8th Snow and Mountain Tourism World Congress

9-10 April 2014, Andorra la Vella
We are here to revolutionize tourism in Central Europe!
TMR’s Strategy

Who We Are and What We Do
Our Potential

- Long History of Tourism in the Tatras

- Cultural and Natural Heritage
Challenges

- The Mountain Resorts in 2005
Who We Are Today
## Business Model Overview

### Hotel Segment
- 12 owned and managed/leased hotels from 2 to 4-star
- 677 rooms
- 2,352 beds
- New luxurious wellness spa facilities
- Ongoing hotel upgrades, additions
- 17 new luxury apartments Grand Residences Tatranská Lomnica

### Mountain & Leisure Segment
- **Mountain Resorts** – 4 resorts in the High and Low Tatras (SK), the Czech Rep. (co-mgt), and Poland – 115 km of ski trails
- **Aquapark** – Tatralandia in the Tatras’ valley
  - 14 swimming pools and 28 toboggans
- **Dining** – 23 dining facilities on and off the slopes
  - Total chair capacity of 3,046
- **Sports Stores & Services** – Tatry Motion
  - Ski schools, 1,577 m² of total retail space, 1,259 rental skis & snowboards

### Revenues by Segments*

<table>
<thead>
<tr>
<th>Segment</th>
<th>Revenue Breakdown</th>
</tr>
</thead>
<tbody>
<tr>
<td>M&amp;L</td>
<td>72%</td>
</tr>
<tr>
<td>Hotels</td>
<td>28%</td>
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### M&L Segment Breakdown

- **Mountain Resorts**: 56%
- **Aquapark**: 20%
- **Dining**: 17%
- **Sports Services & Stores**: 7%

* FY 2012/13
Mountain Resorts

- **Vysoké Tatry (High Tatras, SK)**
  Tatranská Lomnica – Starý Smokovec – Štrbské Pleso
  - 24 km of ski trails
  - 20 cableways and lifts
  - Max. transportation capacity of more than 21,365 persons/hour
  - 20 km of ski trails with snowmaking
  - Summit elevation: 2,625 m a.s.l.
  - Base elevation: 805 m a.s.l.
  - Vertical drop: 1,820 m
  - 10 dining facilities
  - Tatry Motion stores & services

- **Jasná Nízke Tatry (Low Tatras, SK)**
  Chopok North – Chopok South
  - More than 45 km of ski trails
  - 30 cableways and lifts
  - Max. transportation capacity of 32,704 persons/hour
  - More than 29 km of ski trails with snowmaking
  - Summit elevation: 2,004 m a.s.l.
  - Base elevation: 880 m a.s.l.
  - Vertical drop: 1,124 m
  - 15 dining facilities
  - Tatry Motion stores & services
Mountain Resorts

- Špindlerův Mlýn (Krkonose, CZ)
  - Leased through JV
  - 25 km of ski trails
  - 16 cableways and lifts
  - 3 snow parks
  - Max. transportation capacity of 20,500 persons/hour.
  - 21 km of ski trails with snowmaking
  - Summit elevation: 1,235 m a.s.l.
  - Base elevation: 702 m a.s.l.
  - Vertical drop: 533 m

- Szczyrk (Beskids, PL)
  - EUR 30m of investments planned
  - 22.6 km of ski trails
  - 13 cableways and lifts
  - Max. transportation capacity of 9000 persons/hour.
  - 18 km of ski trails with snowmaking
  - Summit elevation: 1,211 m a.s.l.
  - Base elevation: 460 m a.s.l.
  - Vertical drop: 678 m
Aquapark & Hotels

- **Tatralandia (Liptov, SK)**
  - 9 year-around swimming pools
  - 5 summer swimming pools
  - 17 saunas
  - 30 waterslides
  - Tropical Paradise, Wellness Paradise, Funpark Tatralandia
  - Hotel – Holiday Village Tatralandia
  - 4 dining facilities

- **Hotels (High & Low Tatras)**
  - Grandhotel Starý Smokovec****
  - Grandhotel Praha****
  - Wellness Hotel Grand Jasná****
  - Hotel FIS Štrbské pleso***
  - Chalets Jasná De Luxe****
  - Tri Studničky Hotel****
  - Holiday Village Tatralandia
  - Hotel Srđiečko**
  - Million Star Hotel
  - Hotel Slovakia
  - Hotel Liptov,
  - Hotel Ski & Fun Záhradky
  - Chata Kosodrevina
NUMBERS AND FACTS
Slovakia
High and Low Tatras

