Hotel Inputs and Profit and Loss Report

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Input Assumptions

Cash Flow Title	Sample	
Hotel Brand	ABC Hotels & Resorts	
Hotel Star Rating	5	
Operational Month/Year	Oct-2011	
Project Status	Preferred Option	
Currency and Denomination	AED	(000's)

Guests/Room	1.5	
Days/Year	365	
Cap Rate (Terminal Yield)	12.50%	
Notional Hotel Holding Period for DCF (Yrs)	10	
Notional Hotel Terminal Value		
		as at 2021 based on EBITDA in 2021

Room Mix & ADR

Room Description	Count	Yr1 ADR
Standard room	50	400
Senior Suites	100	500
Executive Suites	180	600
Royal Suite	20	750
	-	-
Compound ADR	350	551

Development/Acquistion Costs & Funding Structure

Development/Acquisitons Costs	
Land Cost	35,000,000
Dev. Cost (exc interest)	150,000,000
Dev. Interest	13,644,960
Dev. Profit	42,700,000
Pre Opening	25,000,000
Total	266,344,960

Funding Structure		
Equity	40.00%	106,537,984
Debt	60.00%	159,806,976
Interest Rate (p.a.)	8.00%	
Loan Term (Yrs)	30	
Debt Servicing Interest Only		12,784,558
Debt Servicing Principal & Interest		14,195,244

Hotel F&B Revenue

			2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Breakfast		**Breakfast**											
Capture	65%	Breakfast AED/cover	40	41	42	43	44	45	46	48	49	50	51
AED/cover	40	Total BFT revenue AED(000's)	3,488	3,830	4,188	4,292	4,400	4,510	4,622	4,738	4,856	4,978	5,102
Lobby Lounge & Bar		**Lobby Lounge & Bar**											
Capture	30%	Lobby Lounge AED/cover	30	31	32	32	33	34	35	36	37	37	38
AED/cover	30	Total BAR revenue AED(000's)	1,207	1,326	1,450	1,486	1,523	1,561	1,600	1,640	1,681	1,723	1,766
Restaurant 1	Meals/day	**Restaurant 1**											
AED/cover	10	Restaurant Covers/day	92	98	105	105	105	105	105	105	105	105	105
Meals/Guest/Day	1.0	Restaurant Rate/cover	10	10	11	11	11	11	12	12	12	12	13
Capture	25%	Total Rest. Revenue AED(000's)	335	368	403	413	423	434	444	456	467	479	491
Restaurant 2	Meals/day	**Restaurant 2**											
AED/cover	20	Restaurant Covers/day	110	118	126	126	126	126	126	126	126	126	126
Meals/Guest/Day	1.5	Restaurant Rate/cover	20	21	21	22	22	23	23	24	24	25	26
Capture	20%	Total Rest. Revenue AED(000's)	805	884	966	991	1,015	1,041	1,067	1,093	1,121	1,149	1,177
Restaurant 3	Meals/day	**Restaurant 3**											
AED/cover	-	Restaurant Covers/day	0	0	0	0	0	0	0	0	0	0	0
Meals/Guest/Day	0.0	Restaurant Rate/cover	0	0	0	0	0	0	0	0	0	0	0
Capture	0%	Total Rest. Revenue AED(000's)	0	0	0	0	0	0	0	0	0	0	0
Restaurant 4	Meals/day	**Restaurant 4**											
AED/cover	55	Restaurant Covers/day	404	433	462	462	462	462	462	462	462	462	462
Meals/Guest/Day	2.0	Restaurant Rate/cover	55	56	58	59	61	62	64	65	67	69	70
Capture	55%	Total Rest. Revenue AED(000's)	8,115	8,912	9,744	9,988	10,237	10,493	10,756	11,025	11,300	11,583	11,872
Restaurant 5	Meals/day	**Restaurant 5**											
AED/cover	-	Restaurant Covers/day	0	0	0	0	0	0	0	0	0	0	0
Meals/Guest/Day	0.0	Restaurant Rate/cover	0	0	0	0	0	0	0	0	0	0	0
Capture	0%	Total Rest. Revenue AED(000's)	0	0	0	0	0	0	0	0	0	0	0
Restaurant 6	Meals/day	**Restaurant 6**											
AED/cover	-	Restaurant Covers/day	0	0	0	0	0	0	0	0	0	0	0
Meals/Guest/Day	0.0	Restaurant Rate/cover	0	0	0	0	0	0	0	0	0	0	0
Capture	0%	Total Rest. Revenue AED(000's)	0	0	0	0	0	0	0	0	0	0	0
Restaurant 7	Meals/day	**Restaurant 7**											
AED/cover	-	Restaurant Covers/day	0	0	0	0	0	0	0	0	0	0	0
Meals/Guest/Day	0.0	Restaurant Rate/cover	0	0	0	0	0	0	0	0	0	0	0
Capture	0%	Total Rest. Revenue AED(000's)	0	0	0	0	0	0	0	0	0	0	0
Restaurant 8	Meals/day	**Restaurant 8**											
AED/cover	-	Restaurant Covers/day	0	0	0	0	0	0	0	0	0	0	0
Meals/Guest/Day	0.0	Restaurant Rate/cover	0	0	0	0	0	0	0	0	0	0	0
Capture	0%	Total Rest. Revenue AED(000's)	0	0	0	0	0	0	0	0	0	0	0
		TOTAL F&B revenue	**13,950**	**15,320**	**16,750**	**17,169**	**17,598**	**18,038**	**18,489**	**18,951**	**19,425**	**19,911**	**20,409**

