

Abridged interim unaudited financial statements

for the quarter ended March 31, 2018

Revenue

MUR 1,309 M

▲ 15.8%

EBITDA

MUR 527 M

▲ 26.0%

PAT

MUR 330 M

▲ 55.3%

Occupancy

74%

▲ 1.0%

RevPAR

MUR 12,846

▲ 8.3%

TRevPAR

MUR 20,205

▲ 6.1%

Owned and managed hotels

CONSTANCE HOTELS SERVICES LTD AND ITS SUBSIDIARIES						
STATEMENT OF PROFIT OR LOSS				COMMENTS		
THE GROUP - (MUR'000)				3 months to Mar 2018 Unaudited	3 months to Mar 2017 Unaudited	12 months to Dec 2017 Audited
Revenue				1,309,299	1,130,658	3,766,189
Earnings before interest, taxation, depreciation and amortisation				527,304	418,629	861,474
Depreciation and amortisation				(137,684)	(118,625)	(469,665)
Operating profit				389,620	300,004	391,809
Finance costs				(80,028)	(85,187)	(331,442)
Share of results of associates				26,330	10,132	81,358
Profit before taxation and pre-opening expenses				335,922	224,949	141,725
Pre-opening expenses				-	-	(8,491)
Profit before taxation				335,922	224,949	133,234
Income tax expense				(5,711)	(12,369)	(58,892)
Profit for the period/year				330,211	212,580	74,342
Attributable to:						
Owners of the parent				323,018	206,516	54,781
Non-controlling interests				7,193	6,064	19,561
				330,211	212,580	74,342
Earnings per share (MUR)				2.95	1.88	0.50
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME						
THE GROUP - (MUR'000)				3 months to Mar 2018 Unaudited	3 months to Mar 2017 Unaudited	12 months to Dec 2017 Audited
Profit for the period/year				330,211	212,580	74,342
Other comprehensive income for the period/year				20,986	(40,821)	1,233,924
Total comprehensive income for the period/year				351,197	171,759	1,308,266
Attributable to:						
Owners of the parent				344,342	166,223	1,291,721
Non-controlling interests				6,855	5,536	16,545
				351,197	171,759	1,308,266
STATEMENT OF FINANCIAL POSITION						
THE GROUP - (MUR'000)				Mar 2018 Unaudited	Mar 2017 Unaudited	Dec 2017 Audited
<b>Assets</b>						
<b>Non-Current Assets</b>						
Property, plant and equipment				8,195,426	7,198,222	8,296,015
Intangible assets				1,118,072	1,232,550	1,147,427
Investments in associates				1,191,930	838,683	1,142,851
Financial assets at fair value through other comprehensive income				545	545	545
Non-current receivables				36,029	-	10,800
Deferred tax assets				94,475	100,789	92,075
				10,636,477	9,370,789	10,689,713
<b>Current Assets</b>				1,496,345	1,394,376	1,486,220
<b>Total Assets</b>				12,132,822	10,765,165	12,175,933
<b>Equity and Liabilities</b>						
Owners' interest				6,043,837	4,603,711	5,699,495
Non-controlling interests				62,568	40,941	64,734
<b>Total equity</b>				6,106,405	4,644,652	5,764,229
<b>Non-Current Liabilities</b>						
Borrowings				3,986,843	4,203,142	3,915,301
Deferred tax liabilities				60,670	65,022	61,295
Retirement benefit obligations				186,396	137,906	186,396
				4,233,909	4,406,070	4,162,992
<b>Current Liabilities</b>				1,792,508	1,714,443	2,248,712
<b>Total Liabilities</b>				6,026,417	6,120,513	6,411,704
<b>Total Equity and Liabilities</b>				12,132,822	10,765,165	12,175,933
Net Asset Value per share (MUR)				55.12	41.98	51.98
STATEMENT OF CASH FLOW						
THE GROUP - (MUR'000)				3 months to Mar 2018 Unaudited	3 months to Mar 2017 Unaudited	12 months to Dec 2017 Audited
Net cash generated from operating activities				254,844	235,395	444,067
Net cash used in investing activities				(35,801)	(26,257)	(410,863)
Net cash (used in)/generated from financing activities				(125,023)	(106,513)	3,425
Increase in cash and cash equivalents				94,020	102,625	36,629
Cash and cash equivalents at beginning of the period/year				(404,853)	(441,482)	(441,482)
Cash and cash equivalents at end of the period/year				(310,833)	(338,857)	(404,853)
STATEMENT OF CHANGES IN EQUITY						
Attributable to owners of the parent						
THE GROUP - (MUR'000)	Stated capital	Other reserves	Retained earnings	Owners' interest	Non-controlling interests	Total
Balance at January 1, 2018	2,153,395	3,017,162	528,938	5,699,495	64,734	5,764,229
Total comprehensive income for the period	-	21,324	323,018	344,342	6,855	351,197
Dividends	-	-	-	-	(9,021)	(9,021)
Balance at March 31, 2018	2,153,395	3,038,486	851,956	6,043,837	62,568	6,106,405
Balance at January 1, 2017	2,153,395	1,758,558	525,535	4,437,488	35,405	4,472,893
Total comprehensive income for the period	-	(40,293)	206,516	166,223	5,536	171,759
Balance at March 31, 2017	2,153,395	1,718,265	732,051	4,603,711	40,941	4,644,652
Balance at January 1, 2017	2,153,395	1,758,558	525,535	4,437,488	35,405	4,472,893
Issue of shares to non-controlling interests	-	-	-	-	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)
Dividends	-	-	(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
GEOGRAPHICAL INFORMATION						
THE GROUP - (MUR'000)				3 months to Mar 2018		
	Mauritius	Maldives	Total	Mauritius	Maldives	Total
Revenue	715,378	593,921	1,309,299	569,406	561,252	1,130,658
Operating profit	247,646	141,974	389,620	184,880	115,124	300,004

