



asset management
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Samui

2012 Hotel Market Update

Mid-Year Edition August 2012

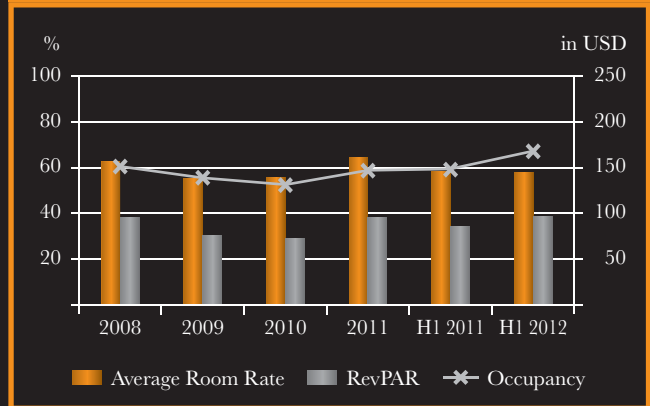
Samui finding its place in the sun

Occupancy up 8% and RevPAR 12% growth for first six months of 2012

“Samui’s hotel sector has returned to solid ground after a prolonged upward climb over the past three years. For the first half of 2012, airport arrivals surged 16% vs. H1 2011 with a five-year compound annual growth rate of 5%. This was partly driven by an improvement in the island's connectivity to key regional hubs of Singapore, Malaysia and Hong Kong with a 23% growth of direct overseas flights in H1 2012 compared to the same period last year.

Rising visitor arrivals generally edged up hotel performance across the industry. The upscale segment was the best performing sector achieving 73% occupancy, followed by midscale and luxury hotels at 69% and 59% respectively. A lack of low-cost carriers to the island pressured budget and economy hotels to muted performance with just 52%.

Hotel Performance Trend



Source: C9 Hotelworks Market Research

Looking forward the restrained air traffic may be a blessing in disguise to the island as restricting mass tourism growth could enhance its natural appeal. While the competitive markets of Phuket and Bali are overrun with skyrocketing numbers, Samui’s positioning is gradually shifting upward as a niche resort destination.”

Bill Barnett, Managing Director, C9 Hotelworks

2012 Mid Year

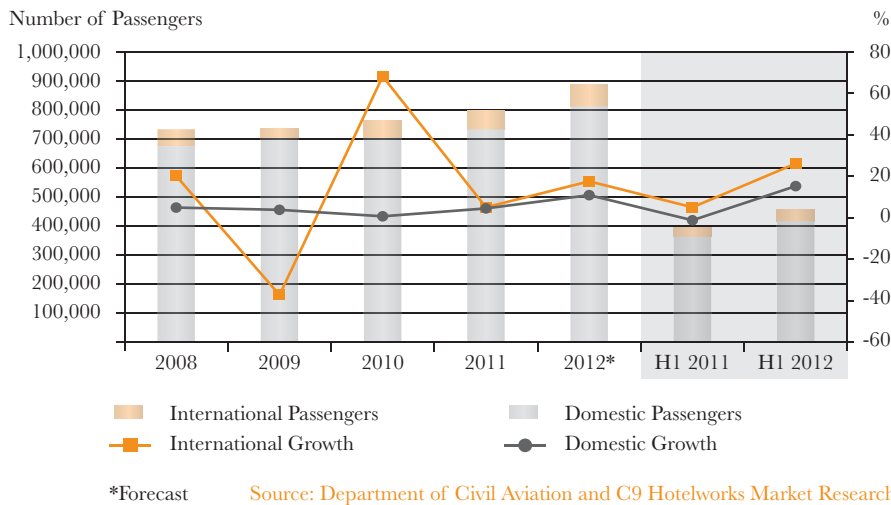
- First half of 2012 arrivals at Samui Airport recorded 455,778 passengers with 92% coming from domestic flights.
- Market-wide occupancy achieved a historical high since 2008, with 67% for the first half of 2012 vs. 59% in H1 2011.
- Top geographic sources of business were U.K., Germany, Thailand, Australia and the rising Eastern European segment.

Forward Outlook

- The storyline of a potential airport on the mainland is being closely watched by the hospitality and service sectors.
- Recent increase in direct international flights signal potential for sustained tourism growth through improved airlift.
- Increasing land transactions and investor interest in existing assets and projects on hold could signal new wave of development activity.

