

PwC Middle East Spa Benchmarking Survey

January - August 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 August 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:

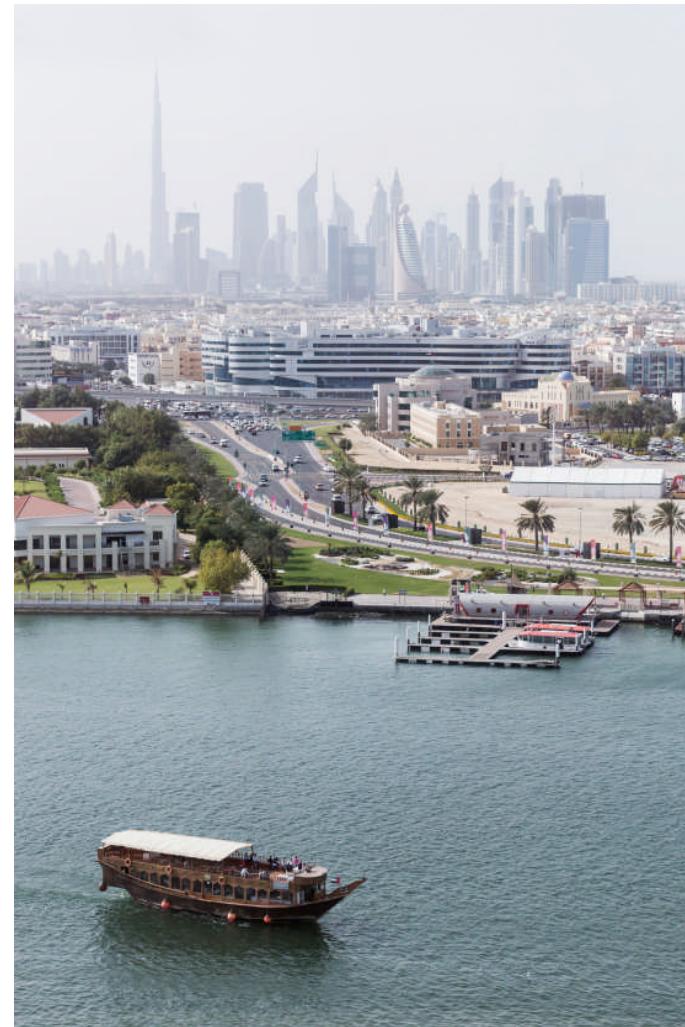
- The average treatment revenue per treatment sold for the first eight months of 2012 stood the highest in Doha, representing USD 143, which is 70 percent higher than the Dead Sea and Doha regions.
- The Doha market captured the highest average daily treatment revenue per available treatment room, standing at USD 256, while the Dead Sea and the Beirut markets captured revenues of USD 115 and USD 101 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 141.
- The YTD average daily revenue generated per therapist was 82 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 44percent 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 54% 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 91% in January-August 2012, hotel guests treatments only contributed to 20% and 36% 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	84	143	84
Average daily treatment revenue per available treatment room	115	256	101
Average daily treatment revenue per occupied treatment room	168	256	141
Average daily treatment revenue generated per therapist	331	365	200
Revenue per available treatment hour (RevPATH)	13	23	15
Utilisation of treatment rooms' hours	21%	18%	19%
Utilisation of therapists' hours	46%	23%	27%
Fitness and membership revenue as % of total revenue	0%	57%	54%
Retail revenue as % of total revenue	8%	5%	3%
Treatments booked by hotel guests as % of total treatments	91%	20%	36%
Treatments booked by non hotel guests as % of total treatments	9%	80%	64%

