

MENA CHAIN HOTELS MARKET REVIEW APRIL 2012

Egypt hotels record double digit growth in occupancy and profitability

Hotels in Cairo experienced a surge in profitability during the month of April, according to the latest HotStats survey of full service hotels in six MENA cities by TRI Hospitality Consulting. The results bode well for future stability and growth in Egypt's tourism industry provided the peaceful transition to democracy continues.

Average occupancy at four and five star chain hotels in Cairo reached 54.6% thanks to a 20.6 percentage point growth in occupancy compared to the same month last year. But Average Room Rates (ARR) decreased 11.6% during the month, compared to the same period last year and stood at 54.6% and US\$105.06. Revenue Per Available Room (RevPAR) for the month surged 41.8% to US\$57.35 leading to profits in terms of Gross Operating Profit Per Available Room (GOPPAR) increasing by 65.3% to \$59.11.

"The performance of hotels in Cairo continues to improve with occupancy levels maintaining their growth trend in 2012, breaching the 50 percent threshold for the first time since January 2011. The improving political scene and limited protests occurring throughout Cairo, has provided some much needed stability, which in turn is boosting hotel demand. The increase in occupancy coupled with a 41.4% increase in Total Revenue Per Available Room (TrevPAR) has resulted in a 65.3% increase in GOPPAR to \$59.11", commented Peter Goddard, managing director of TRI Hospitality Consulting in Dubai.

Sharm El Sheikh hotels witnessed strong growth in occupancy, achieving 69.2% occupancy in April, 22.0 percentage points above the same month last year. Average Room Rates (ARR) recorded a 4.8 percent drop to \$51.79; however a noticeable drop in overheads and payroll help hotels boost their GOPPAR by 70.5% to \$29.12 during the month.

"As Egypt's tourism industry rebounds, Sharm El Sheikh con-

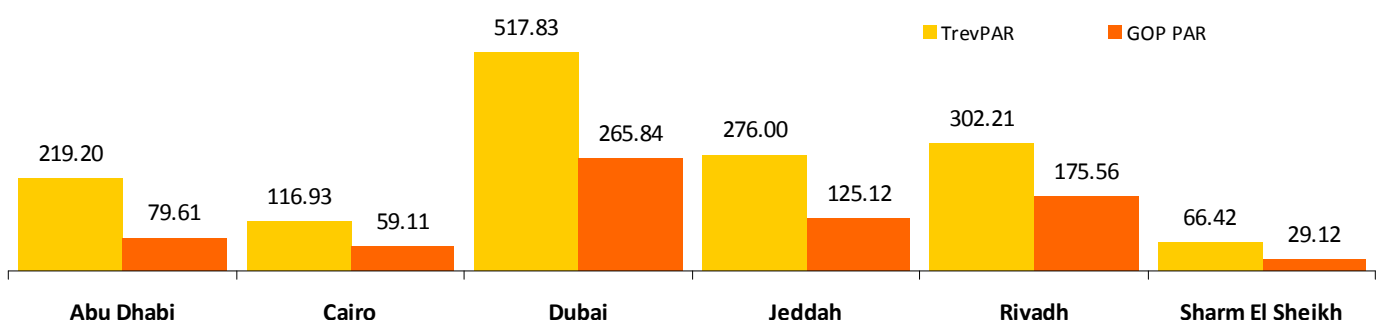
tinues to benefit in attracting strong tourist numbers. This is attributed to the relatively limited on-going political turmoil in the area and it's pulling power for leisure demand from the MENA region and charters from across the CIS region. If the presidential elections in May end peacefully and the new government assumes office, we project the country will be able to enjoyed renewed stability and growth, particularly in the tourism industry" said Goddard.

In Saudi Arabia, hotels in Riyadh and Jeddah saw mixed results in April. Hotels in Riyadh recorded a marginal fall in occupancy and ARR by 1 percentage point and 5.6% respectively to 69.9% and \$258.25, resulting in a RevPAR of \$180.56. An increase in TrevPAR, driven by food and beverage consumption, helped maintain profitability with GOPPAR increasing by a marginal 0.7% to \$175.56.

