



NEW MAURITIUS HOTELS LIMITED

UNAUDITED INTERIM FINANCIAL REPORT FOR 9 MONTHS ENDED JUNE 30, 2016



GROUP STATEMENT OF PROFIT OR LOSS

	9 Months ended 30.06.2016 Unaudited Rs.'000	9 Months ended 30.06.2015 Unaudited Rs.'000 Restated	Quarter ended 30.06.2016 Unaudited Rs.'000	Quarter ended 30.06.2015 Unaudited Rs.'000 Restated	Year ended 30.09.2015 Audited Rs.'000 Restated
Revenue					
Hotel operations and others	7,290,701	6,591,878	1,752,855	1,687,615	8,309,152
Property	482,910	617,526	82,709	252,445	866,506
	7,773,611	7,209,404	1,835,564	1,940,060	9,175,658
Direct costs	(1,542,838)	(1,505,867)	(410,538)	(519,265)	(2,166,722)
Staff costs	(2,440,639)	(2,278,514)	(806,618)	(754,214)	(3,092,693)
Other expenses	(2,236,895)	(2,132,861)	(585,162)	(584,720)	(2,675,299)
Earnings from operating activities	1,553,239	1,292,162	33,246	81,861	1,240,944
Other income	10,000	12,406	10,000	6,251	132,446
Share of results of associates	(2,654)	9,873	333	(1,774)	13,956
Profit / (loss) on disposal of property, plant and equipment	15,037	10,060	4,652	5,000	(8,174)
Rebranding and reorganisation costs	(48,530)	-	(35,471)	-	-
EBITDA	1,527,092	1,324,501	12,760	91,338	1,379,172
Finance costs	(667,147)	(628,643)	(211,175)	(211,125)	(940,718)
Finance revenue	150,613	222,186	36,261	16,020	377,661
Depreciation of property, plant and equipment	(415,245)	(401,773)	(128,083)	(127,416)	(536,380)
Amortisation of intangible assets and goodwill	(3,835)	(3,619)	(951)	(1,057)	(11,764)
Profit / (loss) before financial fraud	591,478	512,652	(291,188)	(232,240)	267,971
Provision for financial fraud	(115,210)	-	-	-	-
Profit / (loss) before tax	476,268	512,652	(291,188)	(232,240)	267,971
Income tax (expense)/credit	(170,388)	46,180	(6,220)	(7,892)	(60,394)
Profit / (loss) for 9 months / quarter / year (PAT)	305,880	558,832	(297,408)	(240,132)	207,577
Profit / (loss) attributable to:					
Owners of the parent	265,466	516,431	(313,532)	(256,042)	168,978
Non-controlling interests	40,414	42,401	16,124	15,910	38,599
	305,880	558,832	(297,408)	(240,132)	207,577
Basic earnings per share (Rs)	0.55	1.07	(0.65)	(0.53)	0.35

GEOGRAPHICAL SEGMENTAL INFORMATION

	9 Months ended 30.06.2016 Unaudited Rs.'000	9 Months ended 30.06.2015 Unaudited Rs.'000	Quarter ended 30.06.2016 Unaudited Rs.'000	Quarter ended 30.06.2015 Unaudited Rs.'000	Year ended 30.09.2015 Audited Rs.'000
Revenue					
Mauritius	6,099,911	5,421,089	1,426,630	1,312,425	6,833,926
Morocco	796,554	894,748	181,519	375,651	1,184,221
Others	877,146	893,567	227,415	251,984	1,157,511
	7,773,611	7,209,404	1,835,564	1,940,060	9,175,658
EBITDA					
Mauritius	1,560,921	1,242,223	32,153	37,092	1,452,063
Morocco	(66,272)	48,609	(5,125)	71,028	(62,866)
Others	32,443	33,669	(14,268)	(16,782)	(10,025)
	1,527,092	1,324,501	12,760	91,338	1,379,172

GROUP STATEMENT OF COMPREHENSIVE INCOME

	9 Months ended 30.06.2016 Unaudited Rs.'000	9 Months ended 30.06.2015 Unaudited Rs.'000	Quarter ended 30.06.2016 Unaudited Rs.'000	Quarter ended 30.06.2015 Unaudited Rs.'000	Year ended 30.09.2015 Audited Rs.'000
Profit / (loss) for 9 months / quarter / year	305,880	558,832	(297,408)	(240,132)	207,577
Other comprehensive (loss) / income for 9 months / quarter / year, net of tax	(106,183)	135,762	(59,352)	64,793	282,062
Total comprehensive income / (loss) for 9 months / quarter / year	199,697	694,594	(356,760)	(175,339)	489,639
Total comprehensive income / (loss) attributable to:					
Owners of the parent	160,277	651,760	(373,714)	(190,749)	455,143
Non-controlling interests	39,420	42,834	16,954	15,410	34,496
	199,697	694,594	(356,760)	(175,339)	489,639

