

3Q 2015 ORBIS GROUP RESULTS

Conference for equity market
analysts and investors

Sofitel Warsaw Victoria, 29 October 2015

A modern lounge interior with large windows, red pendant lamps, and a chalkboard wall. A person is blurred in the foreground, and a red ottoman is visible. The text is overlaid on a blue semi-transparent box.

3Q 2015 Key Highlights

Operating results: 3Q 2015

Financial results

Capex and new developments

Future & plans

Appendix

ibis Styles Bielsko-Biała

In 3Q 2015 Orbis Continued Strong Performance...



3Q 2015 Key Highlights

+2.3%

growth of ARR
to
PLN 218

+11%

growth of RevPAR
to
PLN 179

+12%

growth of operating
EBITDA to over
PLN 120 million

” Robust financial and operating growth driven by both the **ARR** and **occupancy rate increase** across the entire perimeter

ARR (average room rate) – room revenue divided by the number of roomnights sold

RevPAR (revenue per available room) – rooms revenue divided by the number of roomnights that are available (can be mathematically derived from occupancy rate multiplied by average room rate)

* all y/y changes on the slide are calculated 3Q 2015 / 3Q 2014 pro forma (no financial impact included)

... Taking Full Advantages of Positive Market Conditions



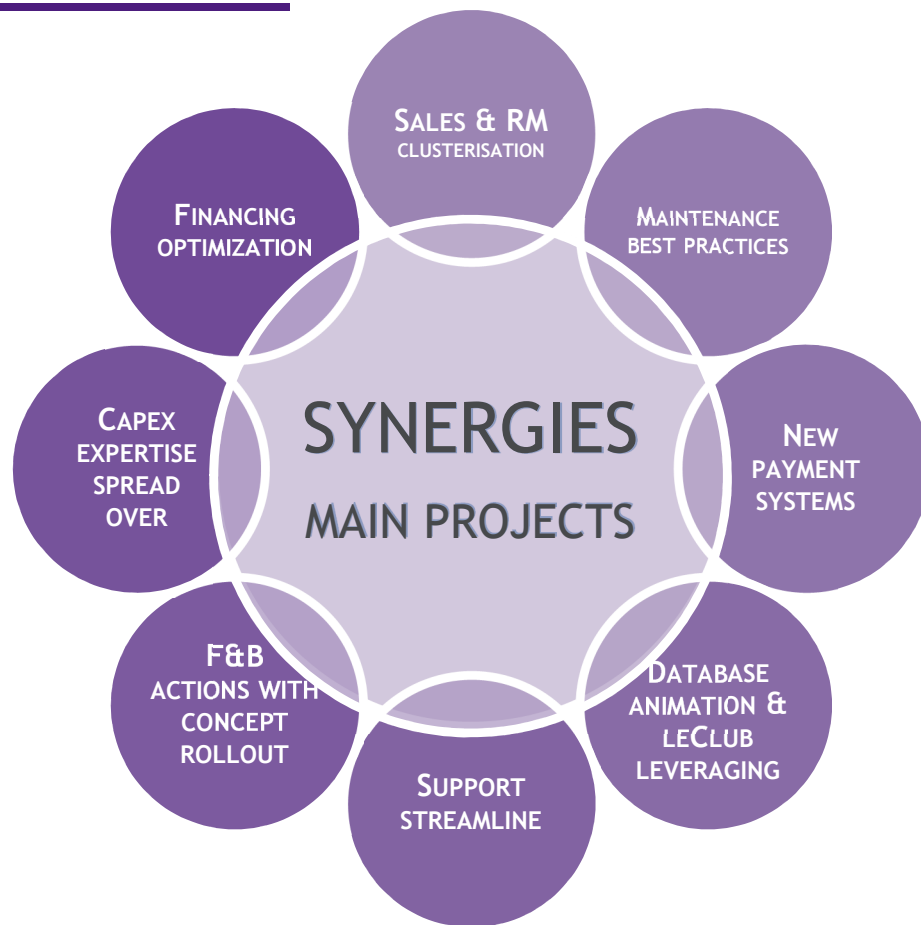
Solid economies recording the **fastest growth in Europe** drive hospitality market's performance in the region

Positive sentiment among business & leisure clients in both the Economy and Up&Midscale hotels across the entire perimeter

Further network expansion: 5 new franchise contracts signed in 3Q 2015



Group's transformation is giving fruits reflected in positive results



The completely
**integrated
organizational
structure**

Synergies
in many areas of
business within the
whole Group

The background image shows a contemporary hotel lobby. The walls are light-colored with several large, dark-framed, tufted alcoves. The floor is covered with a patterned rug. In the foreground, there are two large, round, purple ottomans and a small, white, rectangular coffee table. A large, blue, semi-transparent rectangle is overlaid on the left side of the image, containing white text.

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Mercure Gdańsk Posejdon

Diversified Business Structure...



