



TATRY MOUNTAIN RESORTS, A.S.

FIRST QUARTER 2014/15 INTERIM REPORT

(PERIOD FROM 1/11/2014 TO 31/1/2015)

PRELIMINARY STATEMENT ON RESULTS OF THE FIRST HALF OF FISCAL YEAR 2014/15

HIGHLIGHTS

- * Total revenues for the first quarter 2014/15 (1Q) reached EUR 17.994 mil. (15.235)
- * Earnings before interest, taxes, depreciation, and amortization (EBITDA) reached EUR 5.501 mil. EUR (2.944)
- * For 1Q 2014/15 TMR operated with EBITDA margin 30.6% (19.3)
- * TMR's Mountain Resorts were visited by 487 ths. (347) visitors and Aquapark Tatralandia by 100 ths. (100)



COMMENTARY FROM CEO

We have the first half of the winter season 2014/15 successfully behind us. As opposed to last year, during the reported period of November 2014 till the end of January 2015 we utilized weather favorable for winter sports, and we kicked off the winter season already on December 5 and 6, whereas we started with snowmaking on November 21. During the peak periods of the New Year and 'Golden Week' we managed to fill our hotels to the limit despite a decline in Russian-speaking clients. The share decline of clients from Russia by half and from clients from Ukraine was compensated by Polish, Czech, and Slovak guests. The total number of our visitors in the resorts Vysoké Tatry and Jasná Nízke Tatry increased year-over-year by 26.6%. The successful first half of the winter season was reflected in double-digit percentage growth in revenues and operating profit before depreciation. The winter season 2014/15 is the first one with operation of the Polish resort SON under our management. The acquisition of SON improved revenues of Mountain Resorts by EUR 510 ths. During this winter season we continued to work with our clients in the GOPASS program. The number of ski passes sold via e-shop for discounted prices increased by more than 100%. We launched GOPASS also in the related Czech resort Špindlerův Mlýn. Based on the lasting favorable conditions in Mountain Resorts we expect a long and successful winter season.

PROFILE OF TMR

Tatry mountain resorts, a.s. (TMR, the Company) is a joint stock company with its headquarters in Liptovský Mikuláš, registered at the Bratislava Stock Exchange (BSSE), the Prague Stock Exchange (PSE), and the Warsaw Stock Exchange (WSE). It is the biggest entity in tourism in Slovakia. TMR's operations are divided into three key segments: Mountains & Aquapark, Hotels, and Real Estate. TMR owns and operates in the High Tatras: the Vysoké Tatry resort with the ski areas of Tatranská Lomnica and Starý Smokovec and the ski area of Štrbské Pleso in the High Tatras, which TMR co-manages. In the High Tatras the Company also owns and operates hotels: Grandhotel Praha Tatranská Lomnica****, Grandhotel Starý Smokovec**** and Hotel FIS***. In the Low Tatras TMR owns and operates Aquapark Tatralandia, which includes the lodging facility Holiday Village Tatralandia; the mountain resort Jasná Nízke Tatry; and hotels: Hotel Grand Jasná****, Tri Studničky Hotel****, Hotel Srdiečko**, Chalets Jasná de Luxe****, and Million Star Hotel. At the same time TMR owns and leases out Hotel Liptov**, Hotel Slovakia***, Hotel Ski & Fun** and Kosodrevina Lodge. TMR owns 19% in Melida, a.s., which since the winter season 2012/13 leases and operates the Špindlerův Mlýn resort in the Czech Republic. In Poland TMR owns the mountain resort Szczyrkowski Ośrodek Narciarski S.A. (SON).

REVENUES

For 1Q 2014/15 – the period from November 2014 to the end of January 2015 covering the first half of the winter season, specifically "First Snow", and part of the Main Season – TMR achieved total revenues EUR 17.994 mil. (15.235), an increase of 18.1%.

Mountains & Leisure

The main segment's revenues increased to EUR 13.004 mil. (10.899) mainly due to revenue growth in Mountain Resorts (+24.1%), Dining (+18.0%), and Sports Services & Stores (+30.6%).

Mountain Resorts recorded a revenue growth of 24.1%, mainly thanks to favorable skiing conditions and resulting higher number of skier days¹ and average revenue per visitor, and thanks to the addition of the Polish resort SON

¹ The total visit rate in Mountain Resorts is measured by the number of entry passes sold in the aquapark and for cableways in the summer season and by the number of skier days in the winter season, i.e. a person visiting a mountain resort at any time of



into the TMR Group in March 2014 with its revenues for 1Q of EUR 510 ths. On the like-for-like basis without the impact of SON Mountain Resorts' revenues increased +16.8%. Mountain Resorts (excluding SON) observed 26.6% more skier days. The total number of skier days (including SON) came to 487 ths. (347). The average revenue per visitor in Mountain Resorts (excluding SON) improved by 2.5%, also thanks to increased ski pass prices (e.g. 1-day ski pass for 1-2 euros more purchased in the Main season at the cash register).

