



2016 HALF YEAR RESULTS

Performance

Despite a challenging operating environment, the Group registered an impressive performance in the first half of 2016. Total revenues grew by 31% from MK5.5 billion in June 2015 to MK7.2 billion. This performance is attributed to the continued growth registered in our Corporate and Conference business. Domestic revenues continue to be a significant contributor to the Groups revenues, however we will continue with our efforts to have a diversified source of revenues through the attraction of business from the foreign source markets.

Revenues for Catering Solutions Limited grew by 65% from MK375 million in June 2015 to MK618 million in 2016, driven by both existing but also new catering contracts acquired during the period under review.

Our resilience in the face of the severe challenges confirms that the Group is strategically positioned to be the market leader in hospitality industry in the country.

Profit before tax

The Group posted a profit before tax of MK850 million for the half year ended 30th June 2016, representing a growth of 48% on the MK576 million achieved in 2015.

Despite a continued high inflationary environment which has resulted in the increase of cost of most inputs, we were able to contain costs to within our expectations. Our efforts to reduce our cost of borrowing continue to have a positive impact on our profitability. Finance costs at MK341 million was 17% below last year's MK411 million. Repayment and refinancing of more expensive loans with cheaper ones accounted for this reduction.

Dividend

The Board has resolved to pay an interim dividend of MK50 million or 19 tambala per share (2015: declared interim dividend MK35 million or 13 tambala per share).

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

Outlook

Despite the strong performance registered during the first half of the year, we expect the operating environment to continue being challenging, with high levels of inflation to persist and the likelihood of pressure on the domestic currency. All this may fuel further cost increases. However, we are confident and optimistic that the Group will continue on its growth path.

We have put in place various robust strategies which we expect will contribute towards improving service, revenues, gross margins, occupancy levels and profitability.

On Behalf of the Board

P. Madinga

Chairman

J. Lipunga

Director

SUNBIRD TOURISM LIMITED (Registration number 2774)

RESULTS FOR HALF YEAR ENDED 30 JUNE 2016

SUMMARISED CONSOLIDATED AND SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	CONSOLIDATED			SEPARATE		
	UNAUDITED	UNAUDITED	AUDITED	UNAUDITED	UNAUDITED	AUDITED
	6 MONTHS	6 MONTHS	12 MONTHS	6 MONTHS	6 MONTHS	12 MONTHS
	30.06.16	30.06.15	31.12.15	30.06.16	30.06.15	31.12.15
	MK'000	MK'000	MK'000	MK'000	MK'000	MK'000
Revenue	7,185,480	5,499,918	12,077,143	6,567,194	5,125,321	11,159,723
Cost of sales	(1,605,590)	(1,166,173)	(2,721,156)	(1,343,699)	(1,002,512)	(2,340,587)
Gross profit	5,579,890	4,333,745	9,356,017	5,223,495	4,122,809	8,819,136
Other income	44,761	53,607	67,167	48,283	52,347	72,569
Administration and other expenses	(4,432,812)	(3,339,723)	(7,301,486)	(4,161,516)	(3,219,136)	(6,911,514)
Operating profit	1,191,449	986,579	2,071,698	1,110,262	956,020	1,980,191
Financing expenses	(341,721)	(410,589)	(717,092)	(332,656)	(410,020)	(713,100)
Profit before tax	849,728	575,990	1,354,606	777,606	546,000	1,267,091
Income tax expense	(254,819)	(172,797)	(331,831)	(233,282)	(163,800)	(306,454)
Profit for the period	594,909	403,193	1,022,775	544,324	382,200	960,637
Other Comprehensive Income, net of tax	-	-	-	-	-	-
Revaluation surplus net of deferred tax	-	-	2,432,499	-	-	2,356,054
Total Comprehensive Income	594,909	403,193	3,455,274	544,324	382,200	3,316,691
Total Comprehensive Income attributable to Equity holders of the company	594,909	403,193	3,455,274	544,324	382,200	3,316,691
Total Comprehensive Income for the period	594,909	403,193	3,455,274	544,324	382,200	3,316,691
Earnings per share (tambala) - basic and diluted	227	154	391			

