

Major events boost performance in Abu Dhabi, Dubai and Kuwait in February

Hotels in Abu Dhabi capitalised on a surge in demand in February driven by major events, boosting RevPAR by 43% and profits by 72.9%, according to the latest HotStats survey of full service four and five star hotels by TRI Hospitality Consulting.

Abu Dhabi hotels reported significant growth in top line and bottom line performance in February as the city moved into peak leisure and MICE tourist season. Occupancy levels in the capital shot up 18.6 percentage points compared to the same period last year to 80.8% and Average Room Rate (ARR) increased 10.0% to US\$203.30, leading to a 43.0% increase in Revenue per Available Room (RevPAR). Total Revenue per Available Room (TRevPAR) for the month was up 36.4% to US\$323.95 and the payroll dropped by 6.6 percentage points, boosting the Gross Operating Profit per Available Room (GOPPAR) by 72.9% to US\$126.21.

Hotels in Dubai reported stellar performance during the month of February as the city hosted a plethora of events and attracted an increasing number of international travellers, lifting occupancy 5.3 percentage points to 90.1%. Dubai hotels maintained the highest Average Room Rate (ARR) in the region at US\$334.79, resulting in 10.3% growth in Revenue per Available Room (RevPAR) to US\$301.7. An increase in leisure demand in the city boosted food and beverage revenues 9.3% and 9.5% respectively and Total Revenue per Available Room (TRevPAR) up by 11.0% to US\$523.86. In terms of profit, Dubai hotels reported a 12.7% growth in Gross Operating Profits per Available Room (GOPPAR) to US\$261.08.

Dubai continues to be the star player in the region as the city records the second consecutive month where occupancy levels are above 90 percent. Increased economic activity within the city coupled with a consistent rise in visitor numbers have been driving demand for Dubai's hotels. Dubai Airport 11.4% growth in passenger numbers in February gave the hotel market an extra boost, particularly from Eastern Europe, which saw a 29% rise in passengers.

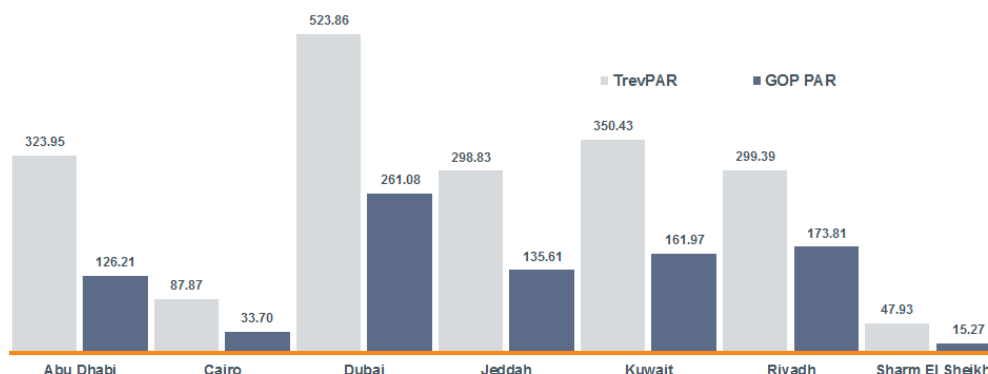
"Dubai and Abu Dhabi saw an upswing in demand as we moved into the peak leisure and MICE season. Both cities hosted a number of leading events during the month, including the IDEX in Abu Dhabi which had attracted over 60,000 attendees in previous editions. Dubai Airport saw an 11% growth in passenger traffic during the month highlighting the notable increase in tourist arrivals to the city. New and additional services by Emirates and FlyDubai contributed to a 29.6% growth in traffic from Eastern Europe alone which is really encouraging for hotels" commented Peter Goddard, Managing Director at TRI Hospitality Consulting in Dubai.

