THE REZIDOR HOTEL GROUP

INTERIM REPORT

January–March 2018

First Quarter 2018

- **Revenue decreased by MEUR 16.3 (–7.3%) to MEUR 206.1.** The decrease is mainly due to the exit of eight leases at the end of last year (MEUR –6.5), the strengthening of the Euro (MEUR –7.6), the Easter effect (ca MEUR –5.2) and the reduction of low contributing room sales to release inventory for higher rate business in the future (ca MEUR –3.6). Excluding these factors, like-for-like revenue, including hotels under renovation, increased from a structural point of view by ca 3.5%.
- **Reported RevPAR for leased and managed hotels decreased by 3.6**%. The decrease is mainly due to the negative impact of FX (–4.8%) and openings/exits (–0.5%). RevPAR LFL&R grew by 1.7%. Net of the Easter effect and the reduction of low contributing room sales, the RevPAR LFL&R, from a structural point of view, increased by additional 2.2% to 3.9%.
- **EBITDA increased MEUR 3.6 (144.0%) to MEUR 6.1 and the EBITDA margin increased 1.9 pp to 3.0%.** Strong conversion in the leased portfolio and lower net costs for central activities of MEUR 4.6 has more than offset the negative impact of all the effects mentioned above.
- **EBIT improved MEUR 3.4 (41.5%) to MEUR –4.8 and the EBIT margin improved 1.4 pp to –2.3%.**
- **Profit/loss for the period improved MEUR 2.6 to MEUR –5.0**.
- **Basic and diluted earnings per share were EUR –0.03 (–0.04).**
- **2,038 (3,178) rooms were contracted, 1,695 (925) rooms opened and 473 (885) rooms left the system.**

MEUR	Q1 2018	Q1 2017	Change	%
Revenue	206.2	222.5	–16.3	–7.3%
EBITDA	6.1	2.5	3.6	144.0%
EBIT	–4.8	–8.2	3.4	41.5%
Profit/loss for the period	–5.0	–7.6	2.6	34.2%
EBITDA margin	3.0%	1.1%	1.9 pp	
EBIT margin	–2.3%	–3.7%	1.4 pp	

RHG RADISSON HOTEL GROUP

RADISSON COLLECTION Radisson BLU Radisson RED Park Plaza park inn COUNTRY INN & SUITES prizeotel

RADISSON REWARDS RADISSONHOTELS.COM RADISSON MEETINGS

Comments from the CEO

A very good quarter with strong profit improvement and progressing well

During the first quarter of the year we had the challenge of absorbing the loss of revenue from the exit of eight leased hotels, unfavourable exchange rate evolution, the effect of timing of Easter and the priority to reduce low rate room sales, which is a key enabler to increase revenue in the coming quarters.

I am happy to write that we over delivered in many areas, which has enabled us to report, despite the revenue evolution, an EBITDA of MEUR 6.1 (+144.0%, representing a 2 percentage points margin improvement) and an EBIT of MEUR –4.8, which is the best result in a first quarter since 2007.

Regarding RevPAR we have made very good progress. From a structural point of view, excluding all the above mentioned elements, RevPAR grew by 3.9%. After all efforts made, at constant exchange rates, we expect to be able to grow RevPAR in Q2 and Q3 at a rate of high single digits.

During the quarter we have made significant progress in the execution of the key elements of our 5-year operating plan (operations, new brands and experience, repositioning of hotels, revenue management and pricing).

We see 2018 as a year of recovery, and (all things equal) expect like-for-like revenue, including renovations, to grow between 4% and 5%, with an EBITDA margin between 9% and 10%.

Federico J. González, President & CEO

Rezidor RevPAR Development Q1

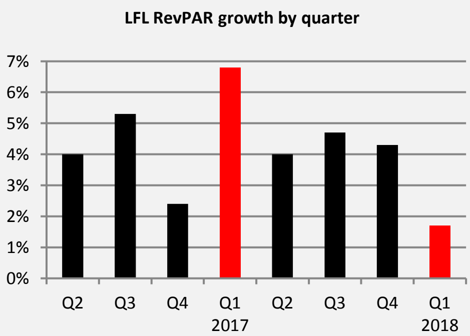
Reported RevPAR for the leased and managed hotels was 3.6% below last year. The decrease is mainly due to the negative impact of FX (–4.8%) and new openings (–3.0%), partly off-set by exited hotels (2.5%).

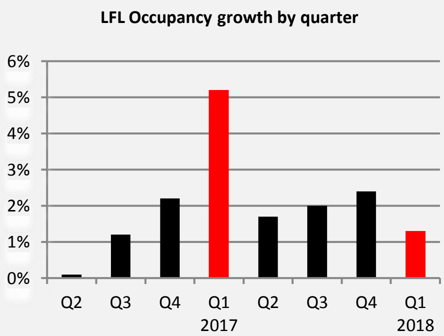
RevPAR LFL&R for the leased and managed hotels grew by 1.7%. Net of the Easter effect and the reduction of low contributing room sales, RevPAR LFL&R increased, from a structural point of view, by additional 2.2% to 3.9%.

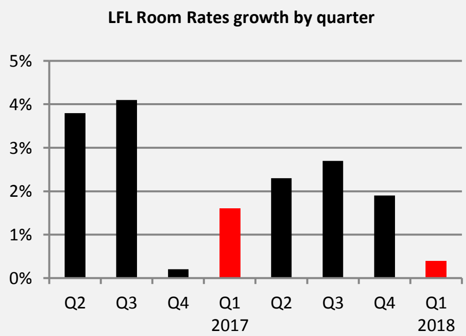
Three of four regions reported RevPAR LFL&R growth over last year, with the strongest development in Eastern Europe. Middle East, Africa & Others was the only region below last year.

Reported RevPAR for the leased hotels was better and only 1.0% below last year. The decrease is mainly due to the negative impacts of FX (–3.6%), off-set by exits (3.7%).

RevPAR LFL&R for the leased hotels declined by 1.2%. Net of the Easter effect and the reduction of low contributing room sales, RevPAR LFL&R increased, from a structural point of view, by 3.8%.







Income Statement

First quarter 2018

MEUR	Q1 2018	Q1 2017	Change	%
Revenue	206.2	222.5	–16.3	–7.3%
EBITDA	6.1	2.5	3.6	144.0%
EBITDA margin	*3.0%*	*1.1%*	*1.9 pp*	
EBIT	–4.8	–8.2	3.4	41.5%
EBIT margin	*–2.3%*	*–3.7%*	*1.4 pp*	
Profit/loss for the period	–5.0	–7.6	2.6	34.2%

Revenue decreased by MEUR 16.3 (–7.3%) to MEUR 206.2. The decrease is mainly due to the exit of eight leases at the end of 2017 and the strengthening of the Euro.

On a like-for-like basis, including hotels under renovation (“LFL&R”), revenue decreased by MEUR 1.3 (–0.6%). The timing of Easter is estimated to have impacted revenue negatively with ca MEUR –5.2. In addition, the strategic decision to release rooms inventory with low rates in the leased portfolio has had an estimated impact of ca MEUR –3.6. Excluding all these mentioned effects, revenue grew by ca 3.5%.

