



SUN LIMITED Abridged Financial Statements for the year ended 30 June 2016

| Consolidated Statement of Profit or Loss and other Comprehensive Income (Abridged) | THE GROUP | | |
|--|--------------------|------------------|--|
| | Audited | Unaudited | Audited Restated 18 months ended 30 June |
| | Year ended 30 June | | |
| | 2016 Rs'000 | 2015 Rs'000 | 2015 Rs'000 |
| Revenue | 4,989,237 | 4,205,829 | 6,174,276 |
| Other operating income | 63,930 | 95,411 | 129,804 |
| Total revenue | 5,053,167 | 4,301,240 | 6,304,080 |
| Earnings before interests, taxation, depreciation and amortisation (EBITDA) | 777,789 | 742,287 | 952,864 |
| Depreciation and amortisation | (356,894) | (323,658) | (490,663) |
| Operating profit | 420,895 | 418,629 | 462,201 |
| Finance costs | (457,453) | (297,884) | (462,998) |
| Finance income | 10,527 | 8,182 | 11,227 |
| Share of results of associates | (6,799) | 27,948 | 27,948 |
| (Loss)/Profit before tax and exceptional items | (32,830) | 156,875 | 38,378 |
| Fair value gain on business combination | - | 604,500 | 604,500 |
| Closure, marketing launch, restructuring, branding and transaction costs | (534,208) | (265,249) | (265,249) |
| (Loss)/Profit before tax | (567,038) | 496,126 | 377,629 |
| Income tax credit | 197,577 | 7,924 | 27,623 |
| (Loss)/Profit for the year / period | (369,461) | 504,050 | 405,252 |
| Other comprehensive income for the year / period net of tax | 11,267 | 1,186,062 | 1,170,607 |
| Total comprehensive income for the year / period | (358,194) | 1,690,112 | 1,575,859 |
| (Loss)/Profit attributable to: | | | |
| Owners of the Company | (300,353) | 514,872 | 416,044 |
| Non-controlling interests | (69,108) | (10,822) | (10,792) |
| | (369,461) | 504,050 | 405,252 |
| Total comprehensive income attributable to: | | | |
| Owners of the Company | (293,016) | 1,695,398 | 1,581,115 |
| Non-controlling interests | (65,178) | (5,286) | (5,256) |
| | (358,194) | 1,690,112 | 1,575,859 |
| Basic (Loss) / Earnings per share (Rs) | (2.37) | 4.71 | 3.93 |

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 2014 | 6,800,215 | (1,422,238) | 1,773 | 5,379,750 |
| Issue of shares to non-controlling interest | - | - | 865,150 | 865,150 |
| Purchase of Treasury Shares | - | (9,792) | - | (9,792) |
| Rights Issue | 1,193,319 | - | - | 1,193,319 |
| Total comprehensive income for the period | 1,581,115 | - | (5,256) | 1,575,859 |
| At 30 June 2015 | 9,574,649 | (1,432,030) | 861,667 | 9,004,286 |
| At 1 July 2015 | | | | |
| - as previously reported | 9,484,787 | (1,432,030) | 861,667 | 8,914,424 |
| - prior year adjustment | 89,862 | - | - | 89,862 |
| - as restated | 9,574,649 | (1,432,030) | 861,667 | 9,004,286 |
| Total comprehensive income for the year | (293,016) | - | (65,178) | (358,194) |
| At 30 June 2016 | 9,281,633 | (1,432,030) | 796,489 | 8,646,092 |

Comments on the results

Sun Limited reports total revenue of Rs 5.05 billion for the year, up by 17.5% compared to the unaudited twelve months period ended 30 June 2015.

The Group occupancy improved from 76.3% to 78.6% during the period under review.

Despite a significant portion of our inventory being closed during the year, the Group was able to achieve a 26% increase in Revenue per Available Room (RevPAR) to Rs 5,030, whilst our Average Daily Rate (ADR) increased by 22% to Rs 6,400.

