

January-March 2016

First Quarter 2016

- **Like-for-like (“L/L”) RevPAR for leased and managed hotels was up by 1.0%.** The growth is due to an increase in average room rate, partly offset by lower occupancy.
- **Revenue decreased by 4.3% to MEUR 207.0 (216.4).** The decrease is mainly due to the conversion of a hotel in Sweden from leased to franchised, the temporary closure of a leased hotel in Belgium, the impact of timing of Easter and the strengthening of the Euro. On a L/L basis Revenue increased by 1.2%.
- **EBITDA amounted to MEUR -9.2 (-0.7) and the EBITDA margin decreased to -4.4% (-0.3).** In addition to the negative impact of the decrease in revenue, EBITDA is effected by higher costs for reservations as well as provisions for bad debts and accruals for central personnel costs. The Easter impact is estimated to ca MEUR -2.0.
- **EBIT amounted to MEUR -25.0 (-12.4) and the EBIT margin decreased to -12.1% (-5.7).** EBIT is further impacted by the cost for the termination of a lease in Norway of MEUR 8.0, partly offset by gain on sale of shares in subsidiaries of MEUR 1.9 and less costs for depreciation and write-downs of net MEUR 2.0.
- **Loss after tax amounted to MEUR 21.6 (13.4).**
- **Basic and diluted loss per share was EUR 0.13 (0.08).**
- **Cash flow from operating activities amounted to MEUR -1.9 (-7.1).**
- **1,967 (2,305) new rooms were contracted, 967 (227) new rooms opened and 303 (867) rooms left the system.**

MEUR	Q1 2016	Q1 2015
Revenue	207.0	216.4
EBITDA	-9.2	-0.7
EBIT	-25.0	-12.4
Profit/loss for the period	-21.6	-13.4
EBITDA margin, %	-4.4%	-0.3%
EBIT margin, %	-12.1%	-5.7%

Comments from the CEO

Expansion of business activity in an otherwise soft quarter



The first quarter is usually weak, and this year was further impacted by some distressed and challenged markets. Despite this the company has continued to gain market share. Revenue and earnings have been negatively affected by the conversion of a leased hotel to franchised, the closure of a leased hotel for renovation, the less favourable timing of Easter and termination costs for a lease in Norway.

Our asset management efforts to constantly prune the Group's leased estate continued, leading to one-offs impacting our profitability but also resulting in the 25 year extension and full renovation agreement for a flagship in Sweden.

In March, Rezidor announced the entry into the economy segment through the acquisition of a 49% stake of prizeotel, a dynamic, design and tech-savvy company with currently three operating hotels and one property under development in Germany. This acquisition ideally complements our brand portfolio, now reaching from economy to luxury, and allows us a fast-paced entry into an increasingly attractive sector.

We maintained our strong development momentum and signed 13 hotels with 2,000 rooms out of which some 40% will still open in 2016. Openings amounted to seven hotels with 1,000 rooms and were clearly ahead of last year. The roll-out of our new lifestyle select brand Radisson RED was accelerated further during the first months of the year. We added two projects in the Middle East to the pipeline (growing the EMEA portfolio to a total of five properties) and we just opened the world's first Radisson RED in Brussels, Belgium.

While the overall trading outlook remains solid, we are carefully monitoring developments in some fragile markets and will continue to pursue our focussed long-term strategy driving further margin optimisation and network growth.

Wolfgang M. Neumann, President & CEO

Market RevPAR Development YTD Feb

Market RevPAR across Europe was up 4.0% (at constant exchange rates) in the first two months of the year with improvement driven both by room rate (2.6%) and occupancy (1.3%).

The RevPAR development in the mature Western European markets, 2.3%, was via both room rate and occupancy. All key markets experienced positive growth with the main exception of France (-6.0%) and Switzerland (-1.9%).

In Northern Europe, 1.7%, the growth was mainly due to improved room rate. In the Nordics, Denmark (5.0%), Sweden (6.4%) and Finland (9.5%) all had positive developments with Norway (-1.0%) the only country below last year.

Eastern Europe reported the strongest RevPAR growth (11.1%), with room rate and occupancy both driving the growth. The key drivers were Poland (12.8%) and Russia (10.6%).

Trading in the Middle East and Africa was negatively impacted by political and other events with RevPAR 8.9% below last year. The development by country remains mixed with South Africa (15.2%) continuing to perform

well, but with other markets significantly below last year, including Saudi Arabia (-13.9%), the United Arab Emirates (-13.0%) and Oman (-12.4%).