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Escalation Assumptions

	Year 1	Year 2	Year 3	Year 4	Year 5 +
Room Rates	No Escalation	2.50%	2.50%	2.50%	2.50%
F&B Revenue	No Escalation	2.50%	2.50%	2.50%	2.50%
Meeting Room Revenue	No Escalation	No Escalation	No Escalation	2.50%	2.50%
Expenses	No Escalation	2.50%	2.50%	2.50%	5.00%

Meeting Space Revenue

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Based on AED/SqM											
Meeting space (SqM)	1,000	1,000	1,000								
Rental revenue as a % of the additional F&B revenue	20%	20%	20%								
SqM/pax	2	2	2								
Capacity	500 pax	500	500								
Days/year	250	250	250								
Occupancy	50%	60%	65%								
Pax/year	62,500	75,000	81,250								
Additional F&B revenue AED/pax	60	60	60								
Additional F&B revenue AED(000's)/annum	3,750.0	4,500.0	4,875.0								
Additional F&B revenue AED/SqM (annual)	2,000	2,000	2,000								
Additional Rental revenue AED/SqM (annual)	400	400	400								
Additional F&B & Rental revenue AED/SqM (annual)	2,400	2,400	2,400								
Revenue - F&B (000's)	2,000	2,000	2,000	2,050	2,101	2,154	2,208	2,263	2,319	2,377	2,437
Revenue - Rental (000's)	400	400	400	410	420	431	442	453	464	475	487
Total Revenue	**2,400**	**2,400**	**2,400**	**2,460**	**2,522**	**2,585**	**2,649**	**2,715**	**2,783**	**2,853**	**2,924**
Expense - F&B (000's)	-1,400 70%	-1,400 70%	-1,400 70%	-1,435	-1,471	-1,508	-1,545	-1,584	-1,624	-1,664	-1,706
Expense - Rental (000's)	-80 20%	-80 20%	-80 20%	-82	-84	-86	-88	-91	-93	-95	-97
Total Expense	**-1,480**	**-1,480**	**-1,480**	**-1,517**	**-1,555**	**-1,594**	**-1,634**	**-1,674**	**-1,716**	**-1,759**	**-1,803**
	% Revenue	**% Revenue**	**% Revenue**								
Dept Profit - F&B (000's)	600 30%	600 30%	600 30%	615	630	646	662	679	696	713	731
Dept Profit - Rental (000's)	320 80%	320 80%	320 80%	328	336	345	353	362	371	380	390
Total Profit	**920**	**920**	**920**	**943**	**967**	**991**	**1,016**	**1,041**	**1,067**	**1,094**	**1,121**
% of total revenue	1.3%	1.2%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%

Other Operating Departments

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Room Revenue (from P&L)	49,311.5	54,154.6	59,209.0	60,689.2	62,206.5	63,761.6	65,355.7	66,989.6	68,664.3	70,380.9	72,140.4
% of Room Revenue	9.0%	8.5%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Other Operating Depts Revenue	4438.0	4603.1	4736.7	4855.1	4976.5	5100.9	5228.5	5359.2	5493.1	5630.5	5771.2

Management Fees

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Base Fee											
Base Management Fee (% of Total Revenue)	701.0 1.0%	764.8 1.0%	831.0 1.0%	851.7 1.0%	873.0 1.0%	894.9	917.2	940.2	963.7	987.8	1,012.4
Incentive Fee											
As % of AGOP	1,842.3 8.0%	2,219.4 8.0%	2,984.3 8.0%	3,058.9 8.0%	3,106.4 8.0%	3,153.7	3,200.6	3,247.1	3,293.0	3,338.4	3,383.1
Yield Based	23,028.2	27,742.8	37,303.5	38,236.1	38,830.0	39,420.7	40,007.1	40,588.3	41,163.0	41,730.1	42,288.2
AGOP / Total Revenue	70,099.8	76,478.2	83,096.1	85,173.5	87,302.8	89,485.4	91,722.5	94,015.6	96,366.0	98,775.1	101,244.5
	32.9%	36.3%	44.9%	44.9%	44.5%	44.1%	43.6%	43.2%	42.7%	42.2%	41.8%
	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%
	2,993.7	3,606.6	4,849.5	4,970.7	5,047.9	5,124.7	5,200.9	5,276.5	5,351.2	5,424.9	5,497.5
Incentive fee starts from year	0										

YIELD	FEE	
0.0%	6.0%	Total Revenue
6.0%	7.0%	YIELD = AGOP / Total Revenue
8.0%	9.0%	Incentive Fee (% of AGOP)
10.0%	10.0%	INCENTIVE amount (based on Yield)
12.0%	11.0%	
14.0%	12.0%	
16.0%	13.0%	