The Group EBITDA grew by 5% to Rs778 million. Operating profit remained however stable at Rs 421 million. The finance costs and the exceptional items linked mainly to closure and re-launch costs rose to Rs 457 million and Rs 534 million respectively. The increase in the financial costs are linked to the acquisition of an additional 50% stake in the Four Seasons and a 30% in the Ambre Hotel property company, the major renovation projects undertaken at Shangri-La's Le Touessrok, Kanuhura Hotel and the Four Seasons as well as the consolidation of the latter's debt.

Sun posted a net loss of Rs 369.5 million for the financial year after taking into account a positive deferred tax impact.

Outlook

Sun has now well progressed in the implementation of its 2014-2019 plan. In the coming year, renovation and closure costs will progressively decrease, while net finance costs will remain high.

These factors should be offset by renewed sales momentum as the Group's renovated assets drive revenue up; all of the Group's resorts will be fully operational in December 2016 for the first time in two years. Moreover, it is anticipated that Shangri-La's Le Touessrok will start contributing positively, supporting the already high performing Four Seasons hotel in our luxury segment. Forward-bookings are indicating encouraging room rate growth, thus endorsing the Group's new rate positioning which will come into effect in November 2016, as part of its yield optimization strategy.

Sun Limited continues its focus on reaching excellence in operations across all its clusters and is confident that it will progressively return to sustainable profit growth.

To support this strategy, the Group is well advanced in the restructuring of its indebtedness to ensure that it matches future cash flows as well as bringing down the average cost of debt.

| Consolidated Geographical and Segmental Information | THE GROUP | | |
|---|--------------------|------------------|--|
| | Audited | Unaudited | Audited Restated 18 months ended 30 June |
| | Year ended 30 June | | |
| | 2016 Rs'000 | 2015 Rs'000 | 2015 Rs'000 |
| Geographical revenue: | | | |
| Mauritius | 4,599,135 | 3,267,977 | 4,708,594 |
| Maldives | 31,545 | 527,545 | 860,594 |
| Others | 422,487 | 505,718 | 734,892 |
| Total revenue including other operating income | 5,053,167 | 4,301,240 | 6,304,080 |
| Geographical results: | | | |
| Mauritius | (160,061) | 483,161 | 337,346 |
| Maldives | (209,449) | 17,174 | 75,457 |
| Others | 49 | 3,715 | (7,551) |
| (Loss)/Profit for the period | (369,461) | 504,050 | 405,252 |
| Segment revenue: | | | |
| Hotel operations - External sales | 4,621,400 | 3,770,375 | 5,518,196 |
| Hotel operations - Inter-segment sales | 290,764 | 360,314 | 520,372 |
| | 4,912,164 | 4,130,689 | 6,038,568 |
| Real estate | 9,280 | 25,147 | 50,992 |
| Others - External sales | 422,487 | 505,718 | 734,892 |
| Elimination of inter-segment sales | (290,764) | (360,314) | (520,372) |
| Total revenue including other operating income | 5,053,167 | 4,301,240 | 6,304,080 |
| Segment results: | | | |
| Hotel operations | (372,092) | 493,875 | 399,340 |
| Real estate | 2,582 | 6,460 | 13,463 |
| Others | 49 | 3,715 | (7,551) |
| (Loss)/Profit for the period | (369,461) | 504,050 | 405,252 |