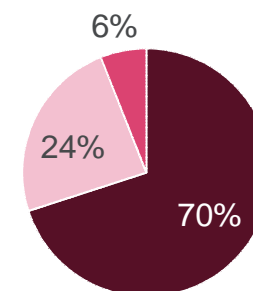
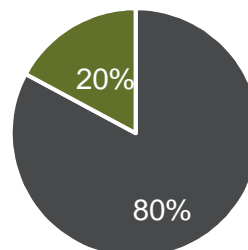
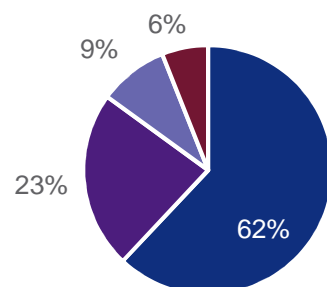
by geographical markets

by hotel segments

by major products and services

PLN 363 M

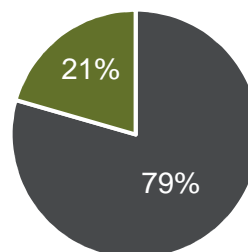
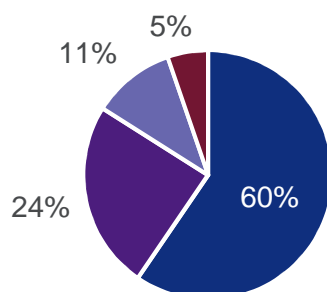
Net sales
3Q 2015



Room revenue
Food & Beverage
Other

PLN 146 M

EBITDAR
3Q 2015



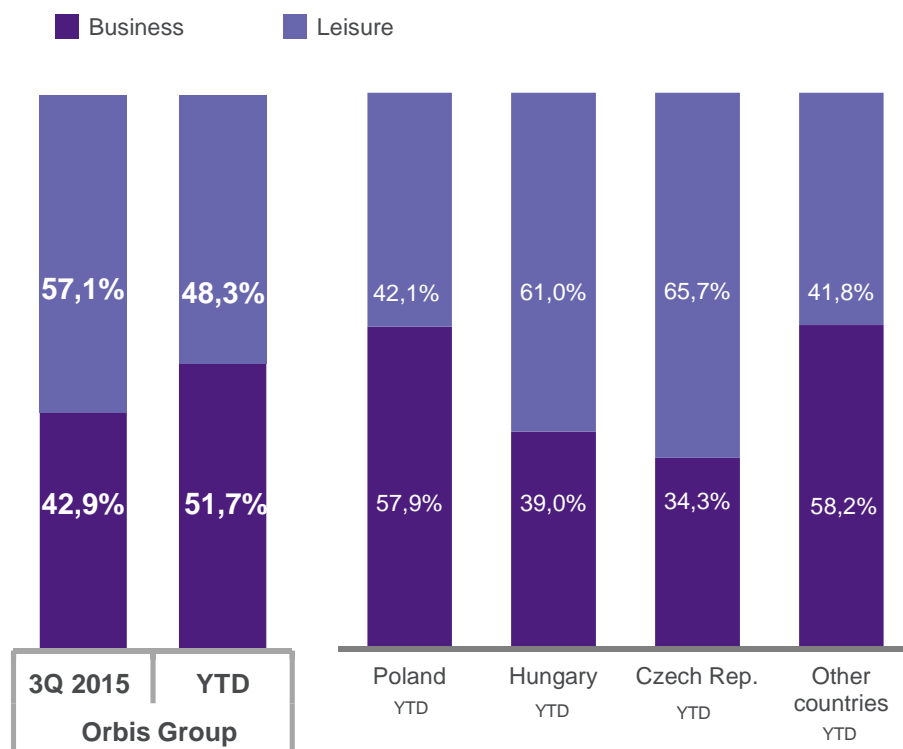
Poland Hungary
Czech Republic Other countries

Up&Midscale
Economy

Well-balanced business diversification:
geographically, by brands and market segments, by products and services

...and Stable Mix of Clients...

Roomnights sold (by business mix)



... Contributed to Orbis' 3Q Strong Operational Performance



- ✓ Solid **increase of the ARR**
- ✓ Strong growth in **occupancy** particularly for **weekend days**
- ✓ Increased demand for **MICE events** across all the brands
- ✓ **Operational excellence** initiatives and **investments** in product attract new clients and boost the scale of operations

+2.3%
growth of **ARR** to
PLN 218

+6.5 p.p.
growth of **occupancy** to
82%

+11%
growth of **RevPAR** to
PLN 179

Orbis continued developments in many areas of business



- ✓ **Strong effort and dynamism in F&B activities:**
in 9 months of 2015 F&B revenues increased by **6.5% to PLN 248.8 million**, contributing 26% to Orbis Group revenues



Innovative F&B concepts, AccorHotels Digital Plan and Loyalty Program – parts of the plan to serve

Customer Relationship

Partnership with
D-RAFT
start-up facilitator



* all y/y changes on the slide are calculated 9M 2015 / 9M 2014 pro forma (no financial impact included)

A photograph of a modern office interior. The ceiling is curved and features a large, colorful, abstract mural. The office has large windows on the left side, and the floor is covered with a patterned carpet. In the foreground, there are several blue chairs. In the background, there is a long wooden desk with a computer monitor and a person standing behind it. The overall atmosphere is bright and modern.

