

GROUP ABRIDGED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Quarter to 30th September		Year ended
	2014 Rs 000 (Un-audited)	2013 Rs 000 (Un-audited)	30th June 2014 Rs 000 (Audited)
Continuing operations			
Revenue	866,023	786,638	4,212,199
Earnings before Interest, Tax, Depreciation and Amortisation	82,939	48,686	917,367
Depreciation and amortisation	(83,928)	(79,207)	(328,457)
Operating (loss)/profit	(989)	(30,521)	588,910
Net finance costs	(67,597)	(73,744)	(259,382)
Results before closure cost	(68,586)	(104,265)	329,528
Closure cost - LUX* Belle Mare resort	(25,300)	-	-
Share of results of associated company	(1,003)	(4,263)	263
(Loss)/profit before taxation	(94,889)	(108,528)	329,791
Income tax credit/(expense)	6,409	7,230	(67,478)
(Loss)/profit after taxation from continuing operations	(88,480)	(101,298)	262,313
Result after tax from discontinued operation	-	-	22,636
(Loss)/profit for the period	(88,480)	(101,298)	284,949
Non-controlling interest	(1,716)	(602)	(13,687)
(Loss)/profit attributable to the group	(90,196)	(101,900)	271,262
Other comprehensive income			
Movement for the period	64,414	(2,697)	484,363
Total recognised income	(25,782)	(104,597)	755,625
Basic and Diluted - (Loss)/Earnings per share Rs	(0.79)	(0.90)	2.38
SEGMENTAL INFORMATION			
Segment revenue:			
Mauritius	377,946	361,951	2,047,549
Maldives	331,713	273,136	1,376,148
Reunion	156,364	151,551	788,502
Total revenue	866,023	786,638	4,212,199
Segment results:			
Mauritius	(9,795)	(23,954)	349,249
Maldives	30,875	18,982	246,861
Reunion	(22,069)	(25,549)	(7,200)
Results before net finance costs	(989)	(30,521)	588,910

GROUP ABRIDGED STATEMENT OF FINANCIAL POSITION

	30th September 2014 Rs 000	30th September 2013 Rs 000	30th June 2014 Rs 000
ASSETS			
Non current assets			
Property, plant & equipment	8,175,561	7,392,373	7,925,902
Intangible assets	1,088,406	1,161,090	1,073,758
Investment in associated company	258,040	210,682	232,449
Other financial assets	5	36	5
Deferred tax assets	20,750	36,290	21,282
Retirement benefit asset	-	10,216	42
	9,542,762	8,810,687	9,253,438
Current assets	984,395	1,119,919	1,088,758
TOTAL ASSETS	10,527,157	9,930,606	10,342,196
EQUITY AND LIABILITIES			
Shareholders' interest	4,287,480	3,501,525	4,313,262
Non- controlling interests	128,482	102,252	123,472
Non-current liabilities	4,164,180	4,629,044	4,243,045
Current liabilities	1,947,015	1,697,785	1,662,417
TOTAL EQUITY AND LIABILITIES	10,527,157	9,930,606	10,342,196
Net Assets per Share	Rs. 37.69	30.78	37.92
Net Assets per Share (including the market value of leasehold land)	Rs. 54.71	47.80	54.94

GROUP ABRIDGED STATEMENT OF CASH FLOWS

	30th September 2014 Rs 000	30th September 2013 Rs 000	30th June 2014 Rs 000
Net cash flows from/(used in) operating activities	26,698	(42,547)	617,888
Net cash flows used in investing activities	(120,579)	(74,973)	(150,130)
Net cash flows used in financing activities	(126,336)	(123,316)	(629,584)
Net decrease in cash & cash equivalents	(220,217)	(240,836)	(161,826)
Cash and bank balance			
At beginning of period	(97,777)	64,049	64,049
At end of period	(317,994)	(176,787)	(97,777)

ABRIDGED STATEMENT OF CHANGES IN EQUITY

	30th September 2014 Rs 000	30th September 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 income	(25,782)	(104,597)	764,330
Dividend	-	-	(56,874)
At end of period	4,287,480	3,501,525	4,313,262

Commentary

Tourist arrivals to Mauritius for the quarter ended 30th September 2014 increased by 6% to reach 236,177. Arrivals from Europe, our main market, went up by 8% mostly driven by an increase in arrivals from UK which grew by 18% and France, our number one source market, progressed by 3% on the corresponding quarter last year. Arrivals from Asia for the quarter under review improved by 20% mainly due to the increase from China which went up by 40% on last year.

The Maldives continue to perform very well with a 7% increase in tourist arrivals compared to the same quarter last year to reach 299,456. The Chinese market, which remains the number one source market for the destination with 39% of the total number of arrivals, has increased by 39% to a total of 115,859 guests, for the quarter.

Group Results

The quarter under review is regarded as the low season for the hotel industry in the Indian Ocean. Despite the closure of LUX* Belle Mare for renovation for two months during the quarter, the Group performed very well with turnover reaching Rs 866m, an improvement of 10% on last year. In fact both turnover and our results showed a growth on last year in all 3 destinations where we operate.

