

GROUP ABRIDGED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 30th June 2017	Year ended 30th June 2016
	Rs 000 (Audited)	Rs 000 (Audited)
Revenue	5,438,384	5,158,256
Earnings before Interest, Tax, Depreciation and Amortisation	1,266,904	1,123,926
Depreciation and amortisation	(442,214)	(427,472)
Operating profit	824,690	696,454
Net finance costs	(241,831)	(215,524)
Profit before income tax	582,859	480,930
Taxation	(75,123)	(62,451)
Profit after taxation	507,736	418,479
Non-controlling interest	7,213	125
Profit attributable to the group	514,949	418,604
Other comprehensive income		
Movement for the year	(561,569)	5,493
Total recognised gain	(46,620)	424,097
Earnings per share	3.75	3.06
Average number of shares	137,219,213	136,847,969
SEGMENTAL INFORMATION		
Segment revenue:		
Mauritius	3,766,542	3,408,193
Maldives	1,016,413	1,168,387
Reunion	655,429	581,676
Total revenue	5,438,384	5,158,256
Segment results:		
Mauritius	854,879	652,543
Maldives *	(44,055)	47,435
Reunion	13,866	(3,524)
Results before net finance costs	824,690	696,454

* The results of the Maldives for the financial year ended 30th June 2017 are after accounting for a closure cost of Rs 132m.

GROUP ABRIDGED STATEMENT OF FINANCIAL POSITION

	30th June 2017	30th June 2016
	Rs 000 (Audited)	Rs 000 (Audited)
ASSETS		
Non current assets		
Property, plant & equipment	8,636,882	8,518,723
Intangible assets	1,639,799	1,466,251
Other financial assets	5	5
Deferred tax assets	115,064	52,341
	10,391,750	10,037,320
Current assets		
Assets held for sale	1,146,409	1,148,837
	-	1,037,045
TOTAL ASSETS	11,538,159	12,223,202
EQUITY AND LIABILITIES		
Shareholders' interest	5,791,479	6,007,393
Non-controlling interest	2,578	3,459
Non-current liabilities	3,522,532	3,338,270
Current liabilities	2,221,570	2,348,487
Liabilities associated with assets held for sale	-	525,593
TOTAL EQUITY AND LIABILITIES	11,538,159	12,223,202
Net Assets per Share	Rs. 42.24	43.88
Net Assets per Share including value of leasehold land	Rs. 54.97	58.68

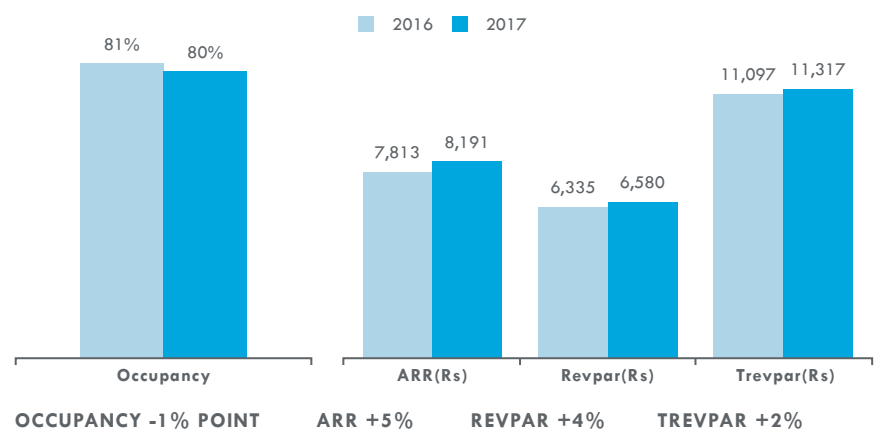
GROUP ABRIDGED STATEMENT OF CASH FLOWS

	30th June 2017	30th June 2016
	Rs 000	Rs 000
Net cash flows from operating activities	847,528	784,374
Net cash flows from investing activities	(43,107)	(811,778)
Net cash flows from financing activities	(584,149)	(3,974)
Net increase/(decrease) in cash & cash equivalents	220,272	(31,378)
Cash and bank balance		
At beginning of year	(293,881)	(262,503)
At end of year	(73,609)	(293,881)

