

GROUP ABRIDGED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Quarter to 30th September		Year ended
	2018 Rs 000 (Un-audited)	2017 Rs 000 (Un-audited)	30th June 2018 Rs 000 (Audited)
Revenue	1,236,727	1,063,115	5,925,409
Earnings before Interest, Tax, Depreciation and Amortisation	82,129	22,608	1,237,132
Depreciation and amortisation	(131,878)	(125,334)	(501,819)
Operating (loss)/profit	(49,749)	(102,726)	735,313
Net finance costs	(67,318)	(48,854)	(234,350)
(Loss)/profit before taxation	(117,067)	(151,580)	500,963
Income tax credit/(expense)	16,672	19,500	(86,322)
(Loss)/profit for the period	(100,395)	(132,080)	414,641
Non-controlling interest	1,523	2,384	74
(Loss)/profit attributable to the group	(98,872)	(129,696)	414,715
Other comprehensive income			
Movement for the period	18,464	(7,604)	(27,761)
Total recognised income	(80,408)	(137,300)	386,954
Basic and Diluted - (Loss)/Earnings per share	Rs (0.72)	(0.95)	3.02
SEGMENTAL INFORMATION			
Segment revenue:			
Mauritius	756,325	626,557	3,483,409
Maldives	266,738	291,510	1,515,187
Reunion	213,664	145,048	926,813
Total revenue	1,236,727	1,063,115	5,925,409
Segment results:			
Mauritius	(24,650)	(73,207)	426,529
Maldives	(25,068)	(22,460)	230,874
Reunion	(31)	(7,059)	77,910
Results before net finance costs	(49,749)	(102,726)	735,313

GROUP ABRIDGED STATEMENT OF FINANCIAL POSITION

	30th September 2018 Rs 000	30th September 2017 Rs 000	30th June 2018 Rs 000
ASSETS			
Non current assets			
Property, plant & equipment	9,734,895	8,777,747	9,846,874
Intangible assets	1,819,354	1,626,613	1,649,157
Other financial assets	5	5	5
Deferred tax assets	190,746	114,989	192,409
	11,745,000	10,519,354	11,688,445
Current assets	1,268,000	1,206,663	1,240,493
TOTAL ASSETS	13,013,000	11,726,017	12,928,938
EQUITY AND LIABILITIES			
Shareholders' interest	5,928,366	5,654,179	6,008,773
Non- controlling interests	-	194	1,523
Non-current liabilities	4,276,729	3,608,908	4,302,665
Current liabilities	2,807,905	2,462,736	2,615,977
TOTAL EQUITY AND LIABILITIES	13,013,000	11,726,017	12,928,938
Net Assets per Share	Rs. 43.24	41.24	43.82
Net Assets per Share (including the market value of leasehold land)	Rs. 54.53	53.97	55.10

GROUP ABRIDGED STATEMENT OF CASH FLOWS

	30th September 2018 Rs 000	30th September 2017 Rs 000	30th June 2018 Rs 000
Net cash flows (used in)/from operating activities	(46,431)	(32,190)	741,962
Net cash flows used in investing activities	(204,255)	(267,038)	(1,421,909)
Net cash flows from financing activities	58,010	176,802	654,557
Net decrease in cash & cash equivalents	(192,676)	(122,426)	(25,390)
Cash and bank balance			
At beginning of period	(98,999)	(73,609)	(73,609)
At end of period	(291,675)	(196,035)	(98,999)

ABRIDGED STATEMENT OF CHANGES IN EQUITY

	30th September 2018 Rs 000	30th September 2017 Rs 000	30th June 2018 Rs 000
At beginning of period	6,008,774	5,791,479	5,791,479
Other movement	-	-	1,736
Total recognised income	(80,408)	(137,300)	386,954
Dividend	-	-	(171,395)
At end of period	5,928,366	5,654,179	6,008,774

Commentary

Tourist arrivals to Mauritius for the quarter ended 30th September 2018 increased by 6% to exceed 328,000 compared to corresponding quarter last year. Europe remains our main market, and arrivals went up by 4% driven by the increase in arrivals from Germany, Italy and the Netherlands which grew by 12%, 14% and 34% respectively. Arrivals from France and UK were unchanged. Arrivals from China for the quarter under review hovered around 21,000, however tourist arrivals from India grew by 10% (around 19,500).

