

STATEMENT OF PROFIT OR LOSS

THE GROUP (MUR'000)	Half year ended		Quarter ended		Year ended
	Jun 2016	Jun 2015	Jun 2016	Jun 2015	Dec 2015
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue	1,870,312	1,930,111	690,798	823,672	3,745,721
Earnings before interest, taxation, depreciation and amortisation	574,520	610,122	94,488	129,083	1,067,662
Depreciation/amortisation	(234,535)	(222,700)	(108,862)	(100,076)	(441,789)
Operating profit/(loss)	339,985	387,422	(14,374)	29,007	625,873
Finance costs	(156,918)	(142,729)	(80,286)	(70,170)	(282,119)
Closure costs	(42,074)	-	(42,074)	-	-
Share of results of associated companies	(10,759)	(41,840)	(17,830)	(16,803)	(34,879)
Profit/(loss) before taxation	130,234	202,853	(154,564)	(57,966)	308,875
Taxation	(35,549)	(47,156)	(16,216)	(26,455)	(78,976)
Profit/(loss) for the period/year	94,685	155,697	(170,780)	(84,421)	229,899
<i>Attributable to:</i>					
Owners of the parent	86,168	145,220	(174,388)	(89,279)	208,193
Non-controlling interest	8,517	10,477	3,608	4,858	21,706
	94,685	155,697	(170,780)	(84,421)	229,899
Earnings per share (MUR)	0.79	1.32	(1.59)	(0.81)	1.90

COMMENTS

1 Consolidation and Accounting Standards

The abridged financial statements for the half year and quarter ended 30 June 2016 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 2015. This interim report complies with IAS 34.

2 General Comments

Despite prevailing external factors affecting the regional tourism sector, Mauritius and Seychelles have been quite resilient generating near double-digit growth in tourist arrivals. Mauritius recorded an impressive 586,464 number of visitors against 534,182 in 2015, representing a 9.8% increase, whilst Seychelles achieved a 8.9% increase reaching 139,359 in 2016 compared to 127,998. In the Maldives, tourist arrivals grew moderately with 619,921 arrivals against 609,105 in 2015 reflecting a mere 1.8% growth. With the current USD/EUR level, Maldives has become an expensive destination.

Constance Belle Mare Plage (CBMP) re-opened in mid-July after undertaking a successful six weeks renovation program which will contribute to improved performance going forward.

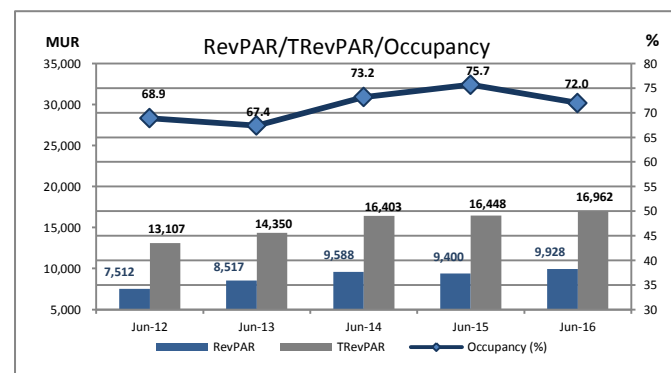
3 Results

Following a good first quarter 2016, the second quarter proved less positive for the group principally due to revenue challenges in the Maldives and the closure of CBMP.

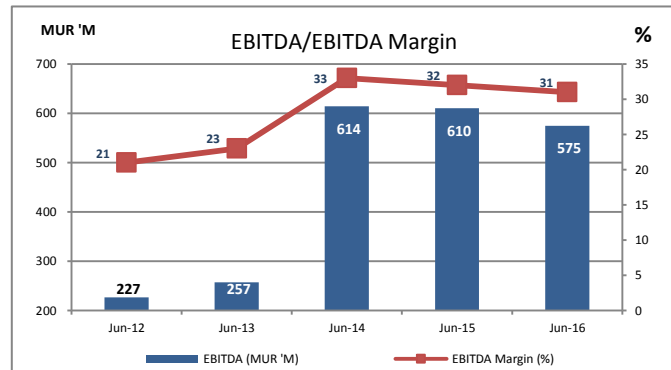
Total occupancy of both owned and managed hotels combined was 72.0% for the half year compared to 75.7% last year. Other metrics such as RevPAR and TRevPAR showed positive progression. Group revenue for the six months ended 30 June 2016 was MUR 1,870m against MUR 1,930m over the same period last year. The marginal decrease in revenue is attributed mainly to the closure of CBMP and our Maldives operations. Consolidated EBITDA was MUR 575m (2015: MUR 610m).

The share of loss from associates was MUR 11m (2015: loss MUR 42m) due to improved operations and the positive EUR/SCR exchange rate in the Seychelles.

Profit for the period closed at: MUR 95m (2015: MUR 156m) after accounting for CBMP closure cost of MUR 42m.



EBITDA/EBITDA margin as at 30 June



4. Outlook

Based on current booking trends, we expect continued positive performance from our operations in Mauritius.