Sources: STR Global Ltd. © 2016 – European Hotel Review – Constant Currency Edition (February 2016); Hotel | trends by Benchmarking | Alliance © 2016

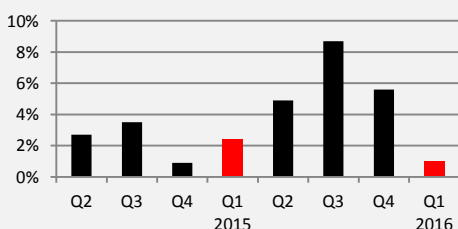
Rezidor RevPAR Development Q1

L/L RevPAR for leased and managed hotels improved by 1.0% compared to last year as average room rate growth offset a decline in occupancy. L/L RevPAR for leased hotels increased by 1.4% with the growth via both average room rate and occupancy.

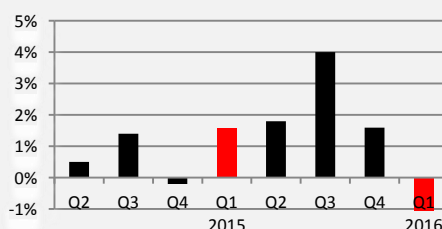
Two of the four regions reported L/L RevPAR growth over last year with the strongest development in Eastern Europe. The two regions below last year were the Middle East, Africa & Others, linked to the ongoing political and other events and the Nordics, linked mainly to the Easter Impact in March.

Reported RevPAR growth was -5.2%. It was negatively impacted by 4.9% due to the strengthening of the Euro and 1.3% via new openings, renovations and off-line hotels.

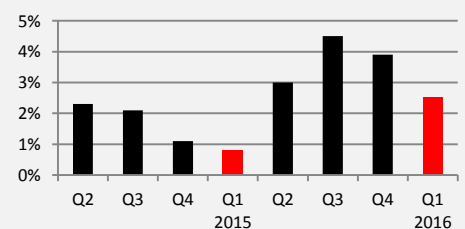
L/L RevPAR growth by quarter



L/L Occupancy growth by quarter



L/L Room Rates growth by quarter



Income Statement

First quarter 2016

Total revenue decreased by 4.3%, or MEUR 9.4, to MEUR 207.0 (216.4). The decrease is mainly due to the conversion of a leased hotel in Sweden to franchised, the temporary closure of a hotel in Belgium for renovation and the strengthening of the Euro.

On a L/L basis revenue increased by 1.2%. The L/L revenue is positively impacted by the L/L RevPAR development and higher other revenue (mainly arising from shared service activities), offset by a decline in the M&E business and the timing of Easter.

The change in revenue compared to the same period last year is presented in the table below.

MEUR	L/L	New	Out	FX	Change
Rooms Revenue	2.9	—	-3.7	-3.3	-4.1
F&D Revenue	-1.9	—	-1.3	-1.7	-4.9
Other Hotel Revenue	-0.1	—	-0.7	-0.2	-1.0
Total Leased Revenue	0.9	—	-5.7	-5.2	-10.0
Fee Revenue	-0.1	1.5	-1.4	-1.0	-1.0
Other Revenue	1.8	—	—	-0.2	1.6
Total Revenue	2.6	1.5	-7.1	-6.4	-9.4

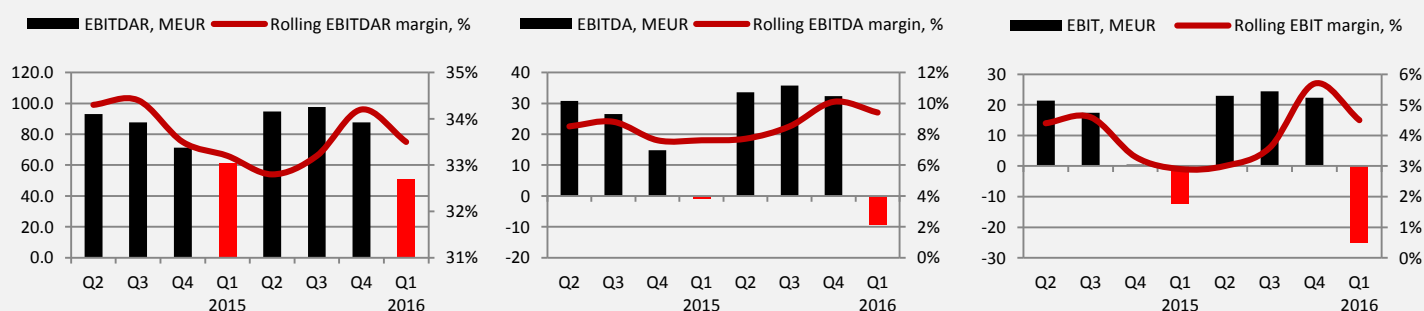
EBITDA decreased by MEUR 8.5 to MEUR -9.2. The earnings were negatively impacted by the decline in revenue, as well as higher costs for reservations, provisions for bad debts and central personnel costs. The impact on EBITDA of the hotel closed for renovation in Belgium amounts to MEUR -1.4 and the impact due to the timing of Easter is estimated to ca MEUR -2.0.

