



Sofitel Warsaw Victoria

1Q 2014 Orbis results

Investor presentation

Warsaw, May 2014

Orbis
Grupa Hotelowa

S O F I T E L
LUXURY HOTELS

NOVOTEL

Mercure

ibis

ibis
STYLES

ORBIS
HOTELS

ibis
budget

Agenda



____ Summary of 1Q 2014 results

____ Business Development

____ Operating and financial results

Summary of 1Q 2014 results



Sofitel Warsaw Victoria

In 1Q 2014 Orbis delivered a solid improvement in its business



- Improved EBITDA, up 9.5% to PLN 14.8 million like-for-like
- Solid operational performance in both business segments: 4.4% like-for-like RevPAR in up & midscale hotels and 1.6% in economy segment
- Steady increase of Orbis' market share thanks to franchise and management contracts and introduction of Accor brands on a new market (Latvia)
- Exceptional success of the Le Club Accorhotels in Poland: 330 000 loyal guests
- Re-opening in March of the Sofitel Warsaw Victoria after modernization
- Orbis promotes women and launches WAAG program in Poland

Solid financial and operating results



Like-for-like* results	1Q 2013	1Q 2014	% change
Revenue (m PLN)	124,8	126,4	+1,3%
EBITDA operating (m PLN)	13,5	14,8	+9,5%
Occupancy rate (%)	45,3	45,5	+0,2 pp
Average Room Rate (PLN)	190,6	196,6	+3,1%
Revenue Per Available Room (PLN)	86,4	89,6	+3,7%

The 1Q 2014 remain robust, with rising demand in our key destinations. We expect that the positive trend will be visible also in following months.

Business development



On-going Expansion of Managed and Franchised Hotels



Steady increase of Orbis' market share thanks to franchise and management contracts and introduction of Accor brands on a new market

New franchise agreements:

- ▶ Pullman Riga (160 rooms)
- ▶ ibis Styles Grudziądz (82 rooms)

Hotels that have started operating within Orbis:

- ▶ Mercure Marijampole (47 rooms)
- ▶ Mercure Riga Centre (143 rooms)
- ▶ Mercure Raławice Dosłońce (67 rooms)



Summary of franchise and management agreements signed



		Name of the hotel	No. of rooms	Opening dates						
				2012	2013	2014				2015
						1Q	2Q	3Q	4Q	
Existing hotels	1	ibis Kaunas Centre (Lithuania)	125	M						
	2	ibis Styles Gdynia Reda	110	F						
	3	Mercure Kasprowy Zakopane	288	F						
	4	Mercure Piotrków Tryb. Vestil	69		F					
	5	Mercure Krynica Zdr. Resort & Spa	100		F					
	6	Mercure Warszawa Airport	117		F					
	7	ibis Styles Wałbrzych	130		F					
	8	Mercure Wisła Patria	42		F					
	9	Mercure Raclawice Dosłońce	67			F				
	10	Mercure Marijampole	47				F			
New constructions	11	Mercure Sosnowiec	120							M
	12	ibis Styles Sosnowiec	80							M
	13	ibis Styles Białystok	130							F
	14	ibis Styles Wrocław	130					F		
	15	ibis Styles Siedlce	100							F
	16	ibis Styles Nowy Sącz	56						F	
	17	Mercure Riga	143				F			
	18	Mercure Sepia Bydgosz	90					F		
	19	ibis Styles Grudziądz	82							F
		20	Pullman Riga Latvia	160						
		Total	2 186	3	5	1	2	2	1	6

Strengthen the value for Orbis' shareholders



— Favourable economic environment and solid financial standing of the Company lead the Management Board to consider acquiring selected, opportunistic development projects. We can see **additional chance to strengthen the value for Orbis' shareholders by developing new investment projects, with good return on capital employed, which can generate additional operating income.**

— The example of such activities is the recent preliminary purchase agreement of the plot in Cracow in order to build a future 200 room brand new Mercure hotel. We believe this investment can bring favourable return on investment and **will complement our offer on this strategic hotel market.**

Modernization of hotels



In March Orbis celebrated the reopening of [Sofitel Warsaw Victoria](#) after modernization. Product improvement remains one of the Company's strategic goals. The further refurbishment of Orbis assets takes place, among others, in [Novotel Warszawa Centrum](#) and [Orbis Gdynia](#) hotels.

Moreover, Orbis has also invested in the economy segment hotels by introducing the modernized F&B concept for ibis hotels – [the ibis Kitchen](#).

