



NEW MAURITIUS HOTELS LIMITED
INTERIM FINANCIAL REPORT FOR THE SEMESTER ENDED MARCH 31, 2013

INCOME STATEMENT

| | THE GROUP | | | | |
|--|---|---|--|--|-------------------------------------|
| | Semester ended 31.03.2013 Rs.'000 | Semester ended 31.03.2012 Rs.'000 | Quarter ended 31.03.2013 Rs.'000 | Quarter ended 31.03.2012 Rs.'000 | Year ended 30.09.2012 Rs.'000 |
| Revenue | 4,743,322 | 4,929,905 | 2,224,727 | 2,355,686 | 8,110,396 |
| Cost of inventories expensed | (650,583) | (667,350) | (303,481) | (321,394) | (1,270,661) |
| Staff costs | (1,359,939) | (1,317,834) | (716,985) | (654,694) | (2,592,160) |
| Other expenses | (1,349,239) | (1,356,797) | (652,593) | (666,111) | (2,521,420) |
| Depreciation of property, plant and equipment | (252,624) | (255,930) | (125,097) | (125,685) | (506,899) |
| Amortisation of intangible assets | (1,417) | (1,905) | (428) | (944) | (3,831) |
| Profit/(loss) on disposal of property, plant and equipment | 2,194 | 3,237 | 1,220 | 3,296 | 6,086 |
| Finance revenue | 7,751 | 35,670 | 4,383 | (24,026) | 42,151 |
| Finance costs | (283,108) | (305,601) | (136,922) | (151,733) | (586,541) |
| Fair value gain on investment properties | - | - | - | - | 30,630 |
| Share of results of associated companies | 29,421 | 1,077 | 28,523 | 1,620 | (12,349) |
| Pre-operational costs - Marrakech project | (44,220) | (27,745) | (18,418) | (6,902) | (92,470) |
| Profit before tax | 841,558 | 1,036,727 | 304,929 | 409,113 | 602,932 |
| Income tax (expense)/credit | (66,634) | (109,862) | (22,276) | (51,565) | 7,987 |
| Profit for the quarter/semester/year | 774,924 | 926,865 | 282,653 | 357,548 | 610,919 |
| Profit attributable to: Owners of the parent | 750,546 | 904,027 | 278,587 | 355,169 | 581,634 |
| Non-controlling interests | 24,378 | 22,838 | 4,066 | 2,379 | 29,285 |
| | 774,924 | 926,865 | 282,653 | 357,548 | 610,919 |
| Basic earnings per share (Rs) | 4.65 | 5.60 | 1.73 | 2.20 | 3.60 |
| SEGMENTAL INFORMATION | | | | | |
| Segment revenue: | | | | | |
| Hotel operations | 3,861,115 | 4,039,692 | 1,848,663 | 1,967,852 | 6,524,484 |
| Others | 882,207 | 890,213 | 376,064 | 387,834 | 1,585,912 |
| Total revenue | 4,743,322 | 4,929,905 | 2,224,727 | 2,355,686 | 8,110,396 |
| Segment results: | | | | | |
| Hotel operations | 1,023,201 | 1,186,209 | 408,912 | 551,481 | 1,121,768 |
| Others | 108,513 | 147,117 | 18,451 | 38,673 | 99,744 |
| Operating profit | 1,131,714 | 1,333,326 | 427,363 | 590,154 | 1,221,512 |
| Finance revenue | 7,751 | 35,670 | 4,383 | (24,026) | 42,151 |
| Finance costs | (283,108) | (305,601) | (136,922) | (151,733) | (586,541) |
| Fair value gain on investment properties | - | - | - | - | 30,630 |
| Share of results of associated companies | 29,421 | 1,077 | 28,523 | 1,620 | (12,349) |
| Pre-operational costs - Marrakech project | (44,220) | (27,745) | (18,418) | (6,902) | (92,470) |
| Profit before tax | 841,558 | 1,036,727 | 304,929 | 409,113 | 602,932 |

STATEMENT OF COMPREHENSIVE INCOME

| | THE GROUP | | | | |
|--|---|---|--|--|-------------------------------------|
| | Semester ended 31.03.2013 Rs.'000 | Semester ended 31.03.2012 Rs.'000 | Quarter ended 31.03.2013 Rs.'000 | Quarter ended 31.03.2012 Rs.'000 | Year ended 30.09.2012 Rs.'000 |
| Profit for the semester/quarter/year | 774,924 | 926,865 | 282,653 | 357,548 | 610,919 |
| Other comprehensive income, net of tax: | | | | | |
| Exchange differences on translating foreign operations | 67,008 | (92,292) | 59,067 | (38,134) | 1,380 |
| Available-for-sale financial assets | 8,124 | (6,736) | 1,871 | (7,822) | (20,599) |
| Cash flow hedges | 18,154 | (25,467) | 27,653 | (25,467) | (231) |
| Gains on revaluation of land and buildings | - | - | - | - | 14,160 |
| Share of other comprehensive income of associates | - | - | - | - | 6,430 |
| Other comprehensive income for the quarter/semester/ year, net of tax | 93,286 | (124,495) | 88,591 | (71,423) | 1,140 |
| Total comprehensive income for the quarter/semester/year | 868,210 | 802,370 | 371,244 | 286,125 | 612,059 |
| Total comprehensive income attributable to: Owners of the parent | 843,832 | 779,224 | 367,177 | 283,490 | 582,625 |
| Non-controlling interests | 24,378 | 23,146 | 4,067 | 2,635 | 29,434 |
| | 868,210 | 802,370 | 371,244 | 286,125 | 612,059 |

