

GROUP ABRIDGED STATEMENT OF COMPREHENSIVE INCOME

	Quarter to 31st December		Half year to 31st December		Year ended
	2015 Rs 000 (Un-audited)	2014 Rs 000 (Un-audited)	2015 Rs 000 (Un-audited)	2014 Rs 000 (Un-audited)	30th June 2015 Rs 000 (Audited)
Continuing Operations					
Revenue	1,542,411	1,365,733	2,584,803	2,231,756	4,655,096
Earnings before Interest, Tax, Depreciation and Amortisation	490,614	418,280	599,093	475,919	1,052,389
Depreciation and amortisation	(105,982)	(88,658)	(208,735)	(172,586)	(372,813)
Operating profit	384,632	329,622	390,358	303,333	679,576
Net finance costs	(56,809)	(68,940)	(108,695)	(136,537)	(234,940)
Share of results of associate	-	6,329	-	5,326	5,326
Profit before income tax	327,823	267,011	281,663	172,122	449,962
Taxation	(38,226)	(27,389)	(31,826)	(20,980)	(63,629)
Profit after taxation from continuing operations	289,597	239,622	249,837	151,142	386,333
Result after tax from discontinued operation	-	-	-	-	(11,233)
Profit for the period	289,597	239,622	249,837	151,142	375,100
Non-controlling interest	(622)	(5,348)	(233)	(7,064)	(7,064)
Profit attributable to the group	288,975	234,274	249,604	144,078	368,036
Other comprehensive income					
Movement for the period			1,246	164,424	164,821
Total recognised gain			250,850	308,502	532,857
Basic - Earnings per share	2.11	2.06	1.82	1.27	3.03
Average number of shares	136,786,535	113,747,651	136,786,535	113,747,651	125,123,593
SEGMENTAL INFORMATION					
Segment revenue:					
Mauritius	1,020,079	690,957	1,701,214	1,068,903	2,578,507
Maldives	337,309	409,855	576,330	741,568	1,509,034
Reunion	185,023	264,921	307,259	421,285	567,555
Total revenue	1,542,411	1,365,733	2,584,803	2,231,756	4,655,096
Segment results:					
Mauritius	334,100	200,121	377,954	165,026	419,086
Maldives	29,617	87,841	1,966	118,716	273,859
Reunion	20,915	41,660	10,438	19,591	(13,369)
Results before net finance costs	384,632	329,622	390,358	303,333	679,576

GROUP ABRIDGED STATEMENT OF FINANCIAL POSITION

	31st December 2015 Rs 000 (Un-audited)	31st December 2014 Rs 000 (Un-audited)	30th June 2015 Rs 000 (Audited)
ASSETS			
Non current assets			
Property, plant & equipment	9,276,174	9,276,168	9,119,335
Intangible assets	1,467,419	1,527,255	1,475,084
Other financial assets	5	5	5
Deferred tax assets	44,519	48,798	44,732
	10,788,117	10,852,226	10,639,156
Current assets	1,342,730	1,237,266	973,853
TOTAL ASSETS	12,130,847	12,089,492	11,613,009
EQUITY AND LIABILITIES			
Shareholders' interest	6,038,310	5,767,723	5,763,386
Non-controlling interest	2,000	3,744	1,767
Non-current liabilities	3,602,051	3,992,341	3,803,187
Current liabilities	2,488,486	2,325,684	2,044,669
TOTAL EQUITY AND LIABILITIES	12,130,847	12,089,492	11,613,009
Net Assets per Share	Rs. 44.10	42.25	42.13
Net Assets per Share including value of leasehold land	Rs. 58.91	57.10	57.07

GROUP ABRIDGED STATEMENT OF CASH FLOWS

	31st December 2015 Rs 000	31st December 2014 Rs 000	30th June 2015 Rs 000
Net cash flows from operating activities	349,196	313,637	813,106
Net cash flows from investing activities	(364,853)	(192,985)	(345,442)
Net cash flows from financing activities	(37,768)	(281,879)	(632,390)
Net decrease in cash & cash equivalents	(53,425)	(161,227)	(164,726)
Cash and bank balance			
At beginning of period	(262,503)	(97,777)	(97,777)
At end of period	(315,928)	(259,004)	(262,503)

ABRIDGED STATEMENT OF CHANGES IN EQUITY

	31st December 2015 Rs 000	31st December 2014 Rs 000	30th June 2015 Rs 000
At beginning of period	5,763,386	4,313,262	4,313,262
Other adjustments	18,081	-	(90,099)
Total recognised gain	250,850	144,078	1,144,153
Issue of shares	5,993	-	532,857
Dividend	-	-	(136,787)
At end of period	6,038,310	4,457,340	5,763,386

Commentary

Tourist arrivals to Mauritius for the quarter ended 31st December 2015 amounted to 347,968, up by 11% on the corresponding quarter last year. Arrivals from Europe increased by the same percentage and our main markets namely France, UK and Germany increased by 3%, 7% and 31% respectively. The Chinese market continues to perform very well with arrivals for the quarter under review reaching 18,545, up by 46% on last year. In the Maldives, the number of visitors for the quarter under review reached 314,971, up by 4% on the last year.

For the semester ended 31st December 2015, tourist arrivals to Mauritius amounted to 617,541, an increase of 13% on last year, whilst in the Maldives the number of tourists grew by 4% to reach 625,171.

