

PwC Middle East Spa Benchmarking Survey

January-April 2012

We are pleased to present the results of PricewaterhouseCoopers (PwC) Spa Benchmark survey for the spa sector in the Middle East. This is the only benchmark report covering the Dead Sea, Doha, and Beirut spa regions. The PwC Spa Benchmark Report is issued on a tri-annually basis and this edition covers the period from January to April 2012.

The Spa Benchmark report has been created as an additional service to our hospitality clients as part of PricewaterhouseCoopers Thought Leadership program for the real estate and hospitality sector in the Middle East. The report provides spa/hotel operators owners/investors and hospitality sector developers with key metrics and information on the performance of the sector in the Middle East market.

This report presents the findings from leading spa resorts in the Middle East. The report tracks 11 key metrics in the industry, that were selected as part of our objective to provide spa operators with a benchmark of internal spa operations that can be used as a tool for driving operational decisions and profitability, as well as information on common indicators that can be used by investors and developers in the sector. Performance data has been contributed by our data partners and presented in Jordanian Dinars (JOD), Qatari Riyals (QAR), Lebanese Pounds (LBP) and United States Dollars (USD).

We would like to extend our appreciation and thanks to all of our data partners for their participation in the benchmark survey. This report would not be possible without their expertise and we are grateful for their ongoing support.

We hope that you will find the data and results presented in this report as an invaluable tool for managing your interests in the spa sector.

If you would like to receive further information or have any questions regarding the information presented on the pages herein, please do not hesitate to contact me at +971 4 304 3100 or at mohammad.dahmash@ae.pwc.com

Kind regards,

Mohammad Dahmash
Partner & Middle East Leader - Real
Estate, Hospitality & Construction



The PwC Middle East Sea Spa Benchmarking Survey Data

Key Insights:

- The average treatment revenue per treatment sold for the first four months of 2012 stood the highest in Doha, representing USD 134, which is 61 percent higher than the Dead Sea region.
- The Doha market captured the highest average daily treatment revenue per available treatment room, standing at USD 256, while the Dead Sea and the Beirut markets captured revenues of USD 116 and USD 111 respectively, on available treatment rooms.
- The YTD average daily treatment revenue per occupied treatment room was the lowest in the Beirut market, standing at USD 155.
- The YTD average daily revenue generated per therapist was 70 percent higher in Doha spas than in Beirut.
- Revenue per available treatment hour (RevPATH) on a YTD calculation was the highest in Doha, standing at USD 23, while RevPATH in the Dead Sea stood 39 percent lower than Doha.
- Although average treatment revenue per treatment sold and average daily treatment generated per therapist are higher in Doha, the Doha spa market accounted for the lowest utilisation of therapist hours' and utilisation of treatment room hours in the region.



The PwC Middle East Sea Spa Benchmarking Survey Data

Key Insights (continued):

- While Doha and Beirut reported income from fitness and membership revenues representing 57% and 47% respectively, no revenues were reported in the fitness and membership category in the Dead Sea. This can be attributed to the lack of affluent local population in the immediate area surrounding the Dead Sea
- Retail revenue remains an under capitalized revenue stream in all three markets.
- While spa treatments booked by hotel guests in the Dead Sea represented 92% in January-April 2012, hotel guests treatments only contributed to 16% and 33% of treatment booked in the Doha and Beirut markets respectively. This is mainly due to the fact that the Dead Sea is a leisurely tourist destination without a large affluent and urban local population.



The PwC Middle East Spa Benchmarking Survey Data

PwC Spa Benchmark Consolidated Data

USD	YTD-12		
	Dead Sea	Doha	Beirut
Average treatment revenue per treatment sold	83	134	89
Average daily treatment revenue per available treatment room	116	256	111
Average daily treatment revenue per occupied treatment room	169	256	155
Average daily treatment revenue generated per therapist	316	365	215
Revenue per available treatment hour (RevPATH)	14	23	16
Utilisation of treatment rooms' hours	21%	18%	19%
Utilisation of therapists' hours	49%	23%	27%
Fitness and membership revenue as % of total revenue	0%	57%	47%
Retail revenue as % of total revenue	7%	5%	3%
Treatments booked by hotel guests as % of total treatments	92%	16%	33%
Treatments booked by non hotel guests as % of total treatments	8%	84%	67%

The PwC Middle East Spa Benchmarking Survey Data

PwC Spa Benchmark Consolidated Data – Dead Sea

JOD	2011	Jan-12	Feb-12	Mar-12	Apr-12	YTD- 12
Average treatment revenue per treatment sold	55	53	56	60	60	59
Average daily treatment revenue per available treatment room	82	86	69	88	110	82
Average daily treatment revenue per occupied treatment room	123	128	102	120	163	120
Average daily treatment revenue generated per therapist	245	251	209	218	295	224
Revenue per available treatment hour (RevPATH)	10	10	8	11	13	10
Utilisation of treatment rooms' hours	20%	26%	14%	20%	24%	21%
Utilisation of therapists' hours	42%	53%	33%	38%	75%	49%
Fitness and membership revenue as % of total revenue	0%	0%	0%	0%	0%	0%
Retail revenue as % of total revenue	9%	9%	12%	7%	7%	7%
Treatments booked by hotel guests as % of total treatments	92%	95%	94%	92%	92%	92%
Treatments booked by non hotel guests as % of total treatments	8%	5%	6%	8%	8%	8%
USD						
Average treatment revenue per treatment sold	77	78	79	84	84	83
Average daily treatment revenue per available treatment room	116	121	97	125	155	116
Average daily treatment revenue per occupied treatment room	173	181	144	170	230	169
Average daily treatment revenue generated per therapist	346	354	294	307	417	316
Revenue per available treatment hour (RevPATH)	14	14	11	15	18	14