Aquapark's revenues decreased 14.5%, even though Aquapark maintained the visit rate of the same period last year – 100 ths. visitors. The reason of the revenue decline was the average revenue per visitor, 12.4% lower, mainly due to heavy shopping for entry tickets at discount rates.

The revenue increase in Dining (+18.0%) on the slopes, off the slopes, and in Aquapark Tatralandia again confirmed the trend of higher client demand for ancillary services and après-ski activities. With the increase in skier days we observed higher spending per client in this subsegment, +41.1%.

The subsegment of Sports Services & Stores, which is closely linked to success of Mountain Resorts, reported a steep revenue jump (+30.6%) mainly due to the increase in skier visitors. The average revenue per visitor improved 8.3%.

Hotels

The second main segment, Hotels, reported a 15.5% growth in revenues reaching EUR 4.824 mil. (4.176). The growth was achieved thanks to the full occupancy of the hotels during the peak periods of the New Year and Golden Week (24/12 – 06/01). A decrease of Russian guests (by half) and Ukrainian guests during the Golden Week was compensated by guests from Poland, the Czech Republic, and Slovakia. The portfolio hotels with 682 rooms reported an increase in the average daily rate per room to EUR 76.44 (74.29). The number of rooms increased year-over-year due to the opening of Hotel Rotunda in the second quarter of last year. The average occupancy in the weighted average improved to 47.0% (43.2), whilst occupancy in most of the hotels during the New Year and Golden Week neared maximum.

Real Estate

Revenues from lease of hotels Slovakia, Liptov, Ski & Fun, and Kosodrevina Lodge come to EUR 57 ths. (99). Besides this, TMR reported revenues from sale of bungalows in Holiday Village Tatralandia in the amount of EUR 109 ths. (61). The segment EBITDA amounted to EUR 69 ths. (81).

EBITDA

Earnings before interest, taxes, depreciation, and amortization (EBITDA), which most effectively indicates operating profitability of TMR, for 1Q reached EUR 5.501 mil. (2.944), an increase of 86.8% compared to 1Q 2013/14. After adjusting for the impact of the SON acquisition, EBITDA increase was 82.5%. Operating profitability, measured by EBITDA margin, improved significantly from 19.3% to 30.6%. Most segments and subsegments reported an increase at the EBITDA level: Mountain Resorts (+156.9%), Aquapark (-29.9%), Dining (+99.8%), Sports Services & Stores (+16.3%), and Hotels (+78.2%). The reason for the operating improvement were stable fixed costs of snowmaking and cableway operation since no new cableways were launched since last year, and efficient management of hotels and operations.

day or night, for the purpose of skiing, snowboarding or other type of downhill run. For example, one 4-day ticket means four skier days in Mountain Resorts, including Štrbské pleso, co-operated by TMR and the owner of the resort.



SIGNIFICANT CHANGES

In November 2014 the resort Jasná Nízke Tatry received a prestigious award as “the Best up and coming resort“ at the World Snow Awards in London, organized by the world-famous magazine The Telegraph Ski and Snowboard.

The loyalty program and e-shop GOPASS was launched this season also in the Czech ski resort Špindlerův Mlýn. The resort is operated by Melida, a.s., in which TMR holds a 19% share.

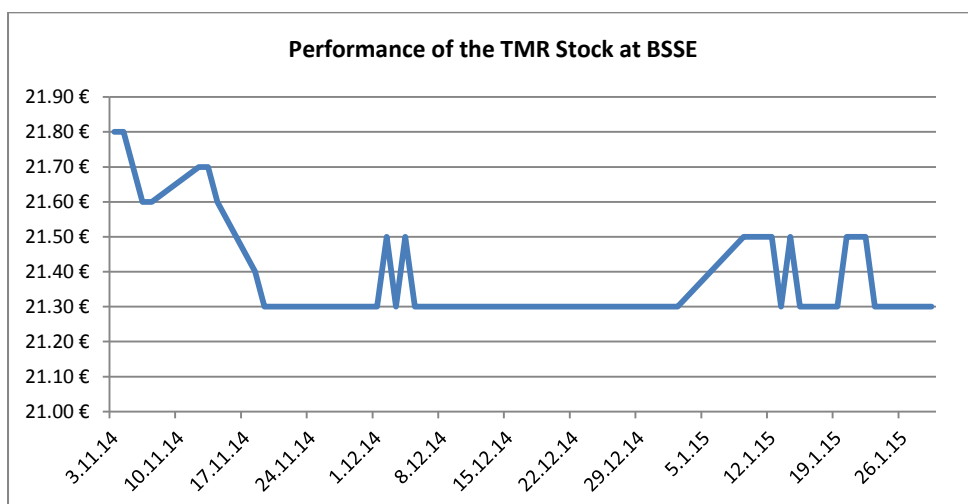
TMR signed a contract to provide advisory services on sales and marketing for a Polish ski resort Pilsko in the town of Korbielów. In December 2014 TMR also started a cooperation with the Gino Paradise Bešeňová aquapark in terms of consulting services in advertising, marketing, PR, sales promotion, regional product development, and other areas.

