

DOMAINE ROYAL PALM

MARRAKECH

INFORMATION MEMORANDUM

FEBRUARY 2013



NEW MAURITIUS HOTELS LIMITED



HOTEL FROM THE GOLF COURSE

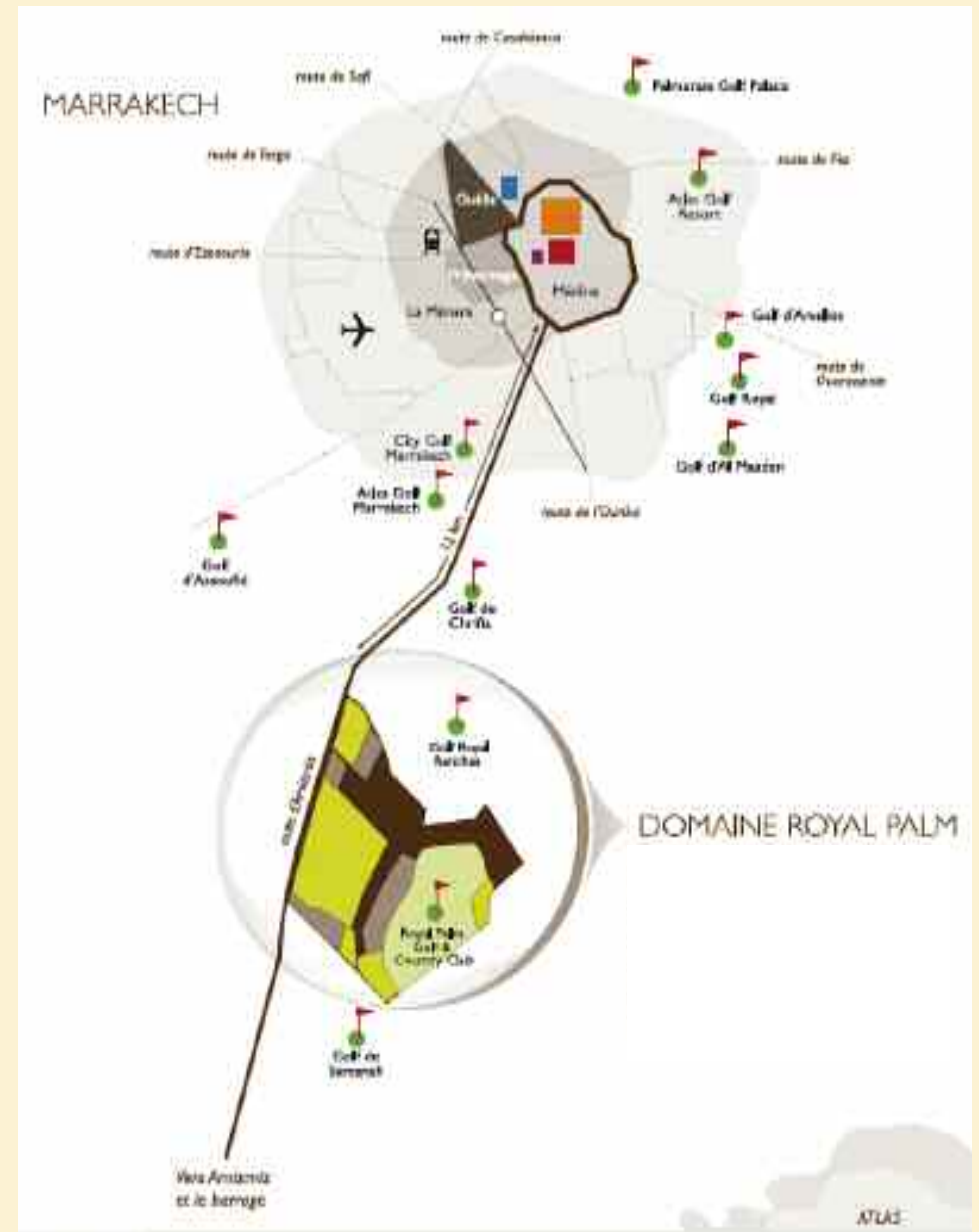


Marrakech, a destination in itself

- An Imperial city, a medieval fortress and an emblem of Morocco abroad, Marrakech is the fourth largest city in the kingdom after Casablanca (240km), Rabat (335km) and Fes (500km)
- Known as the red city because of the earthy colours of its buildings and houses, Marrakech offers, in addition to the Medina, a wide range of delights to explore, from the Jemaa El Fna Square to the souks, the Ben Youssef Mosque, the Villa Majorelle and the Menara Gardens
- Located at the foot of the Atlas Mountains (45 minutes from the nearest ski resort) and on the edge of the desert, Marrakech is like an oasis whose bright sky is a reminder that the Atlantic Ocean is only a two hour drive away
- The imperial city is the most appreciated holiday place of the kingdom for its ambiance and its particularly pleasant climate

The site

- 231ha facing the majestic Atlas Mountains
- 13km south of the famous “Jemaa el Fna” city centre square in the Medina of Marrakech
- 10 minutes from the International Airport
- 45 minutes from the Atlas Mountains ski resorts





HOTEL PUBLIC AREAS FACING THE GOLF & THE ATLAS

NEW MAURITIUS HOTELS LIMITED

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The project

All those who visited the site consider this project to be unique in Marrakech in that :

- It is up market and eco conscious
- Its architecture is inspired by the Berber culture with a strong contemporary touch