The PwC Middle East Spa Benchmarking Survey Data

PwC Spa Benchmark Consolidated Data – Doha

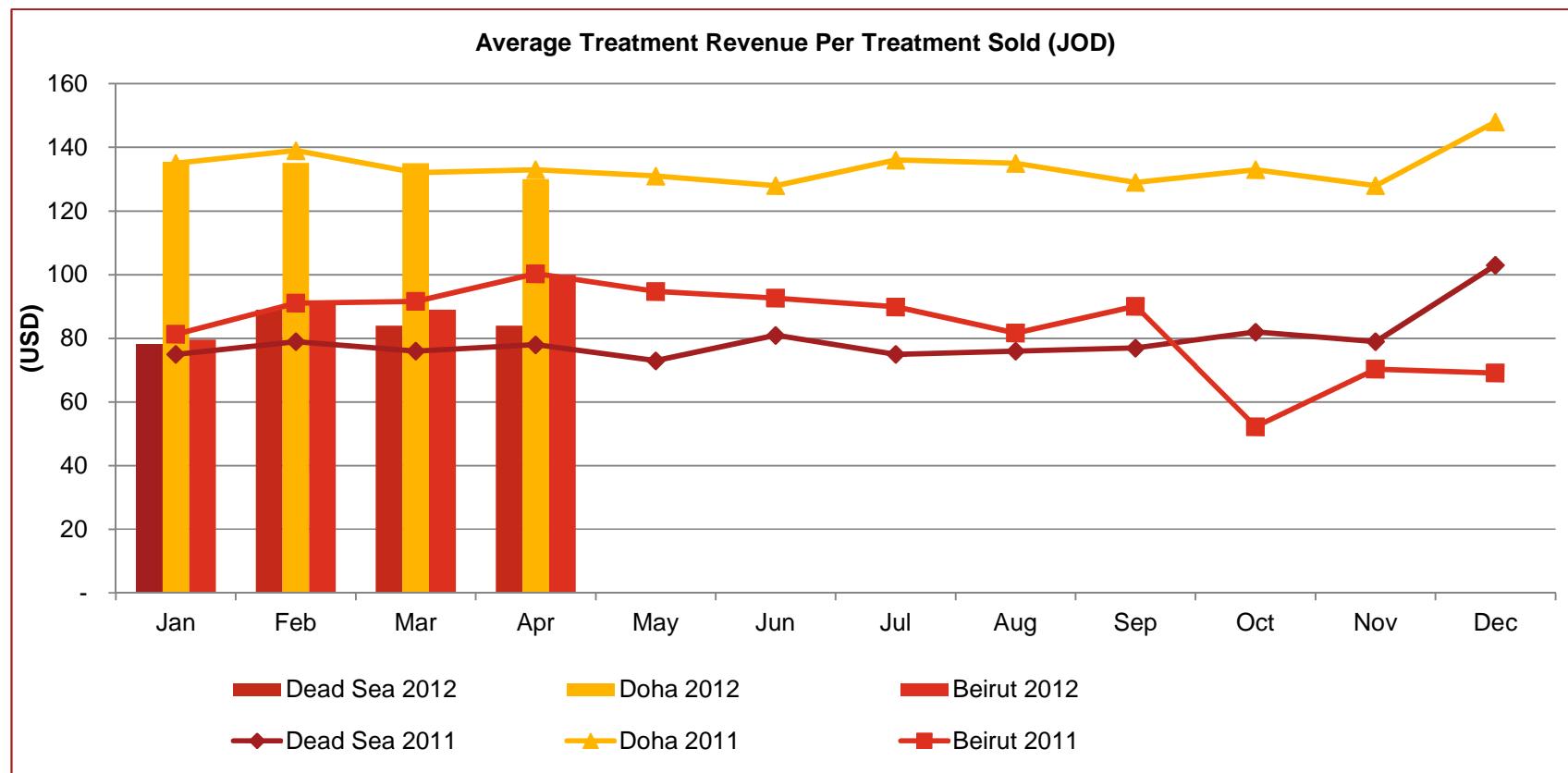
QAR	2011	Jan-12	Feb-12	Mar-12	Apr-12	YTD- 12
Average treatment revenue per treatment sold	490	493	492	493	475	488
Average daily treatment revenue per available treatment room	946	919	1,042	1,080	1,079	933
Average daily treatment revenue per occupied treatment room	946	831	942	977	976	933
Average daily treatment revenue generated per therapist	1419	1,343	1,466	1,642	1,576	1,328
Revenue per available treatment hour (RevPATH)	82	73	77	85	86	82
Utilisation of treatment rooms' hours	18%	16%	16%	19%	20%	18%
Utilisation of therapists' hours	24%	34%	30%	35%	33%	23%
Fitness and membership revenue as % of total revenue	58%	56%	54%	53%	62%	57%
Retail revenue as % of total revenue	3%	4%	5%	5%	5%	5%
Treatments booked by hotel guests as % of total treatments	17%	16%	18%	15%	16%	16%
Treatments booked by non hotel guests as % of total treatments	83%	84%	82%	85%	84%	84%
USD						
Average treatment revenue per treatment sold	135	135	135	135	130	134
Average daily treatment revenue per available treatment room	260	252	286	297	296	256
Average daily treatment revenue per occupied treatment room	260	228	259	268	268	256
Average daily treatment revenue generated per therapist	390	369	403	451	433	365
Revenue per available treatment hour (RevPATH)	22	20	21	23	24	23

