

PwC Middle East Spa Benchmarking Survey

January - December 2013

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 bi-yearly basis and this edition covers the period from January to December 2013.

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
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The PwC Middle East Sea Spa Benchmarking Survey Data

Key Insights:

- The average treatment revenue per treatment sold for 2013 stood the highest in Doha, representing USD 142, which is roughly 90 percent higher than the Dead Sea and Beirut regions.
- The Doha market captured the highest average daily treatment revenue per available treatment room in 2013, standing at USD 292, while the Dead Sea and the Beirut markets captured revenues of USD 86 and USD 79 respectively.
- The 2013 average daily treatment revenue per occupied treatment room was the lowest in the Beirut market, standing at USD 110.
- The average daily revenue generated per therapist for Doha spas was 38 percent higher than Dead Sea spas and 150 percent higher than Beirut spas.
- Revenue per available treatment hour (RevPATH) for 2013 was the highest in Doha, standing at USD 25, while RevPATH in the Dead Sea stood around 60 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 three markets surveyed.
- 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	2013		
	Dead Sea	Doha	Beirut
Average treatment revenue per treatment sold	78	142	79
Average daily treatment revenue per available treatment room	86	292	79
Average daily treatment revenue per occupied treatment room	131	299	110
Average daily treatment revenue generated per therapist	305	421	166
Revenue per available treatment hour (RevPATH)	12	25	22
Utilisation of treatment rooms' hours	16%	19%	35%
Utilisation of therapists' hours	38%	24%	53%
Fitness and membership revenue as % of total revenue	0%	54%	51%
Retail revenue as % of total revenue	14%	4%	3%
Treatments booked by hotel guests as % of total treatments	87%	16%	27%
Treatments booked by non hotel guests as % of total treatments	13%	84%	73%

The PwC Middle East Spa Benchmarking Survey Data

PwC Spa Benchmark Consolidated Data – Dead Sea

JOD	2012	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Average treatment revenue per treatment	59	51	58	56	55	55	52	58	54	56	57	57	57	55
Average daily treatment revenue per available treatment room	78	52	44	80	91	76	54	32	54	52	79	69	44	61
Average daily treatment revenue per occupied treatment room	113	79	67	121	136	115	80	48	84	81	124	108	69	93
Average daily treatment revenue generated per therapist	232	162	144	260	265	225	157	112	229	223	338	318	217	216
Revenue per available treatment hour	9	8	6	11	13	11	8	5	8	8	12	10	7	9
Utilisation of treatment rooms' hours	18%	15%	11%	21%	23%	20%	15%	9%	15%	15%	23%	18%	11%	16%
Utilisation of therapists' hours	42%	31%	24%	44%	44%	40%	29%	20%	41%	41%	62%	51%	35%	38%
Fitness and membership revenue as % of total revenue	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Retail revenue as % of total revenue	9%	14%	13%	13%	13%	12%	11%	11%	11%	13%	17%	16%	28%	14%
Treatments booked by hotel guests as % of total treatments	90%	88%	83%	86%	85%	89%	85%	89%	90%	85%	88%	89%	90%	87%
Treatments booked by non hotel guests as % of total treatments	10%	12%	17%	14%	15%	11%	15%	11%	10%	15%	12%	11%	10%	13%
USD														
Average treatment revenue per treatment	83	72	82	79	78	77	73	82	77	79	80	80	80	78
Average daily treatment revenue per available treatment room	110	74	62	113	129	107	76	45	76	74	112	98	62	86
Average daily treatment revenue per occupied treatment room	159	111	94	170	191	162	113	68	118	115	174	153	97	131
Average daily treatment revenue generated per therapist	327	228	203	366	374	317	222	158	323	314	477	448	305	305
Revenue per available treatment hour	13	11	9	16	18	15	11	7	11	11	17	15	9	12

