

**CONSTANCE HOTELS SERVICES LTD AND ITS SUBSIDIARIES**  
**Abridged interim unaudited financial statements for the nine months to 30 September 2014**

BRN: C06004335

**INCOME STATEMENT**

The Group (Rs'000)	9 months to		3 months to		12 months to
	Sep-14	Sep-13	Sep-14	Sep-13	Dec-13
	Unaudited		Unaudited		Audited
Revenue	2,491,319	1,691,267	627,947	576,246	2,563,590
EBITDA	697,948	275,049	83,880	18,087	620,892
Depreciation/ amortisation	(321,823)	(244,960)	(108,861)	(107,876)	(341,463)
Operating profit/(loss)	376,125	30,089	(24,981)	(89,789)	279,429
Finance costs	(295,735)	(255,730)	(102,553)	(101,525)	(359,539)
Exceptional item	-	173,056	-	173,056	176,031
Share of results of associates	(12,203)	(99,710)	(5,785)	(64,798)	(104,962)
Profit/(loss) before taxation	68,187	(152,295)	(133,319)	(83,056)	(9,041)
Taxation	(42,308)	(28,069)	(15,437)	(9,739)	(22,773)
Profit/(loss) for the period	25,879	(180,364)	(148,756)	(92,795)	(31,814)
Attributable to:					
Owners of the parent	11,873	(193,876)	(151,912)	(96,982)	(50,281)
Non-controlling interest	14,006	13,512	3,156	4,187	18,467
	25,879	(180,364)	(148,756)	(92,795)	(31,814)
Earnings/(loss) per share Rs.	0.19	(3.03)	(2.37)	(1.52)	(0.79)

**STATEMENT OF COMPREHENSIVE INCOME**

The Group (Rs'000)	9 months to		3 months to		12 months to
	Sep-14	Sep-13	Sep-14	Sep-13	Dec-13
	Unaudited		Unaudited		Audited
Profit/(loss) for the period	25,879	(180,364)	(148,756)	(92,795)	(31,814)
Other comprehensive income for the period	(185,463)	203,595	(114,135)	211,851	245,253
Total comprehensive income for the period	(159,584)	23,231	(262,891)	119,056	213,439
Attributable to:					
Owners of the parent	(174,141)	9,704	(266,546)	114,966	195,113
Non-controlling interest	14,557	13,527	3,655	4,090	18,326
	(159,584)	23,231	(262,891)	119,056	213,439

**STATEMENT OF CHANGES IN EQUITY**

The Group (Rs'000)	Attributable to owners of the parent				
	Share Capital	Reserves	Owners' Interest	Non-controlling Interest	Total Equity
Balance at January 1, 2014	936,783	1,919,384	2,856,167	15,891	2,872,058
Total comprehensive income for the period	-	(174,141)	(174,141)	14,557	(159,584)
Dividend to non-controlling interest	-	-	-	(15,472)	(15,472)
Balance at September 30, 2014	936,783	1,745,243	2,682,026	14,976	2,697,002
Balance at January 1, 2013	936,783	1,719,336	2,656,119	5,537	2,661,656
Total comprehensive income for the period	-	9,704	9,704	13,527	23,231
Balance at September 30, 2013	936,783	1,729,040	2,665,823	19,064	2,684,887
Balance at January 1, 2013	936,783	1,752,239	2,689,022	5,537	2,694,559
- As reported previously	936,783	1,752,239	2,689,022	5,537	2,694,559
- Effect of adopting IAS 19 (Revised)	-	(27,968)	(27,968)	-	(27,968)
- As restated	936,783	1,724,271	2,661,054	5,537	2,666,591
Total comprehensive income for the year	-	195,113	195,113	18,326	213,439
Dividend to non-controlling interest	-	-	-	(7,972)	(7,972)
Balance at December 31, 2013	936,783	1,919,384	2,856,167	15,891	2,872,058

**Comments**

**Consolidation and Accounting Standards**

The abridged financial statements for the nine months and quarter ended 30 September 2014 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 2013 and comply with IAS 34. The group results for the nine months period are not comparable to those of the corresponding period in 2013 as Constance Halaveli Resort in the Maldives was acquired on 2 July 2013.