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	May-12	Jun-12	Jul-12	Aug-12	YTD- 12
Average treatment revenue per treatment sold	54	53	56	60	60	76	60	55	41	59
Average daily treatment revenue per available treatment room	71	86	69	88	110	130	82	54	55	81
Average daily treatment revenue per occupied treatment room	109	128	102	120	163	194	120	78	80	119
Average daily treatment revenue generated per therapist	215	251	209	218	295	380	245	174	171	235
Revenue per available treatment hour (RevPATH)	9	10	8	11	13	16	9	6	6	10
Utilisation of treatment rooms' hours	18%	26%	14%	20%	24%	26%	22%	18%	15%	21%
Utilisation of therapists' hours	36%	53%	33%	38%	75%	51%	45%	39%	34%	46%
Fitness and membership revenue as % of total revenue	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Retail revenue as % of total revenue	8%	9%	12%	7%	7%	8%	8%	8%	10%	8%
Treatments booked by hotel guests as % of total treatments	91%	95%	94%	92%	92%	92%	91%	89%	90%	91%
Treatments booked by non hotel guests as % of total treatments	9%	5%	6%	8%	8%	8%	9%	11%	10%	9%
USD										
Average treatment revenue per treatment sold	77	78	79	84	84	107	85	77	57	83
Average daily treatment revenue per available treatment room	101	121	97	125	155	184	115	76	78	116
Average daily treatment revenue per occupied treatment room	153	181	144	170	230	274	169	110	113	169
Average daily treatment revenue generated per therapist	303	354	294	307	417	536	345	246	241	316
Revenue per available treatment hour (RevPATH)	12	14	11	15	18	22	13	9	9	14

The PwC Middle East Spa Benchmarking Survey Data

PwC Spa Benchmark Consolidated Data – Doha

