



ISLAND HOTELS

GROUP HOLDINGS PLC

GROUP HALF-YEARLY REPORT

For the Period 1 January to 30 June 2016

Condensed statement of profit or loss

	1 January to 30 June 2016 (6 months) €	1 November 2014 to 30 June 2015 (8 months) €
Revenue	14,831,926	6,846,507
Direct costs	(10,832,969)	(5,104,488)
	3,998,957	1,742,019
Marketing Costs	(405,327)	(231,287)
Administrative Expenses	(2,907,840)	(1,768,554)
Operating Net Exchange Differences	(139,310)	43,025
	546,480	(214,797)
Depreciation and amortisation	(1,887,948)	(1,057,116)
Property, plant and equipment written off	-	(897,970)
Share of profits from joint ventures	2,038,502	1,514,751
Results from operating activities	697,034	(655,132)
Investment income	150,532	3,711,331
Finance costs	(1,904,807)	(2,587,549)
Other expenses	-	(98,506)
(Loss)/ profit before taxation	(1,057,241)	370,144
Taxation	464,742	594,328
(Loss)/ profit for the period	(592,499)	964,472
Profit for the period attributable to the owners of the holding company	(592,499)	964,472
Basic/diluted earnings per share	(0.015)	0.026

Condensed Statement of Comprehensive Income

	1 January to 30 June 2016 (6 months) €	1 November 2014 to 30 June 2015 (8 months) €
(Loss)/ profit for the period	(592,499)	964,472
Other comprehensive income/(expense)		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translating foreign investments	(2,574,275)	2,085,132
Total comprehensive (expense)/income for the period attributable to the owners of the holding company	(3,166,774)	3,049,604

Condensed Statement of Changes in Equity

	Share capital €	Revaluation reserve €	Currency Translation reserve €	Accumulated losses €	Total equity €
Balance at 1 November 2014	36,583,660	-	1,522,222	2,266,815	40,372,697
New issue of ordinary shares	2,000,000	-	-	-	2,000,000
Profit for the period	-	-	-	964,462	964,462
Other comprehensive income for the period	-	-	2,085,132	-	2,085,132
Total comprehensive income for the period	-	-	2,085,132	964,462	3,049,594
Balance at 30 June 2015	38,583,660	-	3,607,354	3,231,277	45,422,291
Balance at 1 January 2016	38,583,660	6,852,422	2,925,167	5,691,883	54,053,132
Loss for the period	-	-	-	(592,499)	(592,499)
Other comprehensive expense for the period	-	-	(2,574,275)	-	(2,574,275)
Total comprehensive expense for the period	-	-	(2,574,275)	(592,499)	(3,166,774)
Difference between historical depreciation charge and actual depreciation for the period calculated on the revalued amount	-	(65,889)	-	65,889	-
Balance at 30 June 2016	38,583,660	6,786,533	350,892	5,165,273	50,886,358

Condensed statement of financial position

	At 30 June 2016 €	At 31 December 2015 €
ASSETS		
Non-current	127,143,991	127,371,409
Current	14,945,403	17,768,383
Total assets	142,089,394	145,139,792
EQUITY		
Total equity	50,886,358	54,053,132
LIABILITIES		
Non-current	70,824,171	69,578,720
Current	20,378,865	21,507,940
Total liabilities	91,203,036	91,086,660
Total equity and liabilities	142,089,394	145,139,792

Condensed Cash Flow Statement

	1 January to 30 June 2016 (6 months) €	1 November 2014 to 30 June 2015 (8 months) €
Net cash from operating activities	(1,612,723)	(5,278,633)
Net cash used in investing activities	(416,972)	(312,054)
Net cash used in financing activities	(92,192)	(8,074,578)
Net movement in cash and cash equivalents	(2,121,887)	(13,665,265)
Opening cash and cash equivalents	(1,469,523)	19,283,341
Closing cash and cash equivalents	(3,591,410)	5,618,076

Island Hotels Group Holdings p.l.c.

Registered Address: Radisson Blu Resort St. Julians, Louis V. Farrugia Street, St. George's Bay, St. Julians STJ 3391 Malta

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)



ISLAND HOTELS

GROUP HOLDINGS PLC

GROUP HALF-YEARLY REPORT

For the Period 1 January to 30 June 2016

Notes to the Condensed Financial Statements

1) Basis of Preparation

The condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting.

2) Significant Accounting Policies

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the 14-month period ended 31 December 2015.

3) Principal Activities

The Group's business comprises the ownership and operation of hotels in Malta, the provision of accommodation, catering and related services locally and the provision of retail catering mainly through the Costa franchise in Malta, the East coast of Spain and the Canary and Balearic Islands. The group is made up of a holding company that acts as an investment company, together with its subsidiaries and jointly controlled entities.

4) Business Review

The financial results from the Group's operations for the first six months of the year were, as expected, considerably better than the results reported last year. This year's six months' interim results are being compared to an eight-month period last year, in consequence of the change in accounting year affected in 2015 aligning the Group's year end to the rest of the parent Group.

There are a number of factors influencing this year's results when compared to the previous year. The main ones driving these variances are the fact that last year the Radisson Blu St. Julian's was closed for the first five months of the eight-month period reported for 2015 and the temporary closure for refurbishment of the Coastline Hotel by its owners, where the Group holds a contract to provide catering services. It is also worth pointing out that this year's results include the 100% performance in Buttigieg Holdings Limited, which in turn owns the Costa operation in Malta and Spain, as well as the hospital retail outlet amongst its main operations following the purchase of the remaining 50% of the shareholding towards the end of the first semester in 2015.

