

# HOTELEST LIMITED AND ITS SUBSIDIARIES

Abridged interim unaudited financial statements for the nine months to 30 September 2014

BRN: C06014126

## 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				Audited
Revenue	2,491,319	1,691,267	627,947	576,246	2,563,590
EBITDA	696,667	273,953	83,284	17,847	619,506
Depreciation/amortisation	(321,823)	(244,960)	(108,861)	(107,876)	(341,463)
Operating profit/(loss)	374,844	28,993	(25,577)	(90,029)	278,043
Finance costs	(295,996)	(255,900)	(102,635)	(101,597)	(359,815)
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	66,645	(153,561)	(133,997)	(83,368)	(10,703)
Taxation	(42,308)	(28,069)	(15,437)	(9,739)	(22,773)
Profit/(loss) for the period	24,337	(181,630)	(149,434)	(93,107)	(33,476)
Attributable to:					
Owners of parent	4,513	(100,143)	(78,153)	(49,773)	(27,305)
Non-controlling interest	19,824	(81,487)	(71,281)	(43,334)	(6,171)
	24,337	(181,630)	(149,434)	(93,107)	(33,476)
Earnings/(loss) per share Rs.	0.14	(3.07)	(2.40)	(1.53)	(0.84)

## 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				Audited
Profit/(loss) for the period	24,337	(181,630)	(149,434)	(93,107)	(33,476)
Other comprehensive income for the period	(185,463)	203,595	(114,135)	211,851	245,253
Total comprehensive income for the period	(161,126)	21,965	(263,569)	118,744	211,777
Attributable to:					
Owners of parent	(90,355)	3,683	(136,618)	58,321	97,845
Non-controlling interest	(70,771)	18,282	(126,951)	60,423	113,932
	(161,126)	21,965	(263,569)	118,744	211,777

## STATEMENT OF CHANGES IN EQUITY

The Group (Rs'000)	Attributable to owners of the parent					Total Equity
	Stated Capital	Reserves	Owners' Interest	Non-Controlling Interest		
	Balance at January 1, 2014	477,397	972,578	1,449,975	1,415,412	
Total comprehensive income for the period	-	(90,355)	(90,355)	(70,771)	(161,126)	
Dividend to non-controlling interest	-	-	-	(15,472)	(15,472)	
Balance at September 30, 2014	477,397	882,223	1,359,620	1,329,169	2,688,789	
Balance at January 1, 2013	477,397	872,215	1,349,612	1,307,035	2,656,647	
Total comprehensive income for the period	-	3,683	3,683	18,282	21,965	
Balance at September 30, 2013	477,397	875,898	1,353,295	1,325,317	2,678,612	
Balance at January 1, 2013	477,397	888,996	1,366,393	1,323,157	2,689,550	
- As reported previously	-	(14,263)	(14,263)	(13,705)	(27,968)	
- As restated	477,397	874,733	1,352,130	1,309,452	2,661,582	
Loss for the year	-	(27,305)	(27,305)	(6,171)	(33,476)	
Other comprehensive income for the year	-	125,150	125,150	120,103	245,253	
Dividend to non-controlling interest	-	-	-	(7,972)	(7,972)	
Balance at December 31, 2013	477,397	972,578	1,449,975	1,415,412	2,865,387	

## Comments

### Principal activity

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

### 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

CHSL 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 696m 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 24m for the nine months ended 30 September 2014, which reflects CHSL's 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 629m.

### 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 of CHSL so far compares favourably to the previous year with an encouraging progression recorded in forward bookings. Provided there is no unexpected deterioration in CHSL 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 The 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.

## STATEMENT OF FINANCIAL POSITION

The Group (Rs'000)	Sep-14	Sep-13	Dec-13
	Unaudited	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
Other investments	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
	826,552	724,246	888,423
	9,238,582	9,432,769	9,590,278
<b>Current Assets</b>			
<b>Total Assets</b>			
<b>Equity and Liabilities</b>			
Owners' interest	1,359,620	1,353,295	1,449,975
Non-controlling interest	1,329,169	1,325,317	1,415,412
	2,688,789	2,678,612	2,865,387
<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
	2,920,728	2,595,422	2,983,163
	6,549,793	6,754,157	6,724,891
<b>Current Liabilities</b>			
<b>Total Liabilities</b>			
	9,238,582	9,432,769	9,590,278
<b>Total Equity and Liabilities</b>			
Net Asset Value per share Rs.	41.68	41.48	44.45

## 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	382,938	25,848	177,853
Net cash used in investing activities	(83,262)	(656,520)	(783,848)
Net cash used in financing activities	(191,558)	(124,711)	(449,519)
Net increase/(decrease) in cash and cash equivalents	108,118	(755,383)	(1,055,514)
Cash and cash equivalents at beginning of the period	(1,581,950)	(526,436)	(526,436)
Cash and cash equivalents at end of the period	(1,473,832)	(1,281,819)	(1,581,950)

## 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	158,658	216,186	374,844
<b>Sep-13</b>			
Revenue	862,096	829,171	1,691,267
Operating (loss)/profit	(39,146)	68,139	28,993