

ABU DHABI NATIONAL HOTELS: WHAT WENT WRONG?¹

Anupam Mehta wrote this case solely to provide material for class discussion. The author does not intend to illustrate either effective or ineffective handling of a managerial situation. The author may have disguised certain names and other identifying information to protect confidentiality.

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Version: 2015-02-27

“Strategically, what we are doing right now is looking at our older hotels and looking at what we need to do to keep them competitive.”

-CEO Richard Riley of Abu Dhabi National Hotels PJSC, April 2012²

Abu Dhabi National Hotels (ADNH) had been struggling and the performance of the company had significantly declined, especially that of its main hotel business. Last year, in 2011, the company reported a decline in its net profit of AED 31 million.³ This was not the first time the company’s profits had slipped, as its net profit had been decreasing since 2009. With the shrinking profitability, shareholders were losing confidence in the company. The share prices of the company had also deteriorated from AED 3.76 per share in 2009 to AED 2.2 per share in 2011 and were expected to decline further⁴ (see Exhibit 1). With the drop in net profit year by year, investors were very concerned about the company’s performance and the direction of its future growth. A deep analysis of the company’s performance areas and a determination of ways to improve these areas were required.

See Exhibit 2 for details on ADNH’s market capitalization and the market value per share.

ABU DHABI NATIONAL HOTELS

Listed on the Abu Dhabi Securities Exchange, Abu Dhabi National Hotels was a leading company in the hospitality industry in the United Arab Emirates. It provided a wide range of services in hotels, catering, facilities management, and transportation and tour operations. The company had started business with just three hotels and now, after 30 years of operations, it owned numerous world-class, five-star hotels in Abu Dhabi, Dubai and other parts of the United Arab Emirates. The company had partnered with Hilton, Sheraton, Sofitel and Le Meridien. The company’s business has been spread across all emirates of the UAE, especially Abu Dhabi. The Abu Dhabi government owned part of ADNH.

¹ This case has been written on the basis of published sources only. Consequently, the interpretation and perspectives presented in this case are not necessarily those of Abu Dhabi National Hotels or any of its employees.

² “Abu Dhabi National Hotels to Focus on Existing Assets,” *UAE interact*, 2012, www.uaeinteract.com/docs/Abu_Dhabi_National_Hotels_to_focus_on_existing_assets/49003.htm, accessed January 25, 2014.

³ 1 AED = approximately US\$ 0.2723.

⁴ Abu Dhabi Securities Exchange, www.adx.ae, accessed January 3, 2014.

PAST PERFORMANCE

The company's performance was very good in 2007 and 2008, with the total revenue reaching AED 144 million in 2007 and increasing to AED 180 million in 2009. This was partially due to its strong operating performance and the country's booming tourism sector.⁵

However, from 2008 to 2010, the company witnessed a sales reduction (see Exhibit 3). Sales fell from AED 1.75 billion to AED 1.74 billion, a decrease of 5.7 per cent. Net profit decreased by 29 per cent.

In 2011, the company's sales bounced back with the opening of the Park Hyatt Abu Dhabi Hotel & Villas. The Park Hyatt Abu Dhabi & Villas was awarded "One of the Best New Hotels in the World" and "One of the Best New Spas in the World" by Condé Nast Traveler.⁶ The total revenue increased from 1.74 billion to 1.81 billion, an increase of four per cent, whereas the net profit continued to deteriorate, falling from AED 304 million to AED 263 million, a decline of 13.5 per cent.

FINANCIAL RESULTS, 2012

The company experienced some signs of improvement in the first quarter of 2012. Richard W. Riley, the CEO, while commenting on the company's performance, said:

The excellent financial results achieved by the company for this quarter as well as previous quarters of this year bear witness to the success of our business strategy, which focuses on providing high-quality, tailor-made and unique offerings aimed at meeting and exceeding the needs and expectations of our partners and customers. As we look ahead confidently to a fourth quarter, ADN H will continue its commitment to excellence across the varied hospitality sectors in Abu Dhabi and region-wide.⁷

At the end of 2012, the company's performance further dropped in terms of profit. The net profit of the company decreased from AED 263 million in 2011 to AED 199 million in 2012 in spite of slight improvements in the total revenue. (See Exhibits 4 and 5).