**Results**

The Group fared better during the low season showing increased occupancy rates and revenue compared to the same quarter last year.

Group revenue and EBITDA for the nine months to 30 September 2014 was MUR 2,491m and MUR 697m respectively. Finance costs of MUR 295m remain material due to the current level of Group borrowings. The share of loss from our associates stood at MUR 12m. After accounting for taxation of MUR 42m, the Group posted a profit of MUR 25m for the nine months ended 30 September 2014, which reflects a positive trend, compared with the same period in 2013.

**Financial Plan**

The financial plan is well underway. On 5 November 2014, the shareholders of the Company approved the terms of the Rights Issue of MUR 1,234m.

**Outlook**

We are well into the last quarter of financial year 2014, which is traditionally a period recording good occupancy and room rates. The performance so far compares favourably to the previous year with an encouraging progression recorded in forward bookings. Provided there is no unexpected deterioration in the current trend, the Group is expected to achieve a much improved performance compared to last year.

**By order of the Board**  
**La Gaieté Services Ltd**  
**Secretary**

**13 November 2014**

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 Constance Hotels Services 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.

**STATEMENT OF FINANCIAL POSITION**

The Group (Rs'000)	Sep-14	Sep-13	Dec-13
	Unaudited		Audited
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	6,649,377	6,886,019	6,856,294
Intangible assets	999,119	1,008,146	1,024,579
Investments in associated companies	731,717	771,133	773,209
Investments in financial assets	545	2,045	2,045
Retirement benefit obligations	-	1,895	-
Deferred tax assets	31,272	39,285	45,728
	8,412,030	8,708,523	8,701,855
<b>Current Assets</b>	826,279	723,850	888,316
<b>Total Assets</b>	9,238,309	9,432,373	9,590,171
<b>Equity and Liabilities</b>			
<b>Owners' interest</b>	2,682,026	2,665,823	2,856,167
<b>Non-controlling interest</b>	14,976	19,064	15,891
	2,697,002	2,684,887	2,872,058
<b>Non-Current Liabilities</b>			
Borrowings	3,502,565	4,095,445	3,665,802
Deferred tax liabilities	40,597	7,126	20
Retirement benefit obligations	85,903	56,164	75,906
	3,629,065	4,158,735	3,741,728
<b>Current Liabilities</b>	2,912,242	2,588,751	2,976,385
<b>Total Liabilities</b>	6,541,307	6,747,486	6,718,113
<b>Total Equity and Liabilities</b>	9,238,309	9,432,373	9,590,171
Net Asset Value per share Rs.	41.93	41.68	44.65

**STATEMENT OF CASH FLOW**

The Group (Rs'000)	9 months to		12 months to
	Sep-14	Sep-13	Dec-13
	Unaudited		Audited
Net cash from operations	384,471	27,065	179,258
Net cash used in investing activities	(83,262)	(656,520)	(783,848)
Net cash used in financing activities	(193,073)	(126,136)	(450,944)
Net increase/(decrease) in cash and cash equivalents	108,136	(755,591)	(1,055,534)
Cash and cash equivalents at beginning of the period	(1,581,976)	(526,442)	(526,442)
Cash and cash equivalents at end of the period	(1,473,840)	(1,282,033)	(1,581,976)

**GEOGRAPHICAL INFORMATION**

The Group (Rs'000)	Mauritius	Maldives	Total
<b>Sep-14</b>			
Revenue	1,064,503	1,426,816	2,491,319
Operating profit	159,939	216,186	376,125
<b>Sep-13</b>			
Revenue	862,096	829,171	1,691,267
Operating (loss)/profit	(38,050)	68,139	30,089