

Condensed consolidated financial information for the year ended 26 February 2009

As at 26 February 2009, Luminar operated 89 high quality destination nightclubs predominately under the brands of Oceana, Liquid and Lava & Ignite.

Results highlights

- Strong performance in a very challenging market
- Profit before tax in line with market expectations of £20.3m (2008: £31.5m) from continuing operations before exceptional items
- EBITDA of £51.3m (2008: £57.7m) in continuing operations before exceptional items
- High quality well maintained venues average an industry leading unit EBITDA of £0.7m
- Same outlet sales down 3.6% due to lower market retail prices for alcoholic drinks and lower admissions in early part of the year
- Earnings per share from the continuing business before exceptional items were 25.9p, (2008: 45.8p).
- Strong cash generation from operating activities of £42.1m (2008: £47.0m)
- Net borrowings of £141.8m (2008: £137.5m) well within bank facility agreements of £180m which are agreed to August 2012

Current trading and outlook

- Current trading includes encouraging increase in admissions but overall same outlet sales decline of 3.8% due primarily to lower drink prices
- Continued strong cash generation will reduce net debt in the current year
- Luminar is well placed within our competitor set to continue and enhance market leadership

Statutory figures:

- Loss after tax of £21.5m including £37.1m of exceptional items primarily made up of the prudent write down in value of Luminar's investment in 3D Entertainment Group
- Basic loss per share of 35.3p, compared with a gain of 6.2p in 2008

Stephen Thomas, Chief Executive, said:

"Luminar has the pre-eminent portfolio of late night venues in the market place. We are managing them efficiently in extremely difficult economic conditions and we believe we are outperforming our competitors."

"We are strong financially and with the steps we have taken our balance sheet will strengthen further enabling us both to maintain our leading market position and to emerge even stronger"

14 May 2009

Enquiries

Luminar Group Holdings plc

Stephen Thomas, Chief Executive
Robert McDonald, Finance Director

Tel: **020 7457 2020** (today)
Tel: **01908 544100** (thereafter)

College Hill

Matthew Smallwood

Tel: **020 7457 2020**

Overview

The last year has seen Luminar continue to strengthen its market leading position within the late night entertainment sector. Our high quality venues are performing well in a very difficult trading environment, and our operational skills and experience continue to provide a competitive edge.

We have benefited from the actions taken in prior years to rationalise our estate, focusing on the best venues in each location and concentrating our efforts on maximising the returns available from those units. During the early part of the year we invested significantly to refurbish 12 of our units and our core year end estate of 89 high quality venues are all well equipped to optimise their trading potential.

Our customers are primarily young people in the 18 – 24 age group, who continue to appreciate the entertainment we provide but who are not immune from the economic environment. This environment has not only seen a general tightening of consumer spending and increased desire to seek good value, but also a specific downward shift in the perception of the retail price to be paid for alcoholic drinks.

We have seen a small reduction in admissions across the full year, but more recently an encouraging stabilisation of that trend and a willingness of customers to pay a higher admission price for the competitive value and quality of our facilities. Overall sales per head however, whilst showing slight growth in the year, reduced in the second half as we have responded to lower market prices for alcohol.

Whilst our results for the year were lower than we had hoped for, our business has performed well in the context of a difficult trading environment. The two most significant influences on our profit reduction were the impact of falling retail drinks prices and higher interest costs following an increase in debt caused by last years shareholder return programme.

Our business is naturally cash generative and we have reacted quickly to the tougher economic climate in order to conserve cash. As a result our financial position is secure with headroom in our bank facilities and covenants, and no need to refinance until 2012.

This year sees Luminar celebrate its 21st birthday and ever since it was formed, we have faced challenges from economic, social and legislative changes. We have seen each change as a new opportunity for our business and thanks to the efforts of our staff, who are the most experienced operational management in the industry, we have been able to maintain and extend our position as the leading operator.

The Group's strategy remains clearly focused on continuing to be the premier operator in local markets, delivering high quality entertainment in safe venues at an affordable price, and utilising our operational skills to generate the best returns available for all stakeholders. Whilst the market is challenging at present, we remain confident in our prospects for the future.

Our Market

The Group operates in the late night market for entertaining, dancing and drinking, and is the largest operator in this field with the competition principally consisting of much smaller groups and privately owned premises. We are very careful to operate within the legal and regulatory framework which governs our trade, and we take very seriously our corporate responsibility on issues such as responsible retailing, underage drinking, health and safety, drug awareness, smoking and the environment.

Our market is predominantly young people, a vibrant ever-changing generation who continue to seek modern quality entertainment at good value. Whilst generally resilient to economic conditions, the depth of the current recession has seen additional pressure on our customers who have become more selective in their choice of spending. Research confirms a preference for nightclubs and active occasions rather than middle of the road experiences, and our venues are well placed and targeted to exploit this preference. We place great emphasis on the quality of facilities and entertainment, particularly viewing music as a key

business driver, and communicate actively with our customers through our customer experience programme, focus groups, and particularly through our growing customer networks. Our customer database has almost 2 million members, who we are able to contact regularly through text or email to advertise new events at their local club. In addition, in September 2008 we launched a new membership scheme, the UK Club Network. This is being piloted at our Watford Oceana where we already have over 37,000 members, and is aimed at increasing interaction with our customers.

Estate Development

The number of trading units remained fairly constant during the year at 89 although we incurred some downtime for investment particularly during the first half. 86 of these outlets have traded for the last two years which allows us to measure progress on a same outlet basis. In addition to these trading units we own 5 additional high quality properties which are available for development at some time in the future. 36 of our properties are owned freehold or on a long leasehold basis and all of our units are located in England, Scotland, Wales and the Channel Islands.

