

PwC Middle East Spa Benchmarking Survey

January – June 2014

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 quarterly basis and this edition covers the first two quarters of year 2014.

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:

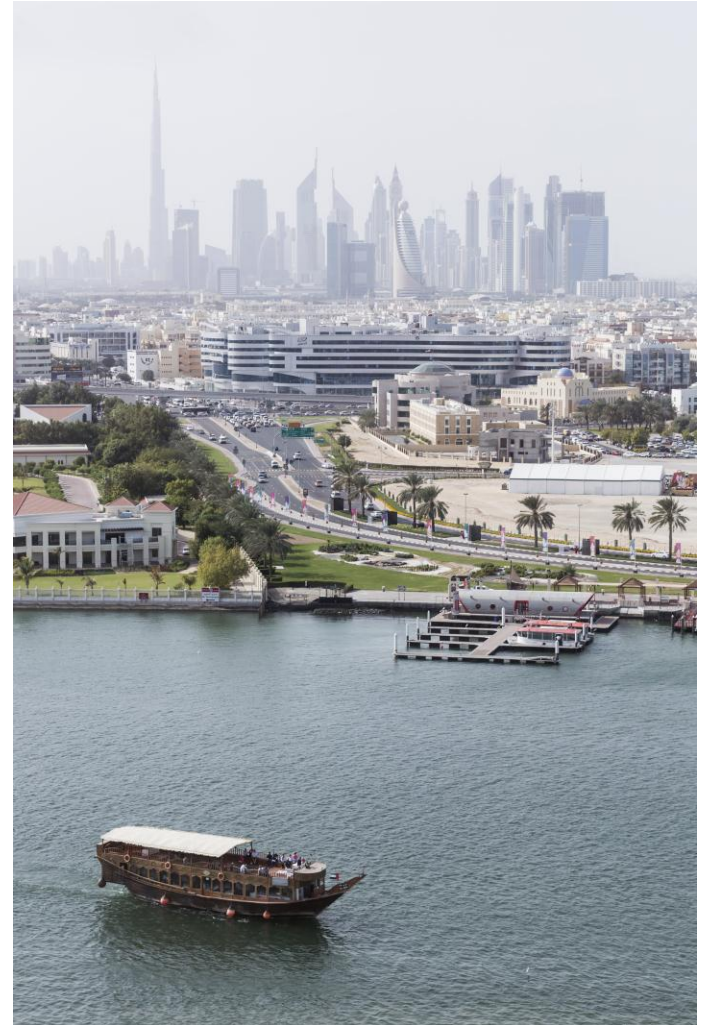
- The average treatment revenue per treatment sold stood the highest in Doha, representing USD 143, which is roughly 55 percent higher than the Dead Sea and 155% higher than Beirut.
- The Doha market captured the highest average daily treatment revenue per available treatment room, standing at USD 306, while the Dead Sea and the Beirut markets captured revenues of USD 106 and USD 57 respectively.
- The average daily treatment revenue per occupied treatment room was the lowest in the Beirut market, standing at USD 79.
- The average daily revenue generated per therapist for Doha spas was 21 percent higher than Dead Sea spas and 291 percent higher than Beirut spas.
- Revenue per available treatment hour (RevPATH) was the highest in Doha, standing at USD 30, while RevPATH in the Dead Sea, and Beirut stood at approx. USD 17 and USD 14.
- 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 in the three markets surveyed.



The PwC Middle East Sea Spa Benchmarking Survey Data

Key Insights (continued):

- While Doha and Beirut reported income from fitness and membership revenues, 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 87%, hotel guests treatments only contributed to 15% and 27% of treatments 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 (January-June 2014)		
	Dead Sea	Doha	Beirut
Average treatment revenue per treatment sold	92	143	56
Average daily treatment revenue per available treatment room	106	306	57
Average daily treatment revenue per occupied treatment room	173	357	79
Average daily treatment revenue generated per therapist	420	508	130
Revenue per available treatment hour (RevPATH)	17	30	14
Utilisation of treatment rooms' hours	18%	21%	25%
Utilisation of therapists' hours	43%	30%	41%
Fitness and membership revenue as % of total revenue	1%	53%	56%
Retail revenue as % of total revenue	12%	6%	2%
Treatments booked by hotel guests as % of total treatments	87%	15%	27%
Treatments booked by non hotel guests as % of total treatments	13%	85%	73%

