

NEW MAURITIUS HOTELS LIMITED

UNAUDITED INTERIM (QUARTERLY) FINANCIAL STATEMENTS FOR THE SECOND QUARTER AND SEMESTER ENDED MARCH 31, 2018

GROUP ABRIDGED STATEMENT OF PROFIT OR LOSS

	Semester ended March 31, 2018 Unaudited Rs.'000	Semester ended March 31, 2017 Unaudited Rs.'000	Quarter ended March 31, 2018 Unaudited Rs.'000	Quarter ended March 31, 2017 Unaudited Rs.'000	Year ended September 30, 2017 Audited Rs.'000
Revenue					
Hotel operations and others	5,676,483	5,473,940	2,667,096	2,486,523	9,176,572
Property	202,334	218,716	155,305	156,422	351,644
	5,878,817	5,692,656	2,822,401	2,642,945	9,528,216
Earnings from operating activities	1,671,493	1,416,122	683,243	509,245	1,432,860
Other income	21,758	125,222	13,722	86,304	339,376
Share of results of associates	(3,797)	(3,063)	(715)	(5,005)	8,860
Profit/(loss) on disposal of property, plant and equipment	1,072	(12,369)	727	3,064	(6,923)
Normalised EBITDA	1,690,526	1,525,912	696,977	593,608	1,774,173
Insurance recovery from fraud	-	-	-	-	59,151
Gain on disposal of investment	-	-	-	-	60,931
Closure costs	(28,617)	-	(13,093)	-	(101,422)
EBITDA	1,661,909	1,525,912	683,884	593,608	1,792,833
Finance costs	(422,474)	(470,863)	(205,058)	(232,053)	(1,008,888)
Finance revenue	5,180	3,408	295	186	12,029
Exchange gain/(loss) on currency borrowings	(35,662)	117,081	(36,176)	2,327	42,272
Depreciation of property, plant and equipment	(345,079)	(324,672)	(171,380)	(163,252)	(677,935)
Profit before tax	863,874	850,866	271,565	200,816	160,311
Income tax expense	(175,149)	(143,382)	(65,664)	(40,778)	(127,452)
Profit for the semester/quarter/year	688,725	707,484	205,901	160,038	32,859
Profit/(loss) attributable to:					
Owners of the parent	640,599	672,729	200,629	153,499	(38,472)
Non-controlling interests	48,126	34,755	5,272	6,539	71,331
	688,725	707,484	205,901	160,038	32,859
Basic earnings/(loss) per share (Rs)	1.31	1.39	0.40	0.32	(0.08)
Weighted average number of shares	489,844,199	484,270,608	495,541,647	484,270,608	484,270,608

SEGMENTAL INFORMATION

	Semester ended March 31, 2018 Unaudited Rs.'000	Semester ended March 31, 2017 Unaudited Rs.'000	Quarter ended March 31, 2018 Unaudited Rs.'000	Quarter ended March 31, 2017 Unaudited Rs.'000	Year ended September 30, 2017 Audited Rs.'000
Revenue:					
Mauritius	4,944,064	4,598,906	2,346,376	2,111,091	7,650,800
Morocco	491,781	480,235	294,410	257,543	802,908
Others	442,972	613,515	181,615	274,311	1,074,508
	5,878,817	5,692,656	2,822,401	2,642,945	9,528,216
Normalised EBITDA :					
Mauritius	1,637,077	1,529,928	707,249	638,767	1,950,300
Morocco	(18,447)	(40,834)	(26,609)	(30,527)	(207,068)
Others	71,896	36,818	16,337	(14,632)	30,941
	1,690,526	1,525,912	696,977	593,608	1,774,173

GROUP ABRIDGED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Semester ended March 31, 2018 Unaudited Rs.'000	Semester ended March 31, 2017 Unaudited Rs.'000	Quarter ended March 31, 2018 Unaudited Rs.'000	Quarter ended March 31, 2017 Unaudited Rs.'000	Year ended September 30, 2017 Audited Rs.'000
Profit for the semester/quarter/year	688,725	707,484	205,901	160,038	32,859
Other comprehensive income/(loss) for the semester/quarter/year, net of tax	182,203	(261,190)	15,680	(41,860)	(935,425)
Total comprehensive income/(loss) for the semester/quarter/year	870,928	446,294	221,581	118,178	(902,566)
Total comprehensive income attributable to:					
Owners of the parent	804,704	410,972	203,518	111,639	(979,015)
Non-controlling interests	66,224	35,322	18,063	6,539	76,449
	870,928	446,294	221,581	118,178	(902,566)

GROUP ABRIDGED STATEMENT OF FINANCIAL POSITION

	As at March 31, 2018 Unaudited Rs.'000	As at September 30, 2017 Audited Rs.'000
ASSETS		
Property, plant and equipment	25,300,181	24,975,684
Investment properties	354,000	343,383
Intangible assets	1,652,964	1,668,313
Investment in associates	473,622	478,919
Available-for-sale financial assets	4,478	4,114
Deferred tax assets	136,380	134,556
	27,921,625	27,604,969
Current assets	8,422,138	8,189,828
TOTAL ASSETS	36,343,763	35,794,797
EQUITY AND LIABILITIES		
Shareholders' interests	12,964,770	10,870,762
Non-controlling interests	575,807	548,999
Non-current liabilities	16,899,053	15,563,134
Current liabilities	5,904,133	8,811,902
TOTAL EQUITY AND LIABILITIES	36,343,763	35,794,797