Our properties are consistently well maintained, are well invested, and provide some of the best facilities available in the market. They are physically adapted for the best execution of entertainment. During the year we invested £31.4m in further modernisation including the rebranding of 7 units, bringing the branded portfolio to 57 units, being 13 Oceana, 36 Liquid and eight Lava & Ignite. Our branded units bring consistency, quality and scale, and all of our units retain flexibility to reflect the character of the particular building and the local market. Having completed our investment programme in the first half of 2009, we believe the quality of our estate is such that much lower levels of investment will be required to maintain these units in good condition in future.

Prior to 2009 the Group completed a disposal programme to rationalise the estate and concentrate on the bigger and better venues. This strategy has served us well and has markedly reduced our tail of unprofitable units, such that all but one unit made a positive contribution to fixed costs during 2009 and no leasehold reversions occurred in the year.

We continue to hold a 49% equity share in our former associate company 3D Entertainment Group ("3DEG"). 3DEG now operates 57 late night bars, principally under the Chicago Rock Café brand, and whilst trading conditions have been difficult the company continues to be profitable and strengthened its portfolio in March 2009 by the sale of 28 non-core units to Helena Leisure Limited. During the year we have written down the value of our investment in 3DEG by £24.1m to £3.6m, but we continue to carry an interest bearing loan of £19.3m plus accrued interest of £3.4m. We anticipate that our investment in 3DEG will be sold in due course.

Operational Focus

The key drivers of profitability in Luminar are footfall in our units, sales per head, and cost control, and these are the main operational KPIs we use to monitor performance of the business.

During the year we attracted 15.7 million admissions to our clubs, a fall of 3.5% on a same outlet basis but on a trend that stabilised in the second half of the year. We operated 20,327 sessions, an increase of 1.1% as we sought to maximise the midweek opportunity with some success. Whilst Friday and Saturday evenings still account for 59% of our admissions, Tuesday to Thursday admissions increased 4.5% this year as we benefited from a good student market, the success of our under 18's initiative UK Club Culture (which operated in 69 venues), and other sales initiatives.

Our average sales per head during the year was £12.29, 0.4% higher than in the previous year. Admission income rose 6.4% to £3.32 per head on average, as customers were prepared to pay more for the quality of our facilities. However drink sales per head fell 2.5% to £8.30, due to the average price per drink being 10.6% lower by February 2009 than a year earlier. This lower average price is brought about by promotional sales and the mix impact of midweek sessions, and has had the impact of reducing drink gross margins to 75.1% from 77.6% the previous year.

Overall sales turnover of £193.2m was 4.0% below previous year, or 3.6% on a same outlet basis. Within these numbers our branded estate fared best, achieving sales growth of 0.8%. Sales in our previously defined Dancing segment fell by 1.9%.

A key operational target for our managers is controlling cost, so as to convert sales into operational profit. This is a difficult task when markets are weak, as many costs are also key sales drivers. Overall we were able to reduce the costs of operating our units by £1.0m or 1.0% in the year, including a 4.0% reduction in remuneration and despite inflationary pressures in key costs such as energy. Operational profit conversion (measured at unit level before fixed costs) of 42.8% in the year was a good result in the circumstances, although lower than the 45.0% achieved in the prior year.

In addition we were able to reduce the operating cost of our support services during the year by £1.9m, to £9.5m.

At the heart of all of our activities are our people and we place great emphasis on getting the right people to staff our clubs and our support teams. It is the managers and staff in our venues that create the right atmosphere, in an exciting but safe and controlled environment, so our customers enjoy the experience of our nightclubs and return frequently. We insist on the right level of training and development opportunities for all of our unit staff. These can lead to a Foundation Degree in Leadership and Management (Late Night Entertainment) and 101 support managers graduated in January. We are now launching a BA (Honours) degree in Leadership and Management, aimed at our unit General Managers. We also actively monitor as a KPI the turnover of the crew in our venues, and are pleased to have achieved a continued reduction in staff turnover to 149%, from 180% in February 2008. This creates greater continuity and efficiency in our units.

Financial Review

We have decided this year to take early adoption of IFRS 8, and to merge the reporting segments of "Dancing" and "Non-Core" in order to better represent the way the business is managed. Following improvements to the estate in recent years the non-core segment only comprised of 3 trading units, such that separation would be immaterial. Unless otherwise stated the sales and profit numbers referred to in this report refer to continuing operations, which comprised all 89 trading units at the year end.

Profit before tax in the continuing business and before exceptional items of £20.3m was £11.2m lower than that achieved in 2008 for two principal reasons. Firstly, a market shift in retail drink prices has led to a reduction in our average net selling price with a direct impact on drink gross margins which were £10.7m lower across the year. Secondly, the Group's

capital reconstruction and share buyback programme in 2007/8 created a significantly higher average net debt for this year, contributing to additional interest costs of £3.7m.

Driven largely by lower selling prices, overall sales from continuing operations of £193.2m were 4.0% below last year (2008: £201.3m) and with margins consequently weaker at 82.3% (2008: 83.7%), gross profit of £159.1m was £9.3m lower than last year (2008: £168.4m).

Before exceptional items, cost savings of £1.0m in our trading units and £1.9m in our central costs led to EBITDA of £51.3m, 11.1% lower than last year (2008: £57.7m). Depreciation and amortisation of £22.7m was 5.1% higher than prior year (2008: 21.6m) due to investment in the estate. Interest costs were £8.3m (2008: £4.6m) and tax was provided at £4.5m on the continuing business before exceptional items (2008: £3.4m).

The discontinued business included units sold to Cavendish Bars Limited and contributed £1.4m of sales (2008: £5.3m), and a post-tax loss of £0.2m before exceptional items (2008: £1.0m loss).