Consolidated Statement of Cash Flows (Abridged)

| | THE GROUP | | |
|---|--------------------|------------------|--|
| | Audited | Unaudited | Audited Restated 18 months ended 30 June |
| | Year ended 30 June | | |
| | 2016 Rs'000 | 2015 Rs'000 | 2015 Rs'000 |
| Operating profit before working capital changes | 385,825 | 560,183 | 780,216 |
| Change in working capital | (653,157) | 96,515 | 96,089 |
| Cash (used in)/generated from operations | (267,332) | 656,698 | 876,305 |
| Income taxes paid | (5,707) | (8,575) | (20,153) |
| Net cash flows (used in) / from operating activities | (273,039) | 648,123 | 856,152 |
| Net cash flows (used in) investing activities | (1,634,086) | (1,819,122) | (2,663,290) |
| Net cash flows from financing activities | 1,511,606 | 982,160 | 1,764,751 |
| Net decrease in cash and cash equivalents | (395,519) | (188,839) | (42,387) |
| Cash and cash equivalents at 1 July / 1 January | (281,506) | (92,667) | (239,119) |
| Net cash and cash equivalents at 30 June | (677,025) | (281,506) | (281,506) |

Notes to the above:

1. The abridged financial statements of the Group are audited by Messrs BDO & Co., Chartered Accountants, and have been prepared using the same accounting policies as the audited Statements for the eighteen month period ended 30 June 2015, except for the adoption of amendments to published standards and interpretations issued which are now effective.

These financial statements are issued pursuant to Listing Rule 12.14 and the Security Act 2005

2. The 18 months ended 30 June 2015 has been restated due to adjustment on the final consideration for the acquisition of the remaining 50% shareholding in Anahita Hotel Limited. In accordance with "IFRS 3: Business Combinations", Sun Limited has retrospectively adjusted for the provisional amounts recognised at the acquisition date of Anahita Hotel Limited, that is, 30 June 2015, to reflect the final consideration. The retrospective adjustments were made by restating the comparative amounts for prior period.

As a reminder, in March 2014, Sun Limited, formerly Sun Resorts Limited, changed its financial year-end from 31 December to 30 June. Therefore, the statutory results of the 12 months ended 30 June 2016 (1 July 2015 to 30 June 2016) are not directly comparable to the previous eighteen-month financial year from 1 January 2014 to 30 June 2015 as approved by SRL shareholders. To facilitate a better understanding of underlying business performance, pro forma financial statements for the twelve-month period ended 30 June 2015 have also been prepared.

By Order of the Board
CIEL Corporate Services Ltd
Company Secretary
28 September 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, Ebene Skies, Ebene, Mauritius. Copies of this report are available to the public, free of charge, at the Registered Office of the Company.

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

Consolidated Statement of Financial Position (Abridged)

| | THE GROUP | |
|--|----------------------|-------------------------------|
| | Audited 30 June 2016 | Audited Restated 30 June 2015 |
| | Rs'000 | Rs'000 |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 15,883,066 | 14,805,789 |
| Operating equipment | 100,099 | 104,568 |
| Intangible assets | 2,050,820 | 1,991,801 |
| Investments in associates | 808,293 | 815,092 |
| Other investments | 5,550 | 5,550 |
| Leasehold rights and land prepayments | 396,471 | 408,097 |
| Other financial assets | 90,011 | 129,702 |
| | 19,334,310 | 18,260,599 |
| Current assets | 1,692,885 | 1,153,339 |
| Total assets | 21,027,195 | 19,413,938 |
| EQUITY AND LIABILITIES | | |
| Shareholders' equity | 7,849,603 | 8,142,619 |
| Non-controlling interests | 796,489 | 861,667 |
| Total equity | 8,646,092 | 9,004,286 |
| Borrowings | 3,792,914 | 4,344,350 |
| Deferred tax liability | 655,566 | 865,518 |
| Employee benefit liability | 264,592 | 190,056 |
| Non-current liabilities | 4,713,072 | 5,399,924 |
| Current liabilities | 7,668,031 | 5,009,728 |
| Total liabilities | 12,381,103 | 10,409,652 |
| Total equity and liabilities | 21,027,195 | 19,413,938 |
| Total net interest-bearing loans and borrowings | 9,270,941 | 6,918,364 |
| Gearing | 51.7% | 43.4% |