



2013 Orbis results

Warsaw, 20th February 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 2013

Laurent Picheral, President Orbis SA

Business Development

Laurent Picheral, President Orbis SA/ Ireneusz Węglowski, Vice-President Orbis SA

Operating and financial results

Marcin Szewczykowski, Chief Financial Officer

Q&A

2013 summary



In 2013 Orbis delivered a solid improvement its business



2013 Operating EBITDA above the forecasted level: PLN 199.1 million

Volume strategy brought its favourable effects: +5.7 p.p. growth of like-for-like occupancy in economy segment and +1.9 p.p. increase in up & midscale hotels

Accelerated expansion by new franchise agreements: 8 new contracts, which in total will generate about 700 new rooms

Modernization of the key hotels in Orbis portfolio: PLN 62 m spent in 2013

Target to focus on hospitality – fully achieved: sale of the rent-a-car business in 2013

Solid financial and operating results



Like-for-like* results	4 Q2012	4Q2013	% change	2012	2013	% change
Revenue (m PLN)	154.6	167.0	+8.0%	688.2	671.5	-2.4%
EBITDA operating (m PLN)	33.5	47.0	+40.5%	204.7	199.1	-2.7%
Occupancy Rate (%)	53.0	54.3	+1.3 pp	55.8	58.8	+3.0 pp
Average Room Rate (PLN)	204.1	219.1	+7.3%	233.2	211.2	-9.4%
Revenue Per Available Room (PLN)	108.1	119.0	+10.1%	130.1	124.1	-4.6%

It is important to note that 2012 results included one-off positive effect of EURO 2012 Championships, when Orbis could benefit from one-shot sales opportunities and improved both its operational and financial indicators.

Business development



On-going Expansion of Managed and Franchised Hotels



Over 12 months of 2013, Orbis signed 8 contracts, which will bring almost 700 new rooms to our hotel portfolio.

Altogether the Company signed 18 agreements, out of which 7 hotels are already in operation (over 800 rooms).



ibis Styles Gdynia Reda

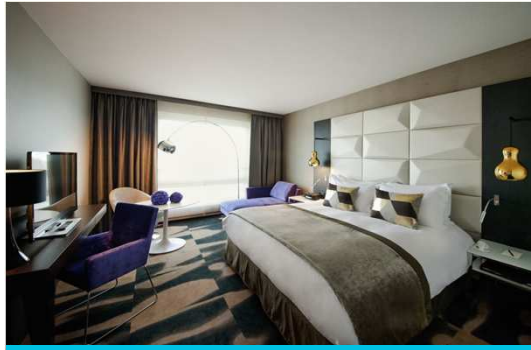
2013 was marked by solid development through franchise and management. Thanks to these achievements, Orbis/Accor was named "The hotel network of the year" according to the biggest Polish trade magazine.

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	Mercure Wisła Patria	42		F					
	8	Mercure Raclawice Dosłońce	67			F				
	9	Mercure Marijampole	47				F			
New constructions	10	Mercure Sosnowiec	120							M
	11	ibis Styles Sosnowiec	80							M
	12	ibis Styles Białystok	130							F
	13	ibis Styles Wrocław	130					F		
	14	ibis Styles Siedlce	100							F
	15	ibis Styles Nowy Sącz	56						F	
	16	Mercure Riga	143				F			
	17	Mercure Sepia Bydgosz	90					F		
	18	ibis Styles Grudziądz	82							F
		Total	1 896	3	4	1	2	2	1	5

Modernization of hotels



Sofitel Warsaw Victoria

We firstly focused on the refurbishment of **Orbis flagship assets**, especially in Warsaw and on other key markets, i.e. Tri-city, Cracow and Wroclaw, which ensure the best ROCE of the invested CAPEX.