By being more open, more attractive in its design and offer – [the ibis Kitchen](#) is already welcoming guests in [ibis Warszawa Stare Miasto](#), [ibis Warszawa Centrum](#) and [ibis Warszawa Ostrobramska](#).



Orbis promotes women and launches WAAG program in Poland



- ▶ With the objective to empower women and to share their best practices, Orbis has joined WAAG „Women at Accor Generation” – the international women’s network launched by Accor.
- ▶ Only in 1Q, almost 100 women in Poland have joined WAAG.

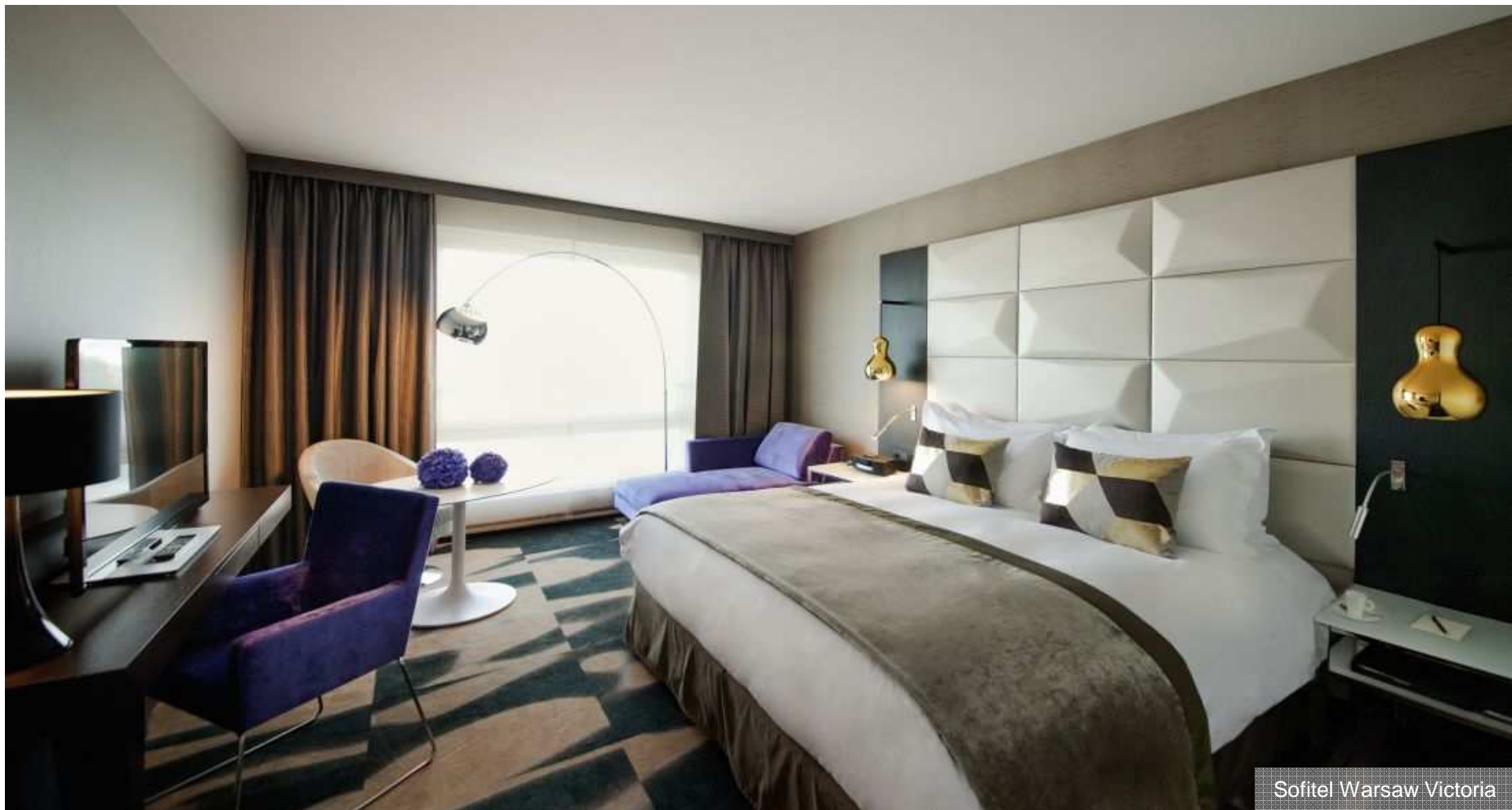
Orbis is investing in professional training guaranteeing the high-quality and consistent service in its hotels.

The Académie Accor in Warsaw – Orbis training center, has welcomed 300 employees and completed 400 of training days in 1Q 2014.

