



SUN LIMITED Abridged Unaudited Financial Statements for the quarter ended 30 September 2016

Consolidated Statement Of Profit or Loss and other Comprehensive Income (Abridged)	THE GROUP		Consolidated Geographical and Segmental Information	THE GROUP	
	Quarter ended 30 September			Quarter ended 30 September	
	2016 Rs'000	2015 Rs'000		2016 Rs'000	2015 Rs'000
Revenue	1,032,445	783,856	Geographical revenue:		
Other operating income	9,234	9,647	Mauritius	973,594	728,742
Total revenue	1,041,679	793,503	Maldives	1,176	23,737
Earnings before interests, taxation, depreciation and amortisation (EBITDA)	(27,563)	(35,902)	Others	66,909	41,024
Depreciation and amortisation	(106,498)	(77,489)	Total revenue including other operating income	1,041,679	793,503
Operating loss	(134,061)	(113,391)	Geographical results:		
Finance costs	(114,562)	(100,771)	Mauritius	(256,913)	(300,065)
Finance income	3,353	1,729	Maldives	7,901	(7,160)
Share of results of associate	(3,622)	(3,101)	Others	(14,665)	(21,477)
Loss before tax and exceptional items	(248,892)	(215,534)	Loss for the period	(263,677)	(328,702)
Closure, marketing launch, restructuring, branding and transaction costs	(52,305)	(169,402)	Segment revenue:		
Loss before tax	(301,197)	(384,936)	Hotel operations – External sales	974,770	743,253
Income tax credit	37,520	56,234	Hotel operations – Inter-segment sales	46,228	29,283
Loss for the period	(263,677)	(328,702)	Real estate	1,020,998	772,536
Other comprehensive income net of tax	(2,967)	21,250	Others – External sales	-	9,226
Total comprehensive income for the period	(266,644)	(307,452)	Elimination of inter-segment sales	(46,228)	(29,283)
Loss attributable to:			Total revenue including other operating income	1,041,679	793,503
Owners of the Company	(246,205)	(301,641)	Segment results:		
Non-controlling interests	(17,472)	(27,061)	Hotel operations	(248,796)	(309,236)
	(263,677)	(328,702)	Real estate	(216)	2,011
			Others	(14,665)	(21,477)
Total comprehensive income attributable to:			Loss for the period	(263,677)	(328,702)
Owners of the Company	(249,172)	(280,391)			
Non-controlling interests	(17,472)	(27,061)			
	(266,644)	(307,452)			
Basic loss per share (Rs)	(1.94)	(3.06)			

Consolidated Statement of Financial Position (Abridged)	THE GROUP	
	30 September 2016	30 September 2015
	Rs'000	Audited Rs'000
ASSETS		
Non-current assets		
Property, plant and equipment	16,200,727	15,883,066
Operating equipment	93,368	100,099
Intangible assets	2,061,980	2,050,820
Investments in associates	804,671	808,293
Other investments	5,550	5,550
Leasehold rights and leasehold land prepayments	393,254	396,471
Other financial assets	90,011	90,011
Current assets	1,609,820	1,934,310
Total assets	21,259,381	21,027,195
EQUITY AND LIABILITIES		
Shareholders' equity	7,600,431	7,849,603
Non-controlling interests	779,017	796,489
Total equity	8,379,448	8,646,092
Borrowings	3,799,633	3,792,914
Deferred tax liability	617,637	655,566
Employee benefit liability	279,230	264,592
Non-current liabilities	4,696,500	4,713,072
Current liabilities	8,183,433	7,668,031
Total liabilities	12,879,933	12,381,103
Total equity and liabilities	21,259,381	21,027,195
Total net interest-bearing loans and borrowings	9,562,949	9,270,941
Gearing	53.3%	51.7%