The PwC Middle East Spa Benchmarking Survey Data

PwC Spa Benchmark Consolidated Data – Dead Sea

JOD	2013	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	YTD - 14
Average treatment revenue per treatment sold	55	64	67	68	64	64	65	65
Average daily treatment revenue per available treatment room	61	61	56	77	103	93	60	75
Average daily treatment revenue per occupied treatment room	93	96	91	126	164	154	101	123
Average daily treatment revenue generated per therapist	216	282	228	296	386	354	227	298
Revenue per available treatment hour (RevPATH)	9	10	9	12	16	15	10	12
Utilisation of treatment rooms' hours	16%	15%	13%	17%	24%	23%	14%	18%
Utilisation of therapists' hours	38%	44%	32%	40%	56%	53%	32%	43%
Fitness and membership revenue as % of total revenue	0%	0%	1%	0%	1%	1%	1%	1%
Retail revenue as % of total revenue	14%	11%	11%	18%	12%	12%	7%	12%
Treatments booked by hotel guests as % of total treatments	87%	92%	88%	88%	87%	88%	79%	87%
Treatments booked by non hotel guests as % of total treatments	13%	8%	12%	12%	13%	12%	21%	13%
USD								
Average treatment revenue per treatment sold	78	90	94	96	90	90	92	92
Average daily treatment revenue per available treatment room	86	86	79	109	145	131	85	106
Average daily treatment revenue per occupied treatment room	131	136	129	178	232	218	143	173
Average daily treatment revenue generated per therapist	305	398	322	418	545	500	320	420
Revenue per available treatment hour (RevPATH)	12	13	12	17	22	21	14	17

The PwC Middle East Spa Benchmarking Survey Data

PwC Spa Benchmark Consolidated Data – Doha

QAR	2013	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	YTD-14
Average treatment revenue per treatment sold	519	519	520	492	579	581	420	521
Average daily treatment revenue per available treatment room	1,062	1,155	1,158	1,241	1,228	1,191	733	1,114
Average daily treatment revenue per occupied treatment room	1,090	1,232	1,1235	1,324	1,556	1,509	929	1,299
Average daily treatment revenue generated per therapist	1,534	1,719	1,764	1,765	2,074	2,208	1,506	1,849
Revenue per available treatment hour (RevPATH)	90	105	102	114	132	133	79	111
Utilisation of treatment rooms' hours	19%	20%	20%	22%	23%	23%	19%	21%
Utilisation of therapists' hours	28%	28%	28%	29%	31%	33%	30%	30%
Fitness and membership revenue as % of total revenue	54%	47%	50%	55%	53%	53%	61%	53%
Retail revenue as % of total revenue	4%	4%	4%	6%	5%	7%	6%	6%
Treatments booked by hotel guests as % of total treatments	16%	17%	15%	14%	17%	15%	16%	15%
Treatments booked by non hotel guests as % of total treatments	84%	83%	85%	86%	83%	85%	84%	85%
USD								
Average treatment revenue per treatment sold	142	142	143	135	159	160	115	143
Average daily treatment revenue per available treatment room	292	317	318	341	337	327	201	306
Average daily treatment revenue per occupied treatment room	299	338	339	364	427	414	255	357
Average daily treatment revenue generated per therapist	421	472	485	485	570	606	414	508
Revenue per available treatment hour (RevPATH)	25	29	28	31	36	37	22	30

