



NEW MAURITIUS HOTELS LIMITED

INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED MARCH 31, 2010

Results

For the quarter under review, Group revenues increased by 1.8% to Rs 1,969m. This was achieved through an increase in occupancy and despite the weak Euro and GBP, heavy rate discounting by competitors and demand shifting to more budget accommodation.

However, for the semester, revenues were down on last year by Rs 215m (-4.9%) to Rs 4,141m. The three main factors affecting our revenues were (1) the low Euro and GBP rates - Rs 120m (2) the sales mix - Rs 70m and (3) the closure of TAB - Rs 170m. These adverse factors were mitigated by an increase of Rs 145m in revenue due to higher occupancy.

In spite of the efficient cost containment effort applied across the Group, the above impacted on margins and profitability.

Attributable earnings were Rs 268m for the quarter (-25.4%) and Rs 784m for the 6 months (-24.3%). Earnings per share for the semester ended March 31, 2010 were Rs 4.86 compared to Rs 6.42 (-24.3%) the previous year.

Outlook

At the time of writing, the weak Euro and GBP, coupled with lower demand for long haul destinations on our source markets and the prevailing heavy rate discounting, make trading conditions difficult and uncertain. Furthermore, the disruption of the air traffic due to the Iceland volcano caused our Company to suffer a shortfall of Rs 60m in earnings in April. The second semester results are consequently unlikely to make good the shortfall in earnings recorded for the first semester.

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, 2010



NEW MAURITIUS HOTELS LIMITED

INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED MARCH 31, 2010

INCOME STATEMENTS

	Semester ended March 31, 2010 Rs.'000	Semester ended March 31, 2009 Rs.'000	Quarter ended March 31, 2010 Rs.'000	Quarter ended March 31, 2009 Rs.'000	Year ended September 30, 2009 Rs.'000
Revenue	4,141,305	4,356,021	1,969,202	1,935,330	7,401,852
Cost of inventories expensed	(524,349)	(510,811)	(253,058)	(234,474)	(937,760)
Staff costs	(1,076,106)	(1,053,045)	(543,853)	(498,868)	(2,082,868)
Depreciation of property, plant and equipment	(189,605)	(205,758)	(101,219)	(104,857)	(393,645)
Amortisation of intangible assets	(628)	(606)	(305)	(309)	(1,943)
Profit/(loss) on disposal of property, plant and equipment	222	(1,110)	(525)	(1,397)	(1,326)
Other expenses	(1,165,086)	(1,152,363)	(630,415)	(553,430)	(2,208,816)
Finance revenue	4,413	22,813	2,720	4,949	38,631
Finance costs	(199,812)	(207,795)	(104,348)	(95,259)	(412,083)
Share of results of associated companies	1,608	4,572	543	3,051	(7,169)
Closure costs	(86,655)	(41,487)	(42,005)	(41,487)	(151,831)
Fair value gain on investment property	-	-	-	-	125,460
Profit before tax	905,307	1,210,431	296,737	413,249	1,368,502
Income tax expense	(101,583)	(159,201)	(21,932)	(45,266)	(158,463)
Profit for the semester/quarter/year	803,724	1,051,230	274,805	367,983	1,210,039
Profit attributable to:					
Owners of the parent	783,868	1,035,676	268,054	359,439	1,175,788
Non-controlling interests	19,856	15,554	6,751	8,544	34,251
	803,724	1,051,230	274,805	367,983	1,210,039
Basic earnings per share (Rs)	4.86	6.42	1.66	2.23	7.28
SEGMENTAL INFORMATION					
Segment revenue:					
Hotel operations	3,409,125	3,690,462	1,564,201	1,627,851	6,135,721
Others	732,180	665,559	405,001	307,479	1,266,131
Total revenue	4,141,305	4,356,021	1,969,202	1,935,330	7,401,852
Segment results:					
Hotel operations	1,031,773	1,268,371	396,724	476,389	1,529,157
Others	153,980	163,957	43,103	65,606	246,337
	1,185,753	1,432,328	439,827	541,995	1,775,494
Finance revenue	4,413	22,813	2,720	4,949	38,631
Finance costs	(199,812)	(207,795)	(104,348)	(95,259)	(412,083)
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Profit before tax	905,307	1,210,431	296,737	413,249	1,368,502