The PwC Middle East Spa Benchmarking Survey Data

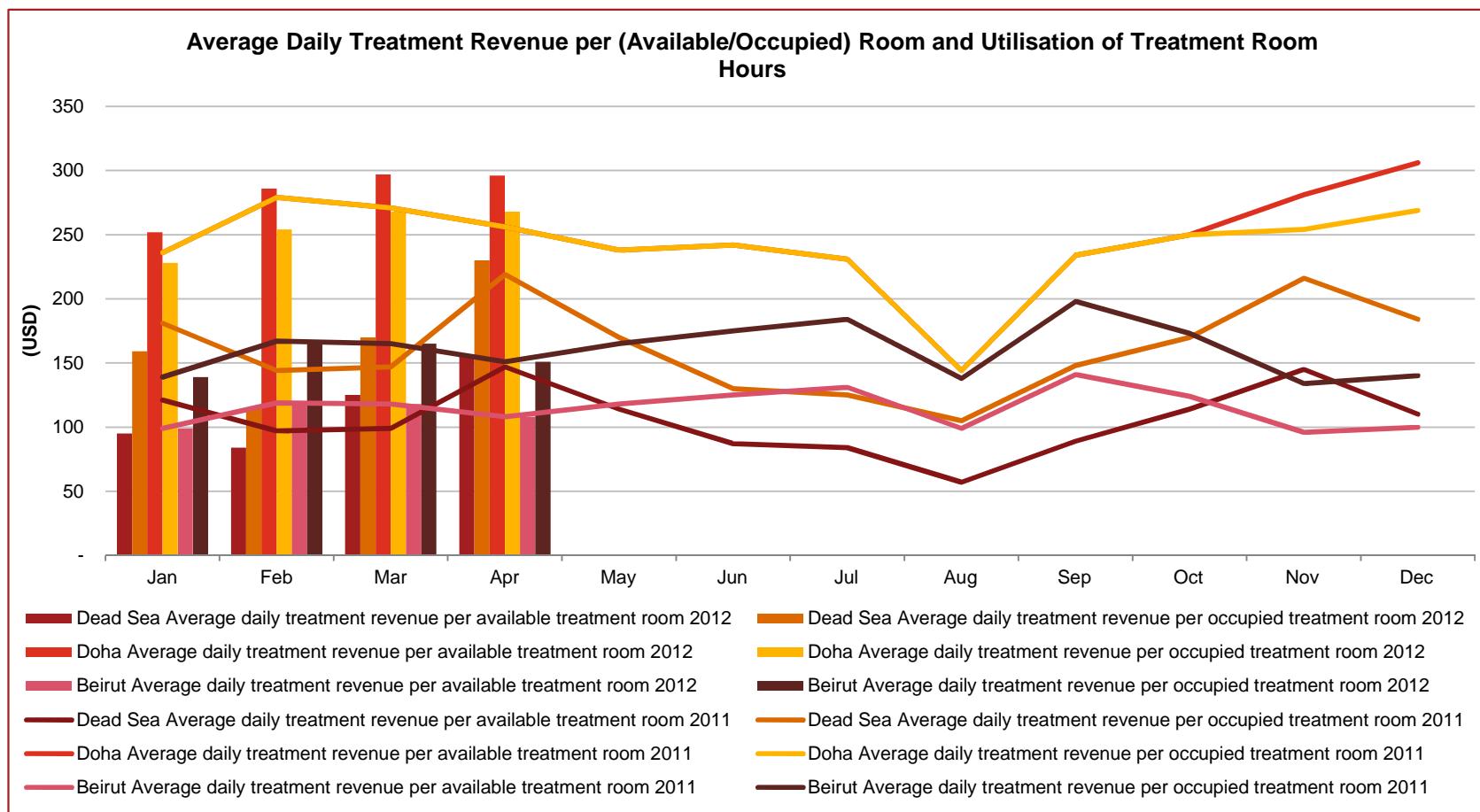
PwC Spa Benchmark Consolidated Data – Beirut

