

FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED MARCH 31, 2019

Air Mauritius Group and Company results

For the year ended March 31, 2019, the Group and the Company recorded losses of Eur 29.0 million and Eur 21.7 million respectively as compared to profits of Eur 4.9 million and Eur 4.5 million in the previous year.

The number of passengers carried went up by 1.7% to reach 1,724,231 while the number of seats offered, increased by 1.6%. However the combined effect of a lower Passenger Load Factor from 78.9% to 78.4% and the erosion of 4 % in passenger yield caused the operating revenue to drop by 2.2% from Eur 509.6M to Eur 498.5M. On the other hand, operating expenses increased by 8.1% from Eur 464.7M to Eur 502.3M mainly due to higher fuel costs, labour costs and lease of new aircraft.

Shareholders' Funds

Total Shareholders' Funds for the Company decreased from Eur 87.9 million as at 31 March 2018 to Eur 58.6 million as at March 31, 2019. The resulting net assets per share as at March 31, 2019 was Eur 0.57 (Rs 22.39) as compared to Eur 0.86 (Rs 35.50) as at March 31, 2018.

Outlook

The current year, which is another transition year, remains as complex as the previous one. Financial restructuring and the new business model remain a topmost priority while sustaining the operational performance and improving the product and service.

The entry into service of the first and second Airbus A 330neo in April and June respectively, the refurbishment of the cabins

of the two Airbus A 340s and the entry into service of the third and fourth Airbus A 350's at the end of the year, constitute major improvements in the fleet and product, and will improve the Company's operational efficiency.

These significant investments are being made against a backdrop of economic uncertainty with trade wars and tensions in the major world economies. The price of fuel and exchange rates are expected to remain volatile with possible negative impact from the current quarter itself.

Air Mauritius remains confident that the initiatives taken and those to come will allow the Company to chart a new course for its future.

In this context, the Company has reiterated that its national mission must be better supported. The first initiatives taken by the Board and unanimously approved by the shareholders indeed pave the way to the new business model.