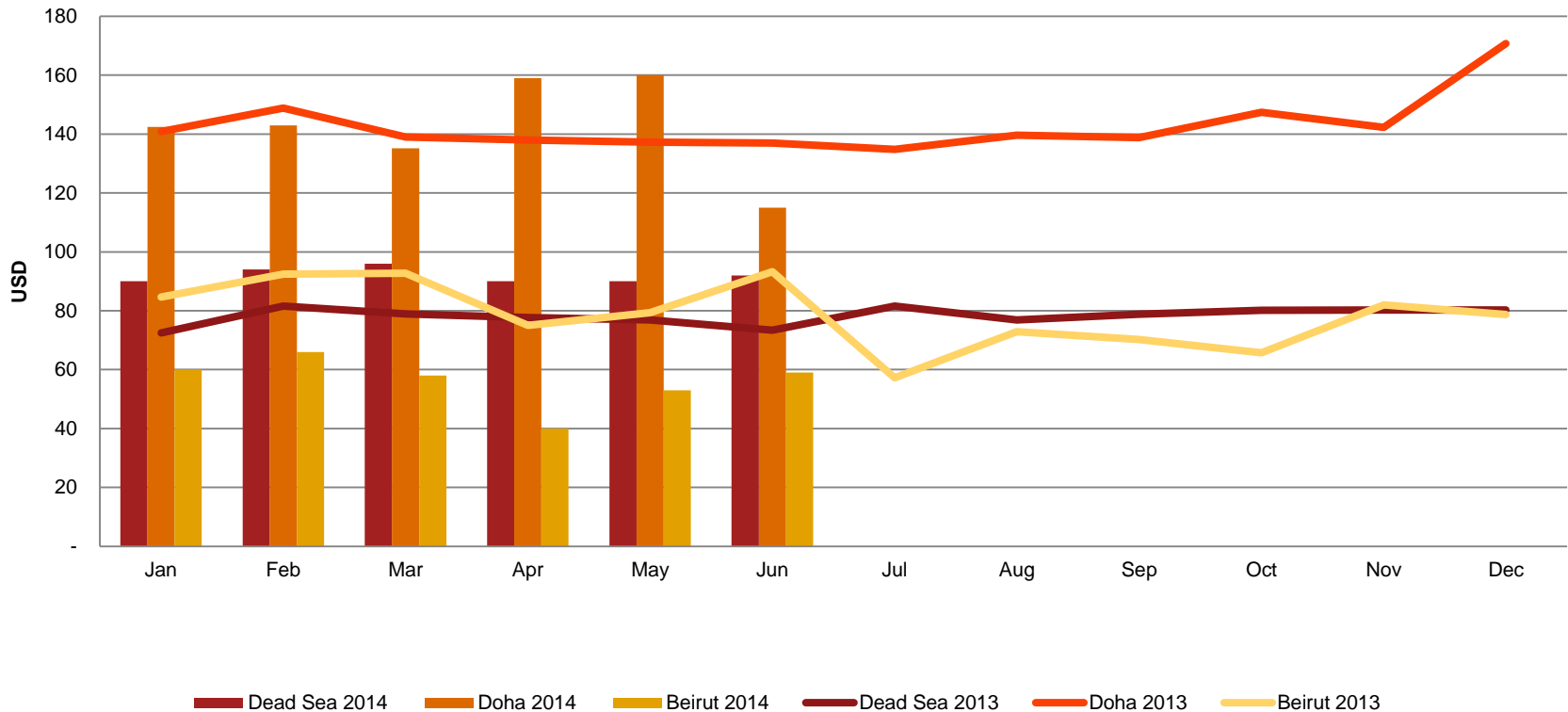
The PwC Middle East Spa Benchmarking Survey Data

PwC Spa Benchmark Consolidated Data – Beirut

LBP	2013	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	YTD-14
Average treatment revenue per treatment sold	118,390	89,919	106,793	87,481	60,270	78,853	87,903	84,057
Average daily treatment revenue per available treatment room	118,820	82,377	104,831	89,174	58,548	72,748	102,554	84,760
Average daily treatment revenue per occupied treatment room	166,749	115,328	146,764	124,843	81,968	101,848	143,575	118,664
Average daily treatment revenue generated per therapist	250,417	192,213	236,716	201,360	146,371	154,315	247,544	195,601
Revenue per available treatment hour (RevPATH)	34,691	19,481	25,800	22,125	14,526	18,771	24,412	20,820
Utilisation of treatment rooms' hours	35%	22%	26%	25%	24%	24%	28%	25%
Utilisation of therapists' hours	53%	37%	43%	41%	43%	36%	48%	41%
Fitness and membership revenue as % of total revenue	51%	59%	55%	53%	63%	60%	49%	56%
Retail revenue as % of total revenue	3%	1%	0%	5%	2%	1%	0%	2%
Treatments booked by hotel guests as % of total treatments	27%	27%	26%	25%	24%	30%	29%	27%
Treatments booked by non hotel guests as % of total treatments	73%	73%	74%	75%	76%	70%	71%	73%
USD								
Average treatment revenue per treatment sold	79	60	71	58	40	53	59	56
Average daily treatment revenue per available treatment room	79	55	70	59	39	48	68	57
Average daily treatment revenue per occupied treatment room	110	77	98	83	55	68	96	79
Average daily treatment revenue generated per therapist	166	128	158	134	98	103	165	130
Revenue per available treatment hour (RevPATH)	22	13	17	15	10	13	16	14

