

# BEACHCOMBER

RESORTS & HOTELS

## REPLY DOCUMENT

**Issued under Rule 18 of the Securities (Takeover) Rules 2010,  
in reply to the Offer Document issued by ENL Land Ltd and Rogers  
and Company Limited acting in concert to the shareholders of  
New Mauritius Hotels Limited**

*The Directors of New Mauritius Hotels Limited accept full responsibility for the accuracy of the information contained in this Reply Document. They have been guided by an independent adviser as per the Rules. This Reply Document should not be considered as and should not be read or taken as investment advice. You are recommended to seek your own personal financial advice from an investment adviser, if you have any doubt about the Reply Document and its contents.*

# Glossary

<b>Adviser</b>	Independent adviser appointed under Rule 21 of the Rules
<b>BHI</b>	Beachcomber Hospitality Investments Ltd
<b>CDS</b>	The Central Depository & Settlement Co. Ltd
<b>DCF</b>	Discounted Cash Flow
<b>EBITDA</b>	Earnings Before Interest, Tax, Depreciation and Amortisation
<b>ENL Land</b>	ENL Land Ltd
<b>FSC</b>	The Financial Services Commission of Mauritius
<b>FY</b>	Financial Year
<b>KPMG</b>	KPMG Advisory Services Ltd
<b>NMH</b>	New Mauritius Hotels Limited
<b>Offer</b>	Mandatory offer from the Offerors
<b>Offer Document</b>	Document dated 6 February 2017 issued by the Offerors
<b>Offerors</b>	ENL Land Ltd & Rogers and Company Limited
<b>Offeree</b>	New Mauritius Hotels Limited
<b>PMO</b>	Prime Minister's Office
<b>Reply Document</b>	This Document issued by NMH including annexures, pursuant to Rule 18
<b>Rules</b>	Securities (Takeover) Rules 2010
<b>Rogers</b>	Rogers and Company Limited
<b>SEM</b>	The Stock Exchange of Mauritius Ltd

## I. INTRODUCTION

On 19 January 2017, the Board of New Mauritius Hotels ('NMH') was informed of the firm intention of ENL Land Ltd ('ENL Land') and Rogers and Company Limited ('Rogers') (together the 'Offerors'), acting in concert, to make a mandatory offer (the 'Offer') to the shareholders of NMH to acquire all the voting shares, not already held by ENL Land or Rogers, at a price of Rs21.00 per share (the 'Offer Price').

The Offer follows the acquisition by the Offerors of 715,000 shares in NMH at a price of Rs21.00 on 19 January 2017 (the 'Transaction').

Following the Transaction, the details of the Offerors' shareholding in NMH are as illustrated below:

	Before the Transaction		After the Transaction	
	Number of voting shares held in NMH	% of the ordinary share capital	Number of voting shares held in NMH	% of the ordinary share capital
Rogers	93,277,902	19.26	93,738,947	19.357
ENL Land	51,380,069	10.61	51,634,024	10.662
<b>Total</b>	<b>144,657,971</b>	<b>29.87</b>	<b>145,372,971</b>	<b>30.019</b>

As a result of the Transaction, the Offerors have acquired effective control of NMH as per the Securities (Takeover) Rules 2010 (the "Rules"). Effective control is defined under the Rules as the holding of securities by any person, either individually or together with a person acting in concert, which will result in that person, either individually or together with a person acting in concert, having the right to exercise or control the exercise of more than 30% of the rights attached to the voting shares of the company.

The acquisition of effective control also triggers the application of Rule 33(1) (b) of the Securities (Takeover) Rules 2010, whereby, if a person, either individually or together with a person acting in concert, acquires effective control of a company, that person is obliged to make an Offer in accordance with the Rules, on all voting shares of the Offeree not already held by the Offeror.

The Offer Price is determined according to Rule 14(2) of the Rules which stipulates that the offer price shall be the sum of any premium and of the highest of

- (a) the price paid by the offeror or a person acting in concert for any acquisition during the 6 months preceding the date of public announcement;
- (b) the price paid by the offeror under a preferential allotment made to him or to a person acting in concert at any time during the 12 months' period up to the date of closure of the Offer; or
- (c) the average of the weekly high and low of the closing prices of the shares of the offeree as listed on the securities exchange where the shares of the offeree are most frequently traded during the 6 months preceding the date of the public announcement.

The Boards of ENL Land and Rogers have further confirmed that:

- sufficient financial resources are available to ENL Land and Rogers to satisfy the acceptance of the Offer;
- there exist no agreements between Rogers and ENL Land on the one hand and NMH on the other hand in relation to the relevant shares;
- the Offer is not subject to any condition; and
- the Offer to shareholders of NMH would be made on or about 20 February 2017.

Subsequently, on 20 February 2017, the Offerors have submitted an Offer Document to the shareholders of NMH, followed by a notification to the Directors of the Offeree. In this context and in line with Rule 18 of the Rules, the Board of NMH is hereby communicating to its shareholders a Reply Document to enable them to reach an informed decision about the Offer. This document consisting of pages 1 to 12 is the Reply Document and its whole content has to be read in conjunction.