The PwC Middle East Spa Benchmarking Survey Data

PwC Spa Benchmark Consolidated Data – Doha

QAR	2012	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Average treatment revenue per treatment	506	513	542	506	502	500	499	491	508	505	537	518	622	519
Average daily treatment revenue per available treatment room	1,382	1,016	1,110	1,161	1,201	1,193	1,131	704	898	964	1,063	1,008	1,062	1,062
Average daily treatment revenue per occupied treatment room	1,326	1,072	1,172	1,226	1,268	1,260	1,193	723	922	990	1,092	1,035	1,090	1,090
Average daily treatment revenue generated per therapist	2,047	1,544	1,687	1,576	1,630	1,564	1,534	991	1,393	1,409	1,795	1,630	1,793	1,534
Revenue per available treatment hour	109	90	95	103	104	106	98	60	76	82	90	86	90	90
Utilisation of treatment rooms' hours	22%	19%	21%	23%	23%	25%	25%	12%	14%	16%	17%	16%	15%	19%
Utilisation of therapists' hours	26%	28%	30%	28%	29%	27%	33%	21%	26%	26%	30%	27%	28%	28%
Fitness and membership revenue as % of total revenue	57%	52%	53%	51%	57%	55%	53%	60%	53%	61%	56%	53%	49%	54%
Retail revenue as % of total revenue	4%	5%	4%	5%	4%	5%	4%	2%	3%	2%	3%	2%	2%	4%
Treatments booked by hotel guests as % of total treatments	18%	21%	18%	16%	17%	19%	16%	14%	15%	15%	14%	15%	12%	16%
Treatments booked by non hotel guests as % of total treatments	82%	79%	82%	84%	83%	81%	84%	86%	85%	85%	86%	85%	88%	84%
USD														
Average treatment revenue per treatment	139	141	149	139	138	137	137	135	140	139	147	142	171	142
Average daily treatment revenue per available treatment room	379	279	305	319	330	328	310	193	247	265	292	277	292	292
Average daily treatment revenue per occupied treatment room	364	294	322	337	348	346	328	199	253	272	300	284	299	299
Average daily treatment revenue generated per therapist	562	424	463	433	448	429	421	272	383	387	493	447	492	421
Revenue per available treatment hour	30	25	26	28	29	29	27	16	21	22	25	23	25	25

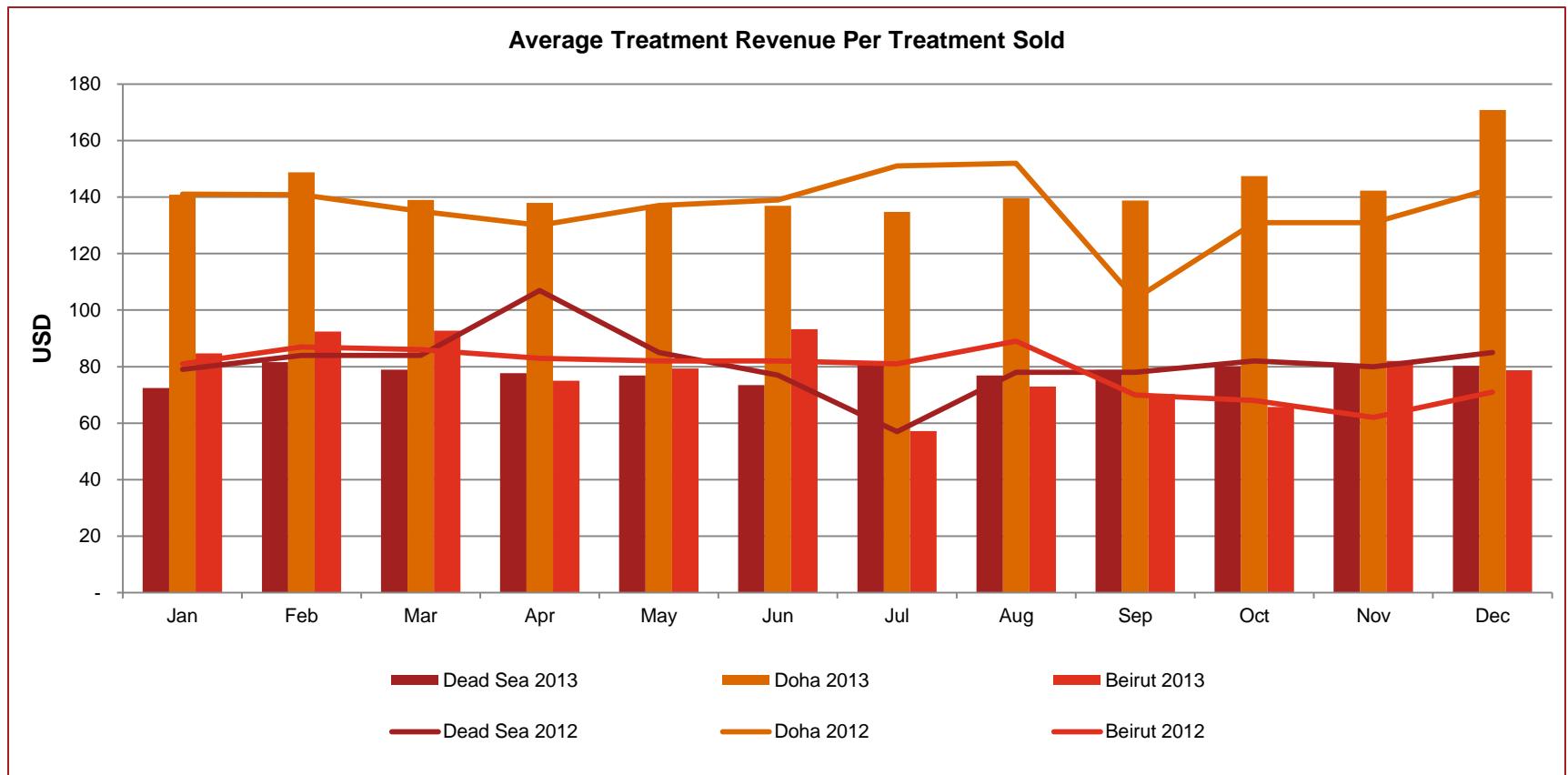
The PwC Middle East Spa Benchmarking Survey

