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Significant Growth of Sales of the Orbis Group in 1Q 2015

Robust Expansion of the Hotel Network

- **Historic transaction completed** - expansion of the network thanks to acquisition of Accor operations in Eastern Europe comprising 38 hotels with over 7 thousand rooms
- **Consolidated net sales of EUR 55 million** - sharp increase in the scale of operations
- **+14% RevPAR¹ increase** driven mainly by **+7.0 p.p.** growth of occupancy rate vs. 1Q 2014 pro forma² results across the entire perimeter
- **+39% jump of EBITDAR³** vs. 1Q 2014 pro forma results to **EUR 10 million**

“Following our strategic portfolio transaction with Accor that accelerated our expansion by 38 operating hotels in 5 new countries, we recorded a huge growth in the scale of our operations and strengthening of the Orbis Group’s position as the leader of the hospitality industry in Eastern Europe. Moreover, amidst the continuing positive macroeconomic environment in this region, in 1Q 2015 Orbis Group delivered strong operating performance that puts it on top of its industry” – said Gilles Clavie, President and CEO of Orbis S.A.

Operational and Financial Results

The first quarter of 2015 brought not only a boosted scale of operations, but also a solid increase in operational results. The Company reached record-high consolidated net sales of EUR 55.3 million and EBITDAR of EUR 10.3 million, which means an increase by 12.6% and 39.0%

¹ RevPAR – revenue per available room

² pro forma – financial data including the results of the acquired companies in Central and Eastern Europe, as if they were consolidated from 1 January 2014

³ EBITDAR – Earnings Before Interest, Taxes, Amortization and Rent Costs. More information in section IV. *Comments to 1Q 2015 results*

respectively as compared to 1Q 2014 pro forma results. The significant growth in occupancy rate in most of the countries in the region as compared to pro forma 1Q 2014 results is worth noting. The occupancy rate totalled 53.5% (+7.0 p.p.), therefore the RevPAR grew by almost 14%.

Further Development

In January 2015, Orbis signed a final agreement with Accor, its strategic partner and shareholder, based on which the Company acquired a network of 38 hotels with a total number of more than 7 thousand rooms. Until then, these hotels were owned, leased or franchised by Accor. Furthermore, Orbis became the sole licensor of all Accor's hotel brands across 16 countries of the region. A new franchise contract for ibis Riga Hotel was also signed in 1Q 2015 (opening scheduled for 2016). Further development of the hotel network through every operating mode will be continued in the forthcoming months and years.

Capital Expenditures

The total CAPEX in the first quarter of 2015 totalled EUR 2.4 million. This expenditure was allocated for, amongst others, own hotel construction projects, namely the Mercure Hotel in Kraków (200 rooms) and ibis in Gdańsk (120 rooms). Furthermore, modernization works were continued in Novotel Warszawa Centrum, while refurbishment and rebranding projects were implemented in the Orbis Gdynia Hotel rebranded into Mercure Gdynia Hotel in March. Modernisation works aimed at greater guest comfort and hotels rebranding were also carried out in the Orbis Posejdon Gdańsk Hotel and the Orbis Magura Hotel in Bielsko Biała. The Posejdon Hotel already operates under the Mercure brand as from May 1, 2015, while in July the Magura Hotel will be rebranded into ibis Styles. Preparatory works for the planned modernization and rebranding of the Orbis Wrocław Hotel were also initiated in the first quarter of 2015.

„As we turn our attention to the future, we see opportunities to continue driving a profitable organic and external growth. Currently we do not observe any negative signs in the economic environment. The company management team believes that the best days of our – now much greater and stronger – Group are still ahead.” – added Gilles Clavie.

Financial and Operational Highlights of the Orbis Group

	1Q 2015	1Q 2014	1Q 2014 pro forma	Change 1Q 15/1Q 14 pro forma
Net sales (EUR m)	55.3	31.0	40.1	+12.6%
EBITDAR (EUR m)	10.3	4.0	7.4	+39.0%
Operating EBITDA (EUR m)	4.4	3.7	1.5	+186.1%
Occupancy Rate	53.5%	45.6%	46.5%	+7.0pp
Average Room Rate (EUR)	47.3	47.4	47.7	-0.9%
Revenue per Available Room (RevPAR) EUR	25.3	21.6	22.2	+13.9%

* pro forma – data including the results of the acquired companies 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 Central Europe. Orbis comprises more than **100 hotels** and is the sole licensor of all Accor 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 Accor, the world's leading hotel operator, offers its guests and partners the dual expertise of a hotel operator and brand franchisor (**HotelServices**) and a hotel owner and investor (**HotelInvest**) with the objective of ensuring lasting growth and harmonious development for the benefit of the greater number.

With around 3,600 hotels and 470,000 rooms, Accor welcomes business and leisure travelers in 92 countries across all hotel segments: luxury-upscale with **Sofitel, Pullman, MGallery, and Grand Mercure**, midscale with **Novotel, Suite Novotel, Mercure and Adagio** and economy with **ibis, ibis Styles, ibis budget** and **hotelF1**. The Group boasts a powerful digital ecosystem, notably its booking portal **accorhotels.com**, its brand websites and its loyalty program **Le Club Accorhotels**.

As the world's top hospitality school, Accor is committed to developing the talents of its **170,000 employees** in Accor brand hotels. They are the daily ambassadors of the culture of service and innovation that has driven the Group for over 45 years.

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