The most spectacular projects were carried on in our prime market in Warsaw:

- ▶ Sofitel Warsaw Victoria,
- ▶ Mercure Warszawa Centrum
- ▶ Novotel Warszawa Centrum
- ▶ new concept of public area (Avanzi) in 3 ibises in Warsaw



Novotel Warszawa Centrum

Investment in IT



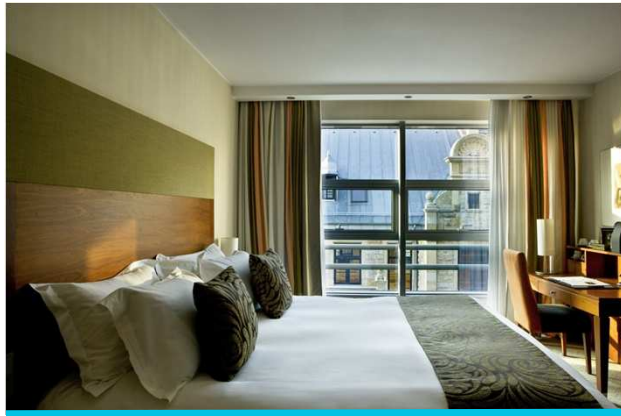
Orbis invested widely in the IT and distribution systems, which are a very important issue in today's increasingly competitive market and in the era of push being done by other market players.



ibis reservation desk

Thanks to these actions, Orbis' revenue through the central reservation services increased by **+37%** in 2013.

Orbis focused purely on hospitality



Sofitel Wrocław

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

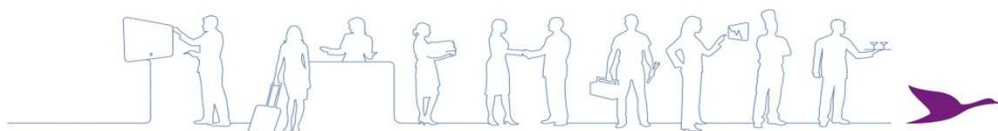
In 2013 Orbis disposed rent-a-car business:

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

Orbis - Socially Responsible company



— In 2013 Orbis opened Académie Accor branch in Warsaw - one of 17 Accor learning facilities around the world that offer training in every aspect of hospitality-related expertise and jobs.



Baristas competition



— Orbis generated further savings in water and energy consumption, which allowed for cost reductions by almost **PLN 2.3 million** (water consumption went down by -6.5% and energy by -4.4% as compared to 2012).

Operating and financial results



2013 – Major factors impacting the results



- _____ Unfavourable economical environment in the 1H 2013
- _____ Significant improvement of consumer sentiment due to positive macroeconomic indicators marked in 2H 2013
- _____ Positive effects of Volume Strategy on occupancy rate
- _____ Implementation of saving plan and Voluntary Departure Plan
- _____ 4Q results boosted by Climatology Congress (COP19)
- _____ The impact of EURO 2012 on comparability of data

Operational results shaped by Volume Strategy



2013	Occupancy		ARR*		RevPAR**	
Like-for-like	(%)	Δ pp (YoY)	PLN	(%) YoY	PLN	(%) YoY
Up & Midscale	57.4	+1.9 pp	235.6	-9.2%	135.3	-6.0%
Economy	62.3%	+5.7 pp	151.6	- 7.8%	94.5	1,5%
Total	58.8%	+3.0 pp	211.2	-9.4%	124.1	-4.6%

* ARR – Average Room Rate

** RevPAR – Revenue per Available Room

Operational results shaped by Volume Strategy



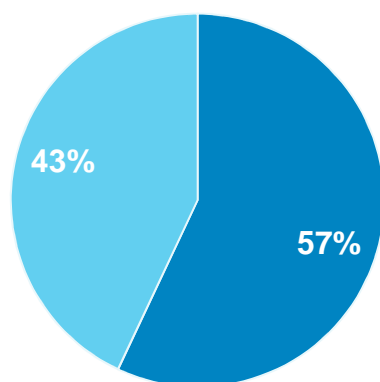
4Q	Occupancy		ARR*		RevPAR**	
Like-for-like	(%)	Δ pp (YoY)	PLN	(%) YoY	PLN	(%) YoY
Up & Midscale	52.3	+1.9 pp	246.1	+6.6%	128.6	+10.6%
Economy	59.5%	+0.1 pp	160.3	+8.4%	95.4	+8.7%
Total	54.3%	+1.3 pp	219.1	+7.3%	119.0	+10.1%