50 cable cars and ski lifts
54,000 people / hour

from 903 m above sea level
to 2,192 m above sea level

70 km ski slopes

53% ski slopes with man-made snow
Our Market

Potential

- “Natural monopoly” position (no other similar places in the region to provide the “Alpine resorts feel” except for the Tatras)
- No competition within 1000 km east of TMR resorts
- 7.5 million people living within 200 km
- Long tradition of visitors from CEE
- Easy access by plane
- More affordable than Alpine resorts

Target Groups (through):
- Slovak (massive marketing campaigns)
- Polish (massive marketing campaigns)
- Czech (still benefiting from the common past; no language barrier)
- Russian-speaking & Baltic (driving distance unlike Alpine resorts)

Segmentation

- Affluent clientele
  - Luxury and prestige of the hotels in the High Tatras
- Mainstream
  - Jasná, Nízke Tatry tailored to the young, families, and sports enthusiasts
Great Potential in Regional Mountain Tourism

Skiers by Country

Source: Vanat, Laurent. 2013 International report on mountain tourism
Our Strategy Based on 3 Pillars

Increasing quality with investments
- EUR 190 million over 7 years (incl. EUR 45 million in 2013)
- New modern cableways
- Renovating hotels
- Expanding resorts
- Capitalizing on completed investments

Strategic acquisitions and expansion of operation in CEE
- Aquapark Tatralandia 2011
- Špindlerův mlýn ski resort, Czech Republic
- Korona Ziemi (JV in PL)
- Szczyrk, PL
- Potential acquisitions in Czech Republic, Poland

Constant operations & services enhancement
- Enhancing customer experience through synergies
- Focus on affluent clientele
- Trendsetter in the region
- Quality management
Our Assets Grow through Capital Investments

- Total of EUR 190 million invested into development of our resorts and hotels in the last 7 years
- 2013 end of Investment phase I – EUR 45 mil.
- **CAPEX 2007–2013: EUR 190 million**
  - Transportation capacity increased by 17,000 to total 54,069 persons/hour
  - 10 newly built ski lifts, total 50
  - Additional 25 km of snowmaking, total 50 km
  - 671 snow guns
  - 25 dining facilities built on slopes

### CAPEX Breakdown in EUR millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Mountain Resorts</th>
<th>Aquapark</th>
<th>Dining</th>
<th>Sport Services &amp; Stores</th>
<th>Hotels</th>
<th>Real Estate</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>2008</td>
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<tr>
<td>2009</td>
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<tr>
<td>2010</td>
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<td>€0</td>
<td>€0</td>
<td>€0</td>
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<td>2011</td>
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<td>€0</td>
<td>€0</td>
<td>€0</td>
<td>€0</td>
<td>€3,000</td>
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<tr>
<td>2012</td>
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<td>€0</td>
<td>€0</td>
<td>€0</td>
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<td>€0</td>
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<tr>
<td>2013</td>
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<td>€0</td>
<td>€0</td>
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<td>€152,800</td>
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</tbody>
</table>
Investments of 2010 – CAPEX of EUR 26 million

6-seat cableway in Vysoké Tatry

Happy End Jasná

Grand Jet Jasná Nízke Tatry

Orange 6-seat cableway Jasná Nízke Tatry
Investments of 2011 – CAPEX of EUR 29.6 million

- 8-seat cableway Buková hora Vysoké Tatry
- Tatry Motion Board Shop
- Renovated room in hotel Grand Jasná
- New wellness Grandhotel Praha Tatranská Lomnica
2012 Investments – CAPEX of EUR 44 million

- Funitel Jasná Nízke Tatry
- Tropical Paradise Tatralandia
- 15-seat Kosodrevina, Chopok, Jasná Nízke Tatry
- Tropical Paradise Tatralandia
2013 Investments – CAPEX of EUR 45 million

New conference hall - Wellness Hotel Grand Jasná

Chalets Jasná de Luxe****

Rotunda, Jasná

15-seat gondola, Vysoké Tatry
Marketing tools

1. Intensive advertising campaigns on crucial foreign markets
2. Strong PR campaigns, cooperation with the media
3. CRM GOPASS system with an e-shop and a loyalty programme
4. EVENT marketing
5. Support of regional DMOs
6. Non-profit projects with numerous positive PR effects
1. Advertising campaigns

