



(File No. 3886)
Business Registration No : C06003886
Incorporated in the Republic Of Mauritius

SUN RESORTS LIMITED

Unaudited Abridged Financial Statements

for the quarter and nine months ended 30 September 2014

The Group unaudited results for the quarter and nine months ended 30 September 2014 are as follows:

	THE GROUP			
	Quarter ended 30 September		Nine months ended 30 September	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
Revenue	815,052	687,248	2,780,125	2,657,928
Other operating income	37,992	5,280	75,961	30,155
Total revenue	853,044	692,528	2,856,086	2,688,083
Total expenses	(970,244)	(892,807)	(2,929,707)	(2,818,793)
Operating loss	(117,200)	(200,279)	(73,621)	(130,710)
Finance costs	(81,561)	(94,563)	(246,677)	(278,357)
Finance income	1,988	1,859	5,033	3,556
Loss before tax and exceptional items	(196,773)	(292,983)	(315,265)	(405,511)
Restructuring, Branding and Transaction Costs	(76,562)	-	(76,562)	-
Loss before tax	(273,335)	(292,983)	(391,827)	(405,511)
Income tax credit	38,901	47,129	58,600	67,320
Loss for the period	(234,434)	(245,854)	(333,227)	(338,191)
Other comprehensive income net of tax	111,692	(44,620)	130,651	5,074
Total comprehensive income	(122,742)	(290,474)	(202,576)	(333,117)
Loss attributable to:				
Owners of the Company	(233,677)	(245,869)	(332,500)	(338,236)
Non-controlling interests	(757)	15	(727)	45
	(234,434)	(245,854)	(333,227)	(338,191)
Total comprehensive income attributable to:				
Owners of the Company	(121,985)	(290,489)	(201,849)	(333,162)
Non-controlling interests	(757)	15	(727)	45
	(122,742)	(290,474)	(202,576)	(333,117)
Loss per share (Rs)	(2.49)	(2.62)	(3.54)	(3.61)

	THE GROUP			
	Quarter ended 30 September		Nine months ended 30 September	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
Geographical revenue:				
Mauritius	681,144	505,195	2,092,162	1,851,108
Maldives	93,442	96,725	421,574	449,883
Others	78,458	90,608	342,350	387,092
Total revenue including other operating income	853,044	692,528	2,856,086	2,688,083
Geographical results:				
Mauritius	(191,759)	(201,913)	(337,571)	(344,756)
Maldives	(28,357)	(35,149)	29,928	26,581
Others	(14,318)	(8,792)	(25,584)	(20,016)
Loss for the period	(234,434)	(245,854)	(333,227)	(338,191)
Segment revenue:				
Hotel operations - External sales	766,332	594,191	2,479,637	2,287,036
Hotel operations - Inter-segment sales	58,627	67,165	253,406	291,817
	824,959	661,356	2,733,043	2,578,853
Real estate	8,254	7,729	34,099	13,955
Others - External sales	78,458	90,608	342,350	387,092
Elimination of inter-segment sales	(58,627)	(67,165)	(253,406)	(291,817)
Total revenue including other operating income	853,044	692,528	2,856,086	2,688,083
Segment results:				
Hotel operations	(221,797)	(239,041)	(316,372)	(321,485)
Real estate	1,681	1,979	8,729	3,310
Others	(14,318)	(8,792)	(25,584)	(20,016)
Loss for the period	(234,434)	(245,854)	(333,227)	(338,191)

	THE GROUP	
	30 Sep 2014	31 Dec 2013
	Rs'000	Audited Rs'000
ASSETS		
Non-current assets		
Property, plant and equipment	9,671,566	9,765,724
Operating equipment	138,272	147,980
Intangible assets	1,567,142	1,521,158
Other investments	10,591	10,591
Leasehold rights and leasehold land prepayments	191,289	198,737
Other financial assets	103,533	165,876
	11,682,393	11,810,066
Current assets	1,088,614	1,195,624
Total assets	12,771,007	13,005,690
EQUITY AND LIABILITIES		
Shareholders' equity	5,176,128	5,377,977
Non-controlling interests	866,196	1,773
Total equity	6,042,324	5,379,750
Interest-bearing loans and borrowings	3,702,676	3,796,198
Deferred tax liability	469,950	532,099
Employee benefit liability	136,110	113,593
Non-current liabilities	4,308,736	4,441,890
Current liabilities	2,419,947	3,184,050
Total liabilities	6,728,683	7,625,940
Total equity and liabilities	12,771,007	13,005,690

