

PwC Middle East Spa Benchmarking Survey

January – March 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 period from January to March 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:

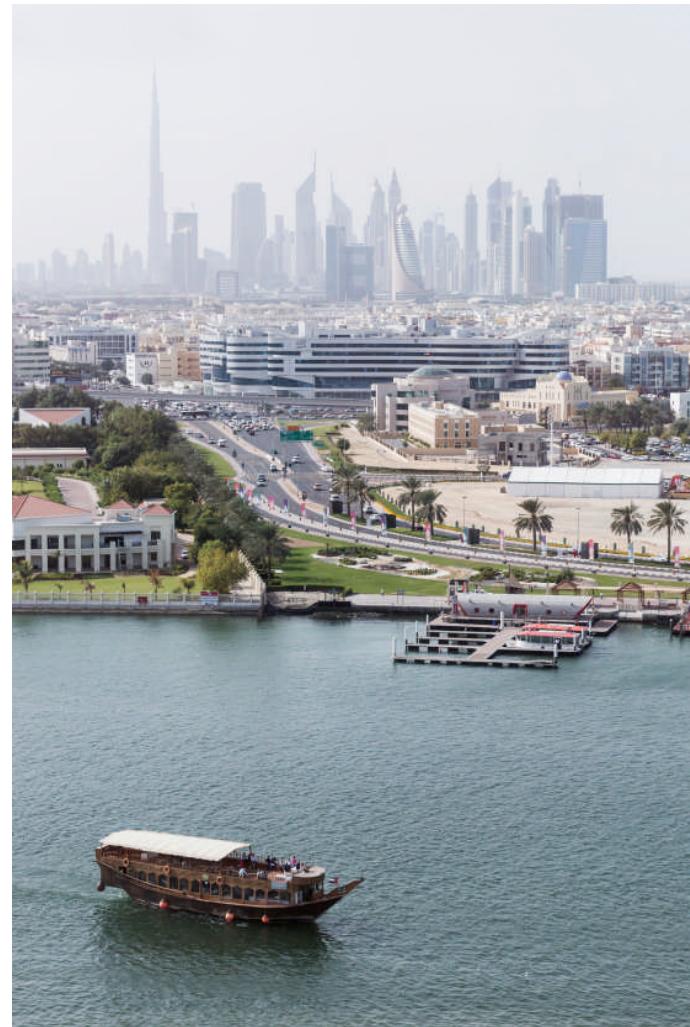
- The average treatment revenue per treatment sold for the first quarter of 2014 stood the highest in Doha, representing USD 140, which is roughly 50 percent higher than the Dead Sea and 120% higher than Beirut.
- The Doha market captured the highest average daily treatment revenue per available treatment room in the first quarter of 2014, standing at USD 326, while the Dead Sea and the Beirut markets captured revenues of USD 92 and USD 61 respectively.
- The first quarter of 2014 average daily treatment revenue per occupied treatment room was the lowest in the Beirut market, standing at USD 86.
- The average daily revenue generated per therapist for Doha spas was 26 percent higher than Dead Sea spas and 244 percent higher than Beirut spas.
- Revenue per available treatment hour (RevPATH) for the first quarter of 2014 was the highest in Doha, standing at USD 30, while RevPATH in the Dead Sea, and Beirut stood around 50 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 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 89% in the first quarter of 2014, hotel guests treatments only contributed to 15% and 26% 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 (January-March 2014)		
	Dead Sea	Doha	Beirut
Average treatment revenue per treatment sold	93	140	63
Average daily treatment revenue per available treatment room	92	326	61
Average daily treatment revenue per occupied treatment room	148	347	86
Average daily treatment revenue generated per therapist	381	481	140
Revenue per available treatment hour (RevPATH)	14	30	15
Utilisation of treatment rooms' hours	15%	21%	25%
Utilisation of therapists' hours	39%	40%	40%
Fitness and membership revenue as % of total revenue	0%	51%	56%
Retail revenue as % of total revenue	14%	5%	2%
Treatments booked by hotel guests as % of total treatments	89%	15%	26%
Treatments booked by non hotel guests as % of total treatments	11%	85%	74%