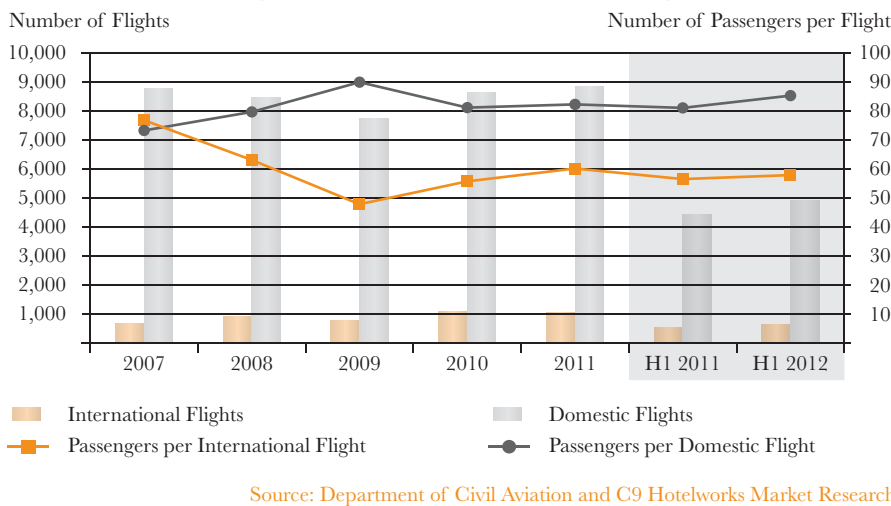
Airline Indicators

Visitor Arrivals at Samui Airport



International visitors increased 26% vs. H1 2011 compared to 15% growth by the domestic sector

Average Load for Inbound Flights to Samui

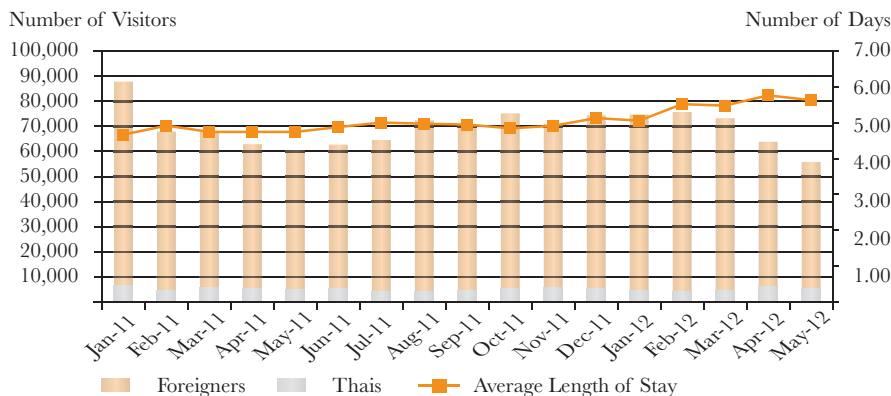


A 4% rise in overall load factors and an 11% increase in the number of flights reflected gains in island access

Tourism Indicators

- The number of foreign visitors to Samui has favorably impacted the average of stay. The highest growth demand was generated from Eastern Europe and Malaysia with 83% and 22% growth as compared to the same period in 2011.

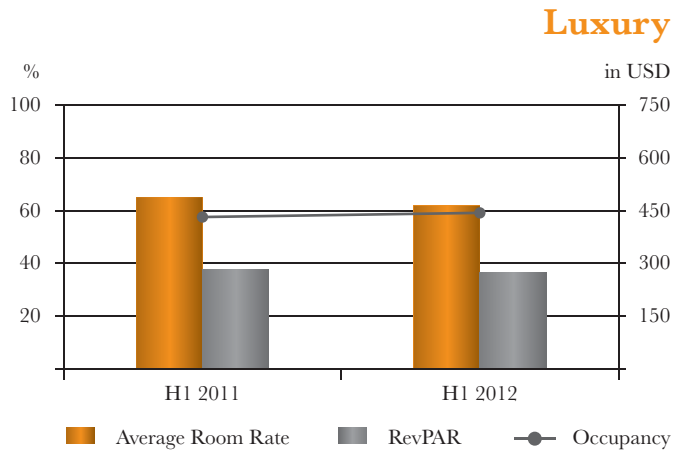
Seasonality and Average Length of Stay (ALOS)



