



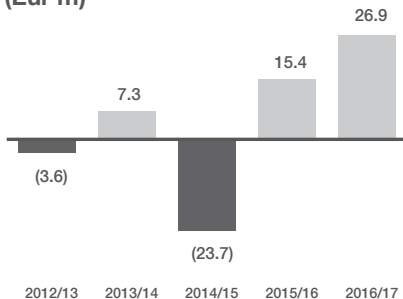
Results for financial year 2016/2017

1 April 2016 to 31 March 2017

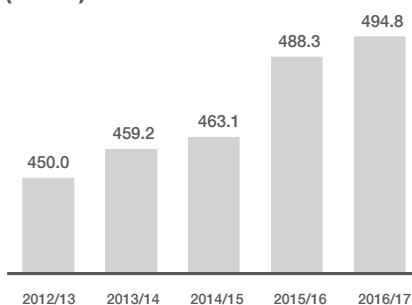
Record 26.9 million euros profit (Rs 1.06 billion)

Major investment programme in progress

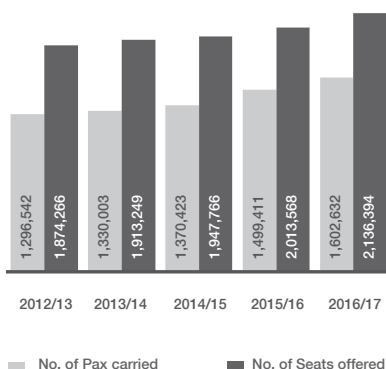
Net Profit / (Loss) for the Company (Eur m)



Operating Revenue (Eur m)



Number of passengers / Seats offered



19 June 2017. Air Mauritius announced a profit of 26.9 million euros (Rs 1.06 billion). This performance, the best ever posted by the Company since its incorporation, is up 67% as compared to the previous financial year when profit reached 15.4 million euros (Rs 649 million). This profit margin compares favourably with results of other IATA (International Air Transport Association) member companies.

Total equity increased to 91.2 million euros at 31st March 2017, against 82.5 million at 31st March 2016.

Operating indicators up, except for yield

The number of seats provided over the network increased by 6.1% to 2,136,394 and the number of passengers carried increased by 6.9% to 1,602,632; which resulted in a 1.3% increase in revenue to 494.8 million euros (Rs19.5 billion). These results are a record for the Company. The Passenger Load Factor is up one point to 79.6%.

The only disappointment is the 6.9% drop in yield that slid to 255 euros, from 270 euros in the previous year. This is mostly due to the fierce competition that prevailed during the year.

Context influenced by strong competition

The two most significant factors that usually impact company performance, the price of oil and the euro/dollar exchange rate, remained stable throughout the financial year. However, the volatility of these factors remains a cause for concern and requires a close monitoring given their potential impact on results.

The competitive environment reached unprecedented levels, influencing ticket prices. Pricing below cost is not sustainable in the long run.

Outlook for the upcoming financial year

Air Mauritius had a flying start in the beginning of the new financial year with the celebrations of its 50th anniversary on 14 June. We are organising a series of events and outreach programmes for our employees, clients, travel, tourism and freight partners, and institutional partners. This is also an opportunity to gain insight from the past 50 years in order to plan for the future. This future is being shaped now with a massive investment programme in our aircraft, our products and in the training of our employees. The Company recently announced that it was spurring up its fleet renovation programme with the addition of two new Airbus A330-900neo next year. This adds to the six new A350 already ordered that will be equipped with modern seats, new in-flight entertainment programme, on-board Wi-Fi, similar to those available on the A350. Moreover, the cabins of two A340, two A330 and two A319 will also undergo refurbishment leading to an alignment of the standard of equipment across the fleet. Meanwhile, the airline's network is being reinforced with enhanced services to London, to Singapore as part of our Air Corridor programme, the introduction of new operations to Amsterdam, the launch of seasonal flights to Geneva in addition to the launch of twice-daily service to Pierrefonds, Reunion Island. The Company is also revisiting its service to China with a view to consolidating it.

The combined investments in aircraft, products and destinations will reinforce Air Mauritius' positioning among the elite. While this programme weighs heavily on the Company's finances, it is a precondition to its sustainability. It also means that the Company is committed to delivering profitability and results in the coming years by adding momentum to its sales force and by abiding to tight cost control processes. These programmes are the main focus of the Board of Directors, management and all the teams in this year where Air Mauritius celebrates its 50th anniversary.