Data

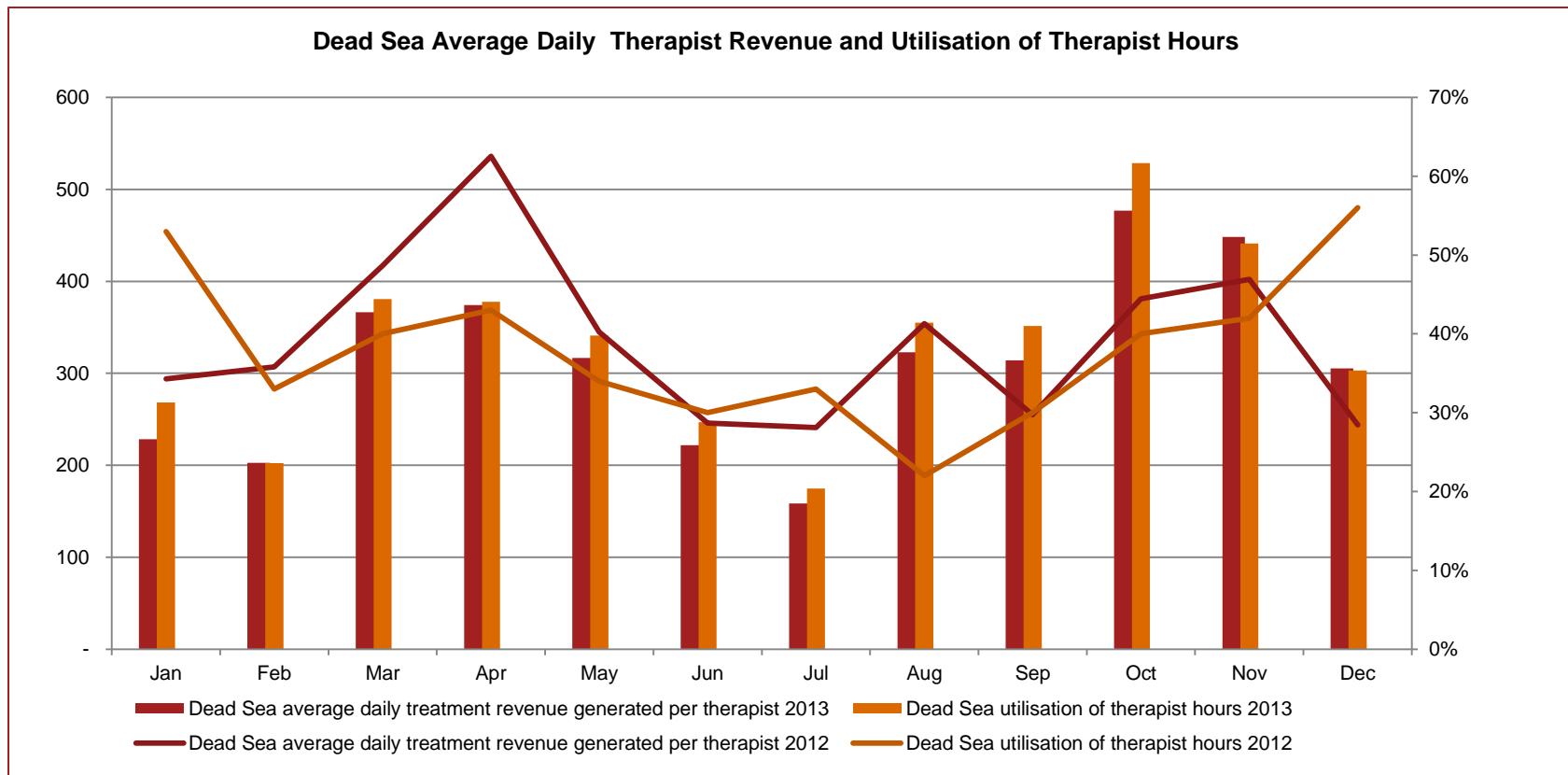
PwC Spa Benchmark Consolidated Data – Beirut

