

Current report no. 33/2014

November 14, 2014

Subject: Orbis SA Supervisory Board's consent to purchase shares of Accor's subsidiaries operating in Central Europe and to conclude, on new terms, the license agreement (Master License Agreement).

With reference to the Current report no. 32/2014 informing about the offer submitted to Orbis SA by Accor with its registered office in France (Accor), concerning taking over a network of Accor's hotels in Central Europe (Report), the Management Board of Orbis SA informs that on November 13<sup>th</sup> the Supervisory Board agreed to purchase shares of Accor's subsidiaries operating in Central Europe and authorized the Management Board of Orbis SA to negotiate the share purchase agreement provisions on the following terms:

Subject of the transaction:

Orbis SA will enter into a new agreement (Master License Agreement) with Accor providing Orbis SA with a right to operate until 2035 the hotel business under the Accor brands in the following countries: Bulgaria, Croatia, Czech Republic, Estonia, Bosnia and Herzegovina, Hungary, Lithuania, Latvia, Moldova, Montenegro, Macedonia, Poland, Romania, Serbia, Slovakia, Slovenia – on an exclusive basis for a minimum 10 year period of time

Being responsible for all these countries Orbis SA will take over control of Accor's portfolio of 38 existing hotels and 8 hotels in the pipeline, by acquiring Accor operating subsidiaries in the following countries:

- Hungary: Accor Pannonia Hotels ZRT (99.92% of the shares) that also encompasses Accor operations in Macedonia, Slovakia and Bulgaria;
- Czech Republic: Katerinska Hotel SRO (100% of the shares);
- Romania: Accor Hotels Romania SRL (100% of the shares);
- Poland: Muranowska Sp. z o.o. (100% of the shares) and Hotek Polska Sp. z o.o. (100% of the shares);

The 46 hotel portfolio includes: 11 owned (1,974 rooms), 17 leased (3,573 rooms), 11 managed (1,685 rooms) and 7 franchised (821 rooms). All hotels operate under the Accor brands: Sofitel, Pullman, MGallery, Novotel, Mercure, ibis and ibis budget.

The price:

The total price of the transaction amounts to EUR 142,262,000 (literally: one hundred forty two million two hundred sixty two thousand euros).

The EV/EBIDTA multiple on this transaction would amount to 7.86X.

Before making its decision, the Supervisory Board of Orbis SA took into consideration a recommendation of the Management Board of Orbis SA including:

- The potential conditions associated with financing of the expected transaction that involves the Company's own funds, bank loans and even the proceeds from a potential bond issue;
- The valuation report and a fairness opinion on the Accor's offer performed by the hotel consultants i.e. Hospitality Valuation Services from London, of the portfolio comprising owned hotel real properties together with management, franchise agreements, and lease contracts which are the main assets of the above listed companies, as well as the Master License Agreement conditions. According to this report the total value of the portfolio of the respective

interests together with gains related to the Master License Agreement is estimated at between EUR 140 m and 150 m;

- Information on the vendor's due diligence reports prepared by Deloitte, EC Harris, Dentons;
- Opinion based on additional legal analysis conducted by the law firm Schoenherr;
- No negative impact of the transaction on the dividend policy in the future and the Management Board's confidence to strive to maintain the dividend level payout.

The Supervisory Board shared the Management Board opinion that the transaction is a unique opportunity for the Company's further development and therefore it matched Orbis SA strategy. The new Master License Agreement for the whole region creates an opportunity for Orbis to become a sole operator of Accor existing branded hotels in all these countries which will strengthen its leading position as a hotel operator in the region.

Legal Grounds: Article 56.1.1 of the Act of July 29, 2005, on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies (Official Journal "Tzu" No 185, item 1439 of 2009, as subsequently amended).

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"Orbis" S.A., ul. Bracka 16, 00-028 Warsaw, registered in the District Court for the Capital City of Warsaw, XII Commercial Division, National Court Register [KRS], Register of Business Operators no. 0000022622, share capital of PLN 92,154,016 (paid-up in full), tax identification number NIP 526-025-04-69