Jeddah Hotels recorded stronger hotel performance than Riyadh with a 3.1 percentage point increase in occupancy and a 3.9% increase in RevPAR to 79.6% and \$169.20 respectively. A 5.5% increase in TrevPar to \$276.00 mainly driven by increased conference and meeting revenues, and a marginal drop in payroll and overheads resulted in an 8.4% increase in GOPPAR to \$125.12.

The month of April 2012						
	Occ %	ARR	RevPAR	TrevPAR	Payroll %	GOP PAR
Abu Dhabi	69.3	140.79	97.60	219.20	26.0	79.61
Cairo	54.6	105.06	57.35	116.93	18.7	59.11
Dubai	86.5	359.51	311.12	517.83	16.6	265.84
Jeddah	79.6	212.70	169.20	276.00	22.1	125.12
Riyadh	69.9	258.25	180.56	302.21	16.6	175.56
Sharm El Sheikh	69.2	51.79	35.85	66.42	14.2	29.12

MENA City Markets achieved TREVPAR and GOPPAR April 2012



Dubai hotels hit record RevPAR levels while Abu Dhabi continue to see rates and profits fall

Hotels in Dubai reported growth in revenues and profits while Abu Dhabi continue to experience a decline in rates and profits in April 2012, according to the latest **HotStats** survey of full-service hotels in six MENA cities by TRI Hospitality Consulting.

Revenue Per Available Room (RevPAR) in Dubai increased 9.4% to US\$311.12 in April, the highest level in three years, driven by a 8.6% growth in Average Room Rate (ARR) to US\$359.51 and a nominal increase of 0.6 percentage point in occupancy. In terms of profits, GOPPAR for the month saw a growth of 7.2% to US\$265.84, significantly higher than the other GCC cities surveyed by **HotStats**. Once again, hotels in Dubai have benefited from consistently strong corporate and leisure demand along with a series of regional and global events held in the city including high profile events such as GETEX, World Cardiology Congress and the Arabian Travel Market which started on the 30th April.

“Dubai witnessed strong leisure demand in April due to the regional school holidays occurring within the first week of the month, boosting ARR and TRevPAR performances. Large regional and global conferences continued to increase ARR performance with this segment generating rates 11.6% above the same period last year, indicating that hotels in Dubai are not only able to maintain high occupancy levels, but also charging rate premiums during peak periods of demand” commented Goddard.

Performance levels for hotels in Abu Dhabi continued to drop in April compared to the same period last year. A reduction in occupancy levels by 3.6 per-

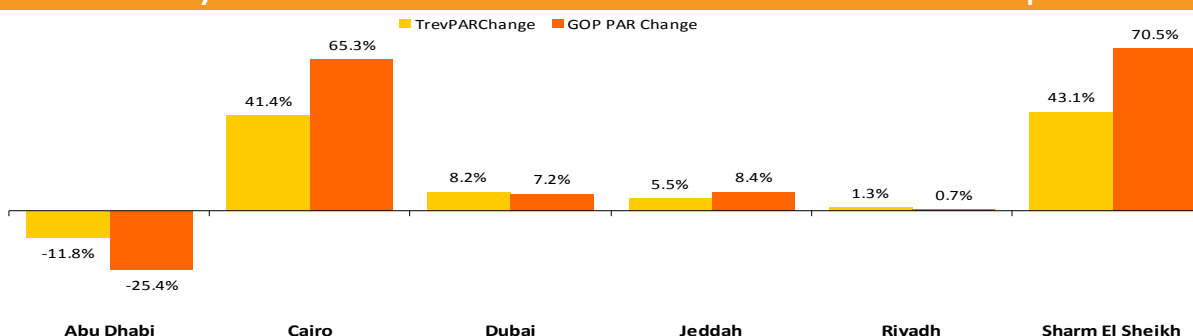
centage points to 69.3% coupled with a 11.0% fall in ARR to \$140.79, resulted in RevPAR dropping 15.0% to \$96.60. The fall in revenues and a 4.9% increase in payroll expenses during the month resulted in a GOPPAR of \$79.61, 25.4% lower than the same period last year.

‘Abu Dhabi hotels are continuing to take a hit in profitability, driven by falling ARR, occupancy and increasing payroll costs. Our **HotStats** data indicates that the high competition for corporate demand has resulted in a 13.1% fall in average rates generated by the segment. With no sign of recovery insight in the coming months, this is likely to lead to further declines in performance levels as we move in the summer months” said Goddard.

