

GROUP ABRIDGED STATEMENT OF COMPREHENSIVE INCOME

	Quarter to 31st March		Nine months to 31st March		Year ended
	2017 Rs 000 (Un-audited)	2016 Rs 000 (Un-audited)	2017 Rs 000 (Un-audited)	2016 Rs 000 (Un-audited)	30th June 2016 Rs 000 (Audited)
Continuing Operations					
Revenue	1,528,233	1,496,191	4,076,779	4,080,994	5,158,256
Earnings before Interest, Tax, Depreciation and Amortisation	450,470	442,307	1,060,732	1,041,400	1,123,926
Depreciation and amortisation	(111,204)	(104,577)	(337,312)	(313,312)	(427,472)
Operating profit	339,266	337,730	723,420	728,088	696,454
Net finance costs	(61,036)	(50,748)	(180,543)	(159,443)	(215,524)
Closure Costs - LUX* South Ari Atoll	-	-	(131,825)	-	-
Profit on disposal of property, plant and equipment	-	-	195,000	-	-
Profit before income tax	278,230	286,982	606,052	568,645	480,930
Taxation	(22,738)	(26,738)	(59,028)	(58,564)	(62,451)
Profit after taxation from continuing operations	255,492	260,244	547,024	510,081	418,479
Result after tax from discontinued operation	-	-	-	-	(11,233)
Profit for the period	255,492	260,244	547,024	510,081	407,246
Non-controlling interest	(663)	(306)	(835)	(539)	125
Profit attributable to the group	254,829	259,938	546,189	509,542	407,371
Other comprehensive income					
Movement for the period			(33,651)	906	5,493
Total recognised gain	254,829	259,938	512,538	510,448	412,864
Basic - Earnings per share	Rs. 1.86	1.90	3.99	3.72	3.06
Average number of shares	136,978,250	136,909,403	136,978,250	136,827,491	136,847,969
SEGMENTAL INFORMATION					
Segment revenue:					
Mauritius	973,815	926,366	2,822,640	2,627,580	3,408,193
Maldives	398,657	431,674	760,645	1,008,004	1,168,387
Reunion	155,761	138,151	493,494	445,410	581,676
Total revenue	1,528,233	1,496,191	4,076,779	4,080,994	5,158,256
Segment results:					
Mauritius	266,597	237,459	672,693	615,413	652,543
Maldives	71,118	108,119	28,113	110,085	47,435
Reunion	1,551	(7,848)	22,614	2,590	(3,524)
Results before net finance costs	339,266	337,730	723,420	728,088	696,454

GROUP ABRIDGED STATEMENT OF FINANCIAL POSITION

	31st March 2017 Rs 000 (Un-audited)	31st March 2016 Rs 000 (Un-audited)	30th June 2016 Rs 000 (Audited)
ASSETS			
<i>Non current assets</i>			
Property, plant & equipment	8,836,357	9,343,984	8,518,723
Intangible assets	1,457,308	1,461,981	1,466,251
Other financial assets	5	5	5
Deferred tax assets	51,703	36,021	52,341
	10,345,373	10,841,991	10,037,320
<i>Current assets</i>	1,532,857	1,271,426	2,185,882
TOTAL ASSETS	11,878,230	12,113,417	12,223,202
EQUITY AND LIABILITIES			
Shareholders' interest	6,529,765	6,297,908	6,007,393
Non-controlling interest	4,294	2,306	3,459
Non-current liabilities	3,580,346	3,509,995	3,338,270
Current liabilities	1,763,825	2,303,208	2,874,080
TOTAL EQUITY AND LIABILITIES	11,878,230	12,113,417	12,223,202
Net Assets per Share	Rs. 47.62	46.00	43.92
Net Assets per Share including value of leasehold land	Rs. 59.52	60.80	58.59

GROUP ABRIDGED STATEMENT OF CASH FLOWS

	31st March 2017 Rs 000	31st March 2016 Rs 000	30th June 2016 Rs 000
Net cash flows from operating activities	574,563	672,012	784,374
Net cash flows from investing activities	562,952	(516,947)	(811,778)
Net cash flows from financing activities	(774,201)	(59,098)	(3,974)
Net movement in cash & cash equivalents	363,314	95,967	(31,378)
<i>Cash and bank balance</i>			
At beginning of period	(293,881)	(262,503)	(262,503)
At end of period	69,433	(166,536)	(293,881)

ABRIDGED STATEMENT OF CHANGES IN EQUITY

	31st March 2017 Rs 000	31st March 2016 Rs 000	30th June 2016 Rs 000
At beginning of period	6,007,393	5,763,386	5,712,768
Other adjustments	-	18,081	21,925
Total recognised gain	512,538	510,448	424,097
Issue of shares	9,834	5,993	5,993
Dividend	-	-	(157,390)
At end of period	6,529,765	6,297,908	6,007,393

Commentary

Tourist arrivals to Mauritius for the quarter ended 31st March 2017 amounted to 339,682, up by 4% on the corresponding quarter last year. Our main European markets, namely UK and Germany increased by 4%, and 12% respectively whilst arrivals from France were almost at par on last year at 80,119. Arrivals from China for the quarter under review was also similar to last year at 21,799. Arrival statistics to the Maldives were not available for the month of March 2017. For the two months January and February, arrivals in the Maldives increased by 8% to 246,388. China remains the main source market with 13% of total arrivals.

For the nine months ended 31st March 2017, tourist arrivals to Mauritius amounted to 898,174 an increase of 10% on last year. In the Maldives, for the period July to February 2017, the number of tourists grew by 7% to reach 912,189.