In Kuwait, hotels registered a 6.4 percentage point increase in occupancy in February to 60.0% and 7.5% increase in ARR to US\$273.92 driven by an increase in both corporate and leisure demand. The city hosted this year's Hala February festival during the month which is a strong catalyst for domestic tourism in Kuwait, encouraging local spending and growth in food and beverage demand. The city also celebrated its national day during the month of February, further boosting hotel performances as residents took advantage of an extended weekend to vacation in the city. Consequently, the citywide RevPAR was 20.4% higher compared to last year at US\$164.27 and F&B revenues increased 46.6%, boosting TRevPAR by 23.8% to US\$350.43 and GOPPAR up by 34.9% to US\$161.97.

The month of February 2013

	Occ %	ARR	RevPAR	TrevPAR	Payroll %	GOP PAR	
Abu Dhabi	80.8	203.30	164.20	323.95	25.2	126.21	▲
Cairo	42.6	112.69	47.96	87.87	27.5	33.70	▲
Dubai	90.1	334.79	301.70	523.86	18.6	261.08	▲
Jeddah	78.2	237.37	185.69	298.83	22.9	135.61	▲
Kuwait	60.0	273.92	164.27	350.43	25.6	161.97	▲
Riyadh	74.3	250.48	185.97	299.39	17.9	173.81	▲
Sharm El Sheikh	56.8	40.76	23.13	47.93	21.4	15.27	▲

MENA City Markets achieved TREVPAR and GOPPAR February 2013



Hotel performances in Egypt continue to recover; Jeddah figures up as Umrah season begins

Egypt hotels continued to show recovery in performance while in Saudi Arabia, room rates in Jeddah are up 11.2% as this year's Umrah season kicks off, according to the latest HotStats survey of full service four and five star hotels by TRI Hospitality Consulting.

In Sharm el Sheikh, hotel performance indicators showed notable growth over the same period last year highlighting the continuing recovery in tourist arrivals to Egypt. Occupancy levels across the four and five star hotels surveyed by HotStats increased 7.7 percentage points to 56.8%, and ARR and RevPAR increased 9.7% and 26.9% to US\$40.78 and US\$23.13 respectively. In addition, hotels also reported notable growth in F&B revenues and 52.9% increase in meeting room revenues, resulting in a 27.3% increase in TRevPAR to US\$47.93. On the bottom line, this resulted in a 71.2% increase in GOPPAR to US\$15.27.

In Cairo, occupancy levels remained largely unchanged at 42.6%, however a 10.9% growth in ARR to US\$112.69 boosted RevPAR by 12.3% to US\$47.96. The overall improvement in hotel performance in both Cairo and Sharm El Sheikh is attributed to the increase in leisure demand, mainly from Europe as a growing number of travellers take advantage of the better exchange rates and lower prices to travel to Egypt. In Cairo, the higher RevPAR boosted TRevPAR levels up by 6.5% to US\$87.87 and GOPPAR up 9.1% to US\$33.7.

"Sharm el Sheikh continues to attract a growing number of visitors, particularly UK nationals who benefited from the week-long holiday in mid-February, to escape harsh winter conditions at reasonable prices. Package deals to Egypt often incorporate a few nights in Cairo, providing hotels in the capital with a much needed boost in revenues", commented Peter Goddard, Managing Director at TRI Hospitality Consulting in Dubai.

In Saudi Arabia, however, the two main markets – Jeddah and Riyadh – saw varying performance trends. Hotels in Jeddah registered growth across major performance indicators despite a marginal drop in occupancy which was down 1.3 percentage points

to 78.2%. ARR for the month was up 11.2% to US\$237.37 allowing a 9.4% increase in RevPAR to US\$185.69. The growth in performance is attributed mainly to the start of the Umrah season. Consequently, Jeddah hotels reported a 9.4% increase in TRevPAR to US\$298.83, partly assisted by strong growth in food and beverage revenues, and a 10.8% growth in GOPPAR which stood at US\$135.61 during the month.