The Reply Document is provided for your benefit in order to allow you to make an informed decision about the Offer.

The Reply Document is being sent only to the shareholders registered on the share register of NMH at close of business on 8 February 2017 and to whom the Offer document was addressed.

If you have since sold or otherwise transferred your shares in NMH or any part of them, to a third party, the Offer does not benefit those transferees who were not registered at close of business on 8 February 2017.

The Reply Document may contain certain forward looking statements. These statements involve risk and uncertainties that may cause actual results to differ materially from those suggested by them. Undue reliance should not be placed on such statements which are being made as of the date of this document.

## II. VIEWS OF THE BOARD OF NMH

### A. Recommendation of the Directors on the Offer

In being informed of the firm intention of the Offerors to make a mandatory Offer for all voting shares not already held by themselves, the Board has duly noted that:

- i) The Offerors were under a legal obligation to do so;
- ii) The Offer price was arrived at in accordance with the pricing mechanism as set out in Rule 14(2) of the Rules;
- iii) The Offer price of Rs21.00 per share is based on the price paid for the acquisition of the 0.149% additional stake;
- iv) The Offer price of Rs21.00 per share did not arise by way of a preferential allotment during the 12 months prior to 19 January 2017; and
- v) The Offer price of Rs21.00 is higher than the average of the weekly high and low of the closing price of the shares of NMH during the six months prior to 19 January 2017.

Pursuant to Rule 21 of the Rules, the Board of NMH appointed KPMG as Adviser to:

- Carry out the valuation of NMH as at 31 December 2016 and
- Advise the Board of NMH as to whether the Offer is fair and reasonable.

The Adviser submitted its report to the Board of NMH on 23 February 2017. The Board of NMH has given due consideration to the report of the Adviser for the purposes of reaching its own opinion regarding the Offer and the Offer consideration.

**After taking into account the report of the Adviser, and the terms of the Offer, the Board recommends to NMH shareholders to reject the Offer.**

The Board of NMH reached this conclusion on the basis of the following:

- The Adviser has advised that the Offer was not fair and reasonable;
- The Offer price is not representative of the fair value of a share in NMH;
- The Offer price per share is 14.5% lower than the Net Asset Value per share as per the audited financial statements as at 30 September 2016; and
- The Offer price of Rs21.00 per share represents a discount of 32.2% to the fair value per share as determined by the Adviser.

**The Directors of NMH, whose names appear in Section III of this document and who hold shares of NMH directly, will reject the Offer.**

## B. Summary of Adviser's report

### *a) Methodology*

KPMG performed a valuation of NMH to determine whether the Offer consideration for each of its share is fair and reasonable to the shareholders of NMH. They have performed their valuation of NMH on a marketable minority basis given that the shares of NMH are listed on the SEM and the shareholders of NMH are in the presence of an Offer from the Offerors.

KPMG, as Adviser, has considered the business of NMH, its subsidiaries and the portfolio of assets, which individually or as an income generating group, hold value for NMH. In so doing, it has applied the valuation methodologies which are most appropriate to value the respective components of the business and assets of NMH.

In arriving at its conclusion, the Adviser has relied on a number of sources of information which included but were not limited to:

- Annual reports 2014, 2015 and 2016
- Abridged audited financial statements dated 30 September 2016

- Management-prepared financial forecasts and assumptions
- Management accounts of subsidiaries for FY2016 and period ending 31 December 2016
- Latest property valuation reports
- Lease agreement and subscription and shareholders agreement with BHI
- Publicly available market information
- Discussions with management

The valuation report is available for consultation at the registered office of NMH, Beachcomber House, Botanical Garden Street, Curepipe, upon request by any shareholder of NMH or by any person authorised in writing by a shareholder.

### *b) Valuation by the Adviser*

The Adviser determined that the value of a share in NMH is Rs 30.96 per ordinary share.

### *c) Independent Advice on the Offer*

Based upon the valuation performed, the Adviser is of the opinion that the Offer as set out in the Offer Document, is not fair and reasonable to the shareholders of NMH because the Offer price of Rs21.00 per share represents a discount of 32.2% to the fair value per share estimated after carrying out the valuation mentioned above.

## **C. The Board of Directors' proceedings in respect of the Offer**

The Directors' decision has been arrived at after consideration of the advice from the Adviser and the valuation report as detailed above. The decision leading to the recommendation in section A above, was approved at the Board meeting held on 23 February 2017.

Messrs Gilbert Espitalier-Noël, Hector Espitalier-Noël and Jean-Pierre Montocchio, common directors of the Offerors and NMH, and Mr Alain Rey, who was a director of Rogers up to 15 February 2017, have abstained from participating in the discussions and from voting on the recommendation.