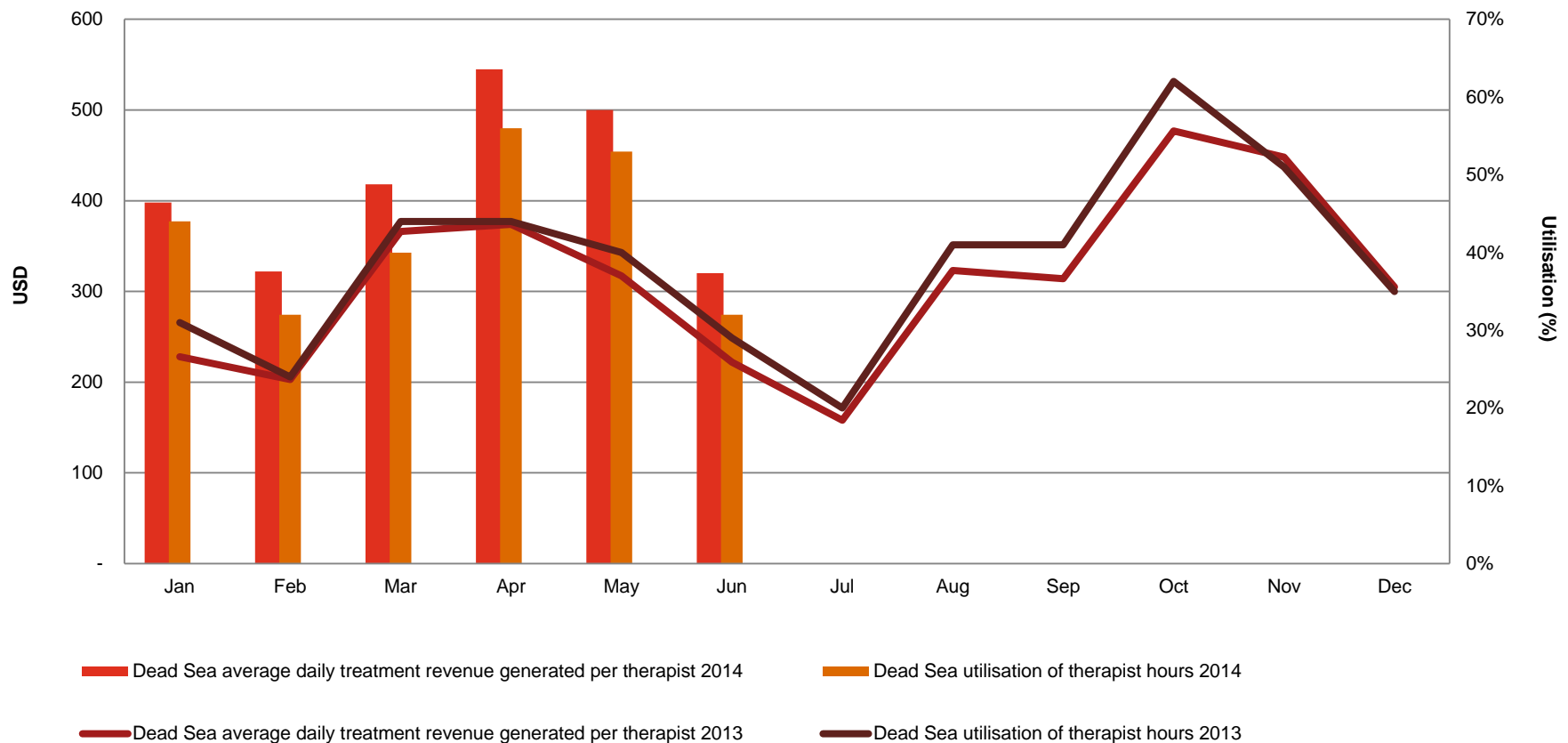
The PwC Middle East Spa Benchmarking Survey Data

Average Treatment Revenue Per Treatment Sold (USD)