The PwC Middle East Spa Benchmarking Survey Data

PwC Spa Benchmark Consolidated Data – Dead Sea

JOD	2013	Jan-14	Feb-14	Mar-14	YTD - 14
Average treatment revenue per treatment sold	55	64	67	68	66
Average daily treatment revenue per available treatment room	61	61	56	77	65
Average daily treatment revenue per occupied treatment room	93	96	91	126	105
Average daily treatment revenue generated per therapist	216	282	228	296	270
Revenue per available treatment hour (RevPATH)	9	10	9	12	10
Utilisation of treatment rooms' hours	16%	15%	13%	17%	15%
Utilisation of therapists' hours	38%	44%	32%	40%	39%
Fitness and membership revenue as % of total revenue	0%	0%	1%	0%	0%
Retail revenue as % of total revenue	14%	11%	11%	18%	14%
Treatments booked by hotel guests as % of total treatments	87%	92%	88%	88%	89%
Treatments booked by non hotel guests as % of total treatments	13%	8%	12%	12%	11%
USD					
Average treatment revenue per treatment sold	78	90	94	96	93
Average daily treatment revenue per available treatment room	86	86	79	109	92
Average daily treatment revenue per occupied treatment room	131	136	129	178	148
Average daily treatment revenue generated per therapist	305	398	322	418	381
Revenue per available treatment hour (RevPATH)	12	13	12	17	14

The PwC Middle East Spa Benchmarking Survey Data

PwC Spa Benchmark Consolidated Data – Doha

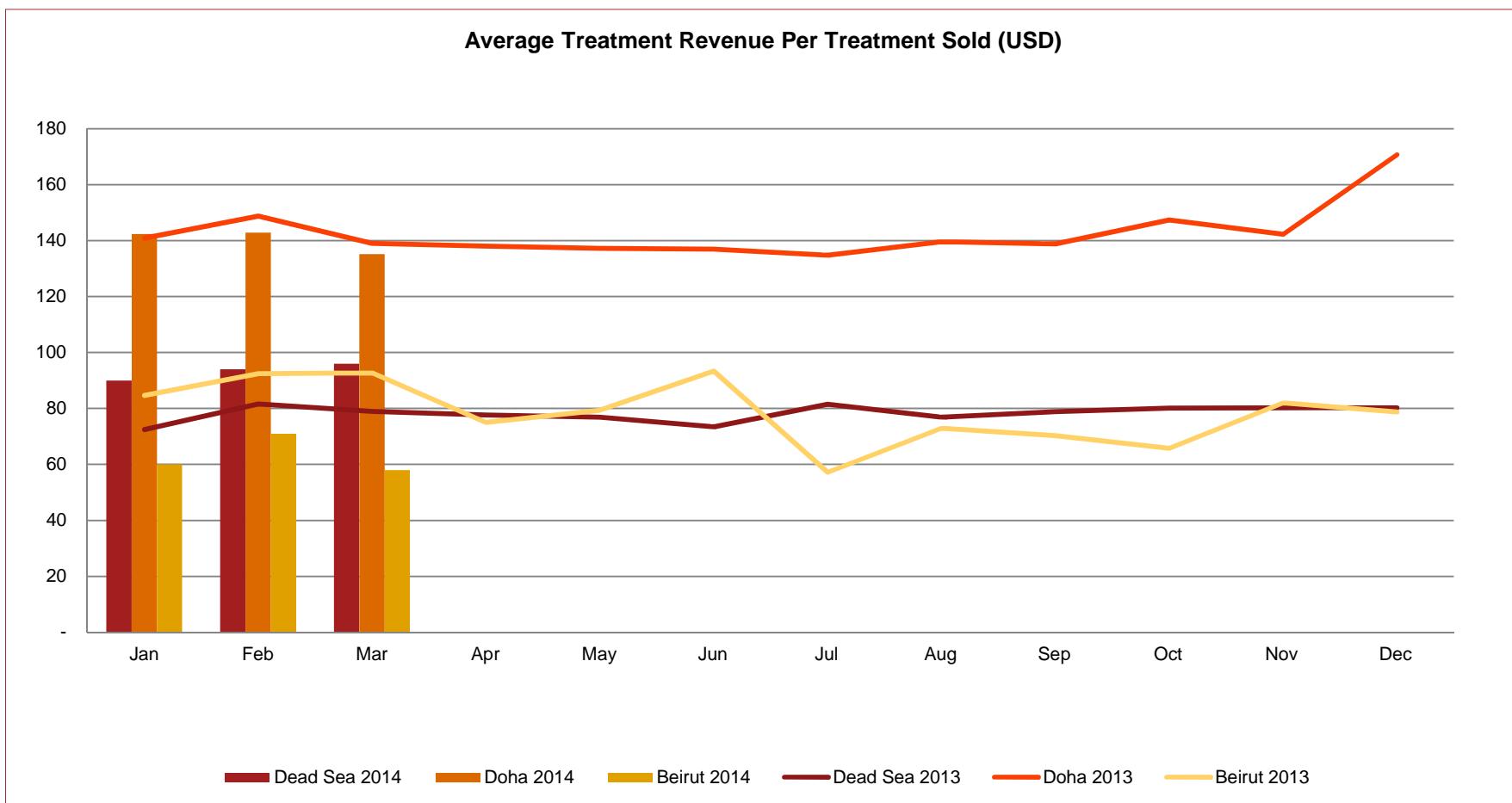
QAR	2013	Jan-14	Feb-14	Mar-14	YTD-14
Average treatment revenue per treatment sold	519	519	520	492	509
Average daily treatment revenue per available treatment room	1,062	1,155	1,158	1,241	1,186
Average daily treatment revenue per occupied treatment room	1,090	1,232	1,235	1,324	1,265
Average daily treatment revenue generated per therapist	1,534	1,719	1,764	1,765	1,751
Revenue per available treatment hour (RevPATH)	90	105	102	114	107
Utilisation of treatment rooms' hours	19%	20%	20%	22%	21%
Utilisation of therapists' hours	28%	40%	40%	39%	40%
Fitness and membership revenue as % of total revenue	54%	47%	50%	55%	51%
Retail revenue as % of total revenue	4%	4%	4%	6%	5%
Treatments booked by hotel guests as % of total treatments	16%	17%	15%	14%	15%
Treatments booked by non hotel guests as % of total treatments	84%	83%	85%	86%	85%
USD					
Average treatment revenue per treatment sold	142	142	143	135	140
Average daily treatment revenue per available treatment room	292	317	318	341	326
Average daily treatment revenue per occupied treatment room	299	338	339	364	347
Average daily treatment revenue generated per therapist	421	472	485	485	481
Revenue per available treatment hour (RevPATH)	25	29	28	31	30

