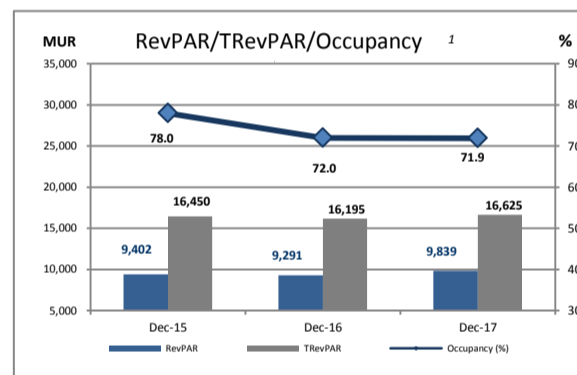
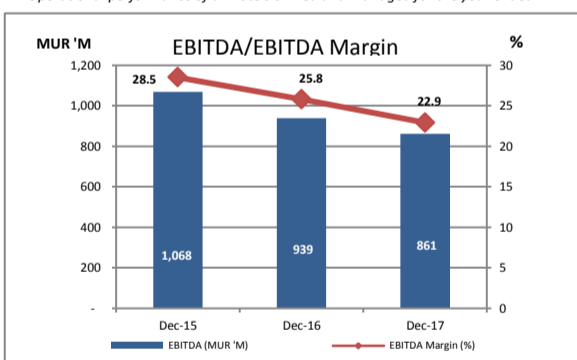


