



HALF-YEAR REPORT 2014/15

TATRY MOUNTAIN RESORTS, A. S.
AND ITS SUBSIDIARIES
FOR THE PERIOD FROM NOVEMBER 1, 2014 TO APRIL 30, 2015





Bohuš Hlavatý
Chairman of the Board of Directors
and CEO of TMR

Dear Shareholders,

The winter season 2014/15, which lasted well beyond the first half-year period, is successfully behind us. Weather conditions of this past winter turned out in our favor as opposed to last year's extremely unfavorable winter. Also thanks to temperatures low enough for snowmaking and thanks to abundant snowfall the season continued this time also past Easter till almost half May, and significant revenue increases of the first quarter continued also during the second one. In total we managed to grow our revenues for the first half-year by 23.4% year-over-year, operating profit before depreciation and amortization was up 38.9%, and net profit increased 35.8%. This growth was achieved mainly by increased visit rate in our resorts in the High and Low Tatras – by +21.0%. During peak periods of New Year's and the Golden week we managed to fill our hotels to the limit despite a decline in Russian-speaking clients. The decline in the share of clients from Russia by half and from Ukraine was compensated by Polish, Czech, and Slovak guests. The visit rate in our High Tatras resort during spring break was comparable to the top season.

This past winter season we grew in the number of ski passes sold via external lodging providers who provided ski passes directly to their clients. This positive fact in the client's favor confirms TMR's deepening cooperation with other tourist businesses in the regions of Liptov and the Tatras. The number of ski passes sold via our loyalty program and e-shop GOPASS tripled.

This is the first time that our results have included the resort Szczyrkowski Ośrodek Narciarski S.A. (SON), which we had acquired in March 2014.

In the last six months we were working on expansion of our business operations. As for cross-border expansion, in April we agreed to acquire a 75% share in Silesian Amusement Park in Poland and to modernize it, by which we again are multiplying the diversification of our business model and are applying our know-how from operations of our mountain resorts and Aquapark Tatralandia. Moreover, we started a marketing cooperation with the aquapark Gino Paradise Bešeňová.

In the following half-year period we will continue to utilize and develop our effective online direct marketing tool – GOPASS, with focus on individual preferences of our client. We are launching GOPASS for the upcoming summer season also in the aquapark Gino Paradise Bešeňová. As for investments, we will be focusing on our new operations in Poland.

June 26, 2015

Bohuš Hlavatý



INTERIM REPORT BY THE BOARD OF DIRECTORS FOR THE PERIOD OF NOVEMBER 1, 2014 TO APRIL 30, 2015

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). TMR with its subsidiaries (the Group) is the biggest entity in tourism in Slovakia with emerging operations in Poland and the Czech Republic. TMR's operations are divided into three key segments: Mountains & Leisure, Hotels, and Real Estate. The main segment – Mountains & Leisure is further divided into the following subsegments: Mountain Resorts, Aquapark, Dining, and Sports Services & Stores. In Slovakia the Group owns and/or 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 Group 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; then mountain resort Jasná Nízke Tatry; and hotels: Wellness hotel Grand Jasná****, Tri Studničky Hotel****, Hotel Srdiečko**, Chalets Jasná de Luxe****, and Hotel Rotunda. At the same time TMR owns and leases out Hotel Slovakia***, Hotel Liptov**, 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 Szczyrkowsky Ośrodek Narciarski S.A. (SON), a 7.3% in an educational-entertainment project through a Polish company Korona Ziemi Sp. z o.o., and since May 1, 2015 TMR operates Silesian Amusement Park (Śląskie Wesołe Miasteczko).

SIGNIFICANT EVENTS

Investments

At the Annual General Meeting (AGM) held in April 2015 the Board of Directors presented the investment plan for the recently acquired Silesian Amusement Park for the following five-year period with the budget of EUR 30 mil. These investments include implementation of a new theme and design, purchase of new attractions, enhancement of green parts, sidewalks, and the entrance hall, development of F&B facilities, expansion of parking, and modernization of other infrastructure.

During the first half-year period of FY 2014/15 the Group initiated the realization of real estate investment projects Chalets Otupné and Hotel Pošta. Both projects represent development projects designated for sale or operation.

Awards, News & Events

In November 2014 the Jasná Nízke Tatry resort was awarded a prestigious award in the category "The Best up and coming resort" at 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 past season also in the Czech ski resort Špindlerův Mlýn. The resort is operated by Melida, a.s., in which TMR holds 19%.

Under the loyalty program GOPASS TMR launched the Ski Challenge campaign, aimed to motivate clients to ski as many kilometers during the season as possible. Our most successful skier skied during the winter season over 4,142 km in our resorts during 101 skier days.

With multiple-day stay packages with ski passes purchased from lodging providers in the Tatras and in TMR hotels clients could opt to use free entries to Aquapark Tatralandia from TMR's portfolio and to Aquacity Poprad and Gino Paradise Bešeňová.

TMR offered other benefits to families, including an option to use special stay packages with ski passes with free lodging for kids or a second room at a discount. During the winter skiers could use new services of Family ski babysitting at Skalnaté pleso in the children's indoor park Kamzíkové with services of professional sitters. Starting the end of 2014 the ski patrol started to control safety on the slope and compliance with basic rules of the White code in Tatranská Lomnica and Jasná.