- It is the only one in Marrakech with a hotel overlooking a golf course
- All villas are spacious and ground level only, each having a landscaped garden with a unique personality, mature trees and a wide variety of Moroccan plants
- The Hotel/Golf/Country Club/Villas are developed as one Royal Palm project in 3 phases

- **Phase 1:**

- Royal Palm Hotel & Spa (135 keys - 176 rooms)
- Royal Palm Golf & Country Club
- 92 Residential villas
- 2 premium villas
- Staff housing
- Administrative & Commercial buildings

- **Phase 2:**

- 42 Residential villas
- 14 Premium villas

- **Phase 3:**

- 182 Residential villas
- Boutique villas Hotel of 30 units



The project status

Works on site are progressing in accordance with established schedule and budget.

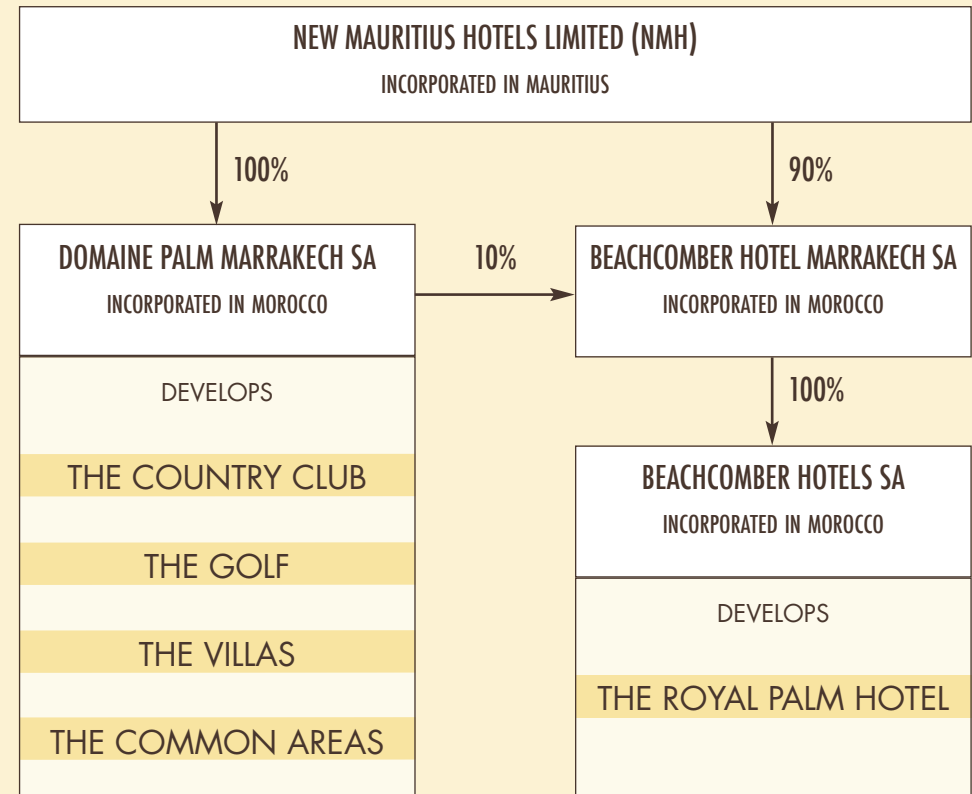
- **The Royal Palm hotel**
 - 90% of the civil works is completed
- **The villas**
 - 7 show villas, the Commercial Office as well as the entrance to the Domaine have been completed
 - the civil works on some 40 residences and the foundation work on another 54 have been completed
- **The golf course**
 - the irrigation network and the shaping of the course on 67ha have been completed
 - 9 holes are already planted and will open in April 2013 with a temporary Club house
 - the remaining nine holes will be grass-covered as from April 2013 and will be fully operational on completion of the country club in September 2013
- **The common infrastructure**
 - the common infrastructure of the whole site, including the technical and administrative buildings, a grocery, a laundry and other small shops to be completed in December 2013