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ibis Budapest City

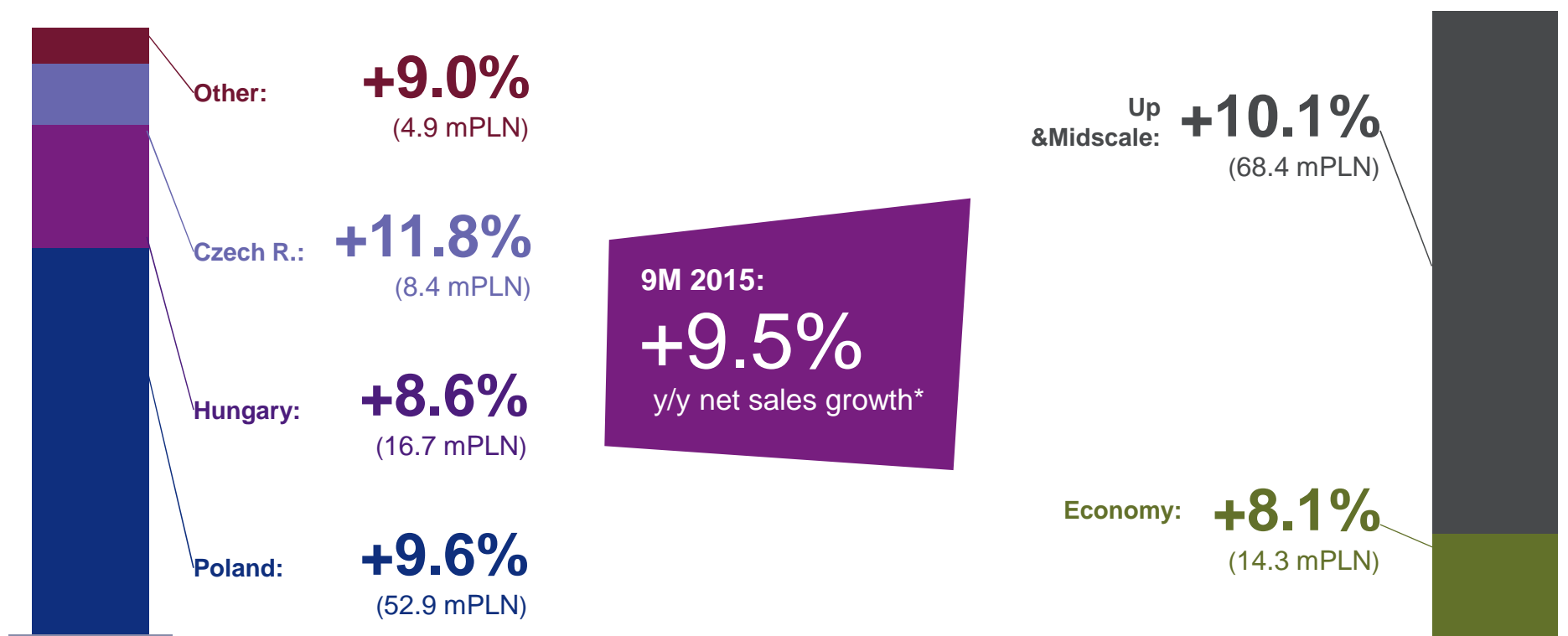
3Q Contributed to Strong YTD Performance...



Exchange impact not material	9M 2015	9M 2014	y/y	9M 2014
		Pro forma	Pro forma	reported
[mPLN, %]				
Net sales	954.5	871.6	+9.5%	530.9
EBITDAR	339.3	298.0	+13.9%	163.6
Rent costs	76.1	74.6	+2.0%	3.4
Operating EBITDA	263.2	223.4	+17.8%	160.2
Depreciation and amortisation	104.0	103.2	+0.7%	83.2
EBIT	166.7	124.8	+33.6%	79.0
Profit (loss) before tax	160.7	126.8	+26.7%	82.9
EBITDAR margin	35.6%	34.2%	+1.4 p.p.	30.8%

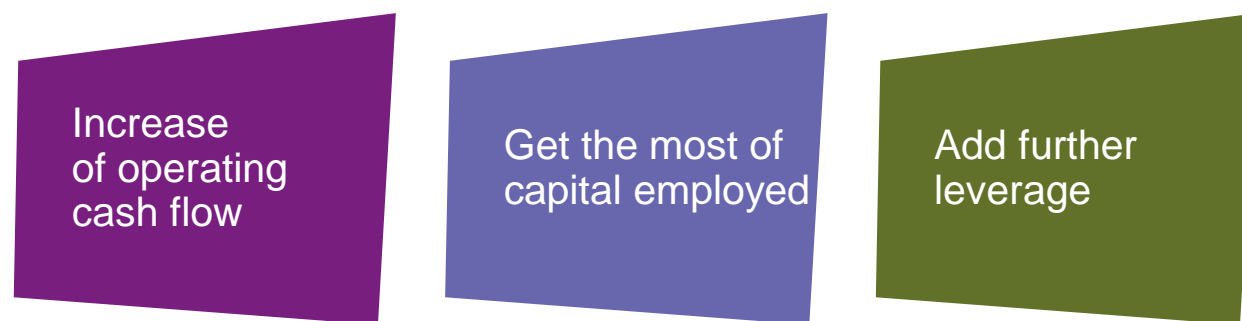
...and Significant Increase of Net Sales in All the Segments

