



# NEW MAURITIUS HOTELS LIMITED

## INTERIM FINANCIAL REPORT FOR THE SEMESTER ENDED MARCH 31, 2011

### INCOME STATEMENT

	THE GROUP				
	Semester ended	Semester ended	Quarter ended	Quarter ended,	Year ended
	31.03.2011	31.03.2010	31.03.2011	31.03.2010	30.09.2010
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Revenue</b>	<b>4,509,169</b>	4,141,305	<b>2,107,805</b>	1,969,202	6,833,209
Cost of inventories expensed	(548,359)	(524,349)	(266,731)	(253,058)	(938,007)
Staff costs	(1,172,111)	(1,076,106)	(606,938)	(543,853)	(2,076,824)
Other expenses	(1,255,816)	(1,165,086)	(624,362)	(630,415)	(2,052,589)
Depreciation of property, plant and equipment	(225,526)	(189,605)	(117,599)	(101,219)	(385,202)
Amortisation of intangible assets	(1,982)	(628)	(1,314)	(305)	(3,541)
Profit/(Loss) on disposal of property, plant and equipment	46	222	(14)	(525)	(120)
Impairment of goodwill	-	-	-	-	(58,734)
Finance revenue	9,097	4,413	6,987	2,720	19,715
Finance costs	(198,379)	(199,812)	(107,521)	(104,348)	(394,856)
Closure costs	(79,607)	(86,655)	(34,867)	(42,005)	(194,078)
Other income	-	-	-	-	89,187
Share of results of associated companies	24,042	1,608	31,196	543	(27,671)
<b>Profit before tax</b>	<b>1,060,574</b>	905,307	<b>386,642</b>	296,737	810,489
Income tax expense	(134,724)	(101,584)	(49,799)	(21,932)	(108,264)
<b>Profit for the semester/ quarter/year</b>	<b>925,850</b>	803,723	<b>336,843</b>	274,805	702,225
Profit attributable to:					
Owners of the parent	902,592	783,868	334,646	268,053	659,778
Non-controlling interests	23,258	19,855	2,197	6,752	42,447
	<b>925,850</b>	803,723	<b>336,843</b>	274,805	702,225
<b>Basic earnings per share (Rs)</b>	<b>5.59</b>	4.86	<b>2.07</b>	1.66	4.09
<b>SEGMENTAL INFORMATION</b>					
Segment revenue:					
Hotel operations	3,841,414	3,409,125	1,820,008	1,564,201	5,543,246
Others	667,755	732,180	287,797	405,001	1,289,963
Total revenue	<b>4,509,169</b>	4,141,305	<b>2,107,805</b>	1,969,202	6,833,209
Segment results:					
Hotel operations	1,121,158	945,118	451,264	354,719	949,140
Others	104,656	153,980	4,716	43,103	174,974
	<b>1,225,814</b>	1,099,098	<b>455,980</b>	397,822	1,124,114
Finance revenue	9,097	4,413	6,987	2,720	19,715
Finance costs	(198,379)	(199,812)	(107,521)	(104,348)	(394,856)
Share of results of associated companies	24,042	1,608	31,196	543	(27,671)
Other income	-	-	-	-	89,187
Profit before tax	<b>1,060,574</b>	905,307	<b>386,642</b>	296,737	810,489

### STATEMENT OF COMPREHENSIVE INCOME

	THE GROUP				
	Semester ended	Semester ended	Quarter ended	Quarter ended,	Year ended
	31.03.2011	31.03.2010	31.03.2011	31.03.2010	30.09.2010
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Profit for the semester/ quarter/year</b>	<b>925,850</b>	803,723	<b>336,843</b>	274,805	702,225
<b>Other comprehensive income, net of tax:</b>					
Exchange differences on translating foreign operations	44,007	(127,628)	10,210	(14,614)	(174,277)
Available-for-sale financial assets	(5,976)	(13,147)	(5,976)	(2,988)	1,906
Cash flow hedges	3,085	(17,941)	295	(7,234)	(25,540)
Share of other comprehensive income of associates	-	-	-	-	176,022
<b>Other comprehensive income for the semester/quarter/year, net of tax</b>	<b>41,116</b>	(158,716)	<b>4,529</b>	(24,836)	(21,889)
<b>Total comprehensive income for the semester/quarter/year</b>	<b>966,966</b>	645,007	<b>341,372</b>	249,969	680,336
Total comprehensive income attributable to:					
Owners of the parent	943,826	624,902	339,765	242,727	637,217
Non-controlling interests	23,140	20,105	1,607	7,242	43,119
	<b>966,966</b>	645,007	<b>341,372</b>	249,969	680,336

### STATEMENT OF CHANGES IN EQUITY

	Stated Capital	Retained Earnings	Foreign Exchange 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
<b>Balance at October 1, 2009</b>	1,724,361	4,714,389	(780,553)	30,634	3,702,331	1,430,092	10,821,254	51,345	10,872,599
<b>Changes in equity for the semester</b>									
Dividends	-	(322,847)	-	-	-	-	(322,847)	(19,902)	(342,749)
Total comprehensive income for the semester	-	783,868	(145,819)	(13,147)	-	-	624,902	20,105	645,007
Transfer to retained earnings	-	5,950	-	-	(5,950)	-	-	-	-
<b>Balance at March 31, 2010</b>	1,724,361	5,181,360	(926,372)	17,487	3,696,381	1,430,092	11,123,309	51,548	11,174,857
<b>Balance at October 1, 2010</b>	1,724,361	5,007,279	(979,945)	32,540	3,853,644	1,417,033	11,054,912	45,214	11,100,126
<b>Changes in equity for the semester</b>									
Dividends	-	(242,135)	-	-	-	-	(242,135)	(18,919)	(261,054)
Total comprehensive income for the semester	-	902,592	47,210	(5,976)	-	-	943,826	23,140	966,966
Transfer to retained earnings	-	18,330	-	-	(18,330)	-	-	-	-
<b>Balance at March 31, 2011</b>	1,724,361	5,686,066	(932,735)	26,564	3,835,314	1,417,033	11,756,603	49,435	11,806,038