The PwC Middle East Spa Benchmarking Survey Data

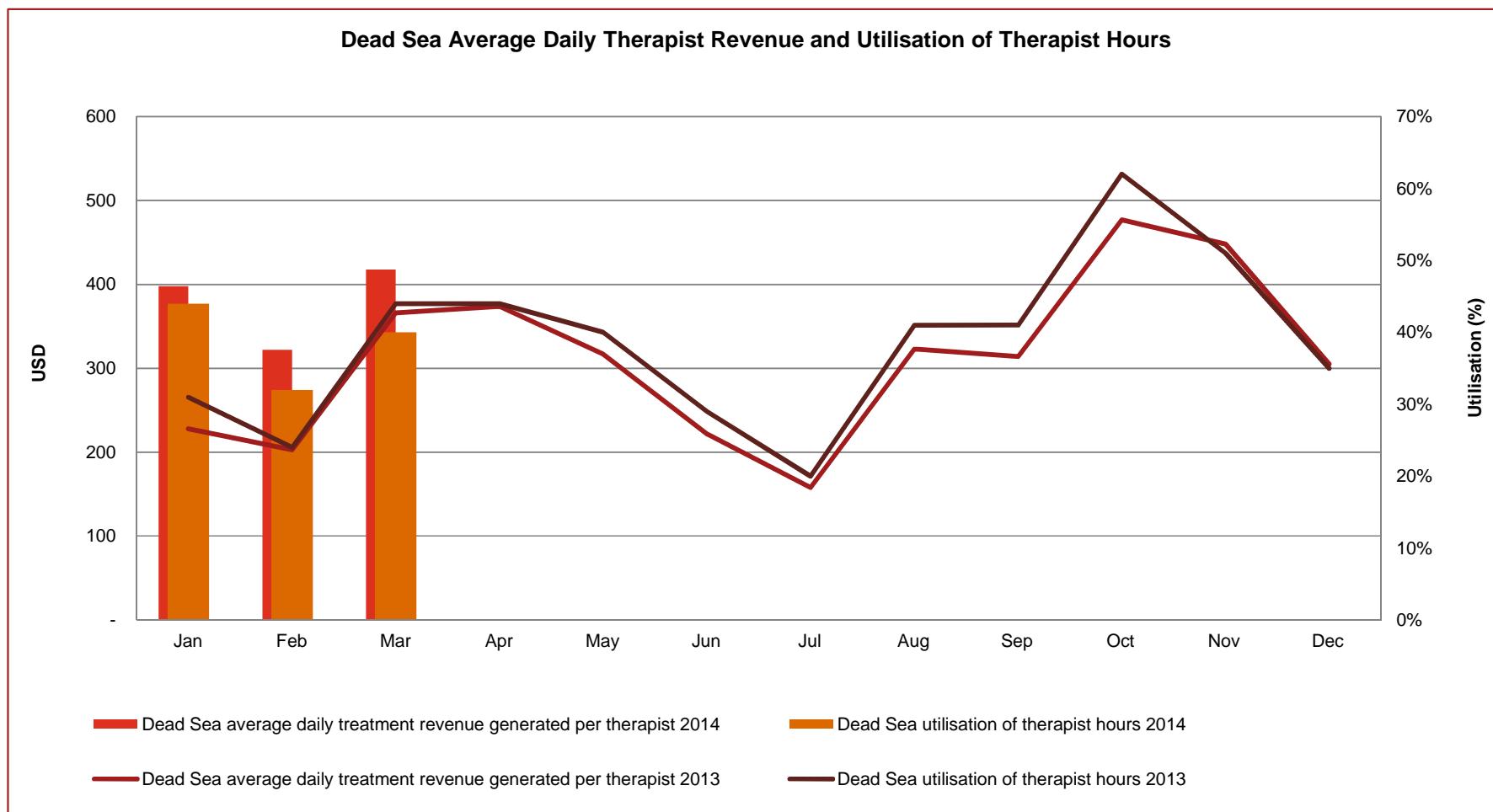
PwC Spa Benchmark Consolidated Data – Beirut

