



NEW MAURITIUS HOTELS LIMITED

INTERIM FINANCIAL REPORT - QUARTER ENDED DECEMBER 31, 2010

COMMENTS

Results

During the quarter ended 31 December 2010, the Group's hotels hosted 12% more guests compared to last year's corresponding period, whilst guest arrivals at national level increased by 9.8%. Excluding Trou aux Biches hotel which reopened partially in November and which was not in operation last year, average occupancy rate was four percentage points higher to reach 79%.

Despite less favourable exchange rates and the reduced activity of Plaisance Catering, revenue increased by 10.6% to Rs2,401m on account of better room rates as from November, the partial reopening of Trou aux Biches hotel, higher occupancy as mentioned above and better sales mix. It was noted with satisfaction that the up-market segment fared better than last year and increased its market share quite appreciably.

Earnings

Notwithstanding the difficult trading conditions which prevailed during the quarter under review, attributable earnings progressed by 10.1% to reach Rs567.9m bringing earnings per share from Rs3.20 last year to Rs3.52.

Outlook

The Group's forecasts for the second quarter indicate that the trend registered during the first quarter is likely to continue barring unforeseen events.

It is anticipated that the coming low season will be very challenging with the present excess room capacity at national level and the heavy rate discounting conceded by certain major players of the industry.

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

11th February, 2011



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INTERIM FINANCIAL REPORT - QUARTER ENDED DECEMBER 31, 2010

INCOME STATEMENTS

	THE GROUP		
	Quarter ended	Quarter ended	Year ended
	December 31, 2010	December 31, 2009	September 30, 2010
	Rs.'000	Rs.'000	Rs.'000
Revenue	2,401,365	2,172,103	6,833,209
Cost of inventories expensed	(281,629)	(271,290)	(938,007)
Staff costs	(583,915)	(532,254)	(2,076,824)
Other expenses	(631,456)	(534,670)	(2,052,589)
Depreciation of property, plant and equipment	(107,926)	(88,386)	(385,202)
Amortisation of intangible assets	(668)	(323)	(3,541)
Profit/(Loss) on disposal of property, plant and equipment	60	747	(120)
Impairment of goodwill	-	-	(58,734)
Finance revenue	2,110	1,693	19,715
Finance costs	(90,858)	(95,464)	(394,856)
Closure costs	(25,998)	(44,650)	(194,078)
Other income	-	-	89,187
Share of results of associated companies	(7,154)	1,064	(27,671)
Profit before tax	673,931	608,570	810,489
Income tax expense	(84,925)	(79,651)	(108,264)
Profit for the quarter/year	589,006	528,919	702,225
Profit attributable to:			
Owners of the parent	567,946	515,815	659,778
Non-controlling interests	21,060	13,104	42,447
	589,006	528,919	702,225
Basic earnings per share (Rs)	3.52	3.20	4.09

SEGMENTAL INFORMATION

Segment revenue:			
Hotel operations	2,021,406	1,844,924	5,543,246
Others	379,959	327,179	1,289,963
Total revenue	2,401,365	2,172,103	6,833,209
Segment results:			
Hotel operations	669,894	590,400	949,140
Others	99,939	110,877	174,974
	769,833	701,277	1,124,114
Finance revenue	2,110	1,693	19,715
Finance costs	(90,858)	(95,464)	(394,856)
Share of results of associated companies	(7,154)	1,064	(27,671)
Other income	-	-	89,187
Profit before tax	673,931	608,570	810,489

STATEMENTS OF COMPREHENSIVE INCOME

	THE GROUP		
	Quarter ended	Quarter ended	Year ended
	December 31, 2010	December 31, 2009	September 30, 2010
	Rs.'000	Rs.'000	Rs.'000
Profit for the quarter/year	589,006	528,919	702,225
Other comprehensive income, net of tax:			
Exchange differences			
on translating foreign operations	33,797	(113,014)	(174,277)
Available-for-sale financial assets	-	(10,159)	1,906
Cash flow hedges	2,790	(10,707)	(25,540)
Share of other comprehensive income of associated companies	-	-	176,022
Other comprehensive income for the quarter/year, net of tax	36,587	(133,880)	(21,889)
Total comprehensive income for the quarter/year	625,593	395,039	680,336
Total comprehensive income attributable to:			
Owners of the parent	604,060	382,176	637,217
Non-controlling interests	21,533	12,863	43,119
	625,593	395,039	680,336