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION

	CONSOLIDATED			SEPARATE		
	UNAUDITED	UNAUDITED	AUDITED	UNAUDITED	UNAUDITED	AUDITED
	6 MONTHS	6 MONTHS	12 MONTHS	6 MONTHS	6 MONTHS	12 MONTHS
	30.06.16	30.06.15	31.12.15	30.06.16	30.06.15	31.12.15
	MK'000	MK'000	MK'000	MK'000	MK'000	MK'000
ASSETS						
Non-current assets						
Property and equipment	18,379,529	14,256,702	18,019,385	17,913,414	14,035,790	17,613,487
Investment in subsidiary	-	-	-	-	-	-
Total non-current assets	18,379,529	14,256,702	18,019,385	17,913,414	14,035,790	17,613,487
Current assets						
Inventories	1,095,228	945,362	1,060,411	1,043,080	908,566	1,018,691
Trade and other receivables	1,734,138	1,401,686	1,412,721	1,572,387	1,264,148	1,294,119
Amounts due from related parties	380,056	250,400	293,696	45,481	78,861	68,398
Current tax assets	236,661	-	121,144	248,703	-	113,397
Cash and cash equivalents	61,227	138,459	196,452	55,804	138,459	194,800
Total current assets	3,507,310	2,735,907	3,084,424	2,965,456	2,390,034	2,689,405
TOTAL ASSETS	21,886,839	16,992,609	21,103,809	20,980,893	16,527,847	20,404,915
EQUITY AND LIABILITIES						
Share capital	13,079	13,079	13,079	13,079	13,079	13,079
Share premium	1,966	1,966	1,966	1,966	1,966	1,966
Revaluation reserve	8,196,869	5,908,323	8,251,681	8,030,664	5,815,431	8,084,432
Retained earnings	4,335,929	2,851,240	3,686,338	4,100,234	2,716,414	3,502,141
Total equity	12,547,872	8,774,608	11,953,064	12,145,943	8,546,890	11,601,611
Non-current liabilities						
Corporate bond	1,705,551	2,079,000	1,771,378	1,705,551	2,079,000	1,771,378
Obligations under finance leases	257,675	100,114	150,866	235,811	100,114	129,002
Employee benefits	403,481	374,114	390,866	390,052	363,263	381,775
Deferred income	-	25,087	13,525	-	25,087	13,525
Deferred tax liabilities	3,955,418	2,904,259	3,955,418	3,881,788	2,867,107	3,881,790
Total non-current liabilities	6,322,129	5,482,574	6,282,033	6,213,202	5,435,571	6,177,420
Current liabilities						
Bank overdraft	173,374	194,153	130,842	148,910	169,895	112,756
Trade and other payables	2,189,331	1,977,559	2,036,792	1,866,136	1,826,234	1,854,739
Employee benefits	401,296	176,873	545,074	356,870	176,873	506,834
Obligations under finance leases	155,573	129,429	86,693	152,565	129,429	82,207
Deferred income	27,687	28,324	28,324	27,687	28,324	28,324
Amounts due to related parties	69,580	71,455	40,967	69,580	70,345	40,967
Current tax liabilities	-	157,634	-	-	145,286	-
Total current liabilities	3,016,841	2,735,427	2,868,692	2,621,748	2,546,386	2,625,827
TOTAL EQUITY AND LIABILITIES	21,886,839	16,992,609	21,103,809	20,980,893	16,527,847	20,404,915

CONSOLIDATED AND SEPARATE STATEMENT OF CASHFLOWS

	CONSOLIDATED			SEPARATE		
	UNAUDITED	UNAUDITED	AUDITED	UNAUDITED	UNAUDITED	AUDITED
	6 MONTHS	6 MONTHS	12 MONTHS	6 MONTHS	6 MONTHS	12 MONTHS
	30.06.16	30.06.15	31.12.15	30.06.16	30.06.15	31.12.15
	MK'000	MK'000	MK'000	MK'000	MK'000	MK'000
Cash flows from operating activities						
Cash receipts from customers	6,796,288	5,164,691	11,411,738	6,334,975	4,881,258	10,656,635
Cash paid to suppliers and employees	(5,795,552)	(4,261,430)	(9,051,581)	(5,401,301)	(4,214,874)	(8,424,473)
Cash generated from operations	1,000,736	903,261	2,360,157	933,674	866,384	2,232,162
Interest paid	(341,721)	(410,588)	(755,006)	(332,656)	(410,020)	(750,106)
Income tax paid	(370,436)	(212,738)	(485,682)	(368,588)	(202,063)	(448,381)
Net cash flows from operating activities	288,579	279,935	1,119,469	232,430	254,301	1,033,675
Cash flows from investing activities						
Purchase of property, plant and equipment	(600,932)	(288,737)	(742,197)	(533,653)	(244,341)	(616,325)
Proceeds from disposal of property, plant and equipment	12,917	6,281	10,318	12,917	5,506	7,662
Net cash used in investing activities	(588,015)	(282,456)	(731,879)	(520,736)	(238,835)	(608,663)
Cash flows from financing activities						
Proceeds from borrowings	328,274	620,370	912,498	318,274	620,370	885,078
Repayment of borrowings	(217,584)	(770,278)	(1,362,012)	(126,107)	(770,278)	(1,360,942)
Dividend paid to equity holders of parent	-	-	(29,789)	-	-	(29,789)
Net cash generated/(utilized) from financing activities	110,690	(149,908)	(479,303)	102,167	(149,908)	(505,653)
Net decrease in cash and cash equivalents	(188,746)	(152,429)	(91,713)	(186,139)	(134,442)	(80,641)
Effect of exchange rate fluctuations on cash held	10,989	(16,094)	44,494	10,989	(16,093)	43,586
Cash and cash equivalents at beginning of the period	65,610	112,829	112,829	82,044	119,099	119,099
Cash and cash equivalents at end of the period	(112,147)	(55,694)	65,610	(93,106)	(31,436)	82,044
Additional statutory disclosures						
Net movement in working capital	489,990	275,751	124,478	280,129	87,520	157,425