



## **Gulf Hotels Group B.S.C. announces its financial results for the second quarter ended 30<sup>th</sup> June 2019.**

Gulf Hotels Group B.S.C. (GHG) announces its six-month financial results for the current year including the financial results of second quarter.

During second quarter company achieved:

Revenue of BD 8.737 Million compared to BD 7.889 Million in the second quarter of last year, achieving an increase of BD 848K or 10.75 %.

Gross operating profit BD 2.724 Million, compared to BD 2.766 Million in the second quarter of last year, a decrease of BD 42K or 1.54%

Net comprehensive income of BD 1.581 Million, compared to BD 1.870 Million in the second quarter of last year, with a decrease of 15.43 %.

Net profit during the second quarter of BD 490K compared to BD 1.731 Million during the second quarter of the previous year, with a decrease of 71.69%.

The earnings per shares achieved during the second quarter of the year is 2 fils compared to 8 fils in the second quarter of last year.

The decrease in the net profit for second quarter in comparison to last year resulted from increased depreciation of BD 746K resulting from the new Dubai property, the new Gulf Executive Residence Juffair and major projects executed during 2018. In addition, interest costs of BD 240K, excess share of loss from an associate of BD 120K and F1 movement to the first quarter all influenced Q2 results.



Year to date company achieved:

Revenue of BD 18.819 Million, compared to BD 16.600 Million in last year, with an increase of BD 2.219 million or 13.37 %.

Gross operating profit of BD 6.279 Million, compared to BD 5.841 Million in last year, with an increase of BD 438K or 7.49%.

Net comprehensive income of BD 4.573 Million, compared to BD 4.834 Million in the previous year, with a decrease of 5.40 %.

Net profit of BD 2.788 Million compared to BD 4.622 Million in the previous year, with a decrease of 39.67 %.

Earnings per shares was 12 fils compared to 20 fils in last year.

The total shareholders' equity (excluding minority interests) for the year was BD 111.506 Million compared to BD 113.684 Million in last year, with a decrease of 1.92 %.

The total assets for the YTD reached BD 134.971 Million compared to BD 141.644 Million in the previous year, with a decrease of 4.71 %.

The decrease in the net profit for first half of the year in comparison to last year resulted from increased depreciation of BD 1.501 million resulting from the new Dubai property, the new Gulf Executive Residence Juffair (GERJ) and other major projects executed during 2018. Additionally the pre-opening expenses of the newly opened GERJ have been amortized and interest costs BD 483K have also affected the half-year results.



The Chairman, Mr. Farouk Almoayyed, commented that the hospitality industry in Bahrain is showing signs of stabilizing and the Group's hotels have performed better than last year; however, the Dubai market is very challenging due to a huge over supply, which has resulted in a significant drop in room rates and lower than expected occupancy.

He further added that the Group has signed an MOU with Kanoo Real Estate, a division of YBA Kanoo to develop various restaurants in Block 338 and has signed an MOU with Gulf Air Group Holding to develop and operate an airport transit hotel in the newly constructed airport terminal.

Adding to comments of the Chairman, CEO Garfield Jones stated, "A number of refurbishment projects are under execution. The Gulf Hotel is renovating its Fusion restaurant with the addition of an outdoor rooftop terrace. When completed the outlet will re-open as 'Fusions by Tala', under the guidance of our talented Bahraini chef, Tala Bashmi. Additionally, the Hotel will also renovate the Men's Health Club and main hotel lobby."

The full set of financial statements and the press release are available on Bahrain Bourse's website.