

NEW MAURITIUS HOTELS LIMITED

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SEMESTER ENDED MARCH 31, 2017



GROUP STATEMENT OF PROFIT OR LOSS

| | Semester ended March 31, 2017 Unaudited Rs.'000 | Semester ended March 31, 2016 Unaudited Rs.'000 | Quarter ended March 31, 2017 Unaudited Rs.'000 | Quarter ended March 31, 2016 Unaudited Rs.'000 | Year ended Sept 30, 2016 Audited Rs.'000 |
|--|---|---|--|--|--|
| Revenue | | Restated | | Restated | |
| Hotel operations and others | 5,473,940 | 5,534,223 | 2,486,523 | 2,652,172 | 9,121,465 |
| Property | 218,716 | 400,201 | 156,422 | 20,499 | 479,992 |
| | 5,692,656 | 5,934,424 | 2,642,945 | 2,672,671 | 9,601,457 |
| Earnings from operating activities | 1,416,122 | 1,516,369 | 509,245 | 583,395 | 1,286,876 |
| Other income | 125,222 | 110,998 | 86,304 | 36,285 | 121,136 |
| Share of results of associates | (3,063) | (2,987) | (5,005) | (269) | (6,620) |
| Profit/(loss) on disposal of property, plant and equipment | (12,369) | 10,385 | 3,064 | 6,351 | 15,681 |
| Normalised EBITDA | 1,525,912 | 1,634,765 | 593,608 | 625,762 | 1,417,073 |
| Rebranding and reorganisation costs | - | (13,059) | - | (3,016) | (119,237) |
| Loss arising from fraud | - | (115,210) | - | (115,210) | (115,210) |
| EBITDA | 1,525,912 | 1,506,496 | 593,608 | 507,536 | 1,182,626 |
| Finance costs | (470,863) | (455,972) | (232,053) | (280,295) | (981,888) |
| Finance revenue | 120,489 | 6,978 | 2,513 | 1,971 | 14,774 |
| Depreciation of property, plant and equipment | (324,672) | (277,944) | (163,252) | (107,209) | (647,744) |
| Impairment losses | - | (12,102) | - | - | (325,919) |
| Profit/(loss) before tax | 850,866 | 767,456 | 200,816 | 122,003 | (758,151) |
| Income tax expense | (143,382) | (164,168) | (40,778) | (59,095) | (208,747) |
| Profit/(loss) for the semester/quarter/ year | 707,484 | 603,288 | 160,038 | 62,908 | (966,898) |
| Profit/(loss) attributable to: | | | | | |
| Owners of the parent | 672,729 | 578,998 | 153,499 | 60,937 | (997,678) |
| Non-controlling interests | 34,755 | 24,290 | 6,539 | 1,971 | 30,780 |
| | 707,484 | 603,288 | 160,038 | 62,908 | (966,898) |
| Basic earnings/(loss) per share (Rs) | 1.39 | 1.20 | 0.32 | 0.13 | (2.06) |

SEGMENTAL INFORMATION

| | Semester ended March 31, 2017 Rs.'000 | Semester ended March 31, 2016 Rs.'000 | Quarter ended March 31, 2017 Rs.'000 | Quarter ended March 31, 2016 Rs.'000 | Year ended Sept 30, 2016 Rs.'000 |
|----------------------------|--|--|---|---|---|
| GEOGRAPHICAL | | | | | |
| Revenue: | | | | | |
| Mauritius | 4,598,906 | 4,669,658 | 2,111,091 | 2,264,799 | 7,622,751 |
| Morocco | 480,235 | 615,035 | 257,543 | 106,820 | 848,706 |
| Others | 613,515 | 649,731 | 274,311 | 301,052 | 1,130,000 |
| | 5,692,656 | 5,934,424 | 2,642,945 | 2,672,671 | 9,601,457 |
| Normalised EBITDA : | | | | | |
| Mauritius | 1,529,928 | 1,649,201 | 638,767 | 736,889 | 1,736,073 |
| Morocco | (40,834) | (61,148) | (30,527) | (100,287) | (299,756) |
| Others | 36,818 | 46,712 | (14,632) | (10,840) | (19,244) |
| | 1,525,912 | 1,634,765 | 593,608 | 625,762 | 1,417,073 |