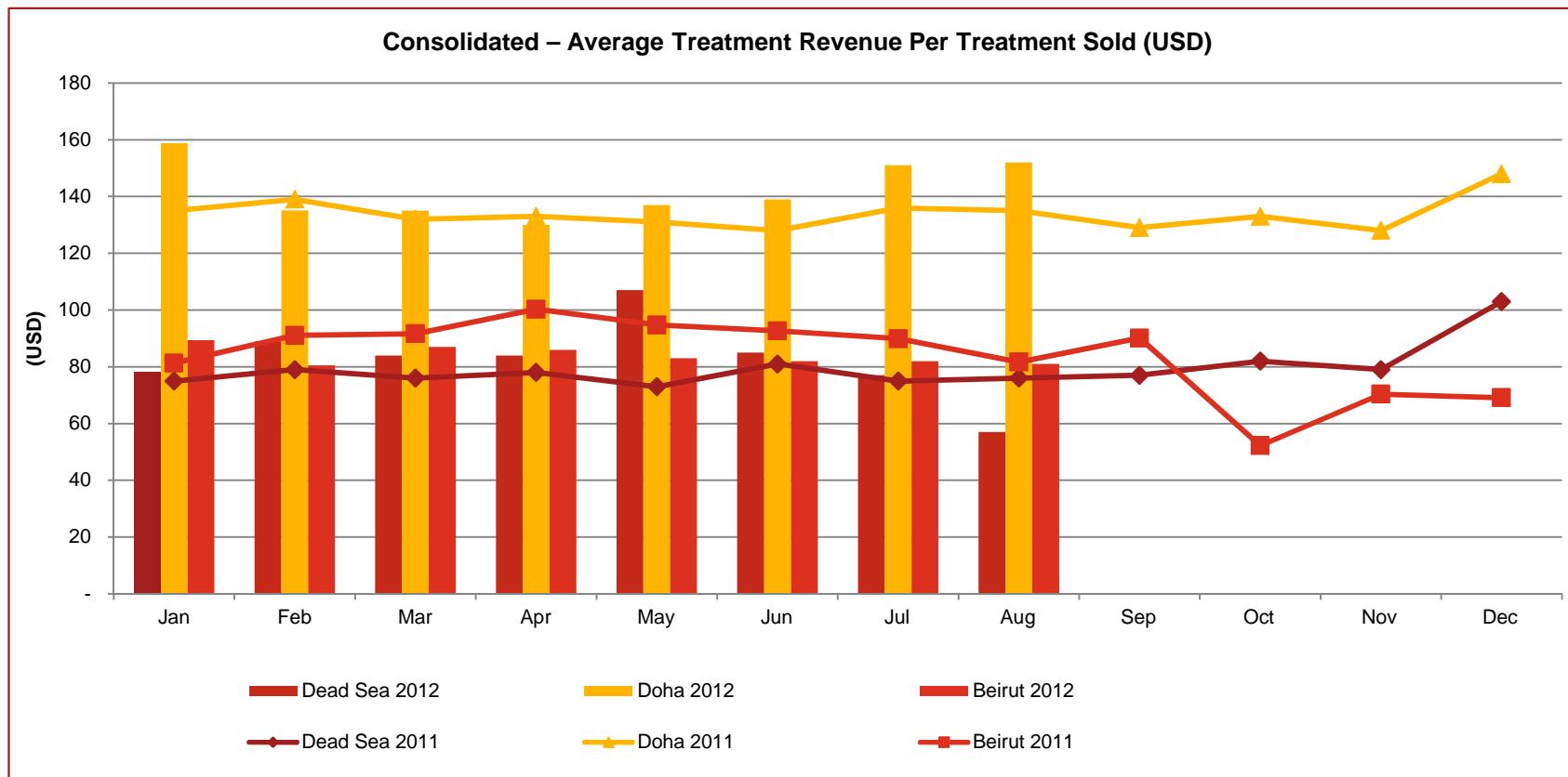
QAR	2011	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	YTD- 12
Average treatment revenue per treatment sold	486	578	492	493	475	498	506	550	552	522
Average daily treatment revenue per available treatment room	863	1,789	1,042	1,080	1,079	1,783	1,891	1,972	1,665	933
Average daily treatment revenue per occupied treatment room	863	1,658	942	977	976	1,613	1,891	1,972	1,506	933
Average daily treatment revenue generated per therapist	1,353	2,956	1,466	1,642	1,576	2,946	2,994	3,226	2,639	1328
Revenue per available treatment hour (RevPATH)	82	133	77	85	86	147	163	146	127	120
Utilisation of treatment rooms' hours	17%	26%	16%	19%	20%	31%	33%	30%	24%	25%
Utilisation of therapists' hours	24%	29%	30%	35%	33%	32%	29%	26%	27%	23%
Fitness and membership revenue as % of total revenue	54%	54%	54%	53%	62%	60%	57%	58%	56%	57%
Retail revenue as % of total revenue	3%	4%	5%	5%	5%	5%	5%	5%	5%	5%
Treatments booked by hotel guests as % of total treatments	16%	18%	18%	15%	16%	22%	21%	19%	25%	20%
Treatments booked by non hotel guests as % of total treatments	84%	82%	82%	85%	84%	78%	79%	81%	75%	80%
USD										
Average treatment revenue per treatment sold	133	159	135	135	130	137	139	151	152	143
Average daily treatment revenue per available treatment room	237	491	286	297	296	490	519	541	457	256
Average daily treatment revenue per occupied treatment room	237	455	259	268	268	443	519	541	414	256
Average daily treatment revenue generated per therapist	372	812	403	451	433	809	822	806	724	365
Revenue per available treatment hour (RevPATH)	23	36	21	23	24	40	45	40	35	33

