BEACHCOMBER
RESORTS & HOTELS

NEW MAURITIUS HOTELS LIMITED

AUDITED ABRIDGED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

GROUP ABRIDGED STATEMENT OF PROFIT OR LOSS

	Year ended September 30, 2017 Rs '000	Year ended September 30, 2016 Rs '000
Revenue		
Hotel operations and others	**9,176,572**	9,121,465
Property	**351,644**	479,992
	9,528,216	9,601,457
Earnings from operating activities	**1,432,861**	1,286,876
Other income	**339,376**	121,136
Share of results of associates	**8,860**	(6,620)
(Loss)/profit on disposal of property, plant and equipment	**(6,923)**	15,681
Normalised EBITDA	**1,774,173**	1,417,073
Rebranding and reorganisation costs	**-**	(119,237)
Insurance recovery/(loss) from fraud	**59,151**	(115,210)
Gain on disposal of investment	**60,931**	-
Closure costs	**(101,422)**	-
EBITDA	**1,792,833**	1,182,626
Finance costs	**(1,048,592)**	(981,888)
Finance revenue	**94,005**	14,774
Depreciation of property, plant and equipment	**(677,935)**	(647,743)
Impairment losses	**-**	(325,920)
Profit/(loss) before tax	**160,311**	(758,151)
Income tax expense	**(127,452)**	(208,747)
Profit/(loss) for the year	**32,859**	(966,898)
Profit/(loss) attributable to:		
Owners of the parent	**(38,472)**	(997,678)
Non-controlling interests	**71,331**	30,780
	32,859	(966,898)
Basic loss per share (Rs)	**(0.08)**	(2.06)

GROUP ABRIDGED STATEMENT OF COMPREHENSIVE INCOME

	Year ended September 30, 2017 Rs '000	Year ended September 30, 2016 Rs '000
Profit/(loss) for the year	**32,859**	(966,898)
Other comprehensive loss, net of tax:		
Other comprehensive loss to be reclassified to profit or loss in subsequent periods	**(684,151)**	(10,767)
Other comprehensive loss not to be reclassified to profit or loss in subsequent periods	**(251,274)**	(201,545)
Other comprehensive loss for the year, net of tax	**(935,425)**	(212,312)
Total comprehensive loss for the year	**(902,566)**	(1,179,210)
Total comprehensive (loss)/income attributable to:		
Owners of the parent	**(979,015)**	(1,208,336)
Non-controlling interests	**76,449**	29,126
	(902,566)	(1,179,210)

GROUP ABRIDGED STATEMENT OF FINANCIAL POSITION

	September 30, 2017 Rs '000	September 30, 2016 Rs '000
ASSETS		
Property, plant and equipment	**24,975,684**	25,055,983
Investment property	**343,383**	363,964
Intangible assets	**1,668,313**	1,691,095
Investment in associates	**478,919**	474,727
Available-for-sale financial assets	**4,114**	1,541
Deferred tax assets	**134,556**	139,540
	27,604,969	27,726,850
Current assets	**8,189,828**	7,781,377
TOTAL ASSETS	**35,794,797**	35,508,226
EQUITY AND LIABILITIES		
Shareholders' interests	**10,870,762**	11,849,777
Non-controlling interests	**548,999**	50,006
Non-current liabilities	**15,563,133**	15,034,004
Current liabilities	**8,811,903**	8,574,440
TOTAL EQUITY AND LIABILITIES	**35,794,797**	35,508,227

GROUP ABRIDGED STATEMENT OF CHANGES IN EQUITY

	Shareholders' interests Rs '000	Non-controlling interests Rs '000	Total equity Rs '000
As at October 1, 2015	13,217,922	58,738	13,276,660
Changes in equity for the year			
Total comprehensive (loss)/income for the year	(1,208,336)	29,126	(1,179,210)
Investment in subsidiary	-	600	600
Dividends	(159,809)	(38,458)	(198,267)
As at September 30, 2016	11,849,777	50,006	11,899,783
As at October 1, 2016	11,849,777	50,006	11,899,783
Changes in equity for the year			
Total comprehensive (loss)/income for the year	(979,015)	76,449	(902,566)
Disposal of properties	-	-	-
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**