GROUP STATEMENT OF COMPREHENSIVE INCOME

| | Semester ended March 31, 2017 Unaudited Rs.'000 | Semester ended March 31, 2016 Unaudited Rs.'000 | Quarter ended March 31, 2017 Unaudited Rs.'000 | Quarter ended March 31, 2016 Unaudited Rs.'000 | Year ended Sept 30, 2016 Audited Rs.'000 |
|---|---|---|--|--|--|
| Profit/(Loss) for the semester/quarter/ year | 707,484 | 603,288 | 160,038 | 62,908 | (966,898) |
| Other comprehensive (loss)/ income for the quarter/ year, net of tax | (261,190) | (46,830) | (41,860) | 2,500 | (212,312) |
| Total comprehensive income/(loss) for the semester/quarter/ year | 446,294 | 556,458 | 118,178 | 65,408 | (1,179,210) |
| Total comprehensive income/(loss) attributable to: | | | | | |
| Owners of the parent | 410,972 | 533,991 | 111,639 | 65,289 | (1,208,336) |
| Non-controlling interests | 35,322 | 22,467 | 6,539 | 119 | 29,126 |
| | 446,294 | 556,458 | 118,178 | 65,408 | (1,179,210) |

GROUP STATEMENT OF FINANCIAL POSITION

| | As At March 31, 2017 Unaudited Rs.'000 | As At Sept 30, 2016 Audited Rs.'000 |
|-------------------------------------|--|---|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 24,754,771 | 25,055,983 |
| Investment property | 352,000 | 363,964 |
| Intangible assets | 1,687,690 | 1,691,095 |
| Investment in associates | 471,664 | 474,727 |
| Available-for-sale investments | 2,745 | 1,541 |
| Deferred tax assets | 115,094 | 139,540 |
| | 27,383,964 | 27,726,850 |
| Current assets | 8,463,410 | 7,781,377 |
| TOTAL ASSETS | 35,847,374 | 35,508,227 |
| EQUITY AND LIABILITIES | | |
| Shareholders' interests | 12,260,749 | 11,849,777 |
| Non-controlling interests | 53,978 | 50,006 |
| Non-current liabilities | 14,615,287 | 15,034,004 |
| Current liabilities | 8,917,360 | 8,574,440 |
| TOTAL EQUITY AND LIABILITIES | 35,847,374 | 35,508,227 |

GROUP STATEMENT OF CHANGES IN EQUITY

| | Shareholders' Interests Rs.'000 | Non-controlling Interests Rs.'000 | Total Equity Rs.'000 |
|---|------------------------------------|--------------------------------------|-------------------------|
| As at October 1, 2015 (Restated) | 13,217,922 | 58,738 | 13,276,660 |
| Changes in equity for the semester | | | |
| Total comprehensive income for the semester | 533,991 | 22,467 | 556,458 |
| Dividends | (159,809) | (26,172) | (185,981) |
| As at March 31, 2016 | 13,592,104 | 55,033 | 13,647,137 |
| As at October 1, 2016 | 11,849,777 | 50,006 | 11,899,783 |
| Changes in equity for the semester | | | |
| Total comprehensive income for the semester | 410,972 | 35,322 | 446,294 |
| Dividends | - | (31,350) | (31,350) |
| As at March 31, 2017 | 12,260,749 | 53,978 | 12,314,727 |