GROUP ABRIDGED STATEMENT OF CHANGES IN EQUITY

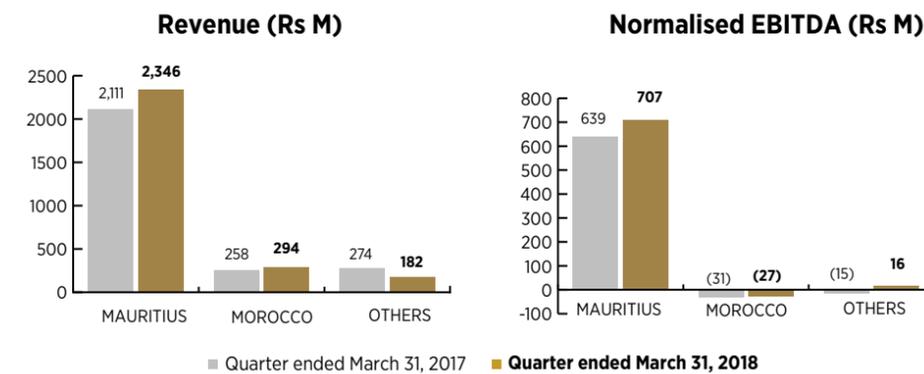
	Shareholders' Interests Rs.'000	Non-controlling Interests Rs.'000	Total equity Rs.'000
As at October 1, 2016	11,849,777	50,006	11,899,783
Changes in equity for the semester			
Total comprehensive income for the semester	410,972	35,322	446,294
Dividends	-	(31,350)	(31,350)
As at March 31, 2017	12,260,749	53,978	12,314,727
As at October 1, 2017	10,870,762	548,999	11,419,761
Changes in equity for the semester			
Total comprehensive income for the semester	804,704	66,224	870,928
Dividends	(60,244)	(39,416)	(99,660)
Issue of shares	1,349,548	-	1,349,548
As at March 31, 2018	12,964,770	575,807	13,540,577

GROUP ABRIDGED STATEMENT OF CASH FLOWS

	Semester ended March 31, 2018 Unaudited Rs.'000	Semester ended March 31, 2017 Unaudited Rs.'000	Year ended September 30, 2017 Audited Rs.'000
Net cash flows generated from operating activities	1,323,903	1,313,523	1,641,176
Net cash flows used in investing activities	(608,727)	(227,134)	(822,212)
Net cash flows generated from/(used in) financing activities	6,245	(796,490)	630,929
Net increase in cash and cash equivalents	721,421	289,899	1,449,893
Cash and cash equivalents at beginning of period,	(614,845)	(2,061,537)	(2,061,537)
Net foreign exchange difference	33,518	33,631	(3,201)
Cash and cash equivalents at end of period,	140,094	(1,738,007)	(614,845)

KEY FIGURES FOR THE QUARTER

OCCUPANCY -0.6%	TRevPAR +9%	EBITDA +15%	MARKET CAPITALISATION +29%
71%	Rs 11,843	Rs0.68Bn	Rs13.1Bn



COMMENTS

FINANCIAL PERFORMANCE

The Group recorded a good performance for the second quarter. Turnover was up by 11% after adjusting for the closure of Sainte Anne as from September 2017. Earnings from operating activities increased by 34%, EBITDA by 15% and PAT by 29% to reach Rs 206M (FY 17: Rs 160M). Average Room Rate (ARR) increased by 14%, as a result of rate increases and a stronger Euro and GBP. Occupancy for the Group's Mauritian hotels decreased from 74% to 72% whilst the Fairmont Royal Palm Marrakech posted an occupancy of 52%, up from 36% last year. Domaine Palm Marrakech recorded increased losses, given lower revenues with few unsold villas remaining in phase 1. Management is actively working on the launch of phase 2. The three Beachcomber Tours, as well as Mautourco, recorded improved results.

The PAT for the quarter was negatively impacted by a lower other income of Rs 14M (FY 17: Rs 86M) resulting from decreased gains on treasury management, an unrealised exchange loss of Rs 36M on translation of Euro loans and an income tax charge of Rs 66M (FY 17: Rs 41M). As expected, finance costs decreased, reaching Rs 205M (FY 17: Rs 232M).

DIVIDENDS

The Board declared an interim dividend of Rs 0.11 per ordinary share, which has been paid on 7 May 2018. The Board has also declared a dividend of Rs 0.33 per preference share, payable on or about 23 July 2018.

PROJECTS

Les Salines

The relevant permits for the Les Salines Beachcomber Resort project are expected to be obtained during the next few weeks and works on site are planned to start during the last quarter of the financial year. The Group is working closely with all stakeholders of the Black River region to ensure that the communities of the neighbouring villages benefit fully from this development. A number of social and environmental initiatives have already been launched in line with the ambitious social plan which the Group intends to implement during the next months.

The planning of the residential development at the back of the hotel is well in progress. Sales are expected to start at the beginning of the next financial year.

Sainte Anne

All permits have been obtained for the redevelopment of Sainte Anne Resort in Seychelles. The Group will soon be issuing tenders for construction works.

OUTLOOK

The positive trend recorded in EBITDA during the first semester is expected to be maintained during the third quarter. The Group is strengthening its revenue management capabilities, accelerating its hotel renovation programme and putting increased emphasis on standards and quality assurance. All these initiatives should continue to positively impact the Group's results during the coming years.

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
8 May 2018