

### GROUP ABRIDGED STATEMENT OF COMPREHENSIVE INCOME

	Quarter to 31st March		Nine months to 31st March		Year ended
	2018 Rs 000 (Un-audited)	2017 Rs 000 (Un-audited)	2018 Rs 000 (Un-audited)	2017 Rs 000 (Un-audited)	30th June 2017 Rs 000 (Audited)
<b>Continuing Operations</b>					
Revenue	1,685,113	1,528,233	4,504,641	4,076,779	5,438,384
Earnings before Interest, Tax, Depreciation and Amortisation	469,279	450,470	1,152,532	1,060,732	1,266,904
Depreciation and amortisation	(136,726)	(111,204)	(392,638)	(337,312)	(442,214)
Operating profit	332,553	339,266	759,894	723,420	824,690
Gain on acquisition of Hotel Le Récif	-	-	74,491	-	-
Profit on sale of property, plant and equipment	-	-	-	195,000	-
Net finance costs	(60,459)	(61,036)	(159,629)	(180,543)	(241,831)
Closure Costs	-	-	(165,486)	(131,825)	-
Profit before income tax	272,094	278,230	509,270	606,052	582,859
Taxation	(31,976)	(22,738)	(54,082)	(59,028)	(75,123)
<b>Profit after taxation from continuing operations</b>	<b>240,118</b>	<b>255,492</b>	<b>455,188</b>	<b>547,024</b>	<b>507,736</b>
Non-controlling interest	(1,100)	(663)	(1,495)	(835)	7,213
<b>Profit attributable to the group</b>	<b>239,018</b>	<b>254,829</b>	<b>453,693</b>	<b>546,189</b>	<b>514,949</b>
<b>Other comprehensive income</b>					
Movement for the period			(32,161)	(33,651)	(561,569)
Total recognised gain			421,532	512,538	(46,620)
Basic - Earnings per share	Rs. 1.74	1.86	3.31	3.99	3.75
Average number of shares	137,115,943	136,978,250	137,115,943	136,978,250	137,115,943
<b>SEGMENTAL INFORMATION</b>					
<i>Segment revenue:</i>					
Mauritius	975,524	973,815	2,621,227	2,822,640	3,776,398
Maldives	495,796	398,657	1,215,353	760,645	1,016,413
Reunion	213,793	155,761	668,061	493,494	645,573
Total revenue	1,685,113	1,528,233	4,504,641	4,076,779	5,438,384
<i>Segment results:</i>					
Mauritius	208,604	266,597	540,615	672,693	855,734
Maldives	119,454	71,118	166,963	28,113	(44,055)
Reunion	4,495	1,551	52,316	22,614	13,011
Results before net finance costs	332,553	339,266	759,894	723,420	824,690

### GROUP ABRIDGED STATEMENT OF FINANCIAL POSITION

	31st March 2018 Rs 000 (Un-audited)	31st March 2017 Rs 000 (Un-audited)	30th June 2017 Rs 000 (Audited)
<b>ASSETS</b>			
<i>Non current assets</i>			
Property, plant & equipment	9,674,514	8,836,357	8,636,882
Intangible assets	1,648,156	1,457,308	1,639,799
Other financial assets	5	5	5
Deferred tax assets	142,189	51,703	115,064
	11,464,864	10,345,373	10,391,750
<i>Current assets</i>	1,520,529	1,532,857	1,146,409
<b>TOTAL ASSETS</b>	<b>12,985,393</b>	<b>11,878,230</b>	<b>11,538,159</b>
<b>EQUITY AND LIABILITIES</b>			
Shareholders' interest	6,213,011	6,529,765	5,791,479
Non-controlling interest	4,073	4,294	2,578
Non-current liabilities	4,528,363	3,580,346	3,522,532
Current liabilities	2,239,946	1,763,825	2,221,570
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>12,985,393</b>	<b>11,878,230</b>	<b>11,538,159</b>
Net Assets per Share	Rs. 45.31	47.62	42.24
Net Assets per Share including value of leasehold land	Rs. 58.05	59.52	54.97

### GROUP ABRIDGED STATEMENT OF CASH FLOWS

	31st March 2018 Rs 000	31st March 2017 Rs 000	30th June 2017 Rs 000
Net cash flows from operating activities	513,659	574,563	847,527
Net cash flows from investing activities	(1,309,428)	562,952	(43,106)
Net cash flows from financing activities	803,881	(774,201)	(584,149)
Net movement in cash & cash equivalents	8,112	363,314	220,272
<i>Cash and bank balance</i>			
At beginning of period	(73,609)	(293,881)	(293,881)
At end of period	(65,497)	69,433	(73,609)

### ABRIDGED STATEMENT OF CHANGES IN EQUITY

	31st March 2018 Rs 000	31st March 2017 Rs 000	30th June 2017 Rs 000
At beginning of period	5,791,479	6,007,393	6,007,393
Other adjustments	-	-	(7,747)
Total recognised gain	421,532	512,538	9,834
Issue of shares	-	9,834	(46,620)
Dividend	-	-	(171,381)
At end of period	6,213,011	6,529,765	5,791,479

#### 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, 2017, except for the adoption of relevant amendments to published Standards, Standards and Interpretations issued and effective for accounting period starting on July 1, 2017.
- 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.