In order for clients to make an easier booking of a stay in the hotels of TMR's portfolio, we launched a new web portal tmrhoteles.com that unites booking systems of all TMR's hotels and also provides organization of corporate events in TMR's hotels.

The winter event Winter Music Opening with a James Bond theme kicked off the winter season in the Low Tatras. In the High Tatras a tennis exhibition of top Slovak tennis players took place on mini court right at Lomnický peak. The world premiere of the winter edition of the hurdle Spartan Race (Winter Spartan Sprint) at Chopok Mountain brought the racer elite to Jasná. During the second annual Von Roll Culinary Week visitors enjoyed unique culinary experience. As part of après-ski program, last winter TMR inter alia presented the unique Full Moon Dinner at the peak of Chopok Mountain in Rotunda restaurant and a regular culinary Tatra Dinner of Experiences in the restaurant Von Roll Luková with a ride by snow-grooming vehicle. In Grandhotel Starý Smokovec in the High Tatras introduced Tea at five and cultural events were held in the Tatra ice dome.

TMR opened a unique interactive center of mountain summits – Centrum Górskie Korona Ziemi (CGKZ) in the Polish town of Zawoj on February 15. The center will serve as a museum and a meeting point of climbers. More than 2.1 million EUR have been invested in the project,



whereas TMR and its business partners participated with approx. 1.68 million EUR. As of the publication date of this report, TMR owns a 7.3% stake of the Korona Ziemi Sp. z o.o., a company, which operates the interactive mountain center.

At the end of February and beginning of March Jasná held the adrenaline free ride race CGC Jasná Adrenaline. During March 2 – 3 TMR hosted European downhill ski cup in Giant slalom with attendance of 17 countries.

Acquisitions & Business Expansion

On December 11, 2014 TMR signed a contract to provide advisory services on sales and marketing for a Polish ski resort Pilsko in the town of Korbietów. 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.

In April TMR agreed to acquire a 75% share in Silesian Amusement Park (Śląskie Wesołe Miasteczko) near the Polish town of Chorzów from the Polish company WPKiW S.A. TMR committed to invest PLN 120 mil. (EUR 30 mil.) into modernization of the park in next five years. On May 1, 2015 TMR started to operate Śląskie Wesołe Miasteczko. TMR is entering into a special purpose vehicle company (SPV), SLASKIE WESOLE MIEASTECZKO Sp. z o.o., which owns and operates the park. TMR gains a 75% share and the management control in the SPV for PLN 30 mil., the selling company WPKiW S.A. owns the remaining 25% share. Following the successful completion of the investment plan after five years TMR will be able to exercise an option to buy the remaining 25% from WPKiW S.A. The shares transfer should be settled in the following couple of months. The proceeds from the purchase of the share will be used to finance new investments, whilst SLASKIE WESOLE MIEASTECZKO Sp. z o.o. will commit to pay rent of PLN 1.4 mil. (EUR 330 ths.) for the land during the first five years (EUR 1 mil. thereafter, for the whole 25-year term).

General Meeting

The Annual General Meeting (AGM) of TMR was held on April 25, 2015 in Grandhotel Praha, Tatranská Lomnica. Shareholders approved Individual Financial Statements as of 31/10/2014; and adopted the proposal to settle the loss for the fiscal year beginning 01/11/2013 and ending 31/10/2014 in the amount of EUR -225,254. The whole sum shall be transferred to the 'Accumulated losses of previous periods' account. Shareholders also approved the proposed Company auditor, KPMG Slovensko spol. s r.o. The Supervisory Board member, Boris Kollár, was removed, and Martin Kopecký was elected a new Supervisory Board member.

The Board of Directors presented a financial and investment plan for 2014/15 as part of the AGM's agenda. Management expects that TMR will achieve annual revenues for the year EUR 62.100 mil., which would mean a growth of 10.3%. EBITDA is planned at EUR 21.070 mil., which is 21.9% more than last year. For more details, voting results, and minutes from the General Meeting visit <http://tmr.sk/pre-investorov/zakonne-zverejnenia/valne-zhromadenia/>.

REVENUES AND INCOME

Revenues

The winter season 2014/15 could be summarized as a successful one, with great conditions for winter sports, in terms of temperatures, amount of snowfall, and the season's duration, which positively impacted also TMR's key performance indicators (KPIs) and subsequently its revenues. For the observed six-month period from November 1, 2014 to April 30, 2015 the TMR Group (Tatry mountain resorts, a.s. and its subsidiaries) achieved consolidated total revenues of EUR 40.483

mil. (32.812), an increase of 23.4% year-over-year. Out of that, sales accounted for EUR 40.248 mil. (32.613).

Total revenues for the second quarter (February to April 2015) reached EUR 22.489 mil. (17.578) or a 27.9% increase. The significant increase year-over-year was caused by major improvement of weather conditions for winter sports in comparing to the same period last year, and therefore, by a longer skiing season, which lasted well beyond Easter.

Key Performance Indicators (KPIs)

The number of skier days¹ in the Tatra resorts increased yoy to 1.089 mil. (0.899) – a like-for-like increase of 21.0%. The Polish SON resort was visited by 150 ths. visitors during the first season since its acquisition by the Group. The total number of skier days thus reached 1.239 mil. The average revenue per visitor in Mountain Resorts decreased by 0.5% to EUR 14.41 (14.47) despite an increase in ski pass prices for purchases at the resorts' cash desks on average by EUR 2 and despite a prolonged Main season. The average revenue is lower only in electronic ski pass sales due to the fact that the number of skier days sold via GOPASS at discounted prices had tripled.