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 | Rs.'000 |
| Balance at October 1, 2011 | 1,724,361 | 5,447,655 | (1,025,901) | 28,278 | 4,582,556 | 1,428,913 | 12,185,862 | 46,799 | 12,232,661 |
| Changes in equity for the semester | | | | | | | | | |
| Total comprehensive income for the semester | - | 904,027 | (118,067) | (6,736) | - | - | 779,224 | 23,146 | 802,370 |
| Transfer to retained earnings | - | 16,875 | - | - | (16,875) | - | - | - | - |
| Dividends | - | - | - | - | - | - | - | (13,566) | (13,566) |
| Balance at March 31, 2012 | 1,724,361 | 6,368,557 | (1,143,968) | 21,542 | 4,565,681 | 1,428,913 | 12,965,086 | 56,379 | 13,021,465 |
| 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 semester | | | | | | | | | |
| 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) | - | - | - | - |
| Balance at March 31, 2013 | 1,724,361 | 6,850,477 | (938,245) | 14,309 | 4,526,074 | 1,435,343 | 13,612,319 | 83,040 | 13,695,359 |

STATEMENT OF FINANCIAL POSITION

| | THE GROUP | |
|--|-------------------------------|-------------------------------|
| | As at 31.03.2013 Rs'000 | As at 30.09.2012 Rs'000 |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 21,354,963 | 20,839,342 |
| Investment properties | 381,263 | 378,330 |
| Intangible assets | 1,711,914 | 1,706,910 |
| Investment in associates | 540,058 | 509,585 |
| Available-for-sale investments | 27,265 | 19,141 |
| Employee benefit assets | 24,282 | 25,327 |
| | 24,039,745 | 23,478,635 |
| Current assets | | |
| Inventories | 3,719,265 | 3,458,486 |
| Trade and other receivables | 2,764,889 | 1,982,582 |
| Forward currency contracts | 2,575 | 10,737 |
| Income tax prepaid | 54,977 | 49,414 |
| Cash in hand and at bank | 849,131 | 680,696 |
| | 7,390,837 | 6,181,915 |
| Total assets | 31,430,582 | 29,660,550 |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the parent | | |
| Stated capital | 1,724,361 | 1,724,361 |
| Retained earnings | 6,850,477 | 6,076,131 |
| Other components of equity | 5,037,481 | 4,967,995 |
| | 13,612,319 | 12,768,487 |
| Non-controlling interests | 83,040 | 58,662 |
| Total equity | 13,695,359 | 12,827,149 |
| Non-current liabilities | | |
| Borrowings | 8,791,855 | 8,263,293 |
| Deferred tax liability | 1,479,008 | 1,419,454 |
| Total non-current liabilities | 10,270,863 | 9,682,747 |
| Current liabilities | | |
| Trade and other payables | 2,643,411 | 2,477,043 |
| Borrowings | 4,820,949 | 4,673,611 |
| Total current liabilities | 7,464,360 | 7,150,654 |
| Total liabilities | 17,735,223 | 16,833,401 |
| Total equity and liabilities | 31,430,582 | 29,660,550 |

STATEMENT OF CASH FLOWS

| | THE GROUP | |
|---|--|--|
| | Semester ended 31.03.2013 Rs'000 | Semester ended 31.03.2012 Rs'000 |
| Net cash flows generated from operating activities | 824,763 | 1,282,151 |
| Investing activities | | |
| Purchase of property, plant and equipment | (827,326) | (431,717) |
| Proceeds from sale of property, plant and equipment | 2,269 | 2,365 |
| Interest received | 7,749 | 3,666 |
| Net cash flows used in investing activities | (817,308) | (425,686) |
| Financing activities | | |
| Proceeds from borrowings | 501,182 | 1,347,250 |
| Repayment of term loans | (359,472) | (1,552,798) |
| Repayment of finance lease liabilities | (24,754) | (14,858) |
| Interest paid | (283,108) | (305,601) |
| Dividends paid to owners of the parent | - | (80,712) |
| Dividends paid to minority shareholders | - | (13,566) |
| Net cash flows from financing activities | (166,152) | (620,285) |
| Net (decrease) / increase in cash and cash equivalents | (158,697) | 236,180 |
| Cash and cash equivalents at October 1, | (971,797) | (1,066,671) |
| Net foreign exchange difference | (13,969) | 15,651 |
| Cash and cash equivalents at March 31, | (1,144,463) | (814,840) |

COMMENTS

Results

During the quarter under review, the air access problem became more acute with a significant net reduction of 13% in seat capacity from Europe and a substantial increase in the price of air tickets. As a result, visitors from our main traditional markets decreased by 7.5%, whilst tourist arrivals grew by only 1.5% at national level.

NMH strived to maintain its prices to protect its hotels’ image and positioning, losing some market share in the lower rated hotels of the Group to the operators who continued to resort to heavy rate discounting. Group Revenue and earnings for the second quarter thus followed the same downward trend as in the first quarter.

Total revenue and earnings for the semester amounted to Rs4.7 billion and Rs775m respectively compared to Rs4.9 billion and Rs927m last year.

Outlook

Air access from Europe and the prevailing economic conditions not showing any signs of improvement, the second semester’s results should be similar to those of last year, excluding any profit that would accrue on the Marrakech project should NMH be able to pass on the property title of the villas sold to the buyers.

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

13th May 2013



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