

UNAUDITED INTERIM (QUARTERLY) FINANCIAL STATEMENTS FOR THE THIRD QUARTER AND 9 MONTHS ENDED JUNE 30, 2018

GROUP ABRIDGED STATEMENT OF PROFIT OR LOSS

	9 Months ended June 30, 2018	9 Months ended June 30, 2017	Quarter ended June 30, 2018	Quarter ended June 30, 2017	Year ended September 30, 2017
	Unaudited Rs.'000	Unaudited Rs.'000	Unaudited Rs.'000	Unaudited Rs.'000	Audited Rs.'000
Revenue					
Hotel operations and others	7,688,621	7,374,734	2,012,138	1,900,794	9,176,572
Property	466,199	307,942	263,865	89,225	351,644
	8,154,820	7,682,676	2,276,003	1,990,019	9,528,216
Earnings from operating activities					
Other income	1,760,641	1,471,397	89,148	55,275	1,432,860
Share of results of associates	54,102	175,053	32,343	49,830	339,376
Profit/(loss) on disposal of property, plant and equipment	4,407	(4,490)	8,205	(1,426)	8,860
	6,220	(6,972)	5,147	5,397	(6,923)
Normalised EBITDA	1,825,370	1,634,988	134,843	109,076	1,774,173
Insurance recovery from fraud	-	62,500	-	62,500	59,151
Gain on disposal of investment	-	60,931	-	60,931	60,931
Closure costs	(42,692)	(32,079)	(14,075)	(32,079)	(101,422)
EBITDA	1,782,678	1,726,340	120,768	200,428	1,792,833
Finance costs	(619,362)	(704,944)	(196,887)	(234,081)	(1,008,888)
Finance revenue	9,462	3,473	4,282	66	12,029
Exchange gain/(loss) on currency borrowings	(24,303)	100,440	11,360	(16,642)	42,272
Depreciation of property, plant and equipment	(513,745)	(488,909)	(168,667)	(164,236)	(677,935)
Profit/(loss) before tax	634,730	636,400	(229,144)	(214,465)	160,311
Income tax expense	(167,167)	(128,568)	7,981	14,815	(127,452)
Profit/(loss) for the 9 months/quarter/ year	467,563	507,832	(221,163)	(199,650)	32,859
Profit/(loss) attributable to:					
Owners of the parent	369,271	465,724	(271,328)	(207,003)	(38,472)
Non-controlling interests	98,292	42,108	50,165	7,353	71,331
	467,563	507,832	(221,163)	(199,650)	32,859
Basic earnings/(loss) per share (Rs)	0.73	0.96	(0.50)	(0.43)	(0.08)
Weighted average number of shares	509,119,533	484,270,608	547,670,201	484,270,608	484,270,608

SEGMENTAL INFORMATION

	9 Months ended June 30, 2018	9 Months ended June 30, 2017	Quarter ended June 30, 2018	Quarter ended June 30, 2017	Year ended September 30, 2017
	Unaudited Rs.'000	Unaudited Rs.'000	Unaudited Rs.'000	Unaudited Rs.'000	Audited Rs.'000
Revenue:					
Mauritius	6,654,743	6,142,964	1,710,678	1,544,057	7,650,800
Morocco	909,711	699,604	417,930	219,369	802,908
Others	590,366	840,108	147,395	226,593	1,074,508
	8,154,820	7,682,676	2,276,003	1,990,019	9,528,216
Normalised EBITDA :					
Mauritius	1,827,955	1,678,602	190,878	148,674	1,950,300
Morocco	(62,777)	(56,699)	(44,331)	(15,865)	(207,068)
Others	60,192	13,085	(11,704)	(23,733)	30,941
	1,825,370	1,634,988	134,843	109,076	1,774,173

GROUP ABRIDGED STATEMENT OF OTHER COMPREHENSIVE INCOME

	9 Months ended June 30, 2018	9 Months ended June 30, 2017	Quarter ended June 30, 2018	Quarter ended June 30, 2017	Year ended September 30, 2017
	Unaudited Rs.'000	Unaudited Rs.'000	Unaudited Rs.'000	Unaudited Rs.'000	Audited Rs.'000
Profit/(loss) for the 9 months/quarter/ year	467,563	507,832	(221,163)	(199,650)	32,859
Other comprehensive income/(loss) for the 9 months/quarter/ year, net of tax	111,748	(143,606)	(70,454)	117,583	(935,425)
Total comprehensive income/(loss) for the 9 months/ quarter/ year	579,311	364,226	(291,617)	(82,067)	(902,566)
Total comprehensive income/(loss) attributable to:					
Owners of the parent	475,208	321,481	(329,496)	(89,491)	(979,015)
Non-controlling interests	104,103	42,745	37,879	7,424	76,449
	579,311	364,226	(291,617)	(82,067)	(902,566)

GROUP ABRIDGED STATEMENT OF FINANCIAL POSITION

	As At June 30, 2018	As At September 30, 2017
	Unaudited Rs.'000	Audited Rs.'000
ASSETS		
Property, plant and equipment	25,413,103	24,975,684
Investment properties	353,000	343,383
Intangible assets	1,653,048	1,668,313
Investment in associates	477,201	478,919
Available-for-sale financial assets	4,699	4,114
Deferred tax assets	135,704	134,556
	28,036,755	27,604,969
Current assets	8,051,205	8,189,828
TOTAL ASSETS	36,087,960	35,794,797
EQUITY AND LIABILITIES		
Shareholders' interests	12,635,274	10,870,761
Non-controlling interests	596,673	548,999
Non-current liabilities	17,253,002	15,563,134
Current liabilities	5,603,011	8,811,902
TOTAL EQUITY AND LIABILITIES	36,087,960	35,794,797