Four consecutive years of decreasing profit signified big trouble for the business. In 2012, the share prices further decreased to AED 1.70 per share. Analysts and investors started questioning the efficiency of the company. The troubles in the financials were now quite visible. In the 2012 annual report, H.E. Salem Mohamed Athaith Al Ameri, the chairman of ADN H, stated:

Despite the solid operating performance by the Company, which bears witness to the underlying strength of the organization, and given the change in market conditions, the Board considers it necessary to recognize the fair value of its assets in its continued effort to improve the transparency and reliability of financial data available to its stakeholders. For that reason, asset impairment provision in the sum of AED 50 million was recognized in this quarter, which is

⁵ Abu Dhabi National Hotels, www.adnh.com/site/general, accessed January 29, 2014.

⁶ "Awards and Accolades," Park Hyatt, <http://abudhabi.park.hyatt.com/en/hotel/news-and-events/awards/awards-and-accolades.html>, accessed October 15, 2014.

⁷ I. Giado, "ADNH Sees Q3 Profits Rise 13% to \$56.27 Million," HotelierMiddleEast.com, October 27, 2011, www.hoteliermiddleeast.com/12756-adnh-sees-q3-profits-rise-13-to-5627-million/#.U0Ds6fmSxSM, accessed January 26, 2014.

attributable to the change in forecast market conditions and which is subject to further study and evaluation by the Board by year-end.⁸

See Exhibits 6 and 7.

OPERATING SEGMENT RESULTS, 2012⁹

As the annual results of 2012 were revealed, it was seen that the company's hotel business had not performed very well, though some other business divisions had done good business that year. See Exhibits 8 and 9.

Hotel Business Segment

The hotel business covered the ownership and representation of many national and international hotels. The international hotels included the Park Hyatt Abu Dhabi, Hilton Al Ain, Hilton Abu Dhabi, Le Méridien Abu Dhabi, Sheraton Abu Dhabi Hotel & Resort and Sofitel Jumeirah Beach Hotel. In the firm's regional hotel series, Al Diar Hotels had more than 10 executive hotels in the United Arab Emirates. The company's hotel business also included the Oryx Hotel in Abu Dhabi and the Siji Hotel Apartments in Fujairah. The company expected its fully owned world-class Ritz-Carlton Abu Dhabi, with 447 luxury guestrooms and 85 private residential-style villas, to be ready by 2013.

The hotel business accounted for 37 per cent of the total revenue of the company. The company's addition to non-current assets in the hotel business had significantly decreased from AED 365 million in 2011 to AED 64 million in 2012, although the total assets had increased marginally. The company's net profit for this segment had decreased from AED 136 million in 2011 to AED 97 million in 2012.

Retail Business Segment

The retail segment included many international brands in many retail outlets across the Middle East. In 2012, the company's profit for this segment had increased from AED 60 million to AED 70 million. Although the retail segment was very small and contributed only eight per cent of the total revenue of the company, its contribution to the net profit was only slightly below that of the hotel business. The net profit from the retail business was 35 per cent of the overall net profit.

Catering Business Segment

The catering business was established in 2001 as a joint venture with a renowned international company, the Compass Group. This division provided catering for retail outlets in the United Arab Emirates and the Middle East and North Africa region. The revenue of this segment was the highest among all the business segments in 2012. The catering business segment accounted for 41 per cent of the total revenue and 45

⁸ Abu Dhabi National Hotels Posts Total Revenue of Dhs404m In Q3. Ameinfo.com, [http://ameinfo.com/blog/company-news/a/abu-dhabi-national-hotels-\(adnh\)/abu-dhabi-national-hotels-posts-total-revenue-of-dhsm-in-q/](http://ameinfo.com/blog/company-news/a/abu-dhabi-national-hotels-(adnh)/abu-dhabi-national-hotels-posts-total-revenue-of-dhsm-in-q/), accessed March 30, 2014.

