



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

Profit and dividend announcement for the quarter and half year ended 30 June 2008 (Unaudited)

Financial results

The Group unaudited results for the quarter and half year ended 30 June 2008 are as follows:

Group income statement	Quarter to 30 June 2008			Half-Year to 30 June 2008		
	2008	% change	2007	2008	% change	2007
	Rs'000		Rs'000	Rs'000		Rs'000
Continuing operations						
Revenue	639,021	(11)	714,475	1,696,490	(1)	1,708,679
Operating profit / (Loss)	(42,977)	(145)	94,756	228,566	(40)	380,743
Net finance costs	(49,605)	2	(48,839)	(88,944)	27	(70,221)
Closure costs / Provision for Impairment	(59,847)	(85)	(400,000)	(59,847)	-	(400,000)
Profit before taxation	(152,429)	57	(354,083)	79,775	189	(89,478)
Taxation	17,238	(810)	(2,427)	(12,043)	(77)	(52,150)
Profit / (Loss) for the period from continuing operations	(135,191)	62	(356,510)	67,732	148	(141,628)
Discontinued operations						
Profit for the period from discontinued operations	-	-	-	-	(100)	84,227
Gain on disposal of assets	-	(100)	694,231	621,074	(11)	694,231
Discontinued operations	-	(100)	694,231	621,074	(20)	778,458
Profit / (Loss) for the period	(135,191)	(140)	337,721	688,806	8	636,830
Attributable to :						
Equity holders of the parent	(135,206)	(140)	337,706	633,849	(0)	636,800
Minority interest	15	-	15	54,957	183,090	30
	(135,191)	(140)	337,721	688,806	8	636,830
Earnings per share (Rs)						
- From continuing and discontinued operations	(1.44)	(144)	3.25	6.76	10	6.12
- From continuing operations	(0.80)	(292)	0.42	1.36	(45)	2.48
Recurring	(1.44)	58	(3.43)	0.72	153	(1.36)
Non recurring						

Group balance sheet (Abridged)	30 June	31 December
	2008	2007
	Rs'000	Rs'000
EQUITY AND LIABILITIES		
Shareholders' equity	3,656,741	3,594,779
Minority interest	1,753	71,866
Total equity	3,658,494	3,666,645
Loans	677,012	788,550
Debentures	341,000	372,000
Long term payable	-	22,337
Obligations under finance leases	10,324	16,761
Deferred tax liability	475,586	473,452
Retirement benefit obligations	118,593	101,147
Non-current liabilities	1,622,515	1,774,247
Current liabilities	3,051,163	2,156,984
Total equity and liabilities	8,332,172	7,597,876
ASSETS		
Non-current assets		
Property, plant and equipment	5,541,139	4,761,370
Operating equipment	97,671	93,458
Other Investments	8,547	8,547
Leasehold land prepayments	45,359	45,807
Other assets	46,071	48,519
Long Term Receivable	-	256,820
Intangible assets	1,739,820	33,019
	7,478,607	5,247,540
Current assets	853,565	2,350,336
Total assets	8,332,172	7,597,876

Group cash flow statement (Abridged)	Half-Year to 30 June 2008	
	2008	2007
	Rs'000	Rs'000
Cash generated from operations	762,270	1,578,956
Interest paid	(134,747)	(182,457)
Taxation paid	(9,167)	136
Net cash inflow from operating activities	618,356	1,396,635
Net cash used in investing activities	(1,742,869)	3,088,268
Net cash used in financing activities	(874,071)	(2,048,775)
Net change in cash and cash equivalents	(1,998,584)	2,436,128
Cash and cash equivalents at 1 January	737,500	(172,547)
Cash and cash equivalents at 30 June	(1,261,084)	2,263,581

Statement of changes in equity (Abridged)	2008	2007
	Rs'000	Rs'000
	At 1 January	3,666,645
Purchase and cancelling of minority shares	(140,923)	-
Purchase of treasury shares	(5,520)	(1,420,433)
Sale of shares in subsidiary	-	70,461
Realisation of capital reserve	(352,767)	-
Currency translation differences	(10,144)	(35,728)
Profit for the period	688,806	636,830
Dividends (Note (ii))	(187,603)	(189,454)
At 30 June	3,658,494	3,472,182

