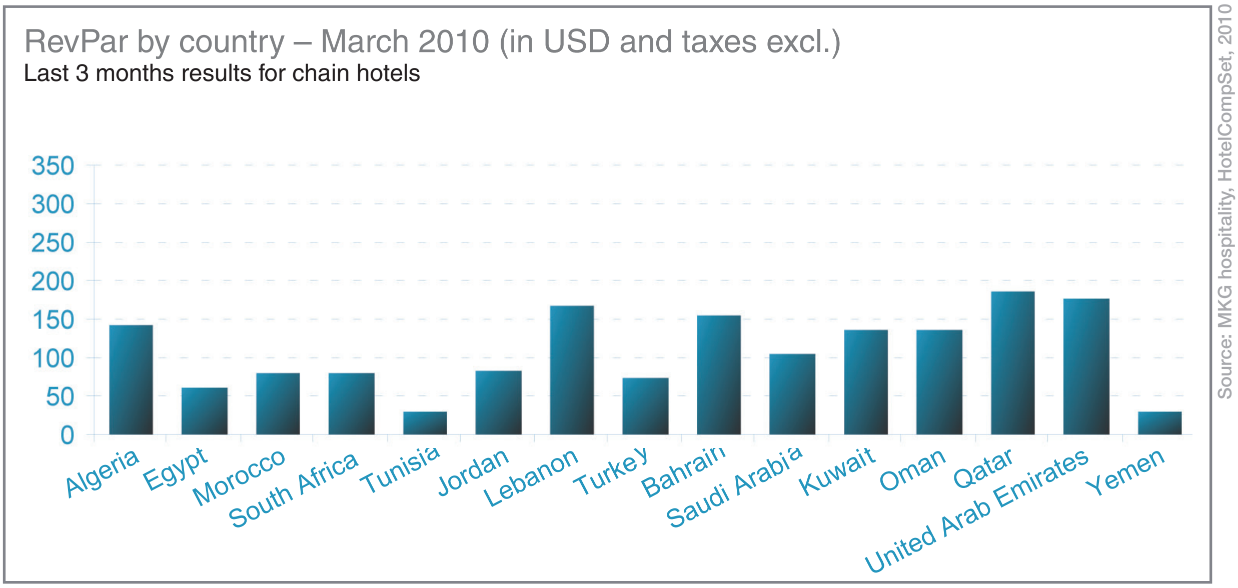
MENA, 11th May 2010

MENA Hotels Continue Positive Path

- 4.6-point OR increase; 2.2% RevPAR growth
- Popular holiday destinations in North Africa and the Levant drive good performances
- GCC see stabilisation in OR



Middle East & North Africa's key hotel performance indicators continue to show improvements in March, driven by leading leisure holiday destinations along the Mediterranean Sea.

According to MKG Hospitality's market observatory HotelCompSet, the MENA region as a whole ended the month at 73.6% Occupancy Rate (OR), representing a 4.6-point increase over the same month in 2009. Although Average Daily Rate (ADR) dropped by 4.3% to reach almost $150, excluding taxes, Revenue Per Available Room (RevPAR) managed to stay positive at just over $110, an increase of 2.2%. Mediterranean countries overall showed much better growth, with a RevPAR increase of 12.6%; 6.7 OR points and 2.5% ADR. The Arabian Peninsula could only manage a 2-point growth in OR, together with a 6.8% decline in ADR. This lead to RevPAR dropping by 4.3%. Actual values however are still much higher in Arabia, at almost $204 ADR and $149 RevPAR.

Egypt records a 22% Revenue per Available Room (RevPAR) increase for the month of March, with a healthy 9.7 point growth in Occupancy Rate (OR) and almost 8% increase in Average Daily Rate (ADR). Excellent results in locations such as Sharm El Sheikh, Sinai Peninsula and Hurghada are testament to growth in leisure tourism.

Tunisia also achieves good results, with RevPAR improving by 14%. Although Morocco's ADR dropped slightly, a 7.6 point growth in OR was enough to drive RevPAR upwards by 12%.

Other good RevPAR results in March came from Jordan, with almost 14% growth, Bahrain at 13%, Saudi Arabia almost 12% and Turkey with over 6%. Meanwhile, the GCC also records better results. Although RevPAR is still in the red zone for most (due to significant declines in ADR), demand has somewhat stabilised, and even shows signs of growth. Qatar increases by over 6 points, Oman by almost 6 points and in the UAE it remains stable. Kuwait also sees stability in OR, and together with a small increase in ADR, manages to restrict a substantial RevPAR drop.

"This month is close to peak season for most in the region, a time when good results are critical for cementing yearly progress, especially this year," states Director of Development, MKG Hospitality, Vanguelis Panayotis. "North Africa, as well as the Levant should continue to see similar results, at least for the next couple of months, as Easter holidays in the Western world, coupled with ideal climatic conditions encourage more tourists. Europeans, still choosing their vacation based on value-for-money, and being relatively closer to home will fuel much of this demand," added Panayotis.

Year-to-date March 2010 figures reveal similar trends: mass market holiday destinations in North Africa and the Levant performing very well, whilst the GCC, excluding Saudi Arabia, clearly still facing an uphill battle. Although OR is showing signs of improvement/stabilisation in the Gulf, massive falls in average rates are enough to push overall results down. The next few months, leading to summer should theoretically offer better results all-round in the GCC, with much MICE business. However, many major events are already showing signs of reduced booking confirmations, suggesting that recovery is still uncertain .

ABOUT MKG Group

Established in 1985 by Georges Panayotis, MKG Group has built a solid reputation for business expertise and substantial European-based know-how in the fields of tourism, lodging and food service. MKG Group meets the needs of each of its clients by providing valuable analytical and decision-making skills necessary for success. www.mkg-group.com

METHODOLOGY

For 25 years, MKG Hospitality has been a global leader in tourism, hotel and catering consulting, with the largest database in the world (excluding the US), representing all segments from budget to upscale hotels. 45 000 hotels and over 2.5 million rooms are compiled in MKG's database.

MKG's market monitoring database, HotelCompSet, contains a sample of over 250 brands in 150 countries (over 800 markets) and 11 000 corporate chain hotels, representing more than 1,000,000 rooms. HotelCompSet provides daily, monthly and yearly monitoring of hotel indicators and analyses of its sample.

MKG's statistical samples provide an accurate and strong measure of the hospitality industry.

Together with other specialised brands, MKG Qualiting, OlaKala, Worldwide Hospitality Awards, Global Lodging Forum, as well as sector publications HTR Magazine and Hotel Restau Hedbo, MKG Group supports investors, hoteliers and key tourism players to improve performance, boost productivity and achieve results.

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