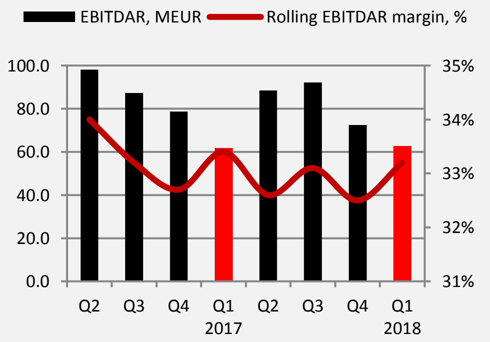
MEUR	LFL&R	New	Out	FX	Change
Rooms Revenue	–1.3	—	–4.1	–4.0	–9.4
F&D Revenue	–1.2	—	–1.9	–2.2	–5.3
Other Hotel Revenue	–0.3	—	–0.5	–0.2	–1.0
Total Leased Revenue	**–2.8**	**—**	**–6.5**	**–6.4**	**–15.7**
Fee Revenue	–0.1	1.0	–1.9	–1.2	–2.2
Other Revenue	1.6	—	—	–0.0	1.6
Total Revenue	**–1.3**	**1.0**	**–8.4**	**–7.6**	**–16.3**

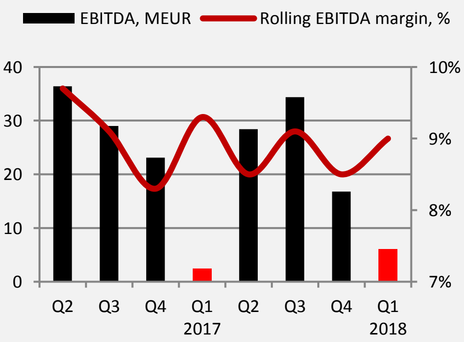
EBITDA increased by MEUR 3.6 (144.0%) to MEUR 6.1. Strong conversion in the leased portfolio and lower net costs for central activities of MEUR 4.6 has offset the negative impact of the timing of Easter, which is estimated to ca MEUR –2.7.

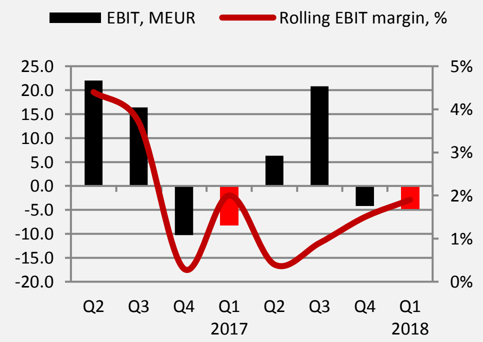
The contribution from the fee business is flat compared to last year, as the decrease in fee revenue is offset by lower costs for bad debts and management guarantees.

EBIT improved by MEUR 3.4 (41.5%) to MEUR –4.8 due to the increase in EBITDA.

Profit/loss for the period improved by MEUR 2.6 to MEUR –5.0.







Q1 Comments by Region[1, 2]

Nordics

MEUR	Q1 2018	Q1 2017	Change	%
Revenue	84.1	88.6	–4.5	–5.1%
RevPAR LFL&R [EUR]	83.8	83.4	0.4	0.5%
EBITDA	4.3	5.5	–1.2	–21.8%
EBITDA margin	*5.1%*	*6.2%*	*–1.1 pp*	
EBIT	0.3	1.8	–1.5	–83.3%
EBIT margin	*0.4%*	*2.0%*	*–1.6 pp*	

Revenue decreased by MEUR 4.5 (–5.1%) to MEUR 84.1. The decrease is mainly due to the strengthening of the Euro (MEUR –4.4), the Easter effect (ca MEUR –3.8) and the strategy to release rooms inventory with low rates (ca MEUR –2.1).

Reported RevPAR was 4.8% below last year. The decrease is due to the negative impact of FX (–5.3%). RevPAR LFL&R grew by 0.5%. Net of the Easter effect and the reduction of low contributing room sales, RevPAR LFL&R increased, from a structural point of view, by additional 6.9% to 7.4%. Norway, with ca 56% of LFL&R room revenue within the region, continued to be the growth driver (4.8%) and outperformed the market, which was at –2.2%[3]. Denmark (–7.1%) and Sweden (–3.2%) were negatively impacted by renovations as well as softening of demand in Stockholm and Copenhagen. However, in these key cities we outperformed the market by 3.0 percentage points respectively net of the renovation impact.[4]

EBITDA decreased by MEUR 1.2 (–21.8%) to MEUR 4.3, mainly due to the timing of Easter, which is estimated to ca MEUR –1.9. Excluding the Easter impact, the EBITDA margin has improved with ca 0.9 percentage point, reflecting improved operational conversion.

Rest of Western Europe

MEUR	Q1 2018	Q1 2017	Change	%
Revenue	100.8	110.6	–9.8	–8.9%
RevPAR LFL&R [EUR]	80.1	79.1	1.0	1.3%
EBITDA	6.2	4.8	1.4	29.2%
EBITDA margin	*6.2%*	*4.3%*	*1.9 pp*	
EBIT	0.0	–1.4	1.4	100.0%
EBIT margin	*0.0%*	*–1.3%*	*1.3 pp*	

Revenue decreased by MEUR 9.8 (–8.9%) to MEUR 100.8. The decrease is mainly due to the exit of eight leases at the end of 2017 (MEUR –6.5), the strengthening of the Euro (MEUR –2.1), the Easter effect (ca MEUR –1.4) and the strategy to release rooms inventory with low rates (ca MEUR –1.5), partly offset by termination fee income of MEUR 1.0.

Reported RevPAR was in line with last year. The negative impact of FX (–0.8%) and openings (–3.1%), was off-set by exits (2.6%). RevPAR LFL&R grew 1.3%. Net of the Easter effect and the reduction of low contributing room sales, RevPAR LFL&R increased, from a structural point of view, by additional 2.5% to 3.8%. The highest RevPAR LFL&R growth was noted in Spain (20.8%) and Italy (18.4%). In Germany, with ca 26% of the LFL&R room revenue in the region, RevPAR declined 1.8%, impacted by renovations and the fair cycle. In the UK, with ca 27% of the LFL&R room revenue in the region, the RevPAR, impacted by the airport hotels, declined 1.4%. Net of the airport hotels, RevPAR LFL&R in the UK outperformed the market (2.0% vs 1.2%[5]).

EBITDA increased by MEUR 1.4 (29.2%) to MEUR 6.2, mainly due to the above-mentioned exit of leases at the end of 2017 and the termination fee income of MEUR 1.0. The impact on EBITDA of the timing of Easter is estimated to ca MEUR –0.8.

Eastern Europe

MEUR	Q1 2018	Q1 2017	Change	%
Revenue	7.7	9.6	–1.9	–19.8%
RevPAR LFL&R [EUR]	45.0	40.0	5.0	12.5%
EBITDA	5.0	5.7	–0.7	–12.3%
EBITDA margin	*64.9%*	*59.4%*	*5.5 pp*	
EBIT	4.9	5.6	–0.7	–12.5%
EBIT margin	*63.6%*	*58.3%*	*5.3 pp*	

Revenue decreased by MEUR 1.9 (–19.8%) to MEUR 7.7. The decrease is mainly due to termination fee income last year related to a franchise agreement (MEUR –1.5), and the strengthening of the Euro (MEUR –0.4).

Reported RevPAR was 6.3% above last year. The negative impact of FX (–6.1%) and openings (–1.4%), was partly off-set by exits (1.2%), resulting in a RevPAR LFL&R growth of 12.5%. Turkey (37.8%) led the growth, recovering from the negative impact of the terrorist attacks, attempted coup and unrest last year. Russia, our key market in the region with ca 42% of LFL&R room revenue, reported RevPAR growth of 16.5%, outperforming the market with 9.8 percentage points[6].

EBITDA decreased by MEUR 0.7 (–12.3%) to MEUR 5.0, mainly due to the above-mentioned termination fee income of MEUR 1.5 last year, partly offset by lower costs for bad debts.

[1] In Nordics, the business is predominantly leased contracts. In Rest Of Western Europe, the business is a mix of leased, managed and franchise contracts. In Easter Europe and Middle East, Africa and Others, the business is mainly management contracts.

[2] Please note that the segmentation has been further developed to better illustrate how the business is operated. The numbers for the comparative period have been restated.