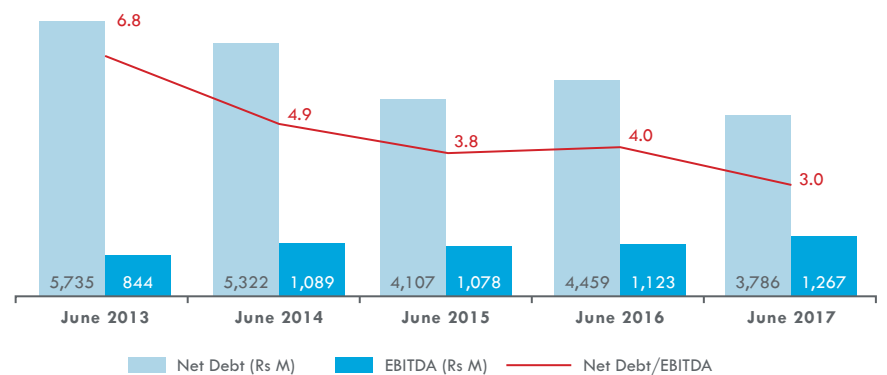
GROUP ABRIDGED STATEMENT OF CHANGES IN EQUITY

	30th June 2017	30th June 2016
	Rs 000	Rs 000
At beginning of year	6,007,393	5,712,769
Other movement in Equity	(7,747)	21,924
Total recognised gain	(46,620)	424,097
Issue of shares	9,834	5,993
Dividend	(171,381)	(157,390)
At end of year	5,791,479	6,007,393