The renovation of Constance Lémuria Seychelles (CLS) is planned from the end of August, for ten weeks.

In the Maldives, with the slow down in arrival growths and increased room supplies, our properties will continue to face occupancy and rate pressures.

Considering the closures of CBMP and CLS together with the forecast drop in revenue from the Maldives, 2016 group performance will be impacted compared to 2015.

By order of the Board

La Gaieté Services Ltd
Secretary

09 August 2016

STATEMENT OF COMPREHENSIVE INCOME

THE GROUP (MUR'000)	Half year ended		Quarter ended		Year ended
	Jun 2016	Jun 2015	Jun 2016	Jun 2015	Dec 2015
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Profit/(loss) for the period/year	94,685	155,697	(170,780)	(84,421)	229,899
Other comprehensive income for the period/year	(21,606)	(167,349)	11,518	85,511	377,429
Total comprehensive income for the period/year	73,079	(11,652)	(159,262)	1,090	607,328
<i>Attributable to:</i>					
Owners of the parent	64,665	(24,330)	(163,279)	(3,237)	582,674
Non-controlling interest	8,414	12,678	4,017	4,327	24,654
	73,079	(11,652)	(159,262)	1,090	607,328

STATEMENT OF FINANCIAL POSITION

THE GROUP (MUR'000)	Jun 2016	Jun 2015	Dec 2015
	Unaudited	Unaudited	Audited
Assets			
Non-Current Assets			
Property, plant and equipment	7,013,225	6,463,962	6,998,107
Intangible assets	1,273,445	1,038,690	1,292,295
Investments in associated companies	900,766	786,781	701,454
Investments in available-for-sale financial assets	545	545	545
Deferred tax assets	66,136	43,357	67,348
	9,254,117	8,333,335	9,059,749
Current Assets	1,096,920	856,958	1,258,023
Total Assets	10,351,037	9,190,293	10,317,772
Equity and Liabilities			
Owners' interest	4,589,164	3,902,823	4,579,326
Non-controlling interest	26,434	25,014	29,947
Total equity	4,615,598	3,927,837	4,609,273
Non-Current Liabilities			
Borrowings	3,978,114	3,690,775	3,555,978
Deferred tax liabilities	63,561	50,821	59,732
Retirement benefit obligations	98,937	102,428	98,938
	4,140,612	3,844,024	3,714,648
Current Liabilities	1,594,827	1,418,432	1,993,851
Total Liabilities	5,735,439	5,262,456	5,708,499
Total Equity and Liabilities	10,351,037	9,190,293	10,317,772
Net Asset Value per share (MUR)	41.85	35.59	41.76

STATEMENT OF CASH FLOW

THE GROUP (MUR'000)	Jun 2016	Jun 2015	Dec 2015
	Unaudited	Unaudited	Audited
Net cash generated from operating activities	309,238	398,478	489,027
Net cash used in investing activities	(449,992)	(52,929)	(261,813)
Net cash from/(used in) financing activities	30,980	(361,832)	(313,781)
Decrease in cash and cash equivalents	(109,774)	(16,283)	(86,567)
Cash and cash equivalents at beginning of the period/year	(303,893)	(217,326)	(217,326)
Cash and cash equivalents at end of the period/year	(413,667)	(233,609)	(303,893)

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, 2016	2,153,395	1,822,655	603,276	4,579,326	29,947	4,609,273	
Total comprehensive income for the period	-	(21,503)	86,168	64,665	8,414	73,079	
Dividend	-	-	(54,827)	(54,827)	(11,927)	(66,754)	
Balance at June 30, 2016	2,153,395	1,801,152	634,617	4,589,164	26,434	4,615,598	
Balance at January 1, 2015	2,153,395	1,278,546	550,039	3,981,980	16,317	3,998,297	
Total comprehensive income for the period	-	(169,550)	145,220	(24,330)	12,678	(11,652)	
Dividend	-	-	(54,827)	(54,827)	(3,981)	(58,808)	
Balance at June 30, 2015	2,153,395	1,108,996	640,432	3,902,823	25,014	3,927,837	
Balance at January 1, 2015 - Restated	2,153,395	1,454,481	469,903	4,077,779	16,317	4,094,096	
Total comprehensive income for the year	-	374,481	208,193	582,674	24,654	607,328	
Transfer to retained earnings	-	(6,307)	7,420	1,113	-	1,113	
Dividend	-	-	(82,240)	(82,240)	(11,024)	(93,264)	
Balance at December 31, 2015	2,153,395	1,822,655	603,276	4,579,326	29,947	4,609,273	

GEOGRAPHICAL INFORMATION

THE GROUP (MUR'000)	6 months to Jun 2016			6 months to Jun 2015		
	Mauritius	Maldives	Total	Mauritius	Maldives	Total
Revenue	808,313	1,061,999	1,870,312	839,543	1,090,568	1,930,111
Operating profit	171,995	167,990	339,985	191,764	195,658	387,422

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.