* ARR – Average Room Rate

** RevPAR – Revenue per Available Room

Structure of roomnights sold

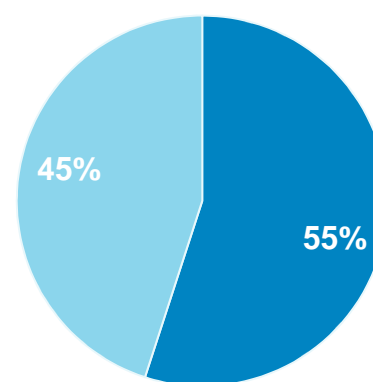
2012



Nationality mix

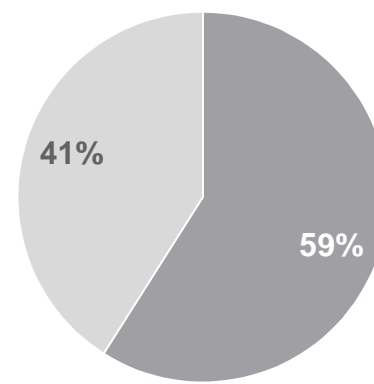
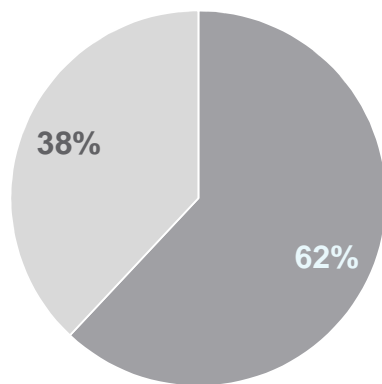
- Domestic clients
- Foreigners

2013



Business mix

- Business clients
- Individuals



Financial results Orbis Hotel Group



PLN '000	4Q 2012	4Q 2013	Change	2012	2013	Change
Net sales	156.7	169.2	+8.0%	709.2	682.6	-3.8%
Net sales like-for-like*	154.6	167.0	+8.0%	688.2	671.5	-2.4%
EBITDA	29.5	44.0	+49.2%	197.1	196.2	-0.4%
EBITDA operating**	33.5	47.0	+40.5%	204.7	199.1	-2.7%

* 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

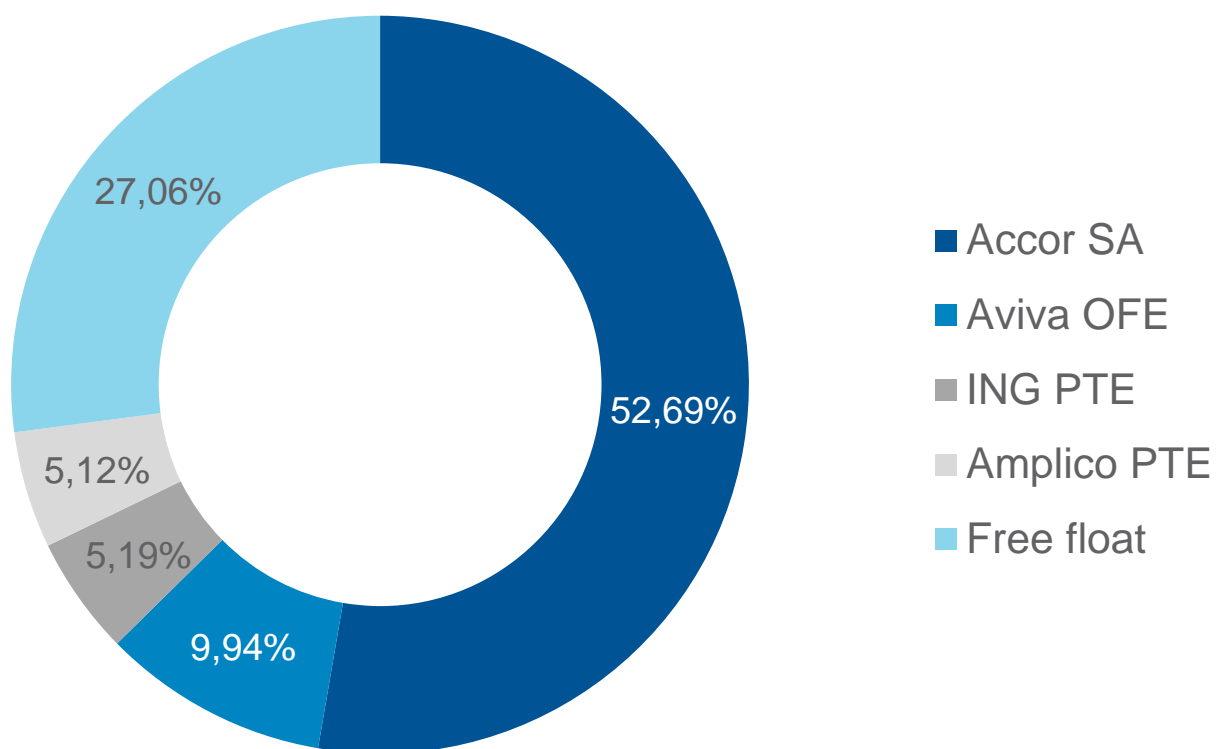
** has the same parameters as the EBITDA forecasted in September, i.e. eliminates one-off events, includes the results of new hotels.