### Commentary

Tourist arrivals to Mauritius for the quarter ended 31st March 2018 amounted to 356,415, up by 5% on the corresponding quarter last year. Our main European markets, namely UK, Germany and France increased by 9%, 24% and 5% respectively. Arrivals from China for the quarter under review were down on last year by 17%. For the quarter under review, arrivals in the Maldives increased significantly by 17% and China remains the main source market with 17% of total arrivals. It is interesting to note that excluding China, all the main markets have posted double digit growth.

For the nine months ended 31st March 2018, tourist arrivals to Mauritius amounted to 1,072,416 an increase of 4% on last year. In the Maldives, for same period, the number of tourists grew by 12% to reach 1,152,105.

#### Group Results

The Group results were negatively affected by the performance of LUX\* Grand Gaube due to the fact that the construction period extended throughout the quarter under review resulting in a significantly reduced inventory.

Against this background, the Group occupancy for the quarter excluding LUX\* Grand Gaube was at 81%, one percentage point down compared to the corresponding quarter last year, whilst ADR (Average Daily Rate) improved by 16%. The Group's RevPAR (Room Revenue per Available Room) increased by 15% compared to last year. It is important to highlight the performance of LUX\* South Ari Atoll during the quarter which increased both occupancy by 10 percentage points to 74% and ADR by 16%. The combination of improved occupancy and ADR resulted in an increase of 35% in the RevPAR of the hotel.

Total revenue for the quarter under review reached Rs 1.7bn, up by 10% on the corresponding quarter last year whilst EBITDA (Earnings before Interest Tax Depreciation and Amortisation) improved by 4% to reach Rs 469m. Depreciation for the quarter increased by Rs 26m to Rs 137m due to a higher depreciation charge on LUX\* Grand Gaube following the renovation. The profit attributable to the Group for the quarter amounted to Rs 239m, a reduction of 6% compared to corresponding quarter last year.

Group occupancy (excluding LUX\* Grand Gaube) for the nine months ended 31st March 2018 was up by 2% points to 83% whilst ADR improved by 7% on the same period last year. This resulted in an increase of 9% in the Group's RevPAR for the period compared to last year.

The turnover of the Group for the nine months to 31st March 2018 reached Rs 4.5bn, a growth of 10% on last year whilst EBITDA improved by 9% from Rs 1.06bn to Rs 1.15bn. Depreciation for the year increased by 16% or Rs 56m due to capital expenditure incurred for the renovation of LUX\* South Ari Atoll and LUX\* Grand Gaube. The profit attributable to the Group for the nine months under review reduced by 16% from Rs 546m to Rs 453m. The negative variance is mainly due to the non-recurring profit of Rs 63m accounted last year resulting from the profit on sale of the Tamassa hotel (Rs 195m) partly offset by closure cost of LUX\* South Ari Atoll (Rs 132m) and non-recurring losses of Rs 91m for the period under review, being the closure cost of LUX\* Grand Gaube (Rs 165m) mitigated by the profit of Rs 74m recognised on the acquisition of Hotel Le Recif in Reunion Island.

Net Interest Bearing Debt at 31st March 2018 was Rs 4.7bn compared to Rs 3.8bn at end of 30th June 2017 due to banking facilities contracted for the renovation of LUX\* Grand Gaube. The gearing of the Group at 31st March 2018 stood at 43% which is well below the industry average. Interest cover (EBITDA after closure cost and before non-recurring profit / finance charges) for the period, which was already at a healthy 5.15 cover ratio in 2017, has improved to 6.18.

#### New Brand

Management is currently finalising the concept and design of a new Brand which will be unveiled towards the end of 2018. Management has identified a hotel of 60 keys for the launching of the Brand. A complete renovation of the hotel will be undertaken and financed by the owner. Lux Hospitality Ltd, the management Company of LIR, will operate and manage the hotel under a long term lease agreement.

#### Outlook

Our Mauritius hotels continue to perform well recognising the continuing increase in arrivals to the destination particularly from Europe. Despite the delay in the completion of LUX\* Grand Gaube, the reaction from the trade has been extremely positive and the feedback from the guests outstanding. We are confident that the hotel will be successful in the future.

In the Maldives, despite the recent State of Emergency, the industry continues to grow and we are confident that LUX\* South Ari Atoll results will maintain a satisfactory growth trajectory. Our hotels in Reunion Island have stabilized and should continue their positive trend.

With respect to Quarter 4 ending June 2018, reservations held for our Mauritius resorts are behind last year but compensated by growth in ADR. With regard to our Maldives and Reunion properties, both occupancy and ADR held on the books are ahead of last year. We believe that, should there be no deterioration in the current environment and the GBP and the Euro continue to appreciate vis a vis the rupee, we should be able to reduce the deficit in the attributable profit as at 31st March 2018 thereby achieving close to the full year profit reported last year.

By order of the Board,

Lux Hospitality Ltd

Company Secretary

24<sup>th</sup> April 2018.