

Orbis

1H 2013 results

28 August 2013

S O F I T E L
LUXURY HOTELS

NOVOTEL

Mercure

ibis

ibis
STYLES

ORBIS
HOTELS

ibis
budget

Orbis
Grupa Hotelowa

1H 2013 – Major events

Volume strategy brought its favourable effects: +7.2 p.p. growth of occupancy in economy segment and +2.8 p.p. increase in up & midscale hotels

Accelerating the *asset-light* development of the network: 3 new franchise agreements signed and 3 new hotels opened

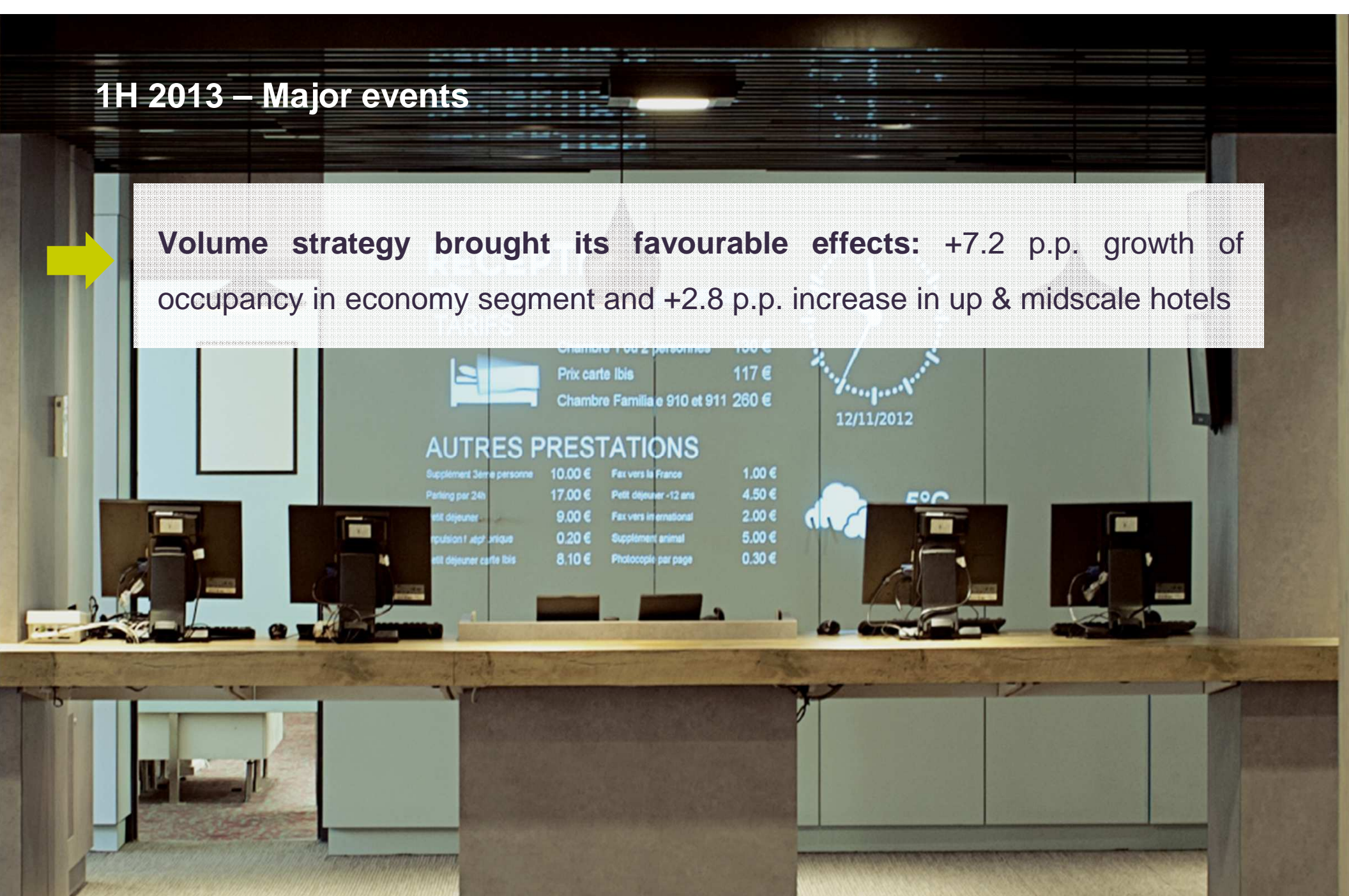
Target to focus on hospitality – fully achieved - sale of the rent-a-car business

