



## SUN LIMITED Abridged Financial Statements (unaudited) for the quarter and half year ended 31 December 2016

All figures in Rs'000 unless otherwise mentioned.

| Consolidated Statement Of Profit or Loss and other Comprehensive Income (Abridged) | THE GROUP                 |                  |                             |                  | Consolidated Geographical and Segmental Information   | THE GROUP                 |                  |                             |                  |
|--|---------------------------|------------------|-----------------------------|------------------|---|---------------------------|------------------|-----------------------------|------------------|
|  | Quarter ended 31 December |                  | Half-Year ended 31 December |                  |   | Quarter ended 31 December |                  | Half-Year ended 31 December |                  |
|  | 2016                      | 2015             | 2016                        | 2015             |   | 2016                      | 2015             | 2016                        | 2015             |
| Revenue  | 1,874,839                 | 1,558,228        | 2,907,284                   | 2,342,085        | Geographical revenue:                                 |                           |                  |                             |                  |
| Other operating income   | 8                         | 8,944            | 8,861                       | 18,591           | Mauritius   | 1,681,487                 | 1,426,589        | 2,654,386                   | 2,155,331        |
| <b>Total revenue</b>   | <b>1,874,847</b>          | <b>1,567,172</b> | <b>2,916,145</b>            | <b>2,360,676</b> | Maldives  | 34,480                    | 610              | 35,656                      | 24,347           |
| <b>Earnings before interests, taxation, depreciation and amortisation (EBITDA)</b> | <b>546,453</b>            | <b>412,460</b>   | <b>518,892</b>              | <b>376,560</b>   | Others  | 158,880                   | 139,973          | 226,103                     | 180,998          |
| Depreciation and amortisation  | (106,596)                 | (113,220)        | (213,094)                   | (190,709)        | <b>Total revenue including other operating income</b> | <b>1,874,847</b>          | <b>1,567,172</b> | <b>2,916,145</b>            | <b>2,360,676</b> |
| <b>Operating Profit</b>  | <b>439,857</b>            | <b>299,240</b>   | <b>305,798</b>              | <b>185,851</b>   | Geographical results:                                 |                           |                  |                             |                  |
| Finance costs  | (119,737)                 | (119,274)        | (234,299)                   | (220,045)        | Mauritius   | 266,130                   | 58,411           | 61,523                      | (211,984)        |
| Finance income   | 3,526                     | 2,737            | 6,880                       | 4,466            | Maldives  | (58,034)                  | (52,232)         | (102,438)                   | (89,061)         |
| Share of results of associates   | (4,871)                   | (420)            | (8,493)                     | (3,521)          | Others  | 11,349                    | (1,533)          | (3,315)                     | (23,009)         |
| <b>Profit/(Loss) before tax and exceptional items</b>                              | <b>318,775</b>            | <b>182,283</b>   | <b>69,886</b>               | <b>(33,249)</b>  | <b>Profit/(Loss) after tax</b>                        | <b>219,445</b>            | <b>4,646</b>     | <b>(44,230)</b>             | <b>(324,054)</b> |
| Closure, marketing launch, restructuring, branding and transaction costs           | (71,833)                  | (177,466)        | (124,138)                   | (346,868)        | Segment revenue:                                      |                           |                  |                             |                  |
| <b>Profit/(Loss) before tax</b>  | <b>246,942</b>            | <b>4,817</b>     | <b>(54,252)</b>             | <b>(380,117)</b> | Hotel operations – External sales                     | 1,715,967                 | 1,427,199        | 2,690,042                   | 2,170,452        |
| Income tax credit  | (27,497)                  | (171)            | 10,022                      | 56,063           | Hotel operations – Inter-segment sales                | 108,926                   | 101,256          | 155,468                     | 130,539          |
| <b>Profit/(Loss) for the period</b>  | <b>219,445</b>            | <b>4,646</b>     | <b>(44,230)</b>             | <b>(324,054)</b> | Real Estate   | –                         | –                | –                           | 9,226            |
| <b>Other comprehensive income net of tax</b>                                       | <b>43,395</b>             | <b>31,327</b>    | <b>40,431</b>               | <b>52,890</b>    | Others – External sales                               | 158,880                   | 139,973          | 226,103                     | 180,998          |
| <b>Total comprehensive income for the period</b>                                   | <b>262,840</b>            | <b>35,973</b>    | <b>(3,799)</b>              | <b>(271,164)</b> | Elimination of inter-segment sales                    | (108,926)                 | (101,256)        | (155,468)                   | (130,539)        |
| Profit/(Loss) attributable to:   |                           |                  |                             |                  | <b>Total revenue including other operating income</b> | <b>1,874,847</b>          | <b>1,567,172</b> | <b>2,916,145</b>            | <b>2,360,676</b> |
| Owners of the Company  | 197,162                   | 26,963           | (49,042)                    | (274,676)        | Segment results:                                      |                           |                  |                             |                  |
| Non-controlling interests  | 22,283                    | (22,317)         | 4,812                       | (49,378)         | Hotel operations                                      | 207,787                   | 5,906            | (41,009)                    | (303,329)        |
|  | <b>219,445</b>            | <b>4,646</b>     | <b>(44,230)</b>             | <b>(324,054)</b> | Real Estate   | 309                       | 273              | 94                          | 2,284            |
| Total comprehensive income attributable to:  |                           |                  |                             |                  | Others  | 11,349                    | (1,533)          | (3,315)                     | (23,009)         |
| Owners of the Company  | 240,557                   | 58,290           | (8,611)                     | (221,786)        | <b>Profit/(Loss) after tax</b>                        | <b>219,445</b>            | <b>4,646</b>     | <b>(44,230)</b>             | <b>(324,054)</b> |
| Non-controlling interests  | 22,283                    | (22,317)         | 4,812                       | (49,378)         |   |                           |                  |                             |                  |
|  | <b>262,840</b>            | <b>35,973</b>    | <b>(3,799)</b>              | <b>(271,164)</b> |   |                           |                  |                             |                  |
| <b>Basic Earnings/(Loss) per share (Rs)</b>  | <b>1.55</b>               | <b>0.27</b>      | <b>(0.39)</b>               | <b>(2.79)</b>    |   |                           |                  |                             |                  |