LBP	2013	Jan-14	Feb-14	Mar-14	YTD-14
Average treatment revenue per treatment sold	118,390	89,919	106,793	87,481	91,937
Average daily treatment revenue per available treatment room	118,820	82,377	104,831	89,174	91,704
Average daily treatment revenue per occupied treatment room	166,749	115,328	146,764	124,843	128,386
Average daily treatment revenue generated per therapist	250,417	192,213	236,716	201,360	209,324
Revenue per available treatment hour (RevPATH)	34,691	19,481	25,800	22,125	22,318
Utilisation of treatment rooms' hours	35%	22%	26%	25%	25%
Utilisation of therapists' hours	53%	37%	43%	41%	40%
Fitness and membership revenue as % of total revenue	51%	59%	55%	53%	56%
Retail revenue as % of total revenue	3%	1%	0%	5%	2%
Treatments booked by hotel guests as % of total treatments	27%	27%	26%	25%	26%
Treatments booked by non hotel guests as % of total treatments	73%	73%	74%	75%	72%
USD					
Average treatment revenue per treatment sold	79	60	71	58	61
Average daily treatment revenue per available treatment room	79	55	70	59	60
Average daily treatment revenue per occupied treatment room	110	77	98	83	86
Average daily treatment revenue generated per therapist	166	128	158	134	140
Revenue per available treatment hour (RevPATH)	22	13	17	15	15

