



SUN LIMITED Abridged Financial Statements (unaudited) for the quarter and half year ended 31 December 2015

All figures in Rs'000 unless otherwise mentioned.

Consolidated Statement of Profit or Loss and other Comprehensive Income (Abridged)	THE GROUP			
	Quarter ended 31 December		Half-Year ended 31 December	
	2015	2014	2015	2014
Revenue	1,516,603	1,429,350	2,300,644	2,244,401
Other operating income	50,632	8,134	60,280	41,653
Total revenue	1,567,235	1,437,484	2,360,924	2,286,054
Earnings Before Interests, Taxation, Depreciation and Amortisation (EBITDA)	412,284	462,576	376,384	434,249
Depreciation and amortisation	(113,220)	(79,698)	(190,709)	(168,567)
Operating Profit	299,064	382,878	185,675	265,682
Finance costs	(117,117)	(73,013)	(217,888)	(154,574)
Finance income	2,736	2,896	4,466	4,884
Share of (loss)/profit of Associate	(420)	30,524	(3,522)	30,524
Profit/(Loss) before tax and non-recurring items	184,263	343,285	(31,269)	146,516
Closure, relaunch and rebranding costs	(179,444)	(17,711)	(348,846)	(94,273)
Profit/(Loss) before tax	4,819	325,574	(380,115)	52,243
Income tax (expense)/credit	(171)	(43,991)	56,063	(5,090)
Profit/(Loss) for the period	4,648	281,583	(324,052)	47,153
Other comprehensive income net of tax	33,367	77,098	54,615	188,789
Total comprehensive income	38,015	358,681	(269,437)	235,942
Profit/(Loss) attributable to:				
Owners of the Company	26,965	265,189	(274,674)	31,516
Non-controlling interests	(22,317)	16,394	(49,378)	15,637
	4,648	281,583	(324,052)	47,153
Total comprehensive income attributable to:				
Owners of the Company	60,332	342,287	(220,059)	220,305
Non-controlling interests	(22,317)	16,394	(49,378)	15,637
	38,015	358,681	(269,437)	235,942
Earnings/(Loss) per share (Rs)	0.21	2.69	(2.15)	0.34

Consolidated Geographical and Segmental Information	THE GROUP			
	Quarter ended 31 December		Half-Year ended 31 December	
	2015	2014	2015	2014
Geographical revenue:				
Mauritius	1,445,441	1,086,345	2,174,369	1,768,670
Maldives	610	150,811	24,347	238,598
Others	121,184	200,328	162,208	278,786
Total revenue including other operating income	1,567,235	1,437,484	2,360,924	2,286,054
Geographical results:				
Mauritius	58,411	238,084	(302,004)	46,328
Maldives	(52,231)	13,741	961	(14,613)
Others	(1,532)	29,758	(23,009)	15,438
Profit/(Loss) for the period	4,648	281,583	(324,052)	47,153
Segment revenue:				
Hotel operations - External sales	1,446,051	1,221,759	2,189,490	1,983,617
Hotel operations - Inter-segment sales	82,467	132,097	111,750	190,726
	1,528,518	1,353,856	2,301,240	2,174,343
Real estate	-	15,397	9,226	23,651
Others - External sales	121,184	200,328	162,208	278,786
Elimination of inter-segment sales	(82,467)	(132,097)	(111,750)	(190,726)
Total revenue including other operating income	1,567,235	1,437,484	2,360,924	2,286,054
Segment results:				
Hotel operations	5,907	248,031	(303,479)	30,887
Real estate	273	3,794	2,436	828
Others	(1,532)	29,758	(23,009)	15,438
Profit/(Loss) for the period	4,648	281,583	(324,052)	47,153

Consolidated Statement of Financial Position (Abridged)	THE GROUP	
	31 Dec 2015	30 Jun 2015
	Unaudited	Audited
ASSETS		
Non-current assets		
Property, plant and equipment	15,442,903	14,818,170
Operating equipment	77,740	104,568
Intangible assets	1,855,342	1,800,789
Investments in Associates	812,481	815,092
Other investments	5,550	5,550
Leasehold rights and leasehold land prepayments	404,877	408,097
Other financial assets	124,594	129,702
	18,723,487	18,081,968
CURRENT ASSETS		
Stocks	220,380	192,139
Debtors and prepayments	1,249,718	644,192
Cash resources	303,621	317,008
Current assets	1,773,719	1,153,339
Total assets	20,497,206	19,235,307
EQUITY AND LIABILITIES		
Shareholders' equity	7,832,698	8,052,757
Non-controlling interests	812,289	861,667
Total equity	8,644,987	8,914,424
Interest-bearing loans and borrowings	5,849,866	4,344,350
Deferred tax liability	809,178	866,611
Employee benefit liability	200,343	190,056
Non-current liabilities	6,859,387	5,401,017
Current liabilities	4,992,832	4,919,866
Total liabilities	11,852,219	10,320,883
Total equity and liabilities	20,497,206	19,235,307
Total net interest bearing debt	8,768,839	6,918,364
Gearing	50.4%	43.7%

Notes to the above

(i) The Group's statements for the quarter ended 31 December 2015 have been prepared using the same accounting policies and methods adopted in the audited financial statements for the 18 months ended 30 June 2015 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 second and third quarters of each financial year are significantly higher than the other two quarters, as they relate to the high season.

