

**HOTELEST LIMITED AND ITS SUBSIDIARIES**
**Abridged interim unaudited financial statements for the first quarter ended 31 March 2019**

STATEMENT OF PROFIT OR LOSS				COMMENTS
	Mar 2019	Mar 2018	Dec 2018	
	Unaudited	Unaudited	Audited	
<b>THE GROUP - (MUR'000)</b>				<b>1. Principal activity</b>
Revenue	1,199,792	1,309,299	3,747,479	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	470,847	526,897	913,667	
Depreciation and amortisation	(133,496)	(137,684)	(457,155)	
Operating profit	337,351	389,213	456,512	<b>2. Consolidation and Accounting Standards</b>
Finance costs	(79,875)	(80,034)	(324,323)	The abridged financial statements for the first quarter ended 31 March 2019 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 2018. The effect of IFRS 16, which is effective 01 January 2019 is still being finalized and is not reflected in this interim report.
Share of results of associates	28,927	26,330	120,757	
Profit before taxation and pre-opening expenses	286,403	335,509	252,946	
Pre-opening expenses	-	-	(14,245)	
Profit before taxation	286,403	335,509	238,701	
Income tax expense	(6,243)	(5,711)	(28,598)	
Profit for the period/year	280,160	329,798	210,103	
Attributable to:				<b>3. General Comments</b>
Owners of the parent	140,715	164,326	98,250	During the first quarter of 2019, CHSL main tourist destinations saw mixed performances. Tourist arrivals in Mauritius decreased 1.2% from 356,415 to 352,305. Seychelles and Maldives had double digits growth from 91,690 to 101,514 and from 420,103 to 482,978 respectively.
Non-controlling interests	139,446	165,472	111,853	
Earnings per share (MUR)	2.52	2.94	1.76	

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
	Mar 2019	Mar 2018	Dec 2018
	Unaudited	Unaudited	Audited
<b>THE GROUP - (MUR'000)</b>			
Profit for the period/year	280,160	329,798	210,103
Other comprehensive income for the period/year	14,685	20,986	249,978
Total comprehensive income for the period/year	294,845	350,784	460,081
Attributable to:			
Owners of the parent	147,835	175,199	225,317
Non-controlling interests	147,010	175,585	234,764
	294,845	350,784	460,081

STATEMENT OF FINANCIAL POSITION			
	Mar 2019	Mar 2018	Dec 2018
	Unaudited	Unaudited	Audited
<b>THE GROUP - (MUR'000)</b>			
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	8,058,502	8,195,426	8,091,359
Intangible assets	1,127,033	1,118,072	1,131,970
Investments in associates	1,645,778	1,191,930	1,616,805
Investment in financial assets	-	545	-
Financial assets at amortised cost	112,183	36,029	110,755
Deferred tax assets	82,154	94,475	82,185
	11,025,650	10,636,477	11,033,074
<b>Current Assets</b>	1,497,495	1,497,275	1,417,837
<b>Total Assets</b>	12,523,145	12,133,752	12,450,911
<b>Equity and Liabilities</b>			
Owners' interest	3,253,872	3,081,644	3,106,037
Non-controlling interests	3,177,973	3,024,049	3,030,963
Total equity	6,431,845	6,105,693	6,137,000
<b>Non-Current Liabilities</b>			
Borrowings	3,850,441	3,986,843	3,380,648
Deferred tax liabilities	60,748	60,670	60,062
Retirement benefit obligations	182,698	186,396	182,702
	4,093,887	4,233,909	3,623,412
<b>Current Liabilities</b>	1,997,413	1,794,150	2,690,499
<b>Total Liabilities</b>	6,091,300	6,028,059	6,313,911
<b>Total Equity and Liabilities</b>	12,523,145	12,133,752	12,450,911
Net Asset Value per share (MUR)	58.18	55.10	55.54

STATEMENT OF CASH FLOW			
	Mar 2019	Mar 2018	Dec 2018
	Unaudited	Unaudited	Audited
<b>THE GROUP - (MUR'000)</b>			
Net cash generated from operating activities	271,655	254,699	314,504
Net cash used in investing activities	(33,339)	(35,801)	(164,957)
Net cash used in financing activities	(144,308)	(122,787)	(179,673)
Net increase/(decrease) in cash and cash equivalents	94,008	96,111	(30,126)
Cash and cash equivalents at beginning of the period/year	(436,197)	(406,071)	(406,071)
Cash and cash equivalents at end of the period/year	(342,189)	(309,960)	(436,197)

