

OCCUPANCY

71% -1% point

TRevPAR

Rs. 10,303^{+2%}

EARNINGS FROM OPERATING ACTIVITIES

Rs. 1.74Bn^{+21%}

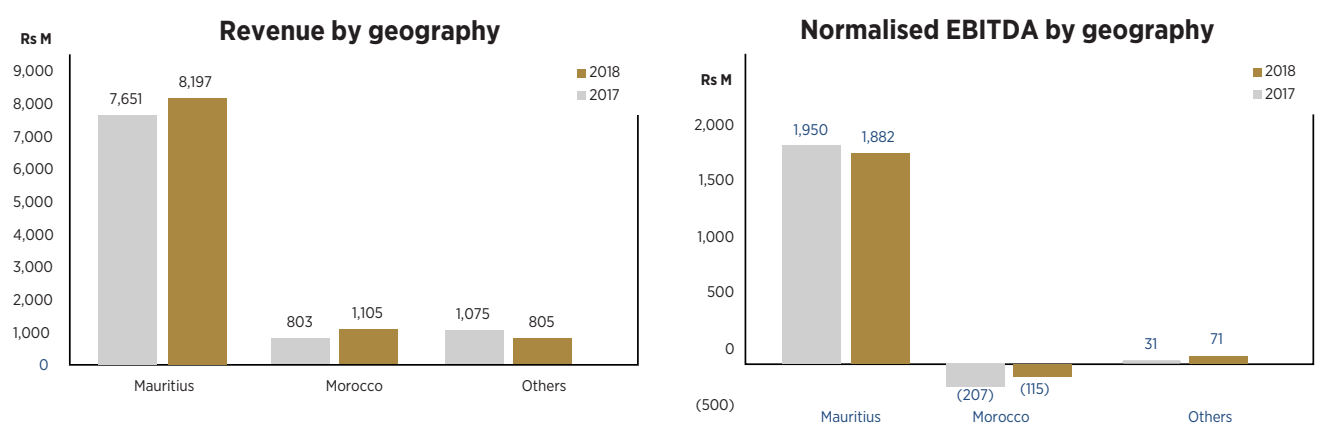
MARKET CAPITALISATION

Rs. 12.2Bn^{+9%}

GROUP ABRIDGED STATEMENT OF PROFIT OR LOSS

	Year ended September 30, 2018 Rs.'000	Year ended September 30, 2017 Rs.'000
Revenue		
Hotel operations and others	9,537,441	9,176,573
Property	569,402	351,643
	10,106,843	9,528,216
Earnings from operating activities		
Other income	1,736,399	1,432,860
Share of results of associates	91,473	339,376
Profit/(loss) on disposal of property, plant and equipment	4,943	8,860
	4,000	(6,923)
Normalised EBITDA	1,836,815	1,774,173
Insurance recovery from fraud	-	59,151
Gain on disposal of investment	-	60,931
Closure costs	(78,304)	(101,422)
EBITDA	1,758,511	1,792,833
Finance costs	(862,699)	(1,008,888)
Finance revenue	14,425	54,301
Depreciation and amortisation	(679,855)	(677,935)
Profit before tax	230,382	160,311
Income tax expense	(95,973)	(127,452)
Profit for the year	134,409	32,859
Profit/(loss) attributable to:		
Owners of the parent	1,094	(38,472)
Non-controlling interests	133,315	71,331
	134,409	32,859
	0.00	(0.08)

SEGMENTAL INFORMATION



GROUP ABRIDGED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Year ended September 30, 2018 Rs.'000	Year ended September 30, 2017 Rs.'000
Profit for the year	134,409	32,859
Other comprehensive income, net of tax:		
Other comprehensive income to be reclassified to profit or loss in subsequent periods	26,689	(684,151)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	886,013	(251,274)
Other comprehensive income for the year, net of tax	912,702	(935,425)
Total comprehensive income for the year	1,047,111	(902,566)
Total comprehensive income attributable to:		
Owners of the parent	915,446	(979,015)
Non-controlling interests	131,665	76,449
	1,047,111	(902,566)

GROUP ABRIDGED STATEMENT OF FINANCIAL POSITION

	September 30, 2018 Rs.'000	September 30, 2017 Rs.'000
ASSETS		
Property, plant and equipment	25,747,254	24,975,684
Investment properties	354,102	343,383
Intangible assets	1,680,587	1,668,313
Investment in associates	718,423	478,919
Available-for-sale financial assets	8,664	4,114
Deferred tax assets	174,844	134,556
	28,683,874	27,604,969
Current assets	7,603,149	8,189,828
Non -Current assets classified as held for sale	109,082	-
TOTAL ASSETS	36,396,105	35,794,797
EQUITY AND LIABILITIES		
Shareholders' interests	13,015,275	10,870,762
Non-controlling interests	594,487	548,999
Non-current liabilities	16,323,067	15,563,133
Current liabilities	6,463,276	8,811,903
TOTAL EQUITY AND LIABILITIES	36,396,105	35,794,797