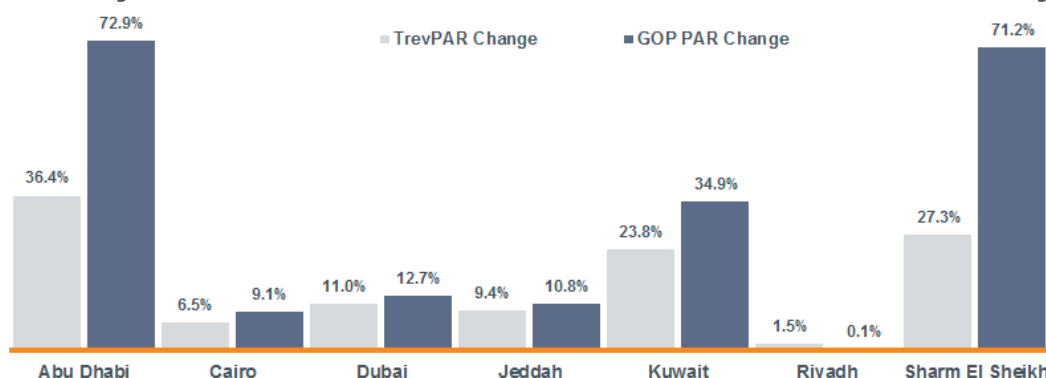
Riyadh's hotel performances remained stable compared to last year in spite of a 3.0 percentage points increase in occupancy to 74.3 percent. ARR across the market witnessed a 3.3% decline to US\$250.48, believed to be mainly driven by the increased competition including from a growing number of mid-market hotels across the city. Nevertheless, the growth in occupancy helped the hotels achieve a 0.8% growth in RevPAR to US\$185.97 and 1.5% growth in TRevPAR to US\$299.39. However, the higher payroll cost for the month negated the gain in revenues, leaving GOPPAR at US\$173.81, up just 0.1% compared to last year.

"Hotels in Jeddah are likely to see continued growth in demand in the coming months, both from business, leisure and religious visitors. Muslim pilgrims to Makkah and Madinah represent a fast growing segment, and Jeddah, being the main port of entry for the pilgrims to the holy cities, will continue to benefit from this as many pilgrims spend 1-2 days in Jeddah on their return trip to relax and do some last minute shopping" commented Goddard.

Movement for the month of February

	Occ Change	ARR Change	RevPAR Change	TrevPAR Change	Payroll Change	GOP PAR Change
Abu Dhabi	18.6	10.0%	43.0%	36.4%	6.6	72.9%
Cairo	0.5	10.9%	12.3%	6.5%	-0.4	9.1%
Dubai	5.3	3.8%	10.3%	11.0%	-0.1	12.7%
Jeddah	-1.3	11.2%	9.4%	9.4%	1.6	10.8%
Kuwait	6.4	7.5%	20.4%	23.8%	1.0	34.9%
Riyadh	3.0	-3.3%	0.8%	1.5%	-0.7	0.1%
Sharm El Sheikh	7.7	9.7%	26.9%	27.3%	3.0	71.2%

MENA City Markets TREVPAR and GOPPAR Movement February 2013



Editors Notes

The sample is composed of 108 hotels with an average hotel size of 325 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. **TRI has offices in London, Dubai and Barcelona.**

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HotStats provides two reporting tools to hoteliers:

- Our unique profit and loss benchmarking service which enables monthly comparison of hotels' performance against their competitors. It is distinguished by the fact that it provides in excess of 100 performance metric comparisons covering 70 areas of hotel revenue, cost, profit and statistics providing far deeper insight into the hotel operation than any other tool.
- Our latest innovation in daily revenue intelligence, MORSE. Amongst its reporting are daily and highly granular market segmentation metrics as well as distribution channel and source of booking analysis. It takes daily market intelligence to a whole new level.

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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.

The month of February 2013

	Occ %	ARR	RevPAR	TrevPAR	Payroll %	GOP PAR
Abu Dhabi	80.8	203.30	164.20	323.95	25.2	126.21
Cairo	42.6	112.69	47.96	87.87	27.5	33.70
Dubai	90.1	334.79	301.70	523.86	18.6	261.08
Jeddah	78.2	237.37	185.69	298.83	22.9	135.61
Kuwait	60.0	273.92	164.27	350.43	25.6	161.97
Riyadh	74.3	250.48	185.97	299.39	17.9	173.81
Sharm El Sheikh	56.8	40.76	23.13	47.93	21.4	15.27

