

HOTELEST LIMITED AND ITS SUBSIDIARIES

Abridged interim unaudited financial statements for the first quarter ended 31 March 2018

STATEMENT OF PROFIT OR LOSS				COMMENTS				
	3 months to Mar 2018 Unaudited	3 months to Mar 2017 Unaudited	12 months to Dec 2017 Audited					
THE GROUP - (MUR'000)				1. Principal activity				
Revenue	1,309,299	1,130,658	3,766,189	The only activity of Hotelest Limited is to hold 51% of the share capital of Constance Hotels Services Limited (CHSL).				
Earnings before interest, taxation, depreciation and amortisation	526,897	418,168	859,761					
Depreciation and amortisation	(137,684)	(118,625)	(469,665)					
Operating profit	389,213	299,543	390,096	2. Consolidation and Accounting Standards				
Finance costs	(80,034)	(85,191)	(331,468)	The abridged financial statements for the first quarter ended 31 March 2018 are unaudited. The accounting policies and standards used in the preparation of these abridged unaudited financial statements are consistent with those used in the audited financial statements for the year ended 31 December 2017, except for relevant amendments to published standards issued and which are effective as from 01 January 2018. This interim report complies with IAS 34.				
Share of results of associates	26,330	10,132	81,358	The Statements consolidate the accounts of four owned properties of CHSL; two in Mauritius and two in the Maldives. The other three managed properties, located in the Seychelles and Madagascar are accounted for under associates.				
Pre-opening expenses	-	-	(8,491)					
Profit before taxation	335,509	224,484	131,495					
Income tax expense	(5,711)	(12,369)	(58,892)					
Profit for the period/year	329,798	212,115	72,603					
Attributable to:								
Owners of the parent	164,326	104,859	26,199					
Non-controlling interests	165,472	107,256	46,404					
Earnings per share (MUR)	2.94	1.88	0.47					
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME								
	3 months to Mar 2018 Unaudited	3 months to Mar 2017 Unaudited	12 months to Dec 2017 Audited					
THE GROUP - (MUR'000)				3. General Comments				
Profit for the period/year	329,798	212,115	72,603	The first quarter of 2018 showed a favourable trend for tourist arrivals in all CHSL's principal destinations. Mauritius recorded 356,415 (2017: 339,682) visitors representing a 4.9% increase, the Seychelles registered a 6.1% improvement, reaching 91,690 (2017: 86,453) arrivals while the Maldives achieved a 17.0% increase attaining 420,103 visitors (2017: 359,053).				
Other comprehensive income for the period/year	20,986	(40,821)	1,233,924					
Total comprehensive income for the period/year	350,784	171,294	1,306,527					
Attributable to:								
Owners of the parent	175,199	84,307	657,038					
Non-controlling interests	175,585	86,987	649,489					
	350,784	171,294	1,306,527					
STATEMENT OF FINANCIAL POSITION								
	Mar 2018 Unaudited	Mar 2017 Unaudited	Dec 2017 Audited					
THE GROUP - (MUR'000)				4. Results				
Assets				The group achieved strong results for the quarter. This was mainly due to the good operating performances both in terms of occupancy and average room rates of CHSL's hotels in its main destinations and favourable EUR and GBP exchange rates. In Maldives, CHSL's hotels managed to regain market share, improved occupancies and RevPAR translating into enhanced results for the period.				
Non-Current Assets				Consolidated revenue for the group was 15% higher than last year at MUR 1,309 million (2017 Q1: MUR 1,131 million) generating an improved EBITDA of MUR 527 million against MUR 418 million. These represent an EBITDA margin of 40% and 37% respectively.				
Property, plant and equipment	8,195,426	7,198,222	8,296,015	Profit for the period was MUR 330 million (2017: MUR 212 million) after accounting for finance costs of MUR 80 million (2017: MUR 85 million), share of results of associates of MUR 26 million (2017: MUR 10 million) and taxation of MUR 6 million (2017: MUR 12 million).				