Notes to the above:

- The results for the quarter ended 30 June 2008 have been prepared using the same accounting policies and methods adopted in the audited financial statements for the year ended 31 December 2007.
- On 27 February 2008, a final dividend of Rs 2.00 per share (2007: Rs 2.00) totaling Rs 187.6 million (2007 : Rs 189.4 million) was declared in respect of the year ended 31 December 2007 and paid on 21 April 2008.
- As announced on 1 April 2008, Sun Resorts has completed the acquisition of a 100% equity in Kanuhura resort in the Maldives. Thus, the results of Kanuhura have been consolidated in the group as from the effective acquisition date of 1 March 2008.
- As previously announced, Sugar Beach was closed as planned on 1 April 2008 for refurbishment and extension works.
- The quarter ended 30 June 2008 includes the acquisition of Kanuhura and the closure of Sugar Beach as pointed out in the notes above and is thus not comparable with the corresponding quarter last year.

1. Comments on results

Group revenues from continuing operations for the quarter and the half year amounted to Rs 639 million and Rs1,696 million respectively, representing a decrease of 11% for the quarter and 1% for the half year compared to last year. The results of the group for the second quarter have been affected by the closure of Sugar Beach and the economic slowdown in our main European markets which had a negative impact on both volume and rates. Occupancy for the quarter and the half year were 68% (2007 : 72%) and 74% (2007 : 79%) respectively. With higher operating costs mainly attributable to higher energy and food prices and lower yield business, the group suffered an operating loss of Rs43 million for the quarter but cumulatively, the operating profit was Rs228 million. The loss from continuing operations for the quarter was Rs135 million after accounting for the Sugar Beach closure costs but earnings for the half year was Rs689 million (Rs637 million in 2007) including the gain on disposal of the St Geran land.

2. Projects

Sugar Beach refurbishment and extension

After four months of extensive works, Sugar Beach reopened officially for business in the first week of August 2008. The hotel has undergone a major uplift and initial reviews / feedback from the trade are excellent. Management is confident that this product will add value to the group in the future.

Coco Beach

After considering various options, the board has decided to redevelop part of the existing site of the Coco Beach into a new upper four star resort of around 236 rooms. The remaining part of the site will be optimised in the next phase but in the meantime, the existing inventory of Coco Beach will be reduced to 160 rooms and shall undergo a minor refurbishment. This project is expected to start as from 1 May 2009.

3. Dividend

The directors have declared an interim dividend of Rs2.00 (2007: Rs2.00) per share.

4. Prospects

The current economic slowdown affecting all our main markets coupled with high operating costs and the continuing strength of the Rupee are creating a very challenging trading environment. Notwithstanding those external factors which are beyond our control, the group is taking all necessary measures to contain its major cost items. Although the visibility on the market is making forecasting very difficult, we anticipate that due to the closure of Sugar Beach this year and the negative factors mentioned above, results to the end of the year will be lower than last year.

For and on behalf of the Board

G. C. Dalais
Chairman

S P Rey
Secretary

Declaration of dividend

Notice is hereby given that the Company has declared an interim dividend of Rs 2.00 per share for shareholders registered at the close of business on 9 October 2008, in respect of the half year ended 30 June 2008.

The dividend will be paid on or about 3 December 2008.

The shares of the Company will be traded cum-dividend up to the market day of 6 October 2008 and ex-dividend on 7 October 2008.

By order of the Board

5 September 2008.

This interim report is issued pursuant to Listing Rule 12.21 and complies with IAS 34.

The Board of Directors of Sun Resorts Ltd accepts full responsibility for the accuracy of the information contained in this interim report

Copies of this report are available to the public, free of charge, at the registered office of the Company

Registered Office
IBL House, Caudan
Port Louis

Transfer Office
MCB Registry & Securities Ltd.
Sir William Newton Street
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