[mPLN, %]



* all y/y changes on the slide are calculated 9M 2015 / 9M 2014 pro forma (no financial impact included)

Value Creation Remains Orbis' Priority



- ✓ **Asset Management:** disposals of the least-contributing assets and reallocation in value creative projects
 - sale of 2 Mercure hotels in Lublin & Zamość in 3Q 2015
- ✓ **Cash available** for buy-backs in a short term and potential further acquisition

Key cash position indicators

	30.09.2015
[mPLN, %]	
Total debt (borrowings +bonds)	476.5
Total cash	270.1
Net debt	206.4
Net debt /equity	11.9%
Net debt /fixed assets	10.0%



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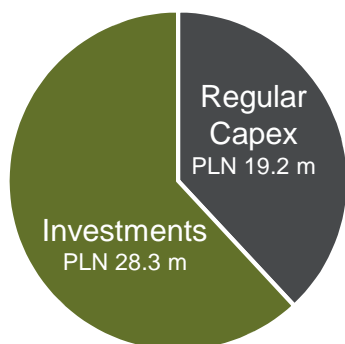
Appendix

ibis Styles Wrocław Centrum

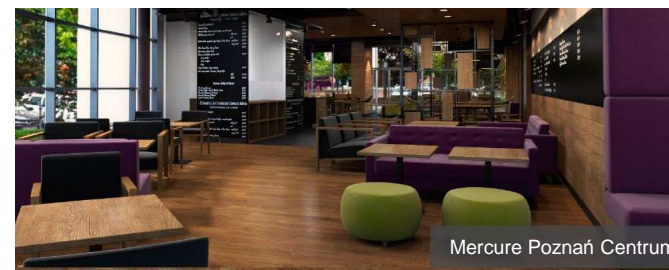
In 3Q 2015 Orbis Continued Profitable Investments



- ✓ Modernization of conference rooms and foyer in the **Novotel Warszawa Airport**
- ✓ On-going works in the last **Orbis-branded hotel in Wrocław** to be rebranded into a combo Novotel & ibis
- ✓ Modernization works in **Novotel Poznań Malta**, **Mercure Wrocław Centrum** and selected hotels under ibis and ibis Styles brands



Total CAPEX in 9M 2015:
PLN 47.5m



Further Development Is Well on Track



Regular Capex:
~5% of net sales

**Product Improvement
& Development Plan**

Asset Management

Owned hotels in the pipeline:

- ✓ 2 hotels under development:
Mercure in Kraków and
ibis in Gdańsk
(both to be opened in 2H 2016)
- ✓ 1 hotel under design works:
ibis Styles Szczecin
(to be opened in 2H 2017)

**18
franchised/managed**
hotels within next 2 years

**More than 1 hotel
per month**
to be opened in 2016



Mercure Kraków Stare Miasto

A photograph of a modern hotel interior, likely a restaurant or lounge area. The space features round tables with blue upholstered chairs. The ceiling has a grid pattern with recessed lighting and a large, spherical, textured pendant light hangs in the foreground. The background shows more tables and a large window or glass partition. A blue semi-transparent overlay is positioned on the left side of the image, containing white text.

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Novotel Kraków Centrum

Orbis Strengthened All Three Pillars of its Strategy...



” Business model perfectly tailored to continue creating **greater value for all our stakeholders**

... and Is on the Way to Push Performance Further!



2015 EBITDA range:

PLN 310-320 m

Target **confirmed**



A modern hotel lobby with a red sofa, glass partitions, and a blue overlay with the text 'Q&A'. The lobby features a red sofa with grey cushions, a round yellow coffee table, and a white cylindrical side table. A person is walking in the background, carrying a suitcase. The floor is covered with a patterned rug. The background shows a reception area with a sign that says 'RECEPTION' and a glass partition with a wavy pattern.

Q&A

ibis Warszawa Stare Miasto

Contact



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A photograph of a hotel lobby with a blue overlay containing text. The lobby features high ceilings with ornate moldings, large rectangular pendant lights, and a patterned carpet. In the foreground, there are dark leather tufted armchairs and a wooden coffee table with a newspaper, a glass of water, and a small vase of yellow flowers. In the background, a person is standing near a service counter, and a large abstract painting is visible on the right wall.

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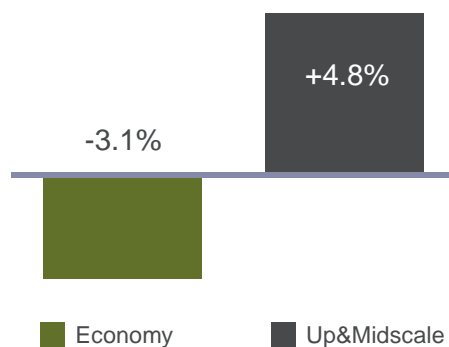
Appendix

Hotel Nemzeti Budapest - MGallery Collection

3Q 2015: Solid ARR



ARR change
by hotel segment y/y



3Q 2015:

+2.3%

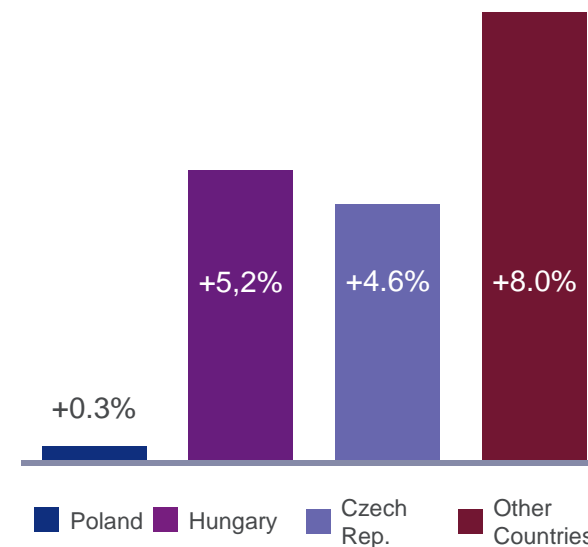
(PLN 218.4)

9M 2015:

+0.8%

(PLN 216.2)

ARR change
by geographical market y/y

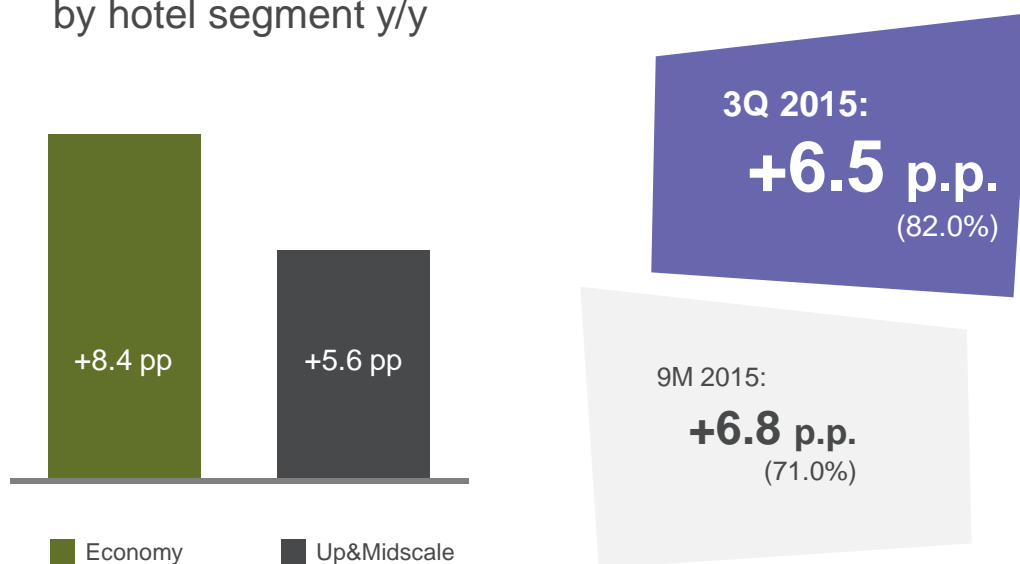


ARR (average room rate) – room revenue divided by the number of roomnights sold

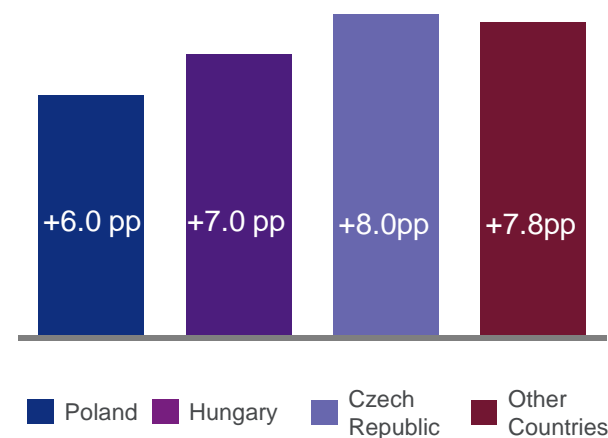
* all y/y changes on the slide are calculated 3Q 2015 / 3Q 2014 pro forma (no financial impact included)