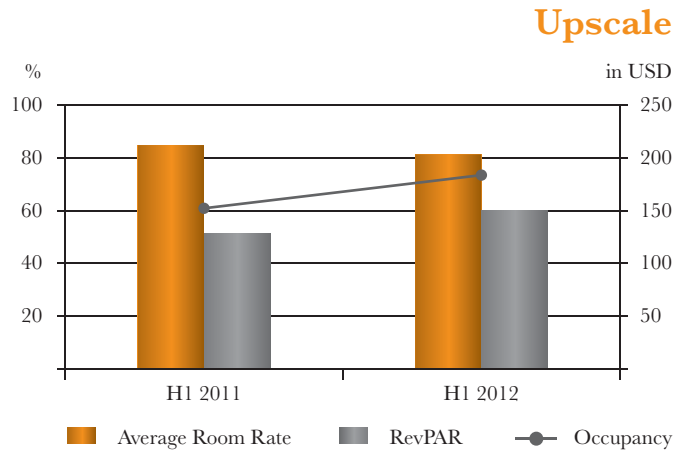
Average length of stay rose to 5.5 days vs. 4.8 days for same period in 2011

Hotel Performance

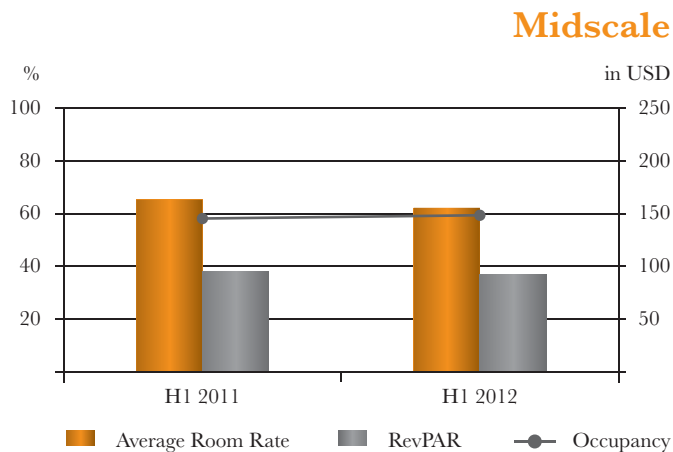
- Upscale and midscale segments outperformed the market with the highest growth in occupied room nights by 13% and 9% respectively, when compared to the first six months of last year.
- Overall average room rate of US\$144 registered a slight decline of 1% vs. H1 2011. A 12% surge in RevPAR was attributed to occupancy growth.



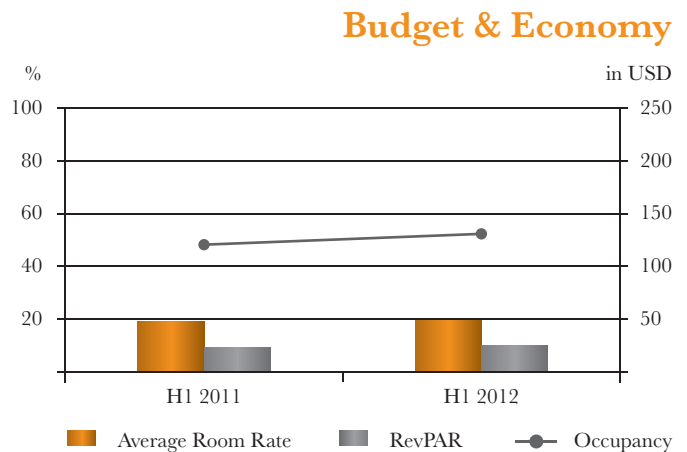
Source: C9 Hotelworks Market Research



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Hotel Openings

- Total accommodation establishments on Samui were 425 hotels with 15,372 rooms as of Q1 2011, according to the Ministry of Tourism and Sports.
- Stable supply and demand conditions are forecast with an incoming supply of only 371 rooms entering into the market over the course of the next two years.

Hotel Name	Location	Rooms	Opening Date
Mövenpick Resort & Spa Mae Nam Beach Koh Samui	Mae Nam	81	2013
Vana Belle Samui Resort & Spa (Stofarwood Luxury Collection)	Chaweng	80	Dec 2012
Ozo Samui	Chaweng	210	Q1 2014

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. Its 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 clients in achieving solid results. Based in Phuket, Thailand and led by Managing Director Bill Barnett, who has 27 years of experience in Asia Pacific, the firm is well positioned to serve an increasingly demanding marketplace.



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