Rent as a percentage of leased hotel revenue was 31.9% (31.2). The increase is mainly due to the above mentioned hotel closed for renovation and the decline in Norway. FX had no significant impact on EBITDA.

EBIT decreased by MEUR 12.6 to MEUR -25.0, partly due to the decrease in EBITDA. EBIT is also impacted by accrued termination costs of MEUR 8.0 related to the exit of Radisson Blu Hotel Norge Bergen, Norway, as from September 1, 2016.

The decrease has been offset by lower costs for depreciation and write downs of net MEUR 2.0 as well as MEUR 1.9 gain on sale of shares in subsidiaries.

Loss after tax amounted to MEUR 21.6 compared to MEUR 13.4 last year. The positive income tax development is due to change in jurisdictional mix, exceptional items and tax treatment of certain expenses.



Q1 Comments by Region

Nordics

MEUR	Q1 2016	Q1 2015	Change
L/L RevPAR, EUR	74.1	74.5	-0.5%
Total Revenue	87.9	97.4	-9.8%
EBITDA	-0.5	3.9	-112.8%
EBITDA margin, %	-0.6%	4.0%	-4.6 pp
EBIT	-11.2	-0.6	-1,766.7%
EBIT margin, %	-12.7%	-0.6%	-12.1 pp

L/L RevPAR decreased by 0.5% mainly via average room rate. Two of the three key countries were above last year, Sweden (7.4%) and Denmark (2.8%), with Norway (-5.1%) below, linked to the timing of Easter and the oil related impact on the west coast.

Total revenue decreased by MEUR 9.5 (or 9.8%) compared to last year, mainly due to the weakening of the Norwegian krona, the conversion of a hotel in Gothenburg, Sweden from leased to franchised, the weak L/L RevPAR development in Norway and less M&E business.

The decrease in EBITDA of MEUR 4.4 to MEUR -0.5 is mainly due to the Easter impact, estimated to ca MEUR 2.0, the continued difficulties on the westcoast of Norway and a decline in the M&E business.

In addition to above, EBIT is also impacted by the termination cost of MEUR 8.0 for a lease in Bergen, Norway, partly offset by gain on sale of shares in subsidiaries of MEUR 1.9.

Rest of Western Europe

MEUR	Q1 2016	Q1 2015	Change
L/L RevPAR, EUR	77.3	75.7	2.2%
Total Revenue	104.7	103.8	0.9%
EBITDA	-1.1	-0.5	-120.0%
EBITDA margin, %	-1.1%	-0.5%	-0.6 pp
EBIT	-6.0	-7.5	20.0%
EBIT margin, %	-5.7%	-7.2%	1.5 pp

L/L RevPAR grew by 2.2% driven primarily via average room rate growth. The key drivers were Ireland (19.8%) and the Netherlands (12.9%) with only UK (-3.0%) below last year.

Total revenue grew by MEUR 0.9 (or 0.9%) compared to last year, mainly due to the L/L RevPAR development, partly offset by the temporary closure of a hotel in Belgium for renovation and the weakening of the British Pound.

The decrease in EBITDA of MEUR 0.6 is mainly due to the impact of the above mentioned closed hotel (MEUR -1.4).

EBIT is positively impacted by lower costs for write-downs.