Group Results

The statutory results of Lux Island Resorts Ltd (LIR) for the quarter under review are not comparable with those of last year due to the consolidation of Oceanide Limited, the Company which owns and operates Tamassa hotel, as a subsidiary as from 1st January 2015 and disposal of Hôtel Le Récif in Reunion Island.

Despite the ongoing challenges in some markets coupled with the partial closure of LUX* South Ari Atoll Maldives (25% of its inventory), the Group delivered commendable results with both turnover and EBITDA showing very good progress on last year. These results have been achieved thanks to the performance of our Mauritius properties which have posted for the quarter under review record turnover and EBITDA.

The Group occupancy for the quarter was up by 3% points on the corresponding quarter last year to reach 83% and the ADR (Average Daily Rate) improved by 16%. The increase in occupancy coupled with the increase of 16% in ADR, resulted in an increase of 21% in the Group's RevPAR (Room Revenue per Available Room) for the quarter compared to last year. Total revenue for the quarter under review reached Rs 1.5bn up by 13% on the corresponding quarter last year (on a like for like basis 8%) whilst EBITDA (Earnings before Interest Tax Depreciation and Amortisation) went up by 17% (on a like for like basis 14%) to reach Rs 491m. Net finance costs decreased by Rs 12m as a result of reduced borrowings and conversion of the Convertible Bonds into equity. Profit attributable to the Group for the quarter increased by 23% to Rs 289m.

The turnover of the Group for the six months to 31st December 2015 reached Rs 2.6bn, a growth of 16% on last year (on a like for like basis 10%) whilst EBITDA improved by 26% (on a like for like basis 18%) from Rs 476m to Rs 599m. Earnings per share (EPS) for the six months ended 31st December 2015 reached Rs 1.82 an increase of 43% on last year calculated on the average number of shares in issue during the respective periods.

The table below summarizes the performance of our hotels by destination compared to corresponding period last year:

Quarter to 31 st December 2015				Semester ended 31 st December 2015				
Mauritius	Reunion	Maldives	The Group		Mauritius	Reunion	Maldives	The Group
+6%	-	-11%	+3%	Occupancy (points)	+6%	+6%	-10%	+5%
+21%	+1%	+8%	+16%	ADR	+18%	-4%	+4%	+9%
+30%	+1%	-5%	+21%	Rev PAR	+27%	+5%	-8%	+17%

In December 2015, Bond holders holding 599,580 have exercised their rights to convert their bonds into ordinary shares. Pursuant to the listing particulars dated 25 October 2010 and based on a conversion ratio of 0.205, the Company has issued 122,868 new ordinary shares. The number of shares in issue has therefore increased from 136,786,535 to 136,909,403. The number of Convertible Bonds outstanding after the conversion amounted to 1,857,460 representing a total value of Rs 18,574,600.

The gearing of the Group at 31st December 2015 improved by 1% point to 41% and is well below the industry average. The Net Assets per share as at the same date was Rs 44.10 compared to Rs 42.25 at the beginning of the financial year and would go up to Rs 58.91 if the market value of leasehold land of the Group was taken into consideration.

Management Contracts

In line with our strategy to expand our footprint to become a global hospitality management company through the acquisition of management contracts which will ensure our long term growth, we have signed our first management contract in Europe namely in Turkey. The resort hotel will comprise of 60 rooms and residences and is located on a superb peninsula site in Bodrum. The hotel should open in 2017 and will be known as LUX* Bodrum.

The second hotel of 30 rooms managed by LUX* in China namely LUX* Tea Horse Road Benzilan was opened on 19 January 2016.

At time of this report, the Group has signed long term management contracts with third party owners for 657 rooms which will open by end 2017. We are also in discussions with a number hotel owners for the development and management of five-star hotels representing another 250 rooms. Shareholders will be informed as and when the contracts are signed.

Project Development

The first phase of the renovation of LUX* South Ari Atoll in Maldives, which involved the remodeling of 49 water villas and the food & beverage facilities, has been completed on 10th December 2015 and the hotel is now fully operational. The renovation of all remaining water villas, rooms and public areas will be carried out between June and August 2016 and the hotel will be closed during that period.

Outlook

The Global Economic Environment remains volatile and uncertain. We are however encouraged by the increase in arrivals in Mauritius as a result of the various initiatives undertaken by the Government and the increased number of airline seats. In fact, a number of new air services commenced during the quarter under review in December 2015, namely Lufthansa, Austrian Airlines and Turkish Airlines. In addition, we are delighted with the announcement made by Government to set up the air corridor between Mauritius and Singapore which will no doubt result in strong growth in both the Chinese and South East Asian markets.

We are pleased to report that both occupancy and ADR held on the books for the current quarter for our Mauritius properties are ahead of last year. Concerning Maldives, although arrivals to the destination are increasing, we have noted lately a slowdown in some markets. As regards to our hotel in Reunion Island, its performance is at par with last year. Therefore, providing there is no significant deterioration in the environment, we are confident that the results for the third quarter should improve on last year.

By order of the Board
LUX Hospitality Ltd
Company Secretary
12th February 2016.

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, 2015, except for the adoption of relevant amendments to published Standards, Standards and Interpretations issued and effective for accounting period starting on July 1, 2015.
- 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.