



(File No. 3886)
Incorporated in the Republic Of Mauritius

SUN RESORTS LIMITED

Profit announcement

for the quarter (Unaudited) and year (Audited) ended 31 December 2009

The Group results for the quarter (Unaudited) and year (Audited) ended 31 December 2009 are as follows:

STATEMENT OF COMPREHENSIVE INCOME (ABRIDGED)	THE GROUP			
	Quarter ended 31 December		Year ended 31 December	
	2009 Rs'000	Restated 2008 Rs'000	2009 Rs'000	2008 Rs'000
Revenue	1,049,808	1,205,670	3,533,638	3,568,751
Other operating income	499	208,250	13,884	226,666
Total revenue	1,050,307	1,413,920	3,547,522	3,795,417
Total operating expenses	671,986	835,403	2,876,054	3,041,171
Operating profit	378,321	578,517	671,468	754,246
Finance costs	(52,637)	(82,669)	(233,573)	(268,924)
Finance income	2,695	9,025	11,340	45,629
Provision for impairment	-	-	-	(14,770)
Closure costs	(6,194)	-	(41,961)	(66,419)
Profit on disposal of land	-	-	-	284,806
Subtotal	(56,136)	(73,644)	(264,194)	(19,678)
Profit before tax	322,185	504,873	407,274	734,568
Income tax (expense) / credit	(43,685)	27,492	(46,062)	36,883
Profit for the quarter / year	278,500	532,365	361,212	771,451
Other comprehensive income				
Differences arising on retranslation of foreign operations	36,101	(243,656)	33,581	(92,872)
Differences arising on retranslation of goodwill	(37,059)	162,495	(79,007)	174,618
Revaluation of property, plant and equipment, net of deferred tax	291,082	-	291,082	-
Revaluation of investments	2,250	1,500	2,250	1,500
Other movements	-	(1,210)	-	(1,210)
Other comprehensive income for the quarter / year, net of tax	292,374	(80,871)	247,906	82,036
Total comprehensive income for the quarter / year	570,874	451,494	609,118	853,487
Profit attributable to:				
Owners of the Company	278,500	532,360	361,171	713,090
Minority interests	(4)	5	41	58,361
	278,500	532,365	361,212	771,451
Total comprehensive income attributable to:				
Owners of the Company	570,878	451,489	608,909	782,635
Minority interests	(4)	5	209	70,852
	570,874	451,494	609,118	853,487
Average No of shares of shares	93,801,389	93,802,482	93,801,389	93,802,482
Earnings per share (Rs)	2.97	5.68	3.85	7.60

Geographical and Segmental information

	THE GROUP			
	Quarter ended 31 December		Year ended 31 December	
	2009 Rs'000	2008 Rs'000	2009 Rs'000	2008 Rs'000
Geographical revenue:				
Mauritius	643,267	891,027	2,282,066	2,502,225
Maldives	182,085	222,032	673,978	578,871
Others	224,955	300,861	591,478	714,321
Total revenue including other operating income	1,050,307	1,413,920	3,547,522	3,795,417
Geographical results:				
Mauritius	218,596	355,185	253,215	538,071
Maldives	80,232	117,926	149,821	156,195
Others	23,357	31,762	4,238	40,302
Profit before tax	322,185	504,873	407,274	734,568
Segment revenue:				
Hotel operations - External sales	825,352	1,113,059	2,956,044	3,081,096
Hotel operations - Inter-segment sales	169,753	225,140	435,036	525,032
Others - External sales	995,105	1,338,199	3,391,080	3,606,128
Elimination of inter-segment sales	(224,955)	(300,861)	(591,478)	(714,321)
Elimination of inter-segment sales	(169,753)	(225,140)	(435,036)	(525,032)
Total revenue including other operating income	1,050,307	1,413,920	3,547,522	3,795,417
Segment results:				
Hotel operations	298,828	473,111	403,036	694,266
Others	23,357	31,762	4,238	40,302
Profit before tax	322,185	504,873	407,274	734,568

STATEMENT OF FINANCIAL POSITION (ABRIDGED)

