

# Orbis SA

3Q 2013 results

S O F I T E L  
LUXURY HOTELS

NOVOTEL

Mercure

ibis

ibis  
STYLES

ORBIS  
HOTELS

ibis  
budget

## Major events and facts of 3Q 2013

- ▶ **2013 EBITDA PLN 192 million** - target confirmed
- ▶ **+14.6% increase of like-for-like 3Q EBITDA** – PLN 69.8 million
- ▶ Like-for-like occupancy rate lifted by the volume strategy: **+8.8 p.p.** robust growth of **occupancy in economy segment**
- ▶ Orbis the **leader of asset-light growth** in hospitality in Poland: 3 new franchise agreements signed in 3Q – altogether 16 franchise or management agreements signed up
- ▶ “ibis business” – **new loyalty program for ibis mega brand** guests introduced

## Summary of financial results in Orbis Hotel Group

(m PLN)	3Q 2012	3Q 2013	Change	9M 2012	9M 2013	Change
Net sales like-for-like*	188.6	<b>195.2</b>	<b>3.5%</b>	533.5	<b>504.4</b>	<b>-5.5%</b>
EBITDA like-for-like*	60.9	<b>69.8</b>	<b>14.6%</b>	169.4	<b>150.0</b>	<b>-11.5%</b>

\* 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

↓  
The impact of EURO 2012  
on comparability of YTD data

The increase of results proves that the operating strategy supported by a very effective cost management reaffirm meeting Orbis' **EBITDA target - PLN 192.0 million** in 2013.

## Operational results shaped by Volume Strategy

3Q 2013	Occupancy		ARR*		RevPAR**	
Like-for-like	(%)	Δ pp (YoY)	PLN	(%) YoY	PLN	(%) YoY
Economy	66.2%	+ 8.8	150.1	- 3.1	99.4	+ 11.8
Up & Midscale	69.5%	+ 0.2	235,0	+ 0.9	163.4	+ 1.2
<b>Total</b>	68.6%	+ 2.7	211.5	- 0.8	145.0	+ 3.1

\* ARR – Average Room Rate

\*\* RevPAR – Revenue per Available Room

# Orbis the leader of asset-light growth in hospitality

Development in line with  
*asset light*

## Further 3 new franchise agreements signed in 3Q:

- ▶ ibis Styles Nowy Sącz (56 rooms)
- ▶ Mercure Riga (143 rooms)
- ▶ Mercure Sepia Bydgoszcz (90 rooms)
- ▶ all are new developments planned to open in 2014

## 1 new franchised hotel opened in 3Q:

- ▶ Mercure Warszawa Airport (117 rooms)

”

**Our target:**

***Signing on average one  
agreement per month ...***



## Altogether 16 asset-light agreements signed up

		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	ibis Styles Wałbrzych	130		F					
	7	Mercure Warszawa Airport	117				F			
	8	Mercure Wisła	42					F		
New constructions	9	Mercure Sosnowiec	120							M
	10	ibis Styles Sosnowiec	80							M
	11	ibis Styles Białystok	130							F
	12	ibis Styles Wrocław	130						F	
	13	ibis Styles Siedlce	100							F
	14	ibis Styles Nowy Sącz	56						F	
	15	Mercure Riga	143						F	
	16	Mercure Sepia Bydgosz	90						F	
		Razem	1 830	3	3	0	1	1	4	4

# Modernization of key hotels

## Product improvement

3Q PLN 25.1m CAPEX were spent mainly for modernization projects especially on our key markets such as Warsaw:

- ▶ Sofitel Warsaw Victoria
- ▶ Novotel Warszawa
- ▶ Mercure Warszawa Centrum
- ▶ public areas in 3 ibis hotels in Warsaw

” We will make further efforts to continue to harmonize the product offered in Orbis hotels on the very competitive Warsaw market ...