The Oxygen program for future managers has just unlocked the potential of 39 talented and ambitious employees!



Operating and financial results



Sofitel Warsaw Victoria

The 1Q 2014 remain robust, with rising demand in our key destinations



_____ The positive trend in economy started in second half of 2013 has been continued in 2014

_____ Based on analysis of our current booking status and situation on the market, i.e. healthier demand, we believe that the positive trend in operating results will be continued in following months unless the economic direction reverses

Operational results shaped by Volume Strategy



1Q 2014	Occupancy		ARR*		RevPAR**	
Like-for-like	(%)	Δ pp (YoY)	PLN	(%) YoY	PLN	(%) YoY
Up & Midscale	44,1%	+0,6 pp	220,4	+2,8%	97,3	+4,4%
Economy	49,0%	-0,8 pp	143,6	+3,2%	70,4	+1,6%
Total	45,5%	+0,2 pp	196,6	+3,1%	89,6	+3,7%

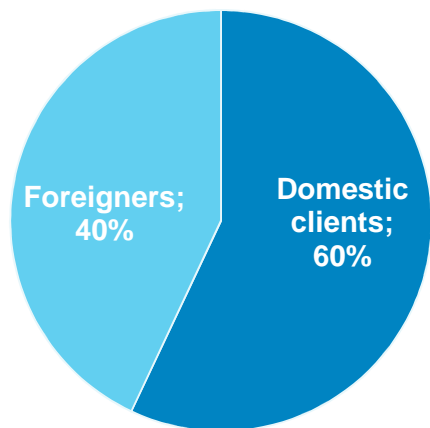
By segment, like-for-like growth in RevPAR came to 4.4% in Up & Midscale hotels and 1.6% in Economy hotels. The gains were driven by increase in price in both business lines.

* ARR – Average Room Rate

** RevPAR – Revenue per Available Room

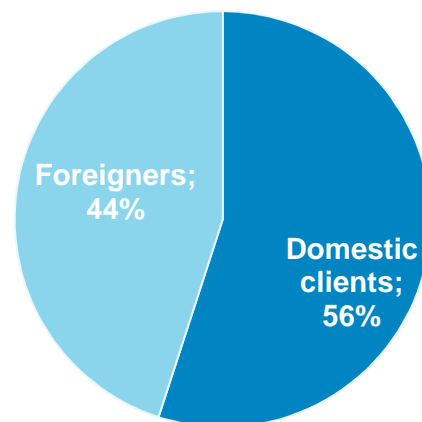
Structure of roomnights sold

1Q 2013

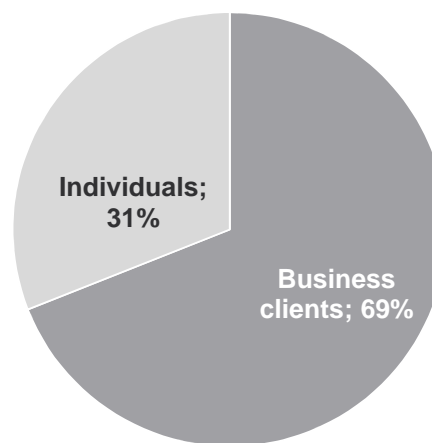
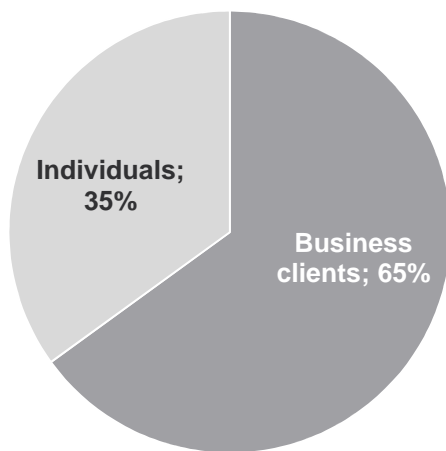


Nationality mix

1Q 2014



Business mix



Financial results Orbis Hotel Group



PLN '000	1Q 2013	1Q 2014	Change
Net sales like-for-like*	124,8	126,4	+1,3%
EBITDA	21,2	15,3	-27,7%
EBITDA like-for-like*	13,5	14,8	+9,5%

Major impact on the difference in the EBITDA result on a year-to-year basis was exerted by the sale of an organized part of the enterprise of the Mercure Kasprowy hotel in Zakopane in February 2013. After elimination of effect of one-off events, EBITDA for the first quarter of 2014 is by 9.5% higher than in the past year.

