



NEW MAURITIUS HOTELS LIMITED

INTERIM FINANCIAL REPORT FOR THE NINE MONTHS ENDED JUNE 30, 2014

INCOME STATEMENT

	THE GROUP				
	9 Months ended 30.06.2014 Rs.'000	9 Months ended 30.06.2013 Rs.'000	Quarter ended 30.06.2014 Rs.'000	Quarter ended 30.06.2013 Rs.'000	Year ended 30.09.2013 Rs.'000
Revenue	6,604,021	6,293,382	1,685,230	1,550,060	7,818,863
Direct costs	(1,050,384)	(975,391)	(321,914)	(324,808)	(1,271,747)
Staff costs	(2,137,031)	(2,002,388)	(716,499)	(642,449)	(2,636,454)
Other expenses	(1,990,554)	(1,905,339)	(629,186)	(556,100)	(2,439,378)
Finance revenue	12,986	30,682	1,438	22,932	15,849
Other income	18,180	-	18,180	-	112,348
Profit on disposal of property, plant and equipment	4,022	5,140	156	2,946	9,433
Share of results of associates	(4,162)	40,898	(1,668)	11,477	41,039
EBITDA	1,457,078	1,486,984	35,737	64,057	1,649,953
Finance costs	(440,391)	(449,039)	(136,571)	(165,930)	(609,491)
Depreciation of property, plant and equipment	(365,380)	(383,384)	(126,729)	(130,760)	(505,244)
Amortisation of intangible assets	(3,044)	(1,847)	(1,015)	(431)	(3,952)
Pre-operational expenses re Marrakech project	(85,062)	(61,435)	(39,236)	(17,215)	(103,195)
Profit/ (loss) before tax	563,201	591,279	(267,814)	(250,278)	428,071
Income tax (expense)/credit	(11,455)	(34,596)	23,112	32,037	(24,356)
Profit/(loss) for the 9 months/quarter/ year	551,746	556,683	(244,702)	(218,241)	403,715
Profit/(loss) attributed to:					
Owners of the parent	516,250	520,962	(257,423)	(229,584)	369,427
Non-controlling interests	35,496	35,721	12,721	11,343	34,288
	551,746	556,683	(244,702)	(218,241)	403,715
Basic earnings/(loss) per share (Rs)	3.20	3.23	(1.59)	(1.42)	2.29

STATEMENT OF COMPREHENSIVE INCOME

	THE GROUP				
	9 Months ended 30.06.2014 Rs.'000	9 Months ended 30.06.2013 Rs.'000	Quarter ended 30.06.2014 Rs.'000	Quarter ended 30.06.2013 Rs.'000	Year ended 30.09.2013 Rs.'000
Profit/ (loss) for the 9 months/quarter/ year	551,746	556,683	(244,702)	(218,241)	403,715
Other comprehensive income, net of tax:					
Exchange differences on translating foreign operations	(1,345)	106,479	2,332	39,471	(33,619)
Available-for-sale financial assets	(962)	8,124	34	-	6,880
Cash flow hedges	4,496	10,866	(1,114)	(7,289)	7,361
Gains on revaluation of land and buildings	-	-	-	-	349,352
Other comprehensive income for the 9 months/quarter/ year, net of tax	2,189	125,469	1,252	32,182	329,974
Total comprehensive income/(loss) for the 9 months/quarter/ year	553,936	682,152	(243,450)	(186,059)	733,689
Total comprehensive income/(loss) attributable to:					
Owners of the parent	518,439	646,431	(256,171)	(197,402)	702,415
Non-controlling interests	35,496	35,721	12,721	11,343	31,274
	553,936	682,152	(243,450)	(186,059)	733,689

STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent						Non-controlling-Interests	Total equity	
	Stated Capital	Retained Earnings	Foreign Exchange Difference Reserves	Available-for-sale financial assets	Revaluation Reserve	Other Reserves			Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
Balance at October 1, 2012	1,724,361	6,076,131	(1,024,901)	7,679	4,549,874	1,435,343	12,768,487	58,662	12,827,149
Changes in equity for the 9 months									
Total comprehensive income for the 9 months	-	520,962	117,344	8,124	-	-	646,431	35,721	682,152
Transfer to retained earnings	-	32,700	-	-	(32,700)	-	-	-	-
Dividends	-	-	-	-	-	-	-	(18,940)	(18,940)
Balance at June 30, 2013	1,724,361	6,629,793	(907,557)	15,803	4,517,174	1,435,343	13,414,918	75,443	13,490,361
Balance at October 1, 2013	1,724,361	7,132,162	(1,047,815)	14,559	4,861,628	624,583	13,309,478	68,915	13,378,393
Changes in equity for the 9 months									
Total comprehensive income/(loss) for the 9 months	-	516,250	3,151	(962)	-	-	518,439	35,496	553,935
Transfer to retained earnings	-	31,700	-	-	(31,700)	-	-	-	-
Dividends	-	(161,424)	-	-	-	-	(161,424)	(20,219)	(181,643)
Balance at June 30, 2014	1,724,361	7,518,688	(1,044,664)	13,597	4,829,928	624,583	13,666,493	84,192	13,750,685

