



SUNBIRD TOURISM LIMITED

(Registration number 2774)

AUDITED RESULTS FOR THE YEAR ENDED 31st DECEMBER 2009

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	GROUP		COMPANY	
	2009	2008	2009	2008
	K,000	K,000	K,000	K,000
Revenue	3,296,226	2,920,001	3,190,838	2,783,428
Cost of sales	(745,795)	(647,374)	(722,997)	(619,608)
Gross profit	2,550,431	2,272,627	2,467,841	2,163,820
Other income	27,478	24,631	26,219	24,631
Administration and other expenses	(2,202,551)	(1,737,192)	(2,112,612)	(1,655,725)
Operating profit	375,358	560,066	381,448	532,726
Net financing costs	(65,384)	(71,813)	(64,914)	(71,516)
Profit before tax	309,974	488,253	316,534	461,210
Income tax expense	(98,891)	(170,117)	(100,847)	(165,929)
Profit for the period	211,083	318,136	215,687	295,281
Other Comprehensive Income				
Defined Benefit Plan-Actuarial losses	(208,621)	-	(206,586)	-
Revaluation surplus net of deferred tax	1,902,690	4,746	1,902,690	-
Total other Comprehensive income for the year	1,694,069	4,746	1,696,104	-
Total Comprehensive income	1,905,152	322,882	1,911,791	295,281
Profit attributable to				
Equity holders of the company	210,611	310,578	215,687	295,281
Non-controlling interest	472	7,558	-	-
Net profit for the year	211,083	318,136	215,687	295,281
Total Comprehensive income attributable to				
Equity holders of the company	1,905,392	315,324	1,911,791	295,281
Non-controlling interest	(240)	7,558	-	-
Total Comprehensive income for the period	1,905,152	322,882	1,911,791	295,281
Basic and diluted earnings per share	81.00	119.00		

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
	2009	2008	2009	2008
	K,000	K,000	K,000	K,000
ASSETS				
Non current assets				
Property, plant & equipment	8,083,685	4,255,162	8,060,279	4,230,779
Investment in Subsidiaries	0	0	23	23
Deferred tax assets	176,286	77,328	171,512	73,624
Total non current assets	8,259,971	4,332,490	8,231,814	4,304,426
Current assets				
Inventory	369,988	277,644	364,352	271,967
Trade and other receivables	381,346	322,060	348,083	276,914
Cash and cash equivalents	143,519	305,999	111,548	285,682
Amounts due from related parties	0	0	4,726	3,868
Total current assets	895,053	905,703	828,709	836,431
TOTAL ASSETS	9,155,024	5,238,193	9,060,523	5,142,857
EQUITY AND LIABILITIES				
Share capital	13,079	13,079	13,079	13,079
Share premium	1,966	1,966	1,966	1,966
Property revaluation reserve	4,079,910	2,229,887	4,027,125	2,176,627
Retained earnings	717,876	784,018	724,632	784,851
Equity attributable to shareholders of parent company	4,812,831	3,028,950	4,766,802	2,976,523
Non controlling interest	27,659	27,899	0	0
Total equity	4,840,490	3,056,849	4,766,802	2,976,523
Non current liabilities				
Non current portion of medium term loans and borrowings	885,583	182,723	885,583	182,723
Employee benefits	557,588	227,726	535,471	209,179
Deferred Income	95,061	0	95,061	0
Deferred tax liabilities	1,945,823	1,112,782	1,945,542	1,109,807
Total non current liabilities	3,484,055	1,523,231	3,461,657	1,501,709
Current liabilities				
Bank overdraft	57,327	91,290	57,327	91,290
Trade and other payables	479,585	321,356	477,350	315,354
Short term employee benefits	47,311	72,585	47,311	72,585
Current portion of medium term loans and borrowings	150,157	90,944	150,157	90,944
Deferred Income	16,065	0	16,065	0
Income tax payable	80,034	81,938	83,854	94,452
Total current liabilities	830,479	658,113	832,064	664,625
TOTAL EQUITY AND LIABILITIES	9,155,024	5,238,193	9,060,523	5,142,857