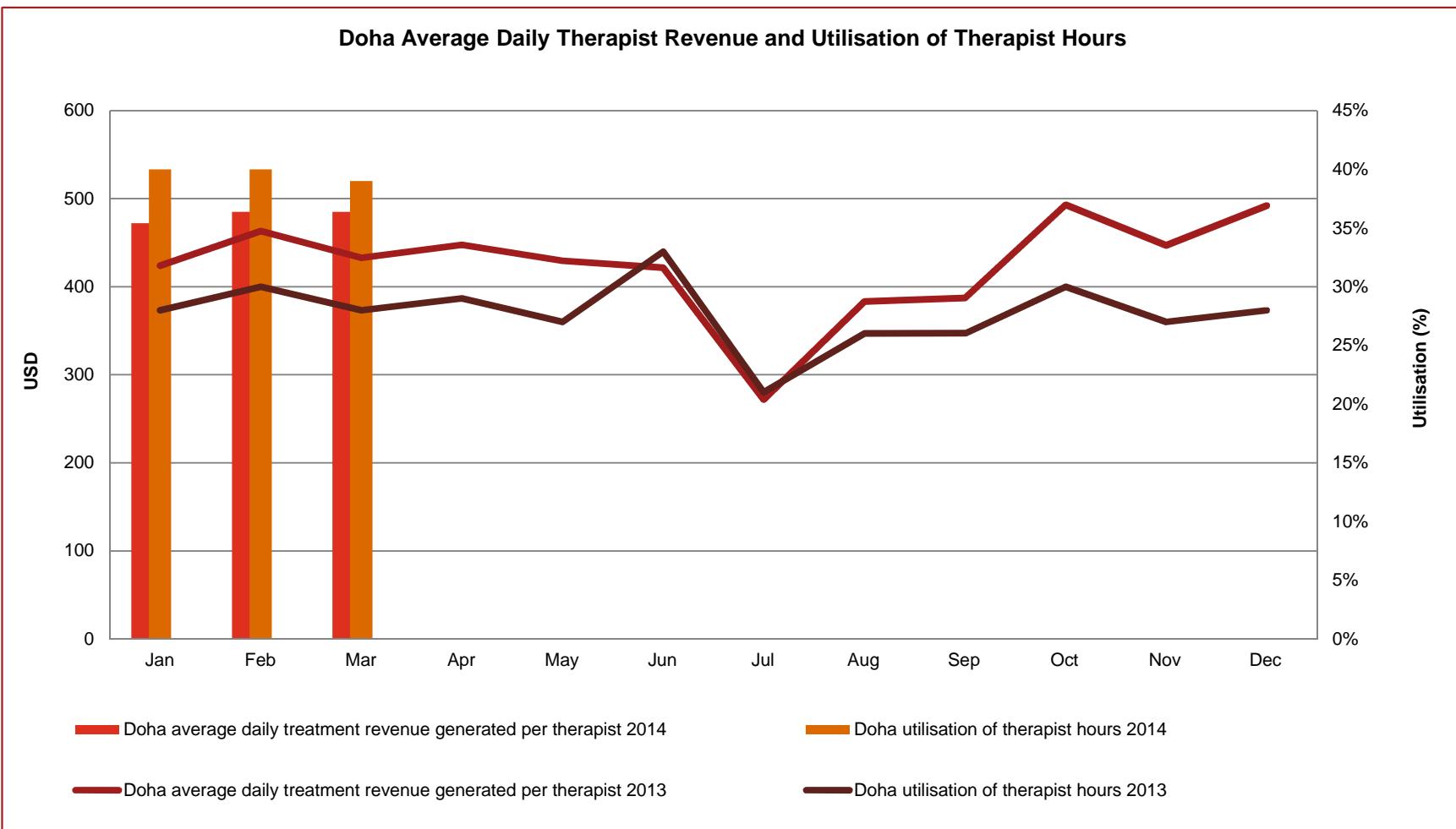
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