1 Consolidation and Accounting Standards

The abridged financial statements for the first quarter ended 31 March 2018 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 2017, except for relevant amendments to published standards issued and which are effective as from 01 January 2018. This interim report complies with IAS 34.

2 General Comments

The first quarter of 2018 showed a favourable trend for tourist arrivals in all our principal destinations. Mauritius recorded 356,415 (2017: 339,682) visitors representing a 4.9% increase, the Seychelles registered a 6.1% improvement, reaching 91,690 (2017: 86,453) arrivals while the Maldives achieved a 17.0% increase attaining 420,103 visitors (2017: 359,053).

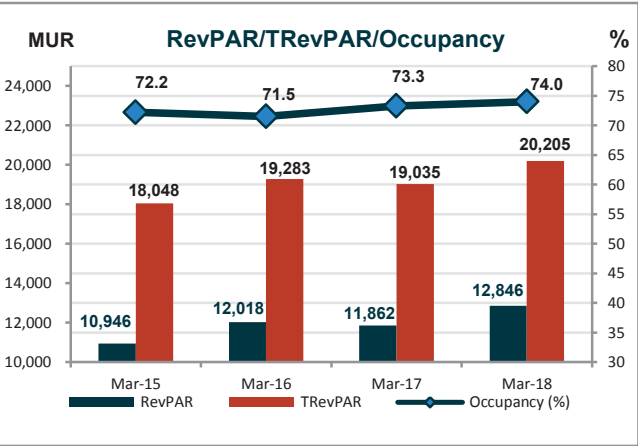
3 Results

The group achieved strong results for the quarter. This was mainly due to the good operating performances both in terms of occupancy and average room rates of our hotels in our main destinations and favourable EUR and GBP exchange rates. In Maldives, our hotels managed to regain market share, improved occupancies and RevPAR translating into enhanced results for the period.

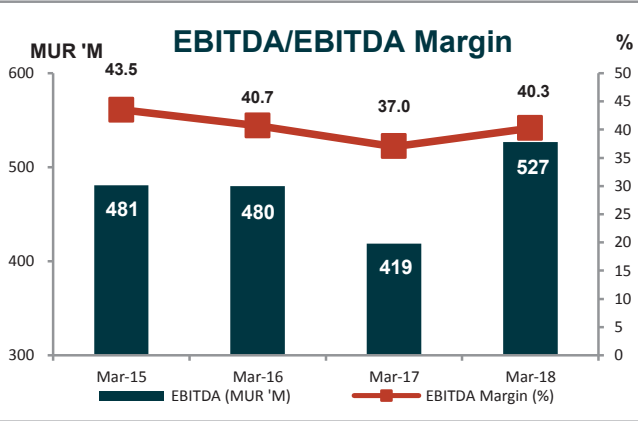
Consolidated revenue for the group was 15% higher than last year at MUR 1,309 million (2017 Q1: MUR 1,131 million) generating an improved EBITDA of MUR 527 million against MUR 419 million. These represent an EBITDA margin of 40% and 37% respectively.

Profit for the period was MUR 330 million (2017: MUR 213 million) after accounting for finance costs of MUR 80 million (2017: MUR 85 million), share of results of associates of MUR 26 million (2017: MUR 10 million) and taxation of MUR 6 million (2017: MUR 12 million).

Operational performance of all hotels owned and managed for the quarter ended 31st March



EBITDA/EBITDA margin for quarter ended 31st March



4 New Developments

As previously announced, C Palmar will shortly, undergo extension works to increase its room inventory to 116 rooms and will become, by the year end, our first C Resort brand property.

5 Outlook

The performances of our hotels are expected to be less buoyant as we enter the low season in Mauritius and the Maldives and the 'shoulder season' in the Seychelles. In the Maldives, the recent period of political instability had a direct impact on our forward bookings. Our properties in both Mauritius and the Seychelles should continue to benefit from improved ADRs' even if occupancy is behind last year.

By order of the Board

La Gaieté Services Ltd  
Secretary

11 May 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 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.

BRN: C06004335