| Consolidated Statement of Financial Position (Abridged) | THE GROUP         |                   |
|---|-------------------|-------------------|
|   | 31 Dec 2016       | 30 Jun 2016       |
|   | Unaudited         | Audited           |
| <b>ASSETS</b>   |                   |                   |
| <b>Non-current assets</b>                               |                   |                   |
| Property, plant and equipment                           | 16,778,092        | 15,883,066        |
| Operating equipment                                     | 91,424            | 100,099           |
| Intangible assets                                       | 2,082,862         | 2,050,820         |
| Investments in associates                               | 799,800           | 808,293           |
| Other investments                                       | 5,550             | 5,550             |
| Leasehold rights and leasehold land pre-payments        | 390,644           | 396,471           |
| Other financial assets                                  | 68,480            | 90,011            |
|   | 20,216,852        | 19,334,310        |
| <b>Current assets</b>                                   | <b>2,012,747</b>  | <b>1,692,885</b>  |
| <b>Total assets</b>                                     | <b>22,229,599</b> | <b>21,027,195</b> |
| <b>EQUITY AND LIABILITIES</b>                           |                   |                   |
| Shareholders' equity                                    | 7,840,992         | 7,849,603         |
| Non-controlling interests                               | 801,301           | 796,489           |
| <b>Total equity</b>                                     | <b>8,642,293</b>  | <b>8,646,092</b>  |
| Borrowings  | 9,560,996         | 3,792,914         |
| Deferred tax liability                                  | 622,233           | 655,566           |
| Employee benefit liability                              | 288,636           | 264,592           |
| <b>Non-current liabilities</b>                          | <b>10,471,865</b> | <b>4,713,072</b>  |
| <b>Current liabilities</b>                              | <b>3,115,441</b>  | <b>7,668,031</b>  |
| <b>Total liabilities</b>                                | <b>13,587,306</b> | <b>12,381,103</b> |
| <b>Total equity and liabilities</b>                     | <b>22,229,599</b> | <b>21,027,195</b> |
| <b>Total net interest bearing debt</b>                  | <b>10,213,968</b> | <b>9,309,816</b>  |
| <b>Gearing</b>  | <b>54.0%</b>      | <b>51.7%</b>      |

