



NEW MAURITIUS HOTELS LIMITED

UNAUDITED INTERIM FINANCIAL REPORT FOR THE 9 MONTHS ENDED JUNE 30, 2015



STATEMENT OF PROFIT OR LOSS

Rs.'000	THE GROUP				
	Quarter ended	Quarter ended	9 months ended	9 months ended	Year ended
	30.06.2015	30.06.2014	30.06.2015	30.06.2014	30.09.2014
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue	1,975,730	1,710,230	7,390,074	6,629,021	8,793,343
Direct costs	(519,265)	(378,733)	(1,505,867)	(1,107,204)	(1,899,652)
Staff costs	(754,212)	(716,499)	(2,278,513)	(2,137,031)	(2,924,188)
Other expenses	(584,722)	(579,186)	(2,132,862)	(1,940,554)	(2,638,116)
Other income	-	-	-	-	260,476
Finance revenue	(13,397)	1,438	53,922	12,986	211,651
Share of results of associates	(1,774)	(1,668)	9,873	(4,162)	1,423
Profit on disposal of property, plant and equipment	5,000	156	10,060	4,022	2,127
EBITDA	107,360	35,738	1,546,687	1,457,078	1,807,064
Finance costs	(211,125)	(136,571)	(628,643)	(440,391)	(688,640)
Depreciation of property, plant and equipment	(127,416)	(126,729)	(401,773)	(365,380)	(563,282)
Amortisation of intangible assets	(1,058)	(1,015)	(3,619)	(3,044)	(4,594)
Pre-operational expenses re Marrakech project	-	(39,236)	-	(85,062)	(61,696)
(Loss)/ Profit before tax	(232,239)	(267,813)	512,652	563,201	488,852
Income tax (expense)/ credit	(7,893)	23,112	46,180	(11,455)	12,782
(Loss)/ Profit for the quarter/9 months/year	(240,132)	(244,701)	558,832	551,746	501,634
(Loss)/ Profit attributable to:					
Owners of the parent	(256,042)	(257,423)	516,431	516,250	458,494
Non-controlling interests	15,910	12,722	42,401	35,496	43,140
	(240,132)	(244,701)	558,832	551,746	501,634
Basic (loss)/earnings per share (Rs)	(0.53)	(0.53)	1.07	1.07	0.95

(Number of shares used in calculation: 484,270,608)

SEGMENTAL INFORMATION

GEOGRAPHICAL

Revenue:					
Mauritius	1,433,495	1,386,113	5,599,158	5,524,837	6,729,394
Morocco	375,650	127,318	894,748	152,514	806,177
Others	166,585	196,799	896,168	951,670	1,257,772
	1,975,730	1,710,230	7,390,074	6,629,021	8,793,343
EBITDA:					
Mauritius	84,098	52,375	1,470,350	1,392,942	1,578,867
Morocco	71,028	(5,846)	48,609	(30,352)	140,850
Others	(47,766)	(10,791)	27,728	94,488	87,347
	107,360	35,738	1,546,687	1,457,078	1,807,064

BUSINESS SEGMENT

Revenue:					
Hotel	1,437,617	1,350,710	5,532,341	5,332,210	6,530,793
Property	252,444	75,000	617,526	75,000	687,745
Others	285,669	284,520	1,240,207	1,221,811	1,574,805
	1,975,730	1,710,230	7,390,074	6,629,021	8,793,343
EBITDA:					
Hotel	49,207	3,688	1,349,997	1,306,889	1,498,682
Property	70,675	18,180	77,875	18,180	297,625
Others	(12,522)	13,870	118,815	132,009	10,757
	107,360	35,738	1,546,687	1,457,078	1,807,064

STATEMENT OF COMPREHENSIVE INCOME

Rs.'000	THE GROUP				
	Quarter ended	Quarter ended	9 months ended	9 months ended	Year ended
	30.06.2015	30.06.2014	30.06.2015	30.06.2014	30.09.2014
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
(Loss)/ Profit for the quarter/9 months/year	(240,132)	(244,701)	558,832	551,746	501,634
Other comprehensive income, net of tax:					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translating foreign operations	10,209	2,332	139,109	(1,345)	(416,973)
Available-for-sale financial assets	(22)	34	479	(962)	(681)
Cash flow hedges	54,606	(1,114)	(3,825)	4,496	(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
Other comprehensive income for the quarter/9 months/year, net of tax	64,793	1,252	135,763	2,189	222,151
Total comprehensive (loss)/income for the quarter/ 9 months/year	(175,339)	(243,449)	694,595	553,935	723,785
Total comprehensive (loss)/ income attributable to:					
Owners of the parent	(190,749)	(256,170)	651,761	518,439	676,523
Non-controlling interests	15,410	12,721	42,834	35,496	47,262
	(175,339)	(243,449)	694,595	553,935	723,785

STATEMENT OF CHANGES IN EQUITY

Rs.'000	Attributable to owners of the parent						Non-controlling interests	Total equity Unaudited
	Stated Capital	Retained Earnings	Foreign Exchange Difference Reserves	Available-for-sale Financial Assets Reserves	Revaluation Reserve	Other Reserves		
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
As at October 1, 2013 (Restated)	1,724,361	6,499,379	(1,047,815)	14,559	4,861,628	624,583	12,676,695	68,915
Changes in equity for the 9 months								
Total comprehensive income for the 9 months	-	516,250	3,151	(962)	-	-	518,439	553,935
Transfer to retained earnings	-	31,700	-	-	(31,700)	-	-	-
Dividends	-	(161,424)	-	-	-	-	(161,424)	(181,644)
As at June 30, 2014	1,724,361	6,885,905	(1,044,664)	13,597	4,829,928	624,583	13,033,710	84,191
As at October 1, 2014	1,724,361	6,857,400	(1,472,143)	13,878	5,443,715	624,583	13,191,794	74,257
Changes in equity for the 9 months								
Total comprehensive income for the 9 months	-	516,431	134,851	479	-	-	651,761	42,834
Transfer to retained earnings	-	26,395	-	(3,594)	(22,801)	-	-	-
Bonus issue	3,275,639	-	-	-	(2,784,293)	-	491,346	491,346
Dividends	-	-	-	-	-	-	-	(12,250)
As at June 30, 2015	5,000,000	7,400,226	(1,337,292)	10,763	2,636,621	624,583	14,334,901	104,841