The PwC Middle East Spa Benchmarking Survey Data

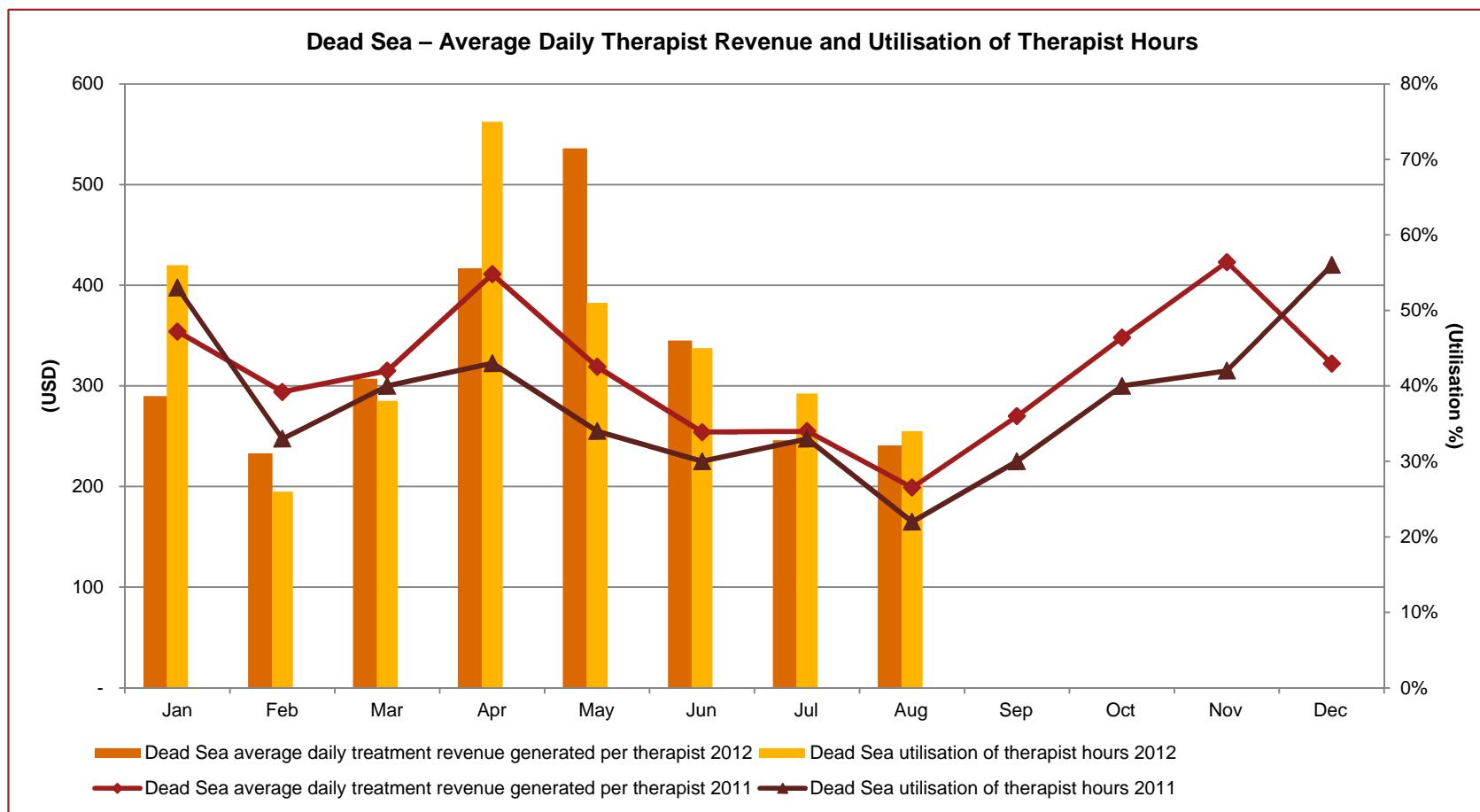
PwC Spa Benchmark Consolidated Data – Beirut

LBP	2011	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	YTD- 12
Average treatment revenue per treatment sold	135,388	134,124	120,762	130,427	128,512	123,861	122,269	122,795	120,820	125,653
Average daily treatment revenue per available treatment room	171,747	153,531	174,120	189,570	157,887	135,619	146,257	136,602	115,252	150,813
Average daily treatment revenue per occupied treatment room	240,445	214,944	243,768	265,398	221,041	189,866	204,759	191,243	161,353	211,138
Average daily treatment revenue generated per therapist	328,253	268,680	358,482	349,208	315,774	271,238	310,241	289,762	244,474	300,552
Revenue per available treatment hour (RevPATH)	24,041	21,775	25,660	26,427	25,156	21,453	23,107	20,657	19,333	22,978
Utilisation of treatment rooms' hours	19%	19%	22%	21%	21%	18%	19%	17%	17%	19%
Utilisation of therapists' hours	26%	24%	32%	27%	30%	26%	27%	24%	23%	27%
Fitness and membership revenue as % of total revenue	46%	50%	51%	46%	50%	55%	70%	52%	54%	54%
Retail revenue as % of total revenue	3%	4%	2%	2%	3%	4%	7%	3%	1%	3%
Treatments booked by hotel guests as % of total treatments	37%	35%	34%	33%	39%	37%	39%	39%	35%	36%
Treatments booked by non hotel guests as % of total treatments	63%	65%	66%	67%	61%	63%	61%	61%	65%	64%
USD										
Average treatment revenue per treatment sold	90	89	81	87	86	83	82	82	81	84
Average daily treatment revenue per available treatment room	114	102	116	126	105	90	98	91	77	101
Average daily treatment revenue per occupied treatment room	160	143	163	177	147	127	137	127	108	141
Average daily treatment revenue generated per therapist	219	179	239	233	211	181	207	193	163	200
Revenue per available treatment hour (RevPATH)	16	15	17	18	17	14	15	14	13	15

