SERVICES LIMITED <ARSENAL FAMILY A/C>	400,000	0.11

Holdings Size (as at 31 August 2013)

Range	Total Holders	Number of shares	Percentage of Issued Capital
100 - 199	3	393	0.00
200 - 499	2	700	0.00
500 - 999	29	16,085	0.00
1,000 - 1,999	658	795,632	0.23
2,000 - 4,999	538	1,555,024	0.44
5,000 - 9,999	270	1,823,407	0.52
10,000 - 49,999	280	5,017,133	1.44
50,000 - 99,999	45	2,828,982	0.81
100,000 - 499,999	40	7,039,857	2.01
500,000 - 999,999	5	2,834,272	0.81
1,000,000 - 9,999,999,999	8	327,686,581	93.73
Rounding			0.01
Total	1,878	349,598,066	100.00

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MILLENNIUM
HOTELS AND RESORTS

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