



COMPANY ANNOUNCEMENT

ISLAND HOTELS

GROUP HOLDINGS PLC

Date of Announcement: 22 June 2010
Reference: 13/2010

The following is a Company Announcement issued by Island Hotels Group Holdings p.l.c. pursuant to the Malta Financial Services Authority Listing Rules 8.7.4, 8.7.21, 8.7.23, 9.44j – 9.44k.

Quote

At its meeting held today 22 June 2010, the Board of Directors of Island Hotels Group Holdings p.l.c. approved the Group's financial statements and half yearly report for the six month period ending 30 April 2010.

A copy of the financial statements and report for the period 1 November 2009 to 30 April 2010 is attached. These financial statements and report are available to the public for viewing at the company's registered office as well as on the company's web site on www.islandhotels.com.

Unquote

Signed:

Kenneth Abela
Company Secretary

Island Hotels Group Holdings p.l.c.

Registered Address: The Coastline Hotel, Salina Bay, Salina, NXR 9030, Malta. Telephone: +356 2157 3781/4

Company Registration No.: C44855

Island Hotels Group Holdings p.l.c. is a public limited company registered in terms of the Companies Act (Cap.386 of the Laws of Malta)

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Interim Directors' Report for the six months ended 30 April 2010

The board of directors hereby submits the group's interim results for the six months ended 30 April 2010.

Financial Performance

In the first six months of the financial year, the group achieved a turnover of € 10,493,675 and an EBITDA of € 542,495. The net loss for the period after depreciation, finance costs and income tax amounts to € 2,085,660.

Review

The financial year commencing 1 November 2009, continued on the same challenging path on which the previous year closed. As expected, the lingering effects of the international economic downturn impacted the business during the first six months of the year. Price sensitivity, shorter lead times and exchange rate volatility, compounded by the effect of the volcanic ash cloud crises in April, left their effect on tourism generally and not less so, the Group's performance, with turnover falling by € 1,134,325 (9.7%) over the previous year. On a positive note, despite the material increases in utility rates, management succeeded in reducing the overall cost base of the group by just under 5% resulting in cost reductions of just over €600,000.

Outlook for the rest of the financial year

Based on the generally positive outlook for the tourism industry, as well as the increase in seat capacity, management retain their optimism for the second half of the year which, in any event, contributes a more than proportionate part of the Group's annual performance because of the seasonal nature of the business. The months ahead will also see management working on detailed plans for the redevelopment of the Hal Ferh complex that was taken over at the end of 2009. Construction on the new resort is expected to commence in 2011.

By order of the Board
22 June 2010

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Statement pursuant to Listing Rule 9.44k issued by the Listing Authority

I confirm that, to the best of my knowledge:

- The condensed interim financial information gives a true and fair view of the financial position of the group as at 30 April 2010 and of its financial performance and its cash flows for the period then ended, in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim financial reporting (IAS 34), and
- The interim Directors' report includes a fair review of the information required in terms of Listing Rule 9.44k.

Winston V. Zahra
Chairman

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Island Hotels Group Holdings p.l.c.

Consolidated Income Statement

For the period ended 30 April 2010

	Group 2010 Eur (unaudited)	Holding Company 2010 Eur (unaudited)
Revenue	10,493,675	-
Staff costs	(4,620,483)	-
Cost of sales	(1,240,295)	-
Other operating costs	(4,090,402)	(33,230)
Depreciation and amortization	(1,614,654)	(19,651)
	-----	-----
Operating profit/(loss)	(1,072,159)	(52,881)
Investment income	15,936	1,201,581
Finance costs	(1,471,590)	(730,698)
	-----	-----
Profit/(Loss) before tax	(2,527,813)	418,002
Income tax expense	442,153	(278,336)
	-----	-----
Profit/(Loss) for the year	(2,085,660)	139,666
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<b>Loss per share</b>	<b>(€ 0.06)</b>	
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Island Hotels Group Holdings p.l.c.
Consolidated Balance Sheet
As at 30 April 2010