The decision of the directors is based on the view of the business as at the date of this Reply Document and the Directors of NMH jointly and severally accept full responsibility for the accuracy of the information contained in this Reply Document. After having made all reasonable enquiries, the directors state that, to the best of their knowledge, opinions expressed in the present Reply Document have been arrived at after due and careful consideration and there are no material facts the omission of which would make any statement herein, whether of fact or opinion, misleading.

### III. DIRECTORS' INTERESTS

#### A. Directors' interests in NMH and the Offerors

NEW MAURITIUS HOTELS LIMITED								
DIRECTORS OF NMH	ORDINARY				PREFERENCE			
	DIRECT		INDIRECT		DIRECT		INDIRECT	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
HECTOR ESPITALIER-NOEL	-	-	7,215,632	1.49	21	0.00	4,135,671	2.56
GILBERT ESPITALIER-NOEL	54,324	0.01	6,634,507	1.37	48,108	0.03	3,806,367	2.36
JEAN-PIERRE MONTOCCHIO	-	-	542,383	0.11	-	-	225,993	0.14
LOUIS RIVALLAND	304,200	0.06	42,849	0.01	193,400	0.12	7,285	0.01
PAULINE SEEYAVE	3,117	0.00	-	-	-	-	-	-
SUNIL BANYMANDHUB	-	-	-	-	-	-	26,390	0.02
FRANCOIS VENIN	-	-	-	-	-	-	-	-
THIERRY SAUZIER	2	0.00	-	-	-	-	-	-
HERBERT COUCAUD	34,151,868	7.05	262,989	0.05	-	-	-	-
ALAIN REY	-	-	149,056	0.03	-	-	12,471	0.01

ENL LAND LTD								ROGERS AND COMPANY LIMITED				
DIRECTORS OF NMH	ORDINARY				REDEEMABLE PREFERENCE				ORDINARY			
	DIRECT		INDIRECT		DIRECT		INDIRECT		DIRECT		INDIRECT	
	No. of	%	No. of	%	No. of	%	No. of	%	No. of	%	No. of	%
	Shares		Shares		Shares		Shares		Shares		Shares	
HECTOR ESPITALIER-NOEL	37,029	0.01	19,617,617	6.63	-	-	2,085	0.06	-	-	10,013,760	3.97
GILBERT ESPITALIER-NOEL	-	-	18,188,676	6.15	-	-	-	-	18,320	0.01	9,262,665	3.68
JEAN-PIERRE MONTOCCHIO	-	-	532,525	0.18	-	-	1,513	0.05	52,590	0.02	541,897	0.22
LOUIS RIVALLAND	6,553	0.00	3	0.00	-	-	-	-	57,000	0.02	24	0.00
PAULINE SEEYAVE	63	0.00	-	-	-	-	-	-	1,200	0.00	-	-
SUNIL BANYMANDHUB	-	-	-	-	-	-	-	-	-	-	-	-
FRANCOIS VENIN	-	-	-	-	-	-	-	-	-	-	-	-
THIERRY SAUZIER	42	0.00	-	-	-	-	-	-	-	-	-	-
HERBERT COUCAUD	-	-	-	-	-	-	-	-	-	-	-	-
ALAIN REY	-	-	82,980	0.03	-	-	-	-	-	-	1,160	0.00

#### B. Dealings by Directors in shares of NMH

None of the Directors of NMH have dealt in the securities of NMH within six months prior to the public announcement of the Offer.

## IV. SHAREHOLDINGS IN OFFERORS

Neither NMH nor any of its subsidiaries:

- hold any shares in ENL Land or Rogers;
- have purchased or sold shares in ENL Land or Rogers within 6 months before the public announcement of the Offer.

## V. STATED CAPITAL OF NMH

Amount in Rs'000	The Company	
	2016	2015
<b>Authorised</b>		
500,000,000 Ordinary shares at no par value	5,000,000	5,000,000
<b>Issued and fully paid</b>		
484,270,608 Ordinary shares at no par value (2015: 484,270,608 Ordinary Shares)	5,000,000	5,000,000

Each ordinary share confers to its holder the right to one vote for each share held, the right to an equal share of dividends and other distributions made by the Company, and an equal share in the distribution of surplus assets. The ordinary shares are listed on the Official Market of the Stock Exchange of Mauritius Ltd.

No shares of NMH have been issued since the end of its last financial year.

NMH made a bonus issue of two ordinary shares for each ordinary share of NMH on 12 June 2015, totalling to 322,847,072 new ordinary shares.

## VI. FINANCIAL INFORMATION

### A. Audited financial statements

Copies of the full version of the audited financial statements of NMH for the last three years are available on demand from NMH.

### B. Material changes

There have been no material changes in the financial or trading position or prospects of NMH subsequent to the last published audited accounts.

### C. Interim statements and preliminary public announcements

All interim statements and announcements made by NMH since the last published audited accounts are included in Appendix A.



## D. Accounting policies

The significant accounting policies are included in the audited accounts of NMH referred to in section VI (A) above. There has been no change in the accounting policy of NMH.

