



Press Release

Warsaw, 22nd of February 2017

Cultural change empowers Orbis growth in the region

“Orbis performance in 2016 clearly confirms our strategy launched in 2014, taking into account not only operating and financial results but also guest and employee satisfaction, network development and other aspects of company’s activities, as a sustainable growth relay.” - said Gilles Clavie, President and CEO of Orbis S.A.

Financial Performance

Favorable economic climate across the region gave additional dynamism to Orbis growth, driven predominantly by very active revenue management, together with innovative and effective distribution policies. Double digit growth of RevPAR (+11.2% y/y) proves that the strategy is right. The increase was visible in all countries of the region where Orbis operates, confirming the rational of AccorHotels network acquisition in 2015.

Solid positive operating results were reflected in the significant growth of revenues (+9.5%) up to EUR 316 m and remarkable operating EBITDA increase of +18.3% (up to EUR 89 m). Orbis have been improving for the last 4 years its profitability, which is mirrored in the growth of margins in 2016 (EBIDAR +1.2 pp; EBITDA + 2.1 pp).

Portfolio Development & Asset Management

In 2016, Orbis continued reinforcing its leading market position through expansion of the hotel base. Company has opened 2 subsidiary hotels: Mercure Kraków Stare Miasto (198 rooms) and ibis Gdańsk Stare Miasto (120 rooms), both built in line with sustainable development commitment respecting environmental certification BREEAM. In the year of



2016 we also saw new openings of hotels in the asset light mode i.e. 7 franchised hotels were successfully opened with a total of almost 700 rooms and 13 new agreements were signed. This proves and ensures our sustainable growth in coming years. Number of Novotel, ibis and ibis Styles hotels in countries of the Eastern Europe region will join the Group by 2020.

Apart from further expansion in the region and constant upgrading of its products Orbis was also effective in the asset management. In order to optimize asset portfolio and focus on the high-return investments in 2016 Company has bought out 2 leased hotels and in the first days of 2017 we finalized second buyback transaction of 5 leased hotels, which makes together almost 1 600 rooms in Budapest for over PLN 400 m.

Robust Operational performance

To be more customer focused in 2016 Orbis continued implementation of a new service culture. Thanks to new projects targeting at guest centricity a progress was made on simplifying processes on all levels of the company. There were also programs dedicated for particular brands, i.e.: Mercure Touch, Novotel Life Genius, ibis New Service Culture and Sofitel Value Based Leadership. All this will support the philosophy to better cater for guest needs and expectations which is reflected in the AccorHotels motto “Feel Welcome”.

2017 – The year of acceleration

“Orbis Group reached record high results in 2016, thanks to a better alignment of all Orbis teams and consistency of actions taken: operational excellence; creative distribution and revenue management policies; value creative approach both to investments and organization, which were obviously supported by a positive and dynamic market conditions. Many of introduced projects are sustainable and we will continue to see their positive effects also in the future. Financial results also confirm their sustainability and are promising for the months to come.

After the period of restructuring, followed by scaling up and integration in the region, there is a time for Orbis to accelerate. As done in 2016, we will consequently focus on strengthening our strategic pillars to further reinforce our leading position in the region.” - summarized Gilles Clavie.

Financial and operating results

Orbis Hotel Group	2016	2015	change
Operating			
Occupancy rate %	72,4%	70,0%	2,4 p.p.
Average Room Rate without VAT in EUR	53,4	49,7	7,4%
Revenue per Available Room in EUR	38,7	34,8	11,2%
Financial m EUR			
Revenue	316,0	288,6	9,5%
EBITDAR	111,8	98,6	13,4%
EBITDA operating	89,0	75,2	18,3%
Income before tax	58,8	48,5	21,2%

Contact:

Katarzyna Gronek

Press Office Orbis SA

T. +48 22 829 38 03; Katarzyna.Gronek@accor.com

The Orbis Hotel Group is the largest network of hotels in Poland and in Eastern Europe. Orbis comprises 116 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 20,000 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.

AccorHotels is a world-leading travel & lifestyle group and digital innovator offering unique experiences in more than 4,000 hotels, resorts and residences, as well as in over 2,500 of the finest private homes around the globe. Benefiting from dual expertise as an investor and operator through its HotelServices and HotelInvest divisions, AccorHotels operates in 95 countries. Its portfolio comprises internationally acclaimed luxury brands including Raffles, Fairmont, Sofitel Legend, SO Sofitel, Sofitel, onefinestay, MGallery by Sofitel, Pullman, and Swissôtel; as well as the popular midscale and boutique brands of Novotel, Mercure, Mama Shelter and Adagio; the in-demand economy brands including ibis, ibis Styles, ibis budget and the regional brands Grand Mercure, The Sebel and hotelF1.

With an unmatched collection of brands and over 50 history spanning close to five decades, AccorHotels, along with its global team of more than 240,000 dedicated women and men, has a purposeful and heartfelt mission: to make every guest Feel Welcome. Guests enjoy access to one of the world's most rewarding hotel loyalty programs - Le Club AccorHotels.

AccorHotels is active in its local communities and committed to sustainable development and solidarity through PLANET 21, a comprehensive program that brings together employees, guests and partners to drive sustainable growth.

Accor SA is publicly listed with shares trading on the Euronext Paris exchange (ISIN code: FR0000120404) and the OTC marketplace (Code: ACRYF) in the United States.

For more information and reservations visit accorhotels.group or accorhotels.com.

Or become a fan and follow us on Twitter and Facebook.

Orbis' strategic partner is



Follow news on Accor:

Book a hotel:

www.twitter.com/accorhotelsgroup | www.accorhotels-group.com

www.accorhotels.com