Arrivals in the Maldives for the months of July and August grew by 5% to exceed 246,000 with China remaining the main source market with 27% of total arrivals. Arrivals numbers for the month of September 2018 are not yet available.

Group Results

The quarter under review is the low season for the hotel industry in the Indian Ocean. All our hotels were operational during the quarter whilst last year, LUX* Grand Gaube was closed for renovation for the entire quarter.

Our hotels in Mauritius posted a lower occupancy but improved their ADR (Room Revenue per occupied room) by 7%. The drop in occupancy mitigated by the increase in ADR resulted in an unchanged RevPAR (Room Revenue per available room) from last year.

The performance of our hotels in Reunion Island improved markedly, with combined occupancy of 80% up by one percentage point on last year. ADR also improved by 4% resulting to an overall increase of 5% to the RevPAR.

Despite strong competition in Maldives, LUX* South Ari Atoll maintained last year's RevPAR.

Against the above backdrop, total revenue for the quarter under review reached Rs 1.2 billion, an increase of 16% compared to the corresponding quarter last year and EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) improved to Rs82m from Rs 23m. Operating loss was lower than last year by Rs 52m from Rs 102m to Rs 50m. Net finance charges for the quarter increased by Rs 19m to Rs 67m due to the loan contracted for the renovation of LUX* Grand Gaube. The loss for the quarter was lower by Rs 31m from Rs 130m to Rs 99m.

Separation of the Management Company from the real estate and hotel operations.

The Board of Lux Island Resorts Ltd ("LIR") has today approved a restructuring exercise of its activities involving the separation of its management Company, The Lux Collective Ltd ("TLC"), formerly known as LUX Hospitality Ltd, from its real estate and hotel operations company, LIR.

The restructure will include a distribution in specie by LIR of its shares in TLC. Shareholders of LIR registered at the close of business on 30th November 2018 will receive one share of TLC for every share held in LIR. Their underlying interests in TLC will therefore remain unchanged.

Shareholders are advised to consult the Cautionary Announcement dated 22nd October 2018 for more information about the restructure.

Strategy

In line with our Vision 2020 Strategy, we continue to build on the global improvement to our brand recognition and pursue our geographical expansion with a focus on hotel management. To date, our current and future hotel management pipeline spans Mauritius, Reunion Island, The Maldives, China, Vietnam, The UAE, Italy, Turkey and France.

We are currently launching our new brand namely SALT, targeting multi-generational explorers in search of a transformational hospitality experience rooted in a humanistic approach. We are pleased to announce the opening of Salt of Palmar, our first hotel in Mauritius under this new brand on the 1st November 2018.

We are also pleased to announce that The Lux Collective Ltd has signed a technical service agreement and a long term hotel management agreement to manage a 5 star hotel of 82 keys and 171 branded LUX* residences in France, namely at La Barquette next to the village of Marseillan overlooking the Mediterranean. Lux Island Resorts Ltd is also participating in the project and has invested €5 m representing 20% in the capital of the property company.

Outlook

Based on the current trend, both tourist's arrivals and earnings in Mauritius are expected to improve for the calendar year 2018. This augurs very well for the tourism sector

During the months of January to August 2018, the number of tourists visiting the Maldives increased by 7% driven by European tourists, particularly from Russia and Italy. The increase in European tourists in that period compensate the reduction in arrivals from China to the destination. The Maldivian government is committed to improving tourism infrastructure with the expansion and upgrade of the main international airport and the construction of five domestic airports, which are expected to be completed by the end of 2018. With additional hotel openings, the Maldives will continue to be a challenging market. However, over time, Maldives tourism has proven to be resilient and sustainable.

With regards to Reunion Island, the increase in arrivals is very encouraging and we expect this trend to continue with new carriers in operation.

For the quarter ending 31st December 2018, the Group should improve its EBITDA on the basis of the current market conditions.

By the order of the Board

The Lux Collective Ltd

Company Secretary

22nd October 2018

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, 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.
- 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.