Eastern Europe

MEUR	Q1 2016	Q1 2015	Change
L/L RevPAR, EUR	37.8	34.4	10.1%
Total Fee Revenue	6.1	5.8	5.2%
EBITDA	2.2	2.4	-8.3%
EBITDA margin, %	36.1%	41.4%	-5.3 pp
EBIT	2.1	2.3	-8.7%
EBIT margin, %	34.4%	39.7%	-5.3 pp

L/L RevPAR improved by 10.1% with the average room rate driving. Russia (20.0%) remains the key driver with the Baltics (-11.7%) negatively impacted mainly by the EU Presidency in Latvia last year.

Fee revenue increased by MEUR 0.3 (or 5.2%). The positive impact of the strong L/L RevPAR development has been partly offset by the weakening of the Ruble and other currencies in the region.

The decrease in earnings and margins is mainly due to higher provided costs for bad debts.

Middle East, Africa and Others

MEUR	Q1 2016	Q1 2015	Change
L/L RevPAR, EUR	80.1	85.7	-6.5%
Total Fee Revenue	8.3	9.4	-11.7%
EBITDA	4.3	6.0	-28.3%
EBITDA margin, %	51.8%	63.8%	-12.0 pp
EBIT	4.2	5.9	-28.8%
EBIT margin, %	50.6%	62.8%	-12.2 pp

L/L RevPAR decreased by 6.5% as the decline in occupancy offset an increase in average room rates. The country level performance continued to be a mix of results. South Africa (10.9%) led the growth, but with ongoing challenges in Saudi Arabia (-20.8%) and the UAE (-11.3%).

The decrease in fee revenue of MEUR 1.1 (or 11.7%) is mainly due to the L/L RevPAR development and the weakening of the South African Rand and other currencies in the region.

The decrease in earnings and margins is mainly due to the drop in fee revenue and higher provided costs for bad debts.

Central costs

Central costs for the quarter amounted to MEUR 12.1 and were MEUR 1.6 higher than last year. The increase is mainly due to higher accruals for personnel costs.

Comments to the Balance Sheet

Non-current assets increased by MEUR 9.4 from year-end 2015 and amounted to MEUR 288.0. The increase is mainly related to investments in tangible assets (MEUR 20.8), partly offset by depreciation and write downs (MEUR 9.7).

Net working capital, excluding cash and cash equivalents, but including current tax assets and liabilities, was MEUR -62.8 at the end of the period compared to MEUR -53.0 at year-end 2015. The change is mainly due to higher accrued expenses and other current liabilities, partly offset by an increase in net tax receivables.

Cash and cash equivalents decreased by MEUR 18.3 from year-end 2015 to MEUR 19.4 at the end of the period. The decrease is due to the negative cash flow from operating activities and investments carried out during the period.

Compared to year-end 2015, equity decreased by MEUR 19.3 to MEUR 227.4, mainly due to the loss for the period.

The decrease in assets classified as held for sale of MEUR 7.7 and the derecognition of liabilities classified as held for sale of MEUR 4.6 is mainly due to the finalisation of the sale of the entity holding the lease on the Radisson Blu Scandinavia Hotel, Gothenburg, Sweden.

MEUR	31-Mar 16	31-Dec 15
Balance sheet total	462.1	464.3
Net working capital	-62.8	-53.0
Net cash (net debt)	19.4	41.1
Equity	227.4	246.7

Cash Flow and Liquidity

Cash flow from operations (before change in working capital) amounted to MEUR -24.5, a decrease of MEUR 12.0 and mainly due to the decrease in EBITDA.

Cash flow from change in working capital amounted to MEUR 22.6, compared to 5.4 last year. The change is mainly due to higher accruals and accounts payables.

Cash flow used in investing activities was MEUR 3.1 higher compared to last year, and amounted to a net of MEUR -19.7, reflecting the increased capex spend in the leased business.

Cash flow from financing activities amounted to MEUR 0.0 (4.6).

At the end of the period, Rezidor had MEUR 19.4 in cash and cash equivalents. The total credit facilities available for use at the end of the year amounted to MEUR 200.0. MEUR 0.3 was used for bank guarantees, leaving MEUR 199.7 in available credit for use. The committed credit facilities have a tenor until November 2018 and carry customary covenants.

Net interest bearing assets amounted to MEUR 33.2 (53.0 at year-end 2015).

Net cash (debt), defined as cash & cash equivalents plus short-term interest-bearing assets minus interest-bearing financial liabilities (short-term & long-term), equalled MEUR 19.4 (41.1 at year-end 2015).