	THE GROUP	
	31 December 09 Rs'000	31 December 08 Rs'000
EQUITY AND LIABILITIES		
Shareholders' equity	4,511,796	3,996,688
Minority interests	1,288	1,161
Total equity	4,513,084	3,997,849
Interest-bearing loans and borrowings	1,959,602	1,901,298
Deferred tax liability	515,986	459,020
Employee benefit liability	113,018	109,977
Provisions	35,000	35,000
Non-current liabilities	2,623,606	2,505,295
Current liabilities	2,490,788	2,834,595
Total equity and liabilities	9,627,478	9,337,739
ASSETS		
Non-current assets		
Property, plant and equipment	6,861,222	6,410,005
Operating equipment	100,606	122,631
Intangible assets	1,499,728	1,575,638
Other investments	12,297	10,047
Leasehold land prepayments	44,013	44,910
Other assets	46,071	46,071
	8,563,937	8,209,302
Current assets	1,063,541	1,128,437
Total assets	9,627,478	9,337,739

STATEMENT OF CASH FLOWS (ABRIDGED)

	THE GROUP	
	Year ended 31 December	
	2009 Rs'000	2008 Rs'000
Cash generated from operations	929,711	638,170
Income taxes paid	(72,045)	(66,357)
Net cash flows generated from operating activities	857,666	571,813
Net cash flows used in investing activities	(487,509)	(2,212,707)
Net cash generated (used in) / from financing activities	(127,694)	106,597
Net increase / (decrease) in cash and cash equivalents	242,463	(1,534,297)
Cash and cash equivalents at 1 January	(796,797)	737,500
Net cash and cash equivalents at 31 December	(554,334)	(796,797)

STATEMENT OF CHANGES IN EQUITY (ABRIDGED)	THE GROUP		
	Shareholders' equity Rs'000	Minority interest Rs'000	Total equity Rs'000
	At 1 January 2008	3,594,779	71,866
Purchase of minority interests	-	(141,073)	(141,073)
Purchase of Treasury Shares	(5,520)	-	(5,520)
Ordinary dividend	(375,206)	(484)	(375,690)
Profit for the year	713,090	58,361	771,451
Other comprehensive income for the year	69,545	12,491	82,036
At 31 December 2008	3,996,688	1,161	3,997,849
At 1 January 2009	3,996,688	1,161	3,997,849
Purchase of minority interests	-	(82)	(82)
Ordinary dividend (Note ii)	(93,801)	-	(93,801)
Profit for the year	361,171	41	361,212
Other comprehensive income for the year	247,738	168	247,906
At 31 December 2009	4,511,796	1,288	4,513,084

Notes:

- The Group's results for the quarter and year ended 31 December 2009 have been prepared using the same accounting policies and methods adopted in the audited financial statements for the year ended 31 December 2008 and are in accordance with IAS 34-Interim Reporting.
- On 16 March 2009, a final dividend of Rs 0.50 per share (2008 : Rs 2.00 per share) totalling Rs 46.9 million (2008 : Rs 187.6 million) was declared in respect of the year ended 31 December 2008 and paid on 30 April 2009. On 23 July 2009, an interim dividend of Rs 0.50 per share (2008 : Rs 2.00 per share) totalling Rs 46.9 million (2008 : Rs 187.6 million) was declared in respect of the year ending 31 December 2009 and paid on 7 December 2009.
- The results for the quarter ended 31 December 2008 have been restated for the revaluation gain realised on disposal of land and accounted through equity.
- The Group's principal activity is in the hotel industry and the business varies significantly depending on the seasonality. Therefore, in respect of the interim reporting, the first and last quarter of each year are significantly higher than the other two quarters as they relate to the high season.
- The results for the quarter and year ended 31 December 2009 are not comparable to last year due to the following:

- § Le Coco Beach was closed as from 1 May 2009 and is undergoing redevelopment.
- § Sugar Beach was closed for refurbishment from 1 April to 31 July 2008.
- § Kanuhura was acquired on 1 March 2008.

Closure costs relate to fixed overhead costs in respect of hotels closed for renovation or redevelopment.

