



# NEW MAURITIUS HOTELS LIMITED

## INTERIM FINANCIAL REPORT FOR THE SEMESTER ENDED MARCH 31, 2014

### INCOME STATEMENT

	THE GROUP				
	Semester ended	Semester ended	Quarter ended	Quarter ended	Year ended
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	30.09.2013
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Revenue</b>	<b>4,918,791</b>	<b>4,743,322</b>	<b>2,322,137</b>	<b>2,224,727</b>	<b>7,818,863</b>
Direct costs	(728,471)	(650,583)	(352,839)	(303,481)	(1,271,747)
Staff costs	(1,420,533)	(1,359,939)	(750,180)	(716,985)	(2,636,454)
Other expenses	(1,361,369)	(1,349,239)	(660,314)	(652,592)	(2,439,378)
Depreciation of property, plant and equipment	(238,651)	(252,624)	(117,787)	(125,097)	(505,244)
Amortisation of intangible assets	(2,029)	(1,417)	(1,015)	(428)	(3,952)
Profit on disposal of property, plant and equipment	3,866	2,194	3,492	1,220	9,433
Finance revenue	11,548	7,751	473	4,382	15,849
Finance costs	(303,820)	(283,108)	(158,788)	(136,922)	(609,491)
Other income	-	-	-	-	112,348
Share of results of associates	(2,494)	29,421	(2,167)	28,523	41,039
Pre-operational expenses re Marrakech project	(45,826)	(44,220)	(22,551)	(18,418)	(103,195)
<b>Profit before tax</b>	<b>831,012</b>	<b>841,558</b>	<b>260,461</b>	<b>304,929</b>	<b>428,071</b>
Income tax (expense)/credit	(34,567)	(66,634)	3,476	(22,276)	(24,356)
<b>Profit for the semester/quarter/year</b>	<b>796,445</b>	<b>774,924</b>	<b>263,937</b>	<b>282,653</b>	<b>403,715</b>
Profit attributable to:					
Owners of the parent	773,670	750,546	259,926	278,587	369,427
Non-controlling interests	22,775	24,378	4,011	4,066	34,288
	<b>796,445</b>	<b>774,924</b>	<b>263,937</b>	<b>282,653</b>	<b>403,715</b>
<b>Basic earnings per share (Rs)</b>	<b>4.79</b>	<b>4.65</b>	<b>1.61</b>	<b>1.73</b>	<b>2.29</b>

### SEGMENTAL INFORMATION

	THE GROUP				
	Semester ended	Semester ended	Quarter ended	Quarter ended	Year ended
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	30.09.2013
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Segment revenue:</b>					
Hotel operations	3,981,500	3,861,115	1,897,961	1,848,662	6,222,501
Others	937,291	882,207	424,176	376,065	1,596,362
<b>Total revenue</b>	<b>4,918,791</b>	<b>4,743,322</b>	<b>2,322,137</b>	<b>2,224,727</b>	<b>7,818,863</b>
<b>Segment results:</b>					
Hotel operations	1,053,258	1,023,201	413,966	408,913	887,064
Others	118,346	108,513	29,530	18,451	84,457
<b>Operating profit</b>	<b>1,171,604</b>	<b>1,131,714</b>	<b>443,496</b>	<b>427,364</b>	<b>971,521</b>
Finance revenue	11,548	7,751	473	4,382	15,849
Finance costs	(303,820)	(283,108)	(158,789)	(136,922)	(609,491)
Other income	-	-	-	-	112,348
Share of results of associates	(2,494)	29,421	(2,167)	28,523	41,039
Pre-operational expenses	(45,826)	(44,220)	(22,552)	(18,418)	(103,195)
<b>Profit before tax</b>	<b>831,012</b>	<b>841,558</b>	<b>260,461</b>	<b>304,929</b>	<b>428,071</b>

### 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 Reserves	Revaluation Reserve	Other Reserves	Total		
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000		
<b>Balance at October 1, 2012</b>	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
<b>Changes in equity for the semester</b>									
Total comprehensive income for the semester	-	750,546	86,656	6,630	-	-	843,832	24,378	868,210
Transfer to retained earnings	-	23,800	-	-	(23,800)	-	-	-	-
<b>Balance at March 31, 2013</b>	1,724,361	6,850,477	(938,245)	14,309	4,526,074	1,435,343	13,612,319	83,040	13,695,359
<b>Balance at October 1, 2013</b>	1,724,361	7,132,162	(1,047,815)	14,559	4,861,628	624,583	13,309,478	68,915	13,378,393
<b>Changes in equity for the semester</b>									
Dividends	-	(161,424)	-	-	-	-	(161,424)	(20,219)	(181,643)
Total comprehensive income for the semester	-	773,670	1,934	(996)	-	-	774,608	22,775	797,383
Transfer to retained earnings	-	21,700	-	-	(21,700)	-	-	-	-
<b>Balance at March 31, 2014</b>	1,724,361	7,766,108	(1,045,881)	13,563	4,839,928	624,583	13,922,662	71,471	13,994,133