Exceptional items in the year totalled £37.1m after tax, the majority of this relating to discontinued businesses. Within the continuing business, impairment provisions of £8.1m (2008: £2.9m) and other charges gave rise to a post tax exceptional cost of £8.4m (2008: £5.7m). Within discontinued businesses, the largest charges were for impairment to the investment value of our former associate 3DEG of £24.1m (which was recognised in the interim accounts), impairment to other assets held for sale of £1.5m, and further charges arising from completion of the sale of units to Cavendish Bars Limited of £2.8m.

Statutory loss after tax was £21.5m (2008: profit £3.8m).

Earnings per share from the continuing business before exceptional items were 25.9p, (2008: 45.8p). Overall basic earnings per share constituted a loss of 35.3p, compared with a gain of 6.2p in 2008.

The Group was very cash generative in the year with cash inflow from operating activities of £42.1m (2008: £47.0m). Within this inflow the primary use of cash was capital investment which totalled £38.3m (2008: £48.9m). Investment mainly took place in the first half of the year, and completed our current rebranding and refurbishment programme. Overall Group cash flow was constrained by £7.5m cash outflow within the discontinued businesses. Cash requirements for investment and discontinued businesses may be expected to be lower in future years.

During the year £13.8m (2008: £7.8m) was raised from asset disposals, the largest element of which was an asset financing arrangement completed in February 2009 whereby the Group raised £10.0m by the sale of certain equipment which will be leased back over a period of 42 months, with the option to be repurchased at that time. The leasing costs will reduce EBITDA by £3.0m per annum over the 42 months to completion.

During the year dividends were paid to shareholders totalling £11.8m (2008: £11.8m). No shares were repurchased (2008: share buy-backs of £18.9m and return of capital of £40.8m). In order to reduce debt the Group does not propose to pay a final dividend for 2009 (2008: 13.95p per share). We will continually review our dividend strategy, and seek to restore dividend payments as the relationship between profits and debt improves.

Balance sheet net assets totalled £267.3m (2008: £307.9m) and included £308.9m of property, plant and equipment (2008: £314.6m). Net debt including obligations under finance leases was £150.0m (2008: £145.8m) and included a cash balance of £27.9m (2008: £7.0m), of which £20.0m has since been used to reduce drawings under our bank facility.

Net borrowings for banking covenant purposes excludes obligations under finance leases and totalled £141.8m at year end, £4.4m higher than previous year, but well within the agreed banking facilities of £180.0m (including £5.0m overdraft facility) which continue until August 2012. The key bank debt covenant test measures net borrowings to adjusted EBITDA with a

maximum covenant ratio of 3.0. The Group continues to operate within this covenant; at year end the ratio was 2.7 (2008: 2.2).

The Group uses financial instruments totalling £140.0m to hedge debts. Weighted average interest rate for the year was 6.3% (2008: 6.5%) but total interest costs increased as average debt for the year rose to £155.9m (2008: £104.7m). The interest cover ratio for the year, for continuing operations excluding exceptional items, was 3.4 (2008: 7.8).

Total provision for corporation tax in the year was £2.4m (2008: £2.3m) with £4.5m related to the continuing business pre exceptional items, a ratio of 22.2% (2008: 3.4m, 10.8%). No cash tax was paid during the year (2008: nil). The Group holds significant current tax balance sheet provisions totalling £42.7m (2008: £38.2m) in respect of prior year tax matters that remain under discussion.

Industry Issues

We operate in a very regulated market and seek at all times to provide a safe and controlled environment for our customers and to build strong relationships with local authorities and police. The cost of compliance is considerable, but we accept that in most cases regulations are appropriate in order to maintain professional standards across the industry.

It is clear, however, that market pressures which have been building for some time and initially led by supermarkets are having a significant impact on the price of alcohol, with irresponsibly low pricing in some areas leading to a public expectation of unsustainably cheap alcohol. The social and commercial consequences of this trend are unwelcome, and we support initiatives to eliminate instances of irresponsible selling and pricing of alcohol.

The late night venue market is large, with over 2500 units in the UK described as nightclubs. The market has become very competitive, with reputable operators including ourselves sometimes seeming to operate at a disadvantage. Whilst it is expected that the number of venues will ultimately reduce significantly in the recession, we are seeing a trend for some units to reopen and trade on a short term and very competitive basis. We will watch this development carefully.

Strategic Focus

We have largely completed our last 3 year plan and our estate is in good shape to optimise the impact of the current environment.

For the time being, our strategic focus is very clearly on reducing debt ratios, maximising the operational potential and flexibility of our estate, and looking for complementary opportunities that will add value to our venues or that will fit well into gaps in our coverage.

We believe we are well placed to weather the recession and continue to be the strongest operator in the sector when buoyancy returns. The opportunities are considerable in the late night leisure sector and we are planning to ensure we are ready to take advantage at that time.

People

We recently recruited Robert McDonald to the position of Finance Director and he joined the Board in March 2009. He brings substantial experience of the leisure sector and has a strong track record of delivery.

Current Trading and Outlook

Since our year end trading levels have continued to be subdued. In the first 9 weeks to 30th April 2009 same outlet sales were down 3.8% compared to the previous year. Within this result, admissions footfall has increased by 3.2% however spend per head, particularly on drinks, was down. Increasing footfall is a very positive sign, and provides encouragement for the rest of the year. However, with few other signs of recovery in the economy, we remain cautious on the outlook for the year.

Summary

This has undoubtedly been a very challenging year in the leisure sector with unprecedented market conditions, and patterns of trade continue to evolve.

Luminar has great strengths in the quality and shape of our estate, and the quality and professionalism of our staff. We have the best venues and the best operational capability in our sector. We are well financed, and very cash generative. Our customers are a vibrant, ever changing generation who continue to value the active entertainment our facilities provide.