LBP	2011	Jan-12	Feb-12	Mar-12	Apr-12	YTD- 12
Average treatment revenue per treatment sold	136,101	119,445	136,461	133,797	149,519	134,169
Average daily treatment revenue per available treatment room	166,270	148,508	178,792	176,711	161,907	166,210
Average daily treatment revenue per occupied treatment room	232,778	207,912	250,309	247,395	226,670	232,694
Average daily treatment revenue generated per therapist	323,302	273,568	368,102	325,520	333,338	323,186
Revenue per available treatment hour (RevPATH)	24,190	20,671	26,704	24,607	25,294	24,181
Utilisation of treatment rooms' hours	19%	18%	21%	20%	19%	19%
Utilisation of therapists' hours	27%	24%	30%	26%	29%	27%
Fitness and membership revenue as % of total revenue	47%	50%	44%	45%	49%	47%
Retail revenue as % of total revenue	3%	3%	3%	3%	3%	3%
Treatments booked by hotel guests as % of total treatments	33%	32%	29%	33%	39%	33%
Treatments booked by non hotel guests as % of total treatments	67%	68%	71%	67%	61%	67%
USD						
Average treatment revenue per treatment sold	91	80	91	89	100	89
Average daily treatment revenue per available treatment room	111	99	119	118	108	111
Average daily treatment revenue per occupied treatment room	155	139	167	165	151	155
Average daily treatment revenue generated per therapist	216	182	245	217	222	215
Revenue per available treatment hour (RevPATH)	16	14	18	16	17	16

