



NEW MAURITIUS HOTELS LIMITED

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED DECEMBER 31, 2011

INCOME STATEMENT

	THE GROUP		
	Quarter ended	Quarter ended	Year ended
	31.12.2011	31.12.2010	30.09.2011
	Rs.'000	Rs.'000	Rs.'000
Revenue	2,574,219	2,401,365	7,622,377
Cost of inventories expensed	(345,957)	(281,629)	(1,079,241)
Staff costs	(672,280)	(583,915)	(2,616,669)
Other expenses	(702,388)	(631,456)	(2,434,930)
Depreciation of property, plant and equipment	(130,245)	(107,926)	(420,740)
Amortisation of intangible assets	(961)	(668)	(3,912)
(Loss)/Profit on disposal of property, plant and equipment	(59)	60	3,824
Finance revenue	59,696	2,110	92,168
Finance costs	(153,868)	(90,858)	(486,150)
Other income	-	-	143,033
Closure costs	-	(25,998)	-
Share of results of associated companies	(543)	(7,154)	24,398
Negative goodwill written back	-	-	5,895
Preliminary expenses written-off	-	-	(46,871)
Profit before tax	627,614	673,931	803,182
Income tax expense	(58,297)	(84,925)	(50,718)
Profit for the quarter/year	569,317	589,006	752,464
Profit attributable to:			
Owners of the parent	548,858	567,946	726,552
Non-controlling interests	20,459	21,060	25,912
	569,317	589,006	752,464
Basic earnings per share (Rs)	3.40	3.52	4.50
SEGMENTAL INFORMATION			
Segment revenue:			
Hotel operations	2,071,840	2,021,406	6,230,240
Others	502,379	379,959	1,392,137
Total revenue	2,574,219	2,401,365	7,622,377
Segment results:			
Hotel operations	634,728	669,894	993,137
Others	87,601	99,939	77,572
	722,329	769,833	1,070,709
Finance revenue	59,696	2,110	92,168
Finance costs	(153,868)	(90,858)	(486,150)
Other income	-	-	143,033
Share of results of associated companies	(543)	(7,154)	24,398
Negative goodwill written back	-	-	5,895
Preliminary expenses written-off	-	-	(46,871)
Profit before tax	627,614	673,931	803,182

STATEMENT OF COMPREHENSIVE INCOME

	THE GROUP		
	Quarter ended	Quarter ended	Year ended
	31.12.2011	31.12.2010	30.09.2011
	Rs.'000	Rs.'000	Rs.'000
Profit for the quarter/year	569,317	589,006	752,464
Other comprehensive income, net of tax:			
Exchange differences on translating foreign operations	(54,158)	33,797	(75,670)
Available-for-sale financial assets	1,086	-	(4,262)
Cash flow hedges	-	2,790	28,273
Gains on revaluation of land and buildings	-	-	765,583
Share of other comprehensive income of associates	-	-	11,880
Other comprehensive income for the quarter/year, net of tax	(53,072)	36,587	725,804
Total comprehensive income for the quarter/year	516,245	625,593	1,478,268
Total comprehensive income attributable to:			
Owners of the parent	495,734	604,060	1,453,797
Non-controlling interests	20,511	21,533	24,471
	516,245	625,593	1,478,268

STATEMENT OF CHANGES IN EQUITY

	Stated Capital	Retained Earnings	Foreign Exchange Difference Reserves	Available-for-sale financial assets	Revaluation Reserves	Other Reserve	Total	Non-controlling Interests	Total equity
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance at October 1, 2010	1,724,361	5,007,279	(979,945)	32,540	3,853,644	1,417,033	11,054,912	45,214	11,100,126
Changes in equity for the quarter									
Total comprehensive income for the quarter	-	567,946	36,114	-	-	-	604,060	21,533	625,593
Transfer to retained earnings	-	9,165	-	-	(9,165)	-	-	-	-
Balance at December 31, 2010	1,724,361	5,584,390	(943,831)	32,540	3,844,479	1,417,033	11,658,972	66,747	11,725,719
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 quarter									
Total comprehensive income for the quarter	-	548,858	(54,210)	1,086	-	-	495,734	20,511	516,245
Transfer to retained earnings	-	11,250	-	-	(11,250)	-	-	-	-
Balance at December 31, 2011	1,724,361	6,007,763	(1,080,111)	29,364	4,571,306	1,428,913	12,681,596	67,310	12,748,906

