

ADR		Occupancy		RevPAR		TRevPAR		Total Revenue	
Q3	9 Months	Q3	9 Months	Q3	9 Months	Q3	9 Months	Q3	9 Months
Rs 11,962	Rs 10,011	76.9%	77.3%	Rs 9,205	Rs 7,734	Rs 14,076	Rs 12,489	Rs 1,970m	Rs 5,491m
▲ 23% vs LY	▲ 20% vs LY	▼ -5% vs LY	▼ -3% vs LY	▲ 15% vs LY	▲ 15% vs LY	▲ 10% vs LY	▲ 11% vs LY	▲ 7% vs LY	▲ 15% vs LY

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (ABRIDGED)

	QUARTER ENDED 31 MARCH		NINE MONTHS ENDED 31 MARCH	
	2018 Rs'000	2017 Rs'000	2018 Rs'000	2017 Rs'000
Total revenue	1,970,453	1,841,806	5,490,608	4,757,885
Earnings before interests, taxation, depreciation and amortisation (EBITDA)	541,604	405,828	1,210,468	924,718
Depreciation and amortisation	(127,121)	(125,667)	(381,980)	(338,758)
Operating profit	414,483	280,161	828,488	585,960
Net finance costs	(106,344)	(131,382)	(335,793)	(358,799)
Share of results of associate	-	7,094	-	(1,399)
Profit before tax and exceptional items	308,139	155,873	492,695	225,762
Closure, marketing launch, restructuring, branding and transaction costs	-	-	-	(124,138)
Profit before tax	308,139	155,873	492,695	101,624
Income tax expense	(50,946)	(31,826)	(96,878)	(21,804)
Profit for the period	257,193	124,047	395,817	79,820
Other comprehensive income net of tax	(186,108)	(35,033)	(298,805)	5,394
Total comprehensive income for the period	71,085	89,014	97,012	85,214
Profit attributable to:				
Owners of the Company	248,650	123,404	374,998	74,363
Non-controlling interests	8,543	643	20,819	5,457
Total comprehensive income attributable to:	257,193	124,047	395,817	79,820
Owners of the Company	78,689	78,417	92,340	69,803
Non-controlling interests	(7,604)	10,597	4,672	15,411
Basic Earnings per share (Rs)	1.51	0.96	2.28	0.58

CONSOLIDATED GEOGRAPHICAL AND SEGMENTAL INFORMATION

	QUARTER ENDED 31 MARCH		NINE MONTHS ENDED 31 MARCH	
	2018 Rs'000	2017 Rs'000	2018 Rs'000	2017 Rs'000
Geographical revenue:				
Mauritius	1,664,725	1,621,712	4,791,282	4,267,921
Maldives	174,036	105,263	336,317	140,644
Others	131,692	114,831	363,009	349,320
Total revenue including other operating income	1,970,453	1,841,806	5,490,608	4,757,885
Geographical results:				
Mauritius	244,251	219,951	518,238	281,477
Maldives	13,531	(86,185)	(114,438)	(188,622)
Others	(589)	(9,719)	(7,983)	(13,035)
Profit for the period	257,193	124,047	395,817	79,820
Segment revenue:				
Hotel operations - External sales	1,830,333	1,726,975	4,994,085	4,408,565
Hotel operations - Inter-segment sales	99,008	86,650	264,415	250,504
	1,929,341	1,813,625	5,258,500	4,659,069
Real estate	8,428	-	133,514	-
Others - External sales	131,692	114,831	363,009	349,320
Elimination of inter-segment sales	(99,008)	(86,650)	(264,415)	(250,504)
Total revenue including other operating income	1,970,453	1,841,806	5,490,608	4,757,885
Segment results:				
Hotel operations	259,739	133,325	363,979	92,319
Real estate	(1,957)	441	39,821	536
Others	(589)	(9,719)	(7,983)	(13,035)
Profit for the period	257,193	124,047	395,817	79,820

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (ABRIDGED)

	31 MAR 2018	30 JUN 2017
	Unaudited Rs'000	Audited Rs'000
ASSETS		
Non-current assets		
Property, plant and equipment	16,656,268	16,692,148
Intangible assets	1,958,391	2,014,746
Investments in associates	702,445	702,445
Other non current assets	719,694	597,150
	20,036,798	20,006,489
Current assets	2,117,115	1,509,981
Total assets	22,153,913	21,516,470
EQUITY AND LIABILITIES		
Shareholders' equity	9,444,445	7,517,108
Non-controlling interests	797,165	792,992
Total equity	10,241,610	8,310,100
Borrowings	8,245,081	9,175,791
Deferred tax liability	705,185	628,075
Employee benefit liability	335,610	306,568
Non-current liabilities	9,285,876	10,110,434
Current liabilities	2,626,427	3,095,936
Total liabilities	11,912,303	13,206,370
Total equity and liabilities	22,153,913	21,516,470
Total net interest-bearing loans and borrowings	8,226,139	10,175,221
Gearing ratio	44.5%	55.0%