Calendar year to February 2013

	Occ %	ARR	RevPAR	TrevPAR	Payroll %	GOP PAR
	75.9	180.53	137.10	280.08	27.4	97.04
	43.2	111.66	48.19	90.20	24.9	38.28
	89.2	347.57	310.18	519.99	17.9	268.83
	75.3	237.13	178.59	281.30	23.1	126.86
	58.9	273.72	161.30	356.64	23.4	172.74
	67.0	250.84	167.96	270.42	19.8	150.89
	57.0	45.15	25.73	51.23	19.1	18.84

Twelve months to February 2013

	Occ %	ARR	RevPAR	TrevPAR	Payroll %	GOP PAR
	62.6	162.58	101.79	223.21	32.3	58.44
Abu Dhabi	80.8	203.30	164.20	323.95	25.2	126.21
Cairo	42.6	112.69	47.96	87.87	27.5	33.70
Dubai	90.1	334.79	301.70	523.86	18.6	261.08
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The month of February 2012

	Occ%	ARR	RevPAR	TrevPAR	Payroll %	GOP PAR
Abu Dhabi	62.2	184.74	114.82	237.52	31.8	73.00
Cairo	42.0	101.62	42.71	82.51	27.0	30.90
Dubai	84.8	322.56	273.48	471.93	18.5	231.59
Jeddah	79.5	213.46	169.79	273.26	24.5	122.35
Kuwait	53.6	254.75	136.46	283.13	26.6	120.08
Riyadh	71.2	258.95	184.42	294.93	17.2	173.56
Sharm El Sheikh	49.1	37.16	18.23	37.66	24.4	8.92

Calendar year to February 2012

	Occ%	ARR	RevPAR	TrevPAR	Payroll %	GOP PAR
	61.5	180.59	110.99	228.50	31.9	70.49
	39.9	103.83	41.39	79.54	26.8	30.33
	85.1	332.80	283.10	474.61	17.7	237.96
	77.4	215.43	166.80	263.60	23.9	118.72
	52.7	251.37	132.42	274.53	26.4	115.02
	66.3	254.57	168.69	267.94	17.9	155.46
	48.5	41.03	19.89	39.38	22.5	11.19

Twelve months to February 2012

	Occ %	ARR	RevPAR	TrevPAR	Payroll %	GOP PAR
	65.2	160.86	104.88	223.39	25.3	80.00
Abu Dhabi	80.8	203.30	164.20	323.95	25.2	126.21
Cairo	42.6	112.69	47.96	87.87	27.5	33.70
Dubai	90.1	334.79	301.70	523.86	18.6	261.08
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Jeddah	-1.3	11.2%	9.4%	9.4%	1.6	10.8%
Kuwait	6.4	7.5%	20.4%	23.8%	1.0	34.9%
Riyadh	3.0	-3.3%	0.8%	1.5%	-0.7	0.1%
Sharm El Sheikh	7.7	9.7%	26.9%	27.3%	3.0	71.2%

Movement for the month of February

	Occ Change	ARR Change	RevPAR Change	TrevPAR Change	Payroll Change	GOP PAR Change
	14.5	0.0%	23.5%	22.6%	4.5	37.7%
	3.3	7.5%	16.4%	13.4%	1.9	26.2%
	4.2	4.4%	9.6%	9.6%	-0.2	13.0%
	-2.1	10.1%	7.1%	6.7%	0.8	6.9%
	6.3	8.9%	21.8%	29.9%	3.1	50.2%
	0.7	-1.5%	-0.4%	0.9%	-2.0	-2.9%
	8.5	10.0%	29.4%	30.1%	3.5	68.4%

Movement for the twelve months to February

	Occ %	ARR Change	RevPAR Change	TrevPAR Change	Payroll Change	GOP PAR Change
	-2.6	1.1%	-2.9%	-0.1%	-7.0	-27.0%
Abu Dhabi	80.8	203.30	164.20	323.95	25.2	126.21
Cairo	42.6	112.69	47.96	87.87	27.5	33.70
Dubai	90.1	334.79	301.70	523.86	18.6	261.08
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