



# NEW MAURITIUS HOTELS LIMITED

AUDITED ABRIDGED FINANCIAL STATEMENTS FOR YEAR ENDED SEPTEMBER 30, 2009

## COMMENTS

### Consolidation and Accounting Standards

The audited Abridged Financial Statements for the year ended September 30, 2009 have been prepared in accordance with IFRS. There has been no change in the accounting policies and methods that were adopted in the last Financial Statements. New accounting standards and interpretations which came into application do not have material impact on the financial performance or position of the Group.

### Results

The local tourism industry was not spared by the severe world economic crisis. For the period under review, tourist arrivals and tourism receipts at national level fell by 7.6% and 16.2% respectively, whilst room capacity increased by 4.3%.

In comparison, NMH revenues declined by only 8.6% to Rs7.402 billion, despite the closure of Trou Aux Biches hotel for reconstruction as from January and Dinarobin hotel between May and September for renovation purposes, thus confirming the Group's resilience in difficult conditions.

An operating profit of Rs1.775 billion was achieved mainly due to the commitment of the personnel at large, the quality and reputation of the hotels and the strength of the Group's commercial structure.

### Costs of operations

Expenses were tightly controlled across all operations with the objective of containing costs while maintaining high value of service to guests. Staff costs, disclosed partly in closure costs, increased by only 1.8% to Rs2.220 billion this year despite increases and salary compensation granted during the year.

### Depreciation and finance costs

Depreciation charge increased by Rs65.8 million to Rs393.6 million while finance costs amounting to Rs412.1 million was 43% higher because of interest charges on additional borrowings taken to finance various investments such as Les Salines, Marrakech and the renovation of Sainte Anne.

### Exceptional items

Positive exceptional items of Rs125.5 million relate to fair value adjustment on undeveloped land as per IAS 40 - *Investment properties*.

### Taxation

The effective tax rate after exceptional items was 11.6%. Income tax expense was down to Rs158.5 million from Rs240.4 million last year.

### Earnings

Last quarter results were in line with forecast and earnings attributable to NMH shareholders for the year amounted to Rs1.176 billion, which is 36.3% less than the Rs1.846 billion earned in the 2008 financial year. Earnings per share were Rs7.28 compared to Rs11.43 earned in 2008. Taking into account the adverse factors mentioned above, the earnings generated this year are considered satisfactory.

### Dividends

Total dividends declared were reduced this year to Rs646 million i.e. Rs4.00 per share against Rs6.00 last year in order to remain within the Group's distribution policy.

### Projects

The reconstruction of the Trou aux Biches hotel is progressing and the new hotel should be fully operational end 2010.

The Royal Palm Marrakech hotel is also in progress and should be completed in August 2011 whereas the property development has had to be slowed down and adjusted to the difficult prevailing conditions in the property market. However, the objective of completing phase 1 before the opening of the hotel is maintained.

### Next year outlook

At the time of writing, with Trou Aux Biches being closed and the current exchange rate of the rupee, earnings for the present quarter are expected to be around 10% less than last year's. However, based on the present positive trend in bookings, the second quarter is likely to yield better results than those realised last year. The industry remains under pressure with competitors being involved in strong discounting campaigns. This situation and the lack of a clear growth orientated air access strategy still remain of real concern.

*The Audited Abridged Financial Statements are issued pursuant to Listing Rule 12.20 and the Securities Act 2005. The Board of Directors of New Mauritius Hotels Limited accepts full responsibility for the accuracy of the information contained therein.*

*Copies of the Statement of direct and indirect interests of Officers pursuant to rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 and the Financial Statements are available free of charge at the head office of the Company, 10, Robert Edward Hart Street, Curepipe.*