## E. Financial highlights section

### i) Financial results

#### a) Financial highlights

Financial Highlights	FY 2016	FY 2015*	FY 2014*
Amount in Rs'm	Audited	Audited	Audited
Revenue	9,601	9,157	8,793
EBITDA	1,183	1,554	1,807
(Loss)/profit for the year	(967)	181	501
(Loss)/profit attributable to owners of the parent	(998)	141	458
Dividends	(160)	-	(161)
(Loss)/retained profit for the year	(1,158)	141	297
Assets	35,508	36,694	35,746
Liabilities	23,608	23,417	22,480
Total equity	11,900	13,277	13,266

Note: 2015 figures have been restated  
Source: Annual Reports 2015 and 2016

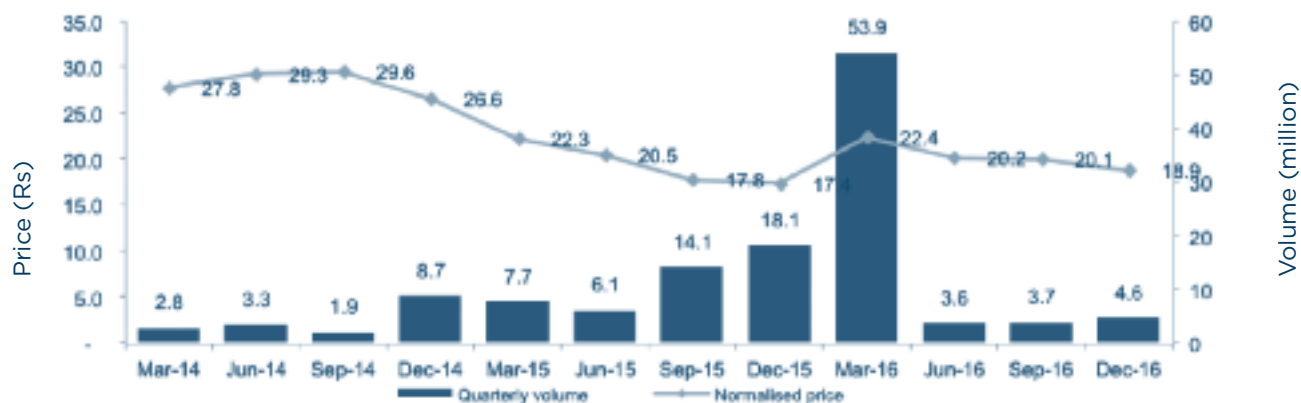
#### b) Key financial ratios

Key Financial Ratios	FY 2016	FY 2015 <sup>1</sup>	FY 2014 <sup>2</sup>
Number of room keys available as at September 30,	2,193	2,199	2,063
Room nights available	788,512	785,899	763,656
Number of guests nights	1,191,191	1,088,766	1,053,670
Occupancy (%)	71	66	67
TRevPar (Rs)	9,566	8,600	8,552
(Loss)/Earnings per share (Rs)	(2.06)	0.29	0.95
Dividends per share (Rs)	0.33	-	0.33
Interest cover	1.50	1.74	1.91
Net Asset value per share (Rs)*	24.57	27.42	27.39
Return on equity (%)	(8.13)	1.36	3.78
Return on assets (%)	(2.72)	0.49	1.40
Net Debt/Total assets (%)	48	45	44

Note: (1) Restated figures - (2) As per Annual Report 2015  
Source: Annual Reports 2015 and 2016

## ii) Share price information

### NMH shares quarterly trading volume & prices



Note: Market prices for periods before 31 March 2015 have been normalised to reflect issue of bonus shares.

## iii) Strategic updates

### a) Beachcomber Hospitality Investments Ltd

The immovable assets of Victoria Beachcomber, Canonnier Beachcomber and Mauricia Beachcomber have been sold to BHI. Mara Delta group has, on 16 December 2016, injected EUR 21.5m in shareholder's equity and will subscribe a further EUR 28.5m upon obtaining PMO's approval. This will bring Mara Delta's total investment in BHI to EUR 50m, representing 44.4% of the company's equity, with NMH retaining the remaining 55.6%. Furthermore, BHI has secured loans totalling EUR 50m at favourable terms and conditions with local banks. Further to these transactions, NMH will receive a total of EUR 100m in cash, of which EUR 71.5m has already been received and utilised to repay existing debts of NMH.

### b) Refinancing of the NMH's debt

Further to the debt reduction mentioned above, NMH is engaged in discussions with its bankers with a view to refinancing its remaining debt. These discussions have reached an advanced stage and should result in a notable reduction in the NMH's average cost of debt as well as a rescheduling of the loan capital repayment terms, resulting in a significant improvement in the NMH's cash flows.

### c) Royal Palm Marrakech

NMH has signed a non-binding letter of intent with an internationally recognised hotel operator for a long-term management agreement with respect to Royal Palm Marrakech and for the marketing of the associated residential villas development. The finalisation of this transaction is expected in the third quarter of FY 2017.