STATEMENT OF FINANCIAL POSITION

Rs.'000	THE GROUP	
	As at	As at
	30.06.2015	30.09.2014
	Unaudited	Audited
ASSETS		
Non-current assets		
Property, plant and equipment	25,128,851	24,826,796
Investment properties	786,900	786,900
Intangible assets	1,700,373	1,697,550
Investment in associates	532,380	526,863
Available-for-sale investments	4,596	25,340
Deferred tax assets	214,092	130,261
	28,367,192	27,993,710
Current assets		
Inventories	4,057,144	3,882,196
Trade and other receivables	3,216,347	3,032,387
Other financial assets	68	20,257
Income tax prepaid	12,519	15,737
Cash in hand and at bank	813,662	801,277
	8,099,740	7,751,854
Total assets	36,466,932	35,745,564
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Stated capital	5,000,000	1,724,361
Retained earnings	7,400,226	6,857,400
Other components of equity	1,934,675	4,610,033
	14,334,901	13,191,794
Non-controlling interests	104,841	74,257
Total equity	14,439,742	13,266,051
Non-current liabilities		
Borrowings	8,387,316	9,430,966
Deferred tax liability	954,581	1,419,966
Employee benefit liability	717,022	718,752
Total non-current liabilities	10,058,919	11,569,684
Current liabilities		
Trade and other payables	4,399,128	3,779,879
Borrowings	7,561,979	7,086,795
Other financial liabilities	-	40,509
Income tax payable	7,164	2,646
Total current liabilities	11,968,271	10,909,829
Total liabilities	22,027,190	22,479,513
Total equity and liabilities	36,466,932	35,745,564

STATEMENT OF CASH FLOWS

Rs.'000	THE GROUP	
	9 months ended	9 months ended
	30.06.2015	30.06.2014
	Unaudited	Unaudited
Net cash flows generated from operating activities	944,216	1,067,736
Investing activities		
Purchase of property, plant and equipment	(462,585)	(1,201,393)
Proceeds from sale of property, plant and equipment	16,798	16,518
Dividend received	6	6
Interest received	9,086	12,986
Net cash flows used in investing activities	(436,695)	(1,171,883)
Financing activities		
Proceeds from borrowings	1,251,051	1,115,190
Repayment of term loans	(1,728,583)	(1,156,144)
Repayment of finance lease liabilities	(73,715)	(47,495)
Interest paid	(702,278)	(585,537)
Dividends paid to equity holders of the parent	-	(161,424)
Dividends paid to minority shareholders	(12,250)	(20,220)
Net cash flows used in financing activities	(1,265,775)	(855,630)
Net decrease in cash and cash equivalents	(758,254)	(959,777)
Cash and cash equivalents at October 1,	(2,195,886)	(1,247,119)
Net foreign exchange difference	27,143	(962)
Cash and cash equivalents at June 30,	(2,926,997)	(2,207,858)

COMMENTS

Results

Quarter ended June 30, 2015

For the quarter under review, Revenue increased by Rs257m to Rs1,976b and EBITDA by Rs72m to Rs107m. This improved operational performance is mainly due to:

- the local hotel operations recording some 6% higher revenue per guest which more than compensated for the lower room capacity due to Le Paradis hotel being closed for light refurbishment in June
- the Royal Palm Marrakech operating at full capacity
- the greater number of titles passed to the villas buyers in Marrakech.

The Seychelles operation and the overseas tour operating activities (South Africa excepted), did not perform up to expectations and adversely impacted the results.

Higher finance costs and a tax charge of Rs8m as compared to a tax credit of Rs23m last year brought the loss for the quarter at par with last year's.

Nine months ended June 30, 2015

Group Revenue, including Rs618m in respect of sales of villas, increased by 11.5% to Rs7 390m, EBITDA by 6.2% to Rs1 547m and profit by 1.3% to Rs559m. The significant increase in Direct Costs relate mainly to the cost of villas sold amounting to Rs461m.

Outlook

With the good results achieved in July and the forward bookings on hand at the time of writing, the hotels in Mauritius and Seychelles should perform better than last year in the fourth quarter. However, the recent unfortunate events in Tunisia and the surrounding region have impacted the Moroccan operation.

Whilst operating results for the current financial year are expected to be better than those of the previous year, the overall results may not improve due to finance costs being fully expensed and the possible reduction in fair value gains on investment property and lower gains on retranslation of foreign currency loans.

Bookings for the first few months of the next financial year are encouraging and show significant growth over last year. Should the prevailing conditions not deteriorate, the Group should achieve much improved results for the 2015/16 financial year.

Capital restructuring scheme

The first phase of the scheme consisting of the issue of 6% Cumulative Preference Shares and Corporate Bonds in private placement has been successfully completed with the shares being fully subscribed and an excess of some Rs62m of bonds raised.

The agreement regarding the rescheduling of the loans is being finalised with banks and should be signed shortly.

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 2015



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