

#### GROUP ABRIDGED STATEMENT OF COMPREHENSIVE INCOME

	Quarter to 31st December		Half year to 31st December		Year ended
	2014 Rs 000 (Un-audited)	2013 Rs 000 (Un-audited)	2014 Rs 000 (Un-audited)	2013 Rs 000 (Un-audited)	30th June 2014 Rs 000 (Audited)
Continuing Operations					
Revenue	1,365,733	1,241,516	2,231,756	2,028,154	4,212,199
Earnings before Interest, Tax, Depreciation and Amortisation	418,280	400,494	501,219	449,180	917,367
Depreciation and amortisation	(88,658)	(80,707)	(172,586)	(159,914)	(328,457)
Operating profit	329,622	319,787	328,633	289,266	588,910
Net finance costs	(68,940)	(72,598)	(136,537)	(146,342)	(259,382)
Results before closure costs	260,682	247,189	192,096	142,924	329,528
Closure costs	-	-	(25,300)	-	-
Share of results of associate	6,329	6,891	5,326	2,628	263
Profit before income tax	267,011	254,080	172,122	145,552	329,791
Taxation	(27,389)	(19,946)	(20,980)	(18,562)	(67,478)
<b>Profit after taxation from continuing operations</b>	<b>239,622</b>	<b>234,134</b>	<b>151,142</b>	<b>126,990</b>	<b>262,313</b>
Result after tax from discontinued operation	-	-	-	-	22,636
<b>Profit for the period</b>	<b>239,622</b>	<b>234,134</b>	<b>151,142</b>	<b>126,990</b>	<b>284,949</b>
Non-controlling interest	(5,348)	(4,996)	(7,064)	(5,598)	(13,687)
<b>Profit attributable to the group</b>	<b>234,274</b>	<b>229,138</b>	<b>144,078</b>	<b>121,392</b>	<b>271,262</b>
<b>Other comprehensive income</b>					
Movement for the period			164,424	(5,763)	484,363
Total recognised gain/(loss)			308,502	115,629	755,625
Basic - Earnings per share			1.27	1.12	2.38
<b>SEGMENTAL INFORMATION</b>					
Segment revenue:					
Mauritius	690,957	615,640	1,068,903	977,591	2,047,549
Maldives	409,855	356,399	741,568	629,535	1,376,148
Reunion	264,921	269,477	421,285	421,028	788,502
Total revenue	1,365,733	1,241,516	2,231,756	2,028,154	4,212,199
Segment results:					
Mauritius	200,121	197,758	190,326	173,804	349,249
Maldives	87,841	82,727	118,716	101,709	246,861
Reunion	41,660	39,302	19,591	13,753	(7,200)
Results before net finance costs	329,622	319,787	328,633	289,266	588,910

#### GROUP ABRIDGED STATEMENT OF FINANCIAL POSITION

	31st December 2014 Rs 000 (Un-audited)	31st December 2013 Rs 000 (Un-audited)	30th June 2014 Rs 000 (Audited)
<b>ASSETS</b>			
Non current assets			
Property, plant & equipment	9,276,168	7,425,197	7,925,902
Intangible assets	1,527,255	1,159,236	1,073,758
Investment in associates	-	213,844	232,449
Other financial assets	5	36	5
Deferred tax assets	48,798	35,679	21,282
Retirement benefit asset	-	8,724	42
	10,852,226	8,842,716	9,253,438
Current assets	1,237,266	1,344,523	1,088,758
<b>TOTAL ASSETS</b>	<b>12,089,492</b>	<b>10,187,239</b>	<b>10,342,196</b>
<b>EQUITY AND LIABILITIES</b>			
Shareholders' interest	5,767,723	3,721,751	4,313,262
Non-controlling interest	3,744	107,330	123,472
Non-current liabilities	3,992,341	4,562,653	4,243,045
Current liabilities	2,325,684	1,795,505	1,662,417
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>12,089,492</b>	<b>10,187,239</b>	<b>10,342,196</b>
Net Assets per Share	Rs. 42.25	32.72	37.92
Net Assets per Share (including the market value of leasehold land)	Rs. 57.10	48.80	54.94

