



جروupp ناول للاجنبى  
GULF HOTELS  
GROUP

**Gulf Hotels Group B.S.C. announces its financial results for the  
Quarter ended 30<sup>th</sup> September 2018.**

Gulf Hotels Group B.S.C. (BHOTEL) announces its nine month financial results for the current year including the financial results of third quarter. The company achieved a net profit during the third quarter of BD 1.117 Million compared to BD 2.809 Million during the third quarter of the previous year, with a decrease of 60.23%. The company achieved a net comprehensive income for the third quarter of BD 1.201 Million, compared to BD 2.367 Million in the third quarter of last year, with a decrease of 49.26%.

The company also achieved an operating profit in the third quarter of BD 2.922 Million, compared to BD 3.102 Million in the third quarter of last year, with a decrease of 5.78%. With regards to revenue/sales, the company achieved BD 8.225 Million during the third quarter, compared to BD 9.160 Million in the third quarter of last year, with a decrease of 10.21%. Earnings per shares during the third quarter were 5 fils compared to 12 fils in the third quarter of last year.

The decrease in the net profit for the third quarter in comparison to the third quarter of last year relates mainly to preopening expenses, interest costs and depreciation for the new Gulf Court Hotel Business Bay in Dubai, which opened from the 1<sup>st</sup> August. In Bahrain, hotel operations continue to be affected by a 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 but were also impacted by the closure of the Gulf Convention Centre and a number of outlets, which were under renovation in Q3. In addition, reduced profit of BD299k were recorded from associates and share investments.

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With regards to the YTD financial results, the company achieved a net profit of BD 5.740 Million compared to BD 8.679 Million in the previous year, with a decrease of 33.86%. The company achieved a net comprehensive income of BD 6.035 Million, compared to BD 8.190 Million in the previous year, with a decrease of 26.31%.

The company also achieved an operating profit in the year of BD 8.763 Million, compared to BD 9.973 Million of last year, with a decrease of 12.12%. With regards to revenue/sales, the company achieved BD 24.825 Million, compared to BD 27.546 Million in last year, with a decrease of 9.87%. Earnings per shares were 25 fils compared to 38 fils in last year.

The total shareholders' equity (excluding minority interests) for the year was BD 112.288 Million compared to BD 107.085 Million in last year, with an increase of 4.86%.

The total assets for the YTD reached BD 137.872 Million compared to BD 118.505 Million in the previous year, with an increase of 16.34 %.

The decrease in the net profit for the YTD in comparison of last year results from the same issues that negatively affected Q3. In addition, reduced profit from associates and share investments rose to BD 742K.

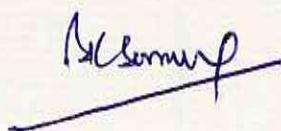
The Chairman, Mr. Farouk Almoayyed, said that he was delighted that the Group's new hotel had opened in Dubai but that this had an impact on the quarterly financial performance. He once again highlighted the challenges facing the hospitality industry in the Bahrain, which continues to face declining occupancies and room rates and believes that the industry is now in a very critical situation, having seen year on year decline for the past 5 years. Significant increases in operating costs have also eroded the bottom line and the pending introduction of VAT is further likely to add to the difficulties faced by the industry.



Mr. Almoayyed added that Gulf Hotels Group will shortly be opening the Gulf Executive Residence in Juffair in last quarter of 2018, however he stated that the Group is reconsidering the capital investment plan that was initially in place for 2019, in the light of the difficult trading conditions.

Adding to comments of the Chairman, CEO Garfield Jones stated, "The Gulf Hotel recently completed the stunning renovation of the Gulf Convention Centre which reopened at the beginning of October and we expect this will help the hotel cement their reputation as the leading MICE hotel on the Island. In Q3, the Hotel also completed the refurbishment of the Al Waha Restaurant and we launched '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.

A handwritten signature in black ink, appearing to read 'Almoayyed', is written over a blue horizontal line.