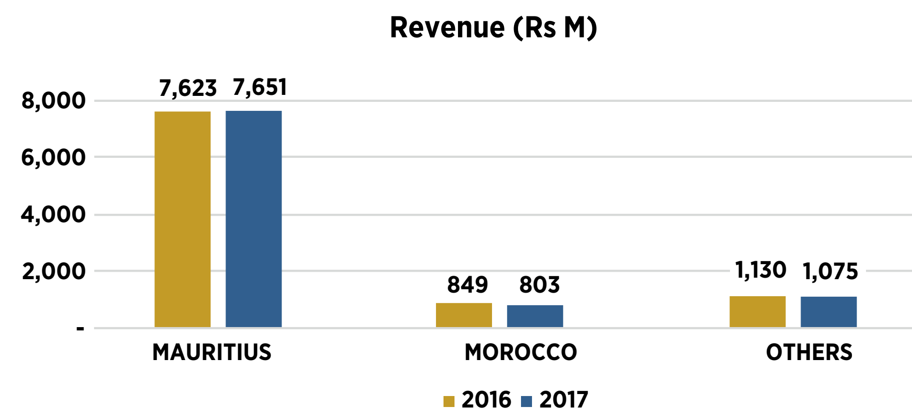
GROUP ABRIDGED STATEMENT OF CASH FLOWS

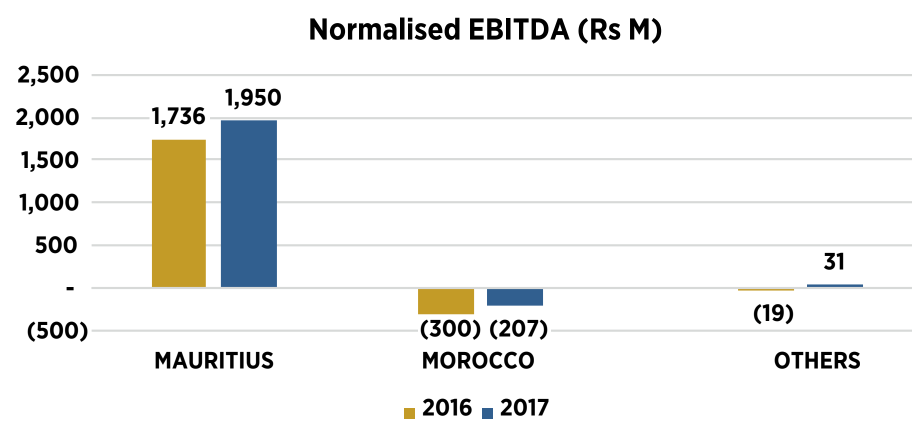
	Year ended September 30, 2017 Rs'000	Year ended September 30, 2016 Rs'000
Net cash flows generated from operating activities	**1,752,022**	1,341,173
Net cash flows used in investing activities	**(330,117)**	(461,424)
Net cash flows generated from/(used in) financing activities	**27,990**	(1,470,053)
Net increase/(decrease) in cash and cash equivalents	**1,449,895**	(590,304)
Cash and cash equivalents at October 1,	**(2,061,537)**	(1,459,545)
Net foreign exchange difference	**(3,203)**	(11,688)
Cash and cash equivalents at September 30,	**(614,845)**	(2,061,537)

KEY FIGURES

OCCUPANCY +1%	TREVPAR +5%	EBITDA +52%	MARKET CAPITALISATION +15%
72%	Rs 10,886	Rs 1.8Bn	Rs 11.2Bn

SEGMENTAL INFORMATION





COMMENTS

The Group's turnover for the year ended September 30, 2017 was in line with last year in spite of the weakness of the EURO and GBP, the decrease in revenue from property sales in Marrakech, the closure of Canonnier Beachcomber for four months and of Sainte Anne Resort in Seychelles for the last month of the financial year. Normalised EBITDA increased by 25% and EBITDA by 51%. The Group's Profit before tax increased to Rs 160M compared to a loss of Rs 758M last year. After accounting for a tax charge of Rs 127M (mostly deferred tax), the Group posted a PAT of Rs 33M.

