

# LUX ISLAND RESORTS LTD AND ITS SUBSIDIARIES.

The group results for the quarter and nine months ended 31st March 2019 are as follows:

## GROUP ABRIDGED STATEMENT OF COMPREHENSIVE INCOME

	Quarter to 31st March		Nine months to 31st March		Year ended 30th June
	2019 Rs 000 (Un-audited)	2018 Rs 000 (Un-audited) Restated	2019 Rs 000 (Un-audited)	2018 Rs 000 (Un-audited) Restated	2018 Rs 000 (Audited) Restated
<b>CONTINUING OPERATIONS</b>					
Revenue	1,725,401	1,666,657	4,898,797	4,440,686	5,811,481
Earnings before Interest, Tax, Depreciation and Amortisation	475,561	451,299	1,150,370	1,027,548	1,210,235
Depreciation and amortisation	(100,877)	(133,440)	(333,953)	(380,960)	(484,586)
Operating profit	374,684	317,859	816,417	646,588	725,649
Net finance costs	(64,661)	(59,095)	(189,663)	(155,429)	(231,817)
Profit before income tax	310,023	258,764	626,754	491,159	493,832
Taxation	(44,806)	(31,976)	(78,813)	(54,082)	(78,460)
<b>Profit after taxation from continuing operations</b>	<b>265,217</b>	<b>226,788</b>	<b>547,941</b>	<b>437,077</b>	<b>415,372</b>
<b>DISCONTINUED OPERATIONS</b>					
- Result from discontinued operations after tax	-	13,330	(3,171)	18,111	(731)
- Gain on deemed disposal of subsidiary	-	-	194,343	-	-
- Net results from discontinued operations	-	13,330	191,172	18,111	(731)
Profit for the period	265,217	240,118	739,113	455,188	414,641
Non-controlling interest	-	(1,100)	(173)	(1,495)	74
<b>Profit attributable to the group</b>	<b>265,217</b>	<b>239,018</b>	<b>738,940</b>	<b>453,693</b>	<b>414,715</b>
<b>Other comprehensive income</b>					
Movement for the period			56,837	(32,161)	(27,761)
Total recognised gain			795,777	421,532	386,954
<b>Basic earnings per share</b>					
From Continuing operations	Rs. 1.93	1.67	4.00	3.21	3.13
From continuing and discontinued operations	Rs. 1.93	1.74	5.39	3.31	3.04
<b>SEGMENTAL INFORMATION</b>					
Segment revenue:					
Mauritius	1,004,702	957,068	2,935,898	2,557,272	3,369,481
Maldives	508,908	495,796	1,237,693	1,215,353	1,515,187
Reunion	211,791	213,793	725,206	668,061	926,813
Total revenue	1,725,401	1,666,657	4,898,797	4,440,686	5,811,481
Segment results:					
Mauritius	223,218	193,910	523,651	427,309	416,865
Maldives	144,265	119,454	232,972	166,963	230,874
Reunion	7,201	4,495	59,794	52,316	77,910
Results before net finance costs	374,684	317,859	816,417	646,588	725,649

## GROUP ABRIDGED STATEMENT OF FINANCIAL POSITION

	31st March 2019 Rs 000 (Un-audited)	31st March 2018 Rs 000 (Un-audited)	30th June 2018 Rs 000 (Audited)
<b>ASSETS</b>			
Non current assets			
Property, plant & equipment	9,561,518	9,674,514	9,846,874
Intangible assets	1,810,595	1,648,156	1,649,157
Other financial assets	8	5	5
Deferred tax assets	170,016	142,189	192,409
	11,542,137	11,464,864	11,688,445
Current assets	1,396,717	1,520,529	1,240,493
<b>TOTAL ASSETS</b>	<b>12,938,854</b>	<b>12,985,393</b>	<b>12,928,938</b>
<b>EQUITY AND LIABILITIES</b>			
Shareholders' interest	6,528,945	6,213,011	6,008,773
Non-controlling interest	-	4,073	1,523
Non-current liabilities	3,932,262	4,528,363	4,302,665
Current liabilities	2,477,647	2,239,946	2,615,977
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>12,938,854</b>	<b>12,985,393</b>	<b>12,928,938</b>
Net Assets per Share	Rs. 47.62	45.31	43.82
Net Assets per Share including value of leasehold land	Rs. 60.35	58.05	55.10

## GROUP ABRIDGED STATEMENT OF CASH FLOWS

	31st March 2019 Rs 000	31st March 2018 Rs 000	30th June 2018 Rs 000
Net cash flows from operating activities	815,545	516,659	741,962
Net cash flows from investing activities	(276,628)	(1,312,428)	(1,421,909)
Net cash flows from financing activities	(394,595)	803,881	654,557
Net increase/(decrease) in cash & cash equivalents	144,322	8,112	(25,390)
Cash and bank balance			
At beginning of period	(98,999)	(73,609)	(73,609)
At end of period	45,323	(65,497)	(98,999)

## ABRIDGED STATEMENT OF CHANGES IN EQUITY

	31st March 2019 Rs 000	31st March 2018 Rs 000	30th June 2018 Rs 000
At beginning of period	6,008,773	5,791,479	5,791,479
Other adjustments	-	-	1,735
Total recognised gain	795,777	421,532	386,954
Dividend	(275,605)	-	(171,395)
At end of period	6,528,945	6,213,011	6,008,773

## Commentary

Tourist arrivals to Mauritius for the quarter ended 31st March 2019 were 352,305, down by 1% on the corresponding quarter last year. Our main European markets, namely France and Germany increased by 7% and 3% respectively but the UK market decreased by 7%. Arrivals from China continued its downward trend and for the quarter under review, it was down significantly by 31% when compared to last year. Arrivals from Reunion Island also contracted by 11% to 35,120. The decrease in arrivals from UK, China and Reunion island was mitigated by the increase in arrivals from Italy, Czech Republic, Poland and Russia.