### By order of the Board

December 15, 2009

**INCOME STATEMENTS**

	THE GROUP		THE COMPANY	
	Year ended September 30, 2009 Rs.'000	Year ended September 30, 2008 Rs.'000 (Restated)	Year ending September 30, 2009 Rs.'000	Year ended September 30, 2008 Rs.'000 (Restated)
<b>Revenue</b>	<b>7,401,852</b>	8,099,921	<b>5,877,191</b>	6,885,933
Cost of inventories expensed	(937,760)	(1,049,014)	(862,443)	(1,010,424)
Staff costs	(2,082,868)	(2,147,830)	(1,571,958)	(1,712,668)
Depreciation of property, plant and equipment	(393,645)	(327,800)	(347,480)	(292,994)
Amortisation of intangible assets	(1,943)	(2,088)	-	-
Loss on disposal of property, plant and equipment	(1,326)	(5,262)	(3,227)	(4,886)
Other expenses	(2,208,816)	(2,231,641)	(1,530,170)	(1,702,372)
<b>Operating profit</b>	<b>1,775,494</b>	2,336,286	<b>1,561,913</b>	2,162,589
Finance revenue	38,631	43,225	6,548	5,607
Finance costs	(412,083)	(288,575)	(406,339)	(300,091)
Share of results of associated companies	(7,169)	(33,641)	-	-
Closure costs	(151,831)	(47,896)	(151,831)	-
Exceptional items	125,460	121,074	111,720	85,114
<b>Profit before tax</b>	<b>1,368,502</b>	2,130,473	<b>1,122,011</b>	1,953,219
Income tax expense	(158,463)	(240,360)	(91,520)	(126,922)
<b>Profit for the year</b>	<b>1,210,039</b>	1,890,113	<b>1,030,491</b>	1,826,297
Attributable to:				
Equity holders of the parent	1,175,788	1,845,820	1,030,491	1,826,297
Minority interests	34,251	44,293	-	-
	<b>1,210,039</b>	1,890,113	<b>1,030,491</b>	1,826,297
<b>Basic earnings per share (Rs)</b>	<b>7.28</b>	11.43		
<b>SEGMENTAL INFORMATION</b>				
<b>Segment revenue:</b>				
Hotel operations	6,135,723	6,784,004		
Others	1,266,129	1,315,917		
<b>Total revenue</b>	<b>7,401,852</b>	8,099,921		
<b>Segment results:</b>				
Hotel operations	1,529,157	2,042,334		
Others	246,337	293,952		
<b>Operating profit</b>	<b>1,775,494</b>	2,336,286		
Finance revenue	38,631	43,225		
Finance costs	(412,083)	(288,575)		
Share of results of associated companies	(7,169)	(33,641)		
Closure costs	(151,831)	(47,896)		
Exceptional items	125,460	121,074		
<b>Profit before tax</b>	<b>1,368,502</b>	2,130,473		

**IBALANCE SHEETS**

	THE GROUP		THE COMPANY	
	2009 Rs'000	2008 Rs'000	2009 Rs'000	2008 Rs'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	14,534,134	12,358,065	12,461,789	10,700,240
Investment properties	1,915,000	1,789,540	1,705,300	1,593,580
Intangible assets	1,696,735	1,633,225	1,227,126	1,148,626
Investment in subsidiary companies	-	-	2,532,847	2,530,756
Investment in associated companies	335,665	290,693	191,873	105,168
Available-for-sale financial assets	42,076	23,067	1,986	2,147
Employee benefit assets	48,228	35,843	49,162	37,075
	<b>18,571,838</b>	<b>16,130,433</b>	<b>18,170,083</b>	<b>16,117,592</b>
<b>Current assets</b>				
Inventories	326,338	327,193	272,006	275,036
Trade and other receivables	2,200,980	2,007,902	1,987,602	1,621,749
Cash in hand and at bank	765,512	718,963	89,153	216,516
	<b>3,292,830</b>	<b>3,054,058</b>	<b>2,348,761</b>	<b>2,113,301</b>
<b>Total assets</b>	<b>21,864,668</b>	<b>19,184,491</b>	<b>20,518,844</b>	<b>18,230,893</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to equity holders of the parent</b>				
Issued capital	1,724,361	1,724,361	1,724,361	1,724,361
Other reserves	4,382,501	4,006,070	3,689,452	3,048,581
Retained earnings	4,714,392	4,153,226	3,117,688	2,732,891
	<b>10,821,254</b>	<b>9,883,657</b>	<b>8,531,501</b>	<b>7,505,833</b>
<b>Minority interests</b>	<b>51,345</b>	<b>73,698</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>10,872,599</b>	<b>9,957,355</b>	<b>8,531,501</b>	<b>7,505,833</b>
<b>Non-current liabilities</b>				
Borrowings	4,171,621	2,773,048	3,990,120	2,614,276
Deferred tax liability	1,454,034	1,295,197	1,381,721	1,268,250
	<b>5,625,655</b>	<b>4,068,245</b>	<b>5,371,841</b>	<b>3,882,526</b>
<b>Current liabilities</b>				
Trade and other payables	3,011,843	2,462,719	4,292,800	4,307,956
Borrowings	2,288,404	2,431,422	2,270,399	2,305,455
Income tax payable	66,167	264,750	52,303	229,123
	<b>5,366,414</b>	<b>5,158,891</b>	<b>6,615,502</b>	<b>6,842,534</b>
<b>Total liabilities</b>	<b>10,992,069</b>	<b>9,227,136</b>	<b>11,987,343</b>	<b>10,725,060</b>
<b>Total equity and liabilities</b>	<b>21,864,668</b>	<b>19,184,491</b>	<b>20,518,844</b>	<b>18,230,893</b>