STATEMENTS OF COMPREHENSIVE INCOME

	Semester ended March 31, 2010 Rs.'000	Semester ended March 31, 2009 Rs.'000	Quarter ended March 31, 2010 Rs.'000	Quarter ended March 31, 2009 Rs.'000	Year ended September 30, 2009 Rs.'000
Profit for the semester/quarter/year	803,724	1,051,230	274,805	367,983	1,210,039
Other comprehensive income, net of tax:					
Exchange differences on translating foreign operations	(127,628)	(303,715)	(14,614)	37,686	(253,171)
Available-for-sale financial assets	(13,147)	-	(2,989)	-	19,009
Cash flow hedges	(17,941)	(103,141)	(7,234)	(104,014)	(33,020)
Gains on revaluation of land and buildings	-	-	-	-	711,179
Share of other comprehensive income of associated companies	-	-	-	-	(29,449)
Other comprehensive income for the semester/quarter/year, net of tax	(158,716)	(406,856)	(24,837)	(66,328)	414,548
Total comprehensive income for the semester/quarter/year	645,007	644,374	249,968	301,655	1,624,587
Total comprehensive income attributable to:					
Owners of the parent	624,903	628,820	242,726	292,820	1,583,291
Non-controlling interests	20,105	15,554	7,242	8,835	41,296
	645,008	644,374	249,968	301,655	1,624,587



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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 semester									
Dividends	-	-	-	-	-	-	-	(22,638)	(22,638)
Total comprehensive income for the semester	-	676,236	(340,237)	-	-	-	335,999	6,719	342,718
Transfer to retained earnings	-	2,480	-	-	(2,480)	-	-	-	-
Balance at March 31, 2009	1,724,361	4,831,942	(816,548)	11,625	3,024,821	1,443,455	10,219,656	57,779	10,277,435
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 semester									
Dividends	-	(322,847)	-	-	-	-	(322,847)	(19,902)	(342,749)
Total comprehensive income for the semester	-	783,868	(145,818)	(13,147)	-	-	624,903	20,105	645,008
Transfer to retained earnings	-	5,950	-	-	(5,950)	-	-	-	-
Balance at March 31, 2010	1,724,361	5,181,360	(926,371)	17,487	3,696,381	1,430,092	11,123,310	51,548	11,174,858



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STATEMENTS OF FINANCIAL POSITION

	As at March 31, 2010 Rs'000	As at September 30, 2009 Rs'000
ASSETS		
Non-current assets		
Property, plant and equipment	15,139,175	14,534,134
Investment properties	1,915,000	1,915,000
Intangible assets	1,688,243	1,696,735
Investment in associated companies	337,274	335,665
Available-for-sale investments	28,929	42,076
Employee benefit assets	48,507	48,228
	<u>19,157,128</u>	<u>18,571,838</u>
Current assets		
Inventories	334,219	326,338
Trade and other receivables	2,687,545	2,200,980
Cash in hand and at bank	644,560	765,512
	<u>3,666,324</u>	<u>3,292,830</u>
Total assets	<u>22,823,452</u>	<u>21,864,668</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Stated capital	1,724,361	1,724,361
Retained earnings	5,181,360	4,714,389
Other components of equity	4,217,589	4,382,504
	<u>11,123,310</u>	<u>10,821,254</u>
Non-controlling interests	51,548	51,345
Total equity	<u>11,174,858</u>	<u>10,872,599</u>
Non-current liabilities		
Borrowings	4,770,267	4,171,621
Deferred tax liability	1,492,467	1,454,034
Total non-current liabilities	<u>6,262,734</u>	<u>5,625,655</u>
Current liabilities		
Trade and other payables	2,447,882	3,011,843
Borrowings	2,863,282	2,288,404
Income tax payable	74,696	66,167
Total current liabilities	<u>5,385,860</u>	<u>5,366,414</u>
Total equity and liabilities	<u>22,823,452</u>	<u>21,864,668</u>

STATEMENTS OF CASH FLOWS

	Semester ended March 31, 2010 Rs'000	Semester ended March 31, 2009 Rs'000
Net cash flows generated from operating activities	<u>(3,825)</u>	241,343
Investing activities		
Purchase of property, plant and equipment	(1,081,050)	(298,844)
Proceeds from sale of property, plant and equipment	4,699	1,021
Dividend income	18	-
Interest received	4,413	17,864
Net cash flows used in investing activities	<u>(1,071,920)</u>	(279,959)
Financing activities		
Proceeds from borrowings	1,600,000	500,000
Repayment of term loans	(443,296)	(3,880)
Repayment of finance lease liabilities	(334)	(8,412)
Interest paid	(199,812)	(112,537)
Dividends paid to equity holders of the parent	(322,847)	(484,271)
Dividends paid to non-controlling interests	(19,902)	-
Net cash flows generated/ (used) from financing activities	<u>613,809</u>	(109,100)
Net decrease in cash and cash equivalents	<u>(461,936)</u>	(147,716)
Cash and cash equivalents at October 1,	(244,674)	(461,428)
Net foreign exchange difference	(38,101)	(30,973)
Cash and cash equivalents at March 31,	<u>(744,711)</u>	<u>(640,117)</u>