Most of the operations within the Group have shown considerable improvement over the same period last year, and in the absence of any unforeseen circumstances, the directors believe that these results, which are ahead of Group forecasts, should be sustained for this financial year.

During the six months ended 30 June 2016 the Group reported (under the new accounting rules) a turnover from continuing operations of €14,831,926 (2015 – €6,846,507) and a profit before interest, taxation, depreciation and amortisation and share of profits from joint ventures of €546,480 (2015 – loss €214,797). The profit from operating activities amounted to €697,034 (2015 – loss €655,132). This performance has been achieved notwithstanding the fact that the Costa Coffee operation in Spain is still currently registering losses.

The net loss before tax for the period amounted to €1,057,241 (2015 – profit €370,144), with the main factor influencing this variance being €3,711,331 investment income reported last year, which arose from the stepped acquisition of the remaining 50% of the Buttigieg Group. The net loss after tax for the period amounted to €592,499 (2015 – profit €964,472).

Exchange losses arising on translating investments denominated in sterling amounted to €2,574,275 (2015 – gain €2,085,132), and total comprehensive expense for the period attributable to the owners of the company amounted to €3,166,774 (2015 – income €3,049,604). This change is mainly attributable to the effect on sterling as a result of Brexit.

The financial information being published has been extracted from Island Hotels Group Holdings p.l.c.'s unaudited interim financial statements for the six months ended 30 June 2016 and the eight-month period ended 30 June 2015. The Comparative Statement of Financial Position has been extracted from the audited financial statements for the year ended 31 December 2015.

This report is being published in terms of the Listing Rule 5.75 issued by the Malta Financial Services Authority, and has been prepared in accordance with the applicable Listing Rules and International Accounting Standard 34 – Interim Financial Reporting. In terms of Listing Rule 5.75.5, this interim report has not been audited or reviewed by the Group's independent auditors.

5) Segmental Information

	Hotel Malta		Catering Malta		Catering Spain		Total	
	1 Jan to 30 Jun 2016 (6 months)	1 Nov 2014 to 30 Jun 2015 (8 months)	1 Jan to 30 Jun 2016 (6 months)	1 Nov 2014 to 30 Jun 2015 (8 months)	1 Jan to 30 Jun 2016 (6 months)	1 Nov 2014 to 30 Jun 2015 (8 months)	1 Jan to 30 Jun 2016 (6 months)	1 Nov 2014 to 30 Jun 2015 (8 months)
Segment revenue	5,570,094	3,028,459	7,181,817	3,689,949	2,080,015	128,098	14,831,926	6,846,506
Segment EBITDA	1,582,583	(4,493)	257,784	124,970	(1,086,491)	(121,716)	753,876	(1,239)
Depreciation and amortisation	(742,001)	(808,840)	(203,626)	(65,056)	(340,201)	(79,817)	(1,285,828)	(953,713)
	840,582	(813,333)	54,158	59,914	(1,426,692)	(201,533)	(531,952)	(954,952)
Segment profit/(loss) before tax	202,152	(2,358,506)	(26,654)	15,877	(1,658,103)	(215,054)	(1,482,605)	(2,557,683)

Island Hotels Group Holdings p.l.c.

Registered Address: Radisson Blu Resort St. Julians, Louis V. Farrugia Street, St. George's Bay, St. Julians STJ 3391 Malta

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)

5) Segmental Information (continued)

	1 Jan to 30 Jun 2016 (6 months) €	1 Nov 2014 to 30 Jun 2015 (8 months) €
Segment loss before tax	(1,482,605)	(2,557,683)
Share of profits from joint ventures	2,038,502	1,514,751
Investment income	150,532	3,711,331
Finance costs	(954,154)	(1,879,173)
Amortisation of intangible assets	(600,152)	(102,096)
Unallocated amounts	(209,364)	(316,986)
Profit before tax	(1,057,241)	370,144

6) Earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	1 Jan to 30 Jun 2016 (6 months) €	1 Nov 2014 to 30 Jun 2015 (8 months) €
(Loss)/earnings from continuing operations	(592,499)	964,472
Weighted average number of shares	38,583,660	36,749,635

7) Property, plant and equipment

During the period, the Group invested a total of €1,868,785 in the acquisition of property, plant and equipment.

8) Intangible assets

During the period, the Group invested a total of €359,755 in the acquisition of intangible assets.

9) Related Party Transactions

During the period the Group entered into transactions with related parties as set out below:

	1 Jan to 30 Jun 2016 (6 months) €	1 Nov 2014 to 30 Jun 2015 (8 months) €
Direct costs	591,791	819,497
Administrative expenses	354,978	368,640
Investment income	147,861	142,243
Finance costs	10,578	17,542

Statement pursuant to Listing Rule 5.75.3 issued by the Listing Authority

We confirm that, to the best of our knowledge:

- The condensed interim financial information gives a true and fair view of the assets, liabilities, financial position and loss of the Group as at 30 June 2016 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 Rules 5.81 to 5.84.

Winston V. Zahra
Chairman

Frank Xerri De Caro
Senior Independent Director