The Group occupancy for the quarter ended 30th September 2014 was 74% up by 7% points on corresponding last year and the ADR (Average Daily Rate) improved by 11%. The increase in occupancy and ADR resulted in a strong increase in Rev PAR (Room Revenue per Available Room) of 22%. EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) for the quarter ended 30th September 2014 reached Rs 83 million up by 70% on last year and Operating results showed a small loss of Rs 989k compared to a loss of Rs 30m last year. Net finance costs for the quarter which were Rs 74m for the corresponding quarter last year reduced by Rs 7m to Rs 67m. Operating loss before LUX* Belle Mare closure cost was lower by Rs 36m from Rs 104m to Rs 68m. An amount of Rs 25m has been expensed in the Income Statement in respect of the closure cost of LUX* Belle Mare.

Tamassa, which is consolidated as an associate in the financial statements of Lux Island Resorts Ltd, improved on its last year's results. The share of loss accruing to Lux Island Resorts Ltd for the quarter ended 30th September 2014 amounted to Rs 1m compared to a loss of Rs 4m for the corresponding quarter last year.

The Group's results for the quarter after accounting for the closure cost of Rs 25m improved by Rs 12m from a loss of Rs 102m to Rs 90m. The movement in other comprehensive income is in respect of gain on conversion of foreign currency loans and translation of foreign subsidiaries.

Projects

Hotel Le Récif - La Réunion - Sale

With regard to the sale of Hotel Le Recif in Reunion Island, negotiations with the initial buyer have terminated as the latter has not been able to fulfill the conditions precedent. We are however in advanced discussions with another buyer for the sale of the hotel whereby LUX* will remain as manager.

Acquisition of Tamassa and LUX* Maldives outside Shareholders

On the 20th October 2014, the Board of directors of Lux Island Resorts Ltd (LIR) approved, subject to the approval of the relevant authorities, the acquisition of the outside shareholders of Oceanide Ltd (the holding company of Nereide Ltd which owns and operates Tamassa resort) and Lux Island Resort Maldives (the holding company of White Sands resort and Spa which owns and operates LUX* Maldives resort) for non-cash consideration by way of a share exchange pursuant to which LIR will issue up to a maximum of 12,100,271 new ordinary shares; representing a dilution of 9.59% for existing shareholders of LIR if the offer is accepted by all the outside shareholders of Oceanide Ltd and Lux Island Resort Maldives Ltd. The Board is of the opinion that the acquisitions are in the best commercial interest of LIR and its shareholders on the basis of the improved performance of Tamassa resort and the strong results posted by LUX* Maldives resort over the last three years. The key performance indicators such as EPS and net asset per share of LIR Group going forward will improve as a result of the acquisition. All details of the transaction is contained in an information memorandum which will be circulated to shareholders of LIR.

LIR Bond Conversion

We would also like to draw the attention of the holders of LIR Convertible Bonds that they will have the right to convert part or the totality of their Bonds into LIR shares on the conversion date namely 31st December 2014. The conversion ratio will be calculated on the basis of the average price of LIR share for the ninety (90) day period ending on 15th November 2014 discounted by 20%. A conversion notice will be sent on or about 28th November to all Bond holders registered on 26th November 2014 detailing the conversion procedure. Please note that the conversion right may be exercised between 10th December 2014 and 24th December 2014.

LUX* Belle Mare

We announced previously, that LUX* Belle Mare re-opened as scheduled on the 1st September 2014. The hotel achieved 74% occupancy and 47% growth in REVPAR for the month compared to last year. The trend continues into the second quarter and we are currently forecasting significant growth in REVPAR. The reaction from the trade has been extremely positive and the feedback from guests outstanding with several guests already rebooking their next vacation at LUX* Belle Mare!

Air access

There is positive news during this current quarter with regard to air access:-

- Emirates Airlines* have commenced their second daily A380 service to Mauritius from Dubai enabling even more connections through what is now the busiest hub/spoke air network in the world.
- TUI Nordic* will start their twice weekly dreamliner service on the 15th November with direct services linking Stockholm and Oslo to Mauritius.
- China Southern Airlines* commenced a second weekly service on the 12th January 2015 with an A330 from Shenzhen.
- Transaero* have commenced a weekly B767 direct service from Moscow as from 1st November until March 2015.
- Meridiana* will add a second weekly seasonal service from Milan as from 25th December until April 15th.

We are also looking forward to the direct services to Chengdu in the Sichuan Province, China that are planned to be introduced by Air Mauritius early 2015. Chengdu is a lucrative market for overseas travel. In addition we understand that Hainan Airlines are also keen to exploit the Mauritius route given the significant interest in Mauritius as a destination of choice for Chinese outbound travellers.

No doubt that the combined impact of all the above flights will enable a stronger positive growth in visitor arrivals to Mauritius enabling our own group to continue growing.

Outlook

We remain optimistic that we will continue to improve our performance throughout 2015. The increase in arrivals from Europe noted lately should improve the performance of our Mauritius properties aided by the continuing increase in arrivals from the Asian market, particularly China and the increase in the number of flights mentioned above. We expect our Maldives property to maintain its strong performance and our hotels in Reunion Island have stabilized and are showing a positive trend.

We are pleased to report that both occupancy and ADR are ahead of last year for the current quarter resulting in double digit growth in REVPAR on average across all properties. We are therefore confident that providing that there is no significant deterioration in the current environment, the results for the second quarter should show, yet again, double digit growth in EBITDA on the corresponding quarter last year.

By the order of the Board
Lux Hospitality Ltd
Company Secretary
7th November 2014

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, 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.
- 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.