

# NEW MAURITIUS HOTELS LIMITED

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED DECEMBER 31, 2016



## GROUP STATEMENT OF PROFIT OR LOSS

	Quarter ended December 31, 2016 Rs.'000	Quarter ended December 31, 2015 Rs.'000	Year ended September 30, 2016 Rs.'000
	Unaudited	Restated Unaudited	Audited
<b>Revenue</b>			
Hotel operations and others	2,987,418	2,882,070	9,121,465
Property	62,294	379,702	479,992
	<b>3,049,712</b>	<b>3,261,772</b>	<b>9,601,457</b>
Direct costs	(494,014)	(703,008)	(2,047,640)
Staff costs	(847,871)	(818,190)	(3,246,152)
Other expenses	(800,950)	(817,624)	(3,020,789)
<b>Earnings from operating activities</b>	<b>906,877</b>	<b>922,950</b>	<b>1,286,876</b>
Other income	38,919	68,300	121,136
Share of results of associates	1,941	(2,718)	(6,620)
Profit/(loss) on disposal of property, plant and equipment	(2,701)	4,022	15,681
<b>Normalised EBITDA</b>	<b>945,036</b>	<b>992,554</b>	<b>1,417,073</b>
Rebranding and reorganisation costs	-	-	(119,237)
Loss arising from fraud	-	-	(115,210)
Loss on disposal of land	(12,732)	-	-
<b>EBITDA</b>	<b>932,304</b>	<b>992,554</b>	<b>1,182,626</b>
Finance costs	(238,810)	(208,680)	(981,888)
Finance revenue	117,976	44,419	14,774
Depreciation of property, plant and equipment	(161,420)	(170,737)	(647,743)
Impairment losses	-	(12,102)	(325,920)
<b>Profit/(Loss) before tax</b>	<b>650,050</b>	<b>645,454</b>	<b>(758,151)</b>
Income tax expense	(102,604)	(105,074)	(208,747)
<b>Profit/(Loss) for the quarter/ year</b>	<b>547,446</b>	<b>540,380</b>	<b>(966,898)</b>
Profit attributable to:			
Owners of the parent	519,230	518,030	(997,678)
Non-controlling interests	28,216	22,350	30,780
	<b>547,446</b>	<b>540,380</b>	<b>(966,898)</b>
<b>Basic earnings/(loss) per share (Rs)</b>	<b>1.07</b>	<b>1.07</b>	<b>(2.06)</b>

## SEGMENTAL INFORMATION

	Quarter ended December 31, 2016 Rs.'000	Quarter ended December 31, 2015 Rs.'000	Year ended September 30, 2016 Rs.'000
	Unaudited	Unaudited	Audited
<b>GEOGRAPHICAL</b>			
Revenue:			
Mauritius	2,487,814	2,404,859	7,622,751
Morocco	222,692	508,215	848,706
Others	339,206	348,698	1,130,000
	<b>3,049,712</b>	<b>3,261,772</b>	<b>9,601,457</b>
Normalised EBITDA:			
Mauritius	903,893	895,863	1,736,073
Morocco	(10,306)	39,139	(299,756)
Others	51,449	57,552	(19,244)
	<b>945,036</b>	<b>992,554</b>	<b>1,417,073</b>

## GROUP STATEMENT OF COMPREHENSIVE INCOME

	THE GROUP Quarter ended December 31, 2016 Rs.'000	Quarter ended December 31, 2015 Rs.'000	Year ended September 30, 2016 Rs.'000
	Unaudited	Unaudited	Audited
<b>Profit/(loss) for the quarter/year</b>	<b>547,446</b>	<b>540,380</b>	<b>(966,898)</b>
<b>Other comprehensive income/(loss) for the quarter/year, net of tax</b>	<b>(219,330)</b>	<b>(49,329)</b>	<b>(212,312)</b>
<b>Total comprehensive income/(loss) for the quarter/year</b>	<b>328,116</b>	<b>491,051</b>	<b>(1,179,210)</b>
Total comprehensive income/(loss) attributable to:			
Owners of the parent	299,333	468,701	(1,208,336)
Non-controlling interests	28,783	22,350	29,126
	<b>328,116</b>	<b>491,051</b>	<b>(1,179,210)</b>

## GROUP STATEMENT OF FINANCIAL POSITION

	As At December 31, 2016 Rs.'000	As At September 30, 2016 Rs.'000
	Unaudited	Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	24,768,881	25,055,983
Investment property	356,000	363,964
Intangible assets	1,689,385	1,691,095
Investment in associates	476,669	474,727
Available-for-sale investments	1,541	1,541
Deferred tax assets	136,604	139,540
	<b>27,429,080</b>	<b>27,726,850</b>
<b>Current assets</b>	<b>8,404,921</b>	<b>7,781,377</b>
<b>TOTAL ASSETS</b>	<b>35,834,001</b>	<b>35,508,227</b>
<b>EQUITY AND LIABILITIES</b>		
Shareholders' interests	12,149,110	11,849,777
Non-controlling interests	63,981	50,006
Non-current liabilities	14,033,098	15,034,004
Current liabilities	9,587,812	8,574,440
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>35,834,001</b>	<b>35,508,227</b>