- Focused on crucial growing markets: **Poland, Ukraine, Lithuania**
- European spots - **Eurosport**
- Length of campaigns 5-6 weeks
- Major types of media: **TV, OOH, radio, internet, PR**
2. PR in Slovakia

- Cooperation with the biggest media in Slovakia – magazines, TV, radio stations

- Above-standard trade cooperation – sale of idle capacities via masses
3. GOPASS e-shop & CRM

- E-shop offering ski passes, water park tickets, accommodation, rentals, ski school
- A loyalty system with benefits
- Email direct marketing
4. EVENT marketing

More than 100 events per year organised for various target groups
Service Enhancement & Clients’ Satisfaction*

Will you visit our resorts in future?

- Yes: 42%
- Yes and I will recommend: 3%
- No: 55%

How satisfied are you with…?

- Accommodation quality:
  - Satisfied: 80%
  - Somehow satisfied: 2%
  - Not satisfied: 18%

- Number of cableways:
  - Satisfied: 65%
  - Somehow satisfied: 31%
  - Not satisfied: 4%
Operational Overview

What We Have Achieved and How
What Drives Our Revenues

- Acquisitions
- Capital Investments
- Synergies
- Marketing

KPIs \( \uparrow \) Revenue Growth
Stable Growth in KPIs

**Visit Rate in Mountains and Leisure***

- Thousands
- 2009/10 to 2012/13
- Tatralandia and Mountain Resorts

**Average Revenues per Visitor**

- € per given period – fiscal year

**KPIs of Hotel Portfolio**

- Occupancy (%), Price (EUR)
- 2009/10 to 2012/13

* Aquapark Tatralandia was acquired on 1/4/11

** per given period – fiscal year
Impact of Ticket Pricing on TMR’s Growth

- Annual increase of ticket prices is justified with extensive CAPEX invested into development of TMR resorts and hotels
- 5-year CAGR:
  - Operating revenues* +21%
  - EBITDA* +39%
  - Average ticket price +2%

*The adjusted operating results exclude the influence of a provision created in connection to revitalization of the Tatras in the amount of EUR 480 ths. in 2010/11. The results till 2012/13 include 100% of the results of Grandhotel Starý Smokovec, which, as per IFRS, was accounted for by the Equity method. The results for the period of 1/11/2009-28/12/2009 (2 months) were not included in the IFRS consolidated statements for 2008/09; it is a pro forma adjustment.
Strategic Product Position, Closing in on Alpine Resorts

- Jasná - TMR; 46
- Vysoké Tatry - TMR; 24
- Stubaier Gletcher; 110
- Livigno; 110
- Jasná - TMR; 46
- Gastein; 220
- Ischgl; 238
- Val Gardena; 175
- Stubaier Gletcher; 110
- Livigno; 110
- Gastein; 220
- Ischgl; 238
- Val Gardena; 175

1-day Ticket Price (€)

Capacity (’000 persons/hour)
Financial Overview

How We Look Like in Numbers
Excellent Annual Results Confirm Our Strategy

Key Operating Results and Plan*

*For better evaluation of the operating performance, the adjusted operating results for 2011/12 include results for the 100% share in Interhouse Tatry, a.s., which owned Grandhotel Starý Smokovec, although as of 31/10/2012, TMR owned a 50% share in the aforementioned company, and in accordance with IFRS, this share has been consolidated using the Equity method.
Operating Results by Segments

**Revenues**

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<tr>
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**EBITDA**

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Outlook & Future Growth

Where We Go from Here
Strategic Goals for Medium Term

- Cross-border expansion in the CEE region
  - Acquisitions of medium-sized resorts in Poland, CR
- Future potential in real estate projects
- Focus on quality improvement in our resorts
- Corporate Strategy
  - Jasná Center
  - Tatranská Lomnica Center
  - Holiday Village Tatralandia
  - Grand Residences TL
  - Customer loyalty program GOPASS
  - Hotel upgrades
  - Hotel capacity addition (Jasná)
  - Investments in Špindlerův Mlýn (CR), Szczyrk (PL)
Q & A

Thank You for Your Attention