### d) Branding

One of the key areas of focus has been the repositioning of the Beachcomber brand, the re-shaping of the corporate identity and making it more transversal across all hotels, business units and markets. This was an important first step in building a stronger identity for the future. The Artisans of the Group were at the forefront of the project "Beachcomber: Au Coeur des Valeurs" which has allowed the sharing of common goals and objectives. The Board is confident that they will continue to deliver the promise of the Beachcomber brand "The Art of Beautiful" in a sustainable and responsible manner.

## VII. MATERIAL CONTRACTS

During the two-year period preceding the Offer, save and except for the creation of BHI and the forthcoming long term management agreement with respect to Royal Palm Marrakech, the Group has not entered into any contract of significance, as defined by the Listing Rules of the Stock Exchange of Mauritius, with third parties or with any of its Directors and shareholders.

## VIII. ARRANGEMENTS AFFECTING DIRECTORS

NMH does not anticipate any payment of benefit to Directors as compensation for loss of office in connection with the Offer.

There is no agreement between any Director of NMH and any other person that is conditional on the outcome of the Offer or otherwise is connected with the Offer.

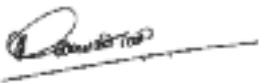
There are no material contracts entered into by ENL Land and Rogers in which a Director of NMH has any interest.

## IX. DIRECTORS' SERVICE AGREEMENTS

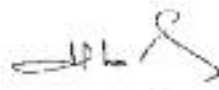
NMH or its subsidiaries do not have any service agreements with its Directors which have more than 12 months to terminate, or which have been entered into or amended within 6 months before the public announcement of the Offer; except for the following directors who hold a service contract of indefinite duration with NMH:

- Mr. Gilbert Espitalier Noel in his capacity as Chief Executive Officer;
- Ms Pauline Seeyave in her capacity as Chief Financial Officer; and
- Mr. François Venin in his capacity as Chief Sales & Marketing Officer.

Signed for and on behalf of the Board of Directors of New Mauritius Hotels Limited



Sunil Banymandhub  
Director



Herbert Couacaud  
Director

23 February 2017

## ANNEXURE A: List of announcements and public statements issued by NMH as required under Section 5 (a) (iii) of Second Schedule (Rule 18)

The Board of New Mauritius Hotels ('NMH') wishes to inform its shareholders and the public that it has been advised on 19 January 2017 of the firm intention of ENL Land Ltd ('ENL Land') and Rogers and Company Limited ('Rogers') (together the 'Offerors'), acting in concert, to make a mandatory offer ('Mandatory Offer') to the shareholders of NMH to acquire all the voting shares, not already held by ENL Land or Rogers, at a price of Rs 21.00 per share (the 'Offer Price').

The Mandatory Offer follows, and is triggered by, the acquisition by the Offerors of 715,000 shares in NMH at a price of Rs 21.00 on 19 January 2017 (the 'Transaction').

Details of the Offerors' shareholding in NMH are detailed below:

	Before the Transaction		After the Transaction	
	Number of voting shares held in NMH	% of the ordinary share capital	Number of voting shares held in NMH	% of the ordinary share capital
Rogers	93,277,902	19.260	93,738,947	19.357
ENL Land	51,380,069	10.610	51,634,024	10.662
<b>Total</b>	<b>144,657,971</b>	<b>29.870</b>	<b>145,372,971</b>	<b>30.019</b>

As a result of the Transaction, the Offerors have acquired effective control of NMH.

Effective control is defined in Rule 2 of the Securities (Takeover) Rules 2010 (the 'Rules') as the holding of securities by any person, either individually or together with a person acting in concert, which will result in that person, either individually or together with a person acting in concert, having the right to exercise more than 30% of the rights attached to the voting shares of the company.

Pursuant to Rule 33(1)(b) of the Securities (Takeover) Rules 2010, if a person, either individually or together with a person acting in concert, acquires effective control of a company, that person shall make an offer in accordance with the Rules, on all voting shares of the offeree not already held by the offeror.

The Offer Price is determined according to Rule 14(2) of the Securities (Takeover) Rules 2010 which stipulates that the offer price shall be the sum of any premium and of the highest of

- the price paid by the offeror or a person acting in concert for any acquisition during the 6 months preceding the date of public announcement;
- the price paid by the offeror under a preferential allotment made to him or to a person acting in concert at any time during the 12 months' period up to the date of closure of the offer; or
- the average of the weekly high and low of the closing prices of the shares of the offeree as listed on the securities exchange where the shares of the offeree are most frequently traded during the 6 months preceding the date of the public announcement.

The Boards of ENL Land and Rogers have further confirmed that:

- sufficient financial resources are available to ENL Land and Rogers to satisfy the acceptance of the Mandatory Offer;
- there exist no agreements between Rogers and ENL Land on the one hand and NMH on the other hand in relation to the relevant shares;
- the Mandatory Offer is not subject to any condition; and
- the Mandatory Offer to shareholders of NMH will be made on or about 20 February 2017.