3Q 2015: Positive Effects of Volume Strategy

Occupancy change
by hotel segment y/y



Occupancy change
by geographical market y/y

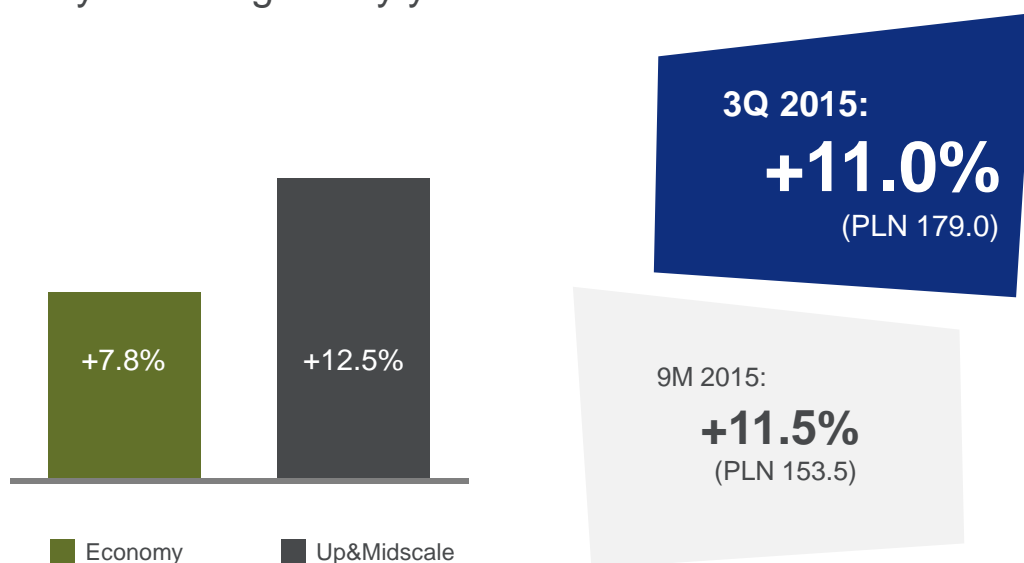


Occupancy – rooms occupied by hotel guests, expressed as a percentage of rooms that are available

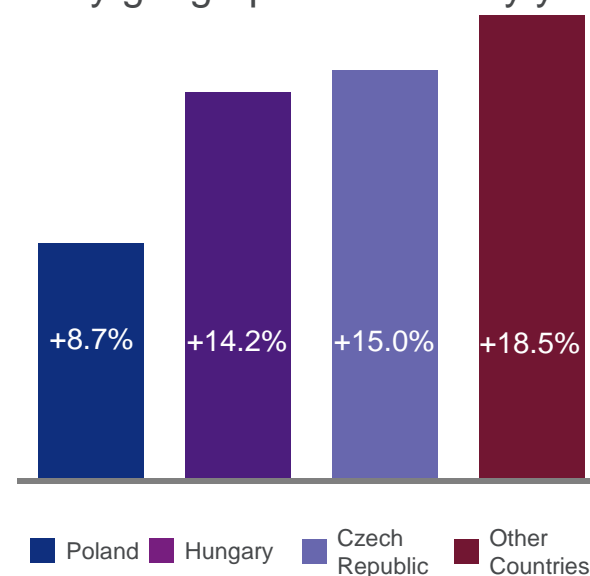
* all y/y changes on the slide are calculated 3Q 2015 / 3Q 2014 pro forma (no financial impact included)

3Q 2015: Strong RevPAR Growth in the Group

RevPAR change
by hotel segment y/y



RevPAR change
by geographical market y/y



RevPAR (revenue per available room) – rooms revenue divided by the number of roomnights that are available (can be mathematically derived from occupancy rate multiplied by average room rate)

* all y/y changes on the slide are calculated 3Q 2015 / 3Q 2014 pro forma (no financial impact included)

Consolidated Statement of Financial Position – Selected Data



[mPLN, %]	30.09.2015	30.06.2015	30.09.2014	y/y
ASSETS				
Non-current assets	2 058.1	2 068.6	1 782.5	+15.5%
Property, plant and equipment	1 904.7	1 915.0	1 647.7	+15.6%
Current assets	382.1	341.2	263.2	+45.2%
Trade receivables	74.0	70.6	42.3	+74.7%
Other short-term receivables	31.8	33.0	14.4	+120.6%
Cash and cash equivalents	270.1	231.3	202.5	+33.4%
Assets classified as held for sale	11.0	22.7	14.2	-22.2%
Total assets	2 451.2	2 432.5	2 059.9	+19.0%
EQUITY & LIABILITIES				
Equity	1 729.6	1 649.8	1 929.2	-10.3%
Equity attributable to owners of the parent	1 729.4	1 649.7	1 929.2	-10.4%
Non-current liabilities	467.0	465.9	27.7	+1 588.8%
Borrowings	140.0	139.8	0	-
Bonds	301.2	300.1	0	-
Current liabilities	254.6	315.2	103.0	+147.2%
Borrowings	35.3	35.6	0	-
Trade payables	100.6	93.3	38.8	+159.3%
Liabilities associated with assets classified as held for sale	0.0	1.6	0.0	-
Total equity & liabilities	2 451.2	2 432.5	2 059.9	+19.0%

Consolidated Income Statement – Selected Data



Exchange impact not material	3Q 2015	3Q 2014	y/y	3Q 2014
		Pro forma	Pro forma	reported
[mPLN, %]				
Net sales	362.9	337.7	+7.5%	204.2
EBITDAR	146.2	133.0	+9.9%	75.2
Rent costs	26.0	25.7	+1.2%	1.2
Operating EBITDA	120.1	107.3	+12.0%	74.1
Depreciation and amortisation	34.8	34.3	+1.4%	27.9
EBIT	95.3	75.0	+27.1%	48.2
Profit (loss) before tax	92.3	76.0	+21.3%	49.6

Consolidated Cash Flow – Selected Data



[mPLN, %]

