



asset management
& hospitality consulting

Pattaya

2011 Hotel Market Update

May 2012

Pattaya rises above Thailand's hotel marketplace

Destination cycles upward with 9% surge in occupancy

“With its strategic location near to the nation's gateway city Bangkok and the booming Eastern Seaboard economic zone, the city of Pattaya welcomed over 8 million visitors in 2010.

Looking back, tourism growth in Pattaya entered a new age in 2006 with the opening of Suvarnabhumi International Airport. Despite an impact from the global financial crisis in 2008 and political events during 2009 - 2010, the beachside resort destination was resilient with visitor arrivals doubling in 2010.

This sharp upturn in part can be attributed to the Thai domestic market which has been attracted by vast enhancement to the transportation infrastructure improvements and an upwardly growing middle class.



* Forecast

Source: Thai Hotels Association Eastern Chapter and C9 Hotelworks Market Research

With the geographic shift key demand generators such as large-scale retail, tourist attractions and a rising resort residential property market have fueled positive sentiment.

Our medium term forecast for the Pattaya market as it shifts into top gear is for sustainable growth based on strong trading fundamentals.”

Bill Barnett, Managing Director, C9 Hotelworks

2011 Performance

- Market-wide occupancy recorded at 66% in 2011, a 9% and 17% growth as compared to 2010 and 2009 respectively.
- Thailand, Russia and China were the top three markets with combined share of 59%.
- Total passenger arrivals at U-Tapao International Airport registered increase for the second year in a row at 39% vs. 2010.

2012 Outlook

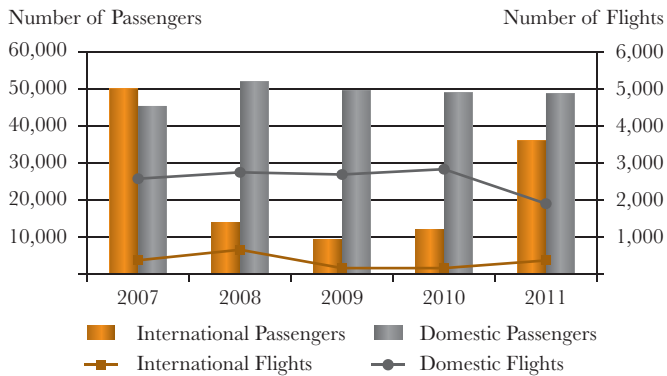
- Major investment into tourist attractions and branded theme parks in Greater Pattaya area will broaden market demographics.
- Room rate growth expected to remain flat as hotels leverage mass volume model.
- Redevelopment and expansion of existing hotel assets to move from planning to execution phase.

TOURISM

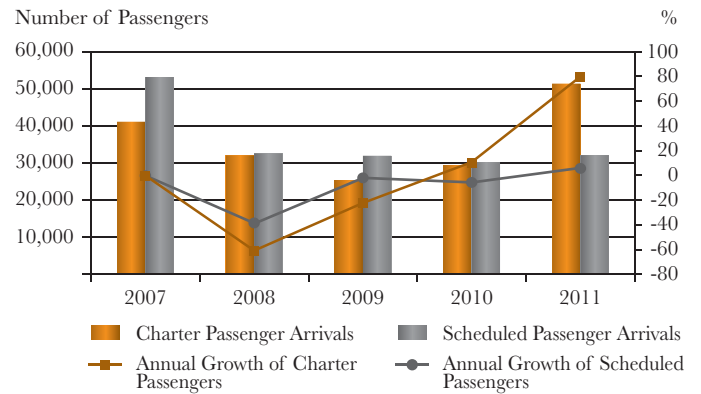
Airline Indicators: U-Tapao International Airport

- International arrivals in 2011 increased 206% YoY, while the domestic segment recorded a slight dip of 1% over the same period.

Total Visitor Arrivals and Inbound Flights



Charter vs. Scheduled Flights



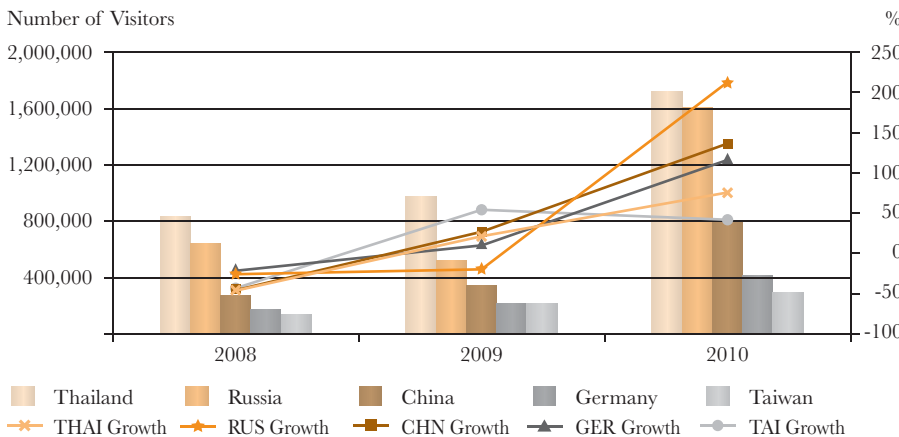
U-shaped recovery for international arrival segment

