

Amman and Dubai hotels witness profit decline

In April, a 10.8 percentage point reduction in occupancy levels to 62.3% had a direct impact on the performance of Amman hotels. The lower demand during the month saw both average room rate (ARR) and revenue per available room (RevPAR) fall by 4.3% and 18.5% respectively to US\$154.94 and US\$96.48. Hotels were able to offset the decline in room revenue with stronger food and beverage demand, which increased by 19.0% and 4.7%. Hotel profits were impacted by higher operating expenses, falling by 25.1% to US\$55.26.

In Dubai, a 12.8% reduction in ARR to US\$373.78 had a significant impact on profitability in April, falling by 19.5% compared to the same period last year. The combined effect of the falling Euro and stronger US Dollar is one of the key challenges facing the city, forcing hoteliers to reduce ARR in order to maintain occupancy levels at 84.9%. Food and beverage revenues were also impacted, falling by 19.8% and 26.7% respectively, resulting in a 15.7% decline in total revenue per available room (TRevPAR). Higher operating expenses compounded the lower overall revenues, forcing gross operating profit per available room (GOPPAR) down by 19.5% to US\$273.13.

Profits rise in Cairo and Sharm El Sheikh on the back of renewed demand

Cairo hotels witnessed a 12.1 percentage point increase in occupancy levels to 53.5% in April, allowing hoteliers to yield a 9.9% rise in ARR to US\$111.28 and driving an impressive 42.1% growth in RevPAR to US\$59.52. Slightly softer food and beverage revenues had a marginal impact on TRevPAR performance, yet it still achieved a 33.8% growth over last year. The strong increase in total revenues

had a direct flow through to the bottom-line with GOPPAR increasing by 29.1% to US\$44.85.

A 7.4 percentage point increase in occupancy and a 19.8% growth in ARR also provided Sharm El Sheikh hotels with a significant boost to their bottom-line, with GOPPAR increasing by 27.1% to US\$19.18. The return of international visitors and travel agent demand boosted occupancy to 69.9% in April and allowed hoteliers to yield an ARR and RevPAR of US\$48.81 and US\$34.09 respectively. The increased demand had a positive impact on food and beverage revenues which helped boost TRevPAR by 25.8% to US\$59.68, the highest experienced in the past six months.

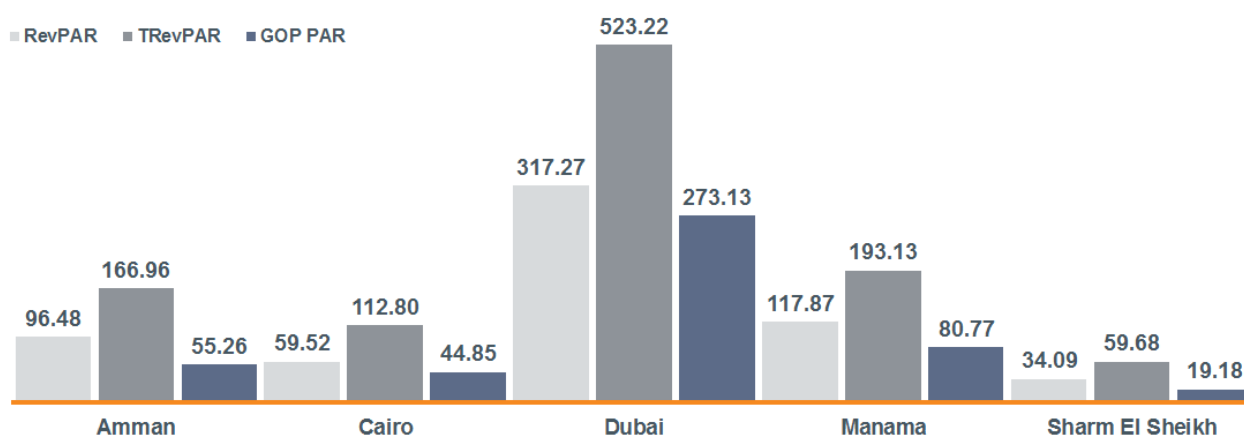
Manama hotels experienced mixed results

Hotels in Manama witnessed a marginal 1.9 percentage point increase in occupancy levels to 60.8%, however ARR fell by 2.8% to US\$193.82. The growth in demand was sufficient enough to maintain RevPAR performance at US\$117.87; however stronger food and beverage demand saw TRevPAR grow by 3.2% to US\$193.13. In keeping with the mixed performance, the higher revenue margins were eroded by increased operating expenses resulting in GOPPAR remaining stable at US\$80.77 compared to the same period last year.

The month of April 2015

\$ Dollars	Occ %	ARR	RevPAR	TRevPAR	Payroll %	GOP PAR
Amman	62.3	154.94	96.48	166.96	28.1	55.26
Cairo	53.5	111.28	59.52	112.80	21.3	44.85
Dubai	84.9	373.78	317.27	523.22	18.4	273.13
Manama	60.8	193.82	117.87	193.13	26.3	80.77
Sharm El Sheikh	69.9	48.81	34.09	59.68	20.8	19.18

MENA City Markets achieved REVPAR, TREVPAR and GOPPAR April 2015



Editor's Notes

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 full-service sector.

