



LUX ISLAND RESORTS LTD AND ITS SUBSIDIARIES.

RESORTS & HOTELS

The group un-audited results for the quarter ended 30th September 2017 are as follows:

GROUP ABRIDGED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME

	Quarter to 30th September		Year ended
	2017	2016	30th June
	Rs 000	Rs 000	Rs 000
	(Un-audited)	(Un-audited)	(Audited)
Continuing operations			
Revenue	1,063,115	894,423	5,438,384
Earnings before Interest, Tax, Depreciation and Amortisation	100,194	76,453	1,266,904
Depreciation and amortisation	(125,334)	(112,799)	(442,214)
Operating (loss)/profit	(25,140)	(36,346)	824,690
Net finance costs	(49,020)	(60,697)	(241,831)
Closure Costs	(77,420)	(131,825)	-
(Loss)/profit before taxation	(151,580)	(228,868)	582,859
Income tax credit/(expense)	19,500	22,036	(75,123)
(Loss)/profit for the period	(132,080)	(206,832)	507,736
Non-controlling interest	2,384	1,178	7,213
(Loss)/profit attributable to the group	(129,696)	(205,654)	514,949
Other comprehensive income			
Movement for the period	(7,604)	-	(561,569)
Total recognised income	(137,300)	(205,654)	(46,620)
Basic and Diluted - (Loss)/Earnings per share	Rs (0.95)	(1.50)	3.75
Weighted average number of shares	137,115,843	136,909,403	137,219,213
SEGMENTAL INFORMATION			
Segment revenue:			
Mauritius	626,557	724,773	3,766,542
Maldives	291,510	34,092	1,016,413
Reunion	145,048	135,558	655,429
Total revenue	1,063,115	894,423	5,438,384
Segment results:			
Mauritius	4,379	28,006	854,879
Maldives	(22,460)	(55,691)	(44,055)
Reunion	(7,059)	(8,661)	13,866
Results before net finance costs	(25,140)	(36,346)	824,690

GROUP ABRIDGED STATEMENT OF FINANCIAL POSITION

	30th September 2017	30th September 2016	30th June 2017
	Rs 000	Rs 000	Rs 000
ASSETS			
Non current assets			
Property, plant & equipment	8,777,747	8,762,912	8,636,882
Intangible assets	1,626,613	1,461,883	1,639,799
Other financial assets	5	5	5
Deferred tax assets	114,989	52,341	115,064
	10,519,354	10,277,141	10,391,750
Current assets	1,206,663	2,072,559	1,146,409
TOTAL ASSETS	11,726,017	12,349,700	11,538,159
EQUITY AND LIABILITIES			
Shareholders' interest	5,654,179	5,801,739	5,791,479
Non- controlling interests	194	2,281	2,578
Non-current liabilities	3,608,908	3,630,850	3,522,532
Current liabilities	2,462,736	2,914,830	2,221,570
TOTAL EQUITY AND LIABILITIES	11,726,017	12,349,700	11,538,159
Net Assets per Share	Rs. 41.24	42.38	42.24
Net Assets per Share (including the market value of leasehold land)	Rs. 53.97	57.18	54.97

GROUP ABRIDGED STATEMENT OF CASH FLOWS

	30th September 2017	30th September 2016	30th June 2017
	Rs 000	Rs 000	Rs 000
Net cash flows from operating activities	(32,190)	286	847,527
Net cash flows from investing activities	(267,038)	(347,511)	(43,106)
Net cash flows from financing activities	176,802	228,298	(584,149)
Net (decrease)/increase in cash & cash equivalents	(122,426)	(118,927)	220,272
Cash and bank balance			
At beginning of period	(73,609)	(293,881)	(293,881)
At end of period	(196,035)	(412,808)	(73,609)

ABRIDGED STATEMENT OF CHANGES IN EQUITY

	30th September 2017	30th September 2016	30th June 2017
	Rs 000	Rs 000	Rs 000
At beginning of period	5,791,479	6,007,393	6,007,393
Other movement	-	-	(7,747)
Issue of shares	-	-	9,834
Total recognised income	(137,300)	(205,654)	(46,620)
Dividend	-	-	(171,381)
At end of period	5,654,179	5,801,739	5,791,479

Commentary

Tourist arrivals to Mauritius for the quarter ended 30th September 2017 increased by 5% to reach 308,820. Arrivals from Europe, our main market, went up by similar percentage mostly driven by the increase in arrivals from France and Germany which grew by 10% and 6% respectively. Arrivals from UK decreased by 7% for the quarter. Arrivals from Asia were similar to last year at around 53,000 passengers. Chinese arrivals decreased during the quarter under review by 8% to 21,231.

