



## Press Release

Warsaw, 27<sup>th</sup> of April 2017

# Orbis Group report positive and encouraging operating indicators in all countries of the EE region

“The beginning of 2017 has shown continuation of solid performances we have been delivering for years. Thanks to the efforts and full alignment of our teams all over the region, we continue to build sustainable growth.” - said Gilles Clavie, President and CEO of Orbis S.A.

## Financial Performance

Orbis strategy of active revenue management we put in place and continuing favourable macro environment all over the region enabled us to increase operating ratios: +9.5% RevPAR growth comparing to last year's, driven both by Average Room Rate (ARR +3.0%) and Occupancy Rate (OR +3.5 p.p.). In the 1Q 2017 Orbis turnover increased by +EUR 4.4 million (+7.6%) up to EUR 62.0 million. Stronger revenue together with costs monitoring, despite of huge payroll pressure, resulted in +10.7% EBITDAR growth comparing to the respective period last year. Group's EBITDA in the 1Q 2017 totaled EUR 8.9 million, representing year-on-year +43.6% increase, positively affected by the hotel buyback transactions. We are very satisfied with the 1Q 2017 performance, but we need to bear in mind that the first quarter is naturally a low season in hospitality business and represents the lowest quarterly activity.

## Portfolio Development & Asset Management

At the beginning of 2017, in line with asset management plan, Orbis finalized a buy-back transaction of 5 leased hotels in Budapest (1 150 rooms in total), with EUR 64.1 million cash impact. This step allow us for more efficient hotel management and will improve the



Company's total return. In the 1Q 2017 we also announced new lease buy-back transaction of Sofitel Budapest Chain Bridge (357 rooms), which would be executed in the 2Q and then potentially sold and managed back by Orbis later on. Taking into account our portfolio restructuring strategy in the 1Q we also signed sale and franchise agreement of 2 hotels in Poland: Mercure Karpacz and Mercure Jelenia Góra with the aim of focusing with Orbis subsidiaries on capitals and key business hubs in the region.

On the development side, we signed in the 1Q 2017 two franchise contracts for new hotels: ibis Styles Warsaw City (220 rooms) and MGallery by Sofitel Tarcin Forest Resort (64 rooms) entering new market - Bosnia and Hercegovina. Apart from asset light development, there are also four upcoming projects in owned hotels in our pipeline: ibis Vilnius Center (164 rooms), ibis Styles Warsaw (178 rooms), ibis Styles Szczecin (148 rooms) and ibis budget Gdańsk Posejdon (76 rooms). These hotels are going to join the Group portfolio in following years.

Taking advantage of the 1Q low season we perform further renovations of our strategic hotels i.e.: MGallery by Sofitel Prague Old Town, ibis Budapest Heroes' Square, Mercure Budapest City, Mercure Budapest Buda, Novotel Krakow City West and Novotel Poznan Center. We believe that new interiors supported by a new culture within the hotels will attract our guests and bring additional result for the Group.

“Being a growth Company, concentrated on total shareholders return, Orbis has been focusing on strengthening its three pillars: Performance, Portfolio and People. Our operating performance is solid, and the forecasts are stable, that is why the dividend payment at EUR 0.4 per share has been recommended to the Supervisory Board, to share benefits with investors who trust us, taking into consideration the proper allocation between investment for growth and return to our shareholders.” summarized Gilles Clavie.

## Financial and operating results

Orbis Hotel Group	1Q 2017	1Q 2016	change
Operating			
Occupancy rate %	<b>59.7%</b>	<b>56.2%</b>	<b>3.5 p.p.</b>
Average Room Rate without VAT in EUR	<b>49.5</b>	<b>48.0</b>	<b>3.0%</b>
Revenue per Available Room in EUR	<b>29.5</b>	<b>27.0</b>	<b>9.5%</b>
Financial m EUR			
Revenue	<b>62.0</b>	<b>57.6</b>	<b>7.6%</b>



EBITDAR	<b>13.3</b>	<b>12.0</b>	<b>10.7%</b>
EBITDA operating	<b>8.9</b>	<b>6.2</b>	<b>43.6%</b>
Income before tax	<b>-2.8</b>	<b>-3.6</b>	<b>21.6%</b>

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 117 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 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.

Orbis' strategic partner is  **ACCORHOTELS**

About AccorHotels:

AccorHotels is a world-leading travel & lifestyle group and digital innovator offering unique experiences in more than 4,100 hotels, resorts and residences, as well as in over 3,000 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, Sofitel Legend, SO Sofitel, Sofitel, Fairmont, onefinestay, MGallery by Sofitel, Pullman, and Swissôtel; as well as the popular midscale and boutique brands of 25hours, Novotel, Mercure, Mama Shelter and Adagio; the much-prized economy brands including JO&JOE, ibis, ibis Styles, ibis budget and the regional brands Grand Mercure, The Sebel and hotelF1. AccorHotels provides innovative end-to-end services across the entire traveler experience, notably through the recent acquisition of John Paul, world leader in concierge services.

With an unmatched collection of brands and rich history spanning close to five decades, AccorHotels, along with its global team of more than 250,000 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](https://accorhotels.group) or [accorhotels.com](https://accorhotels.com) or become a fan and follow us on Twitter and Facebook.

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