



**Gulf Hotels Group B.S.C. announces its financial results for the
Quarter ended 30th June 2018.**

Gulf Hotels Group B.S.C. (BHOTEL) announces its half year financial results for the current year including the financial results of second quarter. The company achieved a net profit during the second quarter of BD 1.731 Million compared to BD 2.559 Million during the second quarter of the previous year, with a decrease of 32.35%. The company also achieved an operating profit in the second quarter of BD 2.766 Million, compared to BD 3.339 Million in the second quarter of last year, with a decrease of 17.14%. With regards to revenue/sales, the company achieved BD 7.889 Million during the second quarter, compared to BD 9.043 Million in the second quarter of last year, with a decrease of 12.76%. Earnings per shares during the second quarter were 8 fils compared to 11 fils in the second quarter of last year.

The decrease in the net profit for the second quarter in comparison to the second quarter of last year relates to decrease in Room's revenue, which is driven by lower room rates and lower occupancies. Food & Beverage income was also affected by lower occupancy levels as well as the closure of the Gulf Convention Centre and a number of outlets, which were under renovation in Q2. In addition, losses of BD306k were recorded from associates and share investments.

With regards to the YTD financial results, the company achieved a net profit of BD 4.622 Million compared to BD 5.869 Million in the previous year, with a decrease of 21.24%. The company also achieved an

operating profit in the year of BD 5.841 Million, compared to BD 6.871 Million of last year, with a decrease of 15%. With regards to revenue/sales, the company achieved BD 16.600 Million, compared to BD 18.386 Million in last year, with a decrease of 9.71%. Earnings per shares were 20 fils compared to 26 fils in last year.

The total shareholders' equity (excluding minority interests) for the year was BD 111.087 Million compared to BD 104.718 Million in last year, with an increase of 6.1%.

The total assets for the YTD reached BD 121.739 Million compared to BD 116.133 Million in the previous year, with an increase of 4.8 %.

The decrease in the net profit for the YTD in comparison of last year relates to the decrease in room rates and drop in the occupancy as a result of increase in room inventory and competition on the island, which also affected Food & Beverage income. In addition, losses from associates and share investments rose to BD 433K.

The Chairman, Mr. Farouk Almoayyed, highlighted the current challenges facing the hospitality industry in the Kingdom, which has faced declining occupancies and room rates over the last 5 years, together with significant increases in operating costs and he called on the government to take steps to address the problem.

Mr. Almoayyed added that despite the trading difficulties, Gulf Hotels Group will continue to expand and renovate its properties and will be opening the Gulf Executive Residence in Juffair in Quarter 3rd of 2018. He also announced that the Group was on target with its expansion plans and would be opening the new Gulf Court Hotel Business Bay in Dubai during August as well as commencing operations in the Sri Lankan retailing sector in July.

Adding to comments of the Chairman, CEO Garfield Jones stated, "Despite the challenges facing the industry, the Group is committed to upgrading its properties and the team has been busy working on the 2nd

phase of the Crowne Plaza refurbishment and the renovation of the Gulf Convention Centre which will reopen at the beginning of October. In August we will complete refurbishment of the Al Waha Restaurant and we will launch 'La Pergola by Perbellini' with 2 star Michelin Chef, Giancarlo Perbellini."

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