

October 29, 2015

## Robust Results of the Orbis Group in Q3 2015

### Orbis Expands its Hotel Network and Investing in Sustainable Developments

- **2015 EBITDA range of EUR 74-76 million – target confirmed**
- **Growth: RevPAR +11%; ARR +2.3% and occupancy rate +6.5 p.p.\* y/y**
- **+10% jump of EBITDAR to EUR 34.7 million\* y/y**
- **5 new franchise agreements** in Poland, Romania and Lithuania
- **BREEAM certification** for all new Orbis hotel investments

*“In January 2015 Orbis completed a portfolio transaction that accelerated the expansion of the Company by adding 38 operating hotels in 5 new countries of the Eastern Europe region. As a result of execution of such a significant transaction, our Company has been facing new challenges. Our objective is to take full advantages of new opportunities that have arisen before the Company. Robust financial and operating results achieved both in the third quarter and over the whole first 9 months of the year strongly confirm our Company’s ability to create value” – said Gilles Clavie, President and CEO of Orbis S.A.*

### Financial and Operational Performance

3Q 2015 brought a solid growth in operating results, what is underscored by RevPAR (Revenue per available room) +11% increase up to EUR 42.5. This high RevPAR result was achieved thanks to +2.3% growth of Average Room Rate (ARR), as well as through increase in occupancy (by +6.5 p.p. up to 82%), and was visible in all countries of the region. RevPAR increase was driven mainly by Up&Midscale hotels (+12.5%), while economy hotels recorded RevPAR growth of +7.8%.

The third quarter of the year witnessed very satisfactory performance reflected in consolidated net sales increase up to PLN 363 million and EBITDAR growth of +9.9% (up to EUR 34.7 million). Operating EBITDA for the first 9 months of the year amounted to EUR 62.5 million, an increase of +17.8% vs pro forma results of the first 9 months of 2014.

In the view of the Group’s results after 3Q and the current bookings for coming months the Management Board reaffirms meeting 2015 EBITDA target in the range of EUR 74-76 million.

### Orbis Further Expands its Hotel Network

As a key player of the hospitality industry in Eastern Europe, Orbis never stops strengthening our position in the market. Starting July 2015, the first hotel under ibis Styles brand in Vilnius (Lithuania) joined the Orbis Group. Five new franchise agreements were signed in Q3 2015 to pursue further network development in Poland, Romania and Lithuania. Over the next three years, 21 hotels will be opened under already signed franchise and management agreements

\* All % changes are presented Q3 2015/Q3 2014 pro forma (figures include the results of the hotels acquired in the Eastern Europe, as if the data was consolidated as from January 1, 2014).

and 3 owned hotels that are currently already under development. The Company constantly keeps watching out for new opportunities to expand even further, also on such markets where AccorHotels brands are not yet present.

### **Getting Most of the Capital Employed**

In line with our development plans, the Company monitors potential projects in terms of maximizing return on investment and focuses on key geographical locations, predominantly in city centers. The Company has also analysed hotel lease contracts and considered potential buy-backs and at the same time put for sale the least-contributing assets of the Group to accelerate a selective high-return subsidiary development. In the frame of capital employed optimization, the sale agreement of Mercure Centrum in Lublin and Mercure Zamość Stare Miasto in Zamość was executed in August 2015. The two hotels will continue operating under the Mercure brand based on franchise agreements.

Amid positive macroeconomic trends, the Company sees a momentum to ensure the best possible portfolio financing structure including further leverage by debt, if necessary.

### **Capital Expenditures**

In addition to network expansion, including 3 owned hotels under development, the process of upgrading and renovating our current hotel portfolio has been consistently continued. It is Orbis' priority to provide our guests with up-to-date comfortable product.

Total capex after 9 months of 2015 equalled EUR 11,3 million, out of which EUR 6.7 million was spent on development projects, namely Mercure in Kraków, ibis in Gdańsk and Ibis Styles in Szczecin as well as modernization of Novotel Warszawa Centrum and Mercure hotels in Gdynia and Gdańsk and ibis Styles in Bielsko Biała (completed and rebranded in 1H 2015). The Company continues to upgrade the ever-higher standards of our hotels to match their strong brands. At present, the last 300-room Orbis-branded hotel in Wrocław is undergoing renovation and rebranding into a Novotel & ibis combo. Two other hotels, i.e. Mercure Budapest Duna and Mercure Budapest Metropole are undergoing full renovation and will be rebranded by the end of Q1 2016.

