



SUN LIMITED Abridged Financial Statements (unaudited) for the quarter and 9 months ended 31 March 2017

All figures in Rs'000 unless otherwise mentioned.

Consolidated Statement of Profit or Loss and other Comprehensive Income (Abridged)	THE GROUP			
	Quarter ended 31 March		9 Months ended 31 March	
	2017 Rs'000	2016 Rs'000	2017 Rs'000	2016 Rs'000
Revenue	1,804,802	1,538,547	4,712,086	3,880,631
Other operating income	36,721	1,339	45,579	19,931
Total revenue	1,841,523	1,539,886	4,757,665	3,900,562
Earnings before interests, taxation, depreciation and amortisation (EBITDA)	405,855	363,090	924,750	739,650
Depreciation and amortisation	(125,695)	(82,313)	(338,789)	(273,022)
Operating profit	280,160	280,777	585,961	466,628
Finance costs	(134,006)	(122,113)	(368,305)	(342,158)
Finance income	2,625	2,931	9,505	7,397
Share of results of associates	7,094	(22)	(1,399)	(3,543)
Profit/(Loss) before tax and exceptional items	155,873	161,573	225,762	128,324
Closure, marketing launch, restructuring, branding and transaction costs	-	(57,815)	(124,138)	(404,682)
Profit/(Loss) before tax	155,873	103,758	101,624	(276,358)
Income tax (expense)/credit	(31,826)	(15,519)	(21,804)	40,544
Profit/(Loss) for the period	124,047	88,239	79,820	(235,814)
Other comprehensive income net of tax	(35,033)	(50,703)	5,394	4,226
Total comprehensive income for the period	89,014	37,536	85,214	(231,588)
Profit/(Loss) attributable to:				
Owners of the Company	123,404	85,283	74,364	(189,392)
Non-controlling interests	643	2,956	5,456	(46,422)
	124,047	88,239	79,820	(235,814)
Total comprehensive income attributable to:				
Owners of the Company	78,417	34,580	69,804	(185,166)
Non-controlling interests	10,597	2,956	15,410	(46,422)
	89,014	37,536	85,214	(231,588)
Basic earnings/(Loss) per share (Rs)	0.97	0.67	0.59	(1.49)

Consolidated Geographical and Segmental Information	THE GROUP			
	Quarter ended 31 March		9 Months ended 31 March	
	2017 Rs'000	2016 Rs'000	2017 Rs'000	2016 Rs'000
Geographical revenue:				
Mauritius	1,621,429	1,409,991	4,267,701	3,565,322
Maldives	105,263	6,232	140,644	30,579
Others	114,831	123,663	349,320	304,661
Total revenue including other operating income	1,841,523	1,539,886	4,757,665	3,900,562
Geographical results:				
Mauritius	219,951	133,879	281,476	(78,105)
Maldives	(86,185)	(44,912)	(188,621)	(133,973)
Others	(9,719)	(728)	(13,035)	(23,736)
Profit/(Loss) for the period	124,047	88,239	79,820	(235,814)
Segment revenue:				
Hotel operations - External sales	1,726,692	1,416,223	4,408,345	3,586,675
Hotel operations - Inter-segment sales	86,650	86,788	250,504	217,327
Real estate	-	-	-	9,226
Others - External sales	114,831	123,663	349,320	304,661
Elimination of inter-segment sales	(86,650)	(86,788)	(250,504)	(217,327)
Total revenue including other operating income	1,841,523	1,539,886	4,757,665	3,900,562
Segment results:				
Hotel operations	133,325	88,773	92,318	(214,555)
Real estate	441	194	537	2,477
Others	(9,719)	(728)	(13,035)	(23,736)
Profit/(Loss) for the period	124,047	88,239	79,820	(235,814)

Consolidated Statement of Financial Position (Abridged)	THE GROUP	
	31 March 2017	30 June 2016
	Rs'000	Audited Rs'000
ASSETS		
Non-current assets		
Property, plant and equipment	16,830,038	15,883,066
Operating equipment	85,685	100,099
Intangible assets	2,067,292	2,050,820
Investments in associates	702,445	808,293
Other investments	147,300	5,550
Leasehold rights and leasehold land prepayments	387,139	396,471
Other financial assets	16,920	90,011
	20,236,819	19,334,310
Current assets	1,954,896	1,692,885
Total assets	22,191,715	21,027,195
EQUITY AND LIABILITIES		
Shareholders' equity	7,900,048	7,849,603
Non-controlling interests	811,899	796,489
Total equity	8,711,947	8,646,092
Borrowings	9,563,708	3,792,914
Deferred tax liability	649,383	655,566
Employee benefit liability	318,031	264,592
Non-current liabilities	10,531,122	4,713,072
Current liabilities	2,948,646	7,668,031
Total liabilities	13,479,768	12,381,103
Total equity and liabilities	22,191,715	21,027,195
Total net interest-bearing loans and borrowings	9,955,963	9,270,942
Gearing	53.3%	51.7%

