



NEW MAURITIUS HOTELS LIMITED

FINANCIAL RESULTS FOR THE NINE MONTHS ENDED JUNE 30, 2010

COMMENTS

Overview

During the third quarter under review, the tourism industry operated under considerable stress due to:

- 1) the effects of the economic crisis in the Euro zone,
- 2) the average Euro conversion rate to the local currency having declined by about 8%,
- 3) the ash clouds in Europe causing the cancellation of flights in April, and
- 4) demand sliding towards cheaper accommodation.

At national level, tourist arrivals for the quarter under review, increased by 4.8% in relation to the 2009 corresponding period. However, if allowance were made for visitors from cruise ships, the effective arrivals were lower than those recorded in 2008 and only reached the 2007 level, although bed capacity on the island had increased substantially in the intervening period.

Results

In this challenging environment, NMH revenues for the quarter were only 6.6% lower at Rs 1,353m and those for the nine months ended 30 June 2010 were 5.4% lower at Rs 5,495m. The Group managed to increase its number of room nights sold by 1.7% while maintaining its rates in foreign currency and keeping its high standard of services to guests.

Earnings

Compared to last year, profitability for the third quarter was impacted by the various factors mentioned above but more specifically by a shortfall of Rs 75m in respect of a weaker Euro and Rs 60m due to the ash clouds cancellations in April.

After accounting for the Trou aux Biches Hotel closure costs of Rs 52m, the Group recorded a net loss of Rs 78m after tax for the quarter ended 30 June 2010.

Net earnings for the nine months amounted to Rs 725m after closure costs of Rs 139m. Attributable earnings were Rs 689m compared to Rs 1,096m last year, i.e. a decrease of 37.1%. As a result, earnings per share for the nine months dropped from Rs 6.79 to Rs 4.26.

Projects

The reconstruction of the Trou aux Biches property into a luxury hotel of 333 keys/420 rooms, from 194 rooms initially, should be completed in time for its opening scheduled for November 2010. The total cost is now estimated at Rs 4.0 bn.

The hotel and property development projects in Marrakech, Morocco, have been affected by the difficult economic conditions and the Euro crisis in particular. The demand for villas in Marrakech, like everywhere else, has slowed down considerably, necessitating a review and rescheduling of the development program.

Outlook

With the difficult conditions prevailing in the industry and the uncertainty regarding the strength of the recovery in the Euro zone, fourth quarter results are likely to be similar to the third quarter performance, thus affecting overall results for the year accordingly.

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

August 10, 2010



NEW MAURITIUS HOTELS LIMITED

FINANCIAL RESULTS FOR THE NINE MONTHS ENDED JUNE 30, 2010

INCOME STATEMENTS

	THE GROUP				
	9 Months ended June 30, 2010 Rs.'000	9 Months ended June 30, 2009 Rs.'000	Quarter ended June 30, 2010 Rs.'000	Quarter ended June 30, 2009 Rs.'000	Year ended September 30, 2009 Rs.'000
Revenue	5,494,776	5,805,456	1,353,471	1,449,436	7,401,852
Cost of inventories expensed	(733,323)	(711,895)	(208,974)	(201,084)	(937,760)
Staff costs	(1,597,364)	(1,529,475)	(521,258)	(490,884)	(2,082,868)
Depreciation of property, plant and equipment	(284,121)	(299,789)	(94,516)	(94,031)	(393,645)
Amortisation of intangible assets	(939)	(882)	(311)	(276)	(1,943)
Profit/(loss) on disposal of property, plant and equipment	346	1,007	124	2,117	(1,326)
Other expenses	(1,635,883)	(1,625,593)	(470,797)	(472,326)	(2,208,816)
Finance revenue	11,003	31,665	6,590	8,852	38,631
Finance costs	(299,912)	(302,966)	(100,100)	(95,170)	(412,083)
Share of results of associated companies	3,060	8,921	1,452	4,349	(7,169)
Closure costs	(138,546)	(87,526)	(51,891)	(32,488)	(151,831)
Fair value gain on investment property	-	-	-	-	125,460
Profit/(loss) before tax	819,097	1,288,923	(86,210)	78,495	1,368,502
Income tax expense	(93,634)	(168,291)	7,950	(9,090)	(158,463)
Profit/(loss) for the 9 months/quarter/year	725,463	1,120,632	(78,260)	69,405	1,210,039
Profit/(loss) attributable to:					
Owners of the parent	689,391	1,096,019	(94,477)	60,346	1,175,788
Non-controlling interests	36,072	24,613	16,217	9,059	34,251
	725,463	1,120,632	(78,260)	69,405	1,210,039
Basic earnings/(loss) per share (Rs)	4.27	6.79	(0.59)	0.37	7.28
SEGMENTAL INFORMATION					
Segment revenue:					
Hotel operations	4,492,177	4,889,701	1,083,052	1,199,240	6,135,721
Others	1,002,599	915,755	270,419	250,196	1,266,131
Total revenue	5,494,776	5,805,456	1,353,471	1,449,436	7,401,852
Segment results:					
Hotel operations	1,048,714	1,451,104	16,941	169,184	1,529,157
Others	194,778	187,725	40,798	23,768	246,337
	1,243,492	1,638,829	57,739	192,952	1,775,494
Finance revenue	11,003	31,665	6,590	8,852	38,631
Finance costs	(299,912)	(302,966)	(100,100)	(95,170)	(412,083)
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NEW MAURITIUS HOTELS LIMITED

