



NEW MAURITIUS HOTELS LIMITED
INTERIM FINANCIAL REPORT FOR THE NINE MONTHS ENDED JUNE 30, 2013

COMMENTS

Results

During the quarter under review, tourist arrivals almost stagnated (+0.3%). This is partly explained by Easter falling in March this year, but restricted air seat capacity and the excessive prices of air tickets from our main source markets remain the principal cause of the difficult trading conditions.

NMH recorded a drop of 7.4% in the number of guest nights whilst average revenue per guest dropped by 2.1%. As a result of the abovementioned adverse factors, total revenue showed a shortfall of 2.7% in relation to last year's corresponding quarter whilst the loss incurred for that same period amounted to Rs218m as against Rs172m last Year.

For the nine-month period ended June 30 2013, net profit amounted to Rs557m, including an exceptional share of results of Rs41m from associated companies, compared to Rs754m last year (-26.2%)

Outlook

Results for the last quarter are expected to be similar to those of last year.

However, based on forward bookings recorded as of date for the first quarter of the next financial year, a marked improvement is anticipated in the Group's market share, particularly in the up market segment. That should boost up average revenue per guest and impact favourably on the Group's earnings.

Marrakech Project

The Company has raised Rs1.2b in the form of secured multicurrency notes in private placement, bearing interest at an average rate of 5.58% p.a. Rs800m will be transferred to Marrakech to ensure the financing of works that remain to be completed up to December 2013. Loans from Moroccan banks should be finalised by the end of March 2014 and will allow the reimbursement of the short term facilities obtained in Mauritius. The remaining Rs400m will be used to finance renovation works at the Royal Palm.

Our hotel in Marrakech is scheduled for soft opening in December this year. By that date, the 18-hole golf course, some 30 villas and all civil works associated with the remaining 64 villas of phase one will have been completed. With the hotel and associated infrastructural works nearing completion, interest for the purchase of villas is increasing. There is now every indication that we shall be able to pass on the title deed to the buyers in the coming months. Looking forward, the Marrakech project will become a key contributor to the Group's earning growth and debt repayment as from next year.

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

6th August 2013

INCOME STATEMENT

	THE GROUP				
	9 Months ended 30.06.2013	9 Months ended 30.06.2012	Quarter ended 30.06.2013	Quarter ended 30.06.2012	Year ended 30.09.2012
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Revenue	6,293,382	6,445,213	1,550,060	1,593,300	8,110,396
Cost of inventories expensed	(975,391)	(911,578)	(324,808)	(290,460)	(1,270,661)
Staff costs	(2,002,388)	(1,968,447)	(642,449)	(650,613)	(2,592,160)
Other expenses	(1,905,339)	(1,916,622)	(556,100)	(591,585)	(2,521,420)
Depreciation of property, plant and equipment	(383,384)	(369,606)	(130,760)	(113,676)	(506,899)
Amortisation of intangible assets	(1,847)	(2,851)	(431)	(946)	(3,831)
Profit on disposal of property, plant and equipment	5,140	5,346	2,946	2,109	6,086
Finance revenue	30,682	44,574	22,932	8,904	42,151
Finance costs	(449,039)	(427,918)	(165,930)	(122,317)	(586,541)
Fair value gain on investment properties	-	-	-	-	30,630
Share of results of associated companies	40,898	(11,171)	11,477	(12,248)	(12,349)
Pre-operational costs - Marrakech project	(61,435)	(47,411)	(17,215)	(19,666)	(92,470)
Profit/ (loss) before tax	591,279	839,529	(250,278)	(197,198)	602,932
Income tax (expense)/credit	(34,596)	(84,989)	32,037	24,873	7,987
Profit/ (loss) for the quarter/9 months/year	556,683	754,540	(218,241)	(172,325)	610,919
Profit/ (loss) attributable to:					
Owners of the parent	520,962	726,819	(229,584)	(177,208)	581,634
Non-controlling interests	35,721	27,721	11,343	4,883	29,285
	556,683	754,540	(218,241)	(172,325)	610,919
Basic earnings/ (loss) per share (Rs)	3.23	4.50	(1.42)	(1.10)	3.60
SEGMENTAL INFORMATION					
Segment revenue:					
Hotel operations	5,059,395	5,327,313	1,198,280	1,287,621	6,524,484
Others	1,233,987	1,117,900	351,780	305,679	1,585,912
Total revenue	6,293,382	6,445,213	1,550,060	1,593,300	8,110,396
Segment results:					
Hotel operations	918,526	1,176,672	(104,674)	(37,282)	1,121,768
Others	111,647	104,783	3,132	(14,589)	99,744
Operating profit/ (loss)	1,030,173	1,281,455	(101,542)	(51,871)	1,221,512
Finance revenue	30,682	44,574	22,932	8,904	42,151
Finance costs	(449,039)	(427,918)	(165,930)	(122,317)	(586,541)
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STATEMENT OF COMPREHENSIVE INCOME