HOTEL PUBLIC AREAS FROM THE GOLF



The present structure





HOTEL SUITES FROM THE GOLF COURSE

Cost and financing

	Phase 1	Phase 2	Phase 3	Total	Actual
	(€ Million)	(€ Million)	(€ Million)	@ 31.12.2012	(€ Million)
COST					
Land acquisition	11	-	3	14	11
Preliminary & marketing expenses	15	2	6	23	10
Infrastructure development (including commercial village)	34	5	9	48	28
18-hole Championship Golf Course	13	-	-	13	6
Country Club	5	-	-	5	-
Royal Palm Hotel (135 Keys)	82	-	-	82	43
Boutique Villas Hotel	-	-	11	11	-
Staff Housing	2	-	-	2	-
Residential villas:					
phase 1 - 94 villas	44	-	-	44	12
phase 2 - 56 villas	-	22	-	22	-
phase 3 - 182 villas	-	-	72	72	-
Total	206	29	101	336	110
FINANCING					
Equity	22	-	-	22	22
Shareholders loan	50	(21)	(29)	-	82
Bank loan/overdraft	40	-	(20)	20	-
Sale of villas	90	50	165	305	6
Government subsidy	4	-	-	4	-
Total	206	29	116	351	110
Surplus available for dividends			15	15	

Land & infrastructure

	Incurring 31.12.2012 (€ Million)	Cost to completion (€ Million)	Total cost (€ Million)
Land	11	3	14
Infrastructure development	28	20	48
Total	39	23	62

To be reallocated as follows:

Royal Palm Hotel			8
Residential villas			47
Common areas			7
Total			62

LAND ALLOCATION

Freehold	Hectares
Villas	89.5
Country Club	4.3
Hotel Royal Palm	13.2
Boutique hotel (30 villas)	10.0
Common areas	40.5
Offices/technical zone/staff housing	7.1
	<u>164.6</u>

Leasehold

Golf	66.7
Total	<u>231.3</u>

VALUATION

On the 30th September 2012, the freehold land has been valued at €139 million by an independent qualified surveyor



HOTEL & GOLF COURSE

The Hotel

- A 135 key 5-star hotel (176 rooms) with:
 - Suites**
 - 84 Junior (1 bedroom) 82 m²
 - 26 Senior (1 bedroom) 118 m²
 - 8 Family (2 bedrooms) 133 m²
 - 5 Presidential (3 bedrooms) 262 m²
 - 1 Penthouse (1 bedroom) 176 m² + swimming pool
 - Villas** (with swimming pool and hammam)
 - 10 Presidential Villas (3 bedrooms) 189 m²
 - 1 Royal Villa (4 bedrooms) 531 m²
- A spa by Clarins
- A fitness centre
- Four restaurants (overall capacity of 330 seats)
- Four conference rooms

Built on 13.2 ha of freehold land having cost 9 €/m² on acquisition now valued at 85 €/m² by a local independent valuer.

