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## **COMPASS HOTEL GROUP – Full Year Results**

Compass Hotel Group Trust and Compass Hotel Group Limited (ASX code: CXH) have announced their results for the year ended 28 June 2009.

CXH is the largest freehold hotel and tavern business owner and operator in Western Australia and employs over 550 people across 12 venues.

With a backdrop of the global economic crisis and corporate distractions, Compass generated a net loss after tax in the 2009 financial year of \$99m which is clearly disappointing for all stakeholders notwithstanding the depressed markets in which we operate.

In the half year results as at 31 December 2008 we reported the carrying value of Goodwill was written down by \$58m and in June 2009, following valuations of the Group's core assets, hotels and taverns, impairment write downs were a further \$25m. Due to the movement in interest rates by the Reserve Bank of Australia, the group's hedging arrangements have exceeded the prevailing market rates resulting in a write- down of \$9m.

Excluding these amounts the group's operating earnings before interest, tax, depreciation and amortization was \$4m.

Compass has maintained an operating philosophy of continuous performance improvement and preliminary results for the 2010 financial year clearly show performance advancement as a direct result of incremental operational efficiencies and further cost rationalization.

Heightened venue performance must be credited to the excellent staff, managers and group administrative staff, with particular mention to Antoine Musu.

As reported on 2 October, Compass appointed BBY Limited as the Group's adviser to assist in relation to the selection of appropriately qualified and experienced hospitality entities to supplement the board of the Company and to participate in a subsequent revitalizing of the Group and its long term strategies. From a number of interested entities, Compass is now dealing with a short-list and we expect to make a decision next month.

A handwritten signature in black ink, appearing to be "R Hill", written over a faint circular stamp or watermark.

R Hill  
Director