	Group 2010 Eur (unaudited)	Holding Company 2010 Eur (unaudited)
ASSETS		
Non-current assets	123,772,701	73,762,490
Current assets	9,531,762	2,065,126
	-----	-----
Total assets	133,304,463	75,827,616
	-----	-----
EQUITY AND LIABILITIES		
Share capital	35,269,200	35,269,200
Translation reserve	(487,419)	-
Retained earnings	(727,032)	856,297
	-----	-----
Total equity and reserves attributable to shareholders	34,054,749	36,125,497
	-----	-----
Current liabilities	30,172,196	2,034,964
Non-current liabilities	69,077,518	37,667,155
	-----	-----
Total liabilities	99,249,714	39,702,119
	-----	-----
	-----	-----
Total equity and liabilities	133,304,463	75,827,616
	-----	-----

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Island Hotels Group Holdings p.l.c. Consolidated Statement of Changes in Equity For the period ended 30 April 2010

	Share capital Eur	Translation Reserve Eur	Retained Earnings Eur	Total Eur
Currency translation differences	-	(487,419)	-	(487,419)
Net expense recognized directly in equity	-	(487,419)	-	(487,419)
Profit for the year	-	-	1,358,628	1,358,628
Total recognized income and expense for the year	-	(487,419)	1,358,628	871,209
Issue of share capital	35,269,200	-	-	35,269,200
Balance at 31 October 2009	35,269,200	(487,419)	1,358,628	36,140,409
Exchange differences arising on translation of foreign operations	-	-	-	-
Dividends	-	-	-	-
Net expense recognized directly in equity	-	-	-	-
Loss for the period	-	-	(2,085,660)	(2,085,660)
Total recognized income and expense for the year	-	-	(2,085,660)	(2,085,660)
Balance at 30 April 2010	35,269,200	(487,419)	(727,032)	34,054,749

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Island Hotels Group Holdings p.l.c. Consolidated Cash Flow Statement As at 30 April 2010

	Group 2010	Holding Company 2010
	Eur	Eur
Cash flows from operating activities	(unaudited)	(unaudited)
(Loss)/ profit before tax	(2,527,813)	418,002
Adjustments for:		
Depreciation	1,614,654	19,651
Other income	(15,936)	(1,201,581)
Interest expense	1,471,590	730,698
	-----	-----
Operating profit/(loss) before working capital		
Movements	542,495	(33,230)
Movement in inventory	(9,312)	-
Movement in trade and other receivables	(8,775)	(1,969,949)
Movement in trade and other payables	2,356,336	945,706
	-----	-----
Cash flows from operations	2,880,744	(1,057,473)
Interest paid	(1,471,590)	(730,698)
	-----	-----
Net cash flows from operating activities	1,409,154	(1,788,171)
	-----	-----
Cash flows from investing activities		
Purchase of property, plant and other equipment	(5,931,611)	-
Movement in loans and other receivables	-	(1,989,473)
Dividends received	-	1,090,825
Interest received	15,936	110,756
	-----	-----
	(5,915,675)	(787,892)
	-----	-----

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Cash flows from financing activities		
Movement in bank loans	2,954,144	(81,421)
Movement in related party balances	(1,524,145)	2,710,573
	-----	-----
Net cash flows from financing activities	1,429,999	2,629,152
	-----	-----
Net movement in cash and cash equivalents	(3,076,522)	53,089
Cash and cash equivalents at the beginning of the year	(4,430,919)	4,079
Effect of foreign exchange rate changes	104,799	-
	-----	-----
Cash and cash equivalents at the end of the period	(7,402,642)	57,168
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## Notes to the Condensed Financial Statements for the six months to 30 April 2010.

1. This report is being published pursuant to the terms of Chapters 8 and 9 of the Malta Financial Services Authority Listing Rules and the Prevention of Financial Markets Abuse Act 2005.
2. The financial information being published has been extracted from Island Hotels Group Holdings plc's unaudited interim financial statements for the six months ended 30 April 2010, which were prepared in accordance with accounting standards adopted for use in the European Union for reported interim financial information (IAS 34 - Interim Financial Reporting). In terms of Listing Rule 9.44k.5, this interim report has not been audited or reviewed by the Group's independent auditors.
3. The loss per share is based on the loss after tax attributable to the ordinary shareholders of Island Hotels Group Holdings plc divided by the number of shares in issue.
4. The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 October 2009.

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