Sofitel Warsaw Victoria



Mercure Warszawa Centrum



Novotel Warszawa Centrum

## New loyalty program for ibis mega brand introduced in 3Q

### Loyalty program

In almost 1,700 ibis, ibis Styles and ibis budget hotels worldwide:

- ▶ 10% discount on the room and breakfast
- ▶ 10% discount on the expenses in the restaurant and bar
- ▶ 5% additional discount on the main promotions
- ▶ The guarantee of a room always being available for bookings at least 48 hours before arrival





## 2nd edition of Accordeon of Autonomy social project started in 3Q

Sustainable growth  
*ECO & EGO*

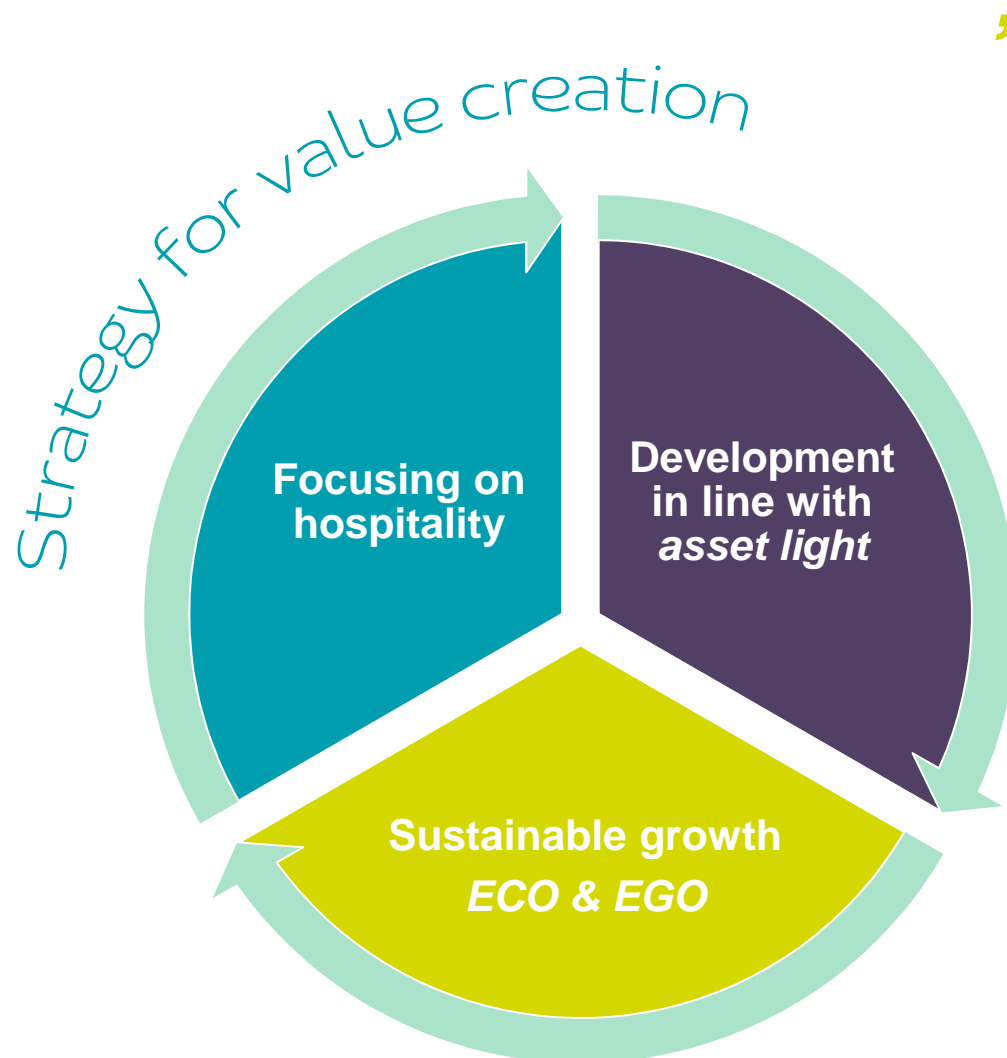
### 2nd edition of “Accordeon of Autonomy”

- ▶ The very first social program in Poland helping youngsters, in difficult life situation to get autonomous
- ▶ Accor Foundation supported the Nobody's Children Foundation with EUR 18,000 donation for the project implementation



***” “Accordeon of Autonomy” is developed under the patronage of the Minister of Work and Social Policy with the support of the French Ambassador in Poland and the French Chamber of Commerce and Industry in Warsaw ...***