At time of this report, arrivals to the Maldives were not available for the month of September 2017. For the two months of July and August, arrivals increased by 5% to 234,485 and China remains the main source market with 29% of total arrivals.

Group Results

The quarter under review is regarded as the low season for the hotel industry in the Indian Ocean. LUX* Grand Gaube hotel was closed for renovation for the entire quarter whilst LUX* South Ari Atoll in the Maldives did not operate for the full months of July and August last year.

Our hotels which were in operation in Mauritius during the quarter, posted an occupancy rate of 87%, up by one percentage point on the corresponding quarter last year. ADR (Room Revenue per occupied room) improved by 11%. The increase in occupancy and ADR resulted in an increase of 12% in RevPAR (Room Revenue per available room).

LUX* Saint Gilles in Reunion Island continued its progression with occupancy up by 11 percentage points to reach 81%. ADR was similar to last year and as a result RevPAR increased by 11%.

As mentioned above, LUX South Ari Atoll in the Maldives operated only for two months last year and therefore the figures are not comparable. For the quarter under review, the hotel posted an occupancy of 65%. Its ADR and Rev PAR were USD 346 and USD 224 respectively which compare favourably with the established competitive set.

Against the above background, total revenue for the quarter under review reached Rs 1.063 billion, up by 19% on corresponding quarter last year and EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) amounted to Rs 100 million, an increase of 31% on last year. Operating loss was lower than last year by Rs 11 m from Rs 36m to Rs 25m. Net finance charges and closure costs went down by Rs 12 million and Rs 54m respectively. The loss for the quarter was lower by Rs 76m from Rs 206m to Rs 130m.

Project Development

The renovation of LUX* Grand Gaube is progressing well with an expected opening in December 2017. This spectacular resort will contribute positively to the results of the Group.

LIR Bond Conversion

We would like to inform the holders of LIR Convertible Bonds that the Bonds will arrive at maturity on the 31st December 2017. Pursuant to section 12.1 of the Listing particulars, the Company will redeem the 873,658 bonds which are still in issue. Each Convertible Bond will be redeemed at its principal amount (Rs 10) together with unpaid accrued interest thereon on the Maturity Date.

Outlook

Tourist arrivals from the main and emerging markets to Mauritius are showing good increases since January 2017. This has been driven by strong growth from Germany (+11%), Italy (+13%), Switzerland (+17%) and Russia (+14%). With the number of new flights announced for the high season, we are expecting the upward trend to be maintained. Based on the latest available data on tourist arrivals, Statistics Mauritius is forecasting 1.36 million visitors for the calendar year 2017 an anticipated growth of 6%. This augurs very well for our hotels in Mauritius.

With regard to the Maldives, after a slow start during the first months of the calendar year 2017, arrivals have shown a good increase in the last few months. For the period January to August 2017, tourist arrivals increased by 6% to reach 892,025. Over the years, the international arrival growth to the Maldives has been driven by the Chinese. However, over the last two years, the number of Chinese tourists declined by 10%, primarily attributable to the competition from alternative destinations. The Maldives has been able to maintain its positive growth thanks to other markets like India (+23%), Russia (+35%), USA (+21%). With its pristine natural islands, crystal clear water and white sandy beaches, the Maldives is today one of the most expensive and aspirational leisure destinations worldwide. We believe it will retain its appeal in the long-term.

Concerning Reunion Island, the increase in arrivals is very encouraging and we believe that this trend will continue based on the initiatives taken by all the key stakeholders.

Business currently on the books for the quarter ending 31st December 2017 is showing good growth on last year across all properties. Although LUX* Grand Gaube will operate only for one month for the next quarter and assuming that there is no deterioration in the current environment, we are confident that the Group will post good growth in EBITDA for Q2.

By the order of the Board
Lux Hospitality Ltd
Company Secretary
23rd October 2017

Note to the above:

- The above Financial Highlights have been prepared in accordance with International Financial Reporting Standards(IFRSs).
- The Financial Highlights are issued pursuant to Listing Rule 12.20 and published according to the Securities Act 2005.
- The Financial Highlights have been prepared on the same basis of the accounting policies set out in the statutory Financial Statements of the Group for the year 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.
- 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