Movement for the month of April

	Occ Change	ARR Change	RevPAR Change	TrevPAR Change	Payroll Change	GOP PAR Change
Abu Dhabi	-3.3	-11.0%	-15.0%	-11.8%	-4.9	-25.4%
Cairo	20.6	-11.6%	41.8%	41.4%	5.8	65.3%
Dubai	0.6	8.6%	9.4%	8.2%	-1.3	7.2%
Jeddah	3.2	-0.2%	3.9%	5.5%	1.0	8.4%
Riyadh	-1.0	-5.6%	-7.0%	1.3%	0.2	0.7%
Sharm El Sheikh	22.1	-4.8%	39.7%	43.1%	4.9	70.5%

MENA City Markets TREVPAR and GOPPAR Movement April 2012



Editors Notes:

The MENA Chain Hotels sample is composed of hotels with an average hotel size of 330 bedrooms. The hotels profiled in this report are drawn from the HotStats database and reflect the portfolios and distribution of the hotel chains that we survey and which operate primarily in the four and five-star sectors.

Please note: The data samples are reviewed and rebased each year to reflect the changes in the HotStats survey base. As a result, performance ratios published last year may differ from those contained within this report. TRI Hospitality Consulting provides a wide range of services to clients in the hotel sector.

Occupancy (%)	is that proportion of the bedrooms available during the period which are occupied during the period.
Average Room rate (ARR)	is the total bedroom revenue for the period divided by the total bedrooms occupied during the period.
Room Revpar (RevPAR)	is the total bedroom revenue for the period divided by the total available rooms during the period.
Total Revpar (TrevPAR)	is the combined total of all revenues divided by the total available rooms during the period.
Payroll %	is the payroll for all hotels in the sample as a percentage of total revenue.
GOP PAR	is the Total Gross Operating Profit for the period divided by the total available rooms during the period.

TRI has offices in London, Dubai and Barcelona.

For more information contact:

TRI Hospitality Consulting	HotStats
Peter Goddard, Managing Director + 971 (0) 4 345 4241 peter.goddard@trimideast.com	Mark Dickens, Managing Director HotStats + 44 (0) 207 892 2207 mark.dickens@hotstats.com
Angelica Suraga, Marketing Manager + 971 (0) 4 345 4241 angelica@trimideast.com	Tony Oliveira, Business Development Manager + 44 (0) 207 892 2234 Tony.oliveira@hotstats.com

Services:

For an inside view of a local or regional market place in the hotel sector, bespoke **HotStats** reports are available. Terms and conditions apply.

To view a sample report visit: <http://www.hotstats.com/Home.aspx?PID=57-0>

Or from the TRI home page select Market knowledge and follow the path to Market reports.

©TRI Hospitality Consulting 2011

Unless otherwise attributed, all material in this press release is the copyright of TRI Hospitality Consulting

HotStats Briefing Data

Middle East and North Africa Chain Hotels - Performance report Currency: \$ Dollars