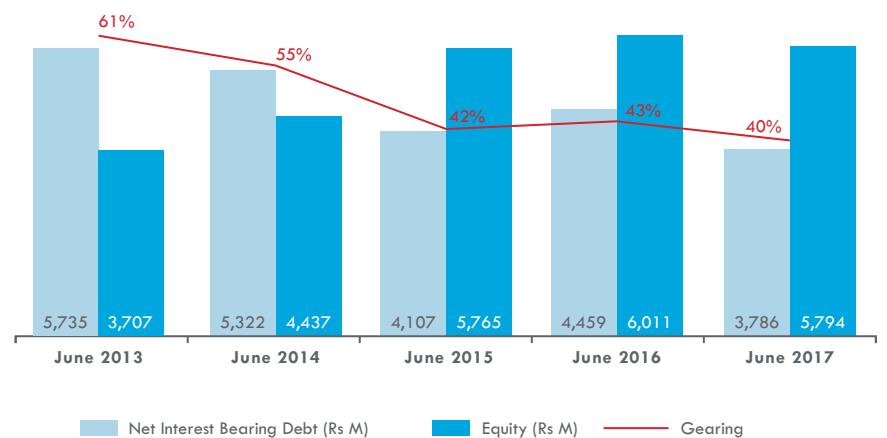
REVENUE PERFORMANCE



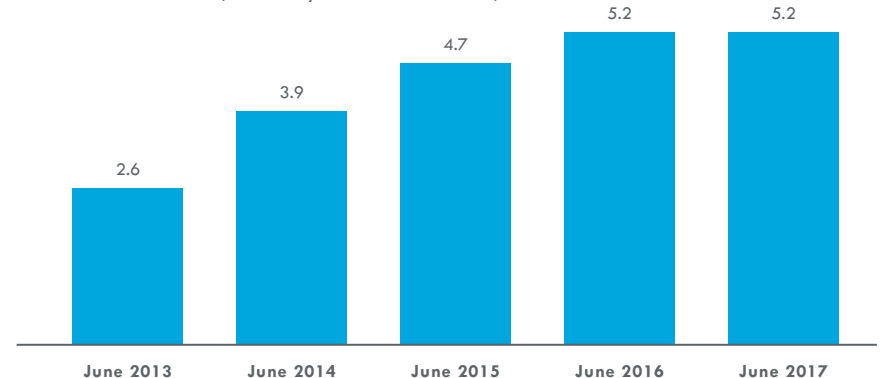
EVOLUTION OF NET DEBT, EBITDA AND NET DEBT/EBITDA RATIO



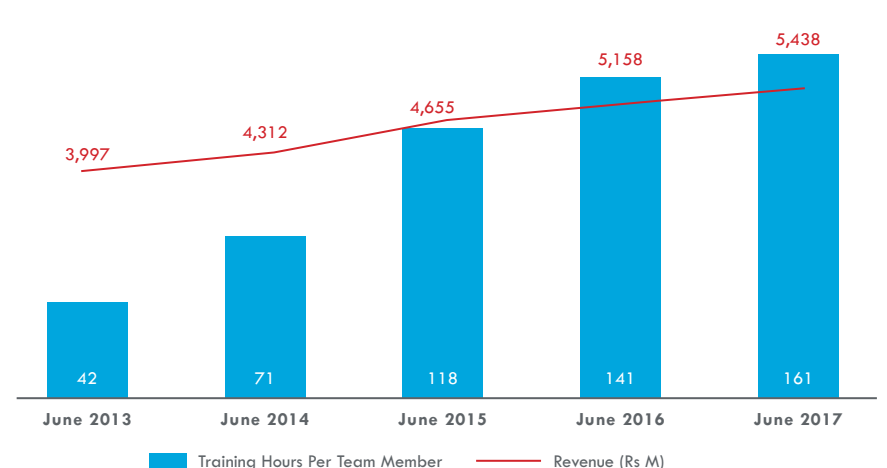
EVOLUTION OF EQUITY, NET DEBT AND GEARING



INTEREST COVER (EBITDA/FINANCE COST)



REVENUE AND TRAINING HOURS PER TEAM MEMBER



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 year ended 30 June, 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.

TRAINING HOURS PER TEAM MEMBER	ARR	TOTAL REVENUE	ATTRIBUTABLE PROFIT	EARNINGS PER SHARE	DIVIDEND PER SHARE
+14%	+5%	+5%	+23%	+23%	+9%
2016: 141 hrs 2017: 161 hrs	2016: Rs 7,813 2017: Rs 8,191	2016: Rs 5.16bn 2017: Rs 5.44bn	2016: Rs 419m 2017: Rs 515m	2016: Rs 3.06 2017: Rs 3.75	2016: Rs 1.15 2017: Rs 1.25

OVERVIEW

The Group results for the financial year ended 30th June 2017 were influenced by the following:

- the sale and lease back of Tamassa hotel to Grit (previously Mara Delta) resulting in a gain of Rs 195m on disposal of property, plant and equipment
- the unfavorable exchange rates, notably the GBP following the Brexit vote
- the closure for renovation of LUX* South Ari Atoll in Maldives during the months of July and August 2016 and the closure of LUX* Grand Gaube for refurbishment as from May 2017. The total closure cost incurred on both renovations and accounted in the financial year under review amounted to Rs 165m.

Against the above background, the Group delivered commendable results for the year ended 30th June 2017 with Earnings per Share growing by 23% from Rs 3.06 to Rs 3.75. This performance is the result of the dedication, passion and energy of all our people, the strength of our brand as well as our relentless focus on delivering on our strategy. The Board would like to express its heartfelt gratitude to the 3,225 team members for their dedication in ensuring the continued growth and success of LUX* Group.

MARKET ENVIRONMENT

Tourist arrivals to Mauritius for the financial year ended 30th June 2017 increased by 9% to reach 1,314,622. Arrivals from Europe, our main market, increased by 12% on last year to reach 714,483. Our three main markets in Europe namely France, UK and Germany improved by 3%, 10% and 25% respectively. Arrivals from Asia increased by 7% on last year to 211,620 mainly due to the increase in arrivals from India which grew by 14%. Arrivals from China went down by 9% on last year to 78,862. The number of tourist arrivals in Maldives for the financial year ended 30th June 2017 amounted to 1,324,754, a growth of 6% on the corresponding period last year. The Chinese market, which remains the number one source market for the Maldives with 23% of the total number of arrivals, has however decreased by 9% to a total of 308,057.

With regard to Reunion Island, tourist arrivals to the destination increased by 16% on last year to 486,453.