⁹ Operating and geographical segment information compiled from Abu Dhabi National Hotels PJSC (ADNH), 2012 Annual Report, Abu Dhabi National Hotels PJSC (ADNH), www.adnh.com/site/pdf/2012-Annual-FS-English.pdf, accessed May 20, 2014.

per cent of the company's total net profit. The catering business division net profit had decreased from AED 92 million to AED 90 million, along with the revenues, which had marginally decreased from AED 802 million in 2011 to AED 763 million in 2012.

Transportation Segment

Established in 1988, the transportation and holding segment provided a wide range of transportation solutions throughout the United Arab Emirates. The company ran its own fleet of limousines, taxis, buses and cars. Through the transportation segment, the company served corporate, leisure and mass transit travelers. The transportation segment revenue had decreased from AED 243 million to 241 million, whereas its net profit had gone down from AED 21 million to AED 16 million. This segment contributed eight per cent of the company's net profit and 13 per cent of the total revenue in 2012.

Holding Segment

The holding segment was the only loss-making segment of the company in 2012. The total losses from this segment had increased from AED 46 to AED 76 million during the year.

HOSPITALITY INDUSTRY IN THE UNITED ARAB EMIRATES

The U.A.E. economy had a very positive outlook. The hospitality sector was expected to grow at a compound annual growth rate of 10.4 per cent over 2011 to 2016, driven by strong tourist inflows and steadily strengthening operating metrics.¹⁰ The rise of shopping festivals, international carnivals and conventions taking place in the United Arab Emirates fuelled the growth of the hospitality industry, GCC hospitality market was anticipated to grow at an annual rate of 8.1 per cent to US\$28.3 billion by 2016, according to research by Alpen Capital.¹¹ With the increase in international tourism, the excess supply of hotels that had hit the U.A.E. hotel industry during the recession would be reversed and would result in greater occupancy rates.

According to Yousef Wahbah, Middle East and North Africa head of transaction real estate advisory services at the global consulting firm Ernst & Young, "Dubai is witnessing a growth in leisure demand. The political instability in some markets across the region such as Egypt and Syria has forced an upward growth in leisure demand, in Dubai."¹²

Like other countries, the United Arab Emirates had witnessed a drop in the hospitality industry in 2008 and 2009, due to the global downturn. Hotel occupancy rates had been reduced by half.¹³ Since 2010–2011, the U.A.E. markets had started recovering.

To reduce the United Arab Emirates' dependence on oil revenues, the government had been promoting Dubai and Abu Dhabi as international tourist destinations. Billions of dirhams had been budgeted for the

¹⁰ "GCC Hospitality Industry," Alpen Capital Investment Banking, October 7, 2012, www.alpencapital.com/downloads/GCC%20Hospitality%20Fourth%20Draft_04October_Final.pdf, accessed October 14, 2014.

¹¹ Ibid;

S. Jain, "Hotel Industry in Dubai Picks up Pace amid Demand," [gulfnews.com](http://gulfnews.com/business/tourism/hotel-industry-in-dubai-picks-up-pace-amid-demand-1.986233), February 26, 2012, <http://gulfnews.com/business/tourism/hotel-industry-in-dubai-picks-up-pace-amid-demand-1.986233>, accessed March 29, 2014.

¹² Ibid.

¹³ Dubai Hotels Record Worst Month in 18yrs," [Travel & Hospitality, ArabianBusiness.com](http://m.arabianbusiness.com/dubai-hotels-record-worst-month-in-18yrs-560962.html), 2014, <http://m.arabianbusiness.com/dubai-hotels-record-worst-month-in-18yrs-560962.html>, accessed August 27, 2014.

hospitality industry. Dubai was already a well-recognized international tourist destination. The Abu Dhabi government wanted to build its oil-rich emirate into a world-class tourism area (see Exhibit 10).