[3] Source: Hotel | Trends by Benchmarking | Alliance © 2018

[4] Source: Hotel | Trends by Benchmarking | Alliance © 2018

[5] Source: STR Global LTD, © 2018

[6] Source: STR Global LTD, © 2018

Middle East, Africa and Others

MEUR	Q1 2018	Q1 2017	Change	%
Revenue	8.2	9.2	–1.0	–10.9%
RevPAR LFL&R [EUR]	71.0	74.9	–3.9	–5.2%
EBITDA	5.4	5.9	–0.5	–8.5%
EBITDA margin	*65.9%*	*64.1%*	*1.8 pp*	
EBIT	5.3	5.8	–0.5	–8.6%
EBIT margin	*64.6%*	*63.0%*	*1.6 pp*	

Revenue decreased by MEUR 1.0 (–10.9%) to MEUR 8.2, mainly due to the decrease in RevPAR LFL&R and the strengthening of the Euro (MEUR –0.6).

Reported RevPAR was 14.4% below last year. The negative impact of FX (–9.7%) and openings (–6.2%) was partly off-set by exits (6.8%). The result was a RevPAR LFL&R decline of 5.2%. RevPAR LFL&R per market remain mixed, with recovery in Northern Africa (e.g. Tunisia 71.6%), growth in several key markets (e.g. Kenya 18.5% and Kuwait 21.7%), but challenges in others (e.g. Saudi Arabia –9.1%, UAE –6.6% and South Africa –5.9%).

EBITDA decreased by MEUR 0.5 (–8.5%) to MEUR 5.4. The negative impact of the decrease in revenue is partly offset by lower costs for bad debts.

Central Activities

EBIT impact for central management was flat compared to last year and amounted to MEUR –16.4. EBIT for central marketing improved by MEUR 2.3 to MEUR –0.5, mainly due to timing of activities. EBIT for other central activities improved by MEUR 2.2 to MEUR 2.0, mainly related to procurement and loyalty programmes.

Comments to the Balance Sheet

Non-current assets increased by MEUR 1.9 from year-end 2017 and amounted to MEUR 353.0. The increase is mainly related to deferred tax assets.

Net working capital, excluding cash and cash equivalents, but including current tax assets and liabilities, was MEUR –43.3 at the end of the period, compared to MEUR –48.6 at year-end 2017.

Compared to year-end 2017, equity decreased by MEUR 2.8 to MEUR 250.9 due to the loss for the period of MEUR 5.0, partly offset by exchange differences on translation of foreign operations.

MEUR	31 Mar 18	31 Dec 17
Total assets	523.1	513.4
Net working capital	–43.3	–48.6
Net cash (debt)	–43.1	–31.7
Equity	250.9	253.7

Cash Flow and Liquidity

MEUR	Q1 2018	Q1 2017
Cash flow before working capital changes	1.9	–2.2
Change in working capital	–3.5	4.7
Cash flow from investing activities	–9.7	–8.9
Free cash flow	**–11.3**	**–6.4**
Cash flow from financing activities	14.1	7.6
Cash flow for the period	**2.8**	**1.2**

Cash flow from operations, before change in working capital, amounted to MEUR 1.9, an increase of MEUR 4.1 and mainly due to improved EBIT adjusted for non-cash items. Cash flow from change in working capital amounted to MEUR –3.5, compared to MEUR 4.7 last year. The change in working capital is mainly a consequence of the high number of operating payables at the end of 2017, which have been settled during the quarter.

Cash flow used in investing activities was MEUR 0.8 higher compared to last year and amounted to MEUR –9.7. The increase is mainly due to investments in financial receivables.

Cash flow from financing activities increased by MEUR 6.5 as a result of increase in use of overdraft and amounted to MEUR 14.1.

At the end of the period, Rezidor had MEUR 10.2 (7.4) in cash and cash equivalents. The total credit facilities available for use at the end of the period amounted to MEUR 200.0 (200.0). MEUR 2.7 (2.6) was used for bank guarantees and MEUR 44.6 (30.4) was used for overdrafts, leaving MEUR 152.7 (167.0) in available credit for use. The committed credit facilities have a tenor until November 2018 and carry customary covenants, including change of control and delisting provisions.

Net interest-bearing assets amounted to MEUR –28.4 (–17.3 at year-end 2017).

Net cash (debt) equalled MEUR –43.1 (–31.7 at year-end 2017).

Subsequent Events

There are no significant post balance sheet events to report.

Material Risks and Uncertainties

No material changes have taken place during the period and reference is therefore made to the detailed description provided in the annual report for 2017. The general market, economic and financial conditions as well as the development of RevPAR in various countries where Rezidor operates, continue to be the most important factors influencing the company's earnings. To reduce the risks associated with operating in Emerging Markets, Rezidor applies an asset light business model.

Management is continuously analysing ways to improve the performance of the hotel portfolio. Future cash flow projections related to leases or management agreements with performance guarantees are sensitive to changes in discount rate, occupancy and room rate assumptions. Changes in such assumptions may lead to a renewed assessment of the value of certain assets and the risk for loss making contracts.

The financial impact of exiting contracts is uncertain, and it cannot be ruled out that an exit could lead to a cash outflow which is currently not fully reflected in the reported liabilities of the Group.

Deferred tax is recognised on temporary differences between stated and taxable income and on unutilised tax losses carried forward. In addition to changes to future cash flow projections, deferred tax assets are also sensitive to changes in tax rules and regulations.

The Parent Company performs services of a common Group character. The risks for the Parent Company are the same as for the Group.

Seasonal Effects

Rezidor is active in an industry with seasonal variations. Sales and profits vary by quarter and the first quarter is generally the weakest. The timing of Easter can have a significant impact on Earnings when comparing to the equivalent period for the previous year. For quarterly revenue and margins, see table on page 19.

Sensitivity Analysis

With the current business model and portfolio mix Rezidor estimates that a EUR 1 RevPAR variation would result in a MEUR 6–8 change in LFL EBITDA. Future cash flow projections related to leases or management agreements with performance guarantees are sensitive to changes in discount rates, occupancy and room rate assumptions. Changes in such assumptions may lead to a renewed assessment of the value of certain assets and the risk for loss making contracts.

Auditor’s Review

The report has not been subject to review by the auditors.

Presentation of the Q1 Results

On April 26, 2018 at 10:00 CET, a combined telephone conference and live webcast (in English) concerning the report will be presented by the President & CEO, Federico González-Tejera and Deputy President & CFO, Knut Kleiven. To follow the webcast, please visit www.investor.rezidor.com.

To access the telephone conference, please dial:

Belgium, Local	+32 2 404 0659
Belgium, Free	0800 58229
Sweden, Local:	+46 8 5033 6574
Sweden, Free:	0200 880 390
UK, Local:	+44 330 336 9105
UK, Free:	0800 358 6377
USA, Local:	+1 929 477 0353
USA, Free:	800 289 0438
France, Local:	+33 1 76 77 22 74
France, Free:	0805 101 219
Norway, Local:	+47 2100 2610
Norway, Free:	800 57933

Confirmation code: 9386190. For a replay of the conference call please visit www.investor.rezidor.com.

Financial Calendar

Q2 2018 results: July 26, 2018
Q3 2018 results: October 25, 2018

For Further Information, Contact

Knut Kleiven
Deputy President & CFO
knut.kleiven@radissonhotels.com

Pablo Corrales Diaz
Director, Strategy & Investor Relations
pablo.corrales@radissonhotels.com

The Rezidor Hotel Group Corporate Office
Avenue du Bourget 44
B-1130 Brussels
Belgium
Tel: +32 2 702 9200

Website: www.rezidor.com

About the Rezidor Hotel Group

The Rezidor Hotel Group is focused on hotel management and operates the core brands Radisson Blu and Park Inn by Radisson, as well as Radisson RED, an upscale “lifestyle select” brand inspired by the millennial lifestyle, and Radisson Collection, a premium lifestyle collection of exceptional hotels located in unique locations. Rezidor also holds 49% in prizeotel, a young hotel chain in the economy segment.

The portfolio consists of 374 hotels, with 82,464 rooms, in operation and 104 hotels, with 23,718 rooms, under development in 78 countries across Europe, the Middle East and Africa.

Rezidor’s strategy is to grow with an asset-right approach, balancing management and franchise contracts with selected lease contracts. Management and franchise contracts offer a higher profit margin and more stable income streams and lease contracts allow Rezidor to complete their presence in Mature markets.