According to the Rules, the Offerors must submit an offer document to the shareholders of NMH, following which the Board of NMH will communicate to its shareholders a reply document to enable them to reach an informed decision about the Mandatory Offer.

The shareholders and the investing public are advised to exercise caution when dealing in the shares of NMH and will be kept informed of further developments in respect of this matter.

By order of the Board

Preety Gopaul  
ENL Limited  
Company Secretary

20 January 2017

*This public announcement has been issued pursuant to Rule 12 (1)(a) of the Securities (Takeover) Rules 2010, Listing Rule 11.3 and Rule 5 of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007. The Board of New Mauritius Hotels Limited accepts full responsibility for the accuracy of the information contained in this public announcement.*

# UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED DECEMBER 31, 2016

## GROUP STATEMENT OF PROFIT OR LOSS

	Quarter ended	Quarter ended	Year ended
	December 31,	December 31,	September 30,
	2016	2015	2016
	Rs.'000	Rs.'000	Rs.'000
	Unaudited	Restated Unaudited	Audited
<b>Revenue</b>			
Hotel operations and others	2,987,418	2,882,070	9,121,465
Property	62,294	379,702	479,992
	<b>3,049,712</b>	<b>3,261,772</b>	<b>9,601,457</b>
Direct costs	(494,014)	(703,008)	(2,047,640)
Staff costs	(847,871)	(818,190)	(3,246,152)
Other expenses	(800,950)	(817,624)	(3,020,789)
<b>Earnings from operating activities</b>	<b>906,877</b>	<b>922,950</b>	<b>1,286,876</b>
Other income	38,919	68,300	121,136
Share of results of associates	1,941	(2,718)	(6,620)
Profit/(loss) on disposal of property, plant and equipment	(2,701)	4,022	15,681
<b>Normalised EBITDA</b>	<b>945,036</b>	<b>992,554</b>	<b>1,417,073</b>
Rebranding and reorganisation costs	-	-	(119,237)
Loss arising from fraud	-	-	(115,210)
Loss on disposal of land	(12,732)	-	-
<b>EBITDA</b>	<b>932,304</b>	<b>992,554</b>	<b>1,182,626</b>
Finance costs	(238,810)	(208,680)	(981,888)
Finance revenue	117,976	44,419	14,774
Depreciation of property, plant and equipment	(161,420)	(170,737)	(647,743)
Impairment losses	-	(12,102)	(325,920)
<b>Profit/(Loss) before tax</b>	<b>650,050</b>	<b>645,454</b>	<b>(758,151)</b>
Income tax expense	(102,604)	(105,074)	(208,747)
<b>Profit/(Loss) for the quarter/ year</b>	<b>547,446</b>	<b>540,380</b>	<b>(966,898)</b>
Profit attributable to:			
Owners of the parent	519,230	518,030	(997,678)
Non-controlling interests	28,216	22,350	30,780
	<b>547,446</b>	<b>540,380</b>	<b>(966,898)</b>
<b>Basic earnings/(loss) per share (Rs)</b>	<b>1.07</b>	<b>1.07</b>	<b>(2.06)</b>

## SEGMENTAL INFORMATION

	Quarter ended	Quarter ended	Year ended
	December 31,	December 31,	September 30,
	2016	2015	2016
	Rs.'000	Rs.'000	Rs.'000
	Unaudited	Unaudited	Audited
<b>GEOGRAPHICAL</b>			
Revenue:			
Mauritius	2,487,814	2,404,859	7,622,751
Morocco	222,692	508,215	848,706
Others	339,206	348,698	1,130,000
	<b>3,049,712</b>	<b>3,261,772</b>	<b>9,601,457</b>
Normalised EBITDA:			
Mauritius	903,893	895,863	1,736,073
Morocco	(10,306)	39,139	(299,756)
Others	51,449	57,552	(19,244)
	<b>945,036</b>	<b>992,554</b>	<b>1,417,073</b>

## GROUP STATEMENT OF COMPREHENSIVE INCOME

	THE GROUP	Quarter ended	Year ended
	Quarter ended	December 31,	September 30,
	December 31,	2016	2016
	Rs.'000	Rs.'000	Rs.'000
	Unaudited	Unaudited	Audited
<b>Profit/(loss) for the quarter/year</b>	<b>547,446</b>	<b>540,380</b>	<b>(966,898)</b>
<b>Other comprehensive income/(loss) for the quarter/year, net of tax</b>	<b>(219,330)</b>	<b>(49,329)</b>	<b>(212,312)</b>
<b>Total comprehensive income/(loss) for the quarter/year</b>	<b>328,116</b>	<b>491,051</b>	<b>(1,179,210)</b>
Total comprehensive income/(loss) attributable to:			
Owners of the parent	299,333	468,701	(1,208,336)
Non-controlling interests	28,783	22,350	29,126
	<b>328,116</b>	<b>491,051</b>	<b>(1,179,210)</b>