GROUP ABRIDGED STATEMENT OF CHANGES IN EQUITY

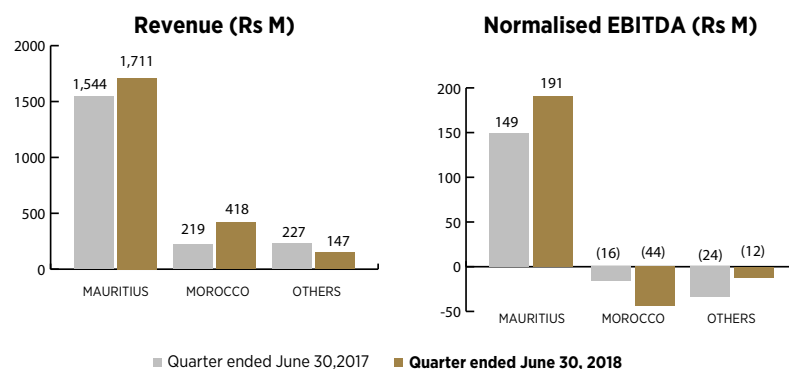
	Shareholders' Interests Rs.'000	Non-controlling Interests Rs.'000	Total equity Rs.'000
As at October 1, 2016	11,849,777	50,006	11,899,783
Changes in equity for the 9 months			
Total comprehensive income for the 9 months	321,481	42,745	364,226
Dividends	-	(45,666)	(45,666)
As at June 30, 2017	12,171,258	47,085	12,218,343
As at October 1, 2017	10,870,762	548,999	11,419,761
Changes in equity for the 9 months			
Total comprehensive income for the 9 months	475,208	104,103	579,311
Dividends	(60,244)	(56,429)	(116,673)
Issue of shares	1,349,548	-	1,349,548
As at June 30, 2018	12,635,274	596,673	13,231,947

GROUP ABRIDGED STATEMENT OF CASH FLOWS

	9 Months ended June 30, 2018	9 Months ended June 30, 2017	Year ended September 30, 2017
	Unaudited Rs'000	Unaudited Rs'000	Audited Rs'000
Net cash flows generated from operating activities	1,978,999	1,474,443	1,641,176
Net cash flows used in investing activities	(752,875)	(445,105)	(822,212)
Net cash flows(used in)/generated from financing activities	(135,285)	86,056	630,929
Net increase in cash and cash equivalents	1,090,839	1,115,394	1,449,893
Cash and cash equivalents at beginning of period,	(614,845)	(2,061,537)	(2,061,537)
Net foreign exchange difference	4,559	2,683	(3,201)
Cash and cash equivalents at end of period,	480,553	(943,460)	(614,845)

KEY FIGURES FOR THE QUARTER

OCCUPANCY -2.6%	TRevPAR -0.5%	NORMALISED EBITDA +24%	MARKET CAPITALISATION +22%
66%	Rs 8,642	Rs25 M	Rs13.1Bn



COMMENTS

FINANCIAL PERFORMANCE

Group turnover for the third quarter of the financial year increased by 14% compared to the corresponding period last year. Earnings from operating activities increased by 61% and Normalized EBITDA by 24%. This improved performance was achieved partly because of the reopening of Canonnier Beachcomber which was closed for part of last year's corresponding quarter and improved hotel performance in both Mauritius and Marrakech. EBITDA and PAT were lower on account of exceptional gains recorded last year. Whilst the performance of the Fairmont Royal Palm Marrakech continues to improve, the property segment recorded higher losses in spite of increased sales due to lower margins recorded on the sale of the last villas of Phase 1. The Group recorded a significant drop in finance costs as a result of the successful reengineering of its debt earlier this year and the conversion of some 76% of the preference shares in March 2018.

The occupancy rate for the quarter for all hotels, adjusted for the closure of Canonnier Beachcomber, decreased from 68% to 66%. This drop was more than compensated by an increase of 9% in the Average Room Rate, on account of rate hikes and a higher euro.

PROJECTS

Works on the new access road to the Les Salines land, towards which the Group is contributing Rs 200 M, will be completed before the end of 2018. Since the earliest stages of the design development of Les Salines Beachcomber Resort & Spa, the Group has called upon the services of experts to ensure that the existing historical and environmental characteristics of the site are not only preserved, but actually enhanced. Furthermore, the Group is engaged in on-going discussions with NGOs and the Forces Vives of the region to ensure that this development brings significant benefits to the inhabitants of the surrounding villages. Subject to the timely receipt of required approvals from the relevant authorities, works are expected to start in October 2018 with the planned opening of the resort in August 2020.

The Group pursues its planned accelerated refurbishment programme with improvement works in progress at Paradis Beachcomber, Mauricia Beachcomber and Victoria Beachcomber. The renovated rooms and villas will be ready for the next high season.

OUTLOOK

Normalised EBITDA for the last quarter of the financial year is expected to show similar growth to the one recorded in the third quarter. The results for the full year should consequently show reasonable growth over last 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
13 August 2018