LBP	2012	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Average treatment revenue per treatment	118,390	126,988	138,604	139,136	112,569	119,039	139,928	85,779	109,369	105,411	98,663	123,025	118,076	117,753
Average daily treatment revenue per available treatment room	134,820	112,709	145,392	156,319	132,510	129,900	131,133	83,802	118,845	98,584		102,169	103,602	118,251
Average daily treatment revenue per occupied treatment room	188,749	157,792	203,549	218,847	185,514	181,860	183,586	117,323	166,382	138,018	148,949	143,037	145,043	165,551
Average daily treatment revenue generated per therapist	282,417	239,079	290,785	312,639	265,020	259,801	278,161	172,534	244,680	215,653	232,732	238,395	241,738	249,574
Revenue per available treatment hour	20,691	36,385	43,406	47,406	39,779	37,190	38,482	25,673	37,476	32,060	25,298	24,409	24,869	33,738
Utilisation of treatment rooms' hours	19%	48%	37%	43%	39%	39%	35%	33%	37%	38%	27%	24%	27%	35%
Utilisation of therapists' hours	27%	60%	73%	62%	56%	55%	53%	44%	55%	59%	42%	40%	45%	53%
Fitness and membership revenue as % of total revenue	55%	54%	50%	26%	30%	49%	51%	53%	48%	60%	55%	56%	53%	51%
Retail revenue as % of total revenue	3%	2%	4%	2%	2%	3%	2%	2%	13%	2%	2%	2%	2%	3%
Treatments booked by hotel guests as % of total treatments	34%	31%	28%	24%	22%	27%	31%	23%	30%	28%	30%	25%	28%	27%
Treatments booked by non hotel guests as % of total treatments	66%	69%	72%	76%	78%	73%	69%	77%	70%	72%	70%	75%	72%	73%
USD														
Average treatment revenue per treatment	79	85	92	93	75	79	93	57	73	70	66	82	79	79
Average daily treatment revenue per available treatment room	90	75	97	104	88	87	87	56	79	66	71	68	69	79
Average daily treatment revenue per occupied treatment room	126	105	136	146	124	121	122	78	111	92	99	95	97	110
Average daily treatment revenue generated per therapist	188	159	194	208	177	173	185	115	163	144	155	159	161	166
Revenue per available treatment hour	14	24	29	32	27	25	26	17	25	21	17	16	17	22