MEUR	Jan-Mar 16	Jan-Mar 15
Cash flow before working capital changes	-24.5	-12.5
Change in working capital	22.6	5.4
Cash flow from investing activities	-19.7	-14.6
Free cash flow	-21.6	-21.7

Other Events

In the beginning of March 2016 Rezidor entered into an agreement to acquire 49% of the shares in prize Holding GmbH, a young hotel chain in the economy segment with currently three operating properties in Germany and one further hotel under development. The brand was founded by Marco Nussbaum and co-created with New York-based industrial designer Karim Rashid. The purchase price amounts to MEUR 14.7 and the closing of the transaction, which is expected in Q2 2016, is conditional upon certain events. Rezidor has secured further rights, including an option to acquire the remaining 51% in four years time.

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 2015. 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. In order 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, with a particular focus on how to increase the profitability of the leased business in Rest of Western Europe. 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. 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 16.

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 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.

Auditors' review

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

Presentation of the Q1 Results

On April 21, 2016 at 09:00 (Central European Time) a combined telephone conference and live webcast (in English) concerning the report will be presented by the President & CEO, Wolfgang M. Neumann 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 2 402 3092
Belgium, Free	0800 58032
Sweden, Local:	+46 8 5065 3938
Sweden, Free:	0200 883 440
UK, Local:	+44 20 3427 1901
UK, Free:	0800 279 4992
USA, Local:	+1 212 444 0481
USA, Free:	1877 280 2296
France, Local:	+33 1 76 77 22 28
France, Free:	0805 631 580
Norway, Local:	+47 2 316 27 71
Norway, Free:	800 56053

Confirmation code: 4865199. For a replay of the conference call please visit www.investor.rezidor.com.

Financial Calendar

Q2 2016 results: July 27, 2016

Q3 2016 results: October 25, 2016

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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. In 2014, Rezidor announced together with Carlson the launch of two additional brands; Radisson RED, an upscale "lifestyle select" brand inspired by the millennial lifestyle, and Quorvus Collection, a new generation of distinctive five star hotels.

The portfolio consists of 465 hotels with over 101,000 rooms in operation and under development in 80 countries across Europe, the Middle East and Africa.

Rezidor's strategy is to grow with management and franchise contracts and only selectively with leases. The strategy is also to further expand in the emerging markets.

Rezidor is a member of the Carlson Rezidor Hotel Group. For more information, visit www.rezidor.com.

This quarterly 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 Central European Time on April 21, 2016.

Stockholm April 21, 2016

Wolfgang M. Neumann
President & CEO
Rezidor Hotel Group AB (publ)

Condensed Consolidated Statement of Operations

MEUR	Q1 2016	Q1 2015
Revenue	207.0	216.4
F&D and other related expenses	-12.2	-12.9
Personnel cost and contract labour	-82.0	-82.6
Other operating expenses	-58.5	-56.2
Insurance of properties and property tax	-3.8	-3.8
Operating profit before rental expense, share of income in associates and depreciation and amortisation of fixed assets (EBITDAR)	50.5	60.9
Rental expenses	-59.6	-61.5
Share of income in associates and joint ventures	-0.1	-0.1
Operating profit/loss before depreciation and amortisation (EBITDA)	-9.2	-0.7
Depreciation and amortisation	-9.3	-8.7
Write-downs and reversals of write-downs	-0.4	-3.0
Costs due to termination of contracts	-8.0	—
Gain on sale of shares, intangible and tangible assets	1.9	—
Operating profit/loss (EBIT)	-25.0	-12.4
Financial income	0.3	0.6
Financial expenses	-0.8	-0.8
Profit/loss before tax	-25.5	-12.6
Income tax	3.9	-0.8
Profit/loss for the period	-21.6	-13.4
Attributable to:		
Owners of the parent company	-21.6	-13.4
Non-controlling interests	—	—
Profit/loss for the period	-21.6	-13.4
Basic average no. of shares outstanding	170,707,719	170,707,719
Diluted average no. of shares outstanding	173,448,943	172,347,532
Earnings/loss per share, in EUR		
Basic	-0.13	-0.08
Diluted	-0.13	-0.08

Consolidated Statement of Comprehensive Income

Profit for the period	-21.6	-13.4
Other comprehensive income:		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of foreign operations	2.2	1.9
Tax on exchange differences	-0.2	-0.1
Fair value gains and losses on cash flow hedges	0.1	-0.6
Tax on fair value gains and losses on cash flow hedges	-0.0	0.1
Other comprehensive income for the period, net of tax	2.1	1.3
Total comprehensive income for the period	-19.5	-12.1
Attributable to:		
Owners of the parent company	-19.5	-12.1
Non-controlling interests	—	—