## Our 3 Strategic pillars - summary



**” Orbis strengthened  
all three pillars  
in 3Q 2013 ...**

# Appendix

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LUXURY HOTELS

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ibis

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STYLES

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# Orbis SA Management Board

Vice President



Ireneusz Węglowski

President  
Chief Executive Officer



Laurent Picheral

Chief Financial Officer



Marcin Szewczykowski

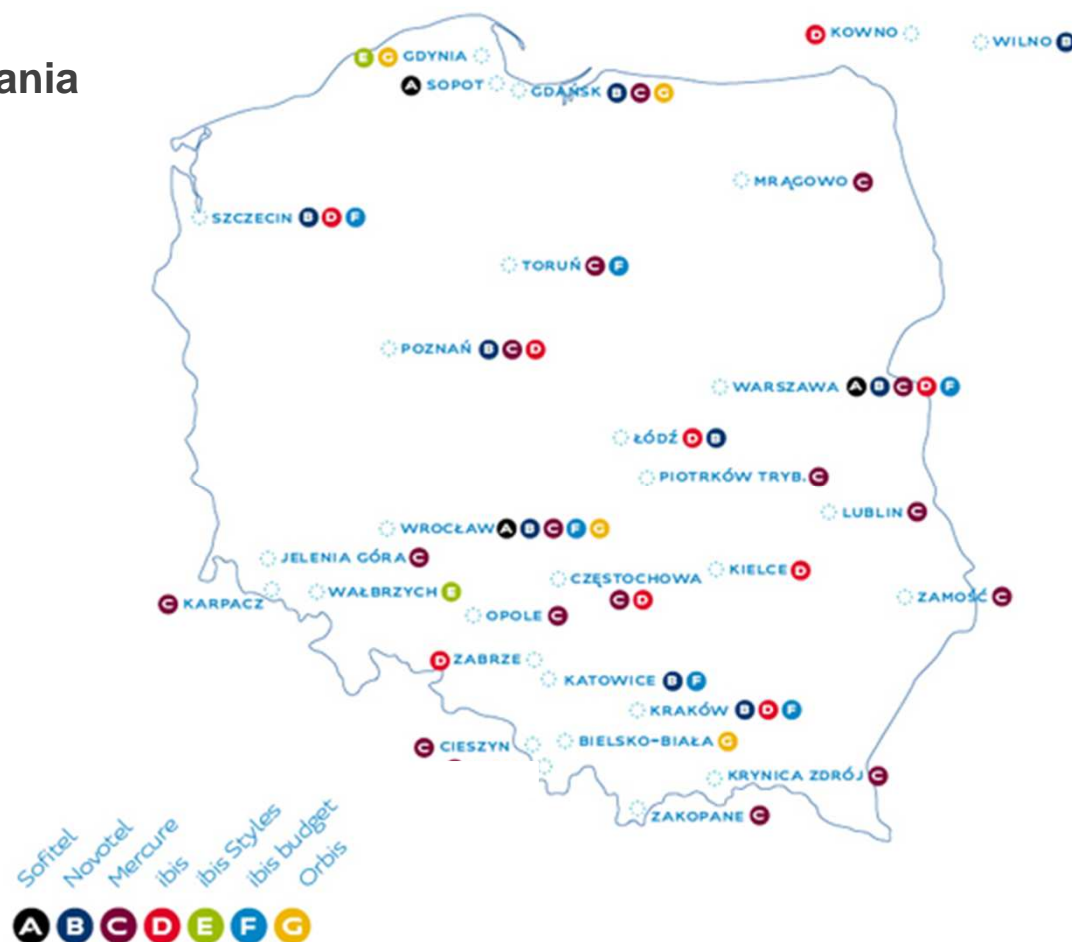
# Orbis Group - the leader of hospitality business in Poland