Appendix

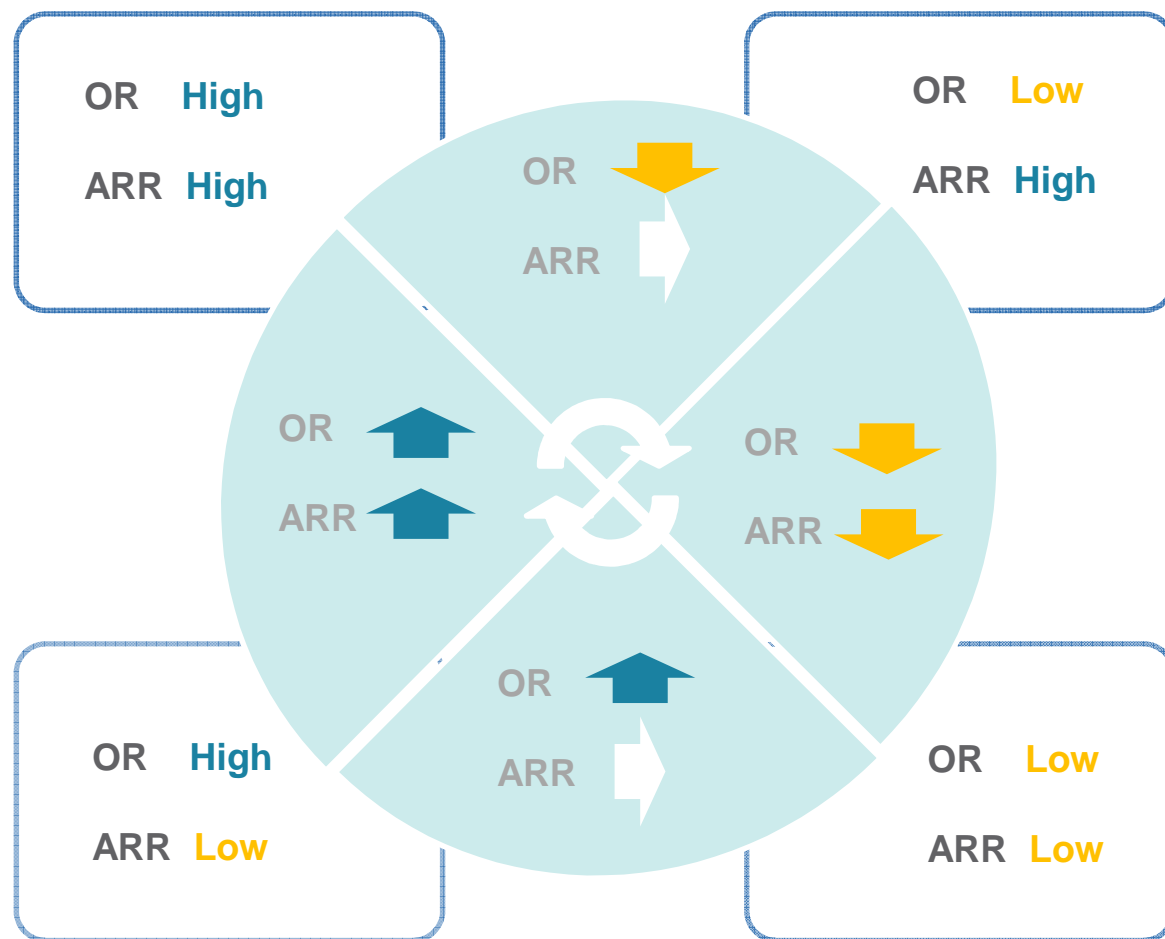


Shareholders structure

Share of votes at the General Meeting



Occupancy and Average Room Rates changes in economic cycle



OR – Occupancy Rate
ARR – Average Room Rate

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