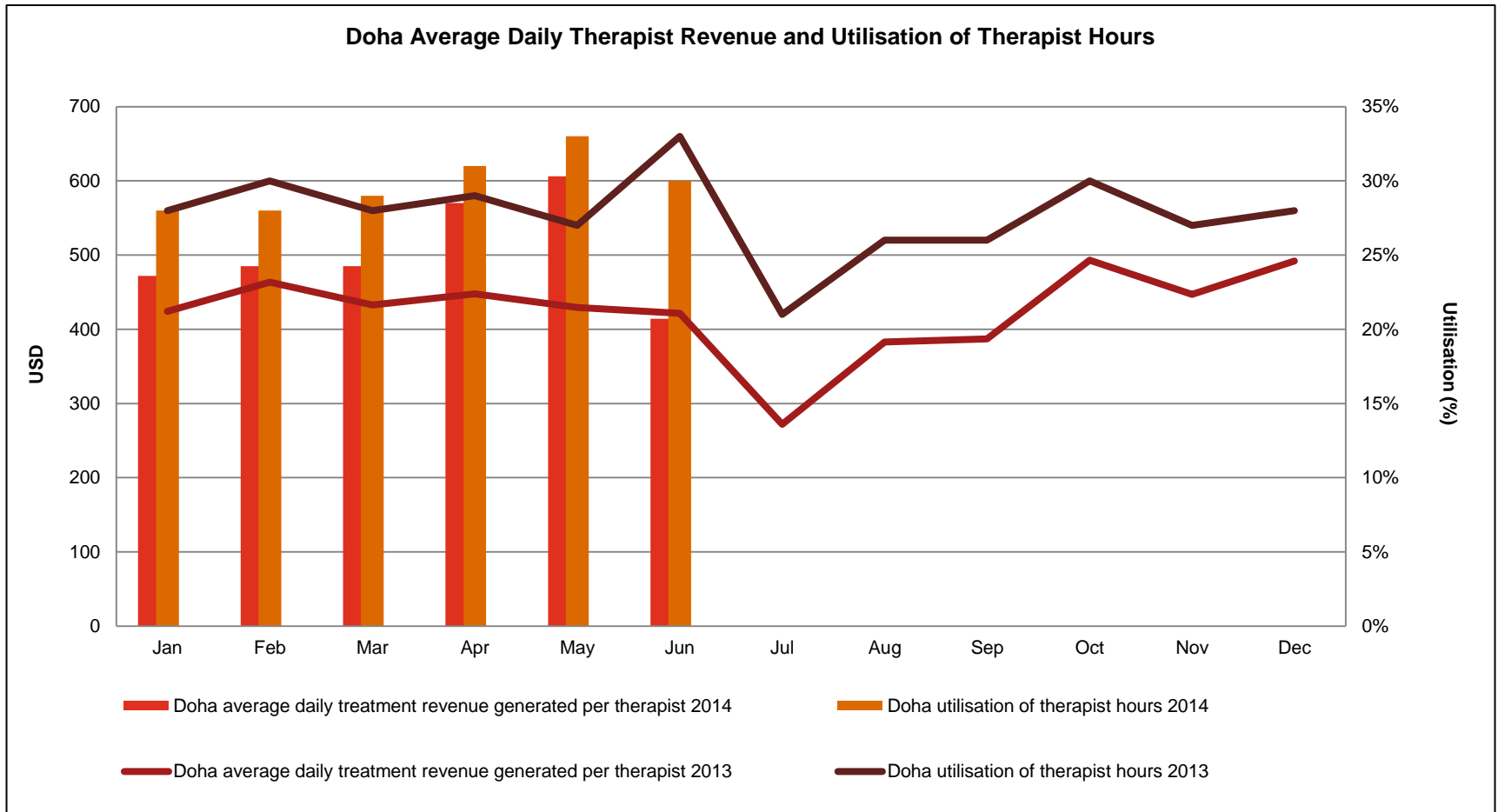


The PwC Middle East Spa Benchmarking Survey Data

