

Abridged interim unaudited financial statements  
for the period ended September 30, 2018

Revenue  
**MUR 2,630M**  
▲ 3%\*

EBITDA  
**MUR 509M**  
▲ 6%\*

PAT  
**MUR-87M**  
▲ 33%\*

Occupancy  
**66.2%**  
▼ 8%\*

RevPAR  
**MUR 9,428**  
▲ 2%\*

TRevPAR  
**MUR 15,639**  
▼ 1.4%\*

\* 9 months 2018 compared to 9 months 2017

Owned and managed hotels

CONSTANCE HOTELS SERVICES LTD AND ITS SUBSIDIARIES

THE GROUP - (MUR'000)	STATEMENT OF PROFIT OR LOSS				
	9 months to		3 months to		12 months to
	Sep 2018 Unaudited	Sep 2017 Unaudited	Sep 2018 Unaudited	Sep 2017 Unaudited	Dec 2017 Audited
Revenue	2,629,740	2,556,607	637,429	719,929	3,766,189
Earnings before interest, taxation, depreciation and amortisation	508,846	479,635	(16,486)	44,448	861,474
Depreciation and amortisation	(386,170)	(371,632)	(124,669)	(129,731)	(469,665)
Operating profit/(loss)	122,676	108,003	(141,155)	(85,283)	391,809
Finance costs	(239,550)	(252,811)	(72,037)	(83,361)	(331,442)
Share of results of associates	60,115	44,837	31,548	24,148	81,358
Loss/(profit) before taxation and pre-opening expenses	(56,759)	(99,971)	(181,644)	(144,496)	141,725
Pre-opening expenses/closure costs	(20,784)	-	(20,784)	-	(8,491)
Loss/(profit) before taxation	(77,543)	(99,971)	(202,428)	(144,496)	133,234
Income tax expense	(9,163)	(29,431)	(464)	(9,417)	(58,892)
Loss/(profit) for the period/year	(86,706)	(129,402)	(202,892)	(153,913)	74,342
Attributable to:					
Owners of the parent	(97,824)	(147,433)	(203,717)	(160,781)	54,781
Non-controlling interests	11,118	18,031	825	6,868	19,561
	(86,706)	(129,402)	(202,892)	(153,913)	74,342
Loss/(earnings) per share (MUR)	(0.89)	(1.34)	(1.86)	(1.47)	0.50

THE GROUP - (MUR'000)	STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME				
	9 months to		3 months to		12 months to
	Sep 2018 Unaudited	Sep 2017 Unaudited	Sep 2018 Unaudited	Sep 2017 Unaudited	Dec 2017 Audited
Loss/(profit) for the period/year	(86,706)	(129,402)	(202,892)	(153,913)	74,342
Other comprehensive income for the period/year	42,931	(150,293)	(50,338)	(50,409)	1,233,924
Total comprehensive income for the period/year	(43,775)	(279,695)	(253,230)	(204,322)	1,308,266
Attributable to:					
Owners of the parent	(55,636)	(295,036)	(253,329)	(210,168)	1,291,721
Non-controlling interests	11,861	15,341	99	5,846	16,545
	(43,775)	(279,695)	(253,230)	(204,322)	1,308,266

THE GROUP - (MUR'000)	STATEMENT OF FINANCIAL POSITION			
	9 months to		3 months to	12 months to
	Sep 2018 Unaudited	Sep 2017 Unaudited	Sep 2018 Unaudited	Dec 2017 Audited
<b>Assets</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	8,127,107	6,907,606	8,127,107	8,296,015
Intangible assets	1,129,660	1,156,313	1,129,660	1,147,427
Investments in associates	1,193,163	1,074,158	1,193,163	1,142,851
Financial assets at fair value through other comprehensive income	545	545	545	545
Non-current receivables	56,286	-	56,286	10,800
Deferred tax assets	94,475	100,789	94,475	92,075
	10,601,236	9,239,411	10,601,236	10,689,713
<b>Current Assets</b>	1,321,414	1,309,900	1,321,414	1,486,220
<b>Total Assets</b>	11,922,650	10,549,311	11,922,650	12,175,933
<b>Equity and Liabilities</b>				
Owners' interest	5,643,859	4,142,452	5,643,859	5,699,495
Non-controlling interests	42,175	56,803	42,175	64,734
<b>Total equity</b>	5,686,034	4,199,255	5,686,034	5,764,229
<b>Non-Current Liabilities</b>				
Borrowings	4,030,366	4,212,839	4,030,366	3,915,301
Deferred tax liabilities	58,184	61,994	58,184	61,295
Retirement benefit obligations	186,396	137,906	186,396	186,396
	4,274,946	4,412,739	4,274,946	4,162,992
<b>Current Liabilities</b>	1,961,670	1,937,317	1,961,670	2,248,712
<b>Total Liabilities</b>	6,236,616	6,350,056	6,236,616	6,411,704
<b>Total Equity and Liabilities</b>	11,922,650	10,549,311	11,922,650	12,175,933
Net Asset Value per share (MUR)	51.47	37.78	51.47	51.98

THE GROUP - (MUR'000)	STATEMENT OF CASH FLOW			
	9 months to		3 months to	12 months to
	Sep 2018 Unaudited	Sep 2017 Unaudited	Sep 2018 Unaudited	Dec 2017 Audited
Net cash generated from operating activities	236,602	139,890	236,602	444,067
Net cash used in investing activities	(120,392)	(310,970)	(120,392)	(410,863)
Net cash (used in)/generated from financing activities	(188,088)	200,563	(188,088)	3,425
(Decrease)/increase in cash and cash equivalents	(71,878)	29,483	(71,878)	36,629
Cash and cash equivalents at beginning of the period/year	(404,853)	(441,482)	(404,853)	(441,482)
Cash and cash equivalents at end of the period/year	(476,731)	(411,999)	(476,731)	(404,853)