### **The Orbis Hotels Group as the CSR Trendsetter**

As a leader of hospitality industry in Eastern Europe, Orbis' ambition is to set corporate social responsibility trends, showing a true commitment to a cause. It is not just a question of providing funding and resources for social purposes, what we certainly do; it is also a question of putting together a real plan to provide services that are in the best interests of society.

In the 3rd quarter it was decided that all Orbis new developments will come with the BREEAM certification (Mercure Kraków Centrum, ibis Gdańsk and ibis Styles Szczecin) enabling sustainable constructions process and operational management of these facilities in the future. It was also the time for Orbis to re-launch an intensive session of trainings with Nobody's Children Foundation for employees of the Group's hotels in Poland in order to raise awareness on the policy of child protection against sexual abuse Orbis has committed to follow. Moreover, the Company invites hotel guests to participate in its programmes. Deciding to reuse their towels, guests take part in the Plant for the Planet programme, under which 50% of savings on laundry are allocated to finance tree replanting in areas where illegal deforestation marked its impact. Thanks to the pool of funds gathered, 1 500 000 trees was successfully planted in Romanian Transylvania. It is of particular note that further optimization of energy and water consumption brought economies of EUR 151 thousand during the first 9 months of the year. Orbis will step by

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step deploy next social and environmental initiatives as these actions have a great echo in the youngest generation of our employees and customers nowadays.

### Looking Forward...

*“As we turn our attention to the future, we do not observe negative signals that could reverse the positive trend in the hospitality market. Countries in our region are considered economies that record the fastest growth in Europe. We see an opportunity window for further growth and transformation with a rising number of investments, low interest rates and their stimulating effect on economic activity and subsidiary financing supported by EU funds. In the current phase of the business cycle, we believe that the forthcoming quarters will also be satisfactory for Orbis. We have a clear and visible strategy based on three pillars, i.e. operational excellence, reallocation of capital employed for further network development with focus on strong returns on capital and real commitment to CSR priorities. Efforts aimed at implementing these goals will remain the driving force behind of our Group’s performance” – added Gilles Clavie.*

### Operating and Financial results of the Orbis Group

	3Q 2015	3Q 2014	3Q 2014 pro forma	Change 3Q 15/3Q 14 pro forma
Sales revenues (mEUR)	86.3	48.5	80.3	7.5%
EBITDAR (mEUR)	34.7	17.9	31.6	9.9%
Operating EBITDA (mEUR)	28.5	17.6	25.5	12.0%
Occupancy rate	82.0%	72.2%	75.5%	6.5 pp
Average rate (EUR)	51.9	49.5	50.7	2.3%
Revenue per available room (RevPAR)(EUR)	42.5	35.7	38.3	11.0%

*\*pro forma – financial figures including the results of the acquired hotels in Eastern Europe, as if they were consolidated from 1 January 2014*

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**The Orbis Hotel Group is the largest network of hotels in Poland and in Eastern Europe.** Orbis comprises more than **100 hotels** and is the sole licensor of all **AccorHotels brands in 16 countries** including Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Romania, Serbia, Slovakia and Slovenia. It offers a total of almost **19,000 rooms**. The hotels operate under the brand names **Sofitel, Pullman, MGallery, Novotel, Mercure, ibis, ibis Styles and ibis budget**. These brands, recognized throughout the world, provide a quality of service to various standards, ranging from luxury 5-star to budget 1-star hotels.

**Orbis’ strategic investor is AccorHotels, the world’s leading hotel operator.**

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## About ACCORHOTELS

AccorHotels is a Group united by a shared passion for hospitality and driven by a shared promise to make everyone Feel Welcome.

Over 180,000 women and men in 3,700 AccorHotels establishments look after thousands of guests every day in 92 countries.

AccorHotels is the world's leading hotel operator and offers its customers, partners and employees:

- its dual expertise as a hotel operator and franchisor (HotelServices) and a hotel owner and investor (HotelInvest);
- a large portfolio of internationally renowned brands covering the full spectrum, with luxury (Sofitel, Pullman, MGallery, Grand Mercure, The Sebel), midscale (Novotel, Suite Novotel, Mercure, Mama Shelter, Adagio) economy (ibis, ibis Styles, ibis budget, adagio access and hotelF1) establishments;
- a powerful marketplace and loyalty program Le Club AccorHotels
- almost half a century of commitment to corporate citizenship and solidarity with the PLANET 21 program.

Accor SA shares are listed on the Euronext Paris exchange

(ISIN code: FR0000120404) and traded in the USA on the OTC marketplace (Code: ACRFY)

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