	9M 2015	9M 2014
OPERATING ACTIVITIES		
Loss before tax	160.7	82.9
Adjustments (selected):	107.5	64.5
Depreciation and amortization	103.9	83.2
Change in receivables	(16.9)	(20.8)
Change in current liabilities, excluding borrowings	15.2	6.4
Change in deferred income	7.5	2.9
Net cash generated by/(used in) operating activities	239.9	134.8
INVESTING ACTIVITIES		
Payments for property, plant and equipment, investment property and intangible assets	(63.7)	(70.4)
Payments to acquire interest in related parties	(563.6)	0
Net cash generated by/(used in) investing activities	(602.7)	(54.0)
FINANCING ACTIVITIES		
Proceeds from borrowings	476.4	0
Interest paid and other financing cash outflows resulting from received borrowings	(10.5)	0
Net cash generated by financing activities	396.5	(69.1)
Change in cash and cash equivalents	33.6	11.6
Effects of exchange rate changes on the balance of cash held in foreign currencies	(3.1)	0
Cash and cash equivalents at the beginning of the period	239.5	190.8
Cash and cash equivalents at the end of the period	270.1	202.5

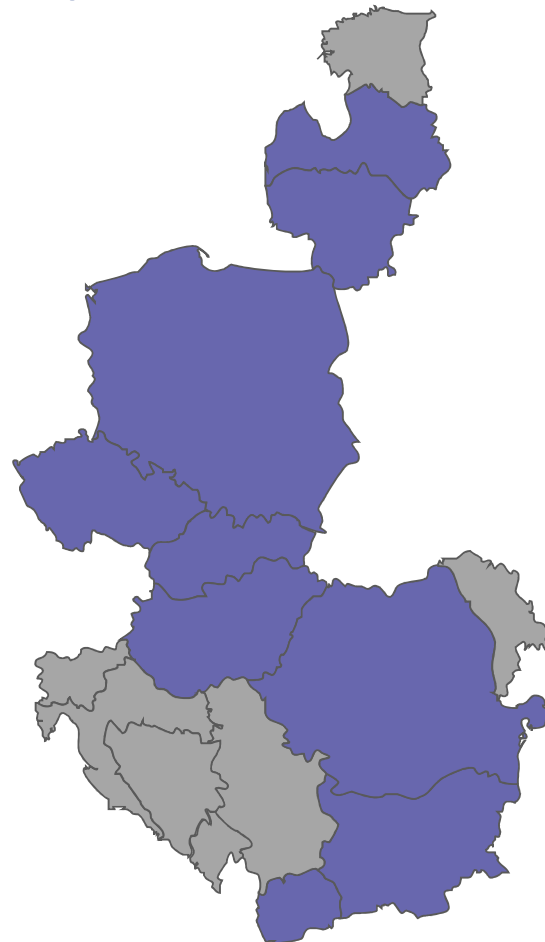
The Orbis Group Today



No. 1

hotel operator
in Eastern Europe

SOFITEL LUXURY HOTELS	4
pullman	1
M GALLERY	2
NOVOTEL	21
Mercure	33
ibis	30
ibis STYLES	6
ORBIS HOTELS	1
ibis budget	9



107
operating hotels

18 700
rooms

9
operational countries

7
countries to be
developed

9
brands

3 800
Employees*

* average employment in the Group in 9M 2015

Franchised and Managed Hotels within Next 3 Years (1/2)



#	Country	City	Brand	Rooms	Ownership type	Planned opening
1	Lithuania	Klaipeda	ibis Styles	144	Franchise	4Q 2015
2	Poland	Białystok	ibis Styles	130	Franchise	2016
3	Poland	Siedlce	ibis Styles	100	Franchise	2016
4	Poland	Nowy Sącz	ibis Styles	56	Franchise	2016
5	Poland	Grudziądz	ibis Styles	82	Franchise	2016
6	Poland	Poznań	ibis	77	Franchise	2016
7	Poland	Gniezno	ibis Styles	70	Franchise	2016
8	Latvia	Riga	Pullman	154	Franchise	2016
9	Latvia	Riga	ibis	104	Franchise	2016
10	Romania	xxx*	Mercure	92	Management	2016
11	Romania	xxx*	Mercure	50	Management	2016
12	Poland	Kraków	ibis Styles	60	Franchise	2017
13	Poland	Gdańsk	ibis budget	120	Franchise	2017

Franchised and Managed Hotels within Next 3 Years (2/2)



#	Country	City	Brand	Rooms	Ownership type	Planned opening
14	Poland	xxx*	ibis Styles	120	Management	2017
15	Poland	xxx*	ibis	120	Management	2017
16	Poland	xxx*	ibis budget	80	Management	2017
17	Poland	Chelm	ibis budget	60	Franchise	2017
18	Romania	Arad	ibis Styles	72	Franchise	2017
19	Romania	Brasov	Mercure	120	Franchise	2018

Orbis Group Hotels by Country and by Brand as at the End of September 2015



	Sofitel	Pullman	MGallery	Novotel	Mercure	ibis	ibis Styles	ibis budget	Orbis Hotels	Total
Poland	3			12	23	12	4	9	1	64
Hungary	1		1	5	5	5				17
Czech Republic			1	1	1	5				8
Slovakia					1	1				2
Romania		1		1	1	4				7
Bulgaria				1		1				2
Macedonia						1				1
Lithuania				1	1	1	1			4
Latvia					1		1			2
Total	4	1	2	21	33	30	6	9	1*	107