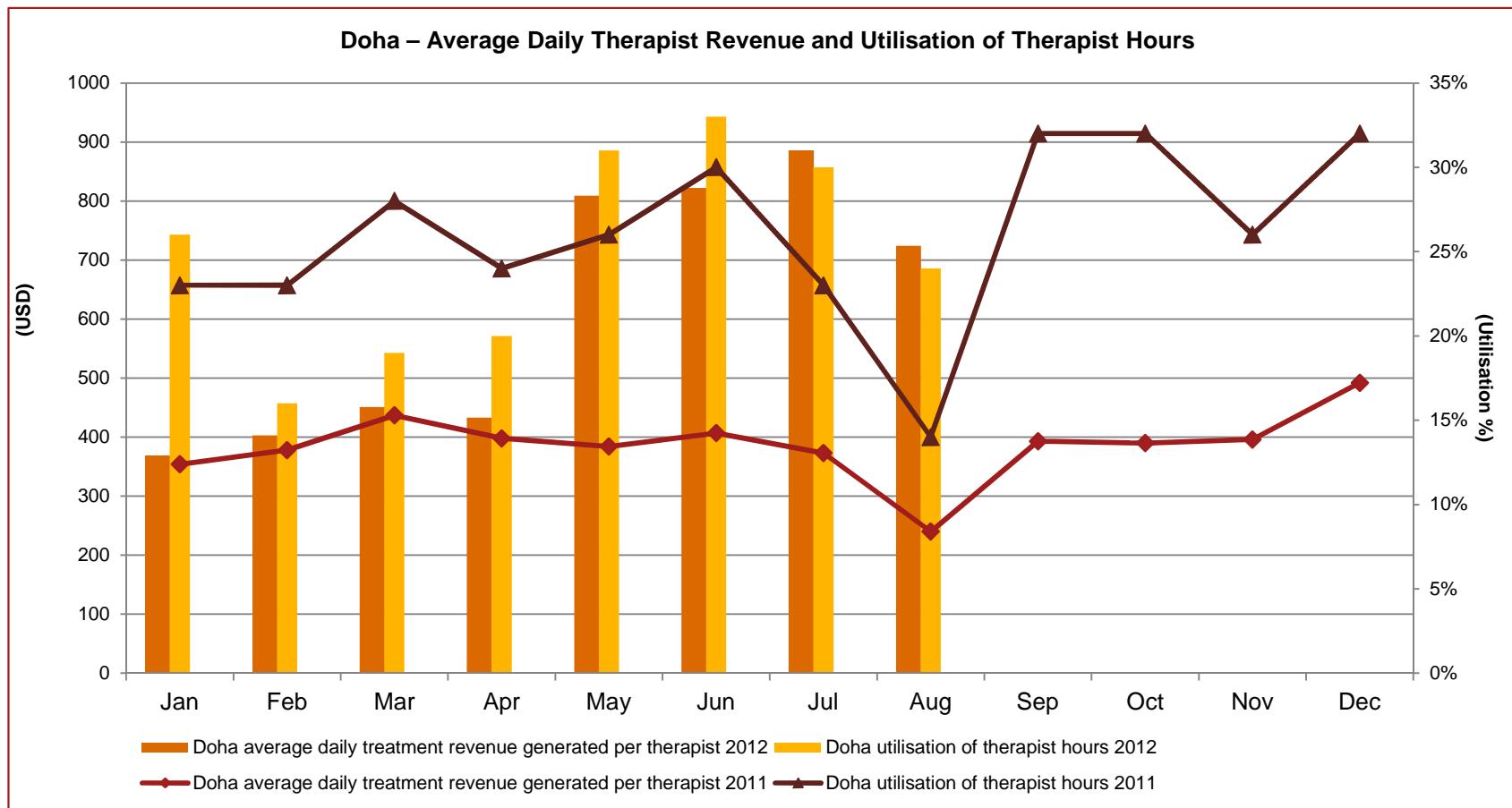
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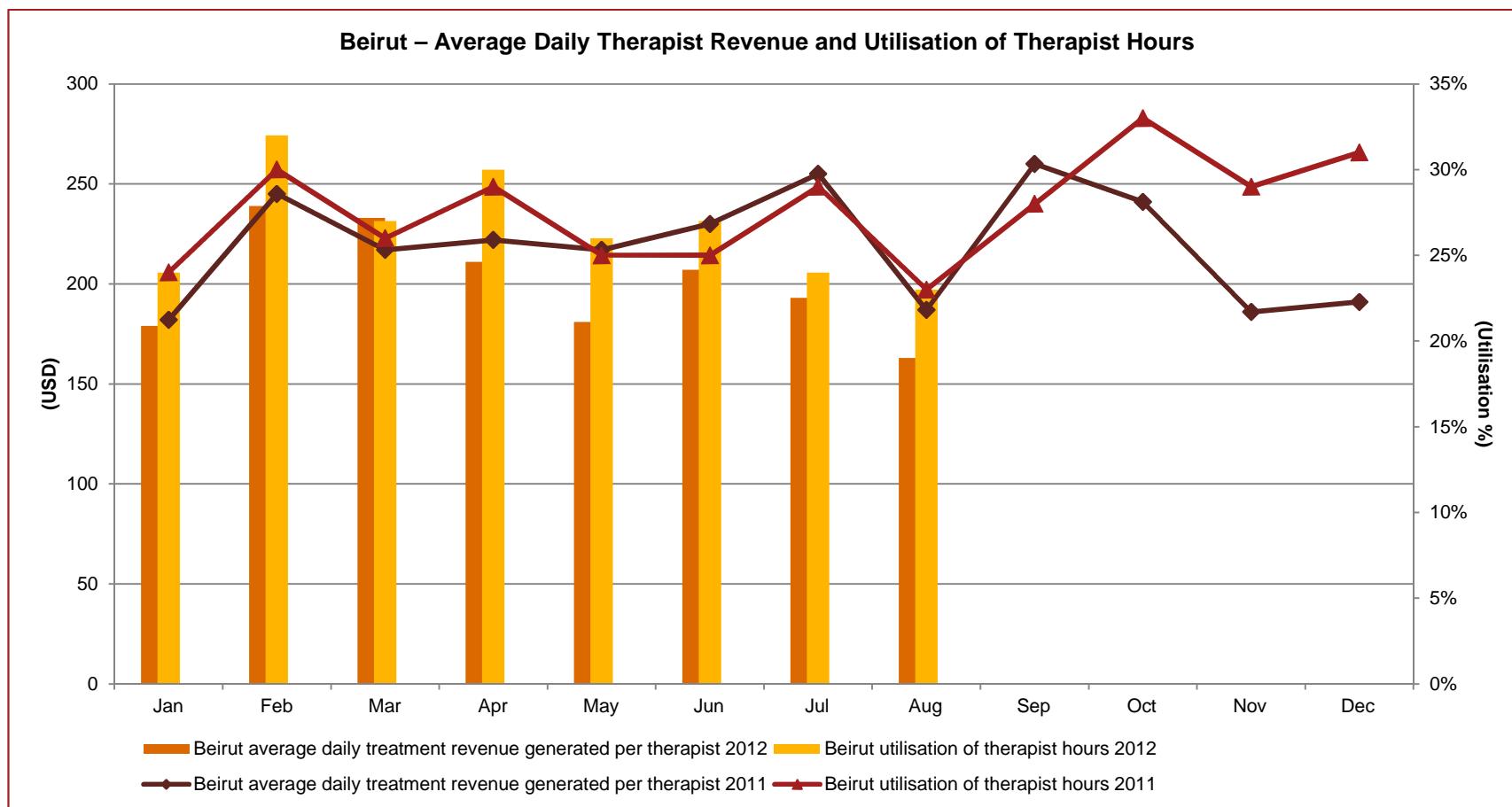