FINANCIAL RESULTS FOR THE NINE MONTHS ENDED JUNE 30, 2010

STATEMENTS OF COMPREHENSIVE INCOME

	THE GROUP				
	9 Months ended June 30, 2010 Rs.'000	9 Months ended June 30, 2009 Rs.'000	Quarter ended June 30, 2010 Rs.'000	Quarter ended June 30, 2009 Rs.'000	Year ended September 30, 2009 Rs.'000
Profit/(loss) for the 9 months/quarter/year	725,463	1,120,632	(78,260)	69,405	1,210,039
Other comprehensive income, net of tax					
Exchange differences on translating foreign operations	(125,121)	(226,054)	2,506	77,658	(253,171)
Available-for-sale financial assets	(11,355)	-	1,792	-	19,009
Cash flow hedges	(28,456)	(86,090)	(10,515)	17,051	(33,020)
Gains on revaluation of land and buildings	-	-	-	-	711,179
Share of other comprehensive income of associates	-	-	-	-	(29,449)
Other comprehensive income for the 9 months/quarter/year, net of tax	(164,932)	(312,144)	(6,217)	94,709	414,548
Total comprehensive income for the 9 months/quarter/year	560,531	808,488	(84,477)	164,114	1,624,587
Total comprehensive income attributable to:					
Owners of the parent	524,349	783,875	(100,554)	155,055	1,583,291
Non-controlling interests	36,182	24,613	16,077	9,059	41,296
	560,531	808,488	(84,477)	164,114	1,624,587



NEW MAURITIUS HOTELS LIMITED

FINANCIAL RESULTS FOR THE NINE MONTHS ENDED JUNE 30, 2010

STATEMENTS OF FINANCIAL POSITION

	THE GROUP	
	As at June 30, 2010 Rs'000	As at September 30, 2009 Rs'000
ASSETS		
Non-current assets		
Property, plant and equipment	16,046,228	14,534,134
Investment properties	1,915,000	1,915,000
Intangible assets	1,684,684	1,696,735
Investment in associates	338,725	335,665
Available-for-sale investments	30,721	42,076
Employee benefit assets	47,792	48,228
	20,063,150	18,571,838
Current assets		
Inventories	313,774	326,338
Trade and other receivables	2,302,415	2,200,980
Cash in hand and at bank	565,976	765,512
	3,182,165	3,292,830
Total assets	23,245,315	21,864,668
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Stated capital	1,724,361	1,724,361
Retained earnings	5,089,858	4,714,389
Other components of equity	4,208,537	4,382,504
	11,022,756	10,821,254
Non-controlling interests	66,800	51,345
Total equity	11,089,556	10,872,599
Non-current liabilities		
Borrowings	5,141,650	4,171,621
Deferred tax liability	1,456,385	1,454,034
Total non-current liabilities	6,598,035	5,625,655
Current liabilities		
Trade and other payables	2,081,790	3,011,843
Borrowings	3,463,614	2,288,404
Income tax payable	12,320	66,167
Total current liabilities	5,557,724	5,366,414
Total equity and liabilities	23,245,315	21,864,668



NEW MAURITIUS HOTELS LIMITED
FINANCIAL RESULTS FOR THE NINE MONTHS ENDED JUNE 30, 2010

STATEMENTS OF CASH FLOWS

	THE GROUP	
	9 Months ended June 30, 2010 Rs'000	9 Months ended June 30, 2009 Rs'000
Net cash (used in)/ from operating activities	(108,643)	890,899
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,703,322)	(965,144)
Proceeds from sale of property, plant and equipment	6,955	5,344
Dividend income	97	-
Interest received	10,905	31,665
Net cash used in investing activities	(1,685,365)	(928,135)
Cash flows from financing activities		
Proceeds from borrowings	2,508,055	2,025,000
Repayment of term loans	(1,069,853)	(473,525)
Repayment of finance lease liabilities	(535)	(10,970)
Interest paid	(299,912)	(302,966)
Dividends paid to equity holders of the parent	(322,847)	(807,118)
Dividends paid to non-controlling interests	(20,727)	(21,289)
Net cash from financing activities	794,181	409,132
Net decrease in cash and cash equivalents	(999,827)	371,896
Cash and cash equivalents at October 1,	(244,674)	(461,428)
Net foreign exchange difference	(38,522)	25,449
Cash and cash equivalents at June 30,	(1,283,023)	(64,083)



NEW MAURITIUS HOTELS LIMITED

FINANCIAL RESULTS FOR THE NINE MONTHS ENDED JUNE 30, 2010

STATEMENTS 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, 2008	1,724,361	4,153,226	(476,311)	11,625	3,027,301	1,443,455	9,883,657	73,698	9,957,355
Changes in equity for 9 months									
Dividends	-	(322,847)	-	-	-	-	(322,847)	(21,289)	(344,136)
Total comprehensive income for the 9 months	-	1,096,019	(312,144)	-	-	-	783,875	24,613	808,488
Transfer to retained earnings	-	7,441	-	-	(7,441)	-	-	-	-
Balance at June 30, 2009	1,724,361	4,933,839	(788,455)	11,625	3,019,860	1,443,455	10,344,685	77,022	10,421,707
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 9 months									
Dividends	-	(322,847)	-	-	-	-	(322,847)	(20,727)	(343,574)
Total comprehensive income for the 9 months	-	689,391	(153,687)	(11,355)	-	-	524,349	36,182	560,531
Transfer to retained earnings	-	8,925	-	-	(8,925)	-	-	-	-
Balance at June 30, 2010	1,724,361	5,089,858	(934,240)	19,279	3,693,406	1,430,092	11,022,756	66,800	11,089,556