Rezidor is a member of Radisson Hotel Group™ (formerly Carlson Rezidor Hotel Group). For more information, visit www.rezidor.com.

This interim report comprises information which Rezidor Hotel Group AB (publ) is required to disclose under the Securities Markets Act and/or the Financial Instruments Trading Act. It was released for publication at 07:30 CET on April 26, 2018.

Stockholm, April 26, 2018

The Board of Directors
Rezidor Hotel Group AB (publ)

Condensed Consolidated Statement of Operations

MEUR	Q1 2018	Q1 2017
Revenue	206.2	222.5
Costs of goods sold for Food & Drinks and other related expenses	–11.3	–12.4
Personnel cost and contract labour	–76.6	–83.7
Other operating expenses	–52.1	–61.0
Insurance of properties and property tax	–3.5	–3.7
Operating profit before rental expense, share of income in associates and joint ventures, depreciation and amortisation, costs due to termination of contracts, gain/loss on sale of fixed assets, net financial items and income tax (EBITDAR)	**62.7**	**61.7**
Rental expense	–56.0	–58.9
Share of income in associates and joint ventures	–0.6	–0.3
Operating profit before depreciation and amortisation, costs due to termination of contracts, gain/loss on sale of fixed assets, net financial items and income tax (EBITDA)	**6.1**	**2.5**
Depreciation and amortisation	–10.8	–10.5
Write-downs and reversals of write-downs	–0.1	–0.2
Operating profit/loss (EBIT)	**–4.8**	**–8.2**
Financial income	0.6	0.2
Financial expense	–0.7	–0.8
Profit/loss before tax	**–4.9**	**–8.8**
Income tax	–0.1	1.2
Profit/loss for the period	**–5.0**	**–7.6**
Attributable to:		
Owners of the parent company	–5.0	–7.6
Non-controlling interests	—	—
Profit/loss for the period	**–5.0**	**–7.6**
Basic average no. of shares outstanding	171,166,316	170,826,611
Diluted average no. of shares outstanding	172,418,463	173,442,760
Earnings per share, in EUR		
Basic	–0.03	–0.04
Diluted	–0.03	–0.04

Consolidated Statement of Comprehensive Income

MEUR	Q1 2018	Q1 2017
Profit/loss for the period	**–5.0**	**–7.6**
Other comprehensive income:		
Items that will not be reclassified subsequently to profit or loss:		
Actuarial gains and losses	—	—
Tax on actuarial gains and losses	—	—
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	1.9	–1.5
Tax on exchange differences	0.1	–0.1
Fair value gains and losses on cash flow hedges	–0.0	0.1
Tax on fair value gains and losses on cash flow hedges	0.0	–0.0
Other comprehensive income for the period, net of tax	**2.0**	**–1.5**
Total comprehensive income for the period	**–3.0**	**–9.1**
Attributable to:		
Owners of the parent company	–3.0	–9.1
Non-controlling interests	—	—

Condensed Consolidated Balance Sheet Statements

MEUR	31 Mar 2018	31 Dec 2017
ASSETS		
Intangible assets	60.7	61.5
Tangible assets	194.0	193.0
Investments in associated companies and joint ventures	15.5	16.2
Other shares and participations	5.7	5.7
Other long-term receivables	13.8	14.2
Deferred tax assets	63.3	60.5
Total non-current assets	**353.0**	**351.1**
Inventories	4.4	4.3
Other current receivables	142.0	137.0
Derivative financial instruments	0.2	0.2
Cash and cash equivalents	10.2	7.4
Assets classified as held for sale	13.3	13.4
Total current assets	**170.1**	**162.3**
TOTAL ASSETS	**523.1**	**513.4**
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent	250.9	253.7
Non-controlling interests	0.0	0.0
Total equity	**250.9**	**253.7**
Deferred tax liabilities	14.7	15.6
Retirement benefit obligations	3.4	3.3
Other long-term liabilities	23.6	23.9
Total non-current liabilities	**41.7**	**42.8**
Liabilities to financial institutions	44.6	30.4
Derivative financial instruments	0.0	0.0
Other current liabilities	185.9	186.5
Total current liabilities	**230.5**	**216.9**
TOTAL EQUITY AND LIABILITIES	**523.1**	**513.4**
Number of ordinary shares outstanding at the end of the period	171,166,316	171,166,316
Number of ordinary shares held by the company	3,222,541	3,222,541
Number of registered ordinary shares at the end of the period	174,388,857	174,388,857

Consolidated Statement of Changes in Equity

MEUR	Share capital	Other paid in capital	Other reserves	Retained earnings incl. net profit/loss for the period	**Attributable to equity holders of the parent**	Non-controlling interests	**Total equity**
Opening balance as of January 1, 2017	**11.6**	**177.1**	**4.2**	**72.8**	**265.7**	**0.0**	**265.7**
Profit for the period	—	—	—	–7.6	**–7.6**	—	**–7.6**
Other comprehensive income:							
Actuarial gains and losses on defined benefit plans	—	—	—	—	**—**	—	**—**
Tax on actuarial gains and losses on defined benefit plans	—	—	—	—	**—**	—	**—**
Currency differences on translation of foreign operations	—	—	–1.5	—	**–1.5**	—	**–1.5**
Tax on exchange differences recognised in other comprehensive income	—	—	–0.1	—	**–0.1**	—	**–0.1**
Cash flow hedges	—	—	0.1	—	**0.1**	—	**0.1**
Tax on cash flow hedges	—	—	–0.0	—	**–0.0**	—	**–0.0**
Total comprehensive income for the period	**—**	**—**	**–1.5**	**–7.6**	**–9.1**	**—**	**–9.1**
Transactions with owners:							
Dividend	—	—	—	—	—	—	—
Long term incentive programmes	—	—	—	0.5	**0.5**	—	**0.5**
Ending balance as of March 31, 2017	**11.6**	**177.1**	**2.7**	**65.7**	**257.1**	**0.0**	**257.1**
Opening balance as of January 1, 2018	**11.6**	**177.1**	**–5.0**	**70.0**	**253.7**	**0.0**	**253.7**
Profit for the period	—	—	—	–5.0	**–5.0**	—	**–5.0**
Other comprehensive income:							
Actuarial gains and losses on defined benefit plans	—	—	—	—	**—**	—	**—**
Tax on actuarial gains and losses on defined benefit plans	—	—	—	—	**—**	—	**—**
Currency differences on translation of foreign operations	—	—	1.9	—	**1.9**	—	**1.9**
Tax on exchange differences recognised in other comprehensive income	—	—	0.1	—	**0.1**	—	**0.1**
Cash flow hedges	—	—	–0.0	—	**–0.0**	—	**–0.0**
Tax on cash flow hedges	—	—	0.0	—	**0.0**	—	**0.0**
Total comprehensive income for the period	**—**	**—**	**2.0**	**–5.0**	**–3.0**	**—**	**–3.0**
Transactions with owners:							
Dividend	—	—	—	—	**—**	**—**	**—**
Long term incentive programmes	—	—	—	0.2	**0.2**	—	**0.2**
Ending balance as of March 31, 2018	**11.6**	**177.1**	**–3.0**	**65.2**	**250.9**	**0.0**	**250.9**

Condensed Consolidated Statement of Cash Flow

MEUR	Q1 2018	Q1 2017
Operating profit (EBIT)	**–4.8**	**–8.2**
Non-cash items	11.8	11.6
Interest, taxes paid and other cash items	–5.1	–5.6
Change in working capital	–3.5	4.7
Cash flow from operating activities	**–1.6**	**2.5**
Purchase of intangible assets	–0.0	–0.8
Purchase of tangible assets	–9.2	–8.5
Other investments/divestments	–0.5	0.4
Cash flow from investing activities	**–9.7**	**–8.9**
External financing, net	14.1	7.6
Cash flow from financing activities	**14.1**	**7.6**
Cash flow for the period	**2.8**	**1.2**
Effects of exchange rate changes on cash and cash equivalents	0.0	0.1
Cash and cash equivalents at beginning of the period	**7.4**	**8.0**
Cash and cash equivalents at end of the period	**10.2**	**9.3**