We remain confident that these strengths will continue to serve Luminar well, and that we can continue to enhance our position as the leading operator in our field. We therefore face the challenges ahead with confidence.

Consolidated Income Statement
for the year ended 26 February 2009

	Year ended 26 February 2009			Year ended 28 February 2008			
	Note	Pre-exceptional items £m	Exceptional items (note 7) £m	Total £m	Pre-exceptional items £m	Exceptional items (note 7) £m	Total £m
Continuing operations							
Revenue		193.2		193.2	201.3		201.3
Cost of sales		(34.1)		(34.1)	(32.9)		(32.9)
Gross profit		159.1		159.1	168.4		168.4
Administrative expenses		(130.5)	(9.8)	(140.3)	(129.7)	(6.0)	(135.7)
Profit / (loss) from operations		28.6	(9.8)	18.8	38.7	(6.0)	32.7
Finance income	3	1.8		1.8	1.9		1.9
Finance costs	3	(10.1)		(10.1)	(6.5)	(0.5)	(7.0)
Loss from associates		-		-	(2.6)		(2.6)
Profit / (loss) before taxation		20.3	(9.8)	10.5	31.5	(6.5)	25.0
Tax on profit / (loss)	4	(4.5)	1.4	(3.1)	(3.4)	0.8	(2.6)
Profit / (loss) for the year from continuing operations attributable to equity shareholders		15.8	(8.4)	7.4	28.1	(5.7)	22.4
(Loss) / profit from discontinued operations *	8	(0.2)	(28.7)	(28.9)	(1.0)	(17.6)	(18.6)
Profit / (loss) for the year attributable to equity shareholders		15.6	(37.1)	(21.5)	27.1	(23.3)	3.8
Earnings per share from continuing operations	6						
Basic				12.2p			36.5p
Diluted**				12.2p			36.2p
Earnings per share from continuing and discontinued operations	6						
Basic				(35.3p)			6.2p
Diluted**				(35.3p)			6.1p

* The (loss) / profit from discontinued operations is stated post tax.

**At 26 February 2009, as the Group is loss-making, any share options in issue are considered to be "anti-dilutive" and as such, the calculation is the same for both basic and diluted earnings per share.

The accompanying accounting policies and notes form an integral part of these financial statements.

Consolidated Balance Sheet
at 26 February 2009

	Note	26 February 2009 £m	28 February 2008 £m
Non-current assets			
Goodwill		171.9	172.6
Other intangible assets		3.1	2.3
Property, plant and equipment		308.9	314.6
Other non-current assets		3.9	4.1
Trade and other receivables		22.7	21.1
		510.5	514.7
Current assets			
Inventories		2.1	2.3
Trade and other receivables		7.5	7.6
Cash and cash equivalents		27.9	7.0
		37.5	16.9
Assets classified as held for sale	8	2.4	10.3
Investment in associate held for sale		3.6	27.7
Total current assets held for sale		6.0	38.0
		43.5	54.9
Current liabilities			
Trade and other payables		(17.8)	(21.5)
Current tax liabilities		(42.7)	(38.2)
Deferred income		(0.5)	(0.5)
Provisions		(1.5)	(1.9)
		(62.5)	(62.1)
Liabilities classified as held for sale	8	(6.0)	(11.1)
		(68.5)	(73.2)
Net current liabilities		(25.0)	(18.3)
Total assets less current liabilities		485.5	496.4
Non-current liabilities			
Borrowings and loans		(169.7)	(144.5)
Derivative financial instruments		(13.2)	(2.7)
Deferred income		(6.3)	(6.7)
Obligations under finance leases		(7.9)	(7.9)
Provisions		(0.7)	(1.5)
Deferred tax liabilities		(20.4)	(25.2)
		(218.2)	(188.5)
Net assets		267.3	307.9
Capital and reserves			
Share capital		134.2	134.2
Capital redemption reserve		29.8	29.8
Equity reserve		1.2	1.2
Retained earnings		102.1	142.7
Shareholders' equity		267.3	307.9

Consolidated Cash Flow Statement
for the year ended 26 February 2009

	Note	Year ended 26 February 2009 £m	Year ended 28 February 2008 £m
Cash flows from operating activities			
Net cash inflow from operations	9	42.1	47.0
Finance costs paid		(10.1)	(6.6)
		32.0	40.4
Cash flows from investing activities			
Purchase of property, plant and equipment		(37.0)	(45.1)
Purchase of intangible assets		(1.3)	(1.1)
Net proceeds from sale of property, plant and equipment (including motor vehicles)		13.8	7.8
Acquisition of business units		-	(2.7)
Costs associated with disposal of business		-	(2.4)
Payments associated with surrender of leases		-	(0.2)
Finance income received		0.1	0.3
		(24.4)	(43.4)
Cash flows from financing activities			
Repayment of long-term borrowings		-	(90.0)
Drawdown of old facility		-	16.7
Drawdown of new facility (post-issue costs)		25.0	144.5
Repurchase of shares		-	(20.4)
Purchase of shares through Luminar plc Employee Trust		-	(2.7)
Cash receipts through Luminar plc Employee Trust		-	0.5
Issue costs paid from share premium account		-	(0.6)
Dividends paid		(11.8)	(11.8)
Return of capital under the Scheme of Arrangement		-	(40.8)
		13.2	(4.6)
Net increase / (decrease) in cash and cash equivalents			
		20.8	(7.6)
Cash and cash equivalents at beginning of year *		7.1	14.7
Cash and cash equivalents at end of year *			
		27.9	7.1

* Cash and cash equivalents of £27.9m (2008: £7.1m) includes cash and cash equivalents presented within assets classified as held for sale of £nil (2008: £0.1m).