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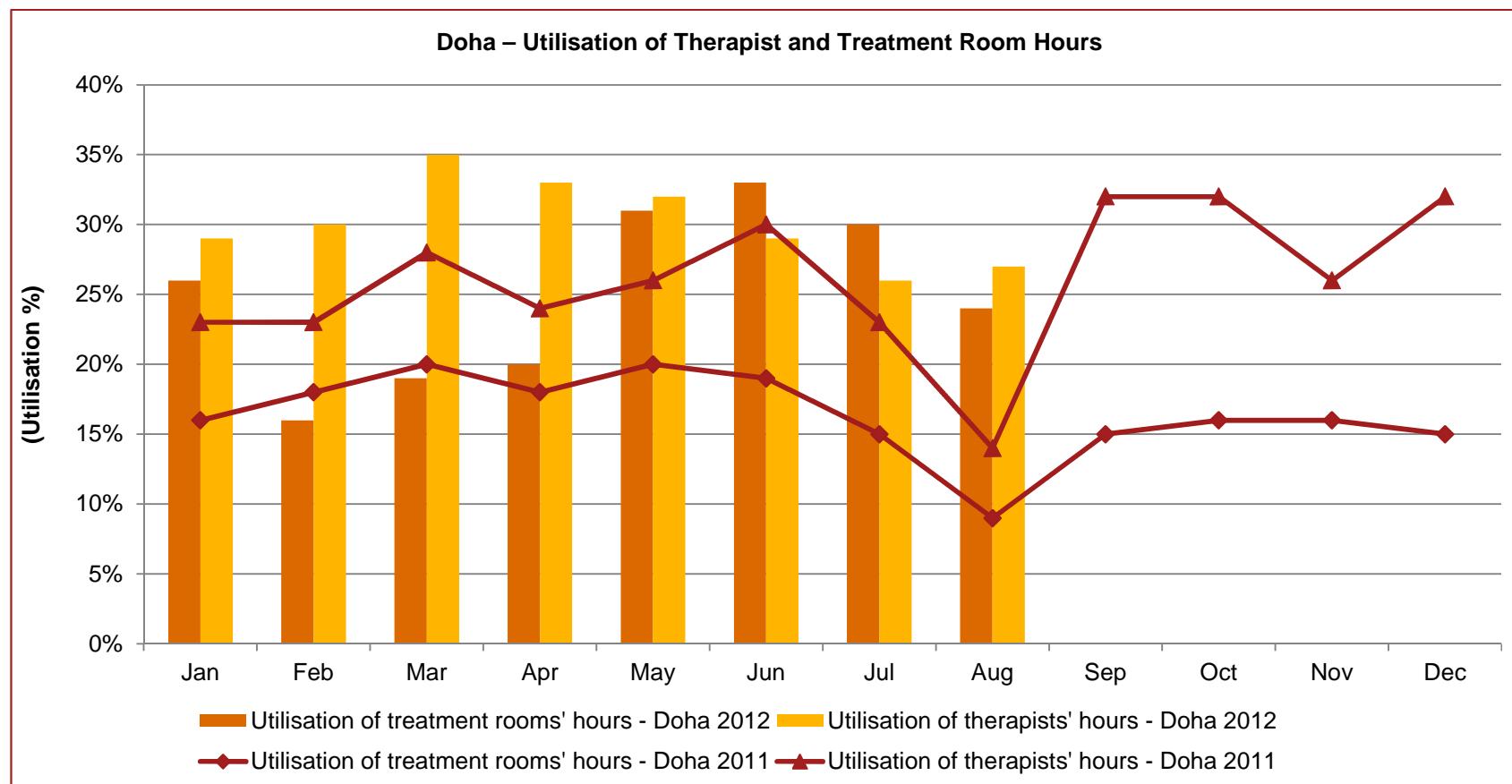
The PwC Middle East Spa Benchmarking Survey Data