For the observed period Aquapark Tatralandia recorded a 6.3% increase in the number of visitors in total of 223 ths. (210), and its average revenue per visitor dropped by 7.4% to EUR 10.40 (11.23) due to an increased number of applied discount coupons. As for ancillary services, sales growth in both subsegments of Dining and Sports Services & Stores was achieved also thanks to increased visit rate and spending per visitor. In the dining facilities on the slope the client spent on average 12.3% more than last year, although Tatralandia recorded a decrease in spending per visitor of 33.3%. Sports Services & Stores reported a 2.5% higher spending per visitor, especially in the mountain resorts thanks to the increased visit rate.

As for Hotels' KPIs, average occupancy of the hotel portfolio grew by 4.1 percentage points to 52.5% (48.4), whilst majority of the hotels improved their occupancy rates. Average daily rate per room (ADR) on the portfolio level increased by 2.8% to EUR 72.70 (70.69), whilst majority posted an improvement in its average rate. The number of rooms for the observed period totaled 694 (694).

Revenues by Segments

The main segment, Mountains & Leisure, which accounted for 75.5% of total revenues, posted revenues of EUR 30.553 mil. (23.673), a 29.1% increase yoy. Mountain Resorts' revenues were positively impacted by growth in the visit rate and acquisition of the SON resort, closing the half-year period at EUR 20.744 mil. (15.154), with a growth of +36.9%, whilst SON's contribution to sales totaled EUR 1.544 mil. The like-for-like increase (excluding SON) reached EUR 26.7%. Aquapark Tatralandia's revenues posted a slight 1.2% decline to reach EUR 2.364 mil. (2.391). Dining revenues posted an improvement of 15.6% with EUR 4.951 mil. (4.282), with the biggest boost from the mountain resorts' dining facilities thanks to favorable weather conditions on the slopes. Sports Stores & Services, correlated somewhat with the performance of Mountain Resorts, recorded a 35.1% increase in revenues, mainly thanks to the improved visit rate in Mountain Resorts and Tatralandia and thanks to the greater average spending per visitor, totaling EUR 2.494 mil. (1.845).

The second segment, Hotels, boosted total revenues with its 23.3% share and grew 8.5% to record high of EUR 9.423 mil. (8.688). The success of the Hotels segment can be explained by the growth in ADR and occupancy on the portfolio level. Effective marketing and sales and focus on loyal customers also contributed to the success. The re-

¹ The visit rate in Mountain Resorts in the winter season is measured in terms of skier days sold, i.e. the number of persons that visited a mountain resort during any part of the day or night for the purpose of skiing, snowboarding, or other downhill slide. E.g., a 4-day ticket means four skier days in Mountain Resorts.

sults were achieved also thanks to maximum capacity of the hotels, especially in peak periods, such as New Year's and "Golden week" (24/12 – 06/01) and thanks to the overall longer season than last year. The decline in the number of visitors from Russia (by half) and Ukraine during the Golden week was compensated by guests from Poland, the Czech Republic and Slovakia.

Revenues from the Real Estate segment make up 1.3% of total revenues. During the observed six-month period TMR reported revenues from sale of bungalows Holiday Village Tatralandia in the total of EUR 332 ths (238). The remaining revenues of EUR 176 ths. (213) came from the lease of accommodation capacities – Hotel Slovakia, Kosodrevina Lodge, Hotel Ski & Fun, and Hotel Liptov.

EBITDA

Earnings before interest, tax, depreciation, and amortization (EBITDA) increased by 38.9% yoy to EUR 15.393 mil. (11.086). Consumption of material and goods increased yoy 17.7%, whereas operating and personnel expenses were up only by 13.6%. The growth of EBITDA was achieved also by efficient management of the hotels and operations and by the fact that operating expenses did not grow in proportion to sales, as no cableways were added since last year. Thus, fixed costs, which make up the majority of operating expenses related to the re-

sorts' operation, remained unchanged. Therefore, operating profitability expressed as EBITDA margin improved to 38.0% (33.8).

Most segments and subsegments of TMR posted an increase in EBITDA: Mountain Resorts (+67.7%), Aquapark (-23.1%), Dining (+24.1%), Sports Services & Stores (+3.6%), Hotels (+14.4%), and Real Estate (-93.4%)². EBITDA for the second quarter rose 21.5% to EUR 9.892 mil. (8.142).

EBIT

Operating profit (EBIT) soared 74.5% to EUR mil. (4.936) yoy, whereas depreciation and amortization rose slightly to EUR 6.778 mil. (6.150).

Net Profit

TMR's consolidated net profit reached EUR 3.763 mil. (2.771), an increase of 35.8%. Interest expense incurred from the issue of two tranches of bonds totaling EUR 180 mil. and from drawing of bank loans increased yoy to EUR 5.528 mil. (2.741). Income tax was recorded at EUR -9 ths. (0) for the reported period. Total comprehensive income after revaluation of assets to fair value and currency translation differences reached EUR 3.782 mil. (2.768). Earnings per share were EUR 0.56 (0.41).