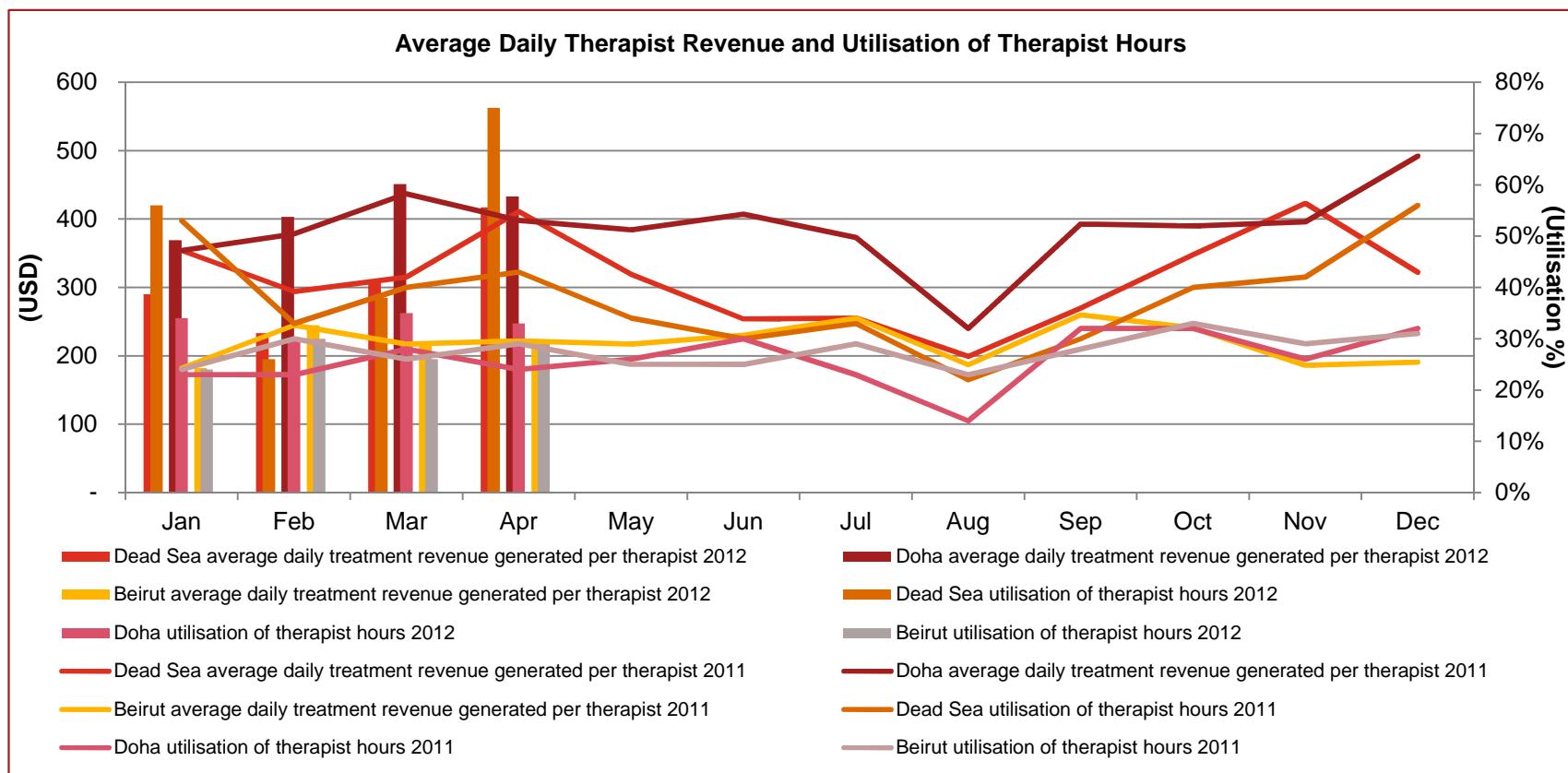
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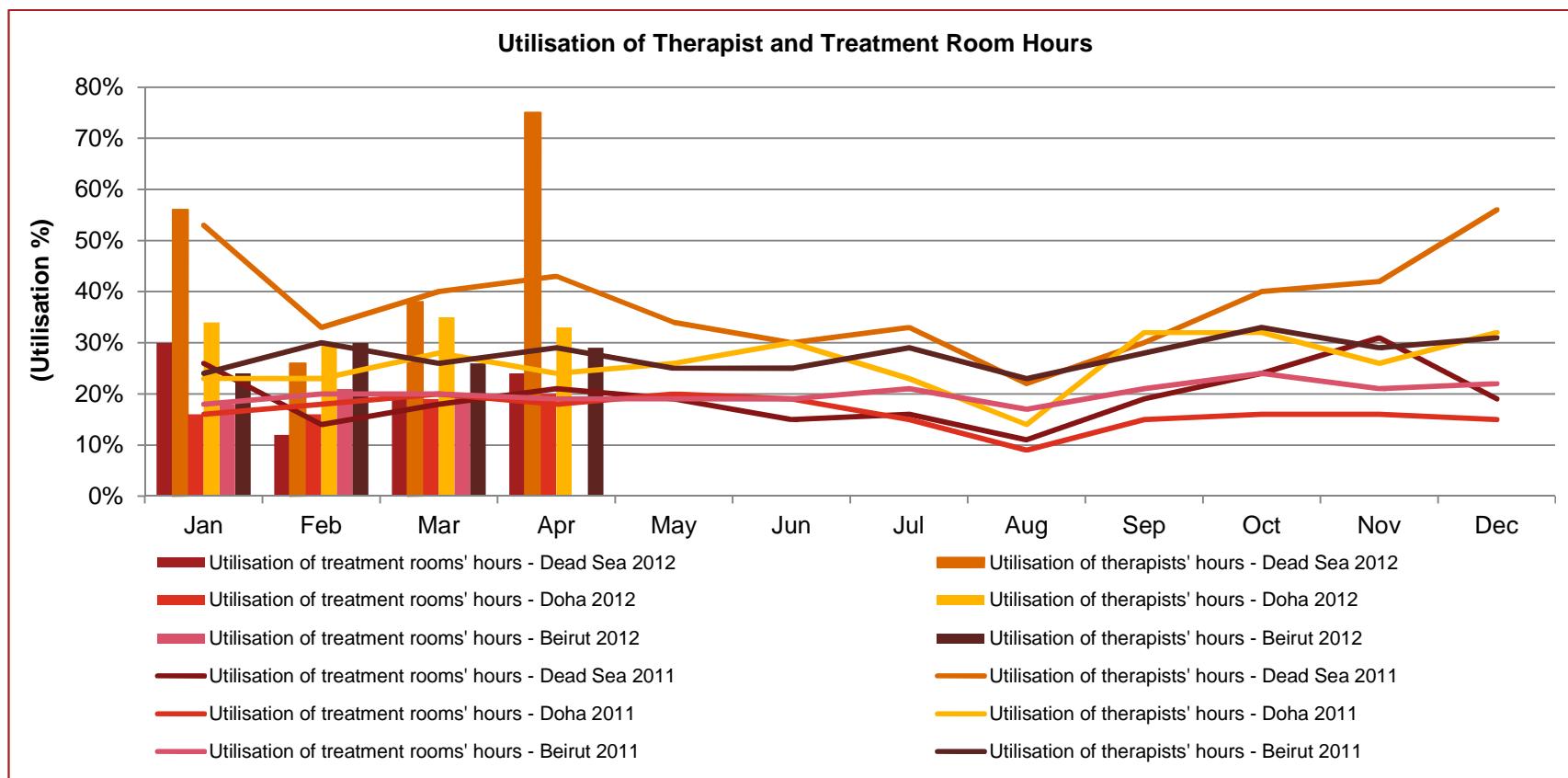
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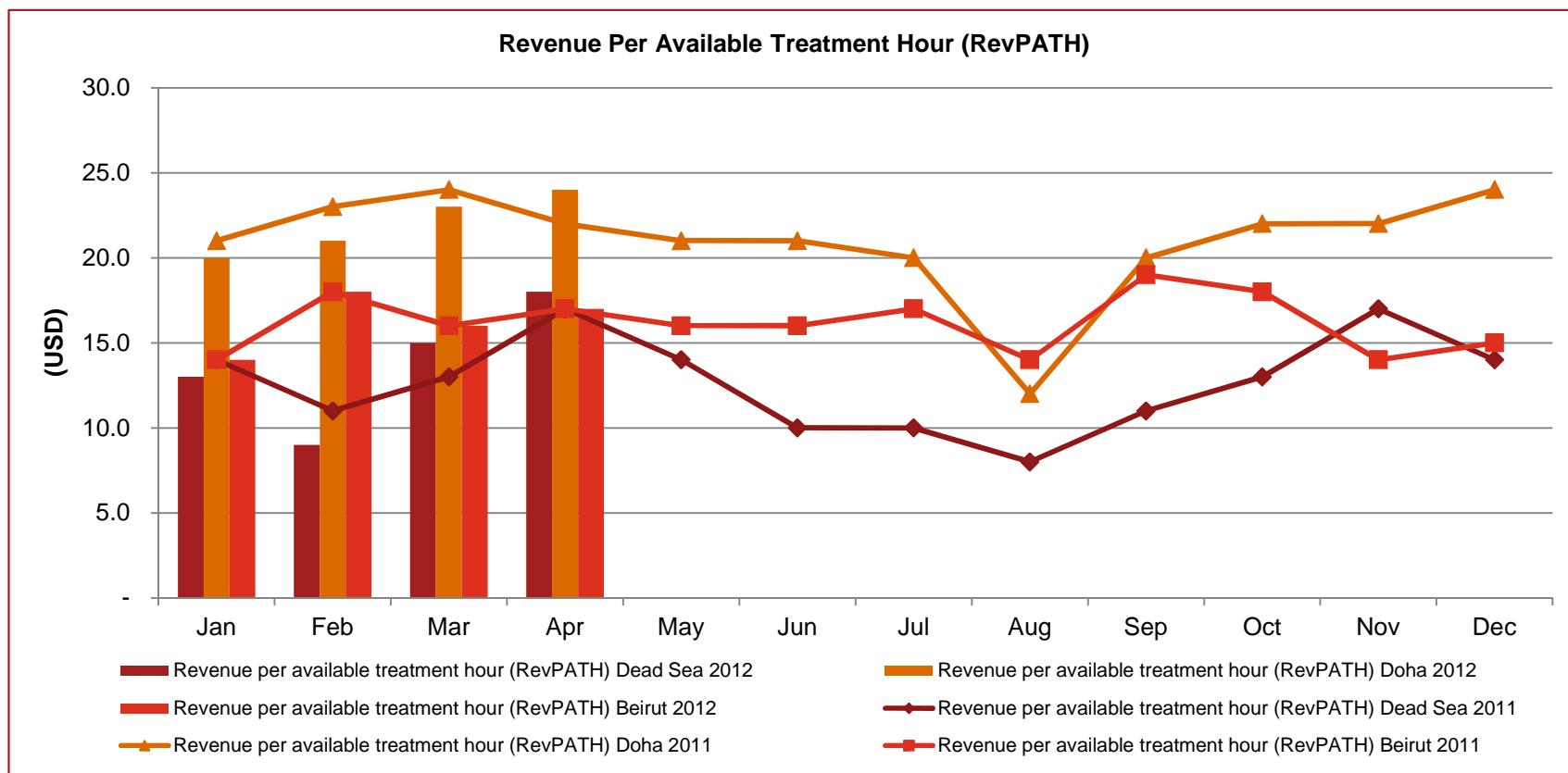