Comments on operations

Mauritius

The Mauritian hotel operations performed well, with an average occupancy of 75%, in line with last year. Guest Night Spending and Average Room Revenue increased by 4% and 5% respectively. Normalised EBITDA for the Mauritian hotel operations reached Rs 1,841M, a 8% increase over last year.

The Group proceeded with the amalgamation of White Palm Ltd into Mautourco Ltd with the latter remaining as the surviving entity as from October 1, 2017. The amalgamation will allow for improved synergies and increased operational performance. Mautourco Group increased its PAT to Rs 31M (FY 16: Rs 26M).

Canonnier Beachcomber reopened in September as planned, with significantly increased rates. The feedback from tour operators and guests is excellent and forward bookings as per expectations. The 40-room adult-only wing at Victoria Beachcomber opened on December 1, 2017 and here again market feedback on this innovative product is very good.

Works on the access road at Les Salines, Black River are well under way. The Group is working on the implementation of the 4-star Les Salines Beachcomber Resort & Spa and the EIA application will be submitted during the next few days. Construction works are planned to start during the calendar year FY 18. The mixed-use development on the 365-acre plot of land at the back of the hotel is also being planned.

Seychelles

Sainte Anne Resort recorded continued losses for the year under review. As announced by the Board in its recent communiqué, the Group has signed an agreement with Club Med SAS for the redevelopment and subsequent rental of the enlarged resort to Club Med. Works are expected to start in the second quarter of 2018, with the reopening scheduled for the end of 2019. This major development should have a significant impact on the Group's results as from the financial year ending September 2020.

Management is also studying various options for the other Group assets in the Seychelles, including the Reef Hotel and the 80-acre hotel site on Praslin.

Marrakech

Fairmont officially took over the management of the Royal Palm Marrakech on May 1, 2017. The hotel's occupancy improved from 29% in FY 16 to 40% in FY 17. The hotel posted reduced losses, with a negative EBITDA of Rs 60M in 2017, compared to Rs 148M during the previous year. Domaine Palm Marrakech for its part recorded a negative EBITDA of Rs 147M compared to Rs 152M last year. The stock of built phase 1 villas is almost sold-out. Management is cautiously launching phase 2 in a market that remains challenging.

Beachcomber Tours

Beachcomber Tours South Africa continued to post very satisfactory performance, with PAT increasing from Rs 54M to Rs 68M.

Beachcomber Tours UK recorded a PAT of Rs 11M (FY 16: Rs 14M), with a fall of 13% in the GBP.

The restructuring exercise at Beachcomber Tours France which was launched two years ago has been completed. The company now operates far more efficiently, as illustrated by a reduction in losses from Rs 69M in FY 16 to Rs 15M in FY 17.

One-off items

The Group recovered Rs 59M from insurance with respect to the fraud it suffered in March 2016.

The Group sold its non-core minority stake in South West Tourism (Bis) Ltd and recorded an exceptional profit of Rs 61M.

Closure costs of Rs 101M related to Canonnier Beachcomber and Beachcomber Sainte Anne Resort.

Refinancing of the Company's debt

At the end of the year under review, the Company embarked upon a major re-engineering of its debt and in November 2017, with the approval of its shareholders, the Company issued notes to the tune of Rs 3Bn, which have been used to repay existing debts. This initiative will result in a 100 basis-point reduction in the overall cost of debt and in reduced capital repayments over the next few years.

Outlook

The year under review has been one of further consolidation. With the materialisation of a number of important initiatives aimed at reducing the Company's debt, consolidating the Beachcomber Brand, curtailing losses in overseas operations, transforming idle land into cash generating assets amongst others, the Group is renewing with profitability. The next financial year will see additional consolidation and improvement in operational excellence and financial performance. The Group's EBITDA for the first quarter of FY18 is expected to show an improvement over the previous year, within a positive prevailing environment. Further to the strengthening of the Group's foundations, it is with renewed confidence that NMH will start looking for new growth opportunities in the region.

The Audited Abridged Financial Statements are issued pursuant to Listing Rule 12.20 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 20, 2017