### STATEMENT OF FINANCIAL POSITION

	THE GROUP	
	As at 31.03.2011	As at 30.09.2010
	Rs'000	Rs'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	18,906,742	17,227,577
Investment properties	1,994,500	1,994,500
Intangible assets	1,683,474	1,684,706
Investment in associated companies	508,059	484,017
Available-for-sale investments	38,006	43,982
Employee benefit assets	59,973	60,435
	<b>23,190,754</b>	<b>21,495,217</b>
<b>Current assets</b>		
Inventories	360,938	311,744
Trade and other receivables	2,665,518	2,675,848
Cash in hand and at bank	577,637	496,953
	<b>3,604,093</b>	<b>3,484,545</b>
<b>Total assets</b>	<b>26,794,847</b>	<b>24,979,762</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Stated capital	1,724,361	1,724,361
Retained earnings	5,686,066	5,007,279
Other components of equity	4,346,176	4,323,272
	<b>11,756,603</b>	<b>11,054,912</b>
<b>Non-controlling interests</b>	<b>49,435</b>	<b>45,214</b>
<b>Total equity</b>	<b>11,806,038</b>	<b>11,100,126</b>
<b>Non-current liabilities</b>		
Borrowings	7,019,376	6,422,717
Deferred tax liability	1,480,264	1,434,558
<b>Total non-current liabilities</b>	<b>8,499,640</b>	<b>7,857,275</b>
<b>Current liabilities</b>		
Trade and other payables	2,511,997	2,876,780
Borrowings	3,969,967	3,144,531
Income tax payable	7,205	1,050
<b>Total current liabilities</b>	<b>6,489,169</b>	<b>6,022,361</b>
	<b>14,988,809</b>	<b>13,879,636</b>
<b>Total equity and liabilities</b>	<b>26,794,847</b>	<b>24,979,762</b>

### STATEMENT OF CASH FLOWS

	THE GROUP	
	Semester ended, 31.03.2011	Semester ended 31.03.2010
	Rs'000	Rs'000
<b>Net cash flows generated from operating activities</b>	<b>1,151,589</b>	517,765
<b>Investing activities</b>		
Purchase of property, plant and equipment	(1,993,423)	(1,371,743)
Proceeds from sale of property, plant and equipment	3,517	4,699
Other income	9,097	4,431
<b>Net cash flows used in investing activities</b>	<b>(1,980,809)</b>	<b>(1,362,613)</b>
<b>Financing activities</b>		
Proceeds from borrowings	1,914,347	1,369,103
Repayment of term loans	(544,879)	(443,296)
Repayment of finance lease liabilities	(135)	(334)
Interest paid	(198,379)	(199,812)
Dividends paid to equity holders of the parent	(80,712)	(322,847)
Dividends paid to minority shareholders	(18,919)	(19,902)
<b>Net cash flows from financing activities</b>	<b>1,071,323</b>	<b>382,912</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>242,103</b>	<b>(461,936)</b>
Cash and cash equivalents at October 1,	(981,308)	(244,674)
Net foreign exchange difference	(7,675)	(38,101)
<b>Cash and cash equivalents at March 31,</b>	<b>(746,880)</b>	<b>(744,711)</b>

### COMMENTS

#### Results

During the quarter ended March 31, 2011, Group revenue increased by 7% to Rs2,108m despite the contraction in the turnover of Plaisance Catering on account of reduced activity. This is due mainly to the hotels in the up-market segment performing better and the partial reopening of Trou aux Biches hotel. The foreign tour operating activities also produced better results and, together with the higher share of results of associated companies, contributed to further improve attributable earnings which grew by 24.9% to Rs 334.6m.

Revenue for the semester under review grew by Rs367.8m representing an increase of 8.9% over last year's corresponding period. This was due to the combined effect of the main factors mentioned above resulting in better sales mix and increased average revenue per guest. Profit for the semester increased by 15.2% to Rs925.9m reflecting a growth of some Rs122m over last year's corresponding semester and earnings per share increased from Rs4.86 to Rs5.59.

#### Outlook

Phase two of Trou aux Biches hotel became operational as from April 4, 2011 with 240 keys and the whole of the associated public areas. The third and final stage comprising the remaining 93 keys is expected to be completed by the end of this financial year.

A dichotomy exists between air access and hotel capacities and this will be more heavily felt during the coming low season. Whilst the hotels, in general, offer lower tariffs during that season to ensure as much occupancy as possible, the number of flights from our main source markets is reduced and air fares increased on account of high demand for ethnic travel. This situation encourages heavy discounting and causes considerable damage to the image of the destination.

In spite of these very challenging conditions, the Board is confident that the first semester progression over last year will be maintained.

#### Marrakech Project

The acquisition of the shares held by NMH's former partners in Domaine Palm Marrakech and Beachcomber Hotel SA has been concluded for the sum of ten million euros (€10m) financed by a bank loan. A new management team is already in place to relaunch the project. As of date, NMH has invested sixty million euros (€60m) in the project and is negotiating with a Moroccan lending institution to obtain loan and bridging finance facilities of some twenty-five million euros (€25m) to complete, by September 2013, phase one of the project which will comprise seventy villas, a golf course, a country club and the Royal Palm Marrakech hotel.

Sales and firm reservations already extend over some 20 villas and many serious prospective buyers are waiting for the relaunching of the project to make up their decision.

*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

May 11, 2011



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