Selected Consolidated Results (IFRS, unaudited)			
in €'000	1H 2014/15	1H 2013/14	Change yoy (%)
Sales	40 248	32 613	23,4%
Other Operating Revenues	235	199	18,1%
Total Revenues	40 483	32 812	23,4%
Consumption of material and goods	-6 377	-5 418	-17,7%
Personnel and Operating Costs	-18 683	-16 441	-13,6%
Other Gain/ Loss	-30	133	-122,6%
EBITDA	15 393	11 086	38,9%
<i>EBITDA Margin</i>	<i>38,0%</i>	<i>33,8%</i>	<i>4,2%</i>
Depreciation & Amortization	-6 778	-6 150	-10,2%
EBIT	8 615	4 936	74,5%
Interest Income	695	734	-5,3%
Interest Expense	-5 528	-2 741	-101,7%
Profit/ Loss from Financial Instruments	-10	-158	93,7%
Pre-tax Income	3 772	2 771	36,1%
Income Tax	-9	0	0,0%
Net Profit	3 763	2 771	35,8%
<i>Net Profit Margin</i>	<i>9,3%</i>	<i>8,4%</i>	<i>0,9%</i>
Revaluation of Assets to Fair Value	7	-3	333,3%
Currency Translation Differences	12	0	0,0%
Total Comprehensive Income	3 782	2 768	36,6%
EPS (€)	0,56	0,41	35,5%

Key Results by Segments	Revenues			EBITDA			EBITDA Margin		
	1H 2014/15	1H 2013/14	Change yoy (%)	1H 2014/15	1H 2013/14	Change yoy (%)	1H 2014/15	1H 2013/14	Change yoy (p.p.)
Mountains & Leisure	30 553	23 673	29,1%	12 740	8 598	48,2%	41,7%	36,3%	5,4%
Mountain Resorts	20 744	15 154	36,9%	10 107	6 028	67,7%	48,7%	39,8%	8,9%
Aquapark	2 364	2 391	-1,2%	731	950	-23,0%	30,9%	39,7%	-8,8%
Dining	4 951	4 282	15,6%	1 354	1 091	24,1%	27,4%	25,5%	1,9%
Sports Services & Stores	2 494	1 845	35,1%	548	529	3,6%	22,0%	28,7%	-6,7%
Hotels	9 423	8 688	8,5%	2 641	2 309	14,4%	28,0%	26,6%	1,5%
Real Estate	508	451	12,6%	12	180	-93,4%	2,3%	39,8%	-37,5%
Total	40 483	32 812	23,4%	15 393	11 086	38,8%	38,0%	33,8%	4,2%

² Negative EBITDA is caused by differences between unified accounting valuation and various sale prices of the bungalows.

FINANCIAL POSITION

As for the end of the first half-year 2014/15 the value of current liquid funds (Cash, cash equivalents) totaled EUR 10.596 mil. (EUR 6.918 mil. as of 30/04/2014) as opposed to EUR 11.050 mil.³ at the end of the previous financial year 2013/14.

The total amount of the Company's loans and borrowings for the last six-month period slightly increased to EUR 226.523 mil. (222.090) as opposed to EUR 228.144 mil. at the FY end. The debt-to-equity ratio

came at 213.5% (213.0), and the total level of debt remained the same yoy at 68.1% (68.1) in comparing to 69% at the FY end.

The accounting value of total assets increased since the FY end by EUR 1.552 mil. to EUR 361.171 mil. (356.603). Current assets decreased for the six months to EUR 39.800 mil. (44.195) versus EUR 41.029 mil. at the FY end. On the other hand, fixed assets decreased since the FY end due to depreciation by EUR 5.427 mil. to EUR 275.901 mil. (275.720). The value of the acquisition of the 75% share in the SPV that owns and operates Silesian Amusement Park is recognized as Investment in Associates in the amount of EUR 6.727 mil.

³ Liquid funds as of 31/10/2014 included a short-term loan to J&T Private Equity B.V. in the total of EUR 7.147 mil., which was repaid as of 30/04/2015.

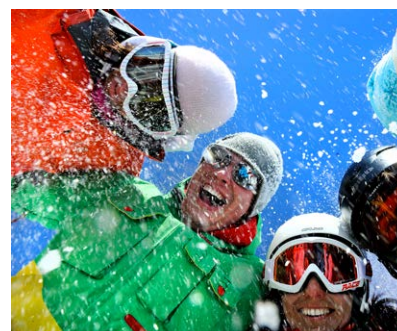
	April 30	April 30	October 31
Financial Position in €'000 (unaudited)	1H 2014/15	1H 2013/14	FY 2013/14
Total Assets	361 171	356 603	359 619
Non-current Assets	321 371	312 408	318 590
Fixed Assets	275 901	275 720	281 328
Other Non-current	45 470	36 688	37 262
Current Assets	39 800	44 195	41 029
Liquid Assets	10 596	6 918	11 050
Equity	106 095	104 248	102 312
Liabilities	255 076	252 355	257 307
Non-current Liabilities	234 819	232 569	232 305
Current Liabilities	20 257	19 786	25 002
Total Debt	226 523	222 090	228 144

CASH FLOW

Cash flow generated from operating activities for the given half-year period equal EUR 16.768 mil. (11.859). Cash flow from investing activities was reported in the amount of EUR -7.916 mil. (-27.184), out of which capital expenditures added up to EUR -1.159 mil. (-20.519).

The costs associated with the acquisition of the partial 75% share in Silesian Amusement Park reached EUR 6.727 mil. Cash flow from financing activities reached EUR -2.159 mil. (14.591).

