









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

SUN LIMITED Abridged Financial Statements for the quarter and nine months (unaudited) ended 31 March 2016

Consolidated Statement of Profit	THE GROUP				Concelidated Congraphical and	THE GROUP				
or Loss and other Comprehensive Income (Abridged)		uarter ended Nine Months end 31 March 31 March			Consolidated Geographical and Segmental Information		Quarter ended 31 March		Nine Months ended 31 March	
Revenue Other operating income	2016 Rs'000 1,538,547 1,339	2015 Rs'000 1,208,139 36,847	2016 Rs'000 3,838,943 61,619	2015 Rs'000 3,452,540 78,254	Geographical revenue: Mauritius	2016 Rs'000 1,421,509	2015 Rs'000 907,390	2016 Rs'000 3,595,630	2015 Rs'000 2,675,814	
Total revenue	1,539,886	1,244,986	3,900,562	3,530,794	Maldives	6,232	200,595	30,579	439,193	
Earnings Before Interests, Taxation, Depreciation and Amortisation (EBITDA) Depreciation and amortisation	363,068 82,313	234,787 84,758	739,450 273,022	669,037 253,325	Others Total revenue including other operating income	112,145 1,539,886	137,001 1,244,986	274,353 3,900,562	415,787 3,530,794	
Operating Profit Finance costs Finance income Share of (loss)/profit of associate	280,755 (122,113) 2,931 (22)	150,029 (75,930) 1,811 20,245	466,428 (340,001) 7,397 (3,544)	415,712 (230,504) 6,695 50,769	Geographical results: Mauritius Maldives Others	133,879 (44,912) (728)	35,267 58,127 (10,389)	(225,919) 13,841 (23,736)	81,595 43,514 5,050	
Profit before tax and non-recurring items	161,551	96,155	130,280	242,672	Profit/(Loss) for the period	88,239	83,005	(235,814)	130,159	
Closure costs and other non-recurring items	(57,793)	(7,942)	(406,638)	(102,215)						
Profit/(Loss) before tax Income tax (expense)/credit	103,758 (15,519)	88,213 (5,208)	(276,358) 40,544	140,457 (10,298)	Segment revenue: Hotel operations - External sales	1,427,741	1,097,209	3,616,983	3,080,580	
Profit/(Loss) for the period	88,239	83,005	(235,814)	130,159	Hotel operations - Inter-segment sales	75.269	107,779	187.019	298,503	
Other comprehensive income net of tax	(50,703)	358,911	3,912	548,023	riotet operations inter segment sales	1.503.010	1.204.988	3.804.002	3.379.083	
Total comprehensive income	37,536	441,916	(231,902)	678,182	Real estate	-	10,776	9,226	34,427	
Profit/(Loss) attributable to: Owners of the Company Non-controlling interests	85,283 2,956 88,239	84,309 (1,304) 83,005	(189,392) (46,422) (235,814)	115,826 14,333 130,159	Others - External sales Elimination of inter-segment sales Total revenue including other operating income	112,145 (75,269) 1,539,886	137,001 (107,779) 1,244,986	274,353 (187,019) 3,900,562	415,787 (298,503) 3,530,794	
Total comprehensive income attributable to: Owners of the Company Non-controlling interests	34,580 2,956 37,536	443,220 (1,304) 441,916	(185,480) (46,422) (231,902)	663,849 14,333 678,182	Segment results: Hotel operations Real estate Others	88,773 194 (728)	94,643 (1,249) (10,389)	(214,707) 2,629 (23,736)	130,026 (4,917) 5,050	
Earnings/(Loss) per share (Rs)	0.67	0.81	(1.48)	1.14	Profit/(Loss) for the period	88,239	83,005	(235,814)	130,159	
THE GROUP Consolidated Statement of Changes in Equity (Abridged)										

Editings/ (E033) per share (N3)		0.07	
Consolidated Statement of Financial Position (Abridged)	THE 6 31 March 2016	30 June 2015	
ASSETS Non-current assets	Unaudited Rs'000	Audited Rs'000	
Property, plant and equipment Operating equipment Intangible assets	15,606,808 61,147 1,825,083	14,818,170 104,568 1,800,789	
Investments in Associates Other investments Leasehold rights and leasehold land prepayments	812,458 5,550 402,016	815,092 5,550 408,097	
Other financial assets	106.874	129.702	
	18,819,936	18,081,968	
Current assets	2,012,354	1,153,339	
Total assets	20,832,290	19,235,307	
EQUITY AND LIABILITIES Shareholders' equity Non-controlling interests	7,867,277 815,245	8,052,757 861,667	
Total equity	8,682,522	8,914,424	
Interest-bearing loans and borrowings Deferred tax liability Employee benefit liability	5,560,677 822,029 199,587	4,344,350 866,611 190,056	
Non-current liabilities	6,582,293	5,401,017	
Current liabilities	5,567,475	4,919,866	
Total liabilities	12,149,768	10,320,883	
Total equity and liabilities	20,832,290	19,235,307	
Total net interest-bearing loans and borrowings	9,023,779	6,918,364	
Gearing	51.0%	43.7%	