GROUP STATEMENT OF CASH FLOWS

| | Semester ended March 31, 2017 Unaudited Rs.'000 | Semester ended March 31, 2016 Unaudited Rs.'000 |
|--|---|---|
| Net cash flows generated from operating activities | 484,913 | 496,329 |
| Net cash flows used in investing activities | (227,134) | (131,613) |
| Net cash flows generated from/(used in) financing activities | 32,120 | (873,917) |
| Net increase/(decrease) in cash and cash equivalents | 289,899 | (509,201) |
| Cash and cash equivalents at October 1, | (2,061,537) | (1,459,545) |
| Net foreign exchange difference | 33,631 | (25,291) |
| Cash and cash equivalents at March 31, | (1,738,007) | (1,994,037) |

COMMENTS

Financial performance

The Group's turnover for the second quarter of the financial year was almost in line with that of last year. The drop in turnover in the Group's Mauritian hotel operations was compensated by an improved performance in our hotel and real estate operations in Morocco. The reduced operational performance in Mauritius stemmed mainly from the timing of Easter holidays which were in April this year as compared to March last year.

Turnover was also negatively impacted by the weak Euro and GBP. However, this was mitigated by gains on treasury management which were accounted for under other income. The reduction in finance costs is partly due to the recent initiatives to lower the Group's indebtedness and cost of debt as well as reduced losses on conversion of foreign currency loans. Further to a realignment of residual values of hotel buildings with industry norms, a significant increase in depreciation was recorded for the quarter.

The Group posted a normalised EBITDA of Rs 594m, a 5% drop with respect to last year. PAT for the quarter increased to Rs 160m compared to Rs 63m last year, the latter's results having been impacted by the provision for the Rs 115m fraud.

PAT for the six months to March 2017 reached Rs 707m compared to Rs 603m for the same period last year. Occupancy rate increased marginally to 75% whilst average revenue per guest remained at par with the previous year.

Operations

Canonnie Beachcomber closed on the 2nd of May 2017 for major renovation works. The hotel will reopen in September 2017, with significantly higher rates being applied as from November 2017. The construction of 40 additional rooms at Victoria Beachcomber, together with a new pool and restaurant, has started in March; this new wing will come into full operation by November 2017.

The performance of the Royal Palm - Marrakech has continued to improve over the last months, with an encouraging 73% occupancy in April. The pace of sales of villas has also accelerated over the past months and based on the current trend, the budgeted sale of 12 residences for the current financial year is expected to be exceeded.

As previously announced, the Group has entered into a hotel management agreement with the Fairmont/Accor group with respect to the Royal Palm in Marrakech. A marketing and rental management agreement was also concluded with respect to the residential project. Both agreements have come into

force on the 1st of May 2017 and the hotel is now being commercialised as Fairmont Royal Palm - Marrakech. This partnership is expected to give a further boost to the Group's Moroccan operations.

Outlook

The Group has entered into a preferred partnership agreement with the Mont Choisy Golf Course. This championship course which is set to open in November 2017, will prove a valuable asset for the five Beachcomber hotels on the North coast. The closure of the Canonnie Beachcomber, together with the continued weakness of the GBP and Euro, will have a negative impact on the results for the coming months. Nonetheless, the Group having recorded a much higher turnover in April 2017 as compared to last year and forward bookings for the upcoming low season months being encouraging, the Group should record reduced losses for the third quarter.

The interim financial report is unaudited and has been prepared using the same accounting policies as the last audited annual financial statements, except for the adoption of amendments to published standards and interpretations issued which are now effective.

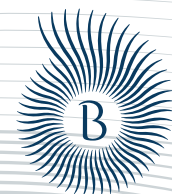
The interim financial report is issued pursuant to Listing Rule 12.20 and the Securities Act 2005.

The statement of direct and indirect interests of Directors and Senior Officers pursuant to section 8(2)(m) Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available free of charge at the registered office of the Company, Beachcomber House, Botanical Garden Street, Curepipe.

Copies of this report are available free of charge at the head office of the Company.

The Board of Directors accepts full responsibility for the accuracy of the information contained in this report.

By Order of the Board
8 May 2017



BEACHCOMBER

RESORTS & HOTELS

The Art of Beautiful