

PRESS RELEASE

January 2012

What happened to the nightclub world in 2011?

It is that time of year when everyone takes stock as to what has happened of any major consequence in the past 12 months; how does it affect them; and what can be expected over the next 12 months.

The following, with a property bias, is our take on the past 12 months.

January 2011

The year started as it was to go on.

Cougar Leisure has gone into administration.

Luminar revealed like-for-like sales in the 12 weeks to 6 January, down 19.4%.

March 2011

Fever Bars has acquired its 12th venue in Nuneaton.

The G-A-Y Group will open its first site outside London, after acquiring the Spirit nightclub in Manchester.

Eclectic Clubs & Bars reported a 6% growth in revenue for the second half of 2010 despite a fall in earnings and profits due to site closures for refurbishments.

Comedy club group Jongleurs is to open a further 8 sites as it extends a deal with Luminar.

June 2011

Luminar has launched a new bar concept called "Woo Woo" within five existing sites, all with dedicated street facing entrances, specialising in cocktails.

Eclectic Clubs & Bars has acquired two new sites for its Polynesian nightclub brand Lola Lo in Bournemouth and Reading.

September 2011

Luminar has initiated the marketing process for the sale of the business and has received indicative bids.

October 2011

Luminar have entered into Administration.

Utopian Leisure confirmed that it has breached its banking covenants due to increased losses. Operating profit dropped from a positive of £100,551 in 2009 to a loss of £759,887 in 2010.

November 2011

Luminar has closed 11 venues across the UK. A further 65 sites remain open employing 2,500 people.

So what does this tell us?

Effectively, it was the year of the slow and painful collapse of Luminar into administration. This long saga has been playing out for 3 years or so. Little else has happened. The smaller, regional groups have kept their heads down, whilst they struggle to ensure that income exceeded expenditure.

What does 2012 hold in store?

Luminar has a new owner but familiar problems. There was a long tail that brought down the more profitable units and often leasehold disposal properties rebounded to Luminar when purchasers went to the wall. Administration will ensure this cannot happen in future. Good units will need regular expenditure to stay top of the tree! and nightclubs are big buildings. We therefore see a probability of some freehold sales to pay for developments at the best, whilst keeping borrowings within sensible parameters. There may be a further contraction in customer spending but this will mean a migration to the best. The best will succeed, the rest (it's any one's guess!)

-ENDS-

FOR PRESS ENQUIRIES

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