Parent Company, Condensed Statement of Operations

MEUR	Q1 2018	Q1 2017
Revenue	3.4	3.5
Personnel cost and contract labour	–1.8	–1.8
Other operating expenses	–1.7	–6.2
Operating profit/loss before depreciation and amortization (EBITDA)	**–0.1**	**–4.5**
Depreciation and amortization	–0.0	–0.0
Operating profit/loss (EBIT)	**–0.1**	**–4.5**
Financial income	0.1	0.0
Financial expense	0.0	–0.1
Profit/loss before tax	**0.0**	**–4.6**
Income tax	–0.0	1.0
Profit/loss for the period	**0.0**	**–3.6**

Parent Company, Statement of Comprehensive Income

Profit/loss for the period	**0.0**	**–3.6**
Other comprehensive income	—	—
Total comprehensive income for the period	**0.0**	**–3.6**

Parent Company, Condensed Balance Sheet Statements

MEUR	31 Mar 2018	31 Dec 2017
ASSETS		
Intangible assets	0.0	0.0
Tangible assets	0.2	0.2
Shares in subsidiaries	237.1	236.9
Total non-current assets	**237.3**	**237.1**
Current receivables	32.9	36.5
Total current assets	**32.9**	**36.5**
TOTAL ASSETS	**270.2**	**273.6**
EQUITY AND LIABILITIES		
Equity	**265.3**	**265.1**
Current liabilities	4.9	8.5
Total current liabilities	**4.9**	**8.5**
TOTAL EQUITY AND LIABILITIES	**270.2**	**273.6**

Parent Company, Statement of Changes in Equity

MEUR	Share capital	Share premium reserve	Retained earnings incl. net profit/loss for the period	Total equity
Opening balance as of January 1, 2017	**11.6**	**254.2**	**7.0**	**272.8**
Total comprehensive income for the period	—	—	–3.6	**–3.6**
Transactions with owners:				
Long term incentive programmes	—	—	0.5	**0.5**
Ending balance as of March 31, 2017	**11.6**	**254.2**	**3.9**	**269.7**
Opening balance as of January 1, 2018	**11.6**	**254.2**	**–0.7**	**265.1**
Total comprehensive income for the period	—	—	0.0	**0.0**
Transactions with owners:				
Dividend	—	—	0.0	**0.0**
Long term incentive programmes	—	—	0.2	**0.2**
Ending balance as of March 31, 2018	**11.6**	**254.2**	**–0.5**	**265.3**

Comments on the Income Statement

The primary purpose of the Parent Company is to act as a holding company for the Group's investments in hotel operating subsidiaries in various countries. In addition to this main activity, the Parent Company also serves as a Shared Service Centre.

The main revenue of the company is internal fees charged to hotels for the services provided by the Shared Service Centre. In Q1 2018 the intercompany revenue of the Parent Company amounted to MEUR 3.0 (3.2). The intercompany costs in Q1 2018 amounted to MEUR 0.7 (2.8).

The increase in profit before tax of MEUR 4.6 is mainly due to decrease in intercompany costs by MEUR 2.1 and financial advisor fees of MEUR 2.2 last year.

Comments on the Balance Sheet

The decrease in current assets and liabilities since year end 2017 is mainly due to changes in intercompany balances. At the end of the period the intercompany receivables amounted to MEUR 32.3 (35.5) and the intercompany liabilities amounted to MEUR 1.0 (5.1).

Notes to Condensed Consolidated Financial Statements

Basis of preparation

The report has been prepared in accordance with the Swedish Annual Accounts Act and International Accounting Standard (IAS) 34 Interim Financial Reporting. The report has been prepared using accounting principles consistent with International Financial Reporting Standards (IFRS). Disclosures in accordance with IAS 34 Interim Financial Reporting are presented either in notes or elsewhere in the report.

The report for the Parent Company has been prepared in accordance with Swedish Annual Accounts Act and Recommendation RFR 2, Accounting for Legal Entities, issued by Swedish Financial Accounting Standards Council.

The same accounting policies, presentation and methods of computation have been followed in this report as were applied in the company's 2017 Annual Report, except for the application of two new standards as from January 1, 2018; IFRS 9 *Financial Instruments* and IFRS 15 *Revenue from Contracts with Customers.*

IFRS 9 *Financial instruments*

IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

The new guidance has not affected the classification and measurement of financial assets and there is no impact either on the group's accounting for financial liabilities.

The new hedge accounting rules aligns the accounting for hedging instruments more closely with the group's risk management practices. As a rule, more hedge relationships might be eligible for hedge accounting, as the standard introduces a more principles-based approach. The hedge relationships have qualified as continuing hedges upon the adoption of IFRS 9.

The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under IAS 39. It applies to financial assets classified at amortized cost such as long and short-term receivables. There is no material change in the loss allowance for these instruments.

IFRS 15 *Revenue from Contracts with Customers*

The IASB has issued a new standard for the recognition of revenue. This has replaced IAS 18 which covered contracts for goods and services and IAS 11 which covered construction contracts.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The group primarily has the following revenues.

Leased properties – primarily received from hotel operations, including all revenue received from guests for accommodation, conferences, food and drinks or other services. Revenue is recognised when the sale has been rendered.

Management fees – received from hotels managed by the Group under long-term contracts with the hotel owner. Management fee is normally a percentage of hotel revenue and/or profit and recognised in the income statement when earned and realised or realisable under the terms of the contract.

Franchise fees – received in connection with the license of the Group's brand names, usually under long-term contracts with the hotel owner. Franchise fee is normally a percentage of hotel revenue and/or profit and recognized in the income statement based on the underlying contract agreements.

The group has had no change of revenue recognition as a consequence of the implementation of the new standard.

Incentive programmes

In 2015 and 2016 the AGM's have approved long-term equity settled performance-based incentive programmes to be offered to executives within Rezidor. The structure of the programmes is similar. The programmes are comprised of both matching shares and performance shares. The President and CEO and other members of the Executive Committee have been offered the opportunity to participate in the performance share part as well as the matching share part of the programmes. Other key executives have been offered to participate in the performance share part of the programmes.

To qualify for matching shares, each participant shall meet certain requirements, including a shareholding requirement of at least three years and continuing employment with the company during the vesting period. Exemptions may be prescribed in specific cases. To qualify for performance shares, each participant must, in addition to the requirement regarding continuing employment during the vesting period, meet a performance target based on cumulative earnings per share for three consecutive financial years, starting as from the year the programme has been approved by the AGM.

Four members of the Executive Committee participate in the 2015 programme entitling them to a total maximum of 292,586 shares. 20 other members of management participate in the programme, entitling them to a maximum of 307,935 shares.

The total value of the 2015 programme at grant date, based on 35 participants and including social security costs, amounted to MEUR 5.0.

Four members of the Executive Committee participate in the 2016 programme entitling them to a total maximum of 325,885 shares. 22 other members of management participate in the programme, entitling them to a maximum of 325,741 shares.

The total value of the 2016 programme at grant date, based on 40 participants and including social security costs, amounted to MEUR 5.4.

The net costs recognised in the income statement during Q1 2018 in accordance with IFRS 2 for the incentive programmes amounted to MEUR 0.2 (0.5).

Share buy-back

The number of treasury shares held by the company at the end of the quarter was 3,222,541, corresponding to 1.8% of all registered shares. The average number of its own shares held by the company during Q1 2018 was 3,222,541 (3,562,246). The shares have been bought back in 2007 and 2008 following authorisations at the AGMs in the same years. Most the shares bought back are held to secure delivery of shares in the incentive programmes and the related social security costs.

Financial instruments measured at fair value

On March 31, 2018, Rezidor had financial instruments measured at fair value amounting to MEUR 5.7 (5.7).