FUTURE PLANS OF THE COMPANY

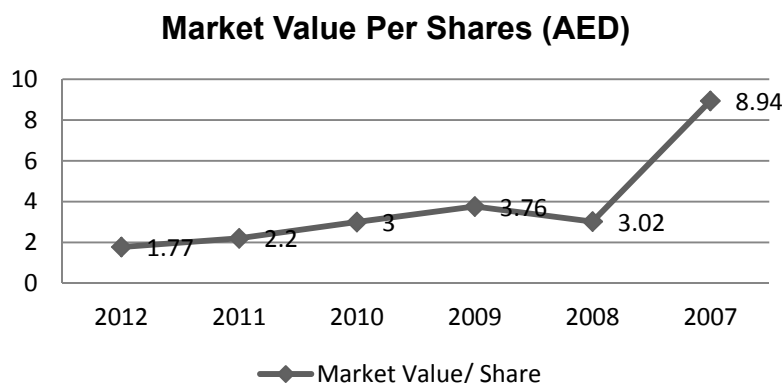
The company had high expectations for its multibillion-dirham¹⁴ investment in one of its flagship hotel, the Ritz-Carlton Abu Dhabi. The company would be pursuing aggressive marketing to ensure that it would bring some turnaround in the company's profitability. The opening of the hotel was expected in the first quarter of 2013. The current developments and the increased occupancy in U.A.E. hotels might enable the company to bring back its lost glory and save its deteriorating finances.

In the words of chairman Salem Mohamed Athaith Al Almeri, "After more than three decades of growth and diversification, ADN H is in a strong position to benefit from the potential offered by the rise of Abu Dhabi and other Emirates in the U.A.E. as premium tourist destinations. ADN H intends to continue in its efforts of delivering superior results and developing quality business that competes fully in the modern market place whilst honoring the rich cultural heritage of the Arab world in general and the Gulf region in particular."¹⁵

The company had built close ties with the government for mutual benefit and for the enhancement of the hospitality sector in the United Arab Emirates and in Abu Dhabi in particular. Using the information on the past and present financial performance of the company, an evaluation of the company's performance was needed to determine the company's direction for future growth.

¹⁴ Dirham is the currency and AED is the currency code of the United Arab Emirates.

¹⁵ Abu Dhabi National Hotels, www.adnh.com/site/general, accessed January 29, 2014.

EXHIBIT 1: ABU DHABI NATIONAL HOTELS SHARE PRICES (IN AED)

Source: Created by author, based on data compiled from Abu Dhabi Securities Exchange, www.adx.ae, accessed June 18, 2013.

EXHIBIT 2: MARKET VALUES AND SHARE PRICES (IN AED)

Year	Market capitalization (in billions)	No. of subscribed shares (in billions)	Book value/ share	Market value/ share
2007	8.90	1	20	8.94
2008	3.02	1	7.95	3.02
2009	3.76	1	8.00	3.76
2010	3.00	1	8.04	3.00
2011	2.20	1	8.19	2.20
2012	1.77	1	7.75	1.77

Source: Data collected from Abu Dhabi Securities Exchange, www.adx.ae, accessed March 31, 2014.