Modernization of the key hotels in Orbis portfolio: about PLN 100 m to be spent till the end of 2014

Académie Accor branch opened in Warsaw – to optimise hospitality know-how acquisition

1H 2013 – Major events

➔ **Volume strategy brought its favourable effects: +7.2 p.p. growth of occupancy in economy segment and +2.8 p.p. increase in up & midscale hotels**



The background image shows a modern hotel reception area. A long wooden counter is in the foreground. Behind it, a large digital menu board displays room rates and services. The board is divided into sections: 'Chambre 1 ou 2 personnes', 'Prix carte Ibis', 'Chambre Familiale 910 et 911', and 'AUTRES PRESTATIONS'. The date '12/11/2012' is also visible on the board. There are several computer monitors on the counter.

| | |
|------------------------------|---------|
| Chambre 1 ou 2 personnes | 150 € |
| Prix carte Ibis | 117 € |
| Chambre Familiale 910 et 911 | 260 € |
| AUTRES PRESTATIONS | |
| Supplément 3ème personne | 10.00 € |
| Parking par 24h | 17.00 € |
| WIFI déjeuner | 9.00 € |
| Impression 1 jeton unique | 0.20 € |
| WIFI déjeuner carte Ibis | 8.10 € |
| Fax vers la France | 1.00 € |
| Petit déjeuner -12 ans | 4.50 € |
| Fax vers international | 2.00 € |
| Supplément animal | 5.00 € |
| Photocopie par page | 0.30 € |

Operational results shaped by Volume Strategy

| 1H 2013 | Occupancy | | ARR* | | RevPAR** | |
|---------------|-----------|------------|-------|---------|----------|---------|
| Like-for-like | (%) | Δ pp (YoY) | PLN | (%) YoY | PLN | (%) YoY |
| Up & Midscale | 53.9 | + 2.8 | 230.8 | - 21.0 | 124.4 | - 16.6 |
| Economy | 61.7 | + 7.2 | 147.6 | - 18.5 | 91.1 | - 7.7 |
| Total | 55.9 | + 3.9 | 207.0 | - 21.1 | 115.7 | - 15.1 |

* ARR – Average Room Rate

** RevPAR – Revenue per Available Room

1H 2013 – Major events

➔ Accelerating the *asset-light* development of the network: 3 new franchise agreements signed and 3 new hotels opened

Asset light – 1H 2013 key facts

” **Speeding - up of
development in line
with asset light ...**

Development in line with
asset light

Further two 3 new franchise agreements signed:

- ▶ ibis Styles Wałbrzych (130 rooms)
- ▶ ibis Styles Wrocław (130 rooms)
- ▶ ibis Styles Siedlce (100 rooms)

3 new franchised hotels opened:

- ▶ Mercure Piotrków Trybunalski (39 rooms)
- ▶ Mercure Krynica Zdrój (100 rooms)
- ▶ ibis Styles Wałbrzych (130 rooms)



Asset light – summary

| | Name of the hotel | No. of Rooms | Opening dates | | | | | | |
|-------------------|-----------------------------------|--------------|---------------|------|----|----|----|------|------|
| | | | 2012 | 2013 | | | | 2014 | 2015 |
| | | | | 1Q | 2Q | 3Q | 4Q | | |
| Existing hotels | ibis Kaunas Centre (Lithuania) | 125 | M | | | | | | |
| | ibis Styles Gdynia Reda | 110 | F | | | | | | |
| | Mercure Kasprowy Zakopane | 288 | F | | | | | | |
| | Mercure Piotrków Tryb. Vestil | 69 | | F | | | | | |
| | Mercure Krynica Zdr. Resort & Spa | 100 | | F | | | | | |
| | ibis Styles Wałbrzych | 130 | | F | | | | | |
| | Mercure Warszawa Airport | 117 | | | | F | | | |
| New constructions | Mercure Sosnowiec | 120 | | | | | | | M |
| | ibis Styles Sosnowiec | 80 | | | | | | | M |
| | ibis Styles Białystok | 130 | | | | | | | F |
| | ibis Styles Wrocław | 130 | | | | | | F | |
| | ibis Styles Siedlce | 100 | | | | | | | F |
| | ibis Styles Nowy Sącz | 57 | | | | | | F | |
| | Total cumulative | 1 556 | 3 | 3 | 0 | 1 | 0 | 2 | 4 |

