

HOTELEST LIMITED AND ITS SUBSIDIARIES

Abridged audited financial statement for the year ended 31 December 2015

STATEMENT OF PROFIT OR LOSS		
(Rs'000)	THE GROUP	
	Dec 2015 Audited	Restated* Dec 2014 Audited
Revenue	3,745,721	3,525,087
Earnings before interest, taxation, depreciation and amortisation	1,065,886	1,040,829
Depreciation and amortisation	(441,789)	(416,396)
Operating profit	624,097	624,433
Finance costs	(282,436)	(360,553)
Share of results of associated companies	(34,879)	(13,176)
Profit before taxation	306,782	250,704
Taxation	(78,976)	(121,176)
Profit for the year	227,806	129,528
Attributable to:		
Owners of the parent	104,085	55,062
Non-controlling interest	123,721	74,466
	227,806	129,528
Earnings per share Rs.	1.86	1.54

STATEMENT OF COMPREHENSIVE INCOME		
(Rs'000)	THE GROUP	
	Dec 2015 Audited	Restated* Dec 2014 Audited
Profit for the year	227,806	129,528
Other comprehensive income for the year	377,429	(3,817)
Total comprehensive income for the year	605,235	125,711
Attributable to:		
Owners of the parent	295,070	52,722
Non-controlling interest	310,165	72,989
	605,235	125,711

STATEMENT OF FINANCIAL POSITION			
(Rs'000)	THE GROUP		
	Dec 2015 Audited	Restated* Dec 2014 Audited	Restated* Dec 2013 Audited
Assets			
Non-Current Assets			
Property, plant and equipment	6,998,107	6,705,756	6,791,708
Intangible assets	1,292,295	1,131,577	1,118,954
Investments in associated companies	701,454	725,326	691,808
Investments in available-for-sale financial assets	545	545	2,045
Deferred tax assets	67,348	43,357	31,585
	9,059,749	8,606,561	8,636,100
Current Assets	1,258,134	964,745	888,423
Total Assets	10,317,883	9,571,306	9,524,523
Equity and Liabilities			
Owners' interest	2,334,287	2,065,492	1,388,166
Non-controlling interest	2,273,815	2,014,427	1,356,028
Total equity	4,608,102	4,079,919	2,744,194
Non-Current Liabilities			
Borrowings	3,555,978	3,791,516	3,665,802
Deferred tax liabilities	59,732	50,382	55,458
Retirement benefit obligations	98,938	102,428	75,906
	3,714,648	3,944,326	3,797,166
Current Liabilities	1,995,133	1,547,061	2,983,163
Total Liabilities	5,709,781	5,491,387	6,780,329
Total Equity and Liabilities	10,317,883	9,571,306	9,524,523
Net Asset Value per share	41.74	36.93	42.55

STATEMENT OF CASH FLOW		
(Rs'000)	THE GROUP	
	Dec 2015 Audited	Dec 2014 Audited
Net cash from operating activities	483,361	598,608
Net cash used in investing activities	(261,813)	(114,900)
Net cash (used in)/from financing activities	(302,300)	874,149
(Decrease)/increase in cash and cash equivalents	(80,752)	1,357,857
Cash and cash equivalents at beginning of the year	(224,093)	(1,581,950)
Cash and cash equivalents at end of the year	(304,845)	(224,093)

STATEMENT OF CHANGES IN EQUITY						
THE GROUP	Attributable to owners of the parent					
	Stated capital	Other reserves	Retained earnings	Owners' interest	Non-controlling interest	Total
(Rs'000)						
At January 1, 2015						
As previously reported	1,102,001	627,392	287,241	2,016,634	1,967,486	3,984,120
Prior year adjustment*	-	89,727	(40,869)	48,858	46,941	95,799
As restated	1,102,001	717,119	246,372	2,065,492	2,014,427	4,079,919
Profit for the year	-	-	104,085	104,085	123,721	227,806
Other comprehensive income for the year	-	190,985	-	190,985	186,444	377,429
Transfer	-	(3,216)	3,784	568	545	1,113
Dividend	-	-	(26,843)	(26,843)	(51,322)	(78,165)
Balance at December 31, 2015	1,102,001	904,888	327,398	2,334,287	2,273,815	4,608,102
At January 1, 2014						
As previously reported	477,397	744,155	228,423	1,449,975	1,415,412	2,865,387
Prior year adjustment*	-	(20,294)	(41,515)	(61,809)	(59,384)	(121,193)
As restated	477,397	723,861	186,908	1,388,166	1,356,028	2,744,194
Profit for the year - restated*	-	-	55,062	55,062	74,466	129,528
Other comprehensive income for the year - restated*	-	(2,340)	-	(2,340)	(1,477)	(3,817)
Transfer to retained earnings	-	(4,402)	4,402	-	-	-
Net proceeds from Rights Issue	624,604	-	-	624,604	604,464	1,229,068
Dividend to non-controlling interest	-	-	-	-	(19,054)	(19,054)
Balance at December 31, 2014	1,102,001	717,119	246,372	2,065,492	2,014,427	4,079,919

