



## PRESS RELEASE

### FINANCIAL RESULTS FROM JANUARY TO MARCH 2018

The Group achieves a Net Profit of BD 2.892 million.

Gulf Hotels Group (GHG) has reported the financial results for the First quarter of 2018.

Chairman Farouk Y Almoayyed stated that first quarter for year 2018 was very challenging, as trading conditions continued their downward trend in both the hospitality and retailing sectors. Mr. Almoayyed announced that for the first quarter for year 2018 the Group achieved a total Gross Operating Revenue of BD 8.711 million compared to BD 9.343 million in same period 2017, a decrease of BD 631,798 or 6.76 %.

Mr. Almoayyed also announced that the company has generated a Net Profit of BD 2.892 million in comparison with BD 3.311 million achieved in the same period 2017; a decrease of BD 419,041 or 12.66%.

Mr. Almoayyed confirmed that in the hotel sector, the drop in Revenue per Available Room (REVPAR) experienced by hotels in the past 4 years had continued into 2018, due to further erosion of room rates, which has an immediate effect on the bottom line. He also commented on changes in duty rates and pricing structures which have had a negative impact on the retailing sector in Q1, although in the long term this is expected to have a beneficial effect on the both the retailing and hospitality sectors. Q1 results were also affected by reduced profit from associates due to impairment losses.

Adding to comments of the Chairman, CEO Garfield Jones stated, "Despite the challenges facing the hospitality sector, we are continuing to enhance our operations. The Gulf Hotel successfully won the contract for catering services at the Bahrain International Circuit for a two-year period and the Hotel will spend this summer upgrading a number of its facilities, including the Sherlock Holmes, the Gulf Convention Centre and the Al Waha, La Pergola and Fusions Restaurants".

He added "The Group recently completed a major bedroom renovation in its Crowne Plaza property and will continue to upgrade the property throughout 2018, enhancing the remaining bedrooms, plant and machinery and external areas."

"Following the refurbishment of La Pergola, arrangements are well under way to welcome 2 star Michelin chef, Giancarlo Perbellini, who will oversee the rebranded 'La Pergola by Perbellini' restaurant". The Hotel's second venture with a Michelin starred chef, following on from 'Rasoi by Vineet', will open in Q3 of 2018.

"The Gulf Hotel has also upgraded and expanded its 'Khaimat Al Khaleej" Ramadan tent operation which will serve both Iftar and Ghabgah during the holy month and has erected a second tent to host corporate events during the closure of the Gulf Convention Centre"

Mr. Jones concluded by expressing his appreciation towards the management and staff of all of the Group's divisions whose hard work and efforts have contributed towards achieving these results in difficult times. He also stated that the success of any company comes down to its customer base, thanking the Groups valued customers for their continuous support.