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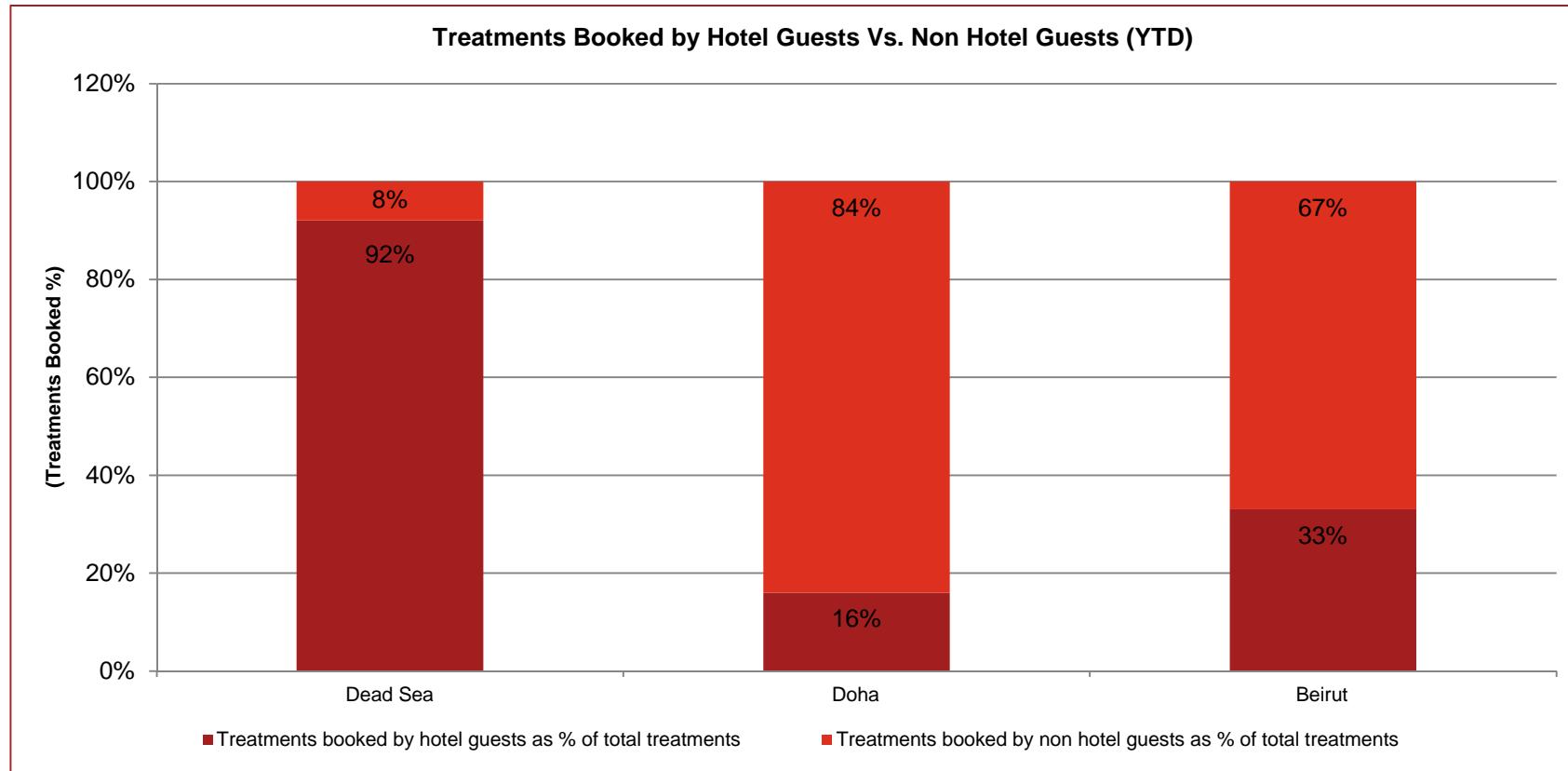
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PwC Spa Benchmark Consolidated Data