GROUP STATEMENT OF CHANGES IN EQUITY

	Shareholders' Interests Rs.'000	Non-controlling Interests Rs.'000	Total Equity Rs.'000
At October 1, 2014	13,191,794	74,257	13,266,051
Changes in equity for 9 months			
Total comprehensive income for 9 months	651,760	42,834	694,594
Bonus issue	491,346	-	491,346
Dividends	-	(12,250)	(12,250)
At June 30, 2015	14,334,900	104,841	14,439,741
At October 1, 2015	13,646,937	59,067	13,706,004
Changes in equity for 9 months			
Total comprehensive income for 9 months	160,277	39,420	199,697
Dividends	(159,809)	(26,436)	(186,245)
At June 30, 2016	13,647,405	72,051	13,719,456

GROUP STATEMENT OF FINANCIAL POSITION

	As at 30.06.2016 Unaudited Rs'000	As at 30.09.2015 Audited Rs'000
ASSETS		
Non-current assets		
Property, plant and equipment	25,242,814	25,508,538
Investment properties	362,000	366,000
Intangible assets	1,696,644	1,696,073
Investment in associates	517,307	535,395
Available-for-sale financial assets	3,609	4,512
Deferred tax assets	206,703	209,877
Total non-current assets	28,029,077	28,320,395
Current assets	8,945,902	8,476,106
Total assets	36,974,979	36,796,501
EQUITY AND LIABILITIES		
Shareholders' interest	13,647,405	13,646,937
Non-controlling interests	72,051	59,067
Non-current liabilities	14,870,774	14,791,115
Current liabilities	8,384,749	8,299,382
Total equity and liabilities	36,974,979	36,796,501

GROUP STATEMENT OF CASH FLOWS

	9 Months ended 30.06.2016 Unaudited Rs'000	9 Months ended 30.06.2015 Unaudited Rs'000
Net cash flows generated from operating activities	852,781	944,216
Net cash flows used in investing activities	(112,162)	(436,695)
Net cash flows used in financing activities	(1,295,518)	(1,265,775)
Net decrease in cash and cash equivalents	(554,899)	(758,254)
Cash and cash equivalents at October 1,	(1,459,545)	(2,195,886)
Net foreign exchange difference	(37,180)	27,143
Cash and cash equivalents at June 30,	(2,051,624)	(2,926,997)

COMMENTS

Results for the nine months ended 30 June 2016: Earnings from operating activities up by 20%; EBITDA up by 15%.

The Group recorded a decrease in turnover and EBITDA compared to the same quarter last year. This reduction stems mainly from decreased villas sales in Morocco. Hotel and associated operations registered an increase in turnover, with occupancy rates increasing from 64% to 68%. Given the fact that a significant portion of the Easter holidays occurred in March (i.e. in NMH's second reporting quarter) this year as compared to April last year, the quarter to quarter comparison can be misleading as lower "non-holiday" rates were recorded in April this year.

The Group results are therefore more meaningful when analysed for the 9 months to June. The latter's comparatives indicate an 8% growth in revenue, a 20% growth in earnings from operating activities and a 15% growth in EBITDA. This improvement was driven mostly by the hotel operations in Mauritius, with an increase in the number of guests hosted of 13.6% compared to an increase in tourist arrivals of 10.2% at national level. The Group's overall occupancy increased from 67% to 74% for the nine months. EBITDA was negatively impacted by non-recurrent rebranding and reorganisation costs.

Hotel operations in Marrakesh continue to sustain significant losses. Management is presently working on the setting up of a partnership with a world renowned operating company with the aim of securing positive cash flows from its hotel operations.

The Company is progressing swiftly in its strategic initiatives as previously announced and the board's objective to significantly reduce indebtedness by the end of the present calendar year should be achieved as anticipated.

Bookings in hand for the next few months are encouraging and occupancy should be higher than last year. However, the weakness of the Group's main trading currencies, including the GBP, will put negative pressure on room rates.

The rebranding exercise is progressing satisfactorily and Beachcomber's new image and brand positioning will be launched in September. Management expects this initiative, together with the accompanying communication exercise, to further boost occupancy in 2017 and position the Group for its next development phase.

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.

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HOTELS

DREAM IS A SERIOUS THING

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By Order of the Board
11 August 2016