## GROUP STATEMENT OF CHANGES IN EQUITY

	Shareholders' Interests Rs.'000	Non- controlling Interests Rs.'000	Total Equity Rs.'000
<b>As at October 1, 2015 (Restated)</b>	13,217,922	58,738	13,276,660
<b>Changes in equity for the quarter</b>			
Total comprehensive income for the quarter	468,701	22,350	491,051
Dividends	(159,809)	(4,999)	(164,808)
<b>As at December 31, 2015</b>	<b>13,526,814</b>	<b>76,089</b>	<b>13,602,903</b>
<b>As at October 1, 2016</b>	11,849,777	50,006	11,899,783
<b>Changes in equity for the quarter</b>			
Total comprehensive income for the quarter	299,333	28,783	328,116
Dividends	-	(14,808)	(14,808)
<b>As at December 31, 2016</b>	<b>12,149,110</b>	<b>63,981</b>	<b>12,213,091</b>

## GROUP STATEMENT OF CASH FLOWS

	Quarter ended December 31, 2016 Rs.'000	Quarter ended December 31, 2015 Rs.'000
	Unaudited	Unaudited
Net cash flows generated from operating activities	428,120	396,775
Net cash flows generated from/(used in) investing activities	7,554	(293,321)
Net cash flows used in financing activities	(458,206)	(262,215)
Net decrease in cash and cash equivalents	(22,532)	(158,761)
Cash and cash equivalents at October 1,	(2,061,537)	(1,459,545)
Net foreign exchange difference	33,991	(18,131)
<b>Cash and cash equivalents at December 31,</b>	<b>(2,050,078)</b>	<b>(1,636,437)</b>

## PAT FOR THE QUARTER AT PAR WITH LAST YEAR. RESULTS IMPACTED BY THE WEAKNESS OF THE EURO AND GBP AND BY LOWER VILLAS SALES IN MARRAKECH

Despite a 3.8% growth in hotel operations, the Group registered a year-on-year drop in turnover of 6.5% to reach Rs 3,050m (FY16: Rs 3,262m), mainly due to lower villa sales in Marrakech. Profit from operations dropped marginally to Rs 907m (FY16: Rs 923m) and normalised EBITDA stood at Rs 945m (FY16: Rs 993m), both affected by the weakness of the Euro and GBP. Profit after tax, which was positively impacted by gains on translation of Euro loans, improved to Rs 547m (FY16: Rs 540m).

### Comments on operations

Average occupancy rate in our hotels across the group increased to 78% (FY16: 73%), with improvement both in Mauritius and Morocco. The Mauritian hotel operations performed well in the first quarter of FY17 on the back of an increase in tourist arrivals of 13%. Occupancy levels increased to 80% across our eight hotels. Despite a drop in average spending per guest per night of 2.1%, mostly on account of a weaker EUR and GBP, turnover from operation in Mauritius increased by 3.5% and EBITDA by 1%. Royal Palm Marrakech showed improved results for the first quarter due to an increase in occupancy rate but the contribution to results remained negative. As expected, the pace of sale of villas at Domaine Palm Marrakech remained slow. Furthermore, revenue recognition on villas sales was low during this quarter; higher revenues are expected in the next quarters. The Group PAT showed a marginal increase after taking into account gains on revaluation of borrowings denominated in EUR.

### Beachcomber Hospitality Investments Ltd (BHI)

The immovable assets of Victoria Beachcomber, Canonnier Beachcomber and Mauricia Beachcomber have been sold to BHI. On 16 December 2016, Mara Delta group has injected EUR 21.5m in shareholder's equity and BHI has secured loans totalling EUR 50m at favourable terms, which have been utilised to repay existing debts of NMH. Further funds of EUR 28.5m are expected in BHI upon obtaining Prime Minister's Office approval and those funds will be used to further reduce Group borrowings.

NMH is engaged in advanced discussions with its financing partners with a view to review the cost and repayment terms of its remaining debt. These negotiations should result in a significant improvement in the Company's cash flow.

### Outlook

Forward bookings for the second quarter of the financial year are lagging slightly behind with the peak Easter period expected in April as compared to March last year. A Letter of Intent with a renowned international operator has been signed in respect of Royal Palm Marrakech and the marketing of residential villas. The finalisation of the transaction is expected in the

third quarter of this financial year. The Board is confident that this partnership will bring improved results in the future.

Major renovation is being planned for Canonnier Beachcomber during the next low season, with the hotel expected to reopen in September 2017. Beachcomber Ste Anne Resort in the Seychelles will also be closed for renovation in FY18.

Whilst all operations in Mauritius and non-hotel operations abroad are expected to continue to perform satisfactorily, the Group results will continue to be affected during FY17 by the negative performance of its operations in Marrakech. However, the Board is confident that the on-going restructuring and reorganisation initiatives, together with the successful repositioning of the Beachcomber brand, will contribute to a much improved performance as from FY18.

*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  
15 February 2017



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