Net Debt Statement

for the year ended 26 February 2009

The movement in net debt in the year was analysed as follows:

	Year ended 26 February 2009 £m	Year ended 28 February 2008 £m
(Increase) / Decrease in cash in the year	(20.8)	7.6
Non-cash changes – movement in finance lease liabilities	-	(0.9)
– issue costs on new bank facility	-	0.5
Cash inflow from increases in debt (post-issue costs)	25.0	161.2
Cash outflow from repayment of debt	-	(90.0)
Movement in net debt in the year	4.2	78.4
Opening net debt	145.8	67.4
Closing net debt	150.0	145.8

Consolidated Statement of Changes in Shareholders' Equity
for the year ended 26 February 2009

	Share capital	Share premium	Capital reserve	Capital redemption reserve	Merger reserve	Equity reserve	Retained earnings	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Brought forward at 2 March 2007	17.5	61.0	2.3	0.8	235.3	0.4	61.5	378.8
Profit for the year	-	-	-	-	-	-	3.8	3.8
Share buy-backs	(1.8)	-	-	1.8	-	-	(18.9)	(18.9)
Issue costs	-	(0.6)	-	-	-	-	-	(0.6)
Transfers as a result of restructure	118.5	(60.4)	(2.3)	27.2	(235.3)	-	152.3	-
Share-based payment charge	-	-	-	-	-	0.8	-	0.8
Tax on items credited to equity (note 4)	-	-	-	-	-	-	1.3	1.3
Return of capital	-	-	-	-	-	-	(40.8)	(40.8)
Dividends paid (note 5)	-	-	-	-	-	-	(11.8)	(11.8)
Change in fair value of cash flow hedge	-	-	-	-	-	-	(2.7)	(2.7)
Net purchase of shares through Employee Benefit Trust	-	-	-	-	-	-	(2.0)	(2.0)
Carried forward at 28 February 2008	134.2	-	-	29.8	-	1.2	142.7	307.9
Brought forward at 29 February 2008	134.2	-	-	29.8	-	1.2	142.7	307.9
Loss for the year	-	-	-	-	-	-	(21.5)	(21.5)
Share-based payment charge	-	-	-	-	-	0.3	-	0.3
Change in fair value of cash flow hedge	-	-	-	-	-	-	(10.5)	(10.5)
Tax on items credited to equity (note 4)	-	-	-	-	-	-	2.9	2.9
Issue of shares out of Luminar plc	-	-	-	-	-	-	-	-
Employee trust	-	-	-	-	-	(0.3)	0.3	-
Dividends paid (note 5)	-	-	-	-	-	-	(11.8)	(11.8)
Carried forward at 26 February 2009	134.2	-	-	29.8	-	1.2	102.1	267.3

Notes to the Consolidated Financial Statements

1 Basis of preparation

The preliminary announcement for the year ended 26 February 2009 has been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and International Financial Reporting Interpretations Committee (IFRIC) and with those parts of the Companies Act 1985 applicable to companies reporting under IFRSs. The Group has complied with those IFRSs or IFRIC interpretations where the implementation date is relevant to the financial year ended 26 February 2009 and has early adopted IFRS 8, '*Operating Segments*'; as disclosed in Note 2 'Segmental Reporting'. No other IFRSs or IFRIC interpretations have been early adopted.

The annual financial information presented within the preliminary announcement for the year ended 26 February 2009 is extracted from and is consistent with, that in the Group's consolidated financial statements for the year ended 26 February 2009, and those financial statements will be delivered to the Registrar of Companies following the Group's Annual general Meeting, together with an unqualified audit opinion thereon.

Information in this preliminary announcement does not constitute the full financial statements of the Group within the meaning of s240 of the Companies Act 1985. Financial statements for the year ended 28 February 2008, on which PricewaterhouseCoopers LLP expressed an unqualified opinion, have been filed with the Registrar of Companies.

2 Segmental reporting

For the year ended 26 February 2009, the Group has adopted IFRS 8 '*Operating Segments*'. IFRS 8 replaces IAS 14 '*Segment Reporting*'.

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker (CODM) to allocate resources to the segments and to assess their performance. In contrast, the predecessor Standard (IAS 14 Segment Reporting) required the Group to identify two sets of segments (business and geographical), using a risks and rewards approach, with the Group's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments.

We report our segment information on the same basis as our internal management reporting structure, which drives how our company is organised and managed. This is different to prior reporting periods where certain adjustments and reallocations were made to our internal structure for segment reporting purposes, pursuant to the definitions of segment revenues and segment expenses contained in the previous accounting standard.

The Group is principally engaged as owner, developer and operator of nightclubs and themed bars in the UK. The CODM has been identified as the Senior Executive Management (SEM) that exercises the day-to-day management function of the Group. Operational and financial information, which is primarily at an individual unit level, is received by the CODM on a monthly basis. Luminar do not distinguish between geography or brand. The unit information does not meet the quantitative thresholds as required by IFRS 8, as such management have judged it appropriate to aggregate the financial information relating to all units into a single reportable segment.

All revenue is earned from sales to external customers.

Notes to the Consolidated Financial Statements (continued)

3 Net finance costs

Net finance costs relating to continuing operations were as follows:

	Year ended 26 February 2009 £m	Year ended 28 February 2008 £m
Interest payable on bank borrowings	(9.8)	(6.8)
Interest payable on obligations under finance leases	(0.4)	(0.4)
Amortisation of issue costs of the bank loan (note 18)	(0.2)	(0.2)
Total borrowing costs	(10.4)	(7.4)
Less amounts capitalised in the cost of qualifying assets	0.3	0.9
Finance costs	(10.1)	(6.5)
Income on bank deposits	0.1	0.3
Interest on loan to associate	1.7	1.6
Finance income	1.8	1.9
Net finance costs	(8.3)	(4.6)

Finance costs relating to discontinued operations, being interest payable on obligations under finance leases, totalled £nil (2008: £0.1m).