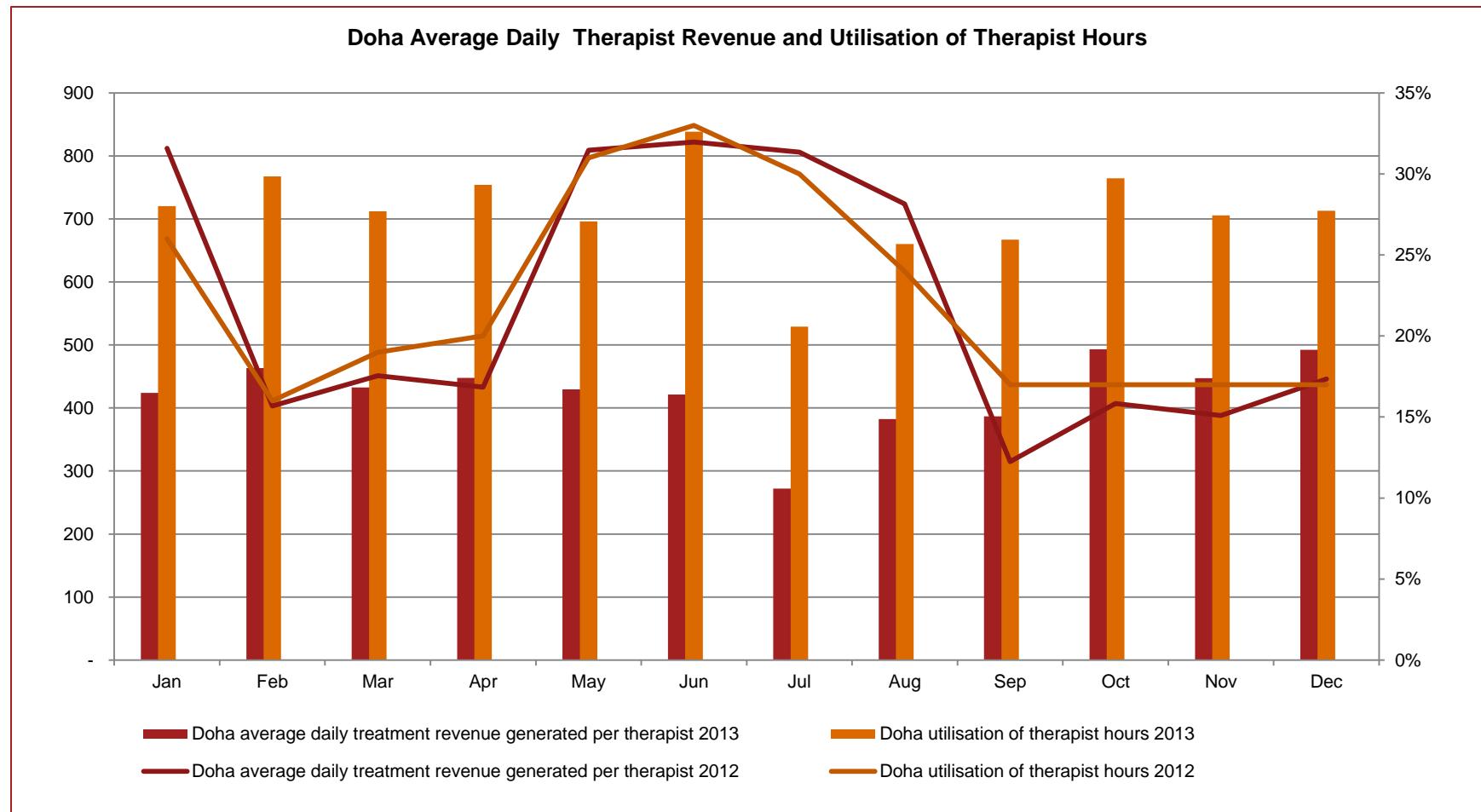
The PwC Middle East Spa Benchmarking Survey Data