Group Results

Despite the depreciation of sterling of about 15% over the quarter under review compared to the same period last year, the hotels in Mauritius posted very good results with both turnover and Operating Profit increasing by 5% and 12% respectively. LUX* South Ari Atoll in Maldives, although improving on its results of last quarter, did not perform as expected due to increased competition and an increase in supply which resulted in heavy discounting. LUX* Saint Gilles in Reunion Island posted satisfactory results during the quarter.

The Group occupancy for the quarter was similar to last year at 83% whilst ADR (Average Daily Rate) improved by 4% on last year. The Group's RevPAR (Room Revenue per Available Room) increased by 3% compared to last year. Total revenue for the quarter under review reached Rs 1.5bn, up by 2% on the corresponding quarter last year whilst EBITDA (Earnings before Interest Tax Depreciation and Amortisation) went up by the same percentage to reach Rs 450m. The profit attributable to the Group for the quarter amounted to Rs 255m, slightly down on last year by Rs 5m due to higher depreciation and finance charges in connection with the redevelopment of LUX* South Ari Atoll in Maldives.

The Group occupancy for the nine months ended 31st March 2017 at 82% was down by 3% points on last year, mainly resulting from the closure of LUX* South Ari Atoll for two months in July and August 2016, whilst ADR improved by 15% on last year. The Group's RevPAR grew by 11% for the period compared to last year.

The turnover of the Group for the nine months to 31st March 2017 was slightly down by Rs 4m to Rs 4.1 bn, whilst EBITDA improved by 2% to Rs 1.06bn. The profit attributable to the Group, after accounting for the closure cost of LUX* South Ari Atoll and the profit on the sale of Tamassa property, increased by 7% to Rs 546m. Earnings per share (EPS) for the nine months ended 31st March 2017 reached Rs 3.99, an increase of 7% on last year calculated on the average number of shares in issue during the respective periods.

The gearing of the Group at 31st March 2017 stood at 34% which is well below the industry average and is expected to increase to 42% with the debt raised in respect of the renovation of LUX* Grand Gaube. The Net Assets per share went from Rs 43.92 at the beginning of the financial year to Rs 47.62 at 31st March 2017 and would go up to Rs 59.52 if the market value of leasehold land of the Group is taken into consideration. During the nine months ended 31st March 2017, Group cash flow from operations for the nine months amounted to Rs 574m, and the Interest cover (EBITDA / finance charges) for the same period was very healthy at 5.88.

Project Development

The Board has approved the redevelopment of LUX* Grand Gaube for an amount of Rs 1.285bn which will be financed both by the proceeds of the sale of Tamassa and long term Bank loans. The renovations will take six months and construction works will start on the 1st June 2017 and the refurbished property will open on the 1st December 2017.

The professional design team including the Mauritian architect Jean Francois Adam together with the famous star interior designer Kelly Hoppen have produced an exciting & innovative scheme for both the rooms & the public areas. Management is confident that the new resort will attract significantly higher rates in line with our LUX* branded properties in Mauritius, thereby producing a growth in profitability.

We continue to pursue management contract opportunities, resulting in discussions with a number of hotel developers & owners. Shareholders will be kept informed once any definitive agreements are signed. We expect two openings by the end of this calendar year namely LUX* Bodrum in Turkey and LUX* North Male Atoll in Maldives.

Outlook

We are confident that our Mauritius hotels will continue to perform well on the back of the continuing increase in arrivals to the destination particularly from Europe. However, the results could be affected by any unfavorable movement in exchange rates which continue to be volatile.

In the Maldives, although the operating environment is becoming more difficult due to the continuing increase in supply and a slow down in arrivals, we are confident that the LUX* South Ari Atoll results will continue to gradually improve.

Our property in Reunion Island should also maintain its steady performance.

For Quarter 4 ending June 2017, reservations held for our Mauritius resorts are currently similar to last year with ADR slightly higher based on actual exchange rates. For the Maldives, business on the books versus last year is not comparable due to the closure of the hotel last year, but we are noting an improvement in the booking pace. Our Reunion property is producing an improvement in RevPAR for the Quarter, which is promising. We believe that, should there be no deterioration in the current environment and no further depreciation of Sterling and the Euro, the attributable profit for the full financial year ending 30th June 2017 should be similar to that of last year.

Dividend

The Board of Directors of Lux Island Resorts Ltd has declared today a dividend of Rs 1.25 per share in respect of the financial year ending 30th June 2017. The dividend will be paid on or about 15th June 2017 to all shareholders of the Company registered at close of business on 10th May 2017.

By order of the Board

LUX Hospitality Ltd
Company Secretary

20th April 2017.

Notes to the Financial Highlights

- The Financial Highlights have been prepared in accordance with International Financial Reporting Standards (IFRSs).
- The Financial Highlights have been prepared on the same basis as the accounting policies set out in the audited statutory Financial Statements of the Group for the period ended June 30, 2016, except for the adoption of relevant amendments to published Standards, Standards and Interpretations issued and effective for accounting period starting on July 1, 2016.
- The Financial Highlights are issued pursuant to Listing Rule 12.14 and published according to the Securities Act 2005.
- Copies of the Financial Highlights and the statement of direct and indirect interests of officers of the Company required under Rule 8 (2) (m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 are available free of charge, upon request, from the Company Secretary, at the Company's registered office, Lux Island Resorts Ltd, Pierre Simonet Street, Floréal.
- The Board of Directors of Lux Island Resorts Ltd accepts full responsibility for the accuracy of the information contained in the Financial Highlights.