

India Hospitality Corp. Reports Preliminary Fiscal First Quarter 2009 Results
2008-09-19

F1Q09 Revenues Up 52%, EBITDA Increases 46% over Prior-Year Period

Unaudited Revenue and EBITDA for the Periods Ended June 30
Mars

(in U.S. \$mm)	Restaurants		SkyGourmet		Combined *		Year/Year Change
	F1Q08	F1Q09	F1Q08	F1Q09	F1Q08	F1Q09	
Revenue	\$2.4	\$2.7	\$5.3	\$8.7	\$6.9	\$10.5	52%
EBITDA	\$0.3	\$0.4	\$1.0	\$1.6	\$1.3	\$1.9	46%

* Combined revenue includes intercompany eliminations and IHC operating expenses for F1Q09

India Hospitality Corp. today announced preliminary results for IHC for the fiscal quarter ended June 30, 2008. Fiscal 2008 audited results will be released in a separate filing.

Fiscal first quarter 2009 highlights

Total revenue increased 52% year-over-year to \$10.5 million.

EBITDA increased 46% year-over-year to \$1.9 million.

IHC's Board appointed Ravi Deol as Chairman and Chief Executive Officer of Mars Restaurants as part of a major initiative to rapidly grow its hotels and food services businesses.

IHC also announced its intention to launch a \$200 million hospitality fund to be led by Mr. Deol to develop and/or acquire Indian hospitality properties. IHC will receive a management fee through an advisory agreement between the fund and Mars.

"We are pleased to see continued strong growth in the fiscal first quarter," said IHC acting Chief Executive Officer Richard Foyston. "SkyGourmet's growth was realized despite emerging weakness in the aviation sector as Sky continued to gain market share. Looking ahead, we expect the economic environment to remain difficult over the next couple of quarters, but we anticipate continued growth and we will continue our efforts to manage costs and maintain margins."

Fiscal First Quarter 2009 Preliminary Results

For the fiscal quarter ended June 30, 2008, India Hospitality reported unaudited revenue of \$10.5 million -- a 52% increase from the prior-year period. Top line growth was boosted by an approximate 65% increase in revenue from IHC's SkyGourmet division to \$8.7 million, aided by increased demand for meals, as well as the opening of a new kitchen during calendar 2008 and a significant increase in capacity at the company's Delhi Air Catering Unit at the end of the prior fiscal year. Total meals served for the fiscal first quarter 2009 increased 57%.

Revenue at Mars Restaurants increased to \$2.7 million, an 11% improvement over the prior-year period. The results at Mars were driven by a 17% increase in average room revenue (ARR) at the Gordon House Hotels and restaurant same-store sales increases of 7%. No new outlets were opened or closed during the quarter.

Total combined adjusted EBITDA for India Hospitality for fiscal first quarter 2009 was \$1.9 million compared to \$1.3 million in the prior-year period, a 46% increase. Margins expanded at both Mars Restaurants and SkyGourmet, however, consolidated margins decreased as a result of IHC parent company operating costs which began to be accounted for in July 2007 and were thus not a factor in prior-year results.

Liquidity and Balance Sheet

As of June 30, 2008, IHC has approximately \$31.9 million in long-term debt on its balance sheet and \$13.5 million of cash and cash equivalents -- approximately \$7.3 million of which is held at the IHC corporate level.

About India Hospitality Corp.

India Hospitality Corporation's mission is to acquire and successfully operate Indian businesses or assets in the hospitality, leisure, tourism, travel and related industries, including but not limited to hotels, resorts, timeshares, serviced apartments and restaurants.

IHC operates through two wholly owned subsidiaries, Mars Restaurants Private Limited -- an emerging hotel and restaurant company -- and SkyGourmet Catering Private Limited, a leading airline catering company. The companies are headquartered in Mumbai and have over 1,700 employees across their facilities in India.

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