Cash Flows in €'000	2014/15	1/11 - 30/04 2013/14	1/11 - 31/10 2013/14
Net Cash from Operating Activities	16 768	11 859	15 344
Net Cash from Investing Activities	-7 916	-27 184	-23 732
Net Cash from Financing Activities	-2 159	14 591	8 011
Net Increase in Cash and Cash Equivalents	6 693	-734	-377



OUTLOOK TILL THE END OF FY 2014/15

By the end of FY 2014/15 Management expects to achieve a 10.3% growth in revenues, or EUR 62.100 mil. and EBITDA of EUR 21.070 mil. Having successfully completed the winter season, Management now believes the financial targets are achievable. The financial plan does not include the impact of the newly acquired Silesian Amusement Park, which TMR operates since May 1, 2015.

TMR's results till the end of FY 2014/15, i.e. till October 31, 2015, will be impacted by the summer season in the mountain resorts, Aquapark Tatralandia, and TMR hotels. Any impact of potentially unfavorable weather will be offset by the all-year operation of successful Tropical Paradise in Tatralandia. The acquisition of Silesian Amusement Park strengthened the diversification of TMR's business model. The mountain tourist summer season officially began on June 13 with the opening of tourist hike trails and will run through October. TMR opened the season with fun tourist events at the resorts. Numerous summer events are prepared to boost visit rate in the resorts, and TMR's service offer was expanded with additional tourist and kids attractions, such as Kids Bike Zone within Rocky Mountain Bike World Jasná.

OTHER FINANCIAL INFORMATION

Related Party Transactions

For the first half of 2014/15 the Group did not observe any transactions with related parties or any changes in such transactions that would have a significant impact on the Group's financial position or results.

Key Risk Factors and Uncertainties

The Company results mainly depend on visit rate of the TMR resorts. The visit rate depends on several factors, out of which some can and others cannot be controlled by Management. The vacation choices of TMR's clients also depend on the business cycle of the economy and the level of their discretionary income. According to EBRD, the economic development of Central and Eastern Europe (CEE) in 2014 was impacted by economic growth of 2.8% thanks to increased demand for export in Eurozone. Slovakia's GDP grew 2.4% in 2014. In 2015 CEE's GDP is expected at 3% and GDP of Slovakia at 2.8%.⁴ Since majority of visitors to TMR's resorts and hotels come from various countries, each of which has its own unique macroeconomic profile, operations of TMR can be heavily affected by worsening of the economic situation on these markets. Some economies of CEE may be negatively impacted by the military conflict in the east part of Ukraine and by sanctions imposed on the Russian Federation, which may impact the visit rate in TMR resorts by clients from these markets.

Weather unfavorable for summer tourist activities may negatively impact cableway sales in the mountain resorts till the end of the financial year. In Aquapark Tatralandia this risk is eliminated thanks to the guarantee of tropical weather in Tropical Paradise, as well as thanks to thermal springs in outdoor pools.

As for competition in Mountain Resorts in the summer season, TMR is the leader in Slovakia in terms of the market share and the range of services. On the European market the Company faces monopolistic competition with a large number of competitors. TMR utilizes its high quality services, reasonable prices in comparing to alpine resorts, patriotism, and locality with the goal of attracting visitors. Moreover, TMR capitalizes on its competitive advantage of natural monopoly in terms of the strategic location in the highest mountain range in the region to the East and North.

In Aquapark TMR is also among the top two players in the local market, although visitation of aquaparks also depends on the travel distance for the given visitor. The Company's profitability also depends on the occupancy rate of its own and managed hotels and lodging facilities in the resorts. TMR works to improve key performance indicators in Hotels – average daily rate (ADR) and occupancy – by constantly increasing the hotels' quality through renovations, services expansion, and organizing of marketing events.

In the Real Estate segment revenues depend on sale of TMR's completed real estate projects, mainly the bungalows of Holiday Village Tatralandia. Further growth of the segment in sale and/or lease of land, residences and commercial space depends on the situation on the real estate market in the Tatra region.

Management utilizes a well-defined marketing strategy to manage the abovementioned risks.

As for the main financial risks, the Company revenues are impacted by volatility of exchange rates in relation to euro since majority of TMR's foreign clients come from countries outside the Eurozone - the Czech Republic, Poland, Ukraine, Russia, etc. Variable interest rates on bank loans may negatively impact the level of interest expense in case of increase in EURIBOR and WIBOR as of the pay date, based on which these interest rates are set.

As TMR issued bonds in December 2013 and February 2014 in total of EUR 180 mil., TMR significantly increased its level of debt. At the same time, by decreasing share capital from EUR 221 mil. to EUR 47 mil. as of 22-10-2013, TMR's capital structure changed considerably in terms of the debt-to-equity ratio. The change of this ratio may cause TMR difficulties in obtaining other external financing in the future to finance future investments into its resorts or acquisitions. The ability to repay liabilities from these bonds also significantly increases liquidity risk.

By acquiring the 75% interest in Silesian Amusement Park TMR committed to invest EUR 30 mil. into the modernization of the park during next five years, which may add to increased level of debt and liquidity risk of the Company.

For more information regarding risks refer to Risk Factors and Risk Management and Note 35 of Consolidated Financial Statements in the Annual Report 2013/14, available at www.tmr.sk.