Interest capitalised in the cost of qualifying assets is calculated using the borrowing rate obtainable by the Group under its current facility at the start of each financial year. Interest is calculated from the date capital expenditure commences until the opening of the relevant unit.

4 Tax on (loss) / profit

(a) Analysis of charge in period

The taxation charge is based on the loss for the year and represents:

	Year ended 26 February 2009 £m	Year ended 28 February 2008 £m
Current tax (charge)/ credit		
- Continuing operations:		
- Current period	(6.6)	(8.4)
- Adjustments from prior periods	1.9	6.5
- Discontinued operations:		
- Current period	0.2	(0.6)
	(4.5)	(2.5)
Deferred tax credit / (charge)		
- Continuing operations	1.6	(0.7)
- Discontinued operations	0.5	0.9
	2.1	0.2
Total taxation (charge)/ credit		
- Continuing operations	(3.1)	(2.6)
- Discontinued operations	0.7	0.3
	(2.4)	(2.3)

(b) Tax on items credited / (charged) to equity

	Year ended 26 February 2009 £m	Year ended 28 February 2008 £m
Share-based payments	-	0.5
Derivative financial instruments	2.9	0.8
	2.9	1.3

Notes to the Consolidated Financial Statements (continued)

4 Tax on (loss) / profit (continued)

(c) Factors affecting tax charge for period

The tax assessed for the period is higher (2008: lower) than the standard rate of corporation tax in the UK. The differences are explained as follows:

	Year ended 26 February 2009	Year ended 28 February 2008
	£m	£m
Profit on ordinary activities from continuing operations before tax	10.5	25.0
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008: 30%)	(2.9)	(7.5)
Effects of:		
Expenses not deductible for tax purposes	(0.1)	(0.3)
Non-deductible exceptional items	(2.7)	(1.7)
Loss after tax of associate not taxed	-	(0.8)
Remeasurement of deferred tax change in UK tax rate	-	1.8
Adjustments in respect of the prior year	1.9	6.5
Non-qualifying depreciation	0.7	(0.6)
Total tax charge from continuing operations for the year	(3.1)	(2.6)

5 Dividends

	Year ended 26 February 2009	Year ended 28 February 2008
	£m	£m
Ordinary shares – previous year final dividend paid: 13.95 pence per share (2008: 12.32 pence per share)	8.5	8.5
Ordinary shares – current year interim dividend paid: 5.37 pence per share (2008: 5.37 pence per share)	3.3	3.3
	11.8	11.8

The Directors are not proposing a final dividend in respect of the current financial year.

6 (Loss) / Earnings per share

The calculation of the basic earnings per share (EPS) is calculated by dividing the earnings attributed to equity shareholders by the weighted average number of shares in issue during the year. For diluted earnings per share the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Group has two classes of dilutive potential ordinary shares: share options granted to Directors and employees where the exercise price is less than the average market price of the Group's ordinary shares during the year, and the contingently issuable shares under the Group's long-term incentive plan (i.e. the Deferred Bonus Plan). At the year end an assessment is made as to whether the performance criteria for the vesting of awards under the share option schemes of the Group is likely to be met and any potential shares unlikely to be exercised are excluded from the diluted EPS calculation.

An alternative measure of earnings per share has also been presented below, that being earnings per share from continuing operations pre-exceptional items, as the Directors believe that this measure of pre-exceptional earnings from continuing operations is more reflective of the ongoing trading of the Group.

Notes to the Consolidated Financial Statements (continued)

6 (Loss) / Earnings per share (continued)

Reconciliation of the earnings and weighted average number of shares used in the calculations are set out below:

	Year ended 26 February 2009		
	Earnings £m	Weighted average number of shares (in millions)	Per share amount (pence)
Basic and diluted EPS			
Earnings attributable to ordinary shareholders	(21.5)	60.9	(35.3)
Basic and diluted EPS from continuing operations	7.4	60.9	12.2
Basic and diluted EPS from discontinued operations	(28.9)	60.9	(47.5)
EPS from continuing operations pre-exceptional items			
Basic and diluted EPS from continuing operations pre-exceptional items	15.8	60.9	25.9

At 26 February 2009, as the Group is loss-making, any share options in issue are considered to be "anti-dilutive" and as such, the calculation is the same for both basic and diluted earnings per share. Comparatives have not been restated as the Group was not loss-making as at 28 February 2008.

	Year ended 28 February 2008		
	Earnings £m	Weighted average number of shares (in millions)	Per share amount (pence)
Basic EPS			
Earnings attributable to ordinary shareholders	3.8	61.4	6.2
Effect of dilutive options and warrants	-	0.4	-
Diluted EPS	3.8	61.8	6.1
Basic EPS from continuing operations	22.4	61.4	36.5
Diluted EPS from continuing operations	22.4	61.8	36.2
Basic EPS from discontinued operations	(18.6)	61.4	(30.3)
Diluted EPS from discontinued operations	(18.6)	61.8	(30.1)
EPS from continuing operations pre-exceptional items			
Basic EPS from continuing operations pre-exceptional items	28.1	61.4	45.8
Diluted EPS from continuing operations pre-exceptional items	28.1	61.8	45.5

Notes to the Consolidated Financial Statements (continued)

7 Exceptional items

(a) Continuing operations

The Group incurred exceptional items on continuing operations as follows:

	Year ended 26 February 2009	Year ended 28 February 2008
	£m	£m
Exceptional items relating to trading		
Impairment of property, plant and equipment	(7.4)	(2.9)
Catch up of depreciation on units no longer held for sale	(0.5)	-
Costs relating to reorganisation and rationalisation	(0.6)	(2.4)
Impairment of goodwill	(0.7)	-
Provision for onerous lease commitments	(0.8)	(1.2)
Reversal of provision for onerous lease commitments	0.5	0.5
Legal settlement	(0.3)	-
	(9.8)	(6.0)
Exceptional items relating to finance costs	-	(0.5)
Pre-tax exceptional items relating to continuing operations	(9.8)	(6.5)
Tax on exceptional items	1.4	0.8
Post-tax exceptional items relating to continuing operations	(8.4)	(5.7)

The exceptional items recognised within continuing operations have been split between those which relate to units associated with the ongoing trading of the Group and those which relate to finance costs.