Consolidated Statement of Changes in Equity (Abridged)

	THE GROUP			
	At 1 July 2014	Issue of shares to non-controlling interest	Total comprehensive income for the half year	At 31 December 2014
At 1 July 2014	6,720,351	-	220,305	6,940,656
Issue of shares to non-controlling interest	-	-	-	-
Total comprehensive income for the half year	-	-	15,637	15,637
At 31 December 2014	6,940,656	-	15,637	6,401,008
At 1 July 2015	9,484,787	-	-	9,484,787
Total comprehensive income for the half year	-	-	(49,378)	(269,437)
At 31 December 2015	9,264,728	(1,432,030)	812,289	8,644,987

Consolidated Statement of Cash Flows (Abridged)

	THE GROUP	
	2015	2014
Operating profit before working capital changes	84,748	373,811
Change in working capital	(851,584)	(47,262)
Net cash (used in) / generated from operations	(766,836)	326,549
Income taxes paid	(2,743)	(1,193)
Net cash flows (used in)/from operating activities	(769,579)	325,356
Net cash flows used in investing activities	(815,968)	(204,887)
Net cash flows from financing activities	1,550,519	69,162
Net (decrease)/increase in cash and cash equivalents	(35,028)	189,631
Cash and cash equivalents at 1 July	(281,506)	(92,667)
Net cash and cash equivalents at 31 December	(316,534)	96,964

Comments

Sun Limited's performance in the second quarter 2015-2016 was affected by significant non-recurring items (closure, re-launch and rebranding costs) despite high occupancy levels.

Second quarter highlights

In this quarter, the Group's performance was impacted by the closure of our Maldivian resort, the Kanuhura for renovation and by Shangri-La's Le Touessrok's part closure and re-launch. The latter reopened successfully on the 1st November 2015 and operated for most of the quarter at re-launch rates. Excluding these two luxury resorts, as well as the Four Seasons Resort at Anahita (consolidated in this quarter), like-for-like occupancy at the Group's Mauritius resorts reached 91.4%, a 5 percentage point gain over the same quarter last year.

Direct costs also increased significantly as a result of the coming into effect, at the beginning of 2015, of Government-mandated wage increases in the Mauritian tourism industry. This factor, coupled with the promotional rates applied to drive more volume business to the Sun Resorts' properties, has impacted our profitability.

Operating profit stood at Rs 299 million, compared to Rs 383 million in the same quarter last year. Furthermore, the Group accounted for significant non-recurring items of Rs 179 million: these include the closure costs of Kanuhura (Maldives) and Shangri-La's Le Touessrok, re-launch expenses of the latter and rebranding costs associated with "Sun Resorts".

Consequently, Sun Limited's profit before tax and non-recurring items was Rs 184 million in the quarter and profit after tax stood at Rs 4.6 million.

First half-year highlights

Sun improved its room occupancy by 4.5 percentage points. Our resorts' TRVPerPAR rose by 15% and the Group posted a 3% year-on-year revenue increase. On a like-for-like basis, resort revenue was up by 2%, with operating profit also, increasing by 3% to Rs 180 million against last year.

Net finance costs, up 42.6%, are mainly related to the financing of the acquisition and consolidation of Anahita Hotel Ltd (Four Seasons Resort) as a subsidiary in the first half-year. These costs, together with non-recurring items described above amounting to Rs 349 million, against Rs 94 million a year ago, drove Sun's results after tax into a loss of Rs 324 million, against a profit of Rs 47 million in the first half last year.

Outlook

Forward bookings for the coming quarter across all our resorts in Mauritius show substantial progress compared to last year. Although all resorts should be operating at relatively high occupancies and despite management's cost containment measures and yield optimization strategy, the positive impact thereof will not be felt until the next financial year.

By Order of the Board

CIEL Corporate Services Ltd
Company Secretary
12 February 2016

This announcement is issued pursuant to Listing Rule 12.20 and the Securities Act 2005. The Board of Directors of Sun 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, Ebene Skies, Ebene, Mauritius. Copies of this report are available to the public, free of charge, at the Registered Office of the Company.

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