Condensed Consolidated Balance Sheet Statements

MEUR	31-Mar 2016	31-Dec 2015
ASSETS		
Intangible assets	63.4	64.6
Tangible assets	178.5	170.5
Investments in associated companies and joint ventures	2.9	2.9
Other shares and participations	5.2	5.2
Other long-term receivables	14.3	13.7
Deferred tax assets	23.7	21.7
Total non-current assets	288.0	278.6
Inventories	4.9	5.0
Other current receivables	134.0	118.6
Derivative financial instruments	0.4	0.3
Other short term investments	1.0	2.0
Cash and cash equivalents	19.4	37.7
Assets classified as held for sale	14.4	22.1
Total current assets	174.1	185.7
TOTAL ASSETS	462.1	464.3
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent	227.4	246.7
Non-controlling interests	0.0	0.0
Total equity	227.4	246.7
Deferred tax liabilities	11.9	15.4
Retirement benefit obligations	5.6	5.6
Other long-term liabilities	17.6	17.6
Total non-current liabilities	35.1	38.6
Derivative financial instruments	0.0	0.1
Other current liabilities	199.6	174.3
Liabilities classified as held for sale	—	4.6
Total current liabilities	199.6	179.0
TOTAL EQUITY AND LIABILITIES	462.1	464.3
Number of ordinary shares outstanding at the end of the period	170,707,719	170,707,719
Number of ordinary shares held by the company	3,681,138	3,681,138
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, 2015	11.6	177.1	6.2	24.5	219.4	0.0	219.4
Profit/loss for the period	—	—	—	-13.4	-13.4	—	-13.4
<i>Other comprehensive income:</i>							
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	—	—	-0.6	—	-0.6	—	-0.6
Tax on cash flow hedges	—	—	0.1	—	0.1	—	0.1
Total comprehensive income for the period	—	—	1.3	-13.4	-12.1	0.0	-12.1
<i>Transactions with owners:</i>							
Long term incentive plan	—	—	—	0.0	0.0	—	0.0
Ending balance as of March 31, 2015	11.6	177.1	7.5	11.1	207.3	0.0	207.3
Opening balance as of January 1, 2016	11.6	177.1	3.6	54.4	246.7	0.0	246.7
Profit/loss for the period	—	—	—	-21.6	-21.6	—	-21.6
<i>Other comprehensive income:</i>							
Currency differences on translation of foreign operations	—	—	2.2	—	2.2	—	2.2
Tax on exchange differences recognised in other comprehensive income	—	—	-0.2	—	-0.2	—	-0.2
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	—	—	2.1	-21.6	-19.5	0.0	-19.5
<i>Transactions with owners:</i>							
Long term incentive plan	—	—	—	0.2	0.2	—	0.2
Ending balance as of March 31, 2016	11.6	177.1	5.7	33.0	227.4	0.0	227.4

Condensed Consolidated Statement of Cash Flow

MEUR	Q1 2016	Q1 2015
Operating profit (EBIT)	-25.0	-12.4
Non-cash items	8.3	5.3
Interest, taxes paid and other cash items	-7.8	-5.4
Change in working capital	22.6	5.4
Cash flow from operating activities	-1.9	-7.1
Purchase of intangible assets	-0.0	-0.3
Purchase of tangible assets	-20.8	-14.5
Investments in subsidiaries	—	0.4
Net proceeds from sale of shares in subsidiaries	0.6	—
Other investments/divestments	0.5	-0.2
Cash flow from investing activities	-19.7	-14.6
External financing, net	0.0	4.6
Cash flow from financing activities	0.0	4.6
Cash flow for the period	-21.6	-17.1
Effects of exchange rate changes on cash and cash equivalents	-0.1	0.2
Cash and cash equivalents at beginning of the period	41.1	35.5
Cash and cash equivalents at end of the period	19.4	18.6

Parent Company, Condensed Statement of Operations

MEUR	Q1 2016	Q1 2015
Revenue	1.9	1.6
Personnel cost and contract labour	-1.7	-1.2
Other operating expenses	-2.7	-2.6
Operating profit/loss before depreciation and amortisation (EBITDA)	-2.5	-2.2
Depreciation and amortisation	-0.0	-0.1
Operating profit/loss (EBIT)	-2.5	-2.3
Financial income	5.6	0.1
Financial expense	-0.0	-0.0
Profit/loss before tax	3.1	-2.2
Income tax	-0.7	0.5
Profit/loss for the period	2.4	-1.7