GROUP ABRIDGED STATEMENT OF CASH FLOWS

	Year ended September 30, 2018 Rs.'000	Year ended September 30, 2017 Rs.'000
Net cash flows generated from operating activities	2,248,268	1,641,176
Net cash flows used in investing activities	(1,057,950)	(822,212)
Net cash flows (used in)/generated from financing activities	(279,470)	630,929
Net increase in cash and cash equivalents	910,848	1,449,893
Cash and cash equivalents at October 1,	(614,845)	(2,061,537)
Net foreign exchange difference	(4,731)	(3,201)
Cash and cash equivalents at September 30,	291,272	(614,845)

GROUP ABRIDGED STATEMENT OF CHANGES IN EQUITY

	Shareholders' Interests Rs.'000	Non-controlling Interests Rs.'000	Total equity Rs.'000
As at October 1, 2016	11,849,777	50,006	11,899,783
<i>Changes in equity for the year</i>			
Total comprehensive income for the year	(979,015)	76,449	(902,566)
Investment in subsidiary	-	492,093	492,093
Dividends	-	(69,549)	(69,549)
As at September 30, 2017	10,870,762	548,999	11,419,761
As at October 1, 2017	10,870,762	548,999	11,419,761
<i>Changes in equity for the year</i>			
Conversion of preference shares	1,349,551	-	1,349,551
Total comprehensive income for the year	915,446	131,665	1,047,111
Dividends	(120,484)	(86,177)	(206,661)
As at September 30, 2018	13,015,275	594,487	13,609,762

COMMENTS

Comments on Results

The Group's turnover for the year ended 30 September 2018 reached the Rs 10 Bn mark for the first time. Earnings from operating activities increased by 21% to reach Rs 1.7 Bn mostly driven by hotel operations in Mauritius. The growth in normalised EBITDA was dampened by lower Other Income, given that last year's figure included a one-off gain on foreign currency translation arising from the BHI transaction. The Group incurred Rs 78M closure costs in relation to Ste Anne Resort in Seychelles. Finance costs decreased significantly, mostly due to the reorganisation of the Group's debt in November 2017 and the conversion of the major part of the preference shares into ordinary shares in March 2018. Group PBT increased to Rs 230 M and after accounting for a tax charge (mostly deferred tax) of Rs 96M, PAT increased to Rs 134M (FY17: Rs 33M).

Mauritius

Hotel Operations in Mauritius continued to perform well. ARR increased by 9% whilst average occupancy decreased slightly to 73% (FY 17: 75%). All hotels of the Group posted improved results with the exception of Paradis Beachcomber which was impacted by the closing of a number of rooms and villas for renovation as from August 2018.

The EIA for the 310-room hotel and 56 IHS apartments at Les Salines, Black River has been obtained. Work with respect to the creation of the new wetland is expected to start in February 2019 followed by the construction of the buildings in March 2019. Les Salines Beachcomber Resort & Spa is planned to open in the last quarter of 2020.

Seychelles

The construction contract for the redevelopment of Ste Anne Resort has been awarded and construction works will start in January 2019. The delivery of the resort to Club Med is scheduled for September 2020. This long term rental agreement with Club Med is expected to contribute positively to the Group's PAT as from October 2020.

The required authorisations for the sale of the ex-Reef hotel are awaiting final approval and the sale is expected to materialise early in 2019.

Marrakech

The performance of Fairmont Royal Palm has continued to improve during the year, with occupancy increasing to 48% (FY17: 40%). The hotel posted reduced negative EBITDA of Rs 2M (FY17: negative EBITDA of Rs 46M).

Non-hotel operations

Mautourco and the three Beachcomber Tours achieved satisfactory performance, in line with last year.

Domaine Palm Marrakech recorded reduced losses, albeit with a negative EBITDA of Rs 113M (FY17: Rs 161M). Most of the 94 villas of phase 1 have been sold. Infrastructure works and marketing of phase two have started.

Outlook

As previously communicated, the Group has signed a MoU with Safran Landcorp for the development of 220 villas and a golf course on the 365-acre freehold land behind the hotel site at Les Salines. Subject to the conditions precedent being fulfilled, this partnership is expected to bring significant cash flows to the Company in the short and medium term.

Whilst Fairmont Royal Palm Marrakech and the Group's properties in Mauritius are expected to post results in line with last year for the first quarter of the 2019 financial year, there are signs of reduced demand for Mauritian upmarket hotels for the forthcoming second quarter. Whilst it is too early to assign any specific explanation thereto, the uncertainties surrounding Brexit, the recent events in France and Reunion, the relatively new political stability of competing North African and European medium-haul destinations and the gradual reduction in direct air links with China could all be factors explaining this trend. On a positive note, the newly introduced direct flights to Rome by Alitalia are already bearing fruit and Beachcomber, with its historic commercial presence in Italy, is well positioned to benefit from the expected significant growth in arrivals from this source market.

The various initiatives launched during the past three years to ensure a more appropriate utilisation of the Group's assets, both locally and overseas, have all reached an advanced stage. These developments are expected to impact positively the Group's results as from October 2020.

The Audited Abridged Financial Statements are issued pursuant to Listing Rule 12.14 and the Securities Act 2005. The Board of Directors of NMH accepts full responsibility for the accuracy of the information contained therein.

Copies of the Statement of direct and indirect interests of Officers pursuant to rule 8(2)(m) of the Securities(Disclosure Obligations of Reporting Issuers) Rules 2007 and the Financial Statements are available free of charge at the head office of the Company, Beachcomber House, Botanical Garden Street, Curepipe.

By order of the Board

December 19, 2018