### STATEMENT OF FINANCIAL POSITION

	THE GROUP	
	As at	As at
	31.03.2014	30.09.2013
	Rs'000	Rs'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	24,038,199	22,681,483
Investment properties	480,900	480,900
Intangible assets	1,705,290	1,707,528
Investment in associates	518,978	524,683
Available-for-sale financial assets	25,024	26,021
Employee benefit asset	13,953	12,962
	<b>26,782,344</b>	<b>25,433,577</b>
<b>Current assets</b>		
Inventories	4,359,967	4,150,415
Trade and other receivables	2,636,719	2,520,765
Income tax prepaid	27,973	46,348
Cash in hand and at bank	870,941	849,316
	<b>7,895,600</b>	<b>7,566,844</b>
<b>Total assets</b>	<b>34,677,944</b>	<b>33,000,421</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Stated capital	1,724,361	1,724,361
Retained earnings	7,766,108	7,132,162
Other components of equity	4,432,193	4,452,955
	<b>13,922,662</b>	<b>13,309,478</b>
Non-controlling interests	71,471	68,915
Total equity	<b>13,994,133</b>	<b>13,378,393</b>
<b>Non-current liabilities</b>		
Borrowings	10,177,444	10,112,954
Deferred tax liability	1,420,777	1,464,362
Employee benefit liability	10,840	9,167
Total non-current liabilities	<b>11,609,061</b>	<b>11,586,483</b>
<b>Current liabilities</b>		
Trade and other payables	3,382,032	3,048,690
Borrowings	5,692,718	4,986,855
Total current liabilities	<b>9,074,750</b>	<b>8,035,545</b>
<b>Total liabilities</b>	<b>20,683,811</b>	<b>19,622,028</b>
<b>Total equity and liabilities</b>	<b>34,677,944</b>	<b>33,000,421</b>

### STATEMENT OF CASH FLOWS

	THE GROUP	
	Semester ended	Semester ended
	31.03.2014	31.03.2013
	Rs'000	Rs'000
<b>Net cash flows generated from operating activities</b>	<b>1,083,523</b>	<b>824,763</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(1,145,883)	(827,326)
Proceeds from sale of property, plant and equipment	10,112	2,269
Dividend received	6	-
Interest received	11,548	7,749
<b>Net cash flows used in investing activities</b>	<b>(1,124,217)</b>	<b>(817,308)</b>
<b>Financing activities</b>		
Proceeds from borrowings	1,110,890	501,182
Repayment of term loans	(524,957)	(359,472)
Repayment of finance lease liabilities	(47,495)	(24,754)
Interest paid	(458,820)	(283,108)
Dividends paid to equity holders of the parent	(161,424)	-
Dividends paid to minority shareholders	(20,219)	-
<b>Net cash flows used in financing activities</b>	<b>(102,025)</b>	<b>(166,152)</b>
<b>Net decrease in cash &amp; cash equivalents</b>	<b>(142,719)</b>	<b>(158,697)</b>
Cash & cash equivalents at October 1,	(1,247,119)	(971,797)
Net foreign exchange difference	(6,143)	(13,969)
<b>Cash &amp; cash equivalents at March 31,</b>	<b>(1,395,981)</b>	<b>(1,144,463)</b>

### COMMENTS

#### Results

During the quarter under review, tourist arrivals in Mauritius declined by 0.8% with the main market, Europe, decreasing by 4.3%. In these very difficult trading conditions NMH occupancy grew by 11.6% but, due to a less favorable market mix, average revenue per guest was down by 6.2%. Excluding Marrakech, Group revenue grew by 3.3% and operating profit by 9%.

The Royal Palm Marrakech started its operation on 26<sup>th</sup> December 2013 and the hotel's figures are included in the second quarter results. The hotel which opened with a limited number of rooms and promotional rates, incurred a loss of Rs 24m during that soft opening period.

The negative contribution from associated companies and the increase in finance costs impacted on our earnings by some Rs52m which, together with the operating loss incurred in Marrakech, reduced earnings for the quarter to Rs264m as compared to Rs283m last year.

Compared to last year, Group revenue for the semester grew by 4% to Rs4,919m and earnings by 3% to Rs796m.

#### Outlook

As at March 31 this year, occupancy had grown by 7.3% and, Easter falling in April, occupancy as at June 30 should be up by some 10% over last year. However, the downward trend in average revenue per guest will increase with the closure of the Royal Palm Mauritius for renovation works as from May. The Marrakech hotel is expected to operate at a loss until all the rooms come into service and the rates substantially revised upwards as from next October. Overall operating results for the 3<sup>rd</sup> quarter are thus expected to remain at last year's level.

Domaine Palm Marrakech keeps developing a great reputation. Out of the sales target of sixty villas by the end of September 2014, fifty one have been sold at the time of writing. It is anticipated that, by the end of the current financial year, the title would have been passed to the buyers on thirty five of the villas already sold as well as on all future sales. The profit realised thereon will be recognised in the accounts and surplus funds repatriated.

*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> May 2014



**beachcomber**  
HOTELS

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