Consolidated Statement of Cash Flows (Abridged)	THE GROUP	
	Quarter ended 30 September	
	2016 Rs'000	2015 Rs'000
Operating loss before working capital changes	(40,037)	(170,920)
Change in working capital	308,203	(649,015)
Cash generated from / (used in) operations	268,166	(819,935)
Income taxes paid	-	(15)
Net cash flows from / (used in) operating activities	268,166	(819,950)
Net cash flows used in investing activities	(445,605)	(505,233)
Net cash flows from financing activities	283,858	1,489,046
Net increase in cash and cash equivalents	106,419	163,863
Cash and cash equivalents at 1 July	(677,025)	(281,506)
Net cash and cash equivalents at 30 September	(570,606)	(117,643)

Consolidated Statement of Changes in Equity (Abridged)	THE GROUP			
	Attributable to owners of the Company	Treasury shares	Non-controlling interests	Total equity
	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July 2015	9,574,649	(1,432,030)	861,667	9,004,286
Total comprehensive income for the period	(280,391)	-	(27,061)	(307,452)
At 30 September 2015	9,294,258	(1,432,030)	834,606	8,696,834
At 1 July 2016	9,281,633	(1,432,030)	796,489	8,646,092
Total comprehensive income for the period	(249,172)	-	(17,472)	(266,644)
At 30 September 2016	9,032,461	(1,432,030)	779,017	8,379,448

Comments

Sun Limited reports total revenues of Rs 1.04 billion for the quarter, up by 31% compared to same quarter last year mainly due to the full operations of Four Seasons Anahita and Shangri-La's Le Touessrok.

The Group's occupancy reached 71.6%, marginally lower by 0.9% quarter on quarter with the Shangri-La's Le Touessrok occupancy and closure of part of the Pirogue rooms for renovation. Excluding the Four Seasons Anahita, Shangri-La's Le Touessrok and Kanuhura Maldives, occupancy reached 75.4%, a 0.9 percentage point gain over the quarter ended 30 September 2015. The Group was able to achieve a 26% increase in Revenue per Available Room (RevPAR) to Rs 3,938, while Average Daily Rate (ADR) was up by 27% to Rs 5,504, with the full impact of the two branded resorts and slight improvement in yield at our Sun branded resorts. In this transition year, the Group's results have been impacted by major renovation works in its three luxury resorts.

Group EBITDA improved by 23% to Rs 27.5 million loss for the quarter ended 30 Sept 2016. Operating loss, however, was impacted by higher depreciation and amortisation charge of Rs 106 million (+37% as compared to same quarter last year).

Finance costs were higher than last year's level (+14% as compared to quarter ended 30 Sept 2015) as a consequence of higher net debt incurred by the financing of the recent acquisitions (Four Seasons and Ambre), major renovation for Shangri-La's Le Touessrok executed in the previous year and the consolidation of the Four Seasons debt.

Sun's closure costs at Rs 52.3 million have started to recede in this quarter (-69% versus the same quarter last year) with only Kanuhura's major renovation still in progress. As a direct consequence of the above, Sun therefore posts a net loss of Rs 264 million, an improvement of 20% from same quarter last year.

Bond Issue

As announced on 28 September, the Company has proceeded with a private placement of a multi currency note programme of Rs 3 billion to refinance its existing financial liabilities. The private placement was opened for 10 days

until 28 October 2016. The Company is pleased to announce that there has been an overwhelming interest for the subscription initially planned at Rs 1.5 billion and has decided to accept all subscriptions received, amounting to Rs 4.7 billion. The objectives of this note programme were to align the cash flows of the Group's strategic 5 year plan with its debt repayment, convert a portion of its Rupee debt in Euro and take advantage of the high liquidity on the market to reduce interest costs. The Board is pleased to announce that these objectives have been achieved.

Outlook

In the coming quarter, forward-bookings currently on the books show encouraging occupancy coupled with good room rate growth, following the Group's new rate and yield strategy coming into effect in November 2016 and positive trend noted in the tourist arrivals for Mauritius.

With the reopening of Kanuhura Maldives in December, the Group will benefit from its full inventory as from next year and should be able to post growth going forward.

By Order of the Board

CIEL Corporate Services Ltd
Company Secretary
7 November 2016

This announcement is issued pursuant to Listing Rule 12.14 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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