**STATEMENT OF CASH FLOWS**

	THE GROUP		THE COMPANY	
	2009 Rs'000	2008 Rs'000	2009 Rs'000	2008 Rs'000
<b>Net cash flows generated from operating activities</b>	<b>2,091,939</b>	1,913,472	<b>1,232,684</b>	1,702,171
<b>Investing activities</b>				
Purchase of property, plant and equipment	(1,965,304)	(1,291,099)	(1,384,539)	(847,519)
Purchase of investment property	(375,000)	(483,856)	(375,000)	(483,856)
Proceeds from sale of property, plant and equipment	12,700	13,143	7,456	8,518
Acquisition of new subsidiary, net of cash acquired	-	(365,150)	(2,091)	(365,150)
Subscription of shares in subsidiaries companies	-	-	-	(308,053)
Acquisition of shares in subsidiary companies	-	(98,364)	-	-
Subscription of shares in associated companies	(86,700)	(26,809)	(86,700)	(26,809)
Purchase of available-for sale-investments	-	(693)	-	(651)
Dividend received	5,531	3,470	5,531	3,470
Interest received	33,100	39,755	1,017	2,137
<b>Net cash flows used in investing activities</b>	<b>(2,375,673)</b>	(2,209,603)	<b>(1,834,326)</b>	(2,017,913)
<b>Financing activities</b>				
Proceeds from borrowings	2,680,000	2,196,794	2,680,000	2,196,794
Repayment of term loans	(910,648)	(1,026,929)	(855,001)	(933,607)
Repayment of finance lease liabilities	(11,335)	(41,481)	(10,764)	(36,054)
Interest paid	(396,333)	(281,110)	(390,589)	(292,626)
Dividends paid to equity holders of the parent	(807,118)	(968,541)	(807,118)	(968,541)
Dividends paid to minority shareholders	(63,646)	(53,550)	-	-
<b>Net cash flows from/(used in) financing activities</b>	<b>490,920</b>	(174,817)	<b>616,528</b>	(34,034)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>207,186</b>	(470,948)	<b>14,886</b>	(349,776)
Cash and cash equivalents at October 1,	(461,428)	145,624	(935,434)	(585,658)
Net foreign exchange difference	9,567	(136,104)	-	-
<b>Cash and cash equivalents at September 30,</b>	<b>(244,675)</b>	(461,428)	<b>(920,548)</b>	(935,434)