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (ABRIDGED)

	THE GROUP		
	Attributable to owners of the Company	Non-controlling interests	Total equity
	Rs'000	Rs'000	Rs'000
At 1 July 2016	7,849,603	796,489	8,646,092
Purchase of Treasury Shares	(19,359)	-	(19,359)
Total comprehensive income for the period	69,803	15,411	85,214
At 31 March 2017	7,900,047	811,900	8,711,947
At 1 July 2017	7,517,108	792,992	8,310,100
Dividends - 2018	-	(499)	(499)
Issue of shares net of issue costs	1,834,997	-	1,834,997
Total comprehensive income for the period	92,340	4,672	97,012
At 31 March 2018	9,444,445	797,165	10,241,610

CONSOLIDATED STATEMENT OF CASH FLOWS (ABRIDGED)

	2018 Rs'000	2017 Rs'000
Operating profit before working capital changes	1,276,106	804,621
Change in working capital	(42,216)	171,301
Cash generated from operations	1,233,890	975,922
Income taxes paid	(13,888)	(25,723)
Net cash flows from operating activities	1,220,002	950,199
Net cash flows used in investing activities	(599,285)	(1,264,405)
Net cash flows (used in)/from financing activities	(203,942)	1,354,269
Net increase in cash and cash equivalents	416,775	1,040,063
Cash and cash equivalents at 1 July	171,437	(677,025)
Net cash and cash equivalents at 31 March	588,212	363,038

NOTES TO THE ABOVE:

The Group's financial statements for the quarter ended 31 March 2018 have been prepared using the same accounting policies and methods adopted in the Financial Statements for year ended 30 June 2017, 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

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 our financial year are significantly higher than the other two quarters, as they relate to the high season.

COMMENTS ON THE RESULTS

Financial results

Quarter Highlights

The Group delivered a strong quarter compared to prior year with a solid overall performance from the resorts despite the inclement weather conditions prevailing in Mauritius over the first four months of 2018 and the political instability in the Maldives, following the state of emergency declared in February.

Group revenues grew by 7% over the same quarter last year to close at Rs 1.97 billion, primarily driven by a 23% increase in ADR. Occupancy in the quarter was 76.9%, down by 5.4 percentage points compared to the same quarter last year, as a result of the rate strategy in place and of the negative factors affecting the trading environment, as mentioned above, coupled with increased competition from a strong skiing season in Europe. In the Maldives, we are pleased to report that Kanuhura grew occupancy by 5.1 percentage points to 48.1%, increasing revenues by Rs 69 million to register a profit before tax of Rs 13 million.

As a result of improved yields and of the implementation of cost optimisation measures, EBITDA increased by 33% to Rs 542 million in this quarter. Similarly, operating profit reached Rs 414 million, up 48% from last year's corresponding figures, in line with the improvement in operating margin from 15.2% to 21.0%.

Finance costs stood at Rs 106 million, representing a reduction of 19% compared to last year as a direct result of the reduction in borrowings following the recent rights issue and

private placement proceeds. SUN posts a profit of Rs 257 million, which is more than double last year's quarter profit of Rs 124 million.

Year to date Highlights

In line with the healthy financial performance in Q2 and Q3, Group revenues maintained an upward trend, growing by 15% over last year to finish at Rs 5.5 billion. Group occupancy receded by 3.2 percentage points against last year to close at 77.3%, in line with our rate growth strategy, which improved the Group's ADR by 20% and the Group's Total Revenue per Available Room ("TRevPAR") by 11% against last year's corresponding figures.

Improved revenues, coupled with effective cost management, enhanced the EBITDA margin to 22.0% from 19.4% last year and generated a marked turnaround in Group profitability from Rs 79.8 million last year to Rs 395.8 million this year.

Outlook

The forthcoming quarter is traditionally a challenging one as the industry enters the low season cycle. Compared to last year's quarter, bookings, going forward, currently show a slight growth in revenues for our resorts. Should this booking trend be confirmed, management expects a marginal improvement in the Group's operating performance during this coming quarter compared to the prior year.

By Order of the Board

CIEL Corporate Services Ltd
Company Secretary

14 May 2018

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.

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