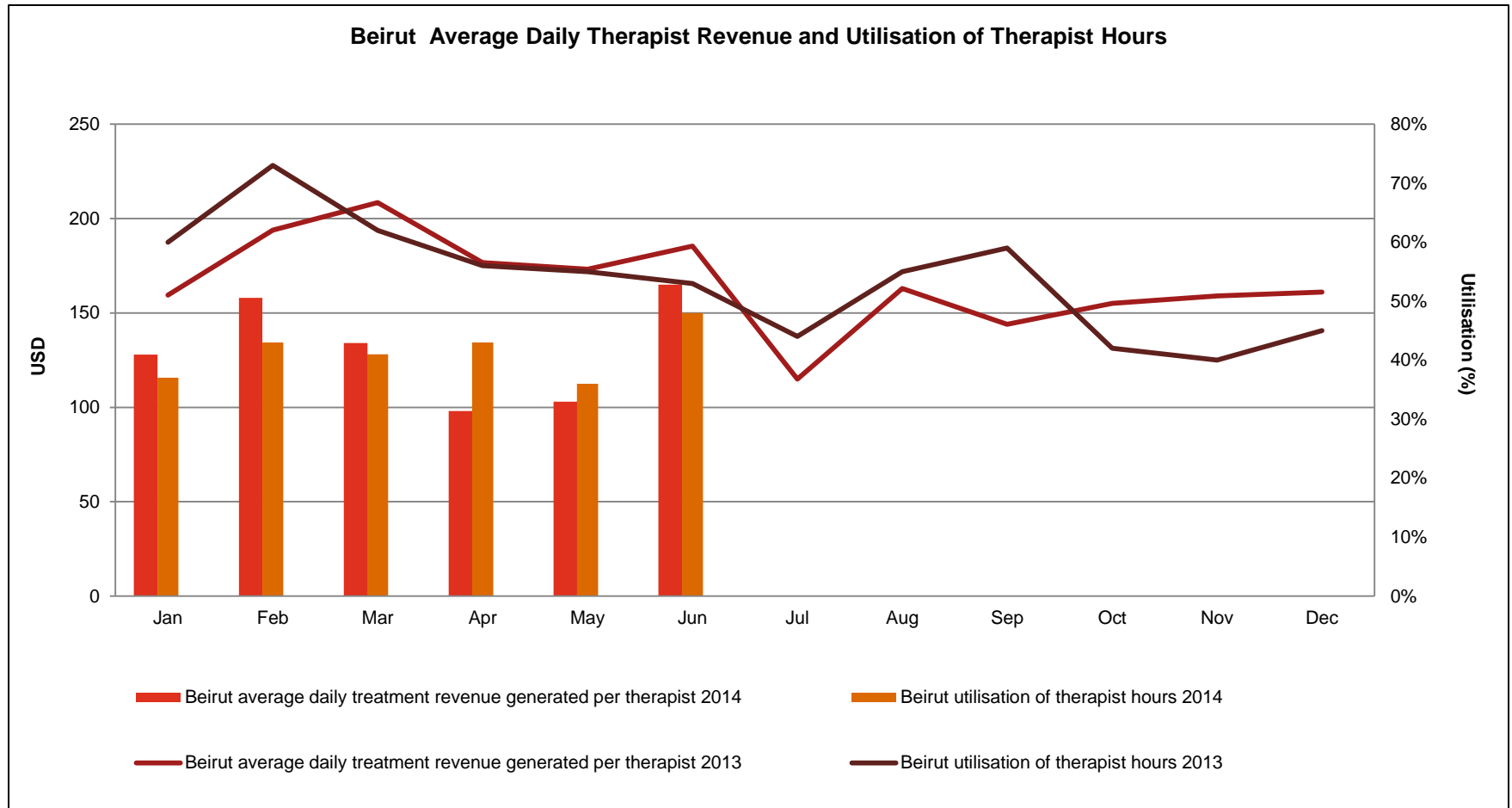
Dead Sea Average Daily Therapist Revenue and Utilisation of Therapist Hours