The figures for March arrivals are not available for the Maldives. The number of visitors for the months of January and February reached 320,135 up by 12% on the corresponding period last year. Arrivals from China, which remains the main source market at 18% of total arrivals went down by 4%. It is interesting to note that all the other main markets posted double-digit growth in Maldives.

For the nine months ended 31st March 2019, tourist arrivals to Mauritius amounted to 1,104,727 an increase of 2% on last year. Arrivals in the Maldives for the period of July to February 2019 increased to 1,077,894, up by 6% on last year.

### Group Results

Following the restructure of its activities involving the separation of its management company, The Lux Collective (TLC), from its real estate and hotel operations, the accounts of TLC were deconsolidated from Lux Island Resorts Ltd (LIR) on 1st December 2018. Its results for the five months ending 30th November 2018 have been classified as discontinued operations in this abridged financial statements. The figures relating to TLC for the corresponding periods last year, as well as the financial year ended 30th June 2018, have been re-stated accordingly. The profit of Rs 194m arising from deemed disposal of subsidiary as reported in the second quarter is shown under discontinued operations for the nine months ended 31st March 2019.

All our hotels were operational during the third quarter ended 31st March 2019. Last year LUX\* Grand Gaube operated with a significantly reduced inventory due to the construction period which extended throughout the quarter.

Against this backdrop, on a like for like basis, the Group occupancy for the quarter under review was similar to last year at 80%, whilst ADR (Average Daily Rate) improved by 4%. The Group's RevPAR (Room Revenue per Available Room) increased by 5% compared to last year. LUX\* South Ari Atoll posted an occupancy of 77% during the quarter up by 3 percentage points compared to last year whilst maintaining its ADR. As a result, RevPAR increased by 2%. The Reunion hotels did satisfactorily with an occupancy of 75% during the quarter up by 3 percentage points on last year and its RevPAR grew by 5%.

Total revenue for the third quarter reached Rs 1.7bn, up by 4% on the corresponding quarter last year whilst EBITDA (Earnings before Interest Tax Depreciation and Amortisation) improved by 5% to reach Rs 476m. Depreciation charge for the quarter decreased by Rs 33m mainly due to lower depreciation charge on LUX\* South Ari Atoll in Maldives following the extension of its lease by 50 years. Net finance charges for the quarter increased by Rs 6m because of the loan contracted to finance the renovation of LUX\* Grand Gaube. The profit after taxation from continued operations for the quarter amounted to Rs 265m, an increase of 17% compared to one year ago.

Group occupancy (excluding LUX\* Grand Gaube) for the nine months ended 31st March 2019 was down by 3% points to 78% whilst ADR was at the same level as last year. This resulted in a decrease of 3% in the Group's RevPAR for the same period in 2018.

Turnover of the Group from continued operations for the nine months to 31st March 2019 reached Rs 4.9bn, a growth of 10% on last year whilst EBITDA improved by 12% to Rs 1.15bn from Rs 1bn last year. Depreciation for the nine months decreased by Rs 47m to Rs 334m as a result of the extension of the lease of LUX\* South Ari Atoll in Maldives. Operating profit from continued operations improved by 26% to Rs 816m. Profit attributable to the Group for the nine months under review increased by 63% from Rs 454m to Rs 739m after accounting for a one off gain of Rs 194m on deemed disposal of its subsidiary, TLC, mentioned above.

Net Interest Bearing Debt at 31st March 2019 was Rs 4.1bn compared to Rs 4.6bn at end of 30th June 2018. The gearing of the Group went down from 44% at end of June 2018 to 39% at end of March 2019. Interest cover (EBITDA excluding non-recurring profit divided by finance charges) for the period has been maintained at around 6.

### Project Development

The transformation of Merville Beach Hotel into LUX\* Grand Bay is progressing well. The new resort will comprise of 120 keys including 12 villas and 24 LUX\* branded residences. The project cost is estimated at Rs 2.6bn and will be financed by Bank loans and the sale of villas and residences under the 'Invest Hotel Scheme'. The concept design of the new LUX\* Grand Bay has been finalised and the application submitted to the Authorities for the EIA licence and building permits. Construction works will start in July 2019 and the new hotel will open in December 2020.

### Outlook

Tourist arrivals to Mauritius have slowed down since the beginning of calendar year 2019. The drop in three main markets namely UK (-9%), Reunion Island (-11%) and China (-31%) is worrying. The continued reduction in Chinese market is a source of concern for all stakeholders. Maldives is showing good growth but the increase in room supply over the next two years will put more pressure on rates. The operations in Reunion Island have stabilised after the social unrest in December 2018.

Provided there is no unexpected adverse event, the results of the Group for the year ending 30th June 2019 should improve on last year.

### Dividend

The Board of Directors of Lux Island Resorts Ltd has declared today a dividend of Rs 1.35 per share (30.6.2018 Rs 1.25) in respect of the financial year ending 30th June 2019. The dividend will be paid on or about 20th June 2019 to all shareholders of the Company registered at close of business on 13th May 2019.

By order of the Board

IBL Management Ltd  
Company Secretary

23rd April 2019.

## 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, 2018, except for the adoption of relevant amendments to published Standards, Standards and Interpretations issued and effective for accounting period starting on July 1, 2018.
- 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.