



asset management
& hospitality consulting

Samui

2009 Hotel Market Update

April 2010

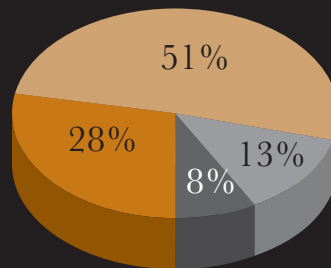
Samui hotel supply hits 16,069 rooms

**Pricing impacts rates
with 13% drop in 2009**

“The island resort destination of Samui has experienced growing pains in its emerging tourism surge.

First half 2009 tourist arrivals were down 23%, attributed mainly to political concerns. While the second half experienced uplift, it was unable to claw back hotel performance to 2008 levels.

Discounting on the back of a shift to regional markets has created volatile trading conditions with



Hotel Supply By Tier

- Luxury
- Upscale
- Midscale
- Budget & Economy

Source: C9 Hotelworks Market Research

gradual market recovery expected in 2010. However a resonating lack of international airlift and tourism attractions are dwarfing the needed movement into a broader hospitality market.

With 541 internationally managed rooms opening in the next 15 months the outlook is upbeat.”

Bill Barnett, Managing Director C9 Hotelworks

2009 Trends

- Domestic airlift represented 91% of airport arrivals.
- Market performance vs. 2008 saw a domino effect with an occupancy decline of 5%, average room rates 13% and RevPAR 20%.
- Dynamic shift to greater reliance on short haul Asian based visitors.
- Hospitality led residential properties experienced flat demand.

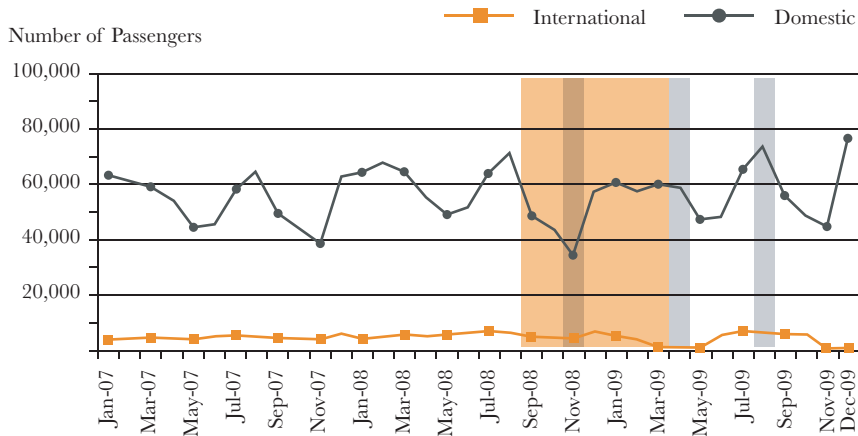
Forward Outlook

- Limited international flights restrain year round demand.
- Critical mass of international branded hotels will create destination promotion benefits.
- Profound lack of developed tourism demand generators and attractions inhibit short to medium term mass tourism growth.
- Market absorption of new hotels could see supply outpace demand.

TOURISM

Airline Indicators

Visitor Arrivals at Samui Airport

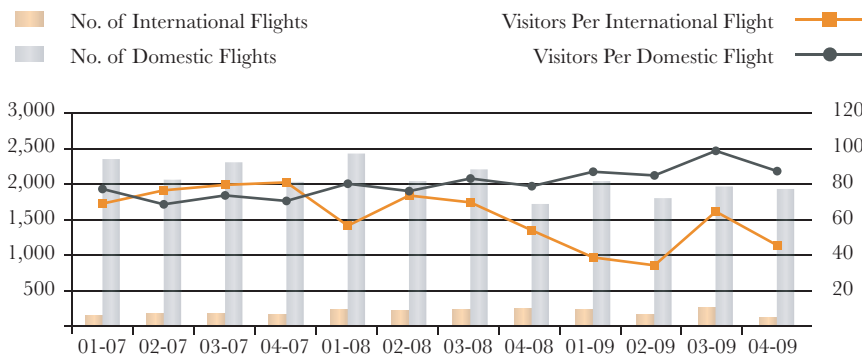


Source: Department of Civil Aviation and C9 Hotelworks Market Research

2009 vs. 2008 international arrivals declined 37%

- Global Financial Crisis
- Politically Related Events
- Bangkok airport closure (Nov-08)
- ASEAN Summit disruption (Apr-09)
- Samui airport accident (Aug-09)

Average Load for Inbound Flights to Samui



Source: Department of Civil Aviation and C9 Hotelworks Market Research

International and domestic airlift retracted 18% and 8% respectively in 2009

Tourism Indicators

FAST FACT

Registered accommodation establishments for Samui are 443 properties (16,069 rooms).