EXHIBIT 3: ADN H MAIN FINANCIALS, 2007–2012

	2012	2011	2010	2009	2008	2007
Capital & shareholders' equity (AED thousands)						
Shareholders' equity	7,798,700	8,239,684	8,136,270	8,258,422	8,148,653	2,880,843
Assets, liabilities (AED thousands)						
Fixed assets	8,821,779	9,116,072	8,335,179	7,485,195	6,966,748	796,107
Current assets	745,605	936,873	812,690	998,498	1,168,896	1,334,435
Other assets	223,126	83,688	262,491	406,316	623,679	1,268,944
Total assets	9,790,510	10,136,633	9,410,360	8,890,009	8,759,323	3,399,486
Current liabilities	773,723	951,505	668,001	572,965	553,693	458,402
Long-term liabilities	1,045,527	819,666	474,292	1,875	5,817	9,760
Other liabilities	172,560	125,778	131,797	56,747	51,160	50,481
Total liabilities	1,991,810	1,896,949	1,274,090	631,587	610,670	518,643
Total liabilities & shareholders' equity	9,790,510	10,136,633	9,410,360	8,890,009	8,759,323	3,399,486
Profitability (AED thousands)						
Revenues	1,845,930	1,819,948	1,749,325	1,803,469	1,739,880	1,445,956
Net profit for the year	199,273	263,862	304,910	432,921	292,737	471,659
Cash dividends	50,000	50,000	100,000	250,000	200,000	144,000
Cash flow (AED thousands)						
Cash and cash equivalents at the beginning of the year	257,544	414,697	584,065	471,853	606,456	661,740
Net cash flow from (used in) operating activities	225,579	291,966	449,406	571,589	556,431	383,399
Net cash flow from (used in) investing activities	(324,087)	(913,868)	(842,279)	(255,435)	-558,684	-288,866
Net cash flow from (used in) financing activities	90,301	494,749	223,725	(203,942)	(132,350)	(149,817)
Cash and cash equivalents at the end of the year	249,337	287,544	414,697	584,065	471,853	606,456

Source: Data collected from Abu Dhabi Securities Exchange, www.adx.ae, accessed March 31, 2014.

EXHIBIT 4: ADN H CONSOLIDATED STATEMENT OF INCOME

	2012	2011
	AED '000s	AED '000s
Operating revenues	1,845,930	1,819,948
Cost of services	(1,548,692)	(1,513,497)
Gross profit		
Investment and other income, net	21,945	13,331
General and administrative expenses	(47,287)	(25,347)
Finance costs, net	(41,089)	(4,787)
Pre-opening expenses	(29,678)	(24,238)
Profit before income tax	201,129	265,410
Income tax expenses	(1,856)	(1,548)
Profit for the year	199,273	263,862
Basic and diluted earnings per share (AED)	0.20	0.26

Source: Data collected from Abu Dhabi National Hotels PJSC (ADNH), Annual Report 2012, Abu Dhabi National Hotels PJSC (ADNH), www.adnh.com/site/pdf/2012-Annual-FS-English.pdf, accessed May 20, 2014.

EXHIBIT 5: CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended December 31	
	2012	2011
	AED '000s	AED '000s
Profit for the year	199,273	263,862
Other comprehensive income:		
Net movement in fair value of available-for-sale investments	693	(19,029)
Director's remuneration	(5,800)	(5,550)
Changes in fair value of derivatives in an effective cash flow hedge	2,834	(35,970)
Exchange difference arising on translation of overseas operations	(1,402)	101
Loss on revaluation of land	(586,582)	-
Other comprehensive loss for the year, net of tax	(590,257)	(60,448)
Total comprehensive (loss)/income for the year	(390,984)	203,414

Source: Data collected from Abu Dhabi National Hotels PJSC (ADNH), Annual Report 2012, Abu Dhabi National Hotels PJSC (ADNH), www.adnh.com/site/pdf/2012-Annual-FS-English.pdf, accessed May 20, 2014.