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PwC Real Estate, Leisure and Hospitality Advisory Services



PwC Real Estate, Leisure and Hospitality Advisory Services

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- Six Senses Spa

Set like an oasis in mountainous rocky terrain, Evason Ma'In is located 264 metres below sea level. It is a one-hour drive from Amman's International Airport and 30-kilometres from the mosaic city of Madaba. Its 97 deluxe guestrooms and suites – including two Royal Suites – reflect the refreshing and innovative Evason style.

Dining alternatives include a traditional Jordanian tray-restaurant, Chef's Table and well-stocked wine cellar. A wood-fired oven is featured at the alfresco pizza bar on the deck beside a newly-installed infinity pool. Just 15-minutes from the resort, the Panorama Restaurant sits on a cliff top at the edge of the Dead Sea, from which vantage point guests experience beautiful sunsets reflecting across the waters

The Six Senses Spa at Evason Ma'In Hot Springs utilizes the natural ingredients from the earth to enhance health and improve body condition and vitality. Legend has it that Herod the Great bathed in the medicinal waters. The ten treatment rooms - four single and one double each for male and female, sauna and hammam rooms of the classically-designed Six Senses Spa sit directly beneath one of the hot springs' waterfalls that cascades into the relaxation areas and central pool. Treatments focus on the therapeutic properties of the mineral-rich waters, offering Healing Mineral and Dead Sea therapies such as salt scrubs and the famed mud and seaweed wraps. Local therapies combined with Asian and Six Senses signature treatments offer pure pampering in the hands of expertly trained Six Senses Spa therapists

For further information please contact:

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PwC Real Estate, Leisure and Hospitality Advisory Services

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:

Real Estate Services

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