



VOLATILE MARKETS AFFECT MCK'S 2022 INTERIM RESULTS

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 2022.

MCK Chairman & Independent Director Colin Sim said that MCK's results reflected the volatile trading environment.

"The global events of the last six months have impacted on our recovery path and the ongoing effects of the pandemic continue to make our business very challenging. Add to that a labour shortage and cost price inflation and our results for the first half of this year were always going to reflect all of that", he said.

Mr. Sim did note that the first half of 2022 had been a busy time for MCK.

"We reopened our rebranded Copthorne Hotel Greymouth after twelve months of refurbishment work and we are progressing well with our works at Millennium Hotel Queenstown. We also renewed our leases at Copthorne Hotel & Resort Bay of Islands and at Grand Millennium Auckland. Each of these hotels is critical to our recovery journey", he said.

Mr. Sim said that the board remained optimistic about the remainder of the year.

"The start of this year has had the government assistance of one hotel fully occupied as an MIQ facility and some significant development property sales via our ownership in CDLI and KIN. For the hotel operations over the balance of this year the prospect of the recovery path is dependent on resolving staffing shortages with the lack of available employees affecting all employers across New Zealand. Unless there is a return to gathering and travel restrictions, we are reasonably optimistic about the last quarter of this year and the first quarter of next year".

"The good news is that our forward bookings for that period are solid and with travel clearly picking up and flight capacity to New Zealand expected to meet demand, we are hopeful that this improvement will be reflected in the full year results", said Mr. Sim.

"Even if there is a return to some restrictions, we expect MCK will be profitable in 2022 and our profit will be driven by our property development operations once again. As a group, we are determined to stay firmly in the black despite the storm clouds ahead. We are under no illusions that the pandemic will continue to have a negative effect on our operations and therefore our profitability but we will be doing everything we can to deliver the best possible results that we can to our shareholders", he said.

Summary of results:

• Average hotel occupancy across the Group	38.3% (2021: 40.5%)
• Group revenue	\$83.66 million (2021: \$98.36 million)
• Profit before income tax and non-controlling interests	\$32.05 million (2021*: \$47.55 million)
• Profit after tax and non-controlling interests	\$15.40 million (2021*: \$31.34 million)

ENDS

Issued by Millennium & Copthorne Hotels New Zealand Ltd

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*The 2021 comparative figures are restated due to the fact that during 2021, MCK changed its accounting policy relating to the measurement of land and buildings from revaluation to historical cost. Refer to Note 10 of the Financial Statements for further information.