Parent Company, Statement of Comprehensive Income

Profit/loss for the period	2.4	-1.7
Other comprehensive income	—	—
Total comprehensive income for the period	2.4	-1.7

Parent Company, Condensed Balance Sheet Statements

MEUR	31-Mar 2016	31-Dec 2015
ASSETS		
Intangible assets	0.0	0.0
Tangible assets	0.1	0.2
Shares in subsidiaries	233.8	233.5
Total non-current assets	233.9	233.7
Current receivables	55.6	53.8
Total current assets	55.6	53.8
TOTAL ASSETS	289.5	287.5
EQUITY AND LIABILITIES		
Equity	285.3	282.7
Current liabilities	4.2	4.8
Total current liabilities	4.2	4.8
TOTAL EQUITY AND LIABILITIES	289.5	287.5

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, 2015	11.6	254.1	20.6	286.3
Total comprehensive income for the period	—	—	-1.7	-1.7
<i>Transactions with owners:</i>				
Long term incentive plan	—	—	0.0	0.0
Ending balance as of March 31, 2015	11.6	254.1	18.9	284.6
Opening balance as of January 1, 2016	11.6	254.2	16.9	282.7
Total comprehensive income for the period	—	—	2.4	2.4
<i>Transactions with owners:</i>				
Long term incentive plan	—	—	0.2	0.2
Ending balance as of March 31, 2016	11.6	254.2	19.5	285.3

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 for all hotels in Sweden.

The main revenue of the company is internal fees charged to the hotels in Sweden for the related administrative services provided by the Shared Service Centre. In Q1 2016 the intercompany revenue of the Parent Company amounted to MEUR 1.8 (1.5). The intercompany costs in Q1 2016 amounted to MEUR 1.8 (1.7).

The increase in profit before tax by MEUR 4.1 is explained by the group contribution received of MEUR 5.6 in Q1 2016. In Q1 2015 no group contribution has been recognised.

Comments on the Balance Sheet

At the end of the period the intercompany receivables amounted to MEUR 55.1 (53.3) and the intercompany liabilities to MEUR 0.9 (2.7). The change in current assets and current liabilities since year end 2015 is mainly related to changes in intercompany balances.

Notes to Condensed Consolidated Financial Statements

Basis of preparation

The interim report has been prepared in accordance with the Swedish Annual Accounts Act and International Accounting Standard (IAS) 34 Interim Financial Reporting. The interim 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 interim report.

The interim 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 interim report as were applied in the company's annual report for the year ended December 31, 2015, except for the impact of the adoption of the standards and interpretations described below.

There have been amendments to IFRS 2, IFRS 3, IFRS 5, IFRS 7, IFRS 8, IFRS 11, IFRS 13, IAS 1, IAS 16, IAS 19, IAS 24, IAS 27, IAS 34 and IAS 38. The new amendments have had no impact on the reported results or financial position of the Group.

Incentive programmes

In 2013, 2014 and 2015 the AGM's have approved long-term equity settled performance-based incentive programmes to be offered to executives within Rezidor. The structure of the three programmes are 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.

In order 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. In order 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 Rezidor Group's cumulative earnings per share for three consecutive financial years, starting as from the year the programme has been approved by the AGM.

Six members of the Executive Committee participate in the 2013 programme entitling them to a maximum total of 663,422 shares, of which the President and CEO is entitled to a maximum of 279,942 shares. 17 other members of management participate in the programme, entitling them to a maximum of 275,165 shares in total.

The total value of the 2013 programme at grant date, based on 35 participants and including social security costs, amounted to MEUR 4.3.

Six members of the Executive Committee participate in the 2014 programme entitling them to a maximum total of 491,843 shares, of which the President and CEO is entitled to a maximum of 207,307 shares. 19 other members of management participate in the programme, entitling them to a maximum of 209,384 shares in total.

The total value of the 2014 programme at grant date, based on 35 participants and including social security costs, amounted to MEUR 4.7.

Seven members of the Executive Committee participate in the 2015 programme entitling them to a maximum total of 683,360 shares, of which the President and CEO is entitled to a maximum of 272,935 shares. 26 other members of management participate in the programme, entitling them to a maximum of 418,051 shares in total.