Related party transactions

HNA Group Co., Ltd. ("HNA") and its affiliates, including Radisson Hospitality, Inc. (former Carlson Hotels, Inc.), are significant related parties.

On March 31, 2018 Rezidor had no receivables (0.0) related to Radisson Hospitality, Inc. and current liabilities of MEUR 2.2 (1.0). The business relationship with Radisson Hospitality, Inc. mainly consisted of operating costs related to the use of the brands and the use of Radisson Hospitality, Inc.'s reservation system. During Q1 2018 Rezidor had operating costs towards Radisson Hospitality, Inc. of MEUR 4.9 (5.0).

Radisson Hospitality, Inc. also charged MEUR 1.1 (1.3) for points earned in the Radisson Rewards loyalty programme and reimbursed MEUR 0.4 (0.5) for points redeemed. Furthermore, Radisson Hospitality, Inc. recharged MEUR 0.5 (1.6) of costs incurred from third parties, mainly internet-based reservation channels.

Radisson Hospitality, Inc. and Rezidor are also cooperating in various other areas, such as global sales, brand websites, revenue optimisation tools and purchasing. During Q1 2018 Rezidor had revenue towards Radisson Hospitality, Inc. of MEUR 1.5 (0.3) and costs of MEUR 0.5 (0.7) related to these cost sharing arrangements.

Except for the above-mentioned transactions with Radisson Hospitality, Inc., there are no material transactions with HNA or its affiliates.

Pledged assets and contingent liabilities

Pledged assets, MEUR	**31 Mar 2018**	**31 Dec 2017**
Pledged assets	—	—

Contingent liabilities, MEUR	**31 Mar 2018**	**31 Dec 2017**
Tax claim interest deduction Sweden	6.4	6.3
Guarantees provided	2.7	2.6

RevPAR Development by Brand (Leased & Managed Hotels)

	Occupancy LFL&R		Av. Room Rates LFL&R		RevPAR LFL&R		Reported RevPAR	
In EUR	**Q1 2018**	**vs. 2017**	**Q1 2018**	**vs. 2017**	**Q1 2018**	**vs. 2017**	**Q1 2018**	**vs. 2017**
Radisson Blu	61.8%	0.5 pp	118.1	0.2%	73.0	1.0%	68.3	–4.5%
Park Inn by Radisson	60.1%	1.7 pp	75.7	0.6%	45.5	3.5%	40.7	–1.6%
Group	**61.5%**	**0.8 pp**	**109.3**	**0.4%**	**67.2**	**1.7%**	**61.7**	**–3.6%**

RevPAR Development by Region (Leased & Managed Hotels)

	Occupancy LFL&R		Av. Room Rates LFL&R		RevPAR LFL&R		Reported RevPAR	
In EUR	**Q1 2018**	**vs. 2017**	**Q1 2018**	**vs. 2017**	**Q1 2018**	**vs. 2017**	**Q1 2018**	**vs. 2017**
Nordics	65.6%	–1.7 pp	127.6	3.1%	83.8	0.5%	79.3	–4.8%
Rest of Western Europe	68.5%	–0.5 pp	116.9	2.0%	80.1	1.3%	77.1	–0.0%
Eastern Europe	53.1%	3.0 pp	84.8	6.2%	45.0	12.5%	41.3	6.3%
Middle East, Africa & Others	61.6%	1.0 pp	115.2	–6.7%	71.0	–5.2%	59.6	–14.4%
Group	**61.5%**	**0.8 pp**	**109.3**	**0.4%**	**67.2**	**1.7%**	**61.7**	**–3.6%**

RevPAR Development by Region (Leased Hotels)

	Occupancy LFL&R		Av. Room Rates LFL&R		RevPAR LFL&R		Reported RevPAR	
In EUR	**Q1 2018**	**vs. 2017**	**Q1 2018**	**vs. 2017**	**Q1 2018**	**vs. 2017**	**Q1 2018**	**vs. 2017**
Nordics	65.5%	–2.3 pp	125.2	3.0%	81.9	–0.5%	77.7	–5.6%
Rest of Western Europe	69.0%	–1.9 pp	122.4	1.1%	84.4	–1.7%	82.7	2.8%
Group	**67.4%**	**–2.1 pp**	**123.6**	**2.0%**	**83.3**	**–1.2%**	**80.4**	**–1.0%**

RevPAR Development – LFL&R to Reported (Leased & Managed Hotels)

RevPAR	**Q1 2018**
LFL&R growth	1.7%
FX impact	–4.8%
Units out	2.5%
New openings	–3.0%
Reported growth	–3.6%

Revenue per Area of Operation

MEUR	**Q1 2018**	**Q1 2017**	**Change %**
Rooms revenue	111.5	120.9	–7.8%
F&D revenue	54.9	60.2	–8.8%
Other hotel revenue	4.5	5.5	–18.2%
Total hotel revenue (leased)	**170.9**	**186.6**	**–8.4%**
Fee revenue (managed & franchised)	27.4	29.5	–7.1%
Other revenue	7.9	6.4	23.4%
Total revenue	**206.2**	**222.5**	**–7.3%**

Total Fee Revenue

MEUR	**Q1 2018**	**Q1 2017**	**Change %**
Management fees	7.6	8.0	5.0%
Incentive fees	5.5	5.8	–5.2%
Franchise fees	2.7	2.8	–3.6%
Other fees (incl. marketing, reservation fee etc.)	11.6	13.0	–10.8%
Total fee revenue	**27.4**	**29.6**	**–7.4%**

Revenue per Segment

Q1	Nordics 2018	Nordics 2017	Rest of Western Europe 2018	Rest of Western Europe 2017	Eastern Europe 2018	Eastern Europe 2017	Middle East, Africa & Others 2018	Middle East, Africa & Others 2017
Leased	80.8	85.7	90.5	101.2	—	—	—	—
Managed	0.5	0.5	5.9	5.3	7.0	6.8	8.1	9.1
Franchised	2.3	2.3	2.8	2.6	0.7	2.8	0.1	0.1
Other	0.5	0.1	1.6	1.5	—	—	—	—
Total	**84.1**	**88.6**	**100.8**	**110.6**	**7.7**	**9.6**	**8.2**	**9.2**

Q1	Central Management 2018	Central Management 2017	Central Marketing 2018	Central Marketing 2017	Other Central Activities 2018	Other Central Activities 2017	Intra Segment Eliminations 2018	Intra Segment Eliminations 2017	Total 2018	Total 2017
Leased	—	—	—	—	—	—	–0.4	–0.3	170.9	186.6
Managed	—	—	—	—	—	—	—	—	21.5	21.7
Franchised	—	—	—	—	—	—	—	—	5.9	7.8
Other	—	—	—	—	—	—	–0.3	–0.2	1.8	1.4
Central Activities	1.2	1.5	13.0	11.8	2.8	2.1	–10.9	–10.4	6.1	5.0
Total	**1.2**	**1.5**	**13.0**	**11.8**	**2.8**	**2.1**	**–11.6**	**–10.9**	**206.2**	**222.5**

Please note that the segmentation has been further developed to better illustrate how the business is operated. The numbers for the comparative period have been restated.