GROUP RESULTS

Total revenue for the year under review reached Rs 5.4 billion, up by 5% on 2016 and EBITDA (Earnings before Interest Tax Depreciation and Amortization) amounted to Rs 1.3 billion, an improvement of 13% on last year. Depreciation and Amortization increased by Rs 15m or 3.4% on the prior year mainly due to the renovation of LUX* South Ari Atoll, and finance costs increased by Rs 27m due to interest on the loan contracted to finance

the renovation works. The interest cover for the year is still very healthy at 5.2 times. Attributable profit for the year improved by 23% to Rs 515m. In line with its policy to revalue its properties every three years, the Group revalued all its properties at 30th June 2017. The valuation exercise was carried out by a Chartered Valuer who used as basis the Open Market Value by reference to recent market transactions at arm's length as well as the cash flow generated by each property. The revaluation exercise resulted in a net decrease in the value of the properties of Rs 476m mainly due to the renovation of LUX* South Ari Atoll and LUX* Grand Gaube whereby part of the properties were demolished. Since the decrease in value represents the reversal of a revaluation surplus of the same assets recognised in prior years, the decrease has been accounted as a movement in Other Comprehensive Income. Other movements in Other Comprehensive Income are explained by the translation of foreign subsidiaries and foreign currency loans.

Total net interest bearing debt as at 30th June 2017 amounted to Rs 3.8 billion compared to Rs 4.5 billion last year, a net decrease of Rs 700 million. The gearing of the Group at 30 June 2017 stood at 40% compared to 43% a year ago and continues to be well below the industry average.

The Net Asset Value per share as at 30th June 2017 decreased by Rs 1.64 to Rs 42.24 due to the write down following the revaluation carried out at end of year. This value increases to Rs 54.97 if the market value of leasehold land of the Group is taken into consideration.

LUX* STRATEGY - VISION 2020

Since we launched the LUX* brand in December 2011, the brand has grown consistently both in strength and attractiveness, offering distinctive and imaginative hospitality experiences that have become over the years the very hallmark of LUX*. We aim to continue to inspire, surprise and delight both our guests and owners, whilst ensuring alignment of the key hospitality metrics with the international benchmarks.

Over the last few years, we have built our Strategy around 2 poles:

- 1) The reinforcement of the Indian Ocean (the Core); consolidating the foundation for success in our legacy base, through uplifting our owned assets, whilst continuing to strengthen our competitive advantage,

and securing third-party hotel management contracts

- 2) The growth around and beyond the Core, by planting the seeds for global expansion

“Our ambition within the next 3 years is to at least double both the number of hotels managed, as well as the key regions where LUX* will be present”

As we embark on our VISION 2020 Strategic Plan, we will continue to invest in the uplift of our properties, whilst pursuing our geographical expansion, extending our brand presence across the Indian Ocean, China, South East Asia, Europe, Middle East and Africa. Our ambition within the next 3 years is to increase substantially both the number of hotels managed, as well as the key regions where LUX* will be present.

KEY INDICATORS:



To date, our pipeline of third-party Hotel Management Contracts includes 6 in China, 1 in South East Asia, 1 in the Indian Ocean, 1 in the Middle East, and 2 in Europe/ Eastern Mediterranean.

In order to support our growth ambition, we are consolidating our current organisational structure, to maximise effectiveness and respond in a timely way to all Business Development opportunities. We are confident that this will leverage our efforts towards achieving our VISION 2020 Strategy.

OUTLOOK

Although the Global Economic Environment remains uncertain, it is encouraging to note that tourist arrivals are increasing in the destinations where we are operating.

The renovation of LUX* Grand Gaube is progressing well with an expected opening on the 1st December 2017. This spectacular new resort will contribute positively to the results of the group.

Business currently held for the first quarter ending September 2017 is showing good growth on last year across all properties. With the Maldives fully open for business this year compared to the closure last year and notwithstanding the closure of LUX* Grand Gaube this year, we anticipate good growth in EBITDA.

By order of the Board

LUX Hospitality Ltd
Company Secretary

25th August 2017.

“The Board would like to express its heartfelt gratitude to the 3,225 team members for their dedication in ensuring the continued growth and success of LUX* Group”

“The Group delivered commendable results for the year ended 30th June 2017 with Earnings per Share growing by 23% from Rs 3.06 to Rs 3.75”