KPI	Calculation
Average treatment revenue per treatment sold	Treatment Revenue ÷ No of Treatments Booked
Average daily treatment revenue per available treatment room	Treatment Revenue ÷ Available Treatments Rooms
Average daily treatment revenue per occupied treatment room	Treatment Revenue ÷ Operational Treatments Rooms
Average daily treatment revenue generated per therapist	Treatment Revenue ÷ Available Treatments
Revenue per available treatment hour (RevPATH)	Treatment Revenue ÷ Available Treatment room Hours
Utilisation of treatment rooms' hours	Occupied Treatment Rooms Hours ÷ Available Treatment Room Hours
Utilisation of therapists' hours	Occupied Therapist Hours ÷ Available Therapist Hours
Fitness and membership revenue as % of total revenue	Fitness & Membership Revenue ÷ Total Revenue
Retail revenue as % of total revenue	Retail Revenue ÷ Total Revenue
Treatments booked by hotel guests as % of total treatments	No of Hotel Guests Treatments Booked ÷ Total No of Treatments Booked
Treatments booked by non hotel guests as % of total treatments	No of Non Hotel Guests Treatments Booked ÷ Total No of Treatments Booked

Feature Spa of the Report- The Movenpick Resort & Spa Dead Sea

The Zara Spa at the Movenpick Resort & Spa Dead Sea features oriental inspired thermariums, tropical rain showers and 25 spacious treatment rooms and suites. The spa is spread over 6,000 square metres of tranquillity and sophistication, in a space dedicated to pampering your senses. With therapies designed to restore, revitalise and rejuvenate this is a world of harmony and well being for the body and soul.

The Zara Spa is also known for the diversity of its five pools: the Hydro-Pool, large outdoor heated massage pool with 3% salt concentration, various massage jets, whirlpool and geysers surround the pool over looking the Dead Sea, the Kneipp-foot massage pool, the indoor Dead Sea pool with its 28% salt concentration and the infinity pool overlooking the still waters of the sea, provides one of the most spectacular sunset views in the world.

Mövenpick Resort & Spa Dead Sea is found in a traditional village setting nestled among lush gardens that serve to restore a sense of well-being and balance. Guests can indulge in wide range of health and beauty therapies, ranging from mud wraps to full body and face massages. Combining the therapeutic secrets of the Dead Sea with professional expertise, Zara Spa has it all to leave you recharged, refreshed and revitalised.

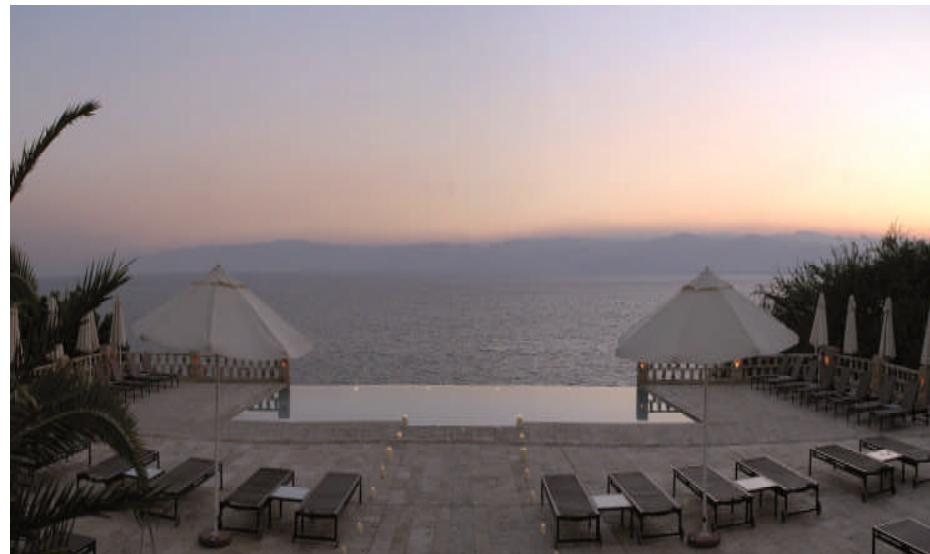
From the unisex hydro pools and treatment rooms to a menu of massages and personalized treatments, the accent is firmly on you and