OUTLOOK TILL THE END OF FIRST HALF OF 2014/15

The results of the winter season till the end of the first half of 2014/15 will be impacted by this year’s favorable conditions for winter sports, as well as by relatively early Easter holidays. TMR will continue to capitalize on its competitive advantage based on the premise that TMR Slovak resorts are able to provide skiing conditions at the level of alpine resorts thanks to its state-of-the-art cableway equipment and wide coverage of snowmaking. On the other hand, TMR is compensating for any unfavorable weather conditions with the successful Aquapark Tatralandia, where Tropical Paradise guarantees profit growth also in the winter season.

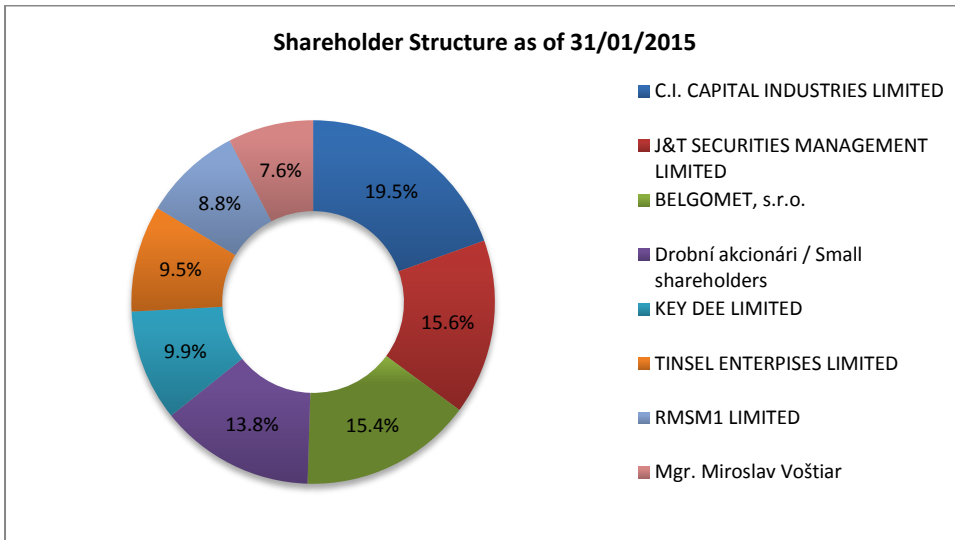
Key Operating Results*	Revenues			EBITDA			
	in €'000	IQ 2014/15	IQ 2013/14	Change yoy (%)	IQ 2014/15	IQ 2013/14	Change yoy (%)
Mountains & Leisure		13 004	10 899	19,3%	3 877	1 991	94,7%
Mountain Resorts		8 608	6 936	24,1%	2 697	1 050	156,9%
Aquapark		1 039	1 216	-14,5%	261	372	-29,9%
Dining		2 150	1 823	18,0%	615	308	99,8%
Sports Services & Stores		1 207	924	30,6%	304	261	16,3%
Hotels		4 824	4 176	15,5%	1 555	872	78,2%
Real Estate		166	160	3,6%	69	81	-14,5%
Total		17 994	15 235	18,1%	5 501	2 944	86,8%

* The impact of the SON acquisition is EUR 510 ths on revenues and EUR 129 ths. on EBITDA.





Closing Price of TMR Stock	BSSE (EUR)	WSE (PLN)	PSE (CZK)
31/1/2015	21,30	87,00	590
31/1/2014	21,46	89,50	590



This interim report has been prepared as of 19/3/2015 and published on the Company website www.tmr.sk.

19/3/2015

Bohuš Hlavatý, CEO of Tatry mountain resorts, a.s.

Used Abbreviations and Explanations

() – data in brackets refers to the corresponding value of previous period

1Q – First quarter of TMR's financial year, the period from 1 November till 31 January

ADR – Average daily rate per room

BSSE – the Bratislava Stock Exchange

EBITDA – Earnings before interest, taxes, depreciation and amortization; the key financial performance indicator of TMR

FY – Financial year of TMR, the period from November 1 to October 31

KPIs – Key performance indicators. In Mountains & Leisure KPIs include: visit rate and average revenue per visitor for the given period. In Hotels they include: occupancy and average daily rate per room (ADR).

mil. - millions

p.p. – percentage points

PSE – the Prague Stock Exchange

Skier days – the measure of visit rate in the mountain resorts of TMR in the winter season, counting the number of persons that visited a mountain resort during any part of the day or night for skiing, snowboarding, or other kind of downhill ride. E.g., a 4-day ski pass sold means four skier days.

ths. - thousands

WSE – the Warsaw Stock Exchange

Yoy – year-over-year