The PwC Middle East Spa Benchmarking Survey Data

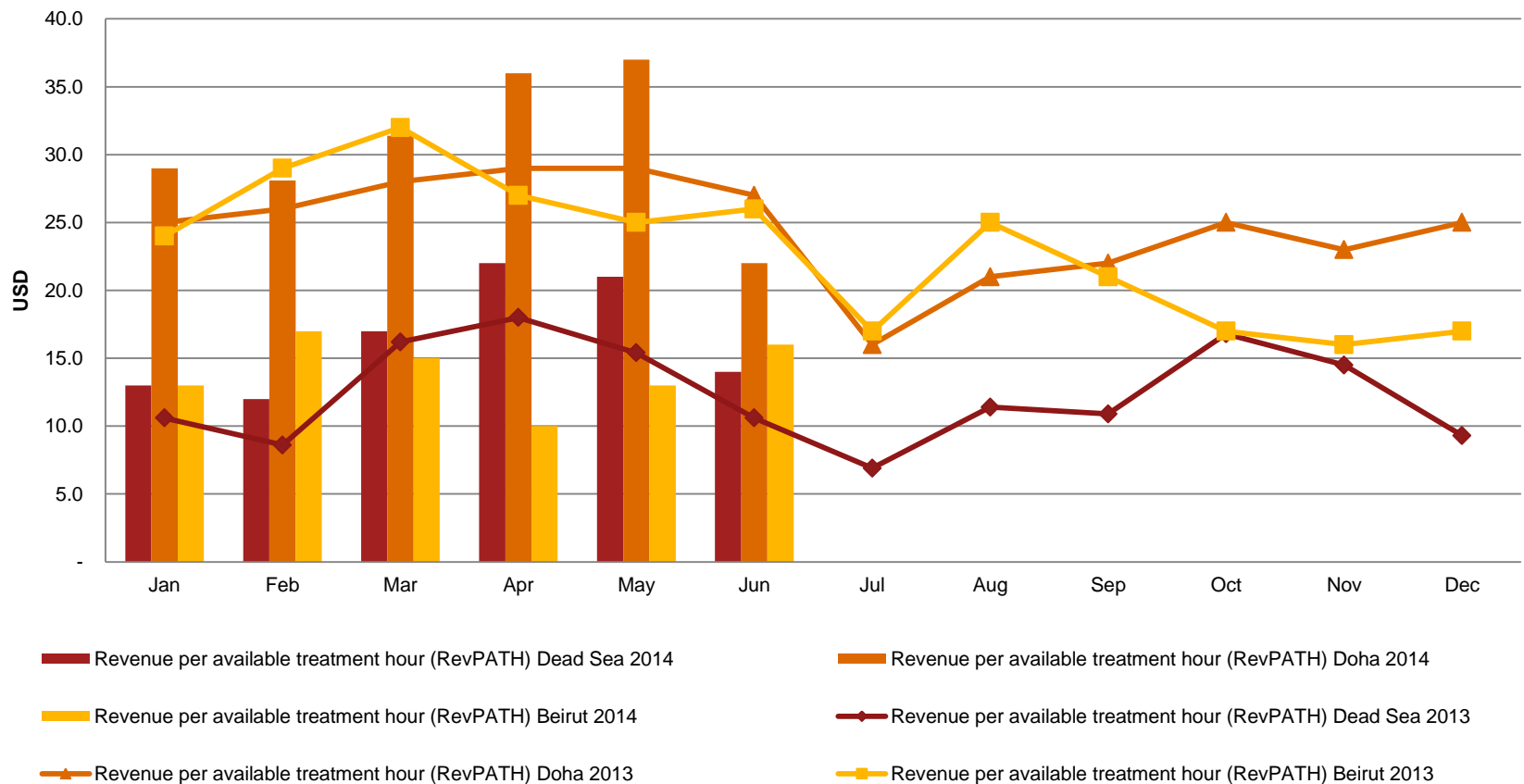


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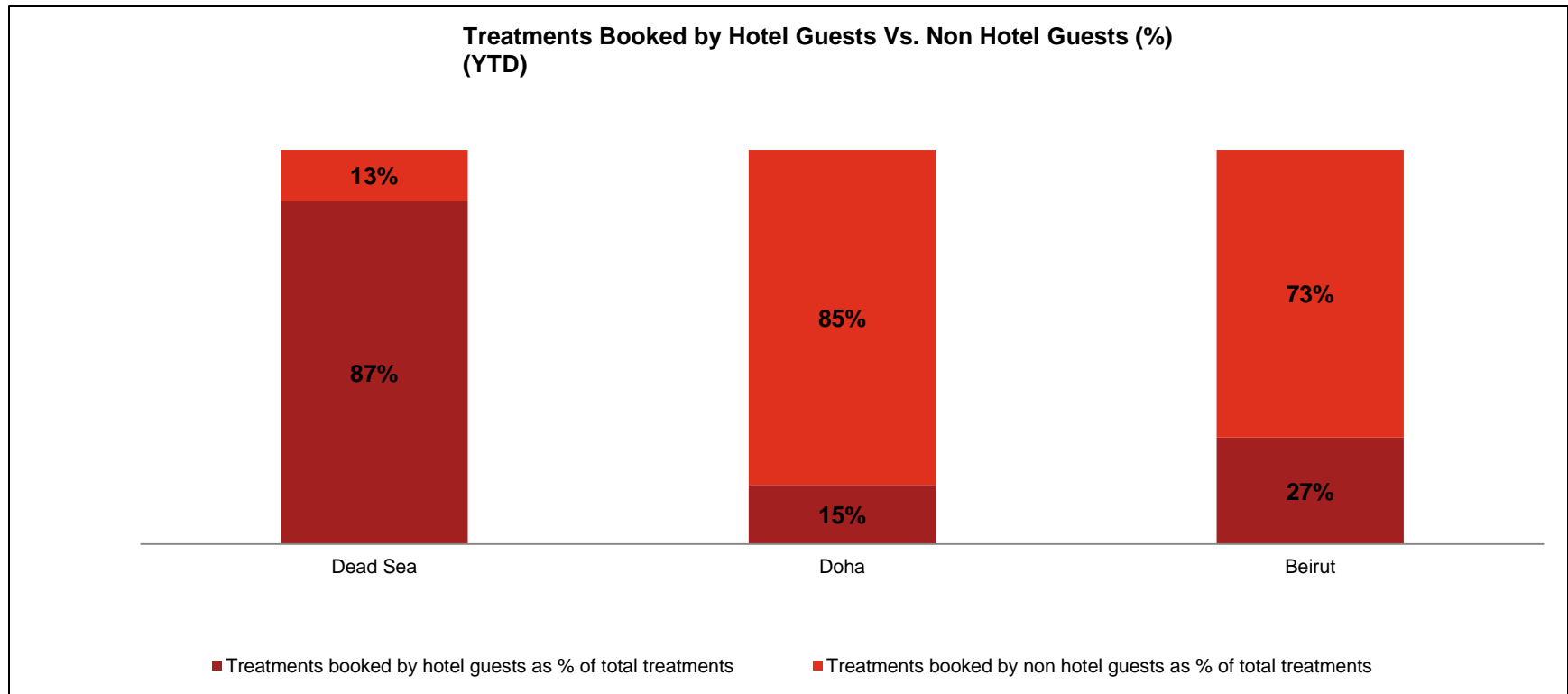


The PwC Middle East Spa Benchmarking Survey Data

Revenue Per Available Treatment Hour (RevPATH)



The PwC Middle East Spa Benchmarking Survey Data



Feature Spa of the Report - PureGray Health Club & Spa

The PureGray Health Club and Spa is a sanctuary of calm and tranquility. The spa is luxurious yet intimate with refined personalized service at its core. The contemporary urban space features six stylish treatment rooms including a couple's room.

