



# COMPANY ANNOUNCEMENT

ISLAND HOTELS

GROUP HOLDINGS PLC

**Date of Announcement:**

**16 September 2010**

**Reference:**

**15/2010**

The following is a Company Announcement issued by Island Hotels Group Holdings plc in terms of the Malta Financial Services Authority Listing Rules 9.51 and 9.53.

## Quote

### Interim Directors' Statement

On the hotel side of the business, revenues exceeded expectations reflecting the increased number of arrivals to the island generally. Both occupancy and room rates performed better than expected. Much of the gain arising from this has been eroded by water and electricity costs, the full effect of which is felt in summer and which this financial year are expected to be substantially higher than last year. Nevertheless the group continues to pursue, as a priority, its efforts to curtail those costs that it is able to control.

The event catering side of the business is experiencing a very strong performance to date with positive results being registered in excess of expectations.

Although overall vacation ownership sales have reduced over last year, the recent launch of the Registry Collection within the Radisson BLU Golden Sands Resort & Spa, has been very well received and has had a positive effect on volumes and average prices. Strong interest by existing vacation ownership clients has led to high levels of sales to these clients, partly in exchange for existing weeks already owned by them. The full impact on revenue and profitability from the part exchange portion will be felt when the original stock taken in part exchange will be resold.

Planning work on the Hal Ferh development is progressing well with the submission of plans to MEPA expected to be made before the year end. Enhancements to the overall area of Golden Sands would be expected to have a positive long term impact on the investments of the Group in the area.

End of year results overall are expected to show a decline on the previous year due to the effects of the reduction in overall vacation ownership sales and increased pressures on costs outlined above combined with the increased finance costs resulting from the new structure of the group.

## Unquote

Signed:

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**Kenneth Abela**

Company Secretary

**Island Hotels Group Holdings p.l.c.**

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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)