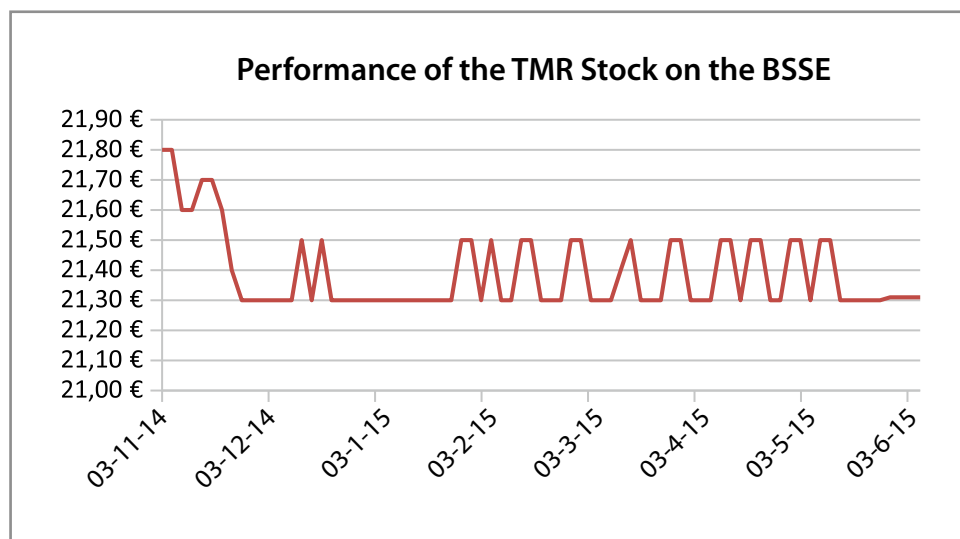
Human Resources

The average number of TMR employees for the first half of 2014/15 is 1,205 (1,214), which is less by 0.7% than for the same period last year.



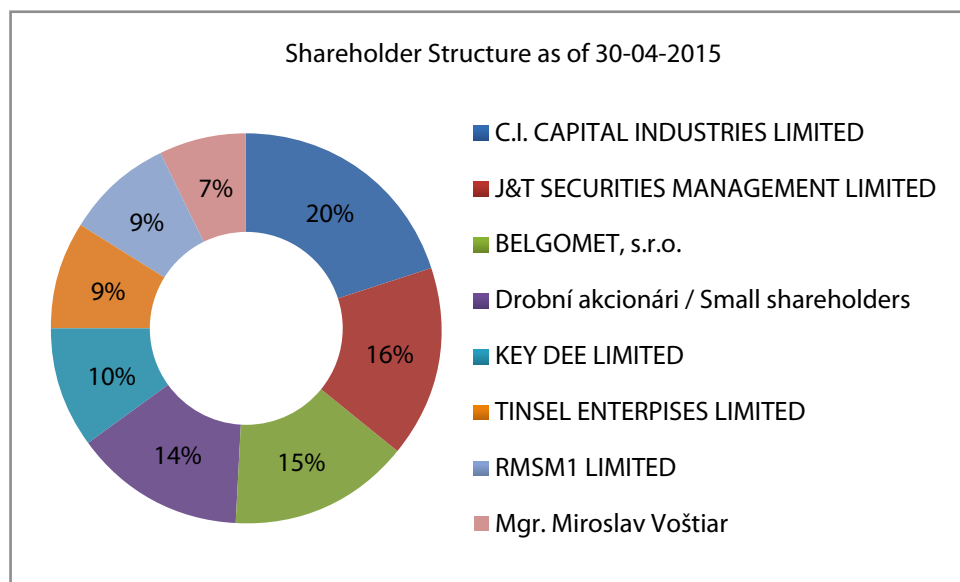
⁴ Regional Economic Prospects in EBRD Countries of Operations: January 2015 www.ebrd.com/what-we-do/economic-research-and-data/data/forecasts-macro-data-transition-indicators.html

TMR STOCK PERFORMANCE



Closing Price of TMR Stock	BSSE (EUR)	WSE (PLN)	PSE (CZK)
30.4.2015	21.50	88	584
30.4.2014	20.90	87	540.1

SHAREHOLDER STRUCTURE



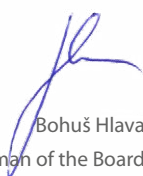
Upcoming Events

18/09/2015 – 9-month Report 2014/15

Statement of the Board of Directors

The Condensed interim financial statements were prepared in accordance with relevant regulations, and they provide a true and accurate description of assets, liabilities, financial situation, and comprehensive income of TMR and its subsidiaries included in the consolidation. The Half-Year Report has not been audited. The Interim Report includes a true performance review of the Group.