The spa offers sensual and restorative treatments, combining European and Eastern philosophies in a rich holistic experience, featuring the prestigious Spanish skincare product, Natura Bissé.

The gym is equipped with the latest Technogym equipment, renowned for their state-of-the-art design and cutting edge technology. Our highly qualified and dedicated Personal Trainers will deliver unparalleled attention and personalized service to all our guests.

Facilities

Fully equipped Gym
Sauna rooms
Treatment rooms
Chill out lounge
Panoramic outdoor pool
Beauty Salon

For further information please contact:

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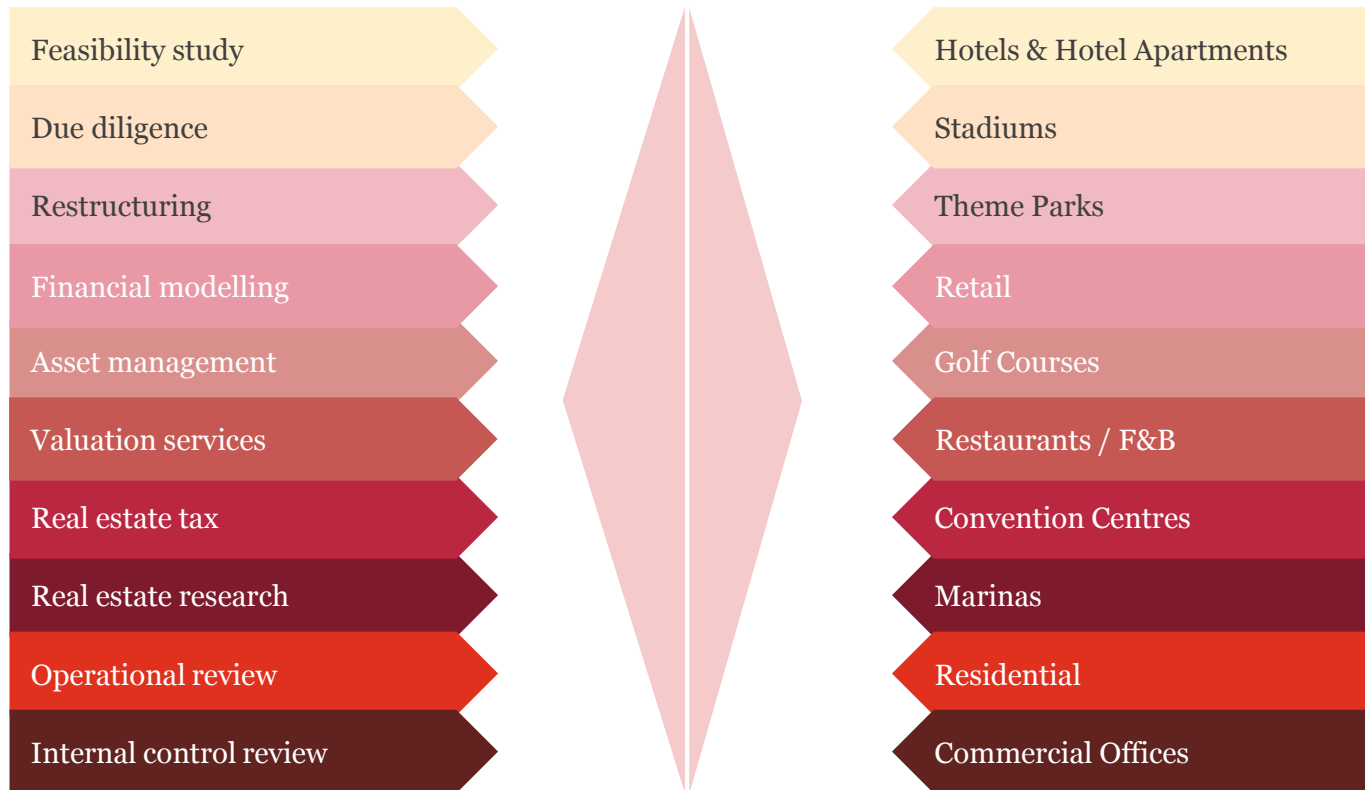
The PwC Middle East Spa Benchmarking Survey Data

PwC Spa Benchmark Consolidated Data

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

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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