Intangible assets	1,118,072	1,232,550	1,147,427					
Investments in associates	1,191,930	838,683	1,142,851					
Financial assets at fair value through other comprehensive income	545	545	545					
Non-current receivables	36,029	-	10,800					
Deferred tax assets	94,475	100,786	92,075					
	10,636,477	9,370,786	10,689,713					
Current Assets	1,497,275	1,394,879	1,486,337					
Total Assets	12,133,752	10,765,665	12,176,050					
Equity and Liabilities				5. New Developments				
Owners' interest	3,081,644	2,346,631	2,906,445	As previously announced, C Palmar will shortly undergo extension works to increase its room inventory to 116 rooms and will become, by the year end, CHSL's first C Resort brand property.				
Non-controlling interest	3,024,049	2,296,759	2,857,485					
Total equity	6,105,693	4,643,390	5,763,930					
Non-Current Liabilities				6. Outlook				
Borrowings	3,986,843	4,203,142	3,915,301	The performances of CHSL's hotels are expected to be less buoyant as we enter the low season in Mauritius and the Maldives and the 'shoulder season' in the Seychelles. In the Maldives, the recent period of political instability had a direct impact on its forward bookings. CHSL's properties in both Mauritius and the Seychelles should continue to benefit from improved ADRs' even if occupancy is behind last year.				
Deferred tax liabilities	60,670	65,022	61,295					
Retirement benefit obligations	186,396	137,906	186,396					
	4,233,909	4,406,070	4,162,992					
Current Liabilities	1,794,150	1,716,205	2,249,128					
Total Liabilities	6,028,059	6,122,275	6,412,120					
Total Equity and Liabilities	12,133,752	10,765,665	12,176,050					
Net Asset Value per share (MUR)	55.10	41.96	51.97					
STATEMENT OF CASH FLOW								
	3 months to Mar 2018 Unaudited	3 months to Mar 2017 Unaudited	12 months to Dec 2017 Audited					
THE GROUP - (MUR'000)								
Net cash generated from operating activities	254,699	235,226	442,162					
Net cash used in investing activities	(35,801)	(26,257)	(410,863)					
Net cash (used in)/generated from financing activities	(122,787)	(105,395)	4,543					
Increase in cash and cash equivalents	96,111	103,574	35,842					
Cash and cash equivalents at beginning of the period/year	(406,071)	(441,913)	(441,913)					
Cash and cash equivalents at end of the period/year	(309,960)	(338,339)	(406,071)					
STATEMENT OF CHANGES IN EQUITY								
THE GROUP - (MUR'000)	Attributable to owners of the parent						Non-controlling interest	Total
	Stated capital	Other reserves	Retained earnings	Owners' interest				
Balance at January 1, 2018	1,102,001	1,514,087	290,357	2,906,445	2,857,485	5,763,930		
Total comprehensive income for the period	-	10,873	164,326	175,199	175,585	350,784		
Balance at March 31, 2018	1,102,001	1,524,960	454,683	3,081,644	3,024,049	6,105,693		
Balance at January 1, 2017	1,102,001	872,199	288,124	2,262,324	2,209,772	4,472,096		
Total comprehensive income for the period	-	(20,552)	104,859	84,307	86,987	171,294		
Balance at March 31, 2017	1,102,001	851,647	392,983	2,346,631	2,296,759	4,643,390		
Balance at January 1, 2017	1,102,001	872,199	288,124	2,262,324	2,209,772	4,472,096		
Issue of shares to non-controlling interests	-	-	-	-	20,010	20,010		
Profit for the year	-	-	26,199	26,199	46,404	72,603		
Other comprehensive income for the year	-	630,839	-	630,839	603,085	1,233,924		
Transfer	-	11,049	(12,222)	(1,173)	(1,128)	(2,301)		
Dividend	-	-	(11,744)	(11,744)	(20,658)	(32,402)		
Balance at December 31, 2017	1,102,001	1,514,087	290,357	2,906,445	2,857,485	5,763,930		
GEOGRAPHICAL INFORMATION								
THE GROUP - (MUR'000)	3 months to Mar 2018			3 months to Mar 2017				
	Mauritius	Maldives	Total	Mauritius	Maldives	Total		
Revenue	715,378	593,921	1,309,299	569,406	561,252	1,130,658		
Operating profit	247,239	141,974	389,213	184,419	115,124	299,543		