Demänovská Dolina, June 24, 2015



Bohuš Hlavatý
Chairman of the Board of Directors



Jozef Hodek
Member of the Board of Directors

Used Abbreviations and Explanations

() – the numbers in brackets represent values for the same period previous year compared to the current data on the year-over-year basis

1H – First half of TMR's financial year, the period from 1 November till 30 April

ADR – Average daily rate per room

AGM – Annual General Meeting

BSSE – the Bratislava Stock Exchange

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

EBRD – European Bank for Reconstruction and Development

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

GDP – Gross Domestic Product

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

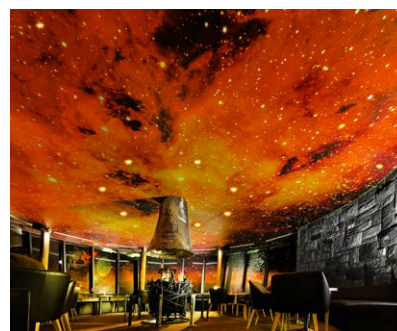
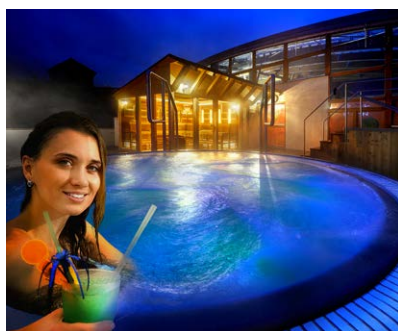
Skier days – the measure of visit rate in the mountain resorts of TMR in the winter season, counting the number of persons that visited a mountain resort during any part of the day or night for skiing, snowboarding, or other kind of downhill ride. E.g., a 4-day ski pass sold means four skier days.

SPV – Special purpose vehicle company

ths. - thousands

WSE – the Warsaw Stock Exchange

Yoy – year-over-year



**Tatry mountain resorts, a.s.
and Subsidiary Companies**

**Condensed Interim Consolidated Financial Statements
for the period from 1 November 2014 to 30 April 2015**

**prepared in accordance
with the International Financial Reporting Standards (“IFRS”)
in the wording adopted by the EU**

Tatry mountain resorts, a.s. and subsidiary companies

Consolidated statement of comprehensive income

<i>In thousands of EUR</i>	1.11.2014 – 30.4.2015	1.11.2013 – 30.4.2014
Sales	40,248	32,613
Other operating revenues	235	199
Total revenues	40,483	32,812
Consumption of material and goods	-6,377	-5,418
Purchased services	-10,086	-8,845
Personnel expenses	-8,161	-7,259
Other operating expenses	-436	-337
Gain on disposal of assets	-38	101
Reversal of value adjustments to receivables	8	32
Earnings before interest, tax, depreciation and amortization (EBITDA)*	15,393	11,086
Depreciation and amortization	-6,778	-6,150
Earnings before interest, tax (EBIT)	8,615	4,936
Interest income	695	734
Interest expenses	-5,528	-2,741
Gain/(loss) on financial instruments, net	-10	-158
Profit before tax	3,772	2,771
Income tax	-9	-
Profit	3,763	2,771
Attributable to:		
- Holders of interest in the parent company's equity	3,756	2,771
- Non-controlling interest	7	-
Other comprehensive income		
- items with no possible subsequent reclassification to gain/(loss):		
Revaluation of tangible assets upon transfer to investment property	-	-
- items with possible subsequent reclassification to gain/(loss):		
Revaluation of available-for-sale securities to fair value	7	-3
Foreign currency translation reserve	12	-
Total comprehensive income	3,782	2,768
Attributable to:		
- Holders of interest in the parent company's equity	3,775	2,768
- Non-controlling interest	7	-
Earnings per share (in EUR)	0.560	0.413
Number of shares	6,707,198	6,707,198

* EBITDA represents profit from recurring activities of the Group before tax, interest, depreciation and amortization adjusted for other income and expenses which are listed under EBITDA.

The notes presented on pages 16 form an integral part of the condensed interim consolidated financial statements.

Tatry mountain resorts, a.s. and subsidiary companies

Consolidated statement of financial position

In thousands of EUR

	30.4.2015	31.10.2014
Assets		
Goodwill and other intangible assets	14,807	15,120
Property, plant and equipment	268,637	274,064
Investment property	7,264	7,264
Assets held for sale	144	-
Loans granted	23,179	21,966
Other receivables	613	176
Other assets	-	-
Investments in associates	6,727	-
Total non-current assets	321,371	318,590
Inventories	2,976	2,921
Trade receivables	1,042	1,213
Loans granted	1,928	7,444
Other receivables	19,542	21,101
Financial investments	2,087	2,081
Cash and cash equivalents	10,596	3,903
Other assets	1,629	2,366
Total current assets	39,800	41,029
Total assets	361,171	359,619
Equity		
Share capital	46,950	46,950
Share premium	30,430	30,430
Profit/loss for the current period	3,756	703
Retained earnings and other funds	24,808	24,097
Foreign currency translation reserve	-103	-115
Total equity attributable to holders of interest in the parent company's equity	105,841	102,065
Non-controlling interest	254	247
Total equity	106,095	102,312
Liabilities		
Loans and borrowings	36,179	33,692
Trade payables	-	-
Provisions	52	52
Issued bonds	178,404	178,395
Deferred tax liability	20,184	20,166
Total non-current liabilities	234,819	232,305
Loans and borrowings	9,199	10,035
Trade payables	4,539	4,370
Provisions	121	121
Issued bond liabilities	2,741	6,022
Other current liabilities	3,657	4,454
Total current liabilities	20,257	25,002
Total liabilities	255,076	257,307

The notes presented on pages 16 form an integral part of the condensed interim consolidated financial statements.

