



Press Release

Warsaw, 27th of July 2017

Strong half-year results that confirm the right strategy

- Solid financial performance – revenue up by +6.2% to EUR 160 million
- Promising operating results in all countries in the EE region (+7% like-for-like RevPAR growth in total)
- Ambitious operating EBITDA all year target at EUR 106-108 million
- 7 new asset light agreements signed – new destinations added: Serbia and Bosnia-Herzegovina
- New cultural approach across the entire Group

“After a remarkable 2016 year for Orbis, the Group continues benefiting from both its sustainable plan and the healthy economies across the region.” - said Gilles Clavie, President and CEO of Orbis SA.

Financial Performance

Financial performance in the first half of 2017 was record high with +6.2% increase of profit up to EUR 160 million and a solid double-digit operating EBITDA growth by +23.1% reaching EUR 47.6 million. Orbis can boast +7% like for-like RevPAR growth driven in major part by increase of the average room rates (+4.3% y/y). This result reflects a combined impact of successful revenue and channel management approach, active distribution strategy and is



supported by favourable touristic climate all over the region. In the 1H2017 the Company has also changed its organisational structure and it's now more focused on managing marketplaces basis instead of particular brands. This step allows to operate more efficiently and ably on bed stock in key destinations.

Portfolio Development & Asset Management

The Group continues its development at a rapid pace. During the first half of 2017, Orbis signed 7 new franchise and management agreements with 940 rooms in total, which will enable the Group to enter two new destinations – Serbia and Bosnia-Herzegovina – already in 2017. Apart from the asset light expansion Orbis continue development of 6 subsidiary projects (560 rooms in total), which will join the Group in the following years. All in all, Orbis development pipeline is highly robust, secured with 40 hotels – 4 800 new rooms, reinforcing its sustainable growth. The Company also remain active on the market searching for potential acquisition targets thanks to its strong cash position.

After the phase of portfolio refinancing and buybacks of the hotels in Budapest, Orbis is in the phase of its modernization to ensure better performance and higher return on investment. In the first half of 2017 Orbis spent EUR 122 million of capex (including 6 hotels buy-backs). The key current renovation projects include e.g.: Mercure Budapest City, Mercure Budapest Buda, Novotel Kraków City West and Novotel Poznan Center, which will be split in two hotels – Novotel and ibis. The Company is convinced that renewed hotel interiors in line with latest design concepts together with authentic customer approach based on personal touch will convert in even better results.

“Our outstanding performance in 1H 2017 and positive outlook for the following months is reflected in the 2017 operating EBITDA forecast at EUR 106-108 million. The future looks promising. We keep strengthening our three strategic pillars: Performance; Portfolio and People to enhance our position in the region and to display resilience to potential economic downturns. Orbis Group becomes stronger and stronger thanks to its consistent and sustainable strategy. ” - summarized Gilles Clavie.

Financial and operating results

Orbis Hotel Group	1H 2017	1H 2016	change
Operating			
Occupancy rate %	70,00%	68,20%	1,8 p.p.
Average Room Rate without VAT in EUR	57,2	54,9	4,3%
Revenue per Available Room in EUR	40,1	37,4	7,0%
Financial m EUR			
Revenue	160,0	150,7	6,2%
EBITDAR	55,8	50,2	11,1%
EBITDA operating	47,6	38,7	23,1%
Income before tax	24,7	20,0	23,5%

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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: ACRFY) 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.