STATEMENT OF FINANCIAL POSITION

	THE GROUP	
	As at	As at
	31.12.2011	30.09.2011
	Rs'000	Rs'000
ASSETS		
Non-current assets		
Property, plant and equipment	20,383,396	20,196,683
Investment properties	375,809	347,700
Intangible assets	1,705,089	1,710,384
Investment in associates	520,203	520,746
Available-for-sale investments	40,807	39,721
Employee benefit assets	26,442	26,721
	23,051,746	22,841,955
Current assets		
Inventories	3,060,152	3,089,708
Trade and other receivables	2,883,007	2,514,752
Forward currency contracts	48,376	15,903
Income tax prepaid	-	10,684
Cash in hand and at bank	897,667	782,004
	6,889,202	6,413,051
Total assets	29,940,948	29,255,006
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Stated capital	1,724,361	1,724,361
Retained earnings	6,007,763	5,447,655
Other components of equity	4,949,472	5,013,846
	12,681,596	12,185,862
Non-controlling interests	67,310	46,799
Total equity	12,748,906	12,232,661
Non-current liabilities		
Borrowings	8,389,585	9,315,370
Deferred tax liability	1,508,837	1,487,276
	9,898,422	10,802,646
Current liabilities		
Trade and other payables	2,795,362	2,933,496
Borrowings	4,478,205	3,283,942
Income tax payable	20,053	2,261
	7,293,620	6,219,699
Total liabilities	17,192,042	17,022,345
Total equity and liabilities	29,940,948	29,255,006

STATEMENT OF CASH FLOWS

	THE GROUP	
	Quarter ended	Quarter ended
	31.12.2011	31.12.2010
	Rs'000	Rs'000
Net cash flows generated from operating activities	519,448	125,944
Investing activities		
Purchase of property, plant and equipment	(204,350)	(883,097)
Proceeds from sale of property, plant and equipment	1,608	100
Investment income	3,809	2,110
	(198,933)	(880,887)
Net cash flows used in investing activities	(198,933)	(880,887)
Financing activities		
Proceeds from borrowings	1,006,840	697,000
Repayment of term loans	(1,103,229)	(26,294)
Repayment of finance lease liabilities	(10,709)	(103)
Interest paid	(181,977)	(90,858)
Dividends paid to equity holders of the parent	(80,712)	(80,712)
	(369,787)	499,033
Net cash flows (used in)/ from financing activities	(369,787)	499,033
Net decrease in cash and cash equivalents	(49,272)	(255,910)
Cash and cash equivalents at October 1,	(1,066,671)	(981,308)
Net foreign exchange difference	2,312	(104)
Cash and cash equivalents at December 31,	(1,113,631)	(1,237,322)

COMMENTS

Results

Whilst at national level, tourist arrivals grew by only 0.7% during the quarter under review, NMH recorded an increase of 5% in its number of guest nights. However, the coming into full operation of Trou aux Biches hotel increased the Group's accommodation capacity by 6.5%. The average rate of occupancy was thus slightly lower at 76%.

Group Revenue this year includes Rs 131m generated by our local tour operators. Hotel operations yielded some Rs 50m more than last year and it is estimated that a shortfall of some Rs60m was suffered in Revenue on account of the exchange rate of the Euro against the Rupee which, on average, was 5% lower than last year.

Operating costs were well contained and their increase is due to the consolidation of the new subsidiaries into this quarter's figures and the full operation of Trou aux Biches Hotel. The additional depreciation charge and finance costs are attributable to Trou aux Biches hotel.

Finance revenue includes Rs 56m of surplus arising on the conversion of loans contracted in foreign currencies thus counterbalancing the loss on exchange referred to above.

Earnings for the quarter amounting to Rs 569m were 3.4% lower than last year's.

Outlook

The trading environment is difficult and there is still a lack of information on air-seat availability. However, based on present trends, the first semester's results should be similar to last year's. The second semester appears very challenging and remains difficult to forecast.

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, Robert Edward Hart 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

10th February 2012



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