* 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

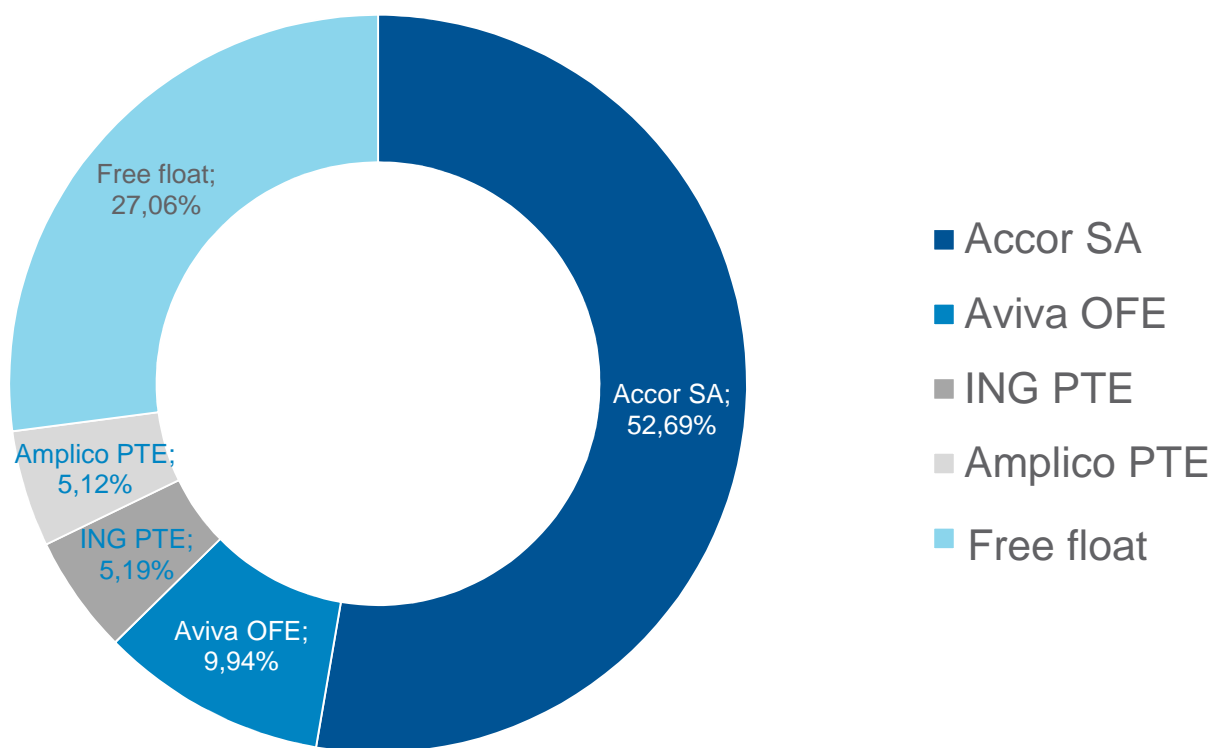
Appendix



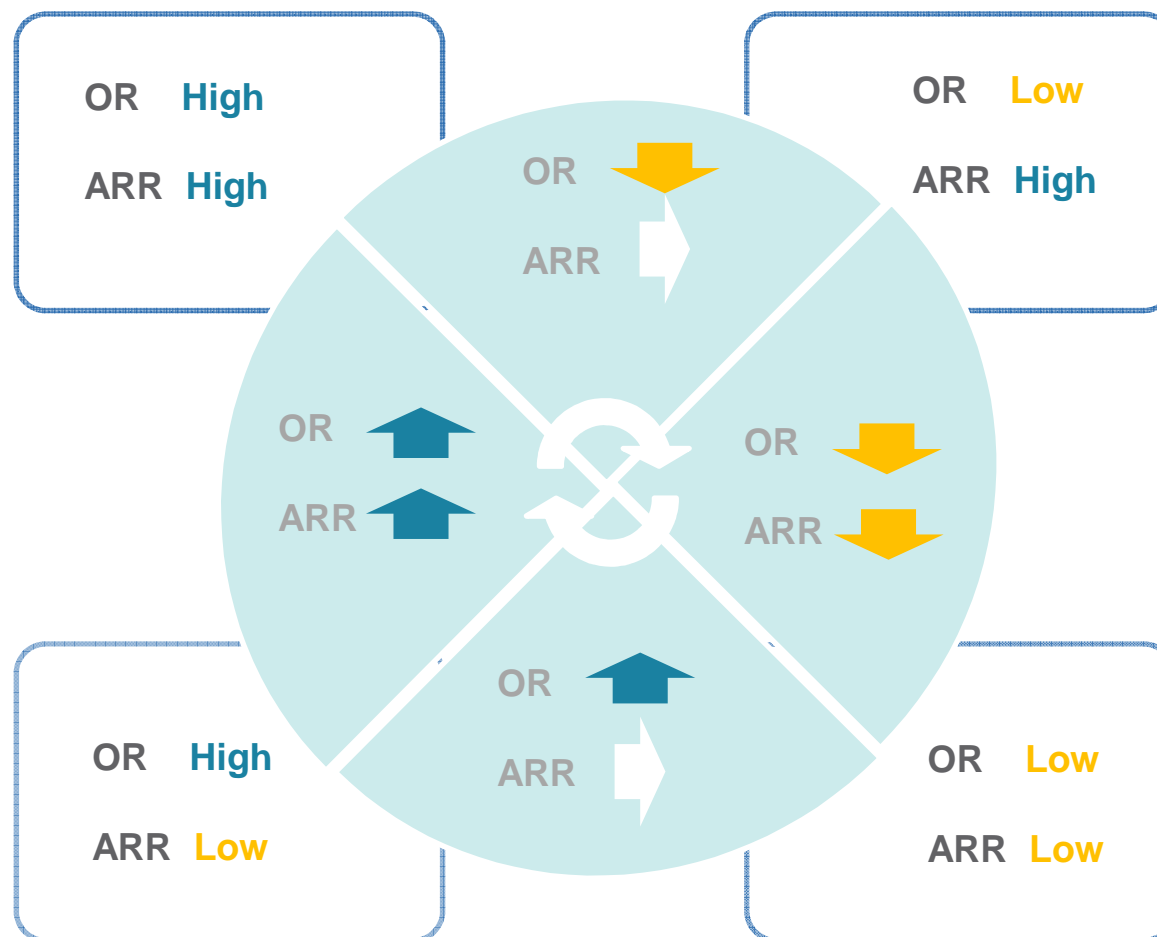
Novotel Kraków Centrum

Shareholders structure

Share of votes at the General Meeting



Occupancy and Average Room Rates changes in economic cycle

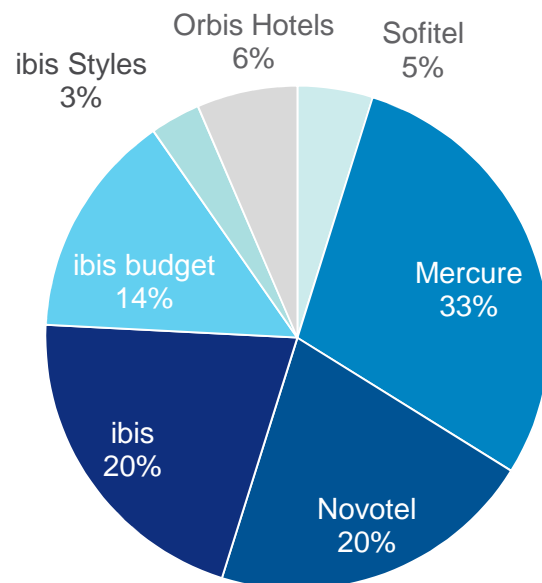