CONSOLIDATED STATEMENT OF CASHFLOWS

	GROUP		COMPANY	
	2009	2008	2009	2008
	K'000	K'000	K'000	K'000
Cash flows from operating activities				
Cash receipts from customers	3,236,740	2,915,456	3,119,669	2,785,791
Cash paid to suppliers and employees	(2,697,426)	(2,302,199)	(2,597,393)	(2,191,413)
Cash generated from operations	539,314	613,257	522,276	594,378
Interest paid	(58,083)	(68,089)	(57,613)	(67,792)
Income tax paid	(104,500)	(86,321)	(100,500)	(77,821)
Net cash flows from operating activities	376,731	458,847	364,163	448,765
Cash flows from investing activities				
Purchase of property, plant and equipment	(1,148,342)	(298,551)	(1,147,428)	(293,983)
Proceeds from disposal of property, plant and equipment	2,532	12,202	2,532	12,202
Net cash flows used in investing activities	(1,145,810)	(286,349)	(1,144,896)	(281,781)
Cash flows from financing activities				
Borrowings raised-medium term loans	77,961	99,952	77,961	99,952
Borrowings raised-direct finance	878,355	100,000	878,355	100,000
Repayment of long-term borrowings	(194,243)	(128,108)	(194,243)	(128,108)
Dividends paid to minority shareholders	0	(1,528)	0	0
Dividends paid to equity holders of parent	(121,511)	(56,109)	(121,511)	(56,109)
Net cash generated in financing activities	640,562	14,107	640,562	15,735
Net (decrease)/increase in cash and cash equivalents	(128,517)	186,605	(140,171)	182,719
Cash and cash equivalents at beginning of the period	214,709	28,104	194,392	11,673
Cash and cash equivalents at end of the period	86,192	214,709	54,221	194,392

Additional statutory disclosures

Net movement in working capital	(183,016)	158,232	(177,161)	134,607
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2009 FINANCIAL YEAR COMMENTARY

Performance

The business environment in 2009 was challenging as the decline in the world economy led to reduced business activity mainly in the conference segment of our market. The last quarter of 2009 also witnessed the worst fuel crisis in recent years bringing most businesses to a halt and resulted in cancellations of bookings in all our properties.

Despite reduction in occupancies from 66% to 61% the group's revenue increased by 12% from MK2.920 billion in 2008 to MK3.296 billion in December 2009.

Administration and other expenses increased by 26% from MK1.737 billion in 2008 to MK2.202 billion in 2009. Following an actuarial valuation of the employees' defined benefits at 31 December 2009, an amount of K208 million has been recognized as actuarial loss in other comprehensive income.

In line with the group policy the properties were revalued at 31 December 2009 wherefrom a revaluation surplus of K1.9 billion has been recognized in other comprehensive income.

The group's profit after tax for the year ended 31 December 2009 was MK211 million down by 33% from the profit after tax of MK318 million in 2008.

Dividend

Considering the ongoing refurbishment, the Board will recommend a total dividend for the year of MK53 million or 20 tambala per share at the forth coming Annual General Meeting (2008: MK118 million or 45 tambala per share). During the year, the company paid an interim dividend of MK23 million or 9 tambala per share.

A notice to this effect will be sent to all shareholders.

Redevelopment and Expansion

At Sunbird Hotels and Resorts, we pride ourselves in keeping up to date with global trends in properties and facilities. To keep our hotels fresh and inviting the refurbishment project at Sunbird Capital and Mount Soche is in progress and expected to be completed by December 2010.

The project also includes the timely construction of a 350 seat, modern, multi-functional conference hall at Sunbird Nkopola ideal for the hosting of conferences, meetings and other events which will be ready by October 2010. 2009 also saw the refurbishment of 22 hillside rooms and expansion of Chief Chipoka hall from 60 to 100 seats.

These developments will enable us to strengthen our product and brand in the region, enhance the experience and comfort of our guests and maximize the worth of our shareholders.

Outlook

It is expected that as the world economy is in a recovery process, the tourism industry in Malawi is going to pick up albeit at a slow pace.

Given the above factors the Board is confident that the Group's financial performance in 2010 will continue to be positive.

Audit Opinion

These financial statements have been audited by KPMG who have expressed an unqualified audit opinion.

On behalf of the Board

L. C. K. Mandala
Chairman

G. Kalumbu Phiri
Director