the seduction of your senses. The signature mud therapy suite is where the anti ageing process takes place with the help of the skin tightening properties of the Dead Sea black mud. Elsewhere, the Tranquility Room, Spa Lounge and ZARA Spa Terrace provide sanctuaries of serenity.

For further information please contact:

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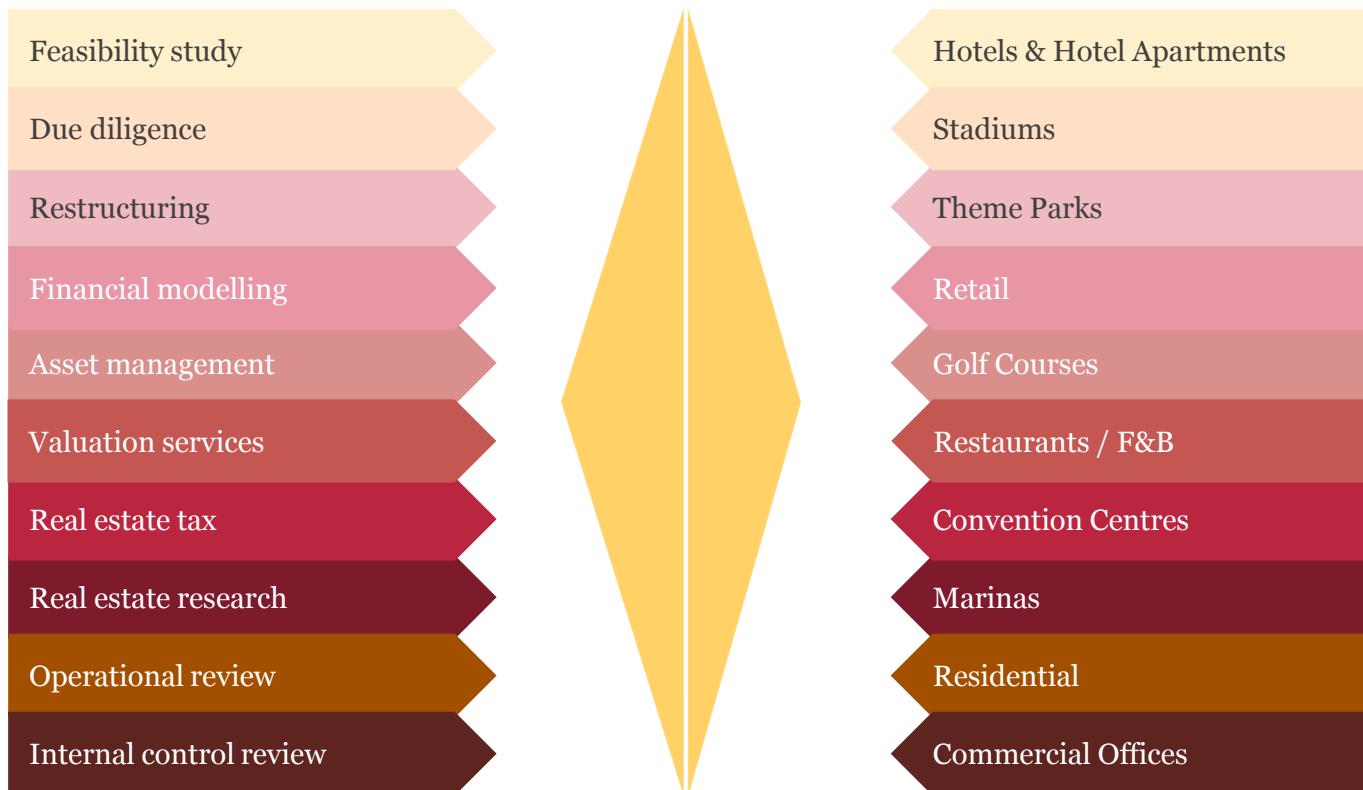
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Our Real Estate, Hospitality & Leisure Advisory Services practice for the Middle East is based in Dubai. Our global and regional network of professionals allows us to pool resources in providing the highest standard of advisory services to real estate, hospitality & leisure clients in the region and beyond. The Middle East team, led by the UAE office, has many years of experience in these industries and provides clients with an in depth understanding of the local and regional markets. The team has had experience in providing a wide range of services across various real estate, hospitality & leisure industry segments, including the following:

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