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STATEMENTS OF FINANCIAL POSITION

	THE GROUP	
	As at December 31, 2010 Rs'000	As at September 30, 2010 Rs'000
ASSETS		
Non-current assets		
Property, plant and equipment	17,921,130	17,227,577
Investment properties	1,994,500	1,994,500
Intangible assets	1,684,358	1,684,706
Investment in associated companies	476,863	484,017
Available-for-sale investments	43,982	43,982
Employee benefit assets	60,273	60,435
	<u>22,181,106</u>	<u>21,495,217</u>
Current assets		
Inventories	373,649	311,744
Trade and other receivables	2,953,773	2,675,848
Cash in hand and at bank	585,678	496,953
	<u>3,913,100</u>	<u>3,484,545</u>
Total assets	<u>26,094,206</u>	<u>24,979,762</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Stated capital	1,724,361	1,724,361
Retained earnings	5,584,390	5,007,279
Other components of equity	4,350,221	4,323,272
	<u>11,658,972</u>	<u>11,054,912</u>
Non-controlling interests	<u>66,747</u>	<u>45,214</u>
Total equity	<u>11,725,719</u>	<u>11,100,126</u>
Non-current liabilities		
Borrowings	6,386,535	6,422,717
Deferred tax liability	1,463,264	1,434,558
Total non-current liabilities	<u>7,849,799</u>	<u>7,857,275</u>
Current liabilities		
Trade and other payables	2,284,712	2,876,780
Borrowings	4,202,941	3,144,531
Income tax payable	31,035	1,050
Total current liabilities	<u>6,518,688</u>	<u>6,022,361</u>
Total liabilities	<u>14,368,487</u>	<u>13,879,636</u>
Total equity and liabilities	<u>26,094,206</u>	<u>24,979,762</u>

STATEMENTS OF CASH FLOWS

	THE GROUP	
	Quarter ended December 31, 2010 Rs'000	Quarter ended December 31, 2009 Rs'000
Net cash flows generated from operating activities	<u>125,944</u>	<u>38,165</u>
Investing activities		
Purchase of property, plant and equipment	(883,097)	(425,768)
Proceeds from sale of property, plant and equipment	100	1,322
Dividend received	189	-
Interest received	1,921	1,693
Net cash flows used in investing activities	<u>(880,887)</u>	<u>(422,753)</u>
Financing activities		
Proceeds from borrowings	697,000	850,000
Repayment of term loans	(26,294)	(234,206)
Repayment of finance lease liabilities	(103)	(3,150)
Interest paid	(90,858)	(95,464)
Dividends paid to equity holders of the parent	(80,712)	(322,847)
Dividends paid to minority shareholders	-	(9,820)
Net cash flows from financing activities	<u>499,033</u>	<u>184,513</u>
Net decrease in cash and cash equivalents	<u>(255,910)</u>	<u>(200,075)</u>
Cash and cash equivalents at October 1,	(981,308)	(244,674)
Net foreign exchange difference	(104)	(23,748)
Cash and cash equivalents at December 31,	<u>(1,237,322)</u>	<u>(468,497)</u>



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STATEMENT OF CHANGES IN EQUITY

	Stated Capital	Retained Earnings	Foreign Exchange Difference 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
Balance at October 1, 2009	1,724,361	4,714,389	(780,553)	30,634	3,702,331	1,430,092	10,821,254	51,345	10,872,599
Changes in equity for the quarter									
Dividends	-	-	-	-	-	-	-	(9,820)	(9,820)
Total comprehensive income for the quarter	-	515,815	(123,480)	(10,159)	-	-	382,176	12,863	395,039
Transfer to retained earnings	-	2,975	-	-	(2,975)	-	-	-	-
Balance at December 31, 2009	1,724,361	5,233,179	(904,033)	20,475	3,699,356	1,430,092	11,203,430	54,388	11,257,818
Balance at October 1, 2010	1,724,361	5,007,279	(979,945)	32,540	3,853,644	1,417,033	11,054,912	45,214	11,100,126
Changes in equity for the quarter									
Total comprehensive income for the quarter	-	567,946	36,114	-	-	-	604,060	21,533	625,593
Transfer to retained earnings	-	9,165	-	-	(9,165)	-	-	-	-
Balance at December 31, 2010	1,724,361	5,584,390	(943,831)	32,540	3,844,479	1,417,033	11,658,972	66,747	11,725,719