

MILLENNIUM & COPTHORNE HOTELS NEW ZEALAND ANNOUNCES INCREASE IN HALF-YEAR PROFIT AND REVENUE

New Zealand's largest hotel owner / operator, Millennium & Copthorne Hotels New Zealand Limited ("MCK"), today announced its (unaudited) results for the six months to 30 June 2006.

- Operating profit after tax \$11.35 million (2005: \$10.67m)
- Operating profit before tax and minorities \$22.00 million (2005: \$18.05m)

- Group Revenue and other income \$102.47 million (2005: \$77.98m)
- Average hotel occupancy across the Group 71.2%

In his Review, Chairman Mr. HR Wong said that the Group had generally performed positively and in line with expectations during the first half of the year. Managing Director Mr. B K Chiu was also positive about the results for the year to date. "It's a good result to date when you take into account slower growth from key international markets and fewer visitor numbers to New Zealand", he said.

Noting that the market dynamics in 2006 were different from those in the past few years, Mr. Chiu also stressed the need for the Company to position itself to react quickly to changes in market conditions. "Having a portfolio of 31 hotels under the Millennium, Copthorne and Kingsgate brands opens up opportunities across a wide range of market segments and we will continue to use this advantage. We will work to utilise our assets harder in the best possible way", he said.

Mr. Chiu highlighted two specific initiatives which were a direct response to customer and stakeholder demand. "Earlier this year, we launched the www.meetingsnz.co.nz website, an online search and booking tool targeted at conference and incentive organisers. The feedback we have received to date has been fantastic. We have also been promoting our 2006 winter campaign and this has generated domestic business across our network and there are many Kiwis who will be enjoying their winter break at a Millennium, Copthorne or Kingsgate property this year", he said.

The Company also continued to invest in its training and development programmes and Mr. Chiu was delighted with the Company's recent success at the 2006 Hospitality Standards Institute Excellence in Training Awards. "I am very pleased that our investment in our people is being recognised and that we were selected as finalists in several categories and won two of the awards. We are one of New Zealand's largest trainers in the hospitality industry with our trainees and Modern Apprentices completing National Qualifications in the workplace.

We are committed to continuing our investment in our people so that they can deliver to our guests the best possible hospitality experience in New Zealand", Mr. Chiu said.

The Company had also concluded a sponsorship agreement with the New Zealand Symphony Orchestra. "We are very proud and privileged to be the Official Accommodation Provider to one of New Zealand's cultural icons", said Mr. Chiu.

Mr. Chiu confirmed that the Company had undertaken refurbishment work at several of its properties already. "Our Copthorne Hotel at Anzac Avenue, Auckland has been given a extensive guest room refurbishment and we have been very pleased with the market feedback to date, particularly from our corporate customers. Our Rotorua customers are delighted with the fresh, contemporary look of the Kingsgate Hotel Rotorua and our ski guests at Millennium Hotel Queenstown are very happy with the improved facilities", he said. Mr. Chiu also announced that the Company had taken a new lease for the Kingsgate Hotel Parnell Auckland.

MCK also owns a 63.48 per cent shareholding in the property development and investment company CDL Investments New Zealand Limited ("CDLI"). Mr. Chiu said that it was pleasing to see CDLI's improved revenue and profit performance in increasingly difficult market conditions.

Overall, Mr. Chiu stated that the Group was looking to maintain the positive momentum generated so far. "We are looking at new initiatives to stimulate demand both domestically and internationally and the Group is focused on delivering another profitable result during 2006".

Ends

Issued by Millennium & Copthorne Hotels New Zealand Ltd

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