EXHIBIT 6: ADNH CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Year ended December 31	2012	2011
	AED'000s	AED '000s
ASSETS		
Non-current assets		
Property, plant and equipment	8,821,779	9,116,072
Investment in associates	12,845	13,785
Available-for-sale investments	205,003	31,179
Goodwill	5,278	5,278
	<u>9,044,905</u>	<u>9,166,314</u>
Current assets		
Inventories	49,659	45,286
Accounts receivable and prepayments	394,257	406,513
Available-for-sale investments	5,823	178,954
Investments carried at fair value through profit and loss	21,529	18,576
Cash and short-term deposits	274,337	287,544
	<u>745,605</u>	<u>936,873</u>
Total assets	<u>9,790,510</u>	<u>10,103,187</u>
EQUITY		
Share capital	1,000,000	1,000,000
Legal and statutory reserve	811,576	771,722
Asset revaluation reserve	4,976,462	5,563,044
Foreign currency translation reserve	654	2,056
Retained earnings	917,854	814,235
Cumulative changes in fair values of available-for-sale investments	148,627	147,934
Cumulative changes in fair value of derivatives	(106,473)	(109,307)
Proposed dividends	50,000	50,000
Total equity	<u>7,798,700</u>	<u>8,239,684</u>
LIABILITIES		
Non-current liabilities		
Term loans	1,045,527	792,235
Derivatives	63,079	64,119
Accounts payable and accruals	41,404	80,114
Provision for employees' end-of-service benefits	68,077	61,659
	<u>1,218,087</u>	<u>998,127</u>

Source: Data collected from Abu Dhabi National Hotels PJSC (ADNH), Annual Report 2012, Abu Dhabi National Hotels PJSC (ADNH). www.adnh.com/site/pdf/2012-Annual-FS-English.pdf, accessed May 20, 2014.

EXHIBIT 7: ADNH CASH FLOW STATEMENT

Year ended December 31	2012	2011
Cash flows from operating activities	AED '000s	AED '000s
Profit before income tax	201,129	265,410
Adjustments for:		
Depreciation of property, plant and equipment	155,773	129,431
Provision for employees' end-of-service benefits	18,824	18,668
Provision for impairment of accounts receivable	9,423	4,689
Reversal of provision of impairment of accounts receivable	(5,783)	(22,697)
Interest expense	43,578	7,452
Interest income	(2,489)	(2,665)
Dividend income from quoted investments and share	4,520	3,952
(Gain)/loss on investments carried at fair value through profit or loss	(2,953)	(3,910)
Gain on sale of property, plant and equipment	(13,495)	(12,670)
Gain on sale of available-for-sale investments		(2,247)
Inventories	(4,373)	4,979
Accounts receivable and prepayments	8,616	(10,890)
Accounts payable and accruals	(158,339)	(141,386)
Cash from operations	245,391	238,032
Payment of employees' end-of-service benefits	(12,406)	(15,469)
Tax paid	(1,856)	(1,548)
Directors' remuneration paid	(5,550)	(5,800)
Net cash generated from operating activities	225,579	215,215
Cash flows from investing activities		
Additions to property, plant and equipment	(370,060)	(870,151)
Proceeds from sale of property, plant and equipment	28,008	21,808
Advances to contractors for assets under construction	6,418	45,497
Short-term deposits	5,000	-
Dividend income received	4,058	3,517
Interest received	2,489	2,665
Proceeds from sale of available-for-sale investments	-	17,049
Net cash used in investing activities	(324,087)	(779,615)
Cash flows from financing activities		
Dividends paid	(50,000)	(100,000)
Loans obtained during the year	516,270	600,000
Loans repaid during the year	(249,000)	748
Interest paid	(126,969)	(63,501)
Net cash provided by financing activities	90,301	437,247
Net decrease in cash and cash equivalents	(8,207)	(127,153)
Cash and cash equivalents at beginning of the year	257,544	384,697
Cash and cash equivalents at end of the year	249,337	257,544

Source: Data collected from Abu Dhabi National Hotels PJSC (ADNH), Annual Report 2012. Abu Dhabi National Hotels PJSC (ADNH), www.adnh.com/site/pdf/2012-Annual-FS-English.pdf, accessed May 20, 2014.