## 60 hotels in Poland and 2 in Lithuania

- ▶ 52 owned
- ▶ 6 franchised
- ▶ 3 managed
- ▶ 1 leased

28 cities

11,327 rooms



Data as of 30 September 2013

SOFITEL  
LUXURY HOTELS

NOVOTEL

Mercure

ibis

ibis  
STYLES

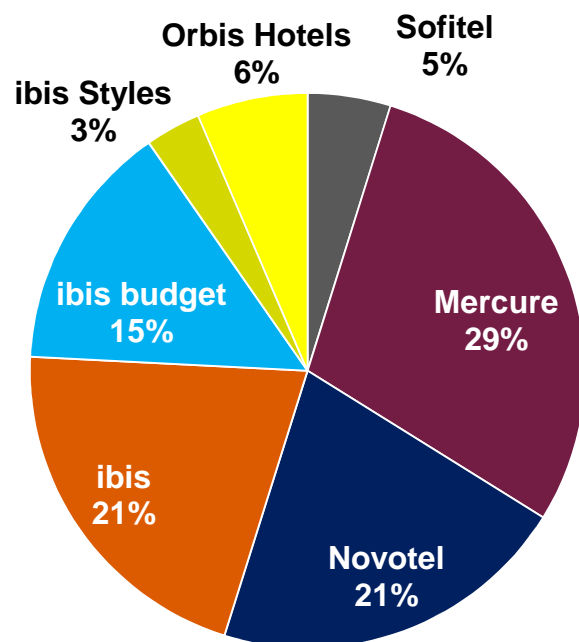
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ibis  
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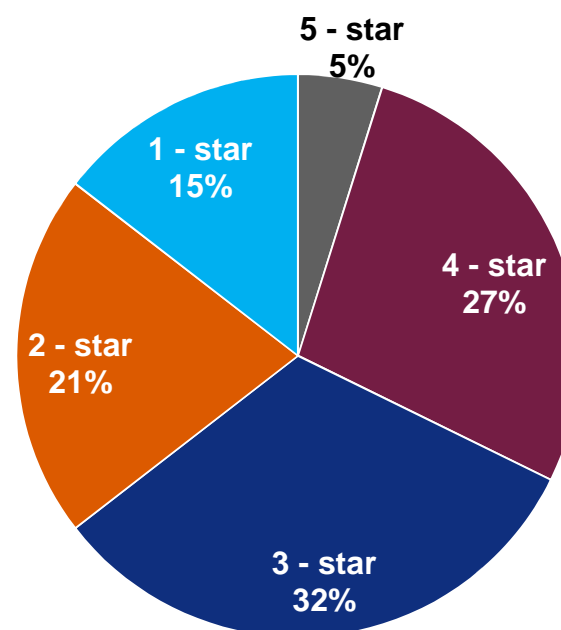
Orbis  
Grupa Hotelowa

# Orbis hotel portfolio

By brands



By standard



Data as of 30 September 2013

## 3Q 2013: Major indicators - summary

Like-for-like results	3Q 2012	3Q 2013	% change
Occupancy Rate (%)	65.9%	68.6%	+ 2.7 pp
Average Room Rate (PLN)	213.3	211.5	- 0.8%
Revenue Per Available Room (PLN)	140.6	145.0	+ 3.1%
Revenue (m PLN)	188.6	195.2	+ 3.5%
EBITDA (m PLN)	60.9	69.8	+ 14.6%
Reported Net income (m PLN)	29.1	32.1	+ 10.4%

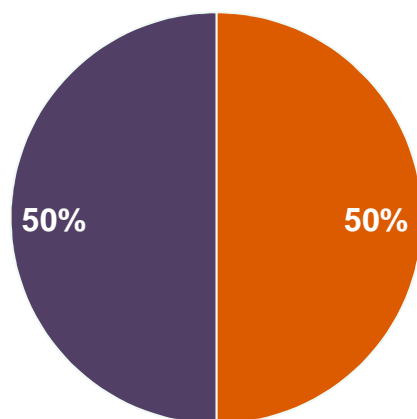
## 9M 2013: Major indicators - summary

Like-for-like results	9M 2012	9M 2013	% change
Occupancy Rate (%)	56.8%	60.3%	+ 3.5 pp
Average Room Rate (PLN)	242.6	208.8	- 13.9%
Revenue Per Available Room (PLN)	137.8	125.9	- 8.6%
Revenue (m PLN)	533.5	504.4	- 5.5%
EBITDA (m PLN)	169.4	150.0	- 11.5%
Reported Net income (m PLN)	104.6	54.1	- 48.3%



