



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

Profit and dividend announcement
for the quarter(unaudited) and year(audited) ended 31 December 2005

Financial results

The Group results for the quarter(unaudited) and year(audited) ended 31 December 2005 are as follows:

	Quarter to 31 December			Year to 31 December		
	%		2004 Restated	%		2004 Restated
	2005	change		2005	change	
	Rs'000		Rs'000	Rs'000		Rs'000
Revenue	1,136,416	(1)	1,151,618	3,429,123	4	3,304,857
Operating profit	431,926	14	378,895	891,827	10	808,622
Net finance costs	(86,915)	(30)	(67,107)	(285,311)	(2)	(280,311)
Share of profits of associates	29,460	41	20,822	53,235	23	43,174
Profit before taxation	374,471	13	332,610	659,751	15	571,485
Taxation	(54,900)	(44)	(38,095)	(98,221)	(27)	(77,059)
Profit for the quarter and year	319,571	9	294,515	561,530	14	494,426
Attributable to :						
Equity holders of the parent	319,533	9	294,488	561,447	14	494,354
Minority interest	38	41	27	83	15	72
	319,571	9	294,515	561,530	14	494,426
Earnings per share (Rs)	3.38	9	3.11	5.94	14	5.23

Group cash flow statement (Abridged)

	Year to 31 December	
	2005	2004 Restated
	Rs'000	Rs'000
Cash generated from operations	1,196,895	1,084,549
Interest paid	(305,912)	(283,556)
Taxation paid	(24,408)	(176)
Net cash inflow from operating activities	866,575	800,817
Net cash used in investing activities	(865,127)	(391,518)
Net cash used in financing activities	(183,374)	(135,543)
Net (decrease) / increase in cash and cash equivalents	(181,926)	273,756
Cash and cash equivalents at 1 January	(102,859)	(376,615)
Cash and cash equivalents at 31 December	(284,785)	(102,859)

Notes to the above:

- The above financial results for the quarter are unaudited. The results for the year are audited and have been prepared in compliance with the revised IASs and new IFRSs which are applicable from 1 January 2005. The revised standards which have been applied retrospectively mainly affect the Group's policy on the valuation and depreciation of buildings and other assets resulting in an additional depreciation charge of Rs 69 million for the year ended 31 December 2005. Depreciation charge for 2004 has been increased by Rs 83 million and there has also been a reallocation between reserves at 1 January 2004
- On 30 June 2005, the freehold land and buildings were revalued by Alan Tinkler, Ramlackhan & Co. A net diminution in value of Rs 643 million was recorded in respect of these properties.
- On 24 February 2005, a final dividend of Rs2.08 per share (2004 : Rs1.16) totalling Rs196.7 million (2004 : Rs109.7 million) was declared in respect of the year ended 31 December 2004 and paid on 20 April 2005. On 2 September 2005, an interim dividend of Rs1.50 per share (2004 : Rs1.42) totalling Rs141.9 million (2004 : Rs134.3 million) was declared in respect of the year ended 31 December 2005 and paid on 1 December 2005.

1. Comments on results

Group revenues amounted to Rs1,136 million for the quarter and Rs 3,429 million for the year, whilst operating profit were Rs 432 million and Rs 892 million for the quarter and the year respectively. For the quarter, net finance costs were up 30% on last year reflecting the financing of the group's 25% investment in One&Only Reethi Rah mezzanine loan. Associate earnings relate to earnings accruing from One&Only (Indian Ocean) Management Ltd which currently derives management fees from the Mauritian and Maldivian properties.

Profit attributable to equity holders of the parent amounted to Rs 320 million for the quarter and Rs 562 million for the year. Thus, earnings per share was up 9% at Rs 3.38 and up 14% at Rs 5.94 for the quarter and the year respectively.

2. Dividend

The directors have declared a dividend of Rs 2.00 (2004: Rs 2.08) per share, which will bring the total dividend declared in respect of the year 2005 to Rs 3.50 (2004: Rs3.50) per share.

3. One&Only Reethi Rah (Maldives)

As a result of the higher than anticipated cost of the One&Only Reethi Rah investment, SRL requested Kerzner International (KZL) to consider a reduction in SRL's obligation to participate in the investment and cap it at 25% instead of increasing it to 50% by January 2009 as previously announced in March 2003. KZL has agreed to this request with the condition that KZL shall hold a call option to purchase, at par value, the total investment made by SRL up to the date of the exercise of the option including accrued interest. This call option will expire on 31 December 2006. SRL's investment in the resort at 31 December 2005 representing 25% of the mezzanine debts amounted to US\$33.8 million.

4. Prospects

Trading conditions have shown a marked improvement in the last quarter of 2005 and the beginning of 2006 with tourist arrivals registering double digit growth in December 2005 and January 2006. All hotels in the Group are holding a higher number of reservations on the books for the first quarter, compared with last year. However, this could be mitigated by the recent increases in utility costs and interest rates.

For and on behalf of the Board

G. C. Dalais
Chairman

P. T. Jones
Director

Declaration of dividend

Notice is hereby given that the Company has declared a final dividend of Rs 2.00 per share for shareholders registered at the close of business on 5 April 2006 in respect of the year ended 31 December 2005.

Dividend cheques will be paid on 24 April 2006 to members at their registered addresses recorded on 5 April 2006.

The shares of the Company will be traded cum-dividend up to the market day of 31 March 2006 and ex-dividend on 3 April 2006.

By order of the Board

S. P. Rey
Secretary

17 February 2006.

This notice is issued pursuant to Listing Rule 12.20

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

Group balance sheet (Abridged)

	31 December 2005	31 December 2004 Restated
	Rs'000	Rs'000
EQUITY AND LIABILITIES		
Shareholders' equity	4,254,739	4,657,948
Minority interest	2,506	2,969
Total equity	4,257,245	4,660,917
Long term loans	2,681,393	2,611,114
Deferred taxation	581,950	644,467
Obligations under finance leases	38,756	46,177
Retirement benefit obligations	82,361	77,377
Non-current liabilities	3,384,460	3,379,135
Current liabilities	1,685,307	1,402,121
Total equity and liabilities	9,327,012	9,442,173
ASSETS		
Non-current assets		
Property, plant and equipment	7,242,195	8,104,393
Operating equipment	143,398	136,215
Interest in associates	68,497	56,635
Other Investments	1,074,771	373,494
Leasehold land prepayments	47,602	48,499
Other assets	13,589	25,145
	8,590,052	8,744,381
Current assets	736,960	697,792
Total assets	9,327,012	9,442,173

Statement of changes in equity (Abridged)

	2005	2004 Restated
	Rs'000	Rs'000
At 1 January		
- As previously reported		4,539,898
- Changes in accounting policies		(128,640)
- As Restated	4,660,917	4,411,258
Revaluation of land and buildings, net of deferred tax (Note (ii))	(642,650)	-
Currency translation differences	16,025	(764)
Profit for the year	561,530	494,426
Dividends (Note (iii))	(338,577)	(244,003)
At 31 December	4,257,245	4,660,917