Charter passenger arrivals in 2011 represented 62% of total

Source: Department of Civil Aviation and C9 Hotelworks Market Research

Tourism Indicators

Top 5 Source Markets



Thai visitors doubled in 2010 as compared to the previous year

Top 5 Source Markets*

| | |
|-------------|-----|
| 1. Thailand | 25% |
| 2. Russia | 23% |
| 3. China | 11% |
| 3. Germany | 6% |
| 5. Taiwan | 4% |

Top 5 Growth Markets*

| | |
|----------------|------|
| 1. Russia | 211% |
| 2. China | 137% |
| 3. Australia | 119% |
| 4. Germany | 117% |
| 5. Middle East | 92% |

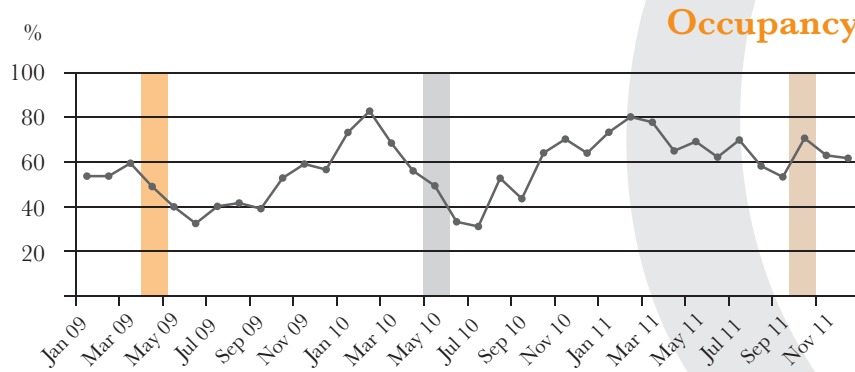
Top 5 Asian Markets*

| | |
|--------------|-----|
| 1. China | 47% |
| 2. Taiwan | 17% |
| 3. Korea | 11% |
| 4. Vietnam | 7% |
| 5. Hong Kong | 6% |

* January – December 2010 (latest available data)

Source: Department of Tourism, Thailand and C9 Hotelworks Market Research

Hotel Occupancy Trend 2009 - 2011



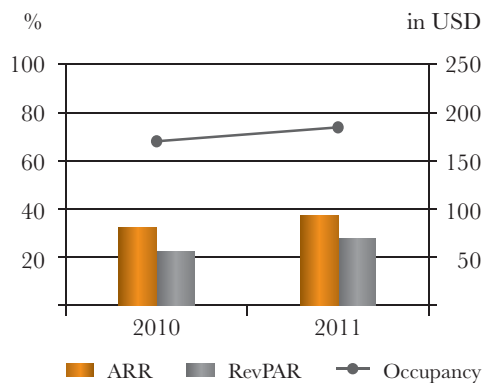
Source: Thai Hotels Association Eastern Chapter and C9 Hotelworks Market Research

Occupied room nights from 2009 through 2011 grew at 17% CAGR

CAGR – Compound Annual Growth Rate

- ASEAN Summit disruption (Apr-09)
- Red shirt protest (May-10)
- Bangkok flood crisis (Oct-11)

International Hotel Performance



Source: C9 Hotelworks Market Research

| Change | |
|-------------------------|-------|
| Occupancy | ▲ 6% |
| Average Room Rate (ARR) | ▲ 15% |
| RevPAR | ▲ 24% |

Branded international chain hotels performed 8% higher in occupancy versus overall market

Hotel Openings

- Registered accommodation establishments in Pattaya as of December 2010 were 49,348 rooms. This was an increase of 28% over 2009.
- Total pipeline of 1,779 keys, which is a 4% growth in supply, is anticipated to enter the market by 2016. A total of 30% of these units will be located in Jomtien, followed by North and Central Pattaya at 22% and 17% respectively. The remaining 31% or 593 rooms will be in the vicinity of South Pattaya, Pratumnak and Naklua.

| Hotel Name | Location | Rooms | Opening Date |
|---|-----------------|-------|--------------|
| The Montien Hotel Pattaya | North Pattaya | 400 | 2014 |
| Holiday Inn Express | Central Pattaya | 160 | 2013 |
| Centara Avenue Residence and Suites Pattaya | Central Pattaya | 146 | 2013 |
| B2 South Pattaya | South Pattaya | 65 | H1 2013 |
| Park Plaza Waterfront Suites and Residences | South Pattaya | 100 | 2014 |
| Amari Residences Pattaya | Pratumnak | 112 | 2014 |
| Centara Grand Resort & Spa Pattaya | Pratumnak | 160 | Q4 2012 |
| B2 Ambassador | Jomtien | 65 | Dec 2012 |
| B2 Jomtien | Jomtien | 81 | Dec 2012 |
| Mövenpick White Sand Beach Resort | Jomtien | 264 | Oct 2013 |
| Centara Grand Resort & Spa Jomtien | Jomtien | 120 | 2015 |
| Naklua Hotel & Spa Pattaya, Centara Boutique Collection | Naklua | 106 | 2016 |

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 include 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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