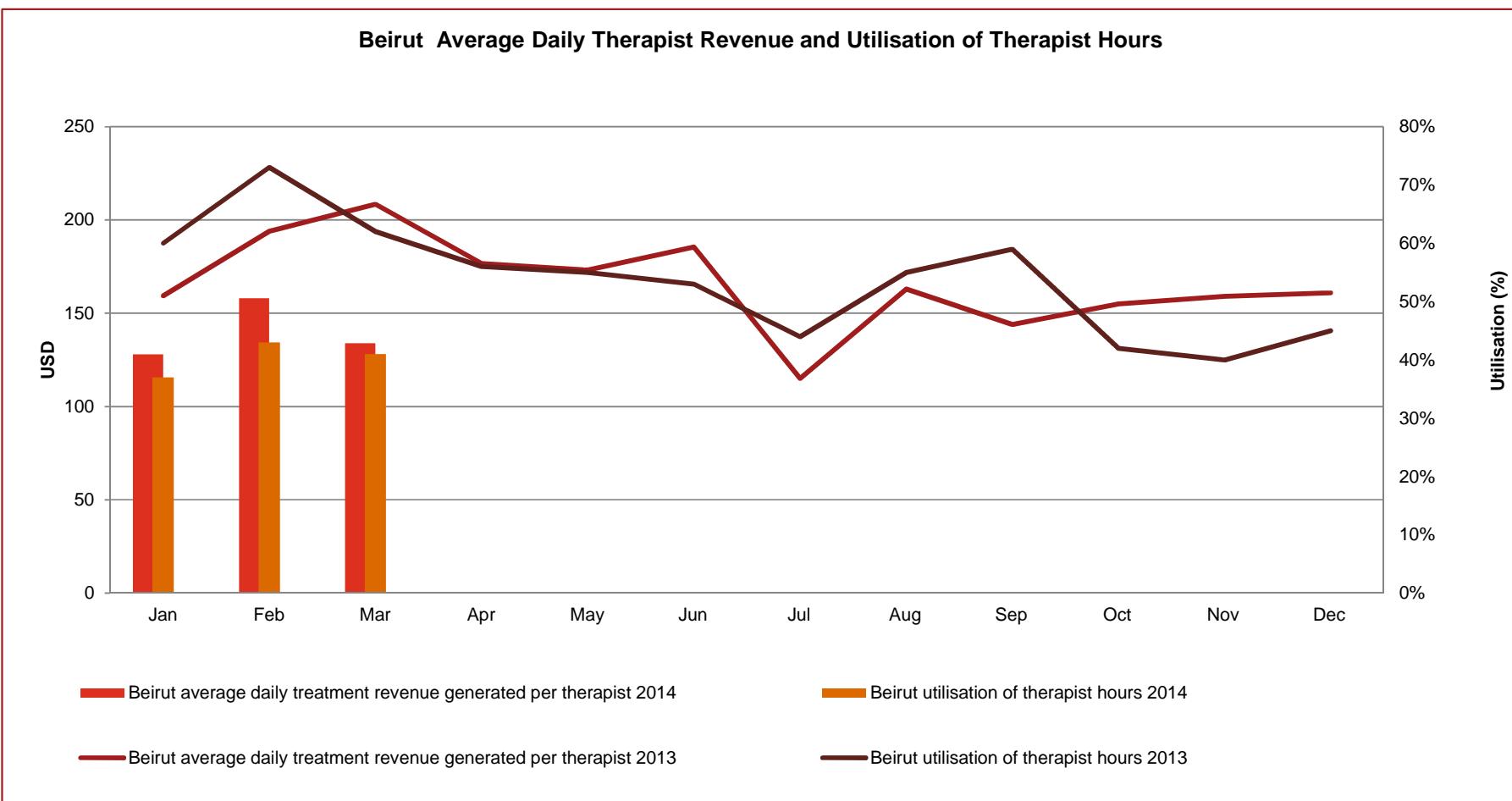
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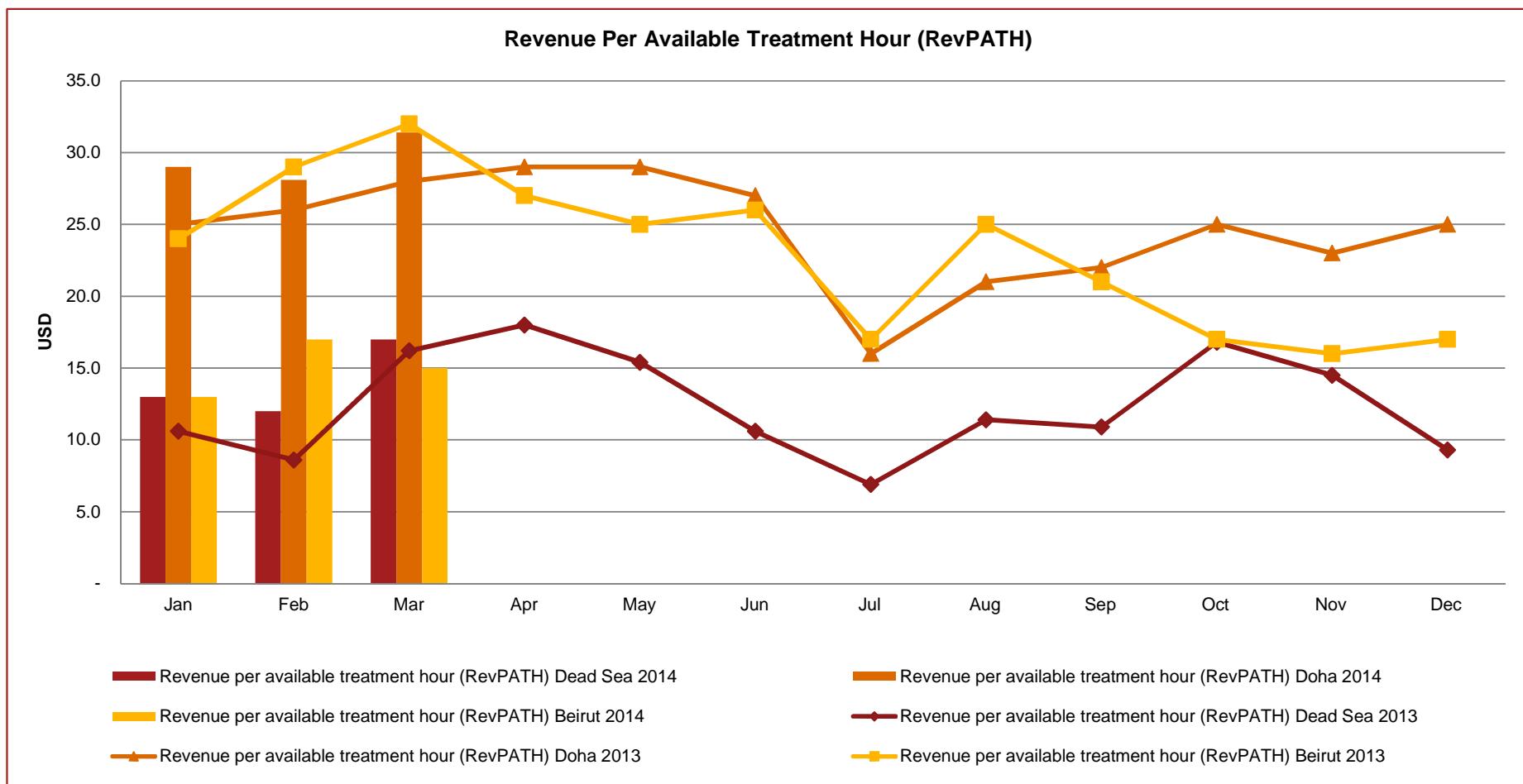