* Rebranding in progress

List of Hotels with Their Ownership Structure and No. of Rooms (1/2)



POLAND

O 127 Sofitel Grand Sopot	O 294 Mercure Gdynia Centrum	O 114 ibis Kielce Centrum
O 343 Sofitel Warsaw Victoria	O 188 Mercure Jelenia Góra	O 175 ibis Kraków Centrum
L 205 Sofitel Wrocław Old Town	F 288 Mercure Kasprowy Zakopane	O 208 ibis Łódź Centrum
O 158 Novotel Gdańsk Centrum	F 100 Mercure Krynica Zdrój Resort & Spa	O 146 ibis Poznań Centrum
O 176 Novotel Gdańsk Marina	F 110 Mercure Lublin Centrum	O 135 ibis Stare Miasto Kraków
O 300 Novotel Katowice Centrum	O 214 Mercure Mrongovia Resort & Spa	O 103 ibis Szczecin Centrum
O 305 Novotel Kraków City West	O 103 Mercure Opole	O 189 ibis Warszawa Centrum
O 198 Novotel Kraków Centrum	F 62 Mercure Piotrków Trybunalski Vestil	O 137 ibis Warszawa Ostrobramska
O 161 Novotel Łódź Centrum	O 151 Mercure Posejdon Gdańsk	O 170 ibis Warszawa Reduta
O 480 Novotel Poznań Centrum	O 228 Mercure Poznań Centrum	O 333 ibis Warszawa Stare Miasto
O 149 Novotel Poznań Malta	F 67 Mercure Raławice Dosłońce Conference & SPA	O 133 Ibis Styles Bielsko-Biała
O 116 Novotel Szczecin	O 148 Mercure Skalny Karpacz	F 86 ibis Styles Gdynia Reda
O 281 Novotel Warszawa Airport	O 110 Mercure Toruń	F 130 ibis Styles Wałbrzych
O 742 Novotel Warszawa Centrum	F 117 Mercure Warszawa Airport	F 133 ibis Styles Wrocław Centrum
O 145 Novotel Wrocław	O 338 Mercure Warszawa Centrum	O 124 ibis budget Katowice Centrum
F 90 Mercure Bydgoszcz Sepia	O 299 Mercure Warszawa Grand	O 120 ibis budget Kraków Bronowice
O 78 Mercure Cieszyn	F 42 Mercure Wisła Patria	O 167 ibis budget Kraków Stare Miasto
O 102 Mercure Częstochowa Centrum	O 151 Mercure Wrocław Stare Miasto	O 120 ibis budget Szczecin
O 281 Mercure Gdańsk Stare Miasto	F 54 Mercure Zamość Stare Miasto	O 83 ibis budget Toruń
	O 125 ibis Częstochowa	O 176 ibis budget Warszawa Centrum
	O 114 ibis Katowice-Zabrze	O 163 ibis budget Warszawa Reduta

O: owned, L: leased, M: managed, F: franchised

List of Hotels with Their Ownership Structure and No. of Rooms (2/2)



- O 108 ibis budget Wrocław Południe
- O 122 ibis budget Wrocław Stadion
- O 294 Hotel Orbis Wrocław

LITHUANIA

- L 157 Novotel Vilnius
- F 47 Mercure Marijampole
- M 125 ibis Kaunas Centre
- F 92 ibis Styles Wilno

LATVIA

- F 143 Mercure Riga Centre
- F 76 ibis Styles Riga

HUNGARY

- L 357 Sofitel Budapest Chain Bridge
- M 80 Nemzeti Budapest – MGallery Collection
- L 227 Novotel Budapest Centrum
- O 319 Novotel Budapest City
- L 175 Novotel Budapest Danube
- O 136 Novotel Szeged
- L 95 Novotel Szekesfehervar
- L 390 Mercure Budapest Buda

- L 227 Mercure Budapest City Center
- O 130 Mercure Budapest Duna
- L 421 Mercure Budapest Korona
- L 130 Mercure Budapest Metropol
- O 139 ibis Budapest Aero
- L 126 ibis Budapest Centrum
- L 84 ibis Budapest City
- L 139 ibis Budapest Heroes' Square
- O 96 ibis Gyor

CZECH REPUBLIC

- L 174 Mgallery Praha Old Town
- O 146 Novotel Praha Wenceslas Square
- O 139 Mercure Ostrava Center
- F 90 ibis Olomouc Centre
- O 130 ibis Plzen
- O 225 ibis Praha Mala Strana
- L 271 ibis Praha Old Town
- O 181 ibis Praha Wenceslas Square

SLOVAKIA

- L 175 Mercure Bratislava Centrum
- L 120 ibis Bratislava Centrum

ROMANIA

- M 203 Pullman Bucharest World Trade Centre
- L 257 Novotel Bucharest City Centre
- M 114 Mercure Bucharest City Center
- M 250 ibis Bucuresti Gara de Nord
- M 161 ibis Bucuresti Palatul Parlamentului
- M 154 ibis Constanta
- M 195 ibis Sibiu

BULGARIA

- M 178 Novotel Sofia
- F 84 ibis Sofia Airport

MACEDONIA

- M 110 ibis Skopje City Center