1H 2013 – Major events

RÉCEPTION



TARIFS



| | |
|------------------------------|-------|
| Chambre 1 ou 2 personnes | 130 € |
| Prix carte Ibis | 117 € |
| Chambre Familiale 910 et 911 | 260 € |



12/11/2012

AUTRES PRESTATIONS

| | | | |
|--------------------------|---------|--------------------|--------|
| Supplément 3ème personne | 10.00 € | Fax vers la France | 1.00 € |
|--------------------------|---------|--------------------|--------|

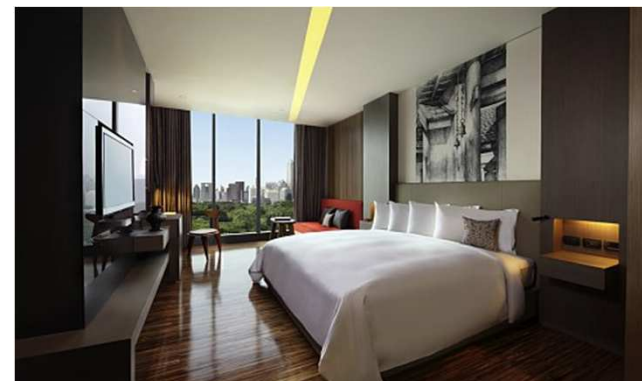
Target to focus on hospitality – fully achieved - sale of the rent-a-car business

Focusing on hospitality – 1H 2013 key facts

Focusing on hospitality

Orbis disposed rent-a-car business:

- ▶ the remaining part of Orbis Transport
- ▶ final and complete discontinuation of businesses other than core hotel operation



”The 3 year program being a part of the Orbis strategy is accomplished yet before the deadline set in 2010...”

1H 2013 – Major events



Modernization of the key hotels in Orbis portfolio: about PLN 100 m to be spent till the end of 2014

Modernization of hotels

” **about PLN 100m**
to be spent till
the end of 2014 ...

Product improvement

Modernization works in our hotels:

- ▶ **Sofitel Warsaw Victoria** (total budget of renovation amounts to ca. PLN 35 million)
- ▶ **Novotel brand:** Novotel Warsaw Centrum; Novotel Warsaw Airport; Novotel Cracow Centrum, Novotel Cracow City West, Novotel Poznań Centrum, Novotel Poznań Malta, Novotel Gdańsk Marina
- ▶ **Mercure brand:** Mercure Wroclaw Centrum, Mercure Warsaw Centrum
- ▶ **ibis brand:** New concept of public area *Avanzi* in our main ibis hotels



New solutions



”

To improve its competitive position Orbis focuses on style and design, offers reinvented F&B concepts and encourages greater use of technology . . .

WINESTONE - new F&B concept in Mercure

- ▶ **WINE** – special selection of wine
- ▶ **STONE** – balanced and simple meals served on "les planches" – stone boards
- ▶ Sale of wines for 1H 2013: **+154% Y/Y**
- ▶ Sale of food for 1H 2013: **+20% Y/Y**

IT - investments

- ▶ consistent investment in IT systems cooperating with integrated distribution and reservation platforms
- ▶ today **50%** of bookings in our hotels are generated by electronic distribution channels

1H 2013 – Major events



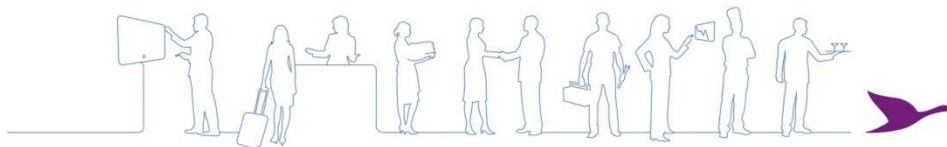
Académie Accor branch opened in Warsaw – to optimise hospitality know-how acquisition