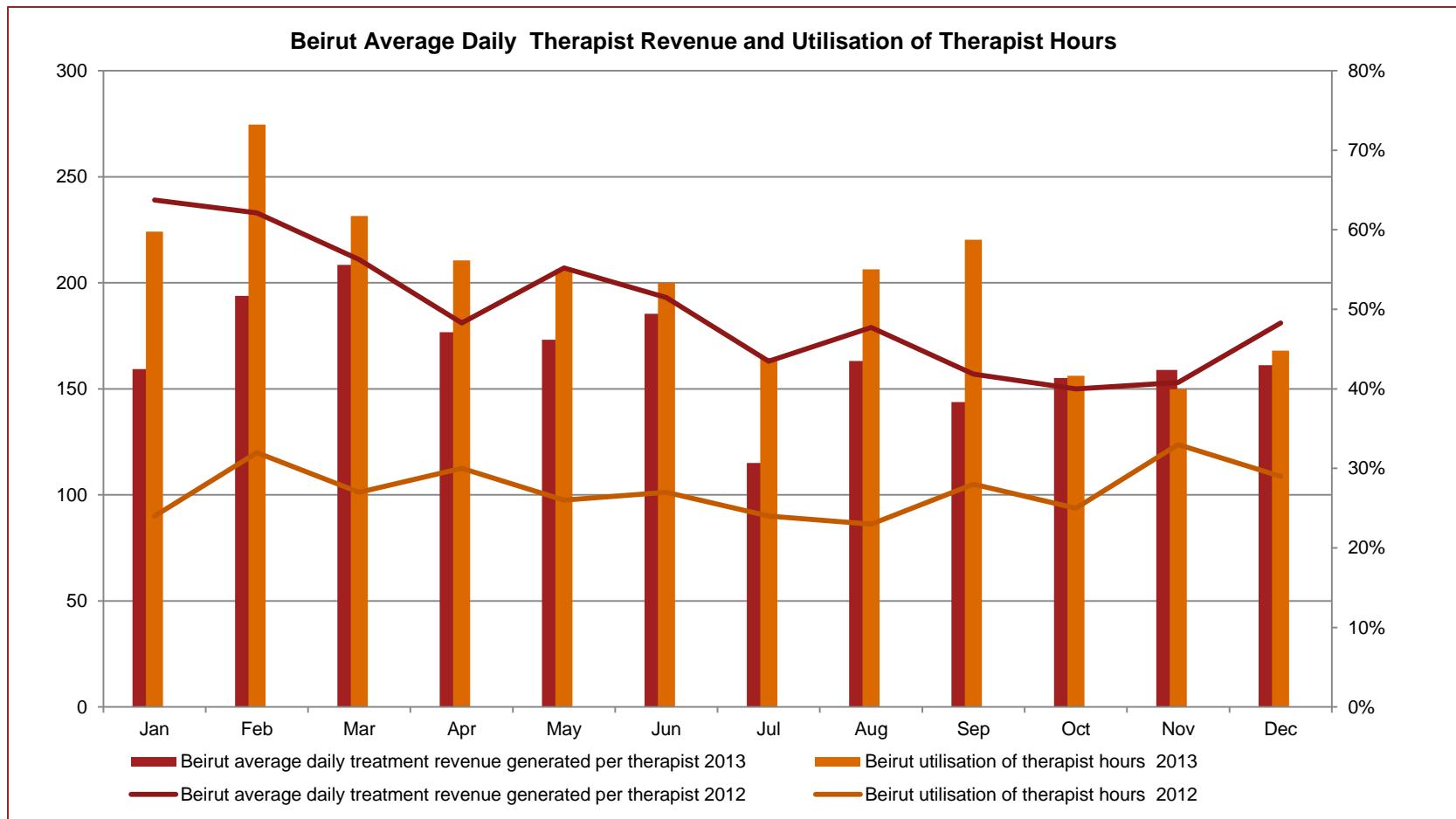
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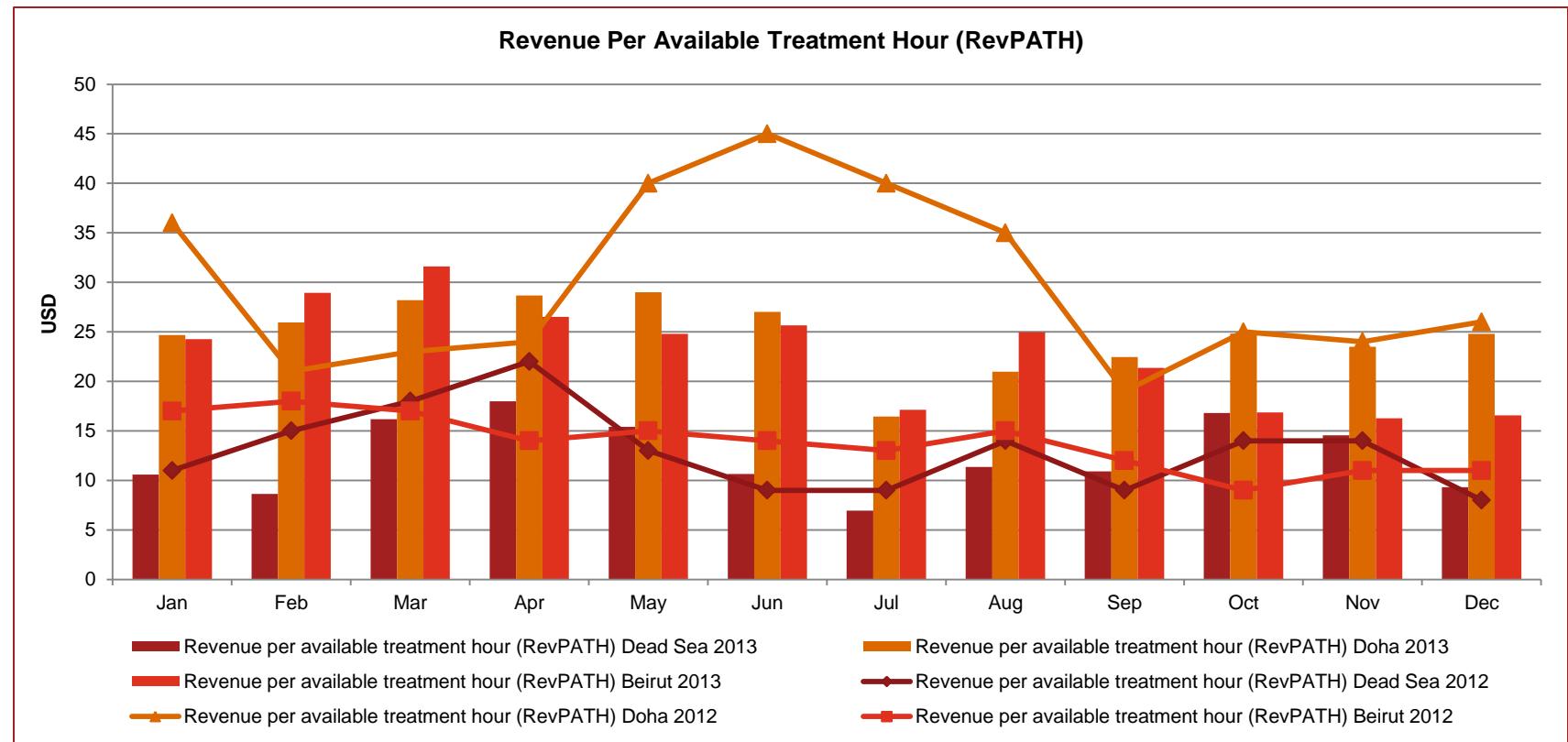