OR – Occupancy Rate
ARR – Average Room Rate

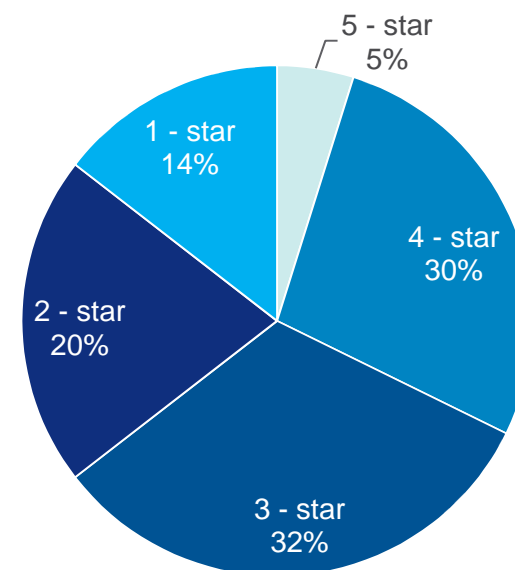
Orbis hotels



Brands



Standard



SOFITEL
LUXURY HOTELS

3



13



22



13



2



4



9

Data as of 8 May 2014

Contact



Dorota Nowotny

ORBIS SA

Bracka 16

00-028 Warszawa

+48 22 829 39 24

www.orbis.pl

e-mail: dorota.nowotny@accor.com