STATEMENT OF PROFIT OR LOSS		COMMENTS				
<b>THE GROUP</b> (MUR'000)		<b>Dec 2017</b> <b>Audited</b>	<b>Dec 2016</b> <b>Audited</b>			
Revenue		3,766,189	3,632,590			
Earnings before interest, taxation, depreciation and amortisation		861,474	939,006			
Depreciation and amortisation		(469,665)	(445,293)			
Operating profit		391,809	493,713			
Finance costs		(331,442)	(309,032)			
Share of results of associates		81,358	(62,401)			
Profit/(loss) before taxation and closure costs		141,725	122,280			
Pre-opening expenses/closure costs		(8,491)	(52,810)			
Profit before taxation		133,234	69,470			
Income tax expense		(58,892)	(66,593)			
Profit for the year		74,342	2,877			
Attributable to:						
Owners of the parent		54,781	(14,380)			
Non-controlling interests		19,561	17,257			
		74,342	2,877			
Earnings/(loss) per share (MUR)		0.50	(0.13)			
<b>1. Consolidation and Accounting Standards</b>						
The abridged financial statement for the year ended 31 December 2017 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.						
<b>2. General Comments</b>						
Throughout 2017, the main destinations in which we operate, namely, Mauritius, the Seychelles and the Maldives generated satisfactory growth in tourist arrivals. Mauritius registered a 5.2% increase with 1.34 million (2016: 1.28 million) visitors. Seychelles a 15.4% increase with 0.35 million (2016: 0.30 million) visitors and Maldives saw an 8.0% rise with 1.40 million (2016: 1.30 million) visitors. Regarding Maldives, the impact of this increase in visitors was mitigated by the increased competition with new hotels and guesthouses openings and cruise liners providing cheaper accommodation alternatives.						
<b>3. Operating and Financial Results</b>						
Although occupancy of all hotels, owned and managed, was 72% (2016: 72%), the RevPar and TrevPar were higher at MUR 9,839 (2016: MUR 9,291) and MUR 16,625 (2016: MUR 16,195) respectively than previous year.						
The Group achieved improved total revenue of MUR 3,766 million (2016: MUR 3,633 million) driven by the better performance of our hotels in Mauritius. Our consolidated EBITDA for the year was MUR 861 million, down from MUR 939 million last year. This decrease is mainly due to difficult and highly competitive market conditions our hotels in Maldives faced.						
Our Seychelles associates attained very good results due to improved market conditions that prevailed during the year and also due to value added to Constance Lémuria Seychelles following its renovation in 2016. As a result the Group recorded a share of profit from associates of MUR 81 million (2016: Loss MUR 62 million).						
Finance costs increased during the year to MUR 331 million (2016: MUR 309 million) partly due to the financing of renovations and investments in new hotel project in Palmar, Mauritius.						
Profit for the year reached MUR 74 million (2016: MUR 3 million) after accounting for taxation MUR 59 million (2016: MUR 67 million).						
<b>STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b>		<b>Dec 2017</b> <b>Audited</b>	<b>Dec 2016</b> <b>Audited</b>			
<b>THE GROUP</b> (MUR'000)						
Profit for the year		74,342	2,877			
Other comprehensive income for the year		1,233,924	(55,997)			
Total comprehensive income for the year		1,308,266	(53,120)			
Attributable to:						
Owners of the parent		1,291,721	(70,563)			
Non-controlling interests		16,545	17,443			
		1,308,266	(53,120)			
<b>STATEMENT OF FINANCIAL POSITION</b>						
<b>THE GROUP</b> (MUR'000)		<b>Dec 2017</b> <b>Audited</b>	<b>Dec 2016</b> <b>Audited</b>			
<b>Assets</b>						
<b>Non-Current Assets</b>						
Property, plant and equipment		8,296,015	7,323,873			
Intangible assets		1,147,427	1,261,227			
Investments in associates		1,142,851	830,990			
Investments in available-for-sale financial assets		545	545			
Non-current receivables		10,800	-			
Deferred tax assets		92,075	100,789			
		10,689,713	9,517,424			
<b>Current Assets</b>						
<b>Total Assets</b>		<b>12,175,933</b>	<b>10,829,967</b>			
<b>Equity and Liabilities</b>						
Owners' interest		5,699,495	4,437,488			
Non-controlling interests		64,734	35,405			
Total equity		5,764,229	4,472,893			
<b>Non-Current Liabilities</b>						
Borrowings		3,915,301	4,182,732			
Deferred tax liabilities		61,295	65,574			
Retirement benefit obligations		186,396	137,906			
		4,162,992	4,386,212			
<b>Current Liabilities</b>						
<b>Total Liabilities</b>		<b>6,411,704</b>	<b>6,357,074</b>			
<b>Total Equity and Liabilities</b>		<b>12,175,933</b>	<b>10,829,967</b>			
Net Asset Value per share (MUR)		51.98	40.47			
<b>STATEMENT OF CASH FLOW</b>						
<b>THE GROUP</b> (MUR'000)		<b>Dec 2017</b> <b>Audited</b>	<b>Dec 2016</b> <b>Audited</b>			
Net cash generated from operating activities		444,067	519,487			
Net cash used in investing activities		(410,863)	(904,986)			
Net cash generated from financing activities		3,425	247,910			
Increase/(decrease) in cash and cash equivalents		36,629	(137,589)			
Cash and cash equivalents at beginning of the year		(441,482)	(303,893)			
Cash and cash equivalents at end of the year		(404,853)	(441,482)			
<b>STATEMENT OF CHANGES IN EQUITY</b>						
<b>THE GROUP</b> (MUR'000)		Attributable to owners of the parent			Non-controlling interests	Total
	Stated capital	Revaluation and other reserves	Retained earnings	Owners' interest		
Balance at January 1, 2017	2,153,395	1,758,558	525,535	4,437,488	35,405	4,472,893
Non-controlling interests arising on acquisition of subsidiary	-	-	-	-	20,010	20,010
Total comprehensive income for the year	-	1,236,940	54,781	1,291,721	16,545	1,308,266
Transfer	-	21,664	(23,965)	(2,301)	-	(2,301)
Dividend	-	-	(27,413)	(27,413)	(7,226)	(34,639)
Balance at December 31, 2017	2,153,395	3,017,162	528,938	5,699,495	64,734	5,764,229
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 year	-	(56,183)	(14,380)	(70,563)	17,443	(53,120)
Transfer	-	(7,914)	7,914	-	-	-
Dividend	-	-	(71,275)	(71,275)	(11,985)	(83,260)
Balance at December 31, 2016	2,153,395	1,758,558	525,535	4,437,488	35,405	4,472,893
<b>GEOGRAPHICAL INFORMATION</b>						
<b>THE GROUP</b> (MUR'000)		Revenue from external customers		Non-current assets		
		Dec 2017	Dec 2016	Dec 2017	Dec 2016	
Mauritius		2,077,712	1,675,147	6,932,979	5,293,067	
Maldives		1,688,477	1,957,443	3,756,734	4,224,357	
Total		3,766,189	3,632,590	10,689,713	9,517,424	



1 Operational performance of all hotels owned and managed for the year ended



**4. Revaluation**

During the year, freehold land has been revalued by an independent professional qualified valuer on an open market value basis. A revaluation surplus of MUR 1,404 million has been booked as at December 31, 2017.

**5. Outlook**

For the first quarter 2018, our operations in all our main destinations, including the Maldives, started well although, for the latter, current political instability remains a threat and could impact bookings for the rest of the year, if prolonged. The first quarter performance is encouraging and the forward trend in bookings for Mauritius and Seychelles looks healthy.

**6. 2018 Projects and Developments**

As previously announced, from 1st January 2018, Constance Hotels, through its hotel Management company manages Constance Aiyana Hotel & Spa in Pemba, Zanzibar.

In Mauritius the extension of C-Palmar Hotel is planned for completion towards the end of 2018 provided all permits and authorisations are obtained on time.

By order of the Board

La Gaieté Services Ltd  
Secretary  
29 March 2018

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 Constance Hotels Services Ltd 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.