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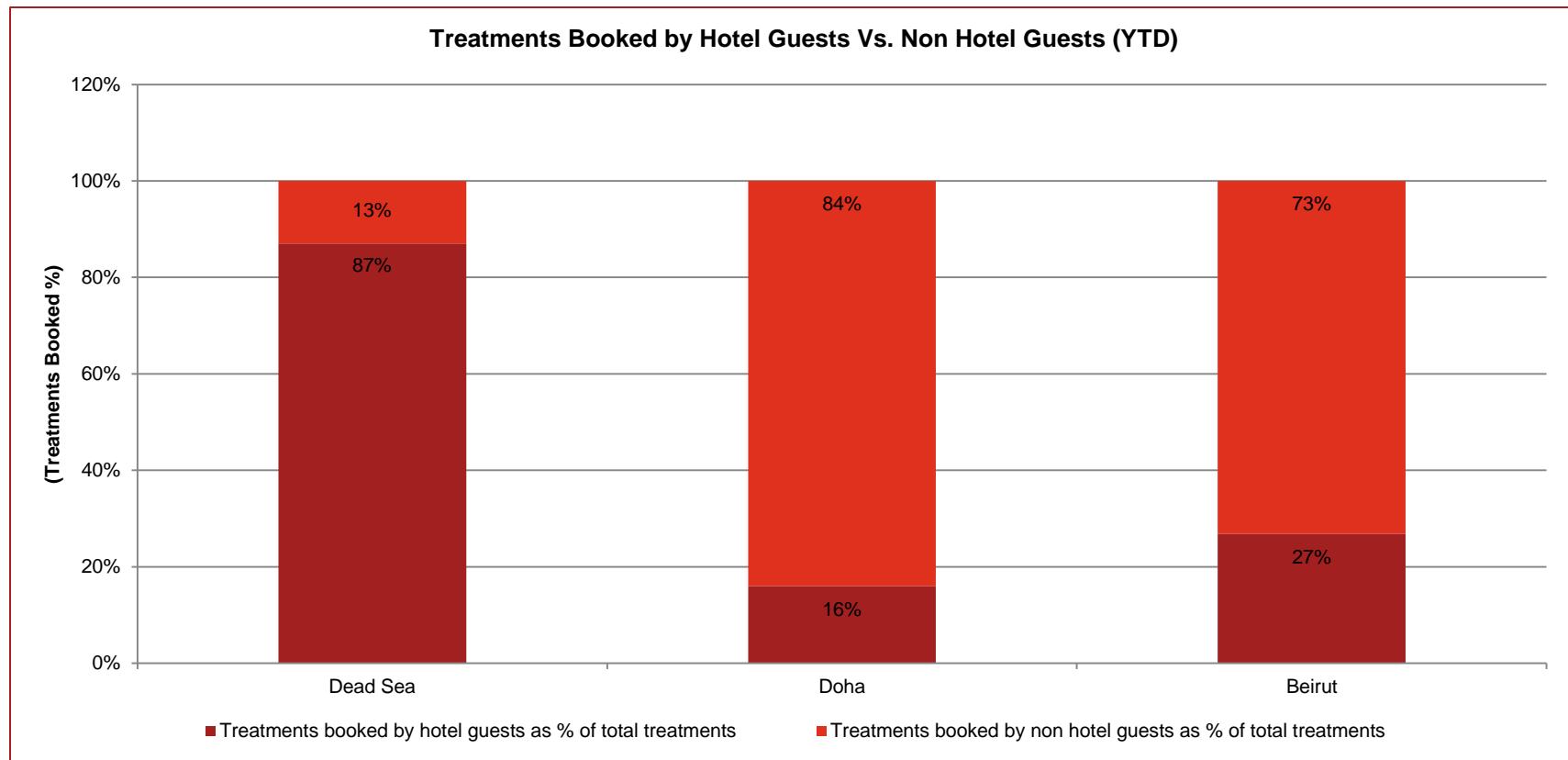
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PwC Spa Benchmark Consolidated Data