Source: Surat Thani Provincial Office of Tourism and Sports and C9 Hotelworks Market Research

Top 5 International Source Markets

1. United Kingdom
2. Germany
3. Australia
4. Sweden
5. Russia

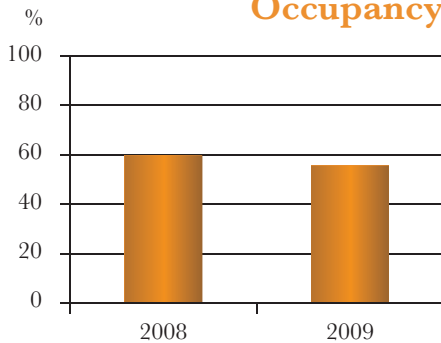
Top 5 Growth Markets

1. Indonesia
2. India
3. Malaysia
4. Eastern Europe
5. Middle East

Hotel Performance

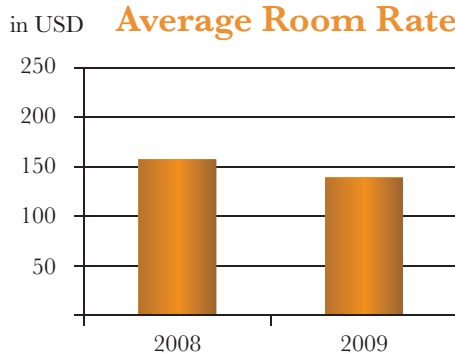
By Tier

Occupancy



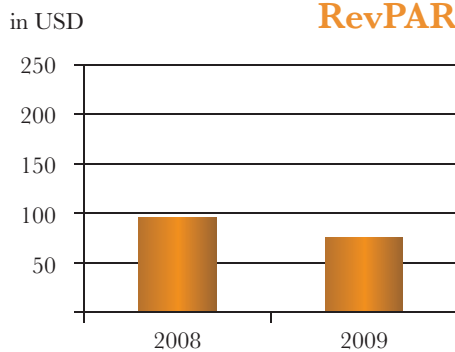
Source: C9 Hotelworks Market Research

Average Room Rate



Source: C9 Hotelworks Market Research

RevPAR



Source: C9 Hotelworks Market Research

Change		
Luxury	▼	6%
Upscale	▼	3%
Midscale	▼	1%
Budget & Economy	▼	25%

Midscale hotels retained occupancy from price driven demand

Change		
Luxury	▲	5%
Upscale	▼	11%
Midscale	▼	14%
Budget & Economy	▼	22%

Luxury hotels held rates minimizing RevPAR fallout

Change		
Luxury	▼	6%
Upscale	▼	15%
Midscale	▼	15%
Budget & Economy	▼	55%

All segments faced RevPAR decreases from reduction of occupancy and rates

Hotel Openings

In 2009, there were 16,069 rooms in registered accommodation establishments on Samui. A total of 665 new rooms were opened in 2009, increasing the existing supply by 4%.

Hotel Name	Location	Rooms	Opening Date
Hansar Koh Samui	Bo Phut	74	Apr 2010
Banyan Tree Samui	Lamai	78	Jun 2010
W Retreat Koh Samui	Mae Nam	75	Jun 2010
Infinity Residences & Resort	Bang Po	55	Jun 2010
Conrad Koh Samui Resort & Spa	Thong Krut	79	Dec 2010
Vana Belle Samui Resort & Spa (Starwood Luxury Collection)	Chaweng	180	Mar 2011

Source: C9 Hotelworks Market Research

About C9 Hotelworks



Bill Barnett
Managing Director

C9 Hotelworks is an internationally recognized consulting firm with extensive experience in the Asia Pacific region. Their core business focus includes:

- Ⓞ **Hotel and Resort Development**
- Ⓞ **Asset Management / Ownership Representation**
- Ⓞ **Project Feasibility and Analysis**

With key competencies including international hotel operator search, selection and contract negotiation, mixed use hotel and residential planning and operation reviews.

A wide range of both institutional and private developers and a comprehensive portfolio of completed projects, give C9 the skill set and background to focus on key issues, evaluate complex ones and assist their clients in achieving solid results. Based in Phuket, Thailand and led by Managing Director Bill Barnett, who has 25 years of experience in Asia Pacific, the firm is well situated to serve an increasingly demanding marketplace.



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