- Soft opening scheduled for December 2013

The hotel - unique selling points

- One of the most prestigious addresses in Marrakech, set at the heart of Domaine Royal Palm
- An ideal location close the airport and only 12kms from the “red city”
- An up-market and sustainable hotel
- Unique elevated entrance of the hotel offers a panoramic view over the Atlas mountains and golf course
- Mature gardens created around age-old olive trees
- All suites and villas, generously proportioned, open onto the snow-capped Atlas range and the hotel’s spectacular golf course
- One of the most scenic golf courses in Marrakech and a prestigious country club
- A state of the art sports centre with heated swimming pool
- Four fine-dining restaurants
- A spa affiliated to Clarins
- A complimentary Kids Club for children aged 3 to 12 supervised by Beachcomber experts
- The service and quality associated with the Royal Palm in Mauritius

THE HOTEL IN FIGURES

	Incurring 31.12.2012 (€ Million)	Cost to completion (€ Million)	Total cost (€ Million)
Direct cost	43	39	82
Pre-opening expenses	-	1	1
Staff housing	-	2	2
Share of cost of land & infrastructure	5	3	8
Total	48	45	93

• Projections of average occupancy :

- 40% for the first year,
- 50% for the second year,
- 55% for the third year and
- 65% as from year 4

EBITDA of some € 14 Million as from the fourth year of operation (€1.8 million for year 1, €9.5 million for year 2, €12.0 for year 3 and €13.9 million for year 4).

Once completed and operational, the hotel may serve as guarantee for a €40 million bank loan which will allow for reimbursement of shareholders loan.

Forecast income statement - hotel operation

	2014 (9 months)	2015	2016	2017
Occupancy	40%	50%	55%	65%
	€ 000'	€ 000'	€ 000'	€ 000'
Revenue:				
- Rooms	7,580	17,635	19,650	20,725
- F & B	3,610	6,645	7,455	7,880
- Other services	1,900	2,600	2,640	2,690
- Golf	850	1,575	2,100	2,200
Turnover	13,940	28,455	31,845	33,495
Cost of sales:				
- F & B	1,300	1,830	2,170	2,210
- Other services	1,150	1,530	1,580	1,785
	2,450	3,360	3,750	3,995
Staff costs	4,200	8,060	8,330	8,135
Other operating expenses	5,500	7,525	7,735	7,510
EBITDA	1,790	9,510	12,030	13,855
Financial charges	1,700	2,315	2,105	1,875
Depreciation	2,000	3,550	3,550	3,550
(Loss) / Profit before taxation	(1,910)	3,645	6,375	8,430
Taxation	-	130	220	390
(Loss) / Net profit	(1,910)	3,515	6,155	8,040

Boutique Hotel

- 30 three-bedroom villas of some 250 m² each
- built in phase 3
- at an estimated total cost of **€10 million**.
- an annual profit of **€6.1 million** is expected as from 2016 with an average occupancy of 55%.

The villas

- Seven types of villas, all ground floor, ranging from 200 m² to 645 m²
- On freehold land ranging from 1,000 m² to 4,300 m²
- Three to six bedrooms, depending on the type of villas, with the possibility of adding an additional "Guest house" on the plot of land
- Seven types are already built and furnished as show villas

Strong selling points ?

- Attractive fiscal situation in Morocco - no inheritance tax
- A stable project guaranteed and managed by Beachcomber
- A freehold acquisition
- Easy access to all everyday facilities and services - a short drive into town
- Close to the international airport
- Pleasant climate all year round (20°C in winter during the day, 10°C at night)
- Cost of living is relatively low in comparison to other European countries
- Exceptional quality of service and reasonable cost of personnel
- A safe and stable environment acclaimed by international press





[SHOW VILLA](#)



WATER HAZARD ON THE GOLF COURSE

Golf course plan



Cabell B. ROBINSON
GOLF COURSE DESIGN

The golf

With its generous greens, wide fairways, water obstacles and wild bunkers, as well as lush landscapes conducive to contemplation, the Royal Palm Golf is an invitation to enjoy the sport.

