

# Luminar Group Holdings plc

## Interim Management Statement

Luminar Group Holdings plc ("Luminar" or the "Group") announces its Interim Management Statement for the period from 31 August 2007 to 18 January 2008.

### ***Trading***

The Group's strategy of strengthening its leading position in the late night market is unchanged and on track, with the focus on the execution of the operational and financial effectiveness programmes continuing to drive returns and profitability. At this stage of the Group's financial year ending 28 February 2008, the Board is confident that the profit before tax for the full year should be within the current market forecast range.

As previously reported, trading in the second half of the financial year commenced in line with the Board's expectations. The trading environment toughened from mid November and continued throughout the first half of December with the Group's units seeing a continuation of the previously reported trends with reduced customer admissions, but stronger spend per head generated from an older customer base with higher disposable incomes. The impact of this on operating profit was partly mitigated by the existing operational and financial effectiveness actions focused around gross margin and cost control. As a result, gross margins have improved during the second half of the year averaging 84.0%, up from 82.7% for the comparative period last year.

Notwithstanding the trends experienced from November to mid December, trading over Christmas and New Year was satisfactory, with continuing like-for-like sales within the Dancing Division for the three weeks to 3 January 2008 up 1.0%, and branded dancing continuing like-for-like sales up 4.3%.

Continuing like-for-like sales within the Dancing Division (86 units) for the financial year to 10 January 2008 were up 1.1%, with branded dancing (53 units) continuing like-for-like sales up 5.7%. A similar trend has continued into the current week ended 17 January 2008.

Trading patterns experienced within our associate (The 3D Entertainment Group Limited) have been broadly in line with that of the Group as a whole. Recently invested units continue to show good profit uplifts. As a result, the Board expects the performance of the associate for the full year to be in line with previous guidance.

A fuller picture is now starting to emerge of the impact on the estate of the smoking ban, introduced on 1 July 2007, with units with a good smoking solution (over 70% of the estate) outperforming those without such a solution. Management are continuing to focus attention on the few remaining units without the required outside areas.

### ***Development***

The Group's 2007/08 development programme was completed before Christmas with five new branded openings and five refurbishments since 30 August 2007. This brings the total for the year to eight branded openings and fifteen refurbishments. No further openings are anticipated in the current financial year.

### ***Capital structure***

The share buy-back programme has continued with 940,000 shares being purchased for £5.5m in aggregate since 30 August 2007, bringing the total amount returned to shareholders via this programme to £41.8m. An additional £40.8m was returned to shareholders via the Scheme of Arrangement which became effective on 19 October 2007. Therefore a total of £82.6m has now been returned to shareholders. It is anticipated that

surplus cash will continue to be used to buy back shares, subject to Luminar's capital structure parameters previously set out.

As previously announced, in August 2007 the Group renegotiated its £180.0m bank facilities committed for 5 years. Currently £145.0m has been drawn down leaving significant headroom and adequate funding.

With the uncertainty surrounding the debt markets, the Board has updated its financial risk strategy in order to deliver greater certainty of interest related cash flows. As a result, the Group has hedged £140.0m of its debt using fixed rate and cap and collar instruments, delivering a competitive cost of borrowing going forward.

***Accounting guidance***

As a result of Luminar's restructuring via the Scheme of Arrangement, a non-cash exceptional IFRS charge to the income statement of £0.7m crystallises in the current financial year (2009: £0.1m).

The new share option scheme, which was approved at the EGM on 28 September 2007, will result in an expected ongoing annual IFRS 2 charge of £0.5m (2008: £0.2m).

There have been no other significant changes in the position of the Group over the period since the publication of the interim results for the half year ended 30 August 2007.

***Outlook***

The Board is mindful of the recent trends in the sector. Given the significant competitive advantage created by Luminar's venues and strong asset backing, the Board is confident in the Group's strategy. By strictly adhering to the operational and financial effectiveness measures around cost control and capital spend, Luminar will continue to deliver shareholder value through these more difficult trading conditions.

**18 January 2008**

**Enquiries**

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