Sustainable growth – 1H 2013 key facts

Sustainable growth ECO & EGO

Académie Accor branch opened in Warsaw

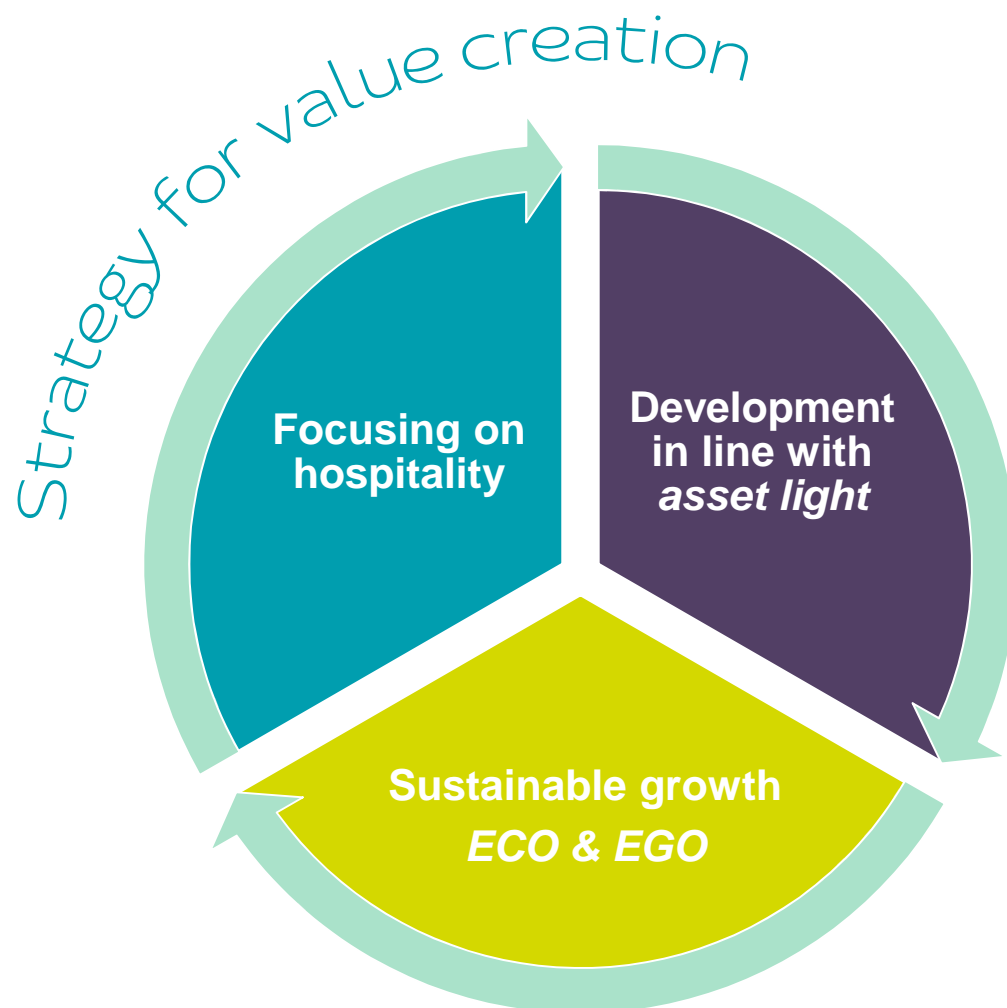
- ▶ first in the world hospitality learning network
- ▶ it trains all our employees, whether they work in owned, managed or franchised hotels, face-to-face, remotely or via e-learning modules



” Académie Accor gives the guarantee of the Group’s consistent high quality of service, especially at the time when company is focused on development through asset light ...

Our 3 Strategic pillars - summary

**” Orbis strengthened
all three pillars
in 1H 2013 ...**





1H 2013 – Financial results

SOFITEL
LUXURY HOTELS

NOVOTEL

Mercure

ibis

ibis
STYLES

ORBIS
HOTELS

ibis
budget

Orbis
Grupa Hotelowa

1H 2013 – Major factors impacting the results

Unfavourable economical environment in the 1H 2013

Positive effects of Volume Strategy on occupancy rate

Implementation of saving plan and Voluntary Departure Plan

The impact of EURO 2012 on comparability of data

1H 2013: Major indicators - summary

| Like-for-like results | 1H 2012 | 1H 2013 | % change |
|----------------------------------|---------|---------|----------|
| Occupancy Rate (%) | 52.0% | 55.9% | +3.9 pp |
| Average Room Rate (PLN) | 262.3 | 207.0 | -21.1% |
| Revenue Per Available Room (PLN) | 136.3 | 115.7 | -15.1% |
| Revenue (m PLN) | 344.9 | 309.3 | -10.3% |
| EBITDA (m PLN) | 108.5 | 80.1 | -26.2% |