KPI	Calculation
Average treatment revenue per treatment sold	Treatment Revenue ÷ No of Treatments Sold
Average daily treatment revenue per available treatment room	Daily Treatment Revenue ÷ Available Treatment Rooms
Average daily treatment revenue per occupied treatment room	Daily Treatment Revenue ÷ Operational /Occupied Treatment Rooms
Average daily treatment revenue generated per therapist	Daily Treatment Revenue ÷ Number of Therapists Employed
Revenue per available treatment hour (RevPATH)	Treatment Revenue ÷ Available Treatment Room Hours
Utilisation of treatment rooms' hours	Total Treatment Room Hours Sold ÷ Total 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:

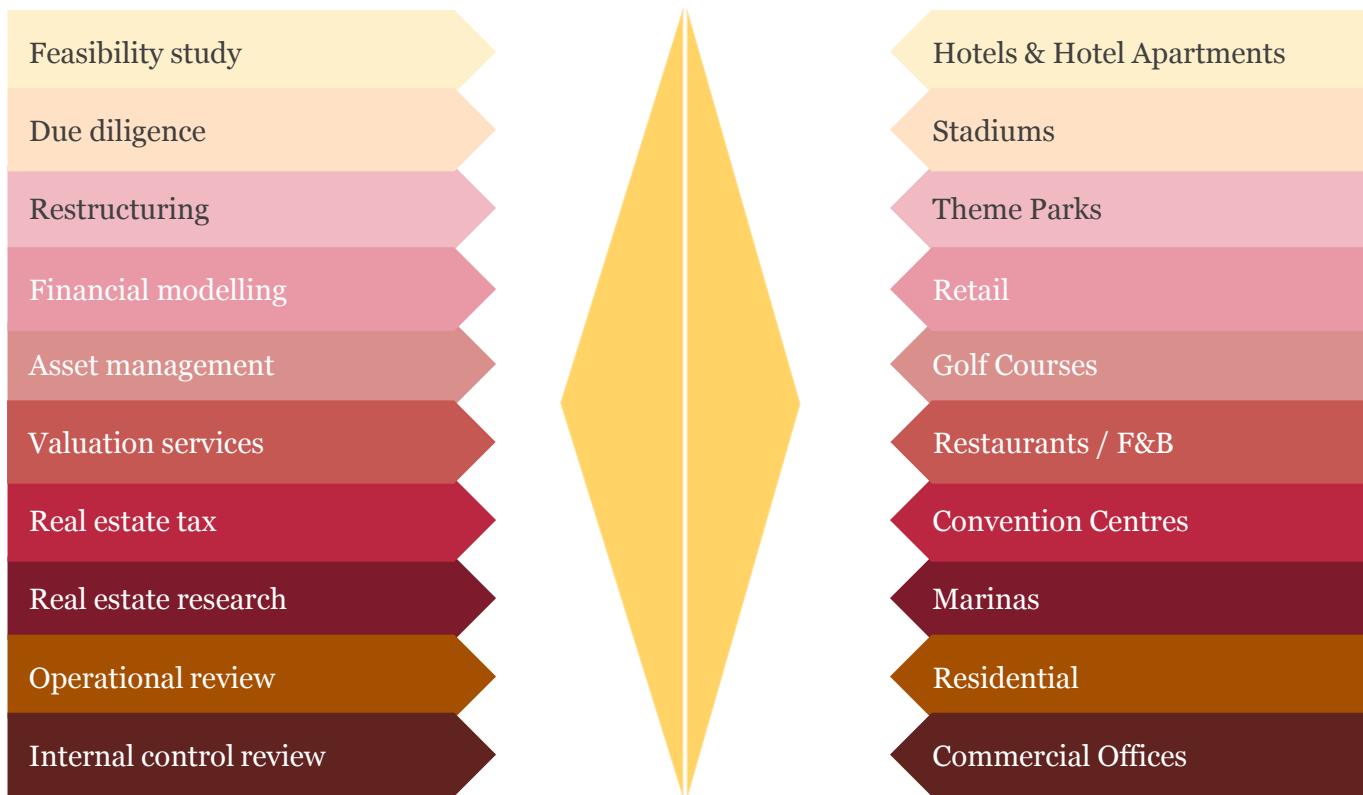
Movenpick Resort & Spa Dead Sea

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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:



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