GEOGRAPHICAL INFORMATION				
THE GROUP	Revenue from external customers		Non-current assets	
	Dec 2015	Dec 2014	Dec 2015	Restated* Dec 2014
(Rs'000)				
Mauritius	1,715,111	1,582,943	4,619,189	4,540,494
Maldives	2,030,610	1,942,144	4,440,560	4,066,067
Total	3,745,721	3,525,087	9,059,749	8,606,561

* Group figures for the financial year 2013 and 2014, have been restated to reflect the net deferred tax liability not recognised previously by an associate and the effect of exchange difference on intangible assets and property, plant and equipment of some foreign entities within the Group.

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 statement is issued pursuant to DEM Listing Rule 18 and Securities Act 2005. The Board of Hotelest Limited accepts full responsibility for the accuracy of this financial statement. Copies of this abridged audited financial statement are available to the public free of charge at 5th floor, Labama House, 35 Sir William Newton Street, Port Louis, Mauritius.

COMMENTS

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 statement for the year ended 31 December 2015 is audited by BDO & Co. The financial statement complies with the Companies Act 2001 and has been prepared in accordance with International Financial Reporting Standards effective for the year under review.

3. General Comments

The tourist arrivals increased in all its main hotel destinations of Mauritius, Maldives and Seychelles. Mauritius saw an appreciable growth of 10.9% in its tourist arrivals in 2015 reaching 1,151,723 compared to 1,039,968 in 2014 benefiting mainly from market diversification, favourable currency dynamics, the opening up of air access and an enriched value proposition.Seychelles had the highest growth rate in its tourist arrivals with 18.7 % more tourists who visited the island in 2015 compared to 2014 whilst Maldives had a moderate growth of 2.4 % with both internal and external factors slowing the growth rates experienced by the destination in recent years.

4. Results

Overall CHSL Group delivered a set of good results with progression in almost all metrics and financial results.

Combined occupancy of all hotels owned and managed by CHSL attained 78% compared to 72 % in 2014, yielding satisfactory progression in the RevPAR and the TrevPAR.

Group revenue stood at MUR 3,746m compared to MUR 3,525m last year, which translated into a consolidated EBITDA of MUR 1,066m (2014: MUR 1,041m). Overall a commendable performance by CHSL considering that, in 2014, the Mauritian hotels hosted an exceptional event which contributed to EBITDA.

Results of associate were adversely impacted by the weak EUR/SCR during 2015. As a consequence, the Group recorded a share of loss from associates of MUR 35m (2014:loss MUR 13m).

With the additional cash generated from the operations and the proceeds of the rights issue completed in 2014, finance costs were down to MUR 282m against MUR 361m the previous year, while taxation expense was MUR 79m against MUR 121m.

Profit for the year reached MUR 228m (2014: MUR 130m).

5. Outlook

Overall, the outlook for CHSL first quarter of 2016 and the year in general looks promising, whilst acknowledging the various business challenges and geopolitical events that may adversely affect the performance of the industry.

In Mauritius, revenue generated for the first quarter of 2016 looks quite positive with both CHSL properties being very well positioned in the market place and each one maintaining its leading position in its respective market segment. Looking ahead both properties are well set to achieve targets as the tourism environment in Mauritius casts confidence.

For the Maldives, CHSL expects a good first quarter 2016 due to the application of a favourable rate mix. Although less buoyant, the Maldives remains an attractive destination and its objective for 2016 will be geared towards achieving a fair market share and appreciable revenue.

As for the Seychelles, the first quarter is encouraging. The forecast in arrivals for this destination is positive and no major deviations from expectations are anticipated.

6. 2016 CHSL Projects

Constance Belle Mare Plage in Mauritius will be closed from June for six weeks to undertake a renovation and an extension of 24 additional rooms. Constance Lémuria Seychelles will be closed from September for two months for a renovation.

7. Dividends

An interim dividend of 48 cents per share has been declared by the Board of Directors for the financial year ending 31 December 2016 in respect of all shareholders registered in the books of the Company on 20 April 2016 and will be paid on or about 18 May 2016.

By order of the Board

La Gaieté Services Ltd
Secretary

30 March 2016