

Abridged interim unaudited financial statements for the quarter ended March 31, 2019

CONSTANCE HOTELS SERVICES LTD AND ITS SUBSIDIARIES

STATEMENT OF PROFIT OR LOSS			
THE GROUP - (MUR'000)	3 months to Mar 2019 Unaudited	3 months to Mar 2018 Unaudited	12 months to Dec 2018 Audited
Revenue	1,199,792	1,309,299	3,747,479
Earnings before interest, taxation, depreciation and amortisation	471,291	527,304	917,038
Depreciation and amortisation	(133,496)	(137,684)	(457,155)
Operating profit	337,795	389,620	459,883
Finance costs	(79,857)	(80,028)	(324,294)
Share of results of associates	28,927	26,330	120,757
Profit before taxation and pre-opening expenses	286,865	335,922	256,346
Pre-opening expenses	-	-	(14,245)
Profit before taxation	286,865	335,922	242,101
Income tax expense	(6,243)	(5,711)	(28,598)
Profit for the period/year	280,622	330,211	213,503
Attributable to:			
Owners of the parent	276,816	323,018	199,314
Non-controlling interest	3,806	7,193	14,189
	280,622	330,211	213,503
Earnings per share (MUR)	2.52	2.95	1.82

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
THE GROUP - (MUR'000)	3 months to Mar 2019 Unaudited	3 months to Mar 2018 Unaudited	12 months to Dec 2018 Audited
Profit for the period/year	280,622	330,211	213,503
Other comprehensive income for the period/year	14,685	20,986	249,978
Total comprehensive income for the period/year	295,307	351,197	463,481
Attributable to:			
Owners of the parent	290,780	344,342	448,465
Non-controlling interest	4,527	6,855	15,016
	295,307	351,197	463,481

STATEMENT OF FINANCIAL POSITION			
THE GROUP - (MUR'000)	Mar 2019 Unaudited	Mar 2018 Unaudited	Dec 2018 Audited
Assets			
Non-Current Assets			
Property, plant and equipment	8,058,502	8,195,426	8,091,359
Intangible assets	1,127,033	1,118,072	1,131,970
Investments in associates	1,645,778	1,191,930	1,616,805
Investment in financial assets	-	545	-
Fixed assets at amortised cost	112,183	36,029	110,755
Deferred tax assets	82,154	94,475	82,185
	11,025,650	10,636,477	11,033,074
Current Assets	1,497,434	1,496,345	1,417,716
Total Assets	12,523,084	12,132,822	12,450,790
Equity and Liabilities			
Owners' interest	6,383,913	6,043,837	6,093,133
Non-controlling interest	49,857	62,568	45,330
Total equity	6,433,770	6,106,405	6,138,463
Non-Current Liabilities			
Borrowings	3,850,441	3,986,843	3,380,648
Deferred tax liabilities	60,748	60,670	60,062
Retirement benefit obligations	182,698	186,396	182,702
	4,093,887	4,233,909	3,623,412
Current Liabilities	1,995,427	1,792,508	2,688,915
Total Liabilities	6,089,314	6,026,417	6,312,327
Total Equity and Liabilities	12,523,084	12,132,822	12,450,790
Net Asset Value per share (MUR)	58.22	55.12	55.57

STATEMENT OF CASH FLOW			
THE GROUP - (MUR'000)	3 months to Mar 2019 Unaudited	3 months to Mar 2018 Unaudited	12 months to Dec 2018 Audited
Net cash generated from operating activities	272,212	254,844	318,230
Net cash used in investing activities	(33,339)	(35,801)	(164,957)
Net cash used in financing activities	(146,045)	(125,023)	(182,410)
Increase/(decrease) in cash and cash equivalents	92,828	94,020	(29,137)
Cash and cash equivalents at beginning of the period/year	(433,990)	(404,853)	(404,853)
Cash and cash equivalents at end of the period/year	(341,162)	(310,833)	(433,990)

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 interest	Total
Balance at January 1, 2019	2,153,395	3,266,313	673,425	6,093,133	45,330	6,138,463
Total comprehensive income for the period	-	13,964	276,816	290,780	4,527	295,307
Balance at March 31, 2019	2,153,395	3,280,277	950,241	6,383,913	49,857	6,433,770
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, 2018	2,153,395	3,017,162	528,938	5,699,495	64,734	5,764,229
Profit for the year	-	-	199,314	199,314	14,189	213,503
Other comprehensive income for the year	-	249,151	-	249,151	827	249,978
Dividends	-	-	(54,827)	(54,827)	(34,420)	(89,247)
Balance at December 31, 2018	2,153,395	3,266,313	673,425	6,093,133	45,330	6,138,463

GEOGRAPHICAL INFORMATION						
THE GROUP - (MUR'000)	3 months to Mar 2019			3 months to Mar 2018		
	Mauritius	Maldives	Total	Mauritius	Maldives	Total
Revenue	604,659	595,133	1,199,792	715,378	593,921	1,309,299
Operating profit	191,383	146,412	337,795	247,646	141,974	389,620

COMMENTS

1 Consolidation and Accounting Standards

The abridged financial statements for the first quarter ended 31 March 2019 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 2018. The effect of IFRS 16, which is effective 01 January 2019 is still being finalized and is not reflected in this interim report.

2 General Comments

During the first quarter of 2019, our main tourist destinations saw mixed performances. Tourist arrivals in Mauritius decreased 1.2% from 356,415 to 352,305. Seychelles and Maldives had double digits growth from 91,690 to 101,514 and from 420,103 to 482,978 respectively.

3 Results

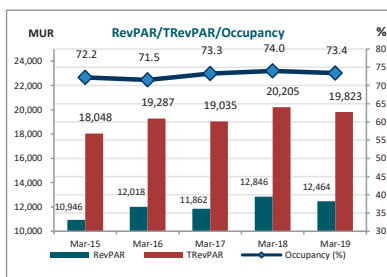
The Group's performance was lower than last year's due to decrease in tourists arrivals in Mauritius coupled with persisting tight competitive conditions in Maldives. On the other hand, our properties in the Seychelles fared well.

Combined occupancy of all hotels, owned and managed, decreased slightly from 74.0% to 73.4% with marginal decreases in RevPAR and TrevPAR.

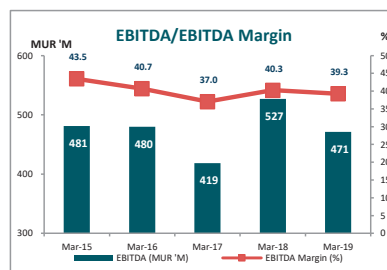
Consolidated revenue of the Group for the first three months of 2019 was MUR 1,200 million (Mar-2018: MUR 1,309 million). This generated an EBITDA of MUR 471 million against MUR 527 million for the same period last year and represented an EBITDA margin of 39% and 40% respectively. As a result of enhanced performance of its Seychelles and Madagascar properties, share of profit from associates reached MUR 29 million (Mar-2018: MUR 26 million). Both finance costs and taxation for the first quarter 2019 were in line with that of 2018 and stood at MUR 80 million and MUR 6 million respectively.

Profit for the period was MUR 281 million (Mar-2018: MUR 330 million).

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



EBITDA/EBITDA margin for quarter ended 31st March



4 Outlook

We are approaching the low season in Mauritius and Maldives, where we anticipate a slowdown in bookings and the shoulder season for Seychelles, where we expect good growth.

By order of the Board

La Gaieté Services Ltd
Secretary
9 May 2019

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.

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