STATEMENT OF CHANGES IN EQUITY						
THE GROUP - (MUR'000)	Attributable to owners of the parent					
	Stated capital	Revaluation and other reserves	Retained earnings	Owners' interest	Non-controlling interests	Total
Balance at January 1, 2019	1,102,001	1,641,154	362,882	3,106,037	3,030,963	6,137,000
Total comprehensive income for the period	-	7,120	140,715	147,835	147,010	294,845
<b>Balance at March 31, 2019</b>	<b>1,102,001</b>	<b>1,648,274</b>	<b>503,597</b>	<b>3,253,872</b>	<b>3,177,973</b>	<b>6,431,845</b>
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
Dividends	-	-	-	-	(9,021)	(9,021)
<b>Balance at March 31, 2018</b>	<b>1,102,001</b>	<b>1,524,960</b>	<b>454,683</b>	<b>3,081,644</b>	<b>3,024,049</b>	<b>6,105,693</b>
Balance at January 1, 2018	1,102,001	1,514,087	290,357	2,906,445	2,857,485	5,763,930
Profit for the year	-	-	98,250	98,250	111,853	210,103
Other comprehensive income for the year	-	127,067	-	127,067	122,911	249,978
Dividends	-	-	(25,725)	(25,725)	(61,286)	(87,011)
<b>Balance at December 31, 2018</b>	<b>1,102,001</b>	<b>1,641,154</b>	<b>362,882</b>	<b>3,106,037</b>	<b>3,030,963</b>	<b>6,137,000</b>

GEOGRAPHICAL INFORMATION						
THE GROUP - (MUR'000)	3 months to Mar 2019			3 months to Mar 2018		
	Mauritius	Maldives	Total	Mauritius	Maldives	Total
Revenue	604,659	595,133	1,199,792	715,378	593,921	1,309,299
Operating profit	190,939	146,412	337,351	247,239	141,974	389,213

**1. Principal activity**

The only activity of Hotelest Limited is to hold 51% of the share capital of Constance Hotels Services Limited (CHSL).

**2. Consolidation and Accounting Standards**

The abridged financial statements for the first quarter ended 31 March 2019 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 2018. The effect of IFRS 16, which is effective 01 January 2019 is still being finalized and is not reflected in this interim report.

**3. General Comments**

During the first quarter of 2019, CHSL main tourist destinations saw mixed performances. Tourist arrivals in Mauritius decreased 1.2% from 356,415 to 352,305. Seychelles and Maldives had double digits growth from 91,690 to 101,514 and from 420,103 to 482,978 respectively.

**4. Results**

The Group's performance was lower than last year's due to decrease in tourists arrivals in Mauritius coupled with persisting tight competitive conditions in Maldives. On the other hand, our properties in the Seychelles fared well.

Combined occupancy of all hotels, owned and managed by CHSL, decreased slightly from 74.0% to 73.4% with marginal decreases in RevPAR and TrevPAR.

Group revenue for the first three months of 2019 was MUR 1,200 million (Mar-2018: MUR 1,309 million), generating an EBITDA of MUR 471 million against MUR 527 million for the same period last year. These represented an EBITDA margin of 39% and 40% respectively. As a result of enhanced performance of CHSL's properties in Seychelles and Madagascar, share of profit from associates reached MUR 29 million (Mar-2018: MUR 26 million). Both finance costs and taxation for the first quarter 2019 were in line with that of 2018 and stood at MUR 80 million and MUR 6 million respectively.

Profit for the period was MUR 280 million (Mar-2018: MUR 330 million).

**5. Outlook**

With the low season approaching for both Mauritius and Maldives destinations, we anticipate a slowdown in bookings and the shoulder season for Seychelles, we expect good growth.

By order of the Board

La Gaieté Services Ltd  
Secretary

9 May 2019

The statement of direct and indirect interests of insiders pursuant to rule 8(2)(m) of the Securities (Disclosure obligations of Reporting Issuers) Rules 2007 is available free of charge upon request from the Company Secretary, La Gaieté Services Ltd, 5th Floor, Labama House, 35 Sir William Newton Street, Port Louis. The financial statements are issued pursuant to DEM Listing Rule 17 and Securities Act 2005. The Board of Hotelest Ltd accepts full responsibility for the accuracy of these financial statements. Copies of these abridged unaudited financial statements are available to the public free of charge at 5th floor, Labama House, 35 Sir William Newton Street, Port Louis, Mauritius.

BRN: C06014126