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.

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The month of April 2015

	Occ %	ARR	RevPAR	TRevPAR	Payroll %	GOP PAR
Amman	62.3	154.94	96.48	166.96	28.1	55.26
Cairo	53.5	111.28	59.52	112.80	21.3	44.85
Dubai	84.9	373.78	317.27	523.22	18.4	273.13
Manama	60.8	193.82	117.87	193.13	26.3	80.77
Sharm El Sheikh	69.9	48.81	34.09	59.68	20.8	19.18

Calendar year to April 2015

	Occ %	ARR	RevPAR	TRevPAR	Payroll %	GOP PAR
Amman	55.7	157.60	87.81	141.91	30.9	38.60
Cairo	52.8	110.47	58.36	110.31	21.1	49.20
Dubai	87.2	376.80	328.46	533.43	18.0	285.24
Manama	57.7	189.15	109.08	182.57	27.8	71.20
Sharm El Sheikh	59.8	43.77	26.19	48.07	25.3	11.63

Twelve months to April 2015

	Occ %	ARR	RevPAR	TRevPAR	Payroll %	GOP PAR	
Amman	60.3	161.71	97.47	164.86	26.8	54.59	Amman
Cairo	51.5	108.74	55.99	108.29	20.6	49.09	Cairo
Dubai	80.2	327.76	262.92	462.19	20.8	211.41	Dubai
Manama	54.3	190.46	103.47	171.94	28.5	62.79	Manama
Sharm El Sheikh	63.2	45.18	28.57	51.72	22.2	14.67	Sharm El Sheikh

The month of April 2014

	Occ%	ARR	RevPAR	TRevPAR	Payroll %	GOP PAR
Amman	73.1	161.96	118.38	190.80	24.5	73.73
Cairo	41.4	101.29	41.90	84.31	24.5	34.74
Dubai	85.6	428.61	366.93	620.64	16.5	339.21
Manama	58.9	199.49	117.58	187.08	26.7	80.29
Sharm El Sheikh	62.5	40.74	25.45	47.45	21.3	15.09

Calendar year to April 2014

	Occ%	ARR	RevPAR	TRevPAR	Payroll %	GOP PAR
Amman	64.2	161.63	103.73	161.89	27.5	54.54
Cairo	38.0	100.61	38.26	76.20	27.5	28.51
Dubai	86.8	402.32	349.25	590.36	16.7	316.87
Manama	56.0	195.15	109.21	174.58	28.7	65.48
Sharm El Sheikh	57.7	36.96	21.34	42.17	23.4	11.38

Twelve months to April 2014

	Occ %	ARR	RevPAR	TRevPAR	Payroll %	GOP PAR	
Amman	62.7	160.47	100.57	168.02	26.6	56.95	Amman
Cairo	34.7	100.63	34.96	69.83	28.7	24.62	Cairo
Dubai	80.2	338.84	271.68	476.64	19.8	220.08	Dubai
Manama	49.2	189.53	93.26	156.56	31.0	52.24	Manama
Sharm El Sheikh	55.8	39.04	21.76	42.12	22.7	11.45	Sharm El Sheikh

Movement for the month of April

	Occ Change	ARR Change	RevPAR Change	TRevPAR Change	Payroll Change	GOP PAR Change
Amman	-10.8	-4.3%	-18.5%	-12.5%	-3.6	-25.1%
Cairo	12.1	9.9%	42.1%	33.8%	3.2	29.1%
Dubai	-0.7	-12.8%	-13.5%	-15.7%	-1.9	-19.5%
Manama	1.9	-2.8%	0.2%	3.2%	0.4	0.6%
Sharm El Sheikh	7.4	19.8%	33.9%	25.8%	0.5	27.1%

Movement for the calendar year to April

	Occ Change	ARR Change	RevPAR Change	TRevPAR Change	Payroll Change	GOP PAR Change
Amman	-8.5	-2.5%	-15.3%	-12.3%	-3.3	-29.2%
Cairo	14.8	9.8%	52.5%	44.8%	6.4	72.6%
Dubai	0.4	-6.3%	-6.0%	-9.6%	-1.4	-10.0%
Manama	1.7	-3.1%	-0.1%	4.6%	0.9	8.7%
Sharm El Sheikh	2.1	18.4%	22.7%	14.0%	-2.0	2.2%

Movement for the twelve months to April

	Occ %	ARR Change	RevPAR Change	TRevPAR Change	Payroll Change	GOP PAR Change	
Amman	-2.4	0.8%	-3.1%	-1.9%	-0.2	-4.1%	Amman
Cairo	16.7	8.1%	60.2%	55.1%	8.1	99.4%	Cairo
Dubai	0.0	-3.3%	-3.2%	-3.0%	-1.0	-3.9%	Dubai
Manama	5.1	0.5%	10.9%	9.8%	2.5	20.2%	Manama
Sharm El Sheikh	7.5	15.7%	31.3%	22.8%	0.5	28.1%	Sharm El Sheikh