Rental Expenses

MEUR	Q1 2018	Q1 2017	Change %
Fixed rent	45.5	46.2	–1.5%
Variable rent	8.0	9.8	–18.4%
Rent	**53.5**	**56.0**	**–4.5%**
Rent as % of leased hotel revenue	31.3%	30.0%	1.3 pp
Shortfall guarantees	2.5	2.9	–13.8%
Rental expense	**56.0**	**58.9**	**–4.9%**

EBITDA per Segment

Q1	Nordics 2018	Nordics 2017	Rest of Western Europe 2018	Rest of Western Europe 2017	Eastern Europe 2018	Eastern Europe 2017	Middle East, Africa & Others 2018	Middle East, Africa & Others 2017
Leased	2.8	4.1	1.9	1.4	—	—	—	—
Managed	0.2	0.2	3.4	1.9	3.6	3.5	5.4	5.9
Franchised	1.1	1.2	1.4	1.5	1.4	2.2	0.0	0.0
Other	0.2	0.0	–0.5	0.0	—	—	—	—
Total	**4.3**	**5.5**	**6.2**	**4.8**	**5.0**	**5.7**	**5.4**	**5.9**

Q1	Central Management 2018	Central Management 2017	Central Marketing 2018	Central Marketing 2017	Other Central Activities 2018	Other Central Activities 2017	Total 2018	Total 2017
Leased	—	—	—	—	—	—	4.7	5.5
Managed	—	—	—	—	—	—	12.6	11.5
Franchised	—	—	—	—	—	—	3.9	4.9
Other	—	—	—	—	—	—	–0.3	0.0
Central Activities	–16.4	–16.5	–0.4	–2.7	2.0	–0.2	–14.8	–19.4
Total	**–16.4**	**–16.5**	**–0.4**	**–2.7**	**2.0**	**–0.2**	**6.1**	**2.5**

EBIT per Segment

Q1	Nordics 2018	Nordics 2017	Rest of Western Europe 2018	Rest of Western Europe 2017	Eastern Europe 2018	Eastern Europe 2017	Middle East, Africa & Others 2018	Middle East, Africa & Others 2017
Leased	–1.0	0.4	–4.2	–4.7	—	—	—	—
Managed	0.2	0.2	3.3	1.9	3.5	3.4	5.3	5.8
Franchised	1.0	1.2	1.4	1.5	1.4	2.2	0.0	0.0
Other	0.1	0.0	–0.5	–0.1	—	—	—	—
Total	**0.3**	**1.8**	**0.0**	**–1.4**	**4.9**	**5.6**	**5.3**	**5.8**

Q1	Central Management 2018	Central Management 2017	Central Marketing 2018	Central Marketing 2017	Other Central Activities 2018	Other Central Activities 2017	Total 2018	Total 2017
Leased	—	—	—	—	—	—	–5.2	–4.3
Managed	—	—	—	—	—	—	12.3	11.3
Franchised	—	—	—	—	—	—	3.8	4.9
Other	—	—	—	—	—	—	–0.4	–0.1
Central Activities	–16.8	–17.0	–0.5	–2.8	2.0	–0.2	–15.3	–20.0
Total	**–16.8**	**–17.0**	**–0.5**	**–2.8**	**2.0**	**–0.2**	**–4.8**	**–8.2**

Please note that the segmentation has been further developed to better illustrate how the business is operated. The numbers for the comparative period have been restated.

Reconciliation of Profit/Loss for the Period

MEUR	Q1 2018	Q1 2017
Total operating profit/loss (EBIT) for reportable segments	**–4.8**	**–8.2**
Financial income	0.6	0.2
Financial expense	–0.7	–0.8
Group's total profit/loss before tax	**–4.9**	**–8.8**

Balance Sheet and Investments

MEUR	Nordics 31 Mar 2018	Nordics 31 Dec 2017	Rest of Western Europe 31 Mar 2018	Rest of Western Europe 31 Dec 2017	Eastern Europe 31 Mar 2018	Eastern Europe 31 Dec 2017	Middle East, Africa & Others 31 Mar 2018	Middle East, Africa & Others 31 Dec 2017	Total 31 Mar 2018	Total 31 Dec 2017
Assets	196.6	191.7	281.4	278.0	15.2	16.2	29.9	27.5	523.1	513.4
Investments (tangible & intangible assets)	5.0	48.6	4.2	24.3	0.0	0.2	0.0	0.7	9.2	73.8

Quarterly Key Figures

MEUR	Q1 2018	Q1 2017	Q1 2016	Q1 2015	Q1 2014
RevPAR	61.7	64.0	60.4	63.7	61.3
Revenue	206.2	222.5	207.0	216.4	211.4
EBITDAR	62.7	61.7	50.5	60.9	61.7
EBITDA	6.1	2.5	–9.2	–0.7	–0.8
EBIT	–4.8	–8.2	–25.0	–12.4	–8.5
Profit for the period	–5.0	–7.6	–21.6	–13.4	–10.3
EBITDAR margin, %	30.4	27.7	24.4	28.1	29.2
EBITDA margin, %	3.0	1.1	–4.4	–0.3	0.4
EBIT margin, %	–2.3	–3.7	–12.1	–5.7	–4.0

	2018	2017				2016			
MEUR	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
RevPAR	61.7	65.7	73.9	74.9	64.0	66.2	75.3	73.1	60.4
Revenue	206.2	241.6	249.1	254.1	222.5	243.1	251.3	259.8	207.0
EBITDAR	62.7	72.4	92.1	88.4	61.7	78.7	87.3	98.1	50.5
EBITDA	6.1	16.8	34.4	28.4	2.5	23.1	29.0	36.4	–9.2
EBIT	–4.8	–4.2	20.8	6.3	–8.2	–10.3	16.4	22.0	–25.0
Profit/loss for the period	–5.0	–6.0	14.4	3.6	–7.6	16.9	14.9	16.2	–21.6
EBITDAR Margin %	30.4	30.0	37.0	34.8	27.7	32.4	34.7	37.8	24.4
EBITDA Margin %	3.0	7.0	13.8	11.2	1.1	9.5	11.5	14.0	–4.4
EBIT Margin %	–2.3	–1.7	8.4	2.5	–3.7	–4.2	6.5	8.5	–12.1

Hotel and Room Openings and Signings

	Openings		Signings	
	Hotels	Rooms	Hotels	Rooms
	Q1 2018	Q1 2018	Q1 2018	Q1 2018
By region:				
Nordics	—	—	2	272
Rest of Western Europe	1	233	2	315
Eastern Europe	2	249	4	977
Middle East, Africa & Others	6	1,213	3	474
Total	**9**	**1,695**	**11**	**2,038**
By brand:				
Radisson Blu	5	1,052	4	1,060
Park Inn by Radisson	4	643	1	120
Other		—	6	858
Total	**9**	**1,695**	**11**	**2,038**
By contract type:				
Leased	—	—	—	—
Managed	8	1,462	7	1,186
Franchised	1	233	4	852
Total	**9**	**1,695**	**11**	**2,038**

In Q1 2018, four hotels and 473 rooms left the system, resulting in a net opening of 1,222 rooms.

Hotels and Rooms in Operation and under Development (in Pipeline)

	In operation				Under development			
	Hotels		Rooms		Hotels		Rooms	
31 March	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
By region:								
Nordics	58	59	14,307	14,293	2	—	272	—
Western Europe	129	137	26,257	27,381	13	13	2,164	2,361
Eastern Europe	105	99	24,722	23,807	28	33	5,497	6,215
Middle East, Africa & Others	82	69	17,178	14,988	61	74	15,785	16,890
Total	**374**	**364**	**82,464**	**80,469**	**104**	**120**	**23,718**	**25,466**
By brand:								
Radisson Blu	248	240	58,345	57,127	59	67	12,927	13,439
Park Inn by Radisson	117	117	22,836	22,464	27	43	7,063	10,017
Others	9	7	1,283	878	18	10	3,728	2,010
Total	**374**	**364**	**82,464**	**80,469**	**104**	**120**	**23,718**	**25,466**
By contract type:								
Leased	57	66	15,404	16,535	1	1	250	250
Managed	206	189	45,139	42,601	89	102	21,289	22,528
Franchised	111	109	21,921	21,333	14	17	2,179	2,688
Total	**374**	**364**	**82,464**	**80,469**	**104**	**120**	**23,718**	**25,466**

Definitions

The company presents certain financial measures in this interim report that are not defined under IFRS. The company believes that these measures provide useful supplemental information to investors and the company's management as they allow evaluation of the company's performance. Because not all companies calculate these financial measures similarly, these are not always comparable to measures used by other companies. These financial measures should not be considered a substitute for measures defined under IFRS.

IFRS Measures

Revenue
All related business revenue (including rooms revenue, food & drinks revenue, other hotel revenue, fee revenue and other non-hotel revenue from administration units).