Gearing	31.070	43.7 /0		
Consolidated Statement of Cash Flows (Abridged)	THE GROUP 9 Months ended 31 March			
Operating profit before working capital changes	2016 Rs'000 430,157	2015 Rs'000 641,921		
Change in working capital	(1,047,799)	(56,680)		
Cash (absorbed by) / generated from operations	(617,642)	585,241		
Income taxes paid	(5,327)	(1,381)		
Net cash flows (used in)/from operating activities Net cash flows used in investing activities Net cash flows from financing activities	(622,969) (1,098,557) 1,659,939	583,860 (289,773) 62,824		
Net (decrease)/increase in cash and cash equivalents Cash and cash equivalents at beginning of period	(61,587) (281,506)	356,911 (92,667)		
Net cash and cash equivalents at end of period	(343,093)	264,244		

Consolidated Statement of Changes in Equity (Abridged)

	THE GROUP				
	Attibutable to owners of the Company	Treasury shares	Non-controlling interests	Total equity	
	Rs'000	Rs'000	Rs'000	Rs'000	
At 1 July 2014	6,720,351	(1,422,238)	1,803	5,299,916	
Issue of shares to non-controlling interest	-	-	865,150	865,150	
Rights Issue	1,200,000	-	-	1,200,000	
Transaction costs on issue of shares	(2,268)	-	-	(2,268)	
Total comprehensive income for the nine months	663,849	-	14,333	678,182	
At 31 March 2015	8,581,932	(1,422,238)	881,286	8,040,980	
At 1 July 2015	9,484,787	(1,432,030)	861,667	8,914,424	
Total comprehensive income for the nine months	(185,480)		(46,422)	(231,902)	
At 31 March 2016	9,299,307	(1,432,030)	815,245	8,682,522	

Notes:

(i) The Group's statements for the quarter ended 31 March 2016 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.
- (iii)"like-for-like" basis in this quarter refers to the performance of the Group hotels excluding the Four Seasons Resort at Anahita which was first consolidated in the quarter ended 30 September 2015 and Kanuhura Resort & Spa which closed in August 2015 for renovation.

Comments

Third quarter highlights

Group revenues grew by 24% compared to the prior year with the consolidation of the Four Seasons Resort at Anahita, a wholly owned subsidiary since June 2015, being a significant factor behind this revenue growth. On a like-for-like basis for Sun Resorts branded hotels, excluding the Kanuhura Resort & Spa, which is under renovation, revenue was up 16% versus last year. This increase was also supported by an improvement of 21% in RevPAR to Rs 5,121 compared to last year.

Shangri-La's Le Touessrok Resort & Spa, which reopened on 1st November 2015, as well as good growth registered by all our Sun Resorts branded hotels which operated at occupancies above 90%, contributed positively to the Group's revenue growth. The average daily room rate reached Rs 7,762, up 34% versus the comparable quarter last year (or +18% on a like-for-like basis). Operating profit margin improved to 18.3% in this quarter whilst EBITDA margin rose by 23.6% to Rs 363 million.

The recent acquisitions and substantial renovation programs generated net financial costs of Rs 119.2 million from Rs 74.1 million in the quarter ended 31 March 2015. Profit before exceptional items stood at Rs 161.6 million compared to Rs 96.2 million in the same quarter last year.

The closure, re-launch marketing and rebranding expenses that heavily impacted the Group's profitability in the past three quarters stood at Rs 57.8 million for the quarter under review, lower than in Q1 (Rs 169.4 million) and in Q2 (Rs 179.4 million).

Profit after tax and non-recurrent items totalled Rs 88.2 million, 6% above last year's quarter.

Nine-month highlights

The analysis of Sun Limited's performance in the first nine months of the financial year ended 31 March 2016 shows that the Group is gradually improving profitability at operational level.

Revenue is up by 5% and operating profit increased by 11% on a comparable basis (excluding Four Seasons Resort at Anahita, Shangri-La's Le Touessrok Resort & Spa and Kanuhura Resort & Spa).

However, as a result of the substantial impact of closure, re-launch marketing and rebranding expenses (Rs 406.6 million), the Group is posting a net loss of Rs 235.8 million for the 9 months.

Outlook

Despite the encouraging level of the Group's forward bookings, the Q4 results will remain difficult due to the seasonality of the Mauritian hotel industry.

In line with its strategic objectives, Sun Limited is reaching the final implementation stage of a significant reorganisation program which is expected to lead to improved results as from the next financial year.

By Order of the Board

CIEL Corporate Services Ltd Company Secretary 6 May 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, Ebène Skies, Ebène, Mauritius. Copies of this report are available to the public, free of charge, at the Registered Office of the Company.

Registered Office 5th floor, Ebène Skies Rue de L'institut, Ebène Transfer Office MCB Registry & Securities Ltd. Sir William Newton Street, Port Louis