#### GROUP ABRIDGED STATEMENT OF CASH FLOWS

	31st December 2014 Rs 000	31st December 2013 Rs 000	30th June 2014 Rs 000
Net cash flows from operating activities	313,550	158,455	617,888
Net cash flows from investing activities	(192,898)	(158,041)	(150,130)
Net cash flows from financing activities	(281,879)	(238,473)	(629,584)
Net decrease in cash & cash equivalents	(161,227)	(238,059)	(161,826)
Cash and bank balance			
Consolidation adjustment	(60,983)	-	-
At beginning of period	(97,777)	64,049	64,049
At end of period	(319,987)	(174,010)	(97,777)

#### ABRIDGED STATEMENT OF CHANGES IN EQUITY

	31st December 2014 Rs 000	31st December 2013 Rs 000	30th June 2014 Rs 000
At beginning of period	4,313,262	3,606,122	3,606,122
Prior Year Adjustment	-	-	(316)
Total recognised gain	308,502	115,629	764,330
Issue of shares	1,145,959	-	-
Dividend	-	-	(56,874)
At end of period	5,767,723	3,721,751	4,313,262

#### Commentary

Tourist arrivals to Mauritius for the quarter ended 31st December 2014 reached to 313,345 up by 5% on the corresponding quarter last year. Arrivals from Europe increased on last year by 8% and our main markets namely France, UK and Germany increased by 4%, 29% and 1% respectively. The Chinese market continues to perform well with arrivals for the quarter under review reaching 12,720 up by 11% on last year.

In the Maldives the number of visitors for the quarter under review reached 303,823 down by 1% mainly due to decrease in arrivals from China by 6% but compensated by arrivals from other markets such as Germany and UK which grew by 8% and 2% respectively.

For the six months ended 31st December 2014, tourist arrivals to Mauritius amounted to 549,522 an increase of 5% on last year whilst in Maldives the number of tourists grew by 3% to reach 603,279.

#### Group Results

Despite the ongoing challenges in some markets coupled with the weak Euro, the Group delivered good results for the quarter under review with turnover and EBITDA improving by 10% and 4% respectively.

The Group occupancy for the quarter was up by 5% points to reach 80% whilst ADR (Average Daily Rate) increased by 3%. The increase in occupancy and ADR, improved the Group's RevPAR (Room Revenue per Available Room) by 10%. Total revenue for the quarter under review reached Rs 1.4bn up by 10% on the corresponding quarter last year whilst EBITDA (Earnings before Interest Tax Depreciation and Amortisation) amounted to Rs 418m compared to Rs 400m last year. Operating profit improved by 3% from Rs 320m to Rs 330m mainly due to the weakening of the Euro. Net finance costs decreased by Rs 4m as a result of reduced borrowings. Tamassa, whose results are consolidated as an associate for the last time in the financial statements of Lux Island Resorts Ltd, maintained its profit at Rs 14m and therefore the share of LUX\* amounted to Rs 7m, same as last year. Net attributable profit for the quarter amounted to Rs234m compared to Rs 229m last year.

The turnover of the Group for the six months ended 31st December 2014 reached Rs 2.2bn, a growth of 10% on last year whilst profit before accounting for the closure cost of LUX\* Belle Mare improved by 34% from Rs 143m to Rs 192m. The attributable profit for the semester ended 31st December 2014 increased by 19% from Rs 121m to Rs 144m. The Group's cash flow from operations for the semester ended 31st December 2014 amounted to Rs 313m compared to Rs 158m last year and the Group repaid a total of Rs 282m in term loans.

The movement in other comprehensive income for the semester represents gain on translation of foreign currency loans and foreign subsidiaries for an amount of Rs 100m and Rs 64m respectively.

The table below summarises the performance of our hotels by destination compared to corresponding period last year:

Quarter to 31 <sup>st</sup> December 2014					Half year to 31 <sup>st</sup> December 2014			
Mauritius	Reunion	Maldives	The Group		Mauritius	Reunion	Maldives	The Group
+6%	+4%	+5%	+5%	Occupancy (points)	+8%	+2%	+6%	+6%
+3%	+2%	+6%	+3%	ADR	+5%	+2%	+9%	+6%
+11%	+7%	+12%	+10%	Rev PAR	+16%	+5%	+18%	+15%

All our operations improved RevPAR during the quarter and semester ended 31st December 2014 including Reunion Island.