# Structure of roomnights sold

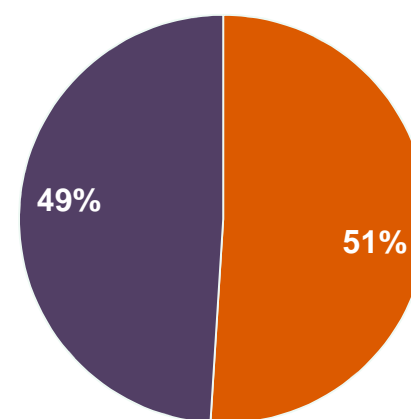
3Q 2012



Nationality mix

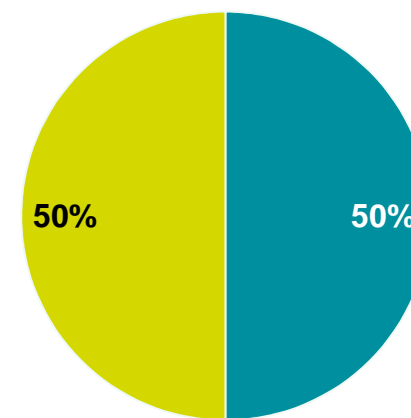
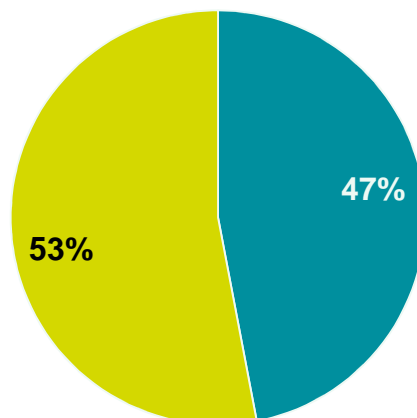
- Domestic clients
- Foreigners

3Q 2013

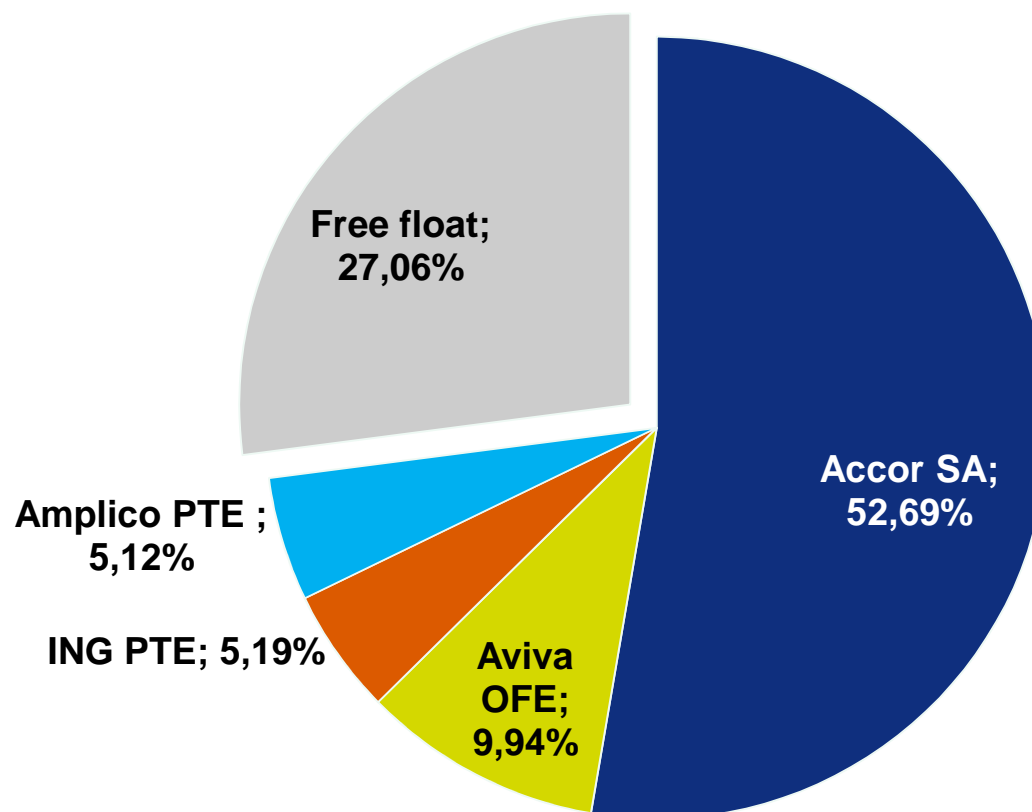


Business mix

- Business clients
- Individuals



## Shareholder structure



Fitch Rating **BBB+** stable  
As of October 2012

Data as of 30 September 2013

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*Mercure*

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# Glossary

- ▶ **OR** – Occupancy rate
- ▶ **ARR** – Average Room Rate
- ▶ **RevPAR** – Revenue Per Available Room
- ▶ **Asset light strategy** – the strategy aiming at refinancing the part of the hotel portfolio and development the network through franchise and management agreements. The Orbis mid-term strategic objective is set at 90 hotels, 60% of which operates based on the asset light mode.
- ▶ **CAPEX** – Capital Expenditures
- ▶ **ibis business** – new loyalty program for ibis mega brand guests introduced in 3Q 2013

# Contact

## Orbis Investor Relations

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