



# NEW MAURITIUS HOTELS LIMITED

## INTERIM FINANCIAL REPORT - QUARTER ENDED DECEMBER 31, 2014

### STATEMENT OF PROFIT OR LOSS

	THE GROUP		
	Quarter ended December 31, 2014	Quarter ended December 31, 2013	Year ended September 30, 2014
	Rs.'000	Rs.'000	Rs.'000
<b>Revenue</b>	<b>2,716,329</b>	2,595,911	8,793,343
Direct costs	(511,596)	(375,632)	(1,899,652)
Staff costs	(757,039)	(670,353)	(2,924,188)
Other expenses	(762,765)	(701,055)	(2,638,116)
Other income	106,511	11,513	260,476
Finance revenue	19	305	211,651
Share of results of associated companies	2,346	(326)	1,423
Profit on disposal of property, plant and equipment	1,413	374	2,127
<b>EBITDA*</b>	<b>795,218</b>	860,737	1,807,064
Finance costs	(180,539)	(145,031)	(688,640)
Depreciation and impairment of property, plant and equipment	(149,914)	(120,864)	(563,282)
Amortisation of intangible assets	(2,781)	(1,014)	(4,594)
Pre-operational expenses re Marrakech project	-	(23,276)	(61,696)
<b>Profit before tax</b>	<b>461,984</b>	570,552	488,852
Income tax (expense)/ credit	(23,090)	(38,043)	12,782
<b>Profit for the quarter/year</b>	<b>438,894</b>	532,509	501,634
Profit attributable to:			
Owners of the parent	416,726	513,745	458,494
Non-controlling interests	22,168	18,764	43,140
	<b>438,894</b>	<b>532,509</b>	<b>501,634</b>
<b>Basic earnings per share (Rs)</b>	<b>2.58</b>	3.18	2.84

### SEGMENTAL INFORMATION

#### GEOGRAPHICAL

Revenue:	2014	2013	2014
Mauritius	2,064,566	2,175,964	6,729,394
Morocco	280,102	-	806,177
Others	371,661	419,947	1,257,772
<b>EBITDA*</b>	<b>2,716,329</b>	2,595,911	8,793,343
Mauritius	727,938	778,547	1,578,867
Morocco	1,842	-	140,850
Others	65,438	82,190	87,347
	<b>795,218</b>	<b>860,737</b>	<b>1,807,064</b>

#### BUSINESS SEGMENT

Revenue	2014	2013	2014
Hotel	2,017,157	2,083,685	6,530,793
Property	208,243	-	687,745
Others	490,929	512,226	1,574,805
<b>EBITDA*</b>	<b>2,716,329</b>	2,595,911	8,793,343
Hotel	677,345	770,921	1,578,867
Property	21,283	-	140,850
Others	96,590	89,816	87,347
	<b>795,218</b>	<b>860,737</b>	<b>1,807,064</b>

### STATEMENT OF COMPREHENSIVE INCOME

	THE GROUP		
	Quarter ended December 31, 2014	Quarter ended December 31, 2013	Year ended September 30, 2014
	Rs.'000	Rs.'000	Rs.'000
<b>Profit for the quarter/year</b>	<b>438,894</b>	532,509	501,634
<b>Other comprehensive (loss)/ income, net of tax:</b>			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translating foreign operations	(68,895)	(16,254)	(416,973)
Available-for-sale financial assets	831	(894)	(681)
Cash flow hedges	9,750	(3,101)	(7,624)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Gains on revaluation of land and buildings	-	-	623,571
Remeasurement of retirement benefit obligations	-	-	23,858
<b>Other comprehensive (loss)/income for the quarter/year, net of tax</b>	<b>(58,314)</b>	(20,249)	222,151
<b>Total comprehensive income for the quarter/year</b>	<b>380,580</b>	512,260	723,785
<b>Total comprehensive income attributable to:</b>			
Owners of the parent	358,607	493,496	676,523
Non-controlling interests	21,973	18,764	47,262
	<b>380,580</b>	<b>512,260</b>	<b>723,785</b>

\*EBITDA- Excludes preoperational expenses in marrakech project.

### STATEMENT OF FINANCIAL POSITION

	THE GROUP	
	As At December 31, 2014	As At September 30, 2014
	Rs'000	Rs'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	25,009,526	24,826,796
Investment properties	778,400	786,900
Intangible assets	1,693,180	1,697,550
Investment in associates	527,875	526,863
Available-for-sale investments	26,171	25,340
Deferred tax asset	126,995	130,261
	<b>28,162,147</b>	27,993,710
<b>Current assets</b>		
Inventories	3,731,998	3,882,196
Trade and other receivables	3,785,197	3,032,387
Other financial assets	3,477	20,257
Income tax prepaid	12,411	15,737
Cash in hand and at bank	564,204	801,277
	<b>8,097,287</b>	7,751,854
<b>Total assets</b>	<b>36,259,434</b>	35,745,564
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Stated capital	1,724,361	1,724,361
Retained earnings	7,284,502	6,857,400
Other components of equity	4,541,538	4,610,033
	<b>13,550,401</b>	13,191,794
Non-controlling interests	83,980	74,257
<b>Total equity</b>	<b>13,634,381</b>	13,266,051
<b>Non-current liabilities</b>		
Borrowings	8,592,104	9,430,966
Deferred tax liability	1,465,512	1,419,966
Employee benefit liability	715,690	718,752
<b>Total non-current liabilities</b>	<b>10,773,306</b>	11,569,684
<b>Current liabilities</b>		
Trade and other payables	3,800,481	3,779,879
Borrowings	7,995,615	7,086,795
Other financial liabilities	40,509	40,509
Income tax payable	15,142	2,646
<b>Total current liabilities</b>	<b>11,851,747</b>	10,909,829
<b>Total liabilities</b>	<b>22,625,053</b>	22,479,513
<b>Total equity and liabilities</b>	<b>36,259,434</b>	35,745,564