**STATEMENT OF CHANGES IN EQUITY**
**THE GROUP**

	Attributable to equity holders of the parent Company						Minority Interests	Total equity	
	Stated Capital	Other Reserves	Fair value Reserves	Revaluation Reserves	Foreign Exchange Difference Reserves	Retained Earnings			Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000			Rs.'000
<b>Balance at October 1, 2007</b>	1,724,361	1,443,455	-	2,938,687	(262,274)	3,311,553	9,155,782	84,647	9,240,429
Depreciation transfer for buildings	-	-	-	(42,474)	-	42,474	-	-	-
Tax effect of depreciation transfer for buildings	-	-	-	6,371	-	(6,371)	-	-	-
Deferred tax on revaluation reserves of subsidiary companies	-	-	-	18,695	-	-	18,695	-	18,695
Net movement on cash flow hedges	-	-	-	-	(7,614)	-	(7,614)	-	(7,614)
Fair value gain on available-for-sale financial assets	-	-	1,236	-	-	-	1,236	-	1,236
Acquisition of subsidiary	-	-	-	-	-	-	-	8,160	8,160
Change in reserves of associated companies	-	-	10,389	106,022	-	(71,709)	44,702	-	44,702
Currency translation differences	-	-	-	-	(206,423)	-	(206,423)	(9,852)	(216,275)
<b>Total income and expense for the year recognised directly in equity</b>	-	-	11,625	88,614	(214,037)	(35,606)	(149,404)	(1,692)	(151,096)
Profit for the year	-	-	-	-	-	1,845,820	1,845,820	44,293	1,890,113
<b>Total recognised income and expense for the year</b>	-	-	11,625	88,614	(214,037)	1,810,214	1,696,416	42,601	1,739,017
Dividends	-	-	-	-	-	(968,541)	(968,541)	-	(968,541)
Dividends of subsidiaries	-	-	-	-	-	-	-	(53,550)	(53,550)
<b>Balance at September 30, 2008</b>	1,724,361	1,443,455	11,625	3,027,301	(476,311)	4,153,226	9,883,657	73,698	9,957,355
<b>Balance at October 1, 2008</b>	1,724,361	1,443,455	11,625	3,027,301	(476,311)	4,153,226	9,883,657	73,698	9,957,355
Revaluation of land and buildings	-	-	-	839,355	-	-	839,355	-	839,355
Tax effect of revaluation of buildings	-	-	-	(128,177)	-	-	(128,177)	-	(128,177)
Depreciation transfer for buildings	-	-	-	(42,528)	-	42,528	-	-	-
Tax effect of depreciation transfer for buildings	-	-	-	6,379	-	(6,379)	-	-	-
Net movement on cash flow hedges	-	-	-	-	(33,020)	-	(33,020)	-	(33,020)
Fair value gain on available-for-sale financial assets	-	-	19,009	-	-	-	19,009	-	19,009
Change in reserves of associated companies	-	-	(13,363)	-	(11,009)	(5,077)	(29,449)	-	(29,449)
Currency translation differences	-	-	-	-	(260,215)	-	(260,215)	7,042	(253,173)
<b>Total income and expense for the year recognised directly in equity</b>	-	-	5,646	675,029	(304,244)	31,072	407,503	7,042	414,545
Profit for the year	-	-	-	-	-	1,175,788	1,175,788	34,251	1,210,039
<b>Total recognised income and expense for the year</b>	-	-	5,646	675,029	(304,244)	1,206,860	1,583,291	41,293	1,624,584
Dividends	-	-	-	-	-	(645,694)	(645,694)	-	(645,694)
Dividends of subsidiaries	-	-	-	-	-	-	-	(63,646)	(63,646)
<b>Balance at September 30, 2009</b>	1,724,361	1,443,455	17,271	3,702,330	(780,555)	4,714,392	10,821,254	51,345	10,872,599

## STATEMENT OF CHANGES IN EQUITY

### THE COMPANY

	Attributable to equity holders of the parent Company					Total
	Stated Capital	Fair value Reserves	Revaluation Reserves	Foreign Exchange Difference Reserves	Retained Earnings	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
<b>Balance at October 1, 2007</b>	1,724,361	-	3,078,793	(6,275)	1,843,687	6,640,566
Depreciation transfer for buildings	-	-	(36,998)	-	36,998	-
Tax effect of depreciation transfer for buildings	-	-	5,550	-	(5,550)	-
Fair value gain on available-for-sale financial assets	-	1,236	-	-	-	1,236
Net movement on cash flow hedges	-	-	-	6,275	-	6,275
<b>Total income and expense for the year recognised directly in equity</b>	-	1,236	(31,448)	6,275	31,448	7,511
Profit for the year	-	-	-	-	1,826,297	1,826,297
<b>Total recognised income and expense for the year</b>	-	1,236	(31,448)	6,275	1,857,745	1,833,808
Dividends	-	-	-	-	(968,541)	(968,541)
<b>Balance at September 30, 2008</b>	1,724,361	1,236	3,047,345	-	2,732,891	7,505,833
<b>Balance at October 1, 2008</b>	1,724,361	1,236	3,047,345	-	2,732,891	7,505,833
Revaluation of land and buildings	-	-	732,802	-	-	732,802
Tax effect of revaluation of buildings	-	-	(91,769)	-	-	(91,769)
Depreciation transfer for buildings	-	-	(41,474)	-	41,474	-
Tax effect of depreciation transfer for buildings	-	-	6,221	-	(6,221)	-
Fair value gain on available-for-sale financial assets	-	(162)	-	-	-	(162)
<b>Total income and expense for the year recognised directly in equity</b>	-	(162)	605,780	-	35,253	640,871
Profit for the year	-	-	-	-	1,030,491	1,030,491
<b>Total recognised income and expense for the year</b>	-	(162)	605,780	-	1,065,744	1,671,362
Dividends	-	-	-	-	(645,694)	(645,694)
<b>Balance at September 30, 2009</b>	1,724,361	1,074	3,653,125	-	3,152,941	8,531,501