With a surface area of 6,730m (par 72), the beautiful, pleasant and fun course was designed by Cabell B. Robinson, a leading name in golf architecture, and it possesses all the requisite qualities to become an international benchmark. Furthermore, like the services offered by the Domaine Royal Palm, its high standard of upkeep ensures its faultless condition all year round.

Golf course
Country club
Total

Inurred 31.12.2012 (€ Million)	Cost to completion (€ Million)	Total cost (€ Million)
6	7	13
–	5	5
6	12	18



HOTEL JUNIOR SUITE "C.G.1"

Cash flow forecast period ending 30 September 2014

	As at 31.12.12			Financial Year 2013				Financial Year 2014			
	Budget €'000	Incurred €'000	Balance €'000	2 nd quarter €'000	3 rd quarter €'000	4 th quarter €'000	As at 30.09.13 €'000	As at 31.12.13 €'000	As at 31.03.14 €'000	As at 30.06.14 €'000	As at 30.09.14 €'000
Outflow											
Land	11,036	11,036									
Infrastructure & common areas	34,033	27,598	6,435	1,609	1,609	1,609	4,826	6,435	6,435	6,435	6,435
Villas											
Sold:	13,014	5,070	7,944	1,986	1,986	1,986	5,958	7,944	7,944	7,944	7,944
To be sold:											
Semi-Finished	15,222	6,977	8,245	1,374	1,374	1,374	4,122	5,496	8,245	8,245	8,245
Finished	16,109	-	16,109	-	4,027	4,027	8,054	12,081	16,109	16,109	16,109
	44,345	12,047	32,298								
Hotel: -Building & equipment.	68,213	32,495	35,718	5,953	5,953	5,953	17,859	23,812	28,897	35,718	35,718
Professional fees	13,000	10,000	3,000	750	750	1,250	2,750	3,000	3,000	3,000	3,000
Pre-opening exp.	1,364	-	1,364	-	-	455	455	1,364	1,364	1,364	1,364
Staff quarters	1,818	-	1,818	91	273	273	636	909	1,636	1,818	1,818
Golf course	12,548	6,326	6,222	1,037	1,037	1,037	3,111	4,148	6,222	6,222	6,222
Country Club	4,545	-	4,545	-	758	758	1,515	2,273	4,091	4,545	4,545
Preliminary expenses	14,818	10,455	4,363	1,091	1,091	1,091	3,273	4,364	4,364	4,363	4,363
Ajustement working capital	-	-	2,569	2,569	-	-	2,569	2,569	2,569	2,569	2,569
Total	205,722	109,958	98,332	16,460	18,857	19,812	55,129	74,395	90,874	98,332	98,332
Inflow											
NMH		104,170	6,569	6,569	-	-	6,569	6,569	6,569	6,569	6,569
Government subsidy			3,636	-	-	3,636	3,636	3,636	3,636	3,636	3,636
Villas sold 2012		5,788	21,270	-	-10,635	-	-10,635	21,270	21,270	21,270	21,270
Sales: April'13-March'14		-	20,500	-	2,500	-	2,500	4,000	11,500	20,500	20,500
April'14-June'14		-	18,000	-	-	-	-	-	-9,000	18,000	18,000
July'14-Sept'14		-	18,000	-	-	-	-	-	-	-	18,000
Bank loan		-	40,000	10,000	30,000	-	40,000	40,000	40,000	40,000	40,000
Loan refund		-	(20,000)	-	-	-	-	-	-	-	(20,000)
Total		109,958	107,976	16,569	43,135	3,636	63,340	75,476	91,976	109,975	107,976
Net Surplus / (Deficit)		-	9,644	109	24,278	(16,175)	8,212	1,081	1,101	11,643	9,644
Opening balance		4350	-	-	-	-	-	-	-	-	-
Closing balance		4350	-	4,459	28,736	12,561	12,562	5,431	5,451	15,993	13,994

Note: 7 villas kept as show villas

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