	THE GROUP	
	Nine months ended 30 September	
	2014 Rs'000	2013 Rs'000
Cash generated from operations	254,809	237,716
Income taxes paid	(12,003)	(11,221)
Net cash flows from operating activities	242,806	226,495
Net cash flows from investing activities	802,694	78,665
Net cash flows used in financing activities	(760,781)	(402,455)
Net increase / (decrease) in cash and cash equivalents	284,719	(97,295)
Cash and cash equivalents at 1 January	(239,119)	(368,880)
Net cash and cash equivalents at 30 September	45,600	(466,175)

	THE GROUP		
	Shareholders' equity	Non-controlling interests	Total equity
	Rs'000	Rs'000	Rs'000
At 1 January 2013	5,470,736	1,773	5,472,509
Total comprehensive income for the nine months	(333,162)	45	(333,117)
At 30 September 2013	5,137,574	1,818	5,139,392
At 1 January 2014	5,377,977	1,773	5,379,750
Issue of Shares to Non Controlling Interest	-	865,150	865,150
Total comprehensive income for the nine months	(201,849)	(727)	(202,576)
At 30 September 2014	5,176,128	866,196	6,042,324

Notes to the above:

(i) The Group's statements for the quarter and nine months ended 30 September 2014 have been prepared using the same accounting policies and methods adopted in the audited financial statements for the year ended 31 December 2013 except for changes in standards and interpretations adopted by the Group during the period. However, none of these changes have had an impact on the reported financial position or results of the Group.

The interim financial statements have been prepared in accordance with IAS 34 Interim Financial Statements.

(ii) The Group's principal activity is in the hospitality industry. Hence, performance is subject to seasonality and varies significantly from quarter to quarter. Therefore, in respect of interim reporting, the results in the first and last quarters of each year are significantly higher than the other two quarters, as they relate to the high season.

(iii) The results for the quarter and nine months ended 30 September 2014 consolidate real estate sales relating to IHS rooms at Long Beach.

1. Comments on Results

Tourist arrivals to Mauritius and Maldives during this quarter registered growth of 5.5% and 7.5% respectively against same quarter of last year.

Against this more positive background, the Group has kept its momentum from the second quarter's good performance and continues to strengthen its commercial position on the market with the new pricing strategy implemented at the beginning of the year. Occupancy reached 67.4% in this quarter from 54.8% in the corresponding quarter of 2013 as the Group captured significant market share. This significant improvement in occupancy generated a growth of 18.2% in RevPAR in this quarter, as all Mauritian resorts posted double-digit growth. Group's revenues grew by 23% against same quarter of last year to reach Rs 853 million. In the Maldives, the lower than expected performance of our resort's traditional markets affected its results, which were mitigated by costs containment measures. With the improvement in the top line, the Group reduced its operating loss from Rs 200 million to Rs 117 million in this quarter. In spite of one-off items totalling Rs 76.6 million in respect of restructuring, branding and Shangri-La's transactions costs, loss after tax at Rs 234 million was 5% better than the same quarter of last year. On a like-for-like basis, the Group's loss before tax and exceptional items amounted to Rs 196.8 million in the quarter against Rs 293.0 million for 2013, hence an improvement of 33%.

2. Transactions Update

Shangri-La's Le Touessrok

The partnership with Shangri-La has been finalised in August 2014. During the current transition period, Management is working with the Shangri-La team to ensure a smooth handover of the activities. Moreover, the refurbishment plans for the resort are progressing satisfactorily.

Four Seasons Resort Mauritius at Anahita

Following the approval of the Board of Directors of SRL, in respect of the acquisition of 50% shareholding in Anahita Hotel Ltd (which owns the Four Seasons Resort Mauritius) from Alteo Ltd for a consideration of Rs 926.4 million, a Special Meeting will be held on 1 December 2014 to approve the said acquisition.

3. Rights Issue

The Listing Executive Committee of the Stock Exchange of Mauritius has given its approval to a proposed rights issue of up to 33,333,333 new Ordinary Shares at an issue price of Rs 36.00 per share for a maximum amount of Rs 1.2 billion. The new shares will be issued in the ratio of 0.355361 new Ordinary Shares for every one (1) Ordinary Share held rounded to the lowest integer when fractions occur. Shareholders of SRL will be convened to vote on the rights issue at a Special Meeting to be held on 1 December 2014.

4. Short Term Outlook

The significant growth in revenues achieved during the last two quarters is encouraging and driving an improved year on year performance. Current booking pace looks promising and Management expects this trend to continue in the next quarter.

By Order of the Board

CIEL Corporate Services Ltd
Company Secretary

12 November 2014

This announcement is issued pursuant to Listing Rule 12.20 and the Securities Act 2005.

The Board of Directors of Sun Resorts Limited accepts full responsibility for the accuracy of the information contained in this report.

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 is available upon request from the Secretary, free of charge at CIEL Corporate Services Ltd, Ebène Skies, Ebène, Mauritius.

Copies of this report are available to the public, free of charge, at the Registered Office of the Company.

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