The total value of the 2015 programme at grant date, based on 35 participants and including social security costs, amounted to MEUR 5.1.

The net costs recognised in the income statement during Q1 2016 in accordance with IFRS 2 for the incentive programmes amounted to MEUR 0.2 (0.0). Costs are limited since program vesting conditions are only partially being achieved.

Share buy-back

The number of treasury shares held by the company at the end of the quarter was 3,681,138, corresponding to 2.1% of all registered shares. The average number of its own shares held by the company during Q1 2016 was 3,681,138 (3,681,138). The shares have been bought back in 2007 and 2008 following authorisations at the AGMs in the same years. A majority of the shares bought back are held to secure delivery of shares in the incentive programmes and the related social security costs.

Related party transactions

Related parties with significant influence are the Carlson Group (Carlson) owning 51.3% of the outstanding shares. Rezidor also has some joint ventures and associated companies. On March 31, 2016 Rezidor had no receivables related to Carlson (none as at December 31, 2015) and current liabilities of MEUR 2.6 (0.8 as at December 31, 2015). The business relationship with Carlson mainly consisted of operating costs related to the use of the brands and the use of the Carlson reservation system. During Q1 2016, Rezidor had operating costs towards Carlson of MEUR 5.8 (5.1).

Carlson also charged MEUR 4.0 (2.0) for points earned in the Loyalty programme Club Carlson and reimbursed MEUR 1.9 (0.7) for points redeemed. Furthermore, Carlson recharged MEUR 3.2 (1.2) of costs incurred from third parties, mainly internet based reservation channels. Moreover, Rezidor paid commissions towards the travel agencies' network of Carlson amounting to MEUR 0.1 (0.1). For these specific commissions Rezidor had current liabilities of MEUR 0.0 (0.0 as at December 31, 2015).

Carlson and Rezidor are also cooperating in various other areas, such as global sales, brand websites, revenue optimisation tools and purchasing. During Q1 2016 Rezidor had revenue towards Carlson of MEUR 0.3 (0.3) and costs of MEUR 0.2 (0.6) related to these cost sharing arrangements.

Pledged assets and contingent liabilities

Asset pledged, MEUR	31-Mar 2016	31-Dec 2015
Securities on deposits (restricted accounts)	1.0	2.0

Contingent liabilities, MEUR	31-Mar 2016	31-Dec 2015
Tax claim interest deduction Sweden	5.4	5.4
Guarantees provided	0.3	0.4

RevPAR Development by Brand (Leased & Managed Hotels)

In EUR	L/L Occupancy		L/L Average Room Rates		L/L RevPAR		Reported RevPAR	
	Q1 2016	vs. 2015	Q1 2016	vs. 2015	Q1 2016	vs. 2015	Q1 2016	vs. 2015
Radisson Blu	60.7%	-1.2 pp	118.4	2.8%	71.9	0.8%	67.8	-4.9%
Park Inn by Radisson	56.0%	-0.3 pp	75.0	1.9%	42.0	1.4%	38.2	-4.1%
Group	59.6%	-0.9 pp	108.8	2.5%	64.9	1.0%	60.4	-5.2%

RevPAR Development by Region (Leased & Managed Hotels)

In EUR	L/L Occupancy		L/L Average Room Rates		L/L RevPAR		Reported RevPAR	
	Q1 2016	vs. 2015	Q1 2016	vs. 2015	Q1 2016	vs. 2015	Q1 2016	vs. 2015
Nordics	62.6%	0.2 pp	118.4	-0.9%	74.1	-0.5%	70.8	-5.2%
Rest of Western Europe	67.3%	0.1 pp	114.9	2.0%	77.3	2.2%	75.7	1.7%
Eastern Europe	48.0%	-0.0 pp	78.8	10.2%	37.8	10.1%	33.1	-1.7%
Middle East, Africa & Others	63.0%	-5.3 pp	127.1	1.4%	80.1	-6.5%	70.5	-16.7%
Group	59.6%	-0.9 pp	108.8	2.5%	64.9	1.0%	60.4	-5.2%

RevPAR Development by Region (Leased Hotels)

In EUR	L/L Occupancy		L/L Average Room Rates		L/L RevPAR		Reported RevPAR	
	Q1 2016	vs. 2015	Q1 2016	vs. 2015	Q1 2016	vs. 2015	Q1 2016	vs. 2015
Nordics	61.6%	-0.2 