The impairment of property, plant and equipment of £7.4m (2008: £2.9m) on trading units reflects the difference between the value in use of cash generating units (e.g. discrete trading units) and their carrying value.

Two units previously classified as held for sale are no longer being actively marketed, nor expected to be sold within the next 12 months. An exceptional charge of £0.5m (2008: £nil) has been recognised in relation a depreciation catch up arising from this change in classification.

Costs of reorganisation and rationalisation of £0.6m (2008: £2.4m) primarily relate to costs incurred in respect of previous reorganisations. The more significant costs incurred in the prior year were in relation to the listing of Luminar Group Holdings plc and negotiating new banking facilities.

The impairment of goodwill of £0.7m (2008: £nil) has arisen following an impairment test to compare the carrying value of the cash generating units to their recoverable value (their value in use). The need to carry out an impairment test was triggered due to the reduction in profit contribution.

The charges arising from onerous lease commitments of £0.8m (2008: £1.2m) were to recognise the obligation for rent, rates and other property related holding costs on currently vacant or closed units, where the likelihood of assignment of the lease or sub-let of the property is unlikely in the short term. These units are closed or vacant due to them being unprofitable and unsuitable for re-branding.

Notes to the Consolidated Financial Statements (continued)

7 Exceptional items (continued)

(a) Continuing operations (continued)

The legal settlement charge of £0.3m (2008: £nil) relates to expected costs to be incurred with regard to a legal case against the Group in relation to a one-off incident at a unit, which was ongoing as at 26 February 2009.

During the year a £0.5m (2008: £0.5m) provision for onerous lease commitments was reversed in relation to one unit due to a change in the intended use of the unit as a result of the re-branding strategy.

The Group has recognised £nil (2008: £0.5m) of unamortised costs written off during the year in relation to the previous bank facility as an exceptional finance cost.

(b) Discontinued operations

The Group incurred exceptional items relating to discontinued operations as follows:

	Year ended 26 February 2009	Year ended 28 February 2008
	£m	£m
Impairment of property, plant and equipment	(1.5)	(1.1)
Impairment of investment in associate	(24.1)	-
Costs relating to reorganisation and rationalisation	(0.7)	(0.2)
Provision for onerous lease commitments	(0.8)	(1.1)
Reversal of provision for onerous lease commitments	0.3	0.3
Realised loss on disposal of the Entertainment Division	(0.4)	(0.6)
Lease surrender	-	(0.2)
Realised profit on disposals	0.7	-
	(26.5)	(2.9)
Costs associated with the disposal of companies:		
Goodwill impairment	-	(2.9)
Impairment of property, plant and equipment	-	(4.6)
Impairment of non-current assets	-	(0.4)
Release of finance lease creditor	-	0.8
Release of onerous lease provisions	-	3.3
Provision for cash injection into businesses	(1.4)	(4.8)
Transaction costs including advisors fees	(0.9)	(2.5)
	(2.3)	(11.1)
Indemnity provision	(0.5)	(3.5)
	(2.8)	(14.6)
Pre-tax exceptional items relating to discontinued operations	(29.3)	(17.5)
Tax on exceptional items	0.6	(0.1)
Post-tax exceptional items relating to discontinued operations	(28.7)	(17.6)

The impairment of property, plant and equipment of £1.5m (2008: £1.1m) has resulted from re-measuring to fair value less costs to sell units held for sale.

Notes to the Consolidated Financial Statements (continued)

7 Exceptional items (continued)

(b) Discontinued operations (continued)

A £24.1m (2008: £nil) impairment was recognised at the interim date, 28 August 2008, against the carrying value of the Group's investment in 3D Entertainment Group Limited. This impairment reflects the Board's commitment to dispose of this investment in the short-term and as a result, reflects the difference between management's latest estimate of the recoverable value of the investment and its carrying value, due to the lower trading multiples which are currently being experienced in the market.

During the year, property, plant and equipment with a net book value of £2.8m (within assets held for sale) were disposed of for £3.6m proceeds. This created a £0.7m profit on disposal, after £0.1m transaction costs.

The provision for onerous lease commitments of £0.8m (2008: £1.1m), relating to sites presented within discontinued operations, has arisen from the closure of sites following the decision to exit from non-core operations.

During the year a £0.3m (2008: £0.3m) provision for onerous lease commitments was reversed in relation to two units, £0.1m in respect of dilapidation costs previously provided for which are no longer expected to be payable, and £0.2m in respect of a previously recognised provision on a unit which is held for sale and therefore only requires a provision for one year's costs in line with the fact it is expected to be sold within 12 months.

On 16 April 2008 the Group agreed to sell 26 units within five subsidiary companies to Cavendish Bars Limited for a consideration of £1 each. Completion of three of the companies took place on the same day. Completion of the sale of two of the Disposal Companies (which own ten of the 26 units) was conditional upon Luminar receiving landlord consent to the transfer of certain units, which do not form part of the disposal, out of the Disposal Companies. One of these companies completed on 18 June 2008. As at 26 February 2009, the sale of the final company is yet to be completed and the assets and liabilities of this company remain classified as Held for Sale. This transaction generated a loss of £11.1m in the prior year. A further loss of £2.3m has been recognised in the year ended 26 February 2009, comprising a cash cost of £1.4m and estimated transaction costs of £0.9m.