The month of April 2012							Calendar year to April 2012						Twelve months to April 2012						
	Occ %	ARR	RevPAR	TrevPAR	Payroll %	GOP PAR	Occ %	ARR	RevPAR	TrevPAR	Payroll %	GOP PAR	Occ %	ARR	RevPAR	TrevPAR	Payroll %	GOP PAR	
Abu Dhabi	69.3	140.79	97.60	219.20	26.0	79.61	73.6	157.32	115.73	238.80	23.5	101.09	69.4	152.27	105.72	225.06	23.6	88.98	Abu Dhabi
Cairo	54.6	105.06	57.35	116.93	18.7	59.11	45.3	109.78	49.72	99.74	21.9	45.66	41.1	115.71	47.53	97.21	21.9	42.80	Cairo
Dubai	86.5	359.51	311.12	517.83	16.6	265.84	87.6	335.44	293.95	491.33	16.4	254.55	80.8	281.01	227.16	397.49	19.2	170.87	Dubai
Jeddah	79.6	212.70	169.20	276.00	22.1	125.12	78.9	216.12	170.52	273.74	22.5	126.21	76.7	210.79	161.59	261.39	22.2	117.62	Jeddah
Riyadh	69.9	258.25	180.56	302.21	16.6	175.56	67.7	261.64	177.16	286.85	16.9	167.09	60.3	257.47	155.18	253.22	17.6	138.56	Riyadh
Sharm El Sheikh	69.2	51.79	35.85	66.42	14.2	29.12	57.2	47.00	26.89	51.57	18.5	17.80	59.4	46.85	27.85	52.90	18.0	18.40	Sharm El Sheikh
The month of April 2011							Calendar year to April 2011						Twelve months to April 2011						
	Occ%	ARR	RevPAR	TrevPAR	Payroll %	GOP PAR	Occ%	ARR	RevPAR	TrevPAR	Payroll %	GOP PAR	Occ%	ARR	RevPAR	TrevPAR	Payroll %	GOP PAR	
Abu Dhabi	72.6	158.23	114.88	248.39	21.1	106.71	72.5	190.20	137.81	270.64	19.3	129.09	64.6	187.46	121.15	243.02	20.9	107.70	Abu Dhabi
Cairo	34.0	118.82	40.44	82.69	24.6	35.75	36.7	125.44	46.04	85.37	24.3	37.17	58.7	118.17	69.32	128.85	14.8	70.96	Cairo
Dubai	85.9	330.94	284.30	478.57	15.3	247.91	85.9	313.18	268.88	454.72	16.0	229.76	78.5	263.37	206.81	367.16	19.5	154.98	Dubai
Jeddah	76.4	213.19	162.84	261.55	23.1	115.42	71.5	198.50	141.89	228.79	23.8	95.78	72.3	199.82	144.51	233.36	22.9	101.61	Jeddah
Riyadh	70.9	273.61	194.07	298.19	16.8	174.32	67.6	275.70	186.29	284.23	17.1	165.64	56.8	263.38	149.60	238.97	18.0	129.99	Riyadh
Sharm El Sheikh	47.2	54.38	25.66	46.42	19.1	17.08	42.8	58.16	24.88	44.35	19.7	16.08	71.2	61.39	43.70	76.01	12.3	38.50	Sharm El Sheikh
Movement for the month of April							Movement for the calendar year to April						Movement for the twelve months to April						
	Occ Change	ARR Change	RevPAR Change	TrevPAR Change	Payroll Change	GOP PAR Change	Occ Change	ARR Change	RevPAR Change	TrevPAR Change	Payroll Change	GOP PAR Change	Occ Change	ARR Change	RevPAR Change	TrevPAR Change	Payroll Change	GOP PAR Change	
Abu Dhabi	-3.3	-11.0%	-15.0%	-11.8%	-4.9	-25.4%	1.1	-17.3%	-16.0%	-11.8%	-4.2	-21.7%	4.8	-18.8%	-12.7%	-7.4%	-2.6	-17.4%	Abu Dhabi
Cairo	20.6	-11.6%	41.8%	41.4%	5.8	65.3%	8.6	-12.5%	8.0%	16.8%	2.4	22.8%	-17.6	-2.1%	-31.4%	-24.6%	-7.1	-39.7%	Cairo
Dubai	0.6	8.6%	9.4%	8.2%	-1.3	7.2%	1.8	7.1%	9.3%	8.1%	-0.3	10.8%	2.3	6.7%	9.8%	8.3%	0.3	10.3%	Dubai
Jeddah	3.2	-0.2%	3.9%	5.5%	1.0	8.4%	7.4	8.9%	20.2%	19.6%	1.3	31.8%	4.3	5.5%	11.8%	12.0%	0.7	15.8%	Jeddah
Riyadh	-1.0	-5.6%	-7.0%	1.3%	0.2	0.7%	0.1	-5.1%	-4.9%	0.9%	0.1	0.9%	3.5	-2.2%	3.7%	6.0%	0.5	6.6%	Riyadh
Sharm El Sheikh	22.1	-4.8%	39.7%	43.1%	4.9	70.5%	14.5	-19.2%	8.1%	16.3%	1.2	10.7%	-11.8	-23.7%	-36.3%	-30.4%	-5.7	-52.2%	Sharm El Sheikh