| Consolidated Statement of Changes in Equity (Abridged) | THE GROUP                             |                    |                           |                  |
|--|---------------------------------------|--------------------|---------------------------|------------------|
|  | Attributable to owners of the Company | Treasury shares    | Non-controlling interests | Total equity     |
| At 1 July 2015   | 9,574,649                             | (1,432,030)        | 861,667                   | 9,004,286        |
| Total comprehensive income for the period              | (221,786)                             | –                  | (49,378)                  | (271,164)        |
| At 31 December 2015                                    | 9,352,863                             | (1,432,030)        | 812,289                   | 8,733,122        |
| At 1 July 2016   | 9,281,633                             | (1,432,030)        | 796,489                   | 8,646,092        |
| Total comprehensive income for the period              | (8,611)                               | –                  | 4,812                     | (3,799)          |
| <b>At 31 December 2016</b>                             | <b>9,273,022</b>                      | <b>(1,432,030)</b> | <b>801,301</b>            | <b>8,642,293</b> |

### Notes to the above

The Group's financial statements for the quarter ended 31 December 2016 have been prepared using the same accounting policies and methods adopted in the financial statements for the 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 has had an impact on the reported financial positions of the Group.

The interim financial statements have been prepared in accordance with IAS 34 Interim Financial Statements

### Comments on the results

#### Quarter highlights

Compared to the corresponding quarter of the prior year, the Group's ADR showed a significant growth of 23% coupled with an occupancy of 87.7%, which was marginally lower by 0.6%. In the quarter under review, Sun Limited re-opened its luxury resort, Kanuhura in the Maldives on 19 December 2016 after an extensive remodelling and upgrading program initiated since August 2015.

The Group pursued the implementation of its rate growth strategy across its renovated asset base and delivered a 22% increase in Revenue per Available Room (RevPAR) to Rs 8,158, with Total Revenue per Available Room (TRevPAR) improving by 16% to Rs 13,390. Total revenue stood at Rs 1.87 billion, a 20% year-on-year growth.

Operating costs were effectively kept under control, and this, in conjunction with the above achievements, drove Group EBITDA up by 32% to Rs 547 million and operating profit up by 47% to Rs 440 million.

Finance costs at Rs 120 million were at the same level as the prior year quarter despite a higher gearing with the renovation of Kanuhura and Pirogue, as interest savings from the recent bond issue start to accrue to the Group. The successful bond issue completed in early November has also strengthened the balance sheet of the Group with a better re-alignment of cash inflows and outflows in the medium to long term. Thus, as at 31 December 2016, a major portion of borrowings has been converted into non-current liabilities, as a consequence of the bond.

With the resorts' major renovation program now completed, closure and other non-recurring charges started to recede, in line with expectations, to Rs 72 million, which represents a 60% reduction versus the same quarter of last year.

This resulted in SUN posting profit after tax to Rs 219 million compared to Rs 4.6 million in the corresponding quarter of last year.

#### First half-year highlights

ADR and RevPAR improved by 23% and 21% respectively in the first six months compared to a year ago. Total revenue was Rs 2.9 billion, showing a 24% year-on-year growth. After amortisation and depreciation charges, which were Rs 22 million above last year's level, the Group's operating income was Rs 306 million for the first six months, a marked improvement over the Rs 186 million recorded a year ago.

Losses were reduced by Rs 280 million to Rs 44 million, as a direct consequence of the improved operating performance and of the completion of the major renovation programmes required under the 2014-2019 plan.

### Outlook

Forward-bookings currently held for Mauritius show encouraging occupancy coupled with continuing room-rate growth for the coming quarter. In the Maldives, Kanuhura has been renovated into a first class five-star luxury resort. Initial guest feedbacks posted on different social media are both positive and encouraging, and management is confident that this resort will prove to be a valuable asset in our portfolio, going forward.

However, SUN's financial performance is initially expected to be adversely affected by the on-going relaunch and repositioning of Kanuhura in a highly competitive environment.

### By Order of the Board

CIEL Corporate Services Ltd  
Company Secretary  
13 February 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 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, Mauritius. Copies of this report are available to the public, free of charge, at the Registered Office of the Company.