Consolidated Statement of Changes in Equity (Abridged)	THE GROUP				
	Attainable to owners of the Company	Treasury shares	Shareholders' equity	Non-controlling interests	Total equity
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July 2015	9,574,649	(1,432,030)	8,142,619	861,667	9,004,286
Total comprehensive income for the period	(185,166)	-	(185,166)	(46,422)	(231,588)
At 31 March 2016	9,389,483	(1,432,030)	7,957,453	815,245	8,772,698
At 1 July 2016	9,281,633	(1,432,030)	7,849,603	796,489	8,646,092
Purchase of treasury shares	-	(19,359)	(19,359)	-	(19,359)
Total comprehensive income for the period	69,804	-	69,804	15,410	85,214
At 31 March 2017	9,351,437	(1,451,389)	7,900,048	811,899	8,711,947

Notes to the above

- The Group's financial statements for the quarter ended 31 March 2017 have been prepared using the same accounting policies and methods adopted in the financial Statements for year ended 30 June 2016, audited by Messrs. BDO & Co. Chartered Accountants, except for changes in standards and interpretations adopted by the Group during the period. However, none of the 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.

Comments on the results

Third quarter

Sun Limited reports total revenues of Rs 1.84 billion for the quarter, up by 19% compared to same quarter last year.

The Group achieved a 22% growth in Revenue per Available Room (RevPAR) to Rs 8,024, with Average Daily Rate (ADR) up 26% to Rs 9,754, reflecting the full impact of the new rate strategy across the SUN managed resorts.

Despite the substantial rate increase and the Easter seasonality falling in April this year, the resorts traded with a high occupancy of 82.3% (LY: 84.8%). As previously reported, Kanuhura Maldives re-opened in late December 2016 and was still in its initial stage of operation, thus adversely impacting the Group's bottom-line performance. Nevertheless, Group EBITDA increased by 12% over the prior year to reach Rs 406 million. With depreciation and amortisation significantly up by Rs 44 million, due to the recent renovations, operating profit of Rs 280 million was on par with last year's corresponding quarter. In the absence of non-recurring items compared to prior year, net profit after tax improved by 40% to Rs 124 million.

Year to date

SUN posted total revenues of Rs 4.8 billion for the nine months to date, representing an increase of 22% over the same period last year. This growth was driven by the combined effect of all group's resorts being in operations as from end of December 2016 and a significant rate improvement for the SUN managed resorts. Group's occupancy over the period was 80.5% (LY: 82.3%) with an ADR of Rs 8,344, representing a 23% increase on prior year. The increase in revenues resulted in the Group posting a 25% improvement in EBITDA to Rs 925 million and operating profit reaching Rs 586 million, up 26% compared to the same period last year. With non-recurring items relating to

the closure of Kanuhura receding significantly from Rs 405 million to Rs 124 million year to date, profit for the period was Rs 80 million compared to a loss of Rs 236 million last year.

Outlook

Despite forward bookings showing a slight improvement on previous year, the overall operating environment of the last quarter of the financial year will be challenging as we are entering the low season. Furthermore the financial results will be affected by the final renovation phase of the La Pirogue Resort due from early June to mid-August 2017 and by the current repositioning of Kanuhura as a five star deluxe hideaway.

Although the re-opening of the Kanuhura has met excellent guests' feedback, the performance of the resort will only start positively impacting the Group financial performance as from the second quarter of the 2017-2018 financial year.

Capital Base Strengthening

As announced on 26 April 2017, the Company is proposing to make a rights issue and a private placement totaling Rs 1.9 billion, subject to shareholders' and relevant regulatory authorities' approvals. This major transaction, if approved, will enable the Company to reduce its debt level and put itself in a better position to accelerate its organic growth, in line with its strategic plan.

By Order of the Board

CIEL Corporate Services Ltd
Company Secretary
11 May 2017

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

Registered Office
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Transfer Office
MCB Registry & Securities Ltd. Sir William
Newton Street, Port Louis