## GROUP STATEMENT OF FINANCIAL POSITION

	As At	As At
	December 31,	September 30,
	2016	2016
	Rs.'000	Rs.'000
	Unaudited	Audited
<b>ASSETS</b>		
<i>Non-current assets</i>		
Property, plant and equipment	24,768,881	25,055,983
Investment property	356,000	363,964
Intangible assets	1,689,385	1,691,095
Investment in associates	476,669	474,727
Available-for-sale investments	1,541	1,541
Deferred tax assets	136,604	139,540
	<b>27,429,080</b>	<b>27,726,850</b>
Current assets	8,404,921	7,781,377
<b>TOTAL ASSETS</b>	<b>35,834,001</b>	<b>35,508,227</b>
<b>EQUITY AND LIABILITIES</b>		
Shareholders' interests	12,149,110	11,849,777
Non-controlling interests	63,981	50,006
Non-current liabilities	14,033,098	15,034,004
Current liabilities	9,587,812	8,574,440
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>35,834,001</b>	<b>35,508,227</b>

## GROUP STATEMENT OF CHANGES IN EQUITY

	Shareholders'	Non-	Total
	Interests	controlling	Equity
	Rs.'000	Rs.'000	Rs.'000
	Unaudited	Unaudited	Unaudited
<b>As at October 1, 2015 (Restated)</b>	<b>13,217,922</b>	<b>58,738</b>	<b>13,276,660</b>
<b>Changes in equity for the quarter</b>			
Total comprehensive income for the quarter	468,701	22,350	491,051
Dividends	(159,809)	(4,999)	(164,808)
<b>As at December 31, 2015</b>	<b>13,526,814</b>	<b>76,089</b>	<b>13,602,903</b>
<b>As at October 1, 2016</b>	<b>11,849,777</b>	<b>50,006</b>	<b>11,899,783</b>
<b>Changes in equity for the quarter</b>			
Total comprehensive income for the quarter	299,333	28,783	328,116
Dividends	(14,808)	(14,808)	(29,616)
<b>As at December 31, 2016</b>	<b>12,149,110</b>	<b>63,981</b>	<b>12,213,091</b>
<b>GROUP STATEMENT OF CASH FLOWS</b>			
	Quarter ended	Quarter ended	
	December 31,	December 31,	
	2016	2015	
	Rs.'000	Rs.'000	
	Unaudited	Unaudited	
Net cash flows generated from operating activities	428,120	396,775	
Net cash flows generated from/(used in) investing activities	7,554	(293,321)	
Net cash flows used in financing activities	(458,206)	(262,215)	
Net decrease in cash and cash equivalents	(22,532)	(158,761)	
Cash and cash equivalents at October 1,	(2,061,537)	(1,459,545)	
Net foreign exchange difference	33,991	(18,131)	
<b>Cash and cash equivalents at December 31,</b>	<b>(2,050,078)</b>	<b>(1,636,437)</b>	

## PAT FOR THE QUARTER AT PAR WITH LAST YEAR. RESULTS IMPACTED BY THE WEAKNESS OF THE EURO AND GBP AND BY LOWER VILLAS SALES IN MARRAKECH

Despite a 3.8% growth in hotel operations, the Group registered a year-on-year drop in turnover of 6.5% to reach Rs 3,050m (FY16: Rs 3,262m), mainly due to lower villa sales in Marrakech. Profit from operations dropped marginally to Rs 907m (FY16: Rs 923m) and normalised EBITDA stood at Rs 945m (FY16: Rs 993m), both affected by the weakness of the Euro and GBP. Profit after tax, which was positively impacted by gains on translation of Euro loans, improved to Rs 547m (FY16: Rs 540m).

### Comments on operations

Average occupancy rate in our hotels across the group increased to 78% (FY16: 73%), with improvement both in Mauritius and Morocco. The Mauritian hotel operations performed well in the first quarter of FY17 on the back of an increase in tourist arrivals of 13%. Occupancy levels increased to 80% across our eight hotels. Despite a drop in average spending per guest per night of 2.1%, mostly on account of a weaker EUR and GBP, turnover from operation in Mauritius increased by 3.5% and EBITDA by 1%. Royal Palm Marrakech showed improved results for the first quarter due to an increase in occupancy rate but the contribution to results remained negative. As expected, the pace of sale of villas at Domaine Palm Marrakech remained slow. Furthermore, revenue recognition on villas sales was low during this quarter; higher revenues are expected in the next quarters. The Group PAT showed a marginal increase after taking into account gains on revaluation of borrowings denominated in EUR.

### Beachcomber Hospitality Investments Ltd (BHI)

The immovable assets of Victoria Beachcomber, Canonnier Beachcomber and Mauricia Beachcomber have been sold to BHI. On 16 December 2016, Mara Delta group has injected EUR 21.5m in shareholder's equity and BHI has secured loans totalling EUR 50m at favourable terms, which have been utilised to repay existing debts of NMH. Further funds of EUR 28.5m are expected in BHI upon obtaining Prime Minister's Office approval and those funds will be used to further reduce Group borrowings. NMH is engaged in advanced discussions with its financing partners with a view to review the cost and repayment terms of its remaining debt. These negotiations should result in a significant improvement in the Company's cash flow.