During the quarter under review, Lux Island Resorts Ltd (LIR) exchanged the shares of the outside shareholders of Oceanide Ltd, the holding Company of Tamassa hotel and Lux Island Resorts Maldives Ltd, the Company which owns White Sand Resort & Spa Pvt Ltd which operates LUX\* Maldives resort, for shares in Lux Island Resorts Ltd. Following the shares exchanged, LIR issued 11,980,447 of its own shares for a total consideration of Rs 670.5m.

In December 2014, 95.09% of the holders of Convertible Bonds representing 47,542,960 bonds exercised their rights to convert their bonds into new LIR ordinary shares. Pursuant to the listing particulars dated 25th October 2010 and based on a conversion ratio of 0.22657 LIR's share for one bond, LIR issued 10,771,437 new ordinary shares.

As a result of the above two transactions, the number of ordinary shares of LIR increased by 22,751,884 to reach 136,786,535 as at 31st December 2014. The number of Convertible Bonds outstanding after the conversion amounted to 2,457,040 representing a total value of Rs 24,570,400.

Oceanide Ltd has been consolidated as a subsidiary on the 31st December 2014 and therefore all its assets and liabilities are included in the accounts of Lux Island Resorts Ltd at 31st December 2014.

The gearing of the Group at 31st December 2014 stood at 43% after consolidating Oceanide's debt for an amount of Rs 624m. Our current gearing is well below the industry average. The net assets of the Group at 31st December increased by Rs 1.4bn to reach Rs 5.8bn and the Net Assets per share went up by 12% to reach Rs 42.25. Net assets per share with value of leasehold land would amount to Rs 57.10.

#### Management Contracts

We are pleased to announce the signature of our second hotel management and technical services agreement for the operation of the five star luxury resort on the Dianshan Lake, located close to Shanghai in the People's Republic of China. The hotel will be of 60 keys and the opening date will be around the end of 2016. In addition, the second property which will be operated under the banner of the LUX\* Tea Horse Road is under construction in Benzilan on the Yangtze River. This property of 30 keys should open in the last quarter of 2015.

LUX\* Al Zorah, UAE is currently under construction and completion is scheduled for last quarter 2016.

The Group has also entered into an exclusive management and advisory agreement with Sanghvi Hospitality Ltd, a company incorporated in India, for the purpose of managing and operating five star hotels in India and Sri Lanka and any other country in the region to be agreed upon between both parties. Sanghvi Hospitality Ltd forms part of Sanghvi Brands group which has created one of the India's largest portfolio in international lifestyle wellness brands and owns exclusive rights to numerous brands in India. The Board is of opinion that India and particularly Sri Lanka are two growing destinations and the partnership with Sanghvi group will facilitate the entry of LUX\* brand in these two markets.

#### Outlook

The Global Economic Environment remains uncertain. We are however encouraged by the recent improvement noted in the arrivals from Europe, particularly UK, and the double digit growth in the number of tourists from China. We are also encouraged by the recent commencement of the Air Mauritius direct service to Chengdu in the Sichuan Province of the PRC. With direct connections to 4 tier 1 cities in the PRC in addition to Hong Kong we should be able to mount a major destination promotion campaign in the PRC which is now the largest source market of tourists in the world.

Reservations currently held by the group are ahead of last year for the current quarter. However our results will be impacted by the weakness of the Euro. Fortunately we have diversified our source markets (Euro represented 50% of our revenue two years ago and is now down to 42%) and converted a significant portion of our term loans into Euro in order to match our inflows and outflows.

Therefore, we anticipate the Group results for the quarter ending 31st March 2015 to be at least on par with last year.

By order of the Board

LUX Hospitality Ltd  
Company Secretary

12th February 2015.

#### 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, 2014, except for the adoption of relevant amendments to published Standards, Standards and Interpretations issued and effective for accounting period starting on July 1, 2014.
- 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.