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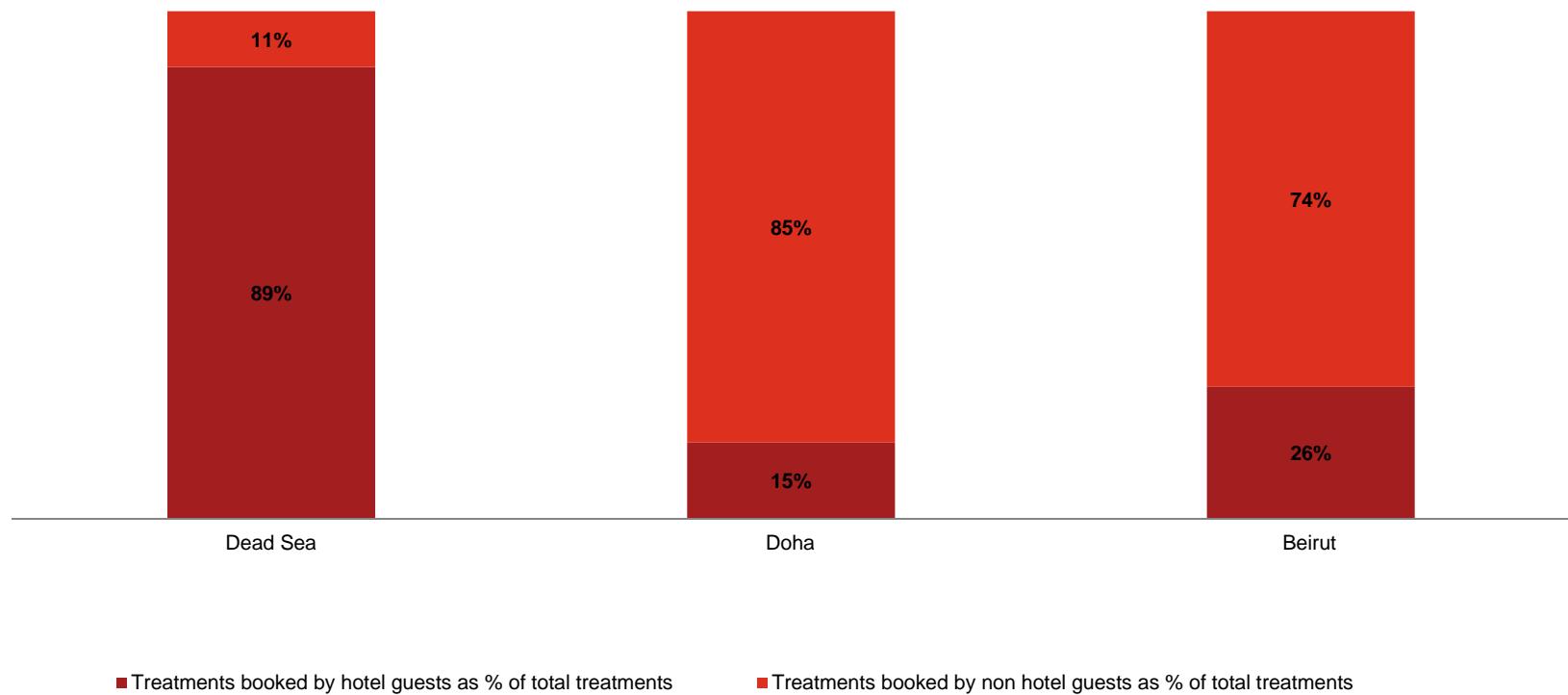