### STATEMENT OF CASH FLOWS

	THE GROUP	
	Quarter ended 31.12.2014	Quarter ended 31.12.2013
	Rs'000	Rs'000
<b>Net cash flows generated from operating activities</b>	<b>271,715</b>	281,767
<b>Investing activities</b>		
Purchase of property, plant and equipment	(245,006)	(532,760)
Proceeds from sale of property, plant and equipment	2,564	4,251
Dividend received	19	6
Interest received	-	305
<b>Net cash flows used in investing activities</b>	<b>(242,423)</b>	(528,198)
<b>Financing activities</b>		
Proceeds from borrowings	800,985	670,480
Repayment of term loans	(852,167)	(291,612)
Repayment of finance lease liabilities	(29,684)	(19,456)
Interest paid	(235,539)	(230,785)
Dividends paid to equity holders of the parent	-	(161,424)
Dividends paid to minority shareholders	(12,250)	(20,290)
<b>Net cash flows used in financing activities</b>	<b>(328,655)</b>	(53,087)
<b>Net decrease in cash and cash equivalents</b>	<b>(299,363)</b>	(299,518)
Cash and cash equivalents at October 1,	(2,195,886)	(1,247,119)
Net foreign exchange difference	(24,289)	(7,511)
<b>Cash and cash equivalents at December 31,</b>	<b>(2,519,538)</b>	(1,554,148)

### STATEMENT OF CHANGES IN EQUITY

THE GROUP	Attributable to owners of the parent								Non-controlling interests	Total equity
	Stated Capital	Retained Earnings	Foreign Exchange Difference Reserves	Available-for-sale financial Reserves	Revaluation Reserves	Other Reserves	Total			
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>As at October 1, 2013 ( Restated)</b>	1,724,361	6,499,379	(1,047,815)	14,559	4,861,628	624,583	12,676,695	68,915	12,745,610	
<b>Changes in equity for the quarter</b>										
Total comprehensive income for the quarter	-	513,745	(19,355)	(894)	-	-	493,496	18,764	512,260	
Transfer to retained earnings	-	11,200	-	-	(11,200)	-	-	-	-	
Dividends	-	-	-	-	-	-	-	(20,290)	(20,290)	
<b>As at December 31, 2013</b>	<b>1,724,361</b>	<b>7,024,324</b>	<b>(1,067,170)</b>	<b>13,665</b>	<b>4,850,428</b>	<b>624,583</b>	<b>13,170,191</b>	<b>67,389</b>	<b>13,237,580</b>	
<b>As at October 1, 2014</b>	<b>1,724,361</b>	<b>6,857,400</b>	<b>(1,472,143)</b>	<b>13,878</b>	<b>5,443,715</b>	<b>624,583</b>	<b>13,191,794</b>	<b>74,257</b>	<b>13,266,051</b>	
<b>Changes in equity for the quarter</b>										
Total comprehensive income for the quarter	-	416,726	(58,950)	831	-	-	358,607	21,973	380,580	
Transfer to retained earnings	-	10,375	-	-	(10,375)	-	-	-	-	
Dividends	-	-	-	-	-	-	-	(12,250)	(12,250)	
<b>As at December 31, 2014</b>	<b>1,724,361</b>	<b>7,284,501</b>	<b>(1,531,093)</b>	<b>14,709</b>	<b>5,433,340</b>	<b>624,583</b>	<b>13,550,401</b>	<b>83,980</b>	<b>13,634,381</b>	

### COMMENTS

#### Results

As anticipated, the results for the first quarter of the current financial year have been lower than those of the previous year. This is attributable to the combined effect of:

- a fall of 1 percentage point in average occupancy;
  - the closing of the Royal Palm Mauritius for renovation until mid-October;
  - the unfavourable exchange rates of the Euro and the Rand and
  - the operating loss incurred on the Royal Palm Marrakech hotel.
- The resulting shortfall in revenue was mitigated by the profit booked on the sale of villas in Marrakech and the gain on the translation of foreign currency loans.
- The Group's EBITDA dropped from RS 861m last year to Rs 795m this year and, with depreciation charges and finance costs which now include Marrakech figures increasing from RS 121m to RS 150m and from Rs 145m to Rs 181m respectively, profit for the quarter fell by 17.6% to Rs 439m.

#### Outlook

Government has given clear indications of its intention to address the problems facing the tourism industry. More details will be obtained through the forthcoming budget speech concerning the measures the Government intends to introduce.

The weakness of the Euro remains a concern and, unless trading conditions improve, the results for the second quarter are not likely to progress in relation to last year. However, with the recognition of additional profit on the sale of villas in Marrakech and all hotels being in operation, the results of the second semester may well be better than those of the previous year.

#### Capital Restructuring Scheme

With a view to overcoming the cash flow problems which resulted from investments in long term projects, such as Marrakech and Les Salines, which are taking longer to bring the anticipated results, the Board will soon finalise the capital restructuring scheme it deems most appropriate in present circumstances. The scheme will have to be approved by the competent authorities and the shareholders. A Cautionary Announcement is being issued to inform shareholders and the public in general of the details of the said scheme.

*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**  
13<sup>th</sup> February 2015



**beachcomber**

DREAM IS A SERIOUS THING

WWW.BEACHCOMBER-HOTELS.COM