As part of the deal, the Group also agreed to enter into indemnities capped at £4.2m in favour of Cavendish Bars Limited in relation to guarantee liabilities given on leases for units sold previously. As at 26 February 2009, £0.7m (2008: £3.5m) remains provided for in relation to this indemnity, being the amount relating to property costs. A further £0.5m indemnity has been provided for at 26 February 2009 in relation to dilapidation costs for a unit sold to Cavendish Bars Limited.

Notes to the Consolidated Financial Statements (continued)

8 Discontinued operations and non-current assets held for sale

(a) Results of discontinued operations

The results of discontinued operations, which comprise the 26 units sold to Cavendish Bars Limited, the former Entertainment Division and other non-core units, either disposed of or held for sale, forming part of the Group's plan to exit from non-core operations, included within the Consolidated Income Statement were as follows:

	Year ended 26 February 2009	Year ended 28 February 2008
	£m	£m
Revenue	1.4	5.3
Administrative expenses	(1.7)	(6.6)
Finance costs	-	(0.1)
(Loss) / profit before tax pre-exceptional items	(0.3)	(1.4)
Attributable tax credit / (charge)	0.1	0.4
(Loss) / profit after tax pre-exceptional items	(0.2)	(1.0)
Exceptional items (see note 7)	(29.3)	(17.5)
Attributable tax (charge) / credit	0.6	(0.1)
(Loss) / profit from discontinued operations	(28.9)	(18.6)

(b) Cash flow from discontinued operations

The Consolidated Cash Flow Statement includes the following cash flows arising from discontinued operations:

	Year ended 26 February 2009	Year ended 28 February 2008
	£m	£m
Net cash flows from operating activities	(11.0)	(3.9)
Net cash flows from investing activities	3.5	3.4
Net cash flows from financing activities	-	-
	(7.5)	(0.5)

(c) Assets and liabilities of units held for sale

As at 26 February 2009 nine units were classified as held for sale, of which eight of the units were reported within discontinued operations, and the remaining unit was reported within continuing operations.

The major classes of assets and liabilities comprising the units classified as held for sale were as follows:

	26 February 2009	28 February 2008
	£m	£m
Property, plant and equipment	2.3	9.6
Inventories	-	0.1
Trade and other receivables	0.1	0.5
Cash and cash equivalents	-	0.1
Total assets classified as held for sale	2.4	10.3
Trade and other payables	(0.1)	(1.1)
Deferred income	-	(0.1)
Provisions	(5.8)	(9.7)
Deferred tax liabilities	(0.1)	(0.2)
Total liabilities classified as held for sale	(6.0)	(11.1)
Net (liabilities) / assets classified as held for sale	(3.6)	(0.8)

The total loss incurred in writing these assets down to fair value less costs to sell has been included in exceptional items (see note 7).

Notes to the Consolidated Financial Statements (continued)

9 Cash flow from operating activities

a) Reconciliation of net cash inflow from operating activities

	Year ended 26 February 2009 £m	Year ended 28 February 2008 £m
Profit before taxation – continuing operations	10.5	25.0
Loss before taxation – discontinued operations	(29.6)	(18.9)
Profit before taxation	(19.1)	6.1
Depreciation and amortisation	22.7	22.2
Amortisation of lease premiums	0.2	0.2
Amortisation of issue costs	0.3	0.1
Loss from associate	-	2.6
Net impairment of property, plant and equipment	8.9	8.6
Impairment of goodwill	0.7	2.9
Impairment of other non-current assets	-	0.4
Impairment of investment in associate	24.1	-
Movement accrued transaction costs	(2.5)	2.3
(Profit) / loss on sale of property, plant and equipment	(0.7)	-
Loss / (profit) on sale of motor vehicles	0.1	(0.2)
Loss on disposal of intangible assets	0.1	0.2
Loss on disposal of Entertainment Division	-	0.6
Non-cash charges for share-based payments	0.3	0.8
Net finance costs	8.3	4.7
	43.4	52.0
Decrease in inventories	0.2	0.1
Decrease / (increase) / decrease in receivables	0.4	(1.0)
Increase / (decrease) in trade and other payables	3.2	(6.0)
(Decrease) / increase in provisions	(5.1)	2.8
(Decrease) / increase in finance lease liabilities	-	(0.9)
Net cash inflow from operations	42.1	47.0

b) Cash flows from continuing operations

To assist in the understanding of cash flows relating to the ongoing business of the Group, the following tables outline the cash flows relating to discontinued operations and exceptional items to be excluded in order to present operating cash flows that relate to the Group's continuing business:

	Year ended 26 February 2009 £m	Year ended 28 February 2008 £m
Cash flows from operating activities	32.0	40.4
Add: net cash flows from operating activities – discontinued operations (including exceptional cash items)	11.0	3.9
Cash flows from operating activities – continuing operations	43.2	44.3
Add: net exceptional cash flows from operating activities - continuing operations	1.2	3.2
Pre-exceptional cash flows from operating activities - continuing operations	44.4	47.5

	Year ended 26 February 2009 £m	Year ended 28 February 2008 £m
Net cash inflow from operations	42.1	47.0
Add: net cash flows from operating activities - discontinued operations (including exceptional cash items)	11.0	3.9
Net cash inflow from operations – continuing operations	53.3	50.9
Add: net exceptional cash flows from operations - continuing operations	1.2	3.2
Net pre-exceptional cash inflow from operations - continuing operations	54.5	54.1