1. Comments on results

Quarter 4, 2009

On the back of more positive signs of an economic recovery from our major source markets during the last quarter of the year, the local industry rebounded from negative territory to record a 2.4% increase in tourists arrivals compared to the corresponding quarter of 2008.

Hence, during this quarter, our local operations benefited from improved trading activity, with the Group room occupancy improving to 77.1% against 73.8% in the same period last year. These results were mainly attributable to our middle segment resorts which fared better than the upper end resort.

Although our Maldives resort fell short of last year's quarter performance, trading conditions improved markedly compared to the previous two quarters. However, the growth in hotel rooms on this destination coupled with competitive rates and a weak US Dollar affected yield.

In light of the above factors, the Group revenues for the last quarter finished at Rs 1.05 billion, 13% down from same period last year and were mainly attributable to the closure of Le Coco Beach and lower rates achieved due to aggressive promotional packages on the markets. Other operating income in the quarter was lower as the corresponding quarter of 2008 included an exceptional exchange gain of Rs 175 million.

Thus, operating profit closed at Rs 378 million compared to Rs 403 million (excluding the exceptional exchange gain) in the corresponding quarter of last year, reflecting an improved margin of 36% against 33% achieved on the back of the cost containment plan and efficiency measures put in place.

Profit for the quarter finished at Rs 278 million against Rs 532 million in the corresponding quarter of 2008.

Year 2009

As expected, the impact of the global economic recession affected the Mauritian and Maldivian tourism sector in 2009. Both destinations witnessed a drop in trading activity, coupled with an increasingly lower yield, resulting from the last minute booking pattern and promotional offers on the markets.

Group revenues for the year ended 31 December 2009 amounted to Rs 3.5 billion which was only 1% down on 2008. Other operating income was significantly lower this year at Rs 34 million as there was the exceptional exchange gain registered in the prior year as mentioned above.

The operating profit of Rs 671 million was 11% down on last year's results and the closure costs of Rs 42 million relates to Le Coco Beach which is under re-development.

Profit for the year was Rs 361 million compared to Rs 771 million in 2008, the latter including the exceptional gain on the land disposal (Rs 285 million) and the exchange gain (Rs 175 million). On a comparative basis, recurring profit after taxation for 2009 at Rs 361 million represent a growth of 16% over the previous year.

We managed to mitigate the effects of the global crisis by streamlining our business and adjusting our operations to face the challenge. The foresight and fast reaction from all management and employees enabled us to achieve our objective in terms of profitability. The cash position was also tightly monitored, with improved cash generated from operations amounting to Rs 930 million for 2009 as compared to Rs 638 million in 2008.

Earnings per share were Rs 2.97 (2008: Rs 5.68) for the quarter and Rs 3.85 (2008: Rs 7.60) for the year.

2. Dividends

The directors have declared a final dividend of Rs 0.60 (2008: Rs 0.50) per share, which will bring the total dividend declared in respect of the year 2009 to Rs 1.10 (2008: Rs 2.50)

3. Coco Beach site redevelopment

As previously announced, the Group is currently undertaking the redevelopment of the ex 'Le Coco Beach' site for the construction of a new four star deluxe resort of around 257 keys on two thirds of the site. The new resort, renamed as "Long Beach" is scheduled to open in December 2010 with a new branding and market segment position, which will further add value to the group's asset portfolio. Total development costs are estimated at around Rs 2.4 billion. As previously announced, the Board had decided to reduce the dividend for the year 2009 to ensure that internal cash is available as part of the financing for the project.

4. Prospects

The global economic recession which has prevailed in 2009 seems to be nearing its end although recoveries in our major markets are still uncertain. Based on our forward bookings for the first quarter of 2010, the outlook is encouraging but given that the recovery is expected to be slow and with the continuing strength of the rupee against all major currencies, management remains focused and will continue to control and contain all costs to mitigate any risk of potential loss in revenues.

For and on behalf of the Board

G. Christian Dalais
Chairman

Clothilde de Comarmond
for Ciel Corporate Services Ltd
Secretary

15 February 2010

This notice is issued pursuant to Listing Rule 12.20 and the Securities Act 2005.
The Board of Directors of Sun Resorts 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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