Tatry mountain resorts, a.s. and subsidiary companies
Consolidated statement of changes in equity

In thousands of EUR

Balance as at 1 November 2013
Total comprehensive income for the period

Profit for the current period

Other comprehensive income, after tax

Revaluation of available-for-sale securities to fair value

Revaluation of tangible assets upon transfer to investment property

Total other comprehensive income

Total comprehensive income for the period

Transactions with owners, recognised directly in equity

Decrease in share capital

Contributions to the fund

Dividends paid

Total transactions with owners

Balance as at 30 April 2014

	Share capital	Share premium	Legal reserve fund	Funds from revaluation	Foreign currency translation reserve	Retained earnings	Equity attributable to holders of interest in the parent company's equity	Non-controlling interest	Total
	46,950	30,430	3,877	140	-	20,080	101,477	-	101,477
	-	-	-	-	-	2,771	2,771	-	2,771
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	2,771	2,771	-	2,771
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-571	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	571	-	-	-571	-	-	-
	-	-	571	-	-	-571	-	-	-
	46,950	30,430	4,448	140	-	22,280	104,248	-	104,248

Tatry mountain resorts, a.s. and subsidiary companies
Consolidated statement of changes in equity (continued)

In thousands of EUR

	Share capital	Share premium	Legal reserve fund	Funds from revaluation	Foreign currency translation reserve	Retained earnings	Equity attributable to holders of interest in the parent company's equity	Non-controlling interest	Total
Balance as at 1 November 2014	46,950	30,430	4,448	140	-115	20,212	102,065	247	102,312
Total comprehensive income for the period									
Profit for the current period	-	-	-	-	-	3,756	3,756	7	3,763
Other comprehensive income, after tax									
- items with no possible subsequent reclassification to gain/(loss):									
Revaluation of available-for-sale securities to fair value	-	-	-	7	-	-	-	-	-
- items with possible subsequent reclassification to gain/(loss):									
Revaluation of tangible assets upon transfer to investment property	-	-	-	-	12	-	12	-	12
Foreign currency translation reserve	-	-	-	7	12	3,756	3,775	7	3,782
Total comprehensive income for the period									
Transactions with owners, recognized directly in equity									
Contributions to the fund	-	-	-	-	-	0	-	-	-
Total transactions with owners									
Balance as at 30 April 2015	46,950	30,430	4,448	147	-103	23,969	105,841	254	106,095

The notes presented on pages 16 form an integral part of the condensed interim consolidated financial statements.

Tatry mountain resorts, a.s. and subsidiary companies

Consolidated cash flow statement

<i>In thousands of EUR</i>	1.11.2014 – 30.4.2015	1.11.2013 – 30.4.2014
OPERATING ACTIVITIES		
Profit	3,763	2,771
Adjustments relating to:		
Gain on disposal of property, plant and equipment and intangible assets	38	-101
Depreciation and amortization	6,778	6,150
Foreign currency differences	12	-
Reversal of value adjustments to receivables	-8	-32
(Gain)/loss on financial instruments, net	-10	158
Interest (income)/expense, net	4,819	2,007
Change in trade receivables, other receivables and other assets	2,327	3,876
Change in inventories	-55	-190
Change in trade payables and other liabilities	-611	-3,065
Cash flow from operating activities before tax	17,053	11,574
Income tax	-285	285
Cash flow from operating activities	16,768	11,859
INVESTMENT ACTIVITIES		
Acquisition of property, plant and equipment and intangible assets	-1,151	-20,519
Proceeds from disposal of property, plant and equipment and intangible assets	-38	101
Procurement of financial investments	-6,727	-7,053
Proceeds from disposal of financial investments	-	287
Cash flow from investment activities	-7,916	-27,184
FINANCIAL ACTIVITIES		
Proceeds from paid bills of exchange	-	8,000
Loans granted	-2,225	-3,343
Instalments of granted loans	7,223	1,282
Instalments of liabilities under financial leasing	-412	-453
Instalments of received loans and borrowings	-4,682	-5,077
New loans and borrowings	6,744	7,889
Repayment of the liability from decrease of the share capital	-	-173,670
Issued bonds	-	180,582
Interest paid	-8,807	-619
Cash flow from financing activities	-2,159	14,591
Net increase/(decrease) of cash and cash equivalents	6,693	-734
Cash and cash equivalents at the beginning of the year	3,903	4,280
Cash and cash equivalents at end of the year	10,596	3,546

The notes presented on pages 16 form an integral part of the condensed interim consolidated financial statements.

Selected notes to the Condensed Interim Consolidated Financial Statements

1. Investments in associates

On 14 April 2015, the Group signed the contract to acquire a 75% interest of Silesian Amusement Park from the Polish company WPKiW S.A., which belongs under the Silesian regional council. The Group has entered into a new special purpose vehicle company (SPV) that owns and operates the amusement park. Silesian Amusement Park near the Polish town of Chorzow is the largest and oldest park in Poland. The Group acquired a 75% interest in the SPV and the management control, as well. The selling company, WPKiW S.A., owns the remaining 25% interest.. The ownership interest is recognized in the financial statements under Investments in Associates. Presently, the assets and liabilities are subject to valuation for consolidation purposes.

2. Assets held for sale

During the period the Group initiated the realization of real estate investment projects Chalets Otupné and Hotel Pošta. Both projects represent development projects designated for sale or operation. The value of these investments is recognized in the financial statements under Assets held for sale.

3. Subsequent events

On 17 June 2015 the Group paid out the coupon on the TMR I bonds in the amount of EUR 1,575,000.



Bohuš Hlavatý
*Chairman of the
Board of Directors*



Jozef Hodek
*Member
Board of Directors*



Tomáš Kimlička
*Person in charge
of financial statements*



Marian Klas
*Person in charge
of accounting*



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