Financial results Orbis Hotel Group

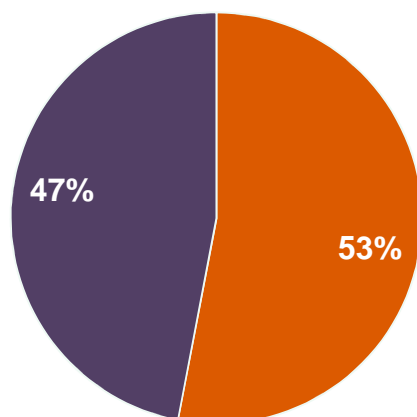
| PLN '000 | 2Q 2012 | 2Q 2013 | Change | 1H 2012 | 1H 2013 | Change |
|--------------------------|---------|----------------|---------|---------|----------------|---------|
| Net sales | 222,023 | 192,118 | - 13.5% | 359,816 | 316,883 | - 11.9% |
| Net sales like-for-like* | 218,322 | 189,867 | - 13.0% | 344,910 | 309,259 | - 10.3% |
| EBITDA | 85,786 | 62,919 | - 26.7% | 103,698 | 84,091 | - 18.9% |
| EBITDA like-for-like* | 90,359 | 68,191 | - 24.5% | 108,505 | 80,114 | - 26.2% |

* like-for-like: after eliminating the impact of one-off and non-recurring events as well as results of closed hotels and newly opened hotels

In 1H 2012 hospitality market strongly benefited from **Euro Football Championships**, thus direct comparison with last year cannot be relevant.

Structure of roomnights sold

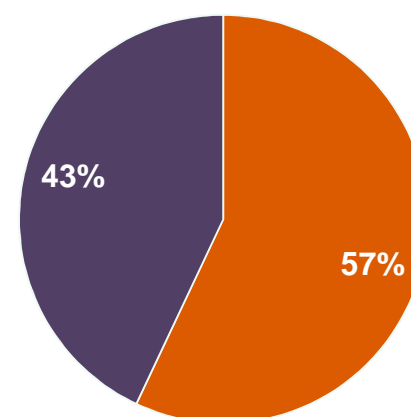
1H 2012



Nationality mix

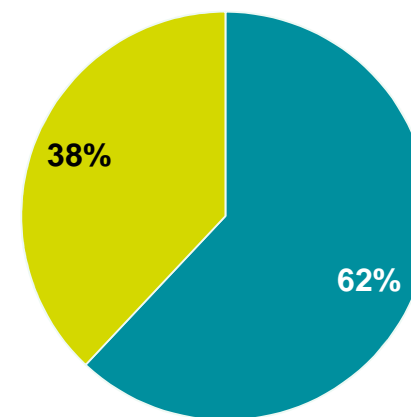
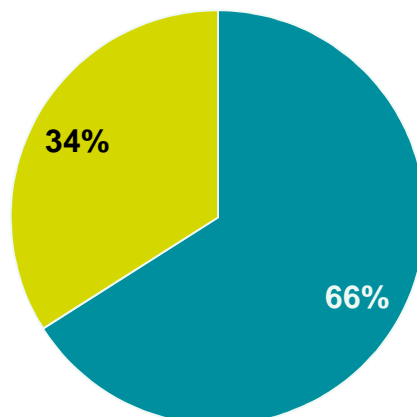
- Poles
- Foreigners

1H 2013



Business mix

- Business clients
- Individuals



SOFITEL
LUXURY HOTELS

NOVOTEL

Mercure

ibis

ibis
STYLES

ORBIS
HOTELS

ibis
budget

Orbis
Grupa Hotelowa

Outlook for the coming months

Analysing the **positive July results** and the **sustained bookings** for the coming months we are reasonable positive on forecasting the 2H 2013 figures

Favourable impact of **one-off event – Climatology Congress**, which will take place in November in Warsaw

Positive effects of **saving plan** based on both processes optimizations as well as a reduction of headcounts on cost side

Franchise and management fees will have more and more positive effects in the global revenues of Orbis

Orbis

1H 2013 results

28 August 2013

S O F I T E L
LUXURY HOTELS

NOVOTEL

Mercure

ibis

ibis
STYLES

ORBIS
HOTELS

ibis
budget

Orbis
Grupa Hotelowa