Earnings per Share
Profit for the period, before allocation to non-controlling interests, divided by the weighted average number of shares outstanding.

Basic Average Number of Shares
Weighted average number of ordinary shares outstanding during the period.

Non-IFRS Measures – Alternative Performance Measures

EBIT
Profit before net financial items and tax.

EBIT Margin
EBIT as a percentage of Revenue.

EBITDA
Operating profit before depreciation and amortisation, costs due to termination of contracts, gain/loss on sale of fixed assets, net financial items and income tax.

EBITDA Margin
EBITDA as a percentage of Revenue.

EBITDAR
Operating profit before rental expense, share of income in associates and joint ventures, depreciation and amorti-sation, costs due to termination of contracts, gain/loss on sale of fixed assets, net financial items and income tax.

EBITDAR Margin
EBITDAR as a percentage of Revenue.

Adjusted EBITDA
EBITDA adjusted for items of one-off nature.

MEUR	Q1 2018	Q1 2017
EBITDA	6.1	2.5
Financial advisor fees incurred in connection with the public offer on the shares of the company	—	2.2
Retention bonus	—	0.6
Adjusted EBITDA	**6.1**	**5.3**

Adjusted EBIT
EBIT adjusted for items of one-off nature.

MEUR	Q1 2018	Q1 2017
EBIT	–4.8	–8.2
Financial advisor fees incurred in connection with the public offer on the shares of the company	—	2.2
Retention bonus	—	0.6
Write-downs and reversal of write-downs	0.1	0.2
Adjusted EBIT	**–4.7**	**–5.2**

Net Cash (Debt)
Cash & cash equivalents plus short-term interest-bearing assets (with maturity within three months) minus interest-bearing liabilities (short-term & long-term), excluding retirement benefit obligations as well as liabilities related to investments in hotels under management contracts, for which repayments are linked to fees collected.

	31 Mar 2018	31 Dec 2017
Cash & cash equivalents [A]	10.2	7.4
Cash & cash equivalents classified as held-for-sale [B]	—	—
Interest-bearing liabilities [C]	61.7	47.4
Retirement benefit obligations [D]	3.4	3.3
Liabilities related to investments in hotels under management contracts [E]	5.0	5.0
Net cash (debt) [A+B–C+D+E]	**–43.1**	**–31.7**

Net Interest-bearing Assets/Liabilities
Interest-bearing assets minus interest-bearing liabilities.

MEUR	31 Mar 2018	31 Dec 2017
Interest-bearing assets [A]	33.3	30.1
Interest-bearing liabilities [B]	61.7	47.4
Net interest-bearing assets/liabilities [A–B]	**–28.4**	**–17.3**

Free Cash Flow

Total cash flow from operating activities and investing activities.

MEUR	Q1 2018	Q1 2017
Cash flow from operating activities [A]	–1.6	2.5
Cash flow from investing activities [B]	–9.7	–8.9
Free cash flow [A+B]	**–11.3**	**–6.4**

Rent as Percentage of Leased Hotel Revenue

Rental expense minus shortfall guarantees as percentage of total hotel revenue (leased portfolio).

MEUR	Q1 2018	Q1 2017
Rental expense [A]	56.0	58.9
Where of shortfall guarantees [B]	2.5	2.9
Total hotel revenue [C]	170.9	186.6
Rent as percentage of leased hotel revenue [(A–B)/C]	**31.3%**	**30.0%**

Net Working Capital

Inventory plus current non-interest-bearing receivables minus current non-interest-bearing liabilities.

MEUR	31 Mar 2018	31 Dec 2017
Inventories [A]	4.4	4.3
Current non-interest-bearing receivables [B]	138.2	133.7
Current non-interest-bearing liabilities [C]	185.9	186.5
Net working capital [A+B–C]	**–43.3**	**–48.5**

RevPAR

Rooms revenue in relation to available rooms, whereas available rooms is defined as total rooms inventory less rooms not available for sale.

Leased portfolio	Q1 2018	Q1 2017
Rooms revenue (MEUR) [A]	111.5	120.9
Number of available rooms (thousands) [B]	1.386	1,488
RevPAR [A/B]	**80.4**	**81.2**

Operating Measures

Average Room Rate

Average Room Rate – Rooms revenue in relation to number of rooms sold. This is also referred to as ARR (Average Room Rate), ADR (Average Daily Rate) or AHR (Average House Rate) in the hotel industry.

F&D

Food and Drink.

FF&E

Furniture, Fittings and Equipment.

Like-for-like Hotels ("LFL")

Hotels that have been in operation during all months within the current and previous financial year compared. No new hotels, exit hotels or hotels undergoing renovation are included.

Like-for-like hotels including renovation ("LFL&R")

Like-for-like hotels plus hotels under renovation during the current and/or previous financial year compared.

Occupancy (%)

Number of rooms sold in relation to the number of rooms available for sale.

Revenue LFL

Revenue for LFL hotels at constant exchange rates.

Revenue LFL&R

Revenue for LFL&R hotels at constant exchange rates.

RevPAR LFL

RevPAR for LFL hotels at constant exchange rates.

RevPAR LFL&R

RevPAR for LFL&R hotels at constant exchange rates.

Geographic Regions/Segments

Nordics (NO)

Denmark, Finland, Iceland, Norway and Sweden.

Rest of Western Europe (ROWE)

Austria, Belgium, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, the Netherlands, Portugal, Spain, Switzerland and the United Kingdom.

Eastern Europe (incl. CIS countries) (EE)

Armenia, Azerbaijan, Belarus, Croatia, Cyprus, the Czech Republic, Estonia, Georgia, Hungary, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Turkey, Ukraine and Uzbekistan.

Middle East, Africa and Others, (MEAO)

Algeria, Angola, Bahrain, Cameroon, Cape Verde, Chad, China, Congo, Egypt, Ethiopia, Gabon, Ghana, Iraq, Ivory Coast, Kenya, Kuwait, Lebanon, Libya, Mali, Mauritius, Morocco, Mozambique, Nigeria, Oman, Qatar, Rwanda, Saudi Arabia, Senegal, Sierra Leone, South Africa, South Sudan, Tunisia, Uganda, the United Arab Emirates, Zambia and Zimbabwe.

This document contains forward looking statements relating to the prospects and growth strategy of Rezidor. These forward-looking statements generally can be identified by reference to future periods or by phrases such as Rezidor or its management "believes," "expects," "anticipates," "foresees," "forecasts," "estimates" or other words or phrases of similar meaning. Similarly, statements in this document that describe Rezidor's business strategy, outlook, objectives, plans, intentions, scenarios or goals are also forward-looking statements. We may also make forward-looking statements in other reports, in presentations, in material delivered to shareholders and in press releases. In addition, our representatives may from time to time make oral forward-looking statements. All such information and forecasts involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and should therefore not be interpreted as guarantees of the future occurrence of such facts and data. Although we believe the expectations reflected in such forward-looking statements are based upon reasonable assumptions, there are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and Rezidor can give no assurance that our expectations will be attained or that results will not materially differ. The data, assumptions and estimates may change as a result of uncertainties related to the economic, financial, competitive or regulatory environment. Furthermore, past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.

The forward-looking statements contained in this document are made only as of the date hereof. Rezidor expressly disclaims any obligation or undertaking to release publicly any updates of any forward-looking statements contained in this document to reflect any change in its expectations or any change in events, conditions or circumstances on which any forward-looking statement contained in this document is based. Rezidor operates in a competitive and rapidly changing environment. It is therefore not in a position to predict all of the risks, uncertainties or other factors that may affect its business, their potential impact on its business, or the extent to which the occurrence of a risk or a combination of risks could have results that are significantly different from those included in any forward-looking statement. The financial information should not be viewed in isolation or as an alternative to actual annual results of operations as presented in accordance with IFRS in our Consolidated Financial Statements. None of these forward-looking statements constitute a guarantee of actual results.

The Rezidor Hotel Group
Avenue du Bourget 44
B-1130 Brussels, Belgium
Tel: +32 2 702 9200
www.rezidor.com