The PwC Middle East Spa Benchmarking Survey Data



The PwC Middle East Spa Benchmarking Survey Data

Treatments Booked by Hotel Guests Vs. Non Hotel Guests YTD



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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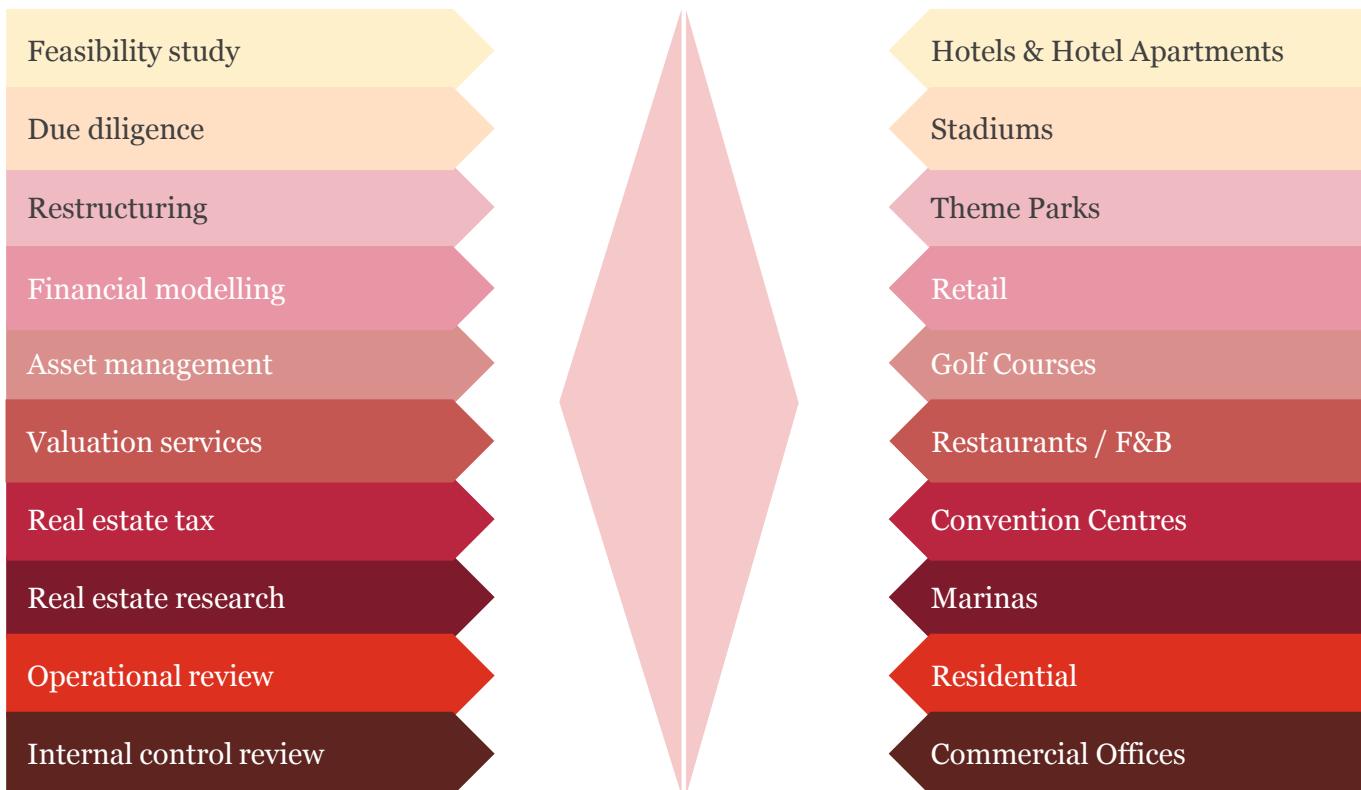
The PwC Middle East Spa Benchmarking Survey Data

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

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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