EXHIBIT 8: ADNH OPERATING SEGMENT RESULTS, 2012

	Hotels	Retail Services	Catering Services	Transport Company	Holding	Total
	AED '000s	AED '000s	AED '000s	AED '000s	AED '000s	AED '000s
Year ended December 31, 2012						
Revenue	694,757	146,535	763,297	241,341		1,845,930
Cost of services	(566,566)	(75,662)	(669,941)	(236,523)		(1,548,692)
Gross profit	128,191	70,873	93,356	4,818		297,238
Investment and other income, net				13,205	8,740	21,945
General and administrative expenses	(618)		(2,073)	(949)	(43,647)	(47,287)
Finance costs, net			714	(621)	(41,182)	(41,089)
Pre-operating expenses	(29,678)					(29,678)
Income tax expense			(1,856)			(1,856)
Profit/(loss) for the year	97,895	70,873	90,141	16,453	(76,089)	199,273
Total assets	6,442,648	44,917	361,839	190,236	2,750,870	9,790,510
Total liabilities	1,105,801	20,255	221,902	57,748	1,586,104	1,991,810
Year ended December 31, 2011						
Revenue	653,832	120,588	802,226	243,302	-	1,819,948
Cost of services	(493,206)	(60,064)	(715,828)	(244,399)	-	(1,513,497)
Gross profit	160,626	60,524	86,398	(1,097)	-	306,451
Investment and other income, net	-	-	-	12,670	661	13,331
General and administrative expenses	104	-	7,723	10,181	(43,355)	(25,347)
Finance costs, net	-	15	-	(900)	(3,902)	(4,787)
Pre-operating expenses	(24,238)	-	-	-	-	(24,238)
Income tax expense	-	-	(1,548)	-	-	(1,548)
Profit/(loss) for the year	136,492	60,539	92,573	20,854	(46,596)	263,862
Total assets	6,778,772	31,775	374,188	201,221	2,717,231	10,103,187
Total liabilities	104,920	15,696	229,973	65,175	1,447,739	1,863,503

Source: Data collected from Abu Dhabi National Hotels PJSC (ADNH), Annual Report 2012. Abu Dhabi National Hotels PJSC (ADNH), www.adnh.com/site/pdf/2012-Annual-FS-English.pdf, accessed May 20, 2014.

EXHIBIT 9: ADN H GEOGRAPHICAL INFORMATION

	U.A.E.	Rest of the Middle East and North Africa	Total
	AED '000s	AED '000s	AED '000s
2012			
Revenue	1,695,017	150,913	1,845,930
Total assets	9,712,192	78,318	9,790,510
2011			
Revenue	1,677,261	142,687	1,819,948
Total assets	10,016,087	73,315	10,089,402

Source: Data collected from Abu Dhabi National Hotels PJSC (ADNH), Annual Report 2012. Abu Dhabi National Hotels PJSC (ADNH), www.adnh.com/site/pdf/2012-Annual-FS-English.pdf, accessed May 20, 2014.

EXHIBIT 10: U.A.E. HOSPITALITY MARKET FORECAST (2011–2016E)

	2011	2012E	2014E	2016E	CAGR (2011–16)
Total market (US\$ billions)	4.5	4.9	5.7	7.5	10.4%
Occupancy rate (%)	71.0	71.9	72.6	75.1	1.1%
Average daily rate (US\$)	183.5	189.9	200	220	3.7%

Source: "GCC Hospitality Industry," Alpen Capital Investment Banking, October 7, 2012, www.alpencapital.com/downloads/GCC%20Hospitality%20Fourth%20Draft_04October_Final.pdf, accessed October 14, 2014;
S. Jain, "Hotel Industry in Dubai Picks Up Pace Amid Demand," [gulfnews.com](http://gulfnews.com/business/tourism/hotel-industry-in-dubai-picks-up-pace-amid-demand-1.986233), February 26, 2012, <http://gulfnews.com/business/tourism/hotel-industry-in-dubai-picks-up-pace-amid-demand-1.986233>, accessed March 29, 2014.