STATEMENT OF FINANCIAL POSITION

	THE GROUP	
	As at 30.06.2014 Rs'000	As at 30.09.2013 Rs'000
ASSETS		
Non-current assets		
Property, plant and equipment	24,045,964	22,681,483
Investment properties	480,900	480,900
Intangible assets	1,704,289	1,707,528
Investment in associates	517,310	524,683
Available-for-sale financial assets	25,059	26,021
Employee benefit asset	13,953	12,962
	26,787,475	25,433,577
Current assets		
Inventories	4,676,246	4,150,415
Trade and other receivables	2,199,856	2,520,765
Income tax prepaid	6,978	46,348
Cash in hand and at bank	827,787	849,316
	7,710,867	7,566,844
Total assets	34,498,342	33,000,421
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Stated capital	1,724,361	1,724,361
Retained earnings	7,518,688	7,132,163
Other components of equity	4,423,444	4,452,955
	13,666,493	13,309,478
Non-controlling interests	84,192	68,915
Total equity	13,750,685	13,378,393
Non-current liabilities		
Borrowings	9,323,278	10,112,954
Deferred tax liability	1,421,890	1,464,362
Employee benefit liability	11,031	9,167
Total non-current liabilities	10,756,199	11,586,483
Current liabilities		
Trade and other payables	3,278,938	3,048,690
Borrowings	6,712,520	4,986,855
Total current liabilities	9,991,458	8,035,545
Total liabilities	20,747,657	19,622,028
Total equity and liabilities	34,498,342	33,000,421

STATEMENT OF CASH FLOWS

	THE GROUP	
	9 Months ended 30.06.2014 Rs'000	9 Months ended 30.09.2013 Rs'000
Net cash flows generated from operating activities	1,067,736	1,185,337
Investing activities		
Purchase of property, plant and equipment	(1,201,393)	(1,244,564)
Proceeds from sale of property, plant and equipment	16,518	13,761
Dividend received	6	6
Finance revenue	12,986	33,968
Net cash flows used in investing activities	(1,171,883)	(1,196,829)
Financing activities		
Proceeds from borrowings	1,115,190	971,182
Repayment of term loans	(1,156,144)	(856,519)
Repayment of finance lease liabilities	(47,495)	(59,716)
Interest paid	(585,538)	(569,038)
Dividends paid to equity holders of the parent	(161,424)	-
Dividends paid to non-controlling interests	(20,219)	(18,940)
Net cash flows used in financing activities	(855,630)	(533,031)
Net decrease in cash and cash equivalents	(959,777)	(544,523)
Cash and cash equivalents at October 1,	(1,247,119)	(971,797)
Net foreign exchange difference	(962)	(20,915)
Cash and cash equivalents at June 30,	(2,207,858)	(1,537,235)

COMMENTS

Results

Quarter ended June 30, 2014

Tourist arrivals in Mauritius increased by 10.5% during that quarter, driven mainly by Easter falling in April this year.

As scheduled, the Royal Palm was closed for five months as from 12th May for renovation works. The Group's average occupancy grew by ten percentage points to reach 62.8% and RevPar by 10% to Rs6,819. Revenue increased by 8.7% to Rs1,685m.

With a shortfall of Rs21m occasioned by the temporary closure of the Royal Palm and a loss of Rs48m incurred by the hotel in Marrakech operating at limited capacity, operating loss for the quarter amounted to Rs110m compared to Rs102m last year.

Authorisation to pass on the title to the owners of the villas sold in Marrakech having been obtained, the first two deeds were signed in June 2014 and a profit of some Rs18m recognised as other income in the income statement.

Nine months ended June 30, 2014

With the results achieved during the third quarter, Revenue reached Rs6,604m, EBITDA Rs1,457m and earnings Rs552m as compared to Rs6,293m, Rs1,487m and Rs557m respectively last year.

The results, over that nine month period, were below what was expected due mainly to lower average revenue per guest.

Outlook

With the Royal Palm under renovation and the hotel in Marrakech still not operating at full capacity, operating results for the fourth quarter are expected to be lower than those of last year.

However, earnings for the year could be better than last year's with the recognition of the profits expected on the transfer of title deeds of the villas sold in Marrakech.

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

14th August 2014



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