THE GROUP - (MUR'000)	STATEMENT OF CHANGES IN EQUITY					
	Attributable to owners of the parent					
	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	-	42,188	(97,824)	(55,636)	11,861	(43,775)
Dividends	-	-	-	-	(34,420)	(34,420)
Balance at September 30, 2018	2,153,395	3,059,350	431,114	5,643,859	42,175	5,686,034
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	-	(147,603)	(147,433)	(295,036)	15,341	(279,695)
Proceed from shares issued	-	-	-	-	10,010	10,010
Dividends	-	-	-	-	(3,953)	(3,953)
Balance at September 30, 2017	2,153,395	1,610,955	378,102	4,142,452	56,803	4,199,255
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

THE GROUP - (MUR'000)	9 months to Sep 2018			9 months to Sep 2017		
	Mauritius	Maldives	Total	Mauritius	Maldives	Total
	1,439,381	1,190,359	2,629,740	1,314,846	1,241,761	2,556,607
Revenue						
Operating profit/(loss)	141,629	(18,953)	122,676	120,747	(12,744)	108,003

1 Consolidation and Accounting Standards

The abridged financial statements for the 9 months and quarter ended 30 September 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

For the nine months to 30 September 2018, Mauritius and Maldives recorded positive increases in their tourist arrivals of 4.3% and 8.3% respectively; Seychelles cumulated a marginal decrease of 0.6%.

The performance of both owned and managed hotels in the group has improved despite a lower combined occupancy of 66.2% (2017: 71.7%) mainly as a result of a pricing positioning strategy for certain destinations. The challenging trading conditions in Maldives due to the declaration of a state of emergency in February 2018 and the tighter competitive environment setting-in with new hotels openings in the luxury segment of the market, also, affected occupancy. The higher ADR (Average Daily Rate) contributed to an enhanced RevPAR (Revenue Per Available Room) of MUR 9,428 (2017: MUR 9,216). Trev PAR (Total Revenue Per Available Room) of MUR 15,639 (2017: MUR 15,855) was slightly lower than last year on account of the inferior occupancy.

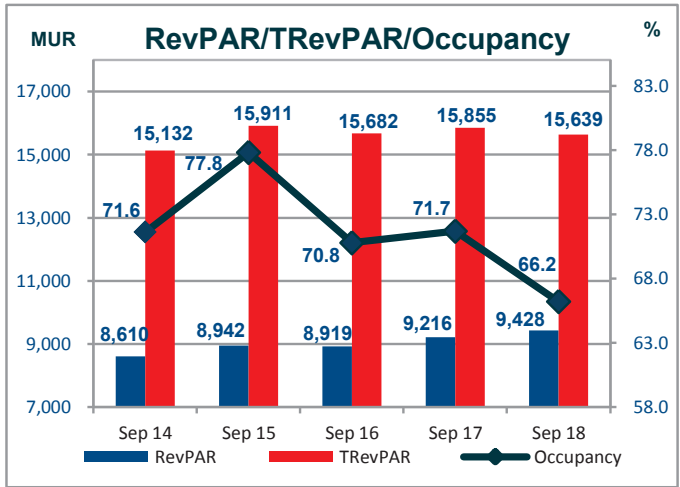
3 Results

Group revenue for the nine months to 30 September 2018 was better than the corresponding period last year at MUR 2,630m (2017: MUR 2,557m) resulting in an EBITDA of MUR 509m (2017: MUR 480m).

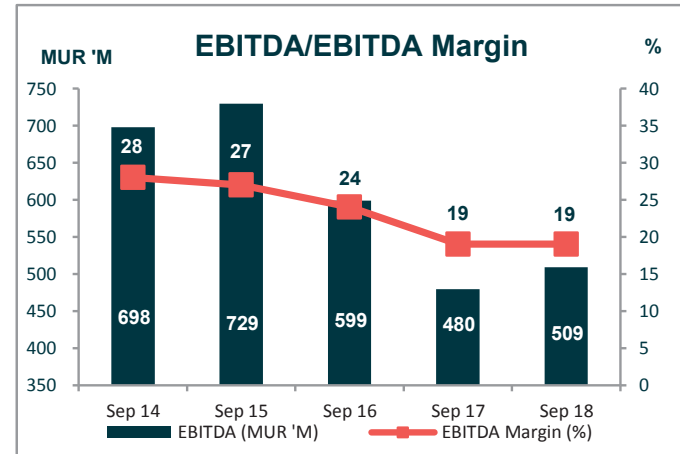
Improved performance from our associated companies in Seychelles and Madagascar contributed favourably to group results, with a share of profit of MUR 60m (2017: MUR 45m).

Group loss for the period was MUR 87m, an improvement compared to the previous year (2017: loss MUR 129m) as a result of lower finance costs, higher share of profit from associates and reduced taxation.

Operational performance of all hotels owned and managed for the period ended 30th Sep



EBITDA/EBITDA margin for period ended 30th Sep



4 Outlook

Given the bookings in hand, the last quarter for 2018 looks positive for our properties both in Mauritius and Seychelles and we expect improved results for the year.

Our Maldives properties continue to recover from the downturn in occupancies during the past six months and we expect their results to be in line with 2017. Going forward we remain confident that this destination will recover as it remains an attractive market.

By order of the Board

La Gaieté Services Ltd  
Secretary

13 November 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