### Outlook

Forward bookings for the second quarter of the financial year are lagging slightly behind with the peak Easter period expected in April as compared to March last year.

A Letter of Intent with a renowned international operator has been signed in respect of Royal Palm Marrakech and the marketing of residential villas. The finalisation of the transaction is expected in the

third quarter of this financial year. The Board is confident that this partnership will bring improved results in the future.

Major renovation is being planned for Canonnier Beachcomber during the next low season, with the hotel expected to reopen in September 2017. Beachcomber Ste Anne Resort in the Seychelles will also be closed for renovation in FY18. Whilst all operations in Mauritius and non-hotel operations abroad are expected to continue to perform satisfactorily, the Group results will continue to be affected during FY17 by the negative performance of its operations in Marrakech. However, the Board is confident that the on-going restructuring and reorganisation initiatives, together with the successful repositioning of the Beachcomber brand, will contribute to a much improved performance as from FY18.

*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**  
**15 February 2017**



## ANSWERS TO SOME QUESTIONS YOU MAY HAVE

### **Q1. Am I obliged to accept the Offer?**

As shareholder of NMH to whom the Offer is made, you are not obliged to accept same. You may elect to accept the Offer in whole or in part only or to do nothing, in which case you will be deemed to have rejected the Offer.

### **Q2: What is a Reply Document?**

A Reply Document is a document prepared by the Board of Directors of NMH in line with the Second Schedule (Rule 18) of the Rules. The Reply Document aims at providing you with relevant information to enable you to make an informed decision about the Offer you have received.

### **Q3. Am I obliged to follow the recommendation of the Directors?**

You are not obliged to follow the recommendation of the Directors. You can decide to accept or reject the Offer as you deem fit.

### **Q4. Can I disagree with the position taken by the Board of NMH about the Offer?**

Yes, you can disagree with a position taken by the Board of NMH in respect of the Offer.

### **Q5. Why did NMH appoint an Independent Adviser?**

NMH is required by law to appoint, in the interests of NMH shareholders, an Independent Adviser under Section 21 of the Rules.

### **Q6. What is the role of an Independent Adviser?**

In its role, the function of an independent adviser is to:

- a) advise the Board of the Offeree as to whether the Offer is fair and reasonable;
- b) carry out or cause to be carried out the valuation of the Offeree; and
- c) submit a report to the Board of the Offeree.

### **Q7. Why did NMH issue a Reply Document?**

Under Rule 18 of the Rules, the Board of NMH is required to communicate to its shareholders, within 21 days from the date of the posting of the Offer document, a Reply Document, containing sufficient information, including a recommendation whether to accept or reject the Offer, to enable the NMH shareholders to reach an informed decision.

### **Q8. Do I have to inform NMH if I accept the Offer?**

No, you do not have to inform NMH if you accept the Offer. You should follow the acceptance instructions you have received from the Offerors.

### **Q9. Do I have to inform NMH if I refuse the Offer?**

No, you do not have to inform NMH if you refuse the Offer.

### **Q10. How many days do I have to reply if I accept the Offer?**

You have 35 days to accept the Offer, from 20 February 2017 (opening of the Offer) to 27 March 2017 (closing of the Offer).

### **Q11. Can I share the Reply Document with my investment adviser?**

The Reply Document is for the information of the shareholders of NMH eligible to the Offer. Any third party, if it is shared with, has to apply its own diligence in reading it.

**Q12: What happens if I have lost my share certificate?**

If you are willing to accept the Offer but you have lost your share certificate, you should contact your investment dealer for completion of an Indemnity Form, which shall then be submitted to NMH (Beachcomber House, Botanical Garden Street, Curepipe) by not later than close of business on 23 March 2017.

**Q13: What is the latest payment date from ENL Land & Rogers if I accept the Offer?**

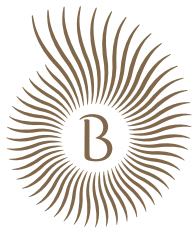
The latest date for payment of the purchase price will be by 5 April 2017, net of brokerage fees which include the commissions of the investment dealers, FSC fees, CDS fees and SEM fees.

**Q14: What happens if my shares have been pledged?**

In case some or all of the NMH shares you have been pledged, you will need to obtain the release of the pledge before accepting the Offer.

**Q15: Do I need to reply to the Offer if I only hold preference shares in NMH?**

No, the Offer is not applicable to a preference shareholder as the law provides that the Offer should only be made in respect of the shares which carry voting rights. The preference shares of NMH do not carry voting rights.



**BEACHCOMBER**  
RESORTS & HOTELS

**REPLY**  
**DOCUMENT**