



## PRESS RELEASE

### FINANCIAL RESULTS FROM JANUARY TO JUNE 2017

#### Growth of 30.81% in Operating Net Profit

Gulf Hotels Group (GHG) has reported the financial results for the Second quarter of 2017.

Chairman, Farouk Y. Almoayyed announced that for the half year 2017 the Group achieved a total Gross Operating Revenue of BD 18.386 million compared to BD 16.382 million in same period 2016, an increase of BD 2.003 million or 12.23%. For the second quarter of 2017, the group achieved a Gross Operating Revenue of BD 9.043 million compared to BD 7.804 million in same period 2016, an increase of BD 1.239 million or 15.87%.

Mr. Almoayyed also announced that the group has generated a half yearly Net Profit of BD 5.869 million in comparison with BD 4.487 million achieved in the same period 2016; an increase of BD 1.383 million (or 30.81%). For the second quarter of 2017 the group achieved a Net Profit of BD 2.559 million in comparison with BD 1.750 million achieved in the same period 2016; an increase of BD 808K (or 46.18%). However published profit for half year as well as Q2 of 2016 includes a one-time 'Bargain Profit' of BD 6.126 million associated with the acquisition of Bahrain Tourism Company.

Mr. Almoayyed commented that the trading conditions in the hospitality sector are extremely challenging given the number of new hotels that have opened, creating a huge over supply of bedrooms at a time of inconsistent demand. He predicted that this will be further exacerbated over the coming months as yet more hotels are due to open and he urged the authorities to take the necessary measures to support the hospitality sector to get through this difficult period, suggesting that tariffs and duties could be eased, which would enable more competitive pricing thereby stimulating business.

Mr. Almoayyed confirmed that whilst Gulf Hotels Group expects to continue expanding within Bahrain with projects such as the development of a multi-restaurant facility in the Block 338 area and the development of the Gulf Executive Residence Juffair, given the challenging Bahrain market conditions the Group will concentrate on external expansion in order to diversify its portfolio, citing the UAE and KSA as key target markets for both the hotel and restaurant segments.

The Group's Chief Executive Officer, Garfield Jones, expressed his satisfaction with the results taking into consideration challenging market conditions, saying that everyone across the Group was working hard to maintain business and achieving the best possible results in difficult times. He added that refurbishment has commenced of the Group's Crowne Plaza hotel which is expected to be completed by the end of the year and that the super-structure of the 109 unit Gulf Executive Residence Juffair has been completed, with the contractor moving on to the fit-out phase, expecting the property to open for business by mid-2018.

He also stated that the success of any company comes down to its customer base, thanking the Group's valued customers for their continuous support.