	THE GROUP				
	9 Months ended 30.06.2013	9 Months ended 30.06.2012	Quarter ended 30.06.2013	Quarter ended 30.06.2012	Year ended 30.09.2012
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Profit/ (loss) for the 9 months/quarter/year	556,683	754,540	(218,241)	(172,325)	610,919
Other comprehensive income/ (loss), net of tax					
Exchange differences on translating foreign operations	106,479	(69,238)	39,471	23,054	1,380
Available-for-sale financial assets	8,124	(7,471)	-	(735)	(20,599)
Cash flow hedges	10,865	(12,102)	(7,289)	13,365	(231)
Gains on revaluation of land and buildings	-	-	-	-	14,160
Share of other comprehensive income of associates	-	-	-	-	6,430
Other comprehensive income/ (loss) for the quarter/9 months/year, net of tax	125,468	(88,811)	32,182	35,684	1,140
Total comprehensive income/ (loss) for the quarter/9 months/year	682,151	665,729	(186,059)	(136,641)	612,059
Total comprehensive income/ (loss) attributable to:					
Owners of the parent	646,430	637,780	(197,402)	(141,443)	582,625
Non-controlling interests	35,721	27,949	11,343	4,802	29,434
	682,151	665,729	(186,059)	(136,641)	612,059

STATEMENT OF FINANCIAL POSITION

	THE GROUP	
	As at 30.06.2013	As at 30.09.2012
	Rs.'000	Rs.'000
ASSETS		
Property, plant and equipment	21,722,728	20,839,342
Investment properties	378,330	378,330
Intangible assets	1,709,952	1,706,910
Investment in associates	552,032	509,585
Available-for-sale investments	27,265	19,141
Employee benefit assets	23,863	25,327
	24,414,170	23,478,635
Current assets		
Inventories	3,820,849	3,458,486
Trade and other receivables	2,217,843	1,993,319
Income tax prepaid	56,401	49,414
Cash in hand and at bank	961,984	680,696
	7,057,077	6,181,915
Total assets	31,471,247	29,660,550
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Stated capital	1,724,361	1,724,361
Retained earnings	6,629,793	6,076,131
Other components of equity	5,060,763	4,967,995
	13,414,917	12,768,487
Non-controlling interests	75,443	58,662
Total equity	13,490,360	12,827,149
Non-current liabilities		
Borrowings	8,939,327	8,263,293
Deferred tax liability	1,441,491	1,419,454
Total non-current liabilities	10,380,818	9,682,747
Current liabilities		
Trade and other payables	2,600,077	2,477,043
Borrowings	4,999,992	4,673,611
Total current liabilities	7,600,069	7,150,654
Total liabilities	17,980,887	16,833,401
Total equity and liabilities	31,471,247	29,660,550

STATEMENT OF CASH FLOWS

	THE GROUP	
	9 Months ended 30.06.2013	9 Months ended 30.09.2012
	Rs.'000	Rs.'000
Net cash flows generated from operating activities	1,185,337	1,400,643
Investing activities		
Purchase of property, plant and equipment	(1,364,563)	(728,252)
Proceeds from sale of property, plant and equipment	13,761	10,255
Investment income	33,974	8,937
Net cash flows used in investing activities	(1,316,828)	(709,060)
Financing activities		
Net proceeds from borrowings	114,663	12,420
Repayment of finance lease liabilities	(59,716)	(22,087)
Interest paid	(449,039)	(427,918)
Dividends paid to owners of the parent	-	(80,712)
Dividends paid to non-controlling interests	(18,940)	(13,336)
Net cash flows used in financing activities	(413,032)	(531,633)
Net (decrease) / increase in cash and cash equivalents	(544,523)	159,950
Cash and cash equivalents at October 1,	(971,797)	(1,066,671)
Net foreign exchange difference	(20,915)	21,590
Cash and cash equivalents at June 30,	(1,537,235)	(885,131)

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 9 months									
Total comprehensive income for the 9 months	-	726,819	(81,568)	(7,471)	-	-	637,780	27,949	665,729
Transfer to retained earnings	-	25,313	-	-	(25,313)	-	-	-	-
Dividends	-	-	-	-	-	-	-	(13,336)	(13,336)
Balance at June 30, 2012	1,724,361	6,199,787	(1,107,469)	20,807	4,557,243	1,428,913	12,823,642	61,412	12,885,054
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 9 months									
Total comprehensive income for the 9 months	-	520,962	117,344	8,124	-	-	646,430	35,721	682,151
Transfer to retained earnings	-	32,700	-	-	(32,700)	-	-	-	-
Dividends	-	-	-	-	-	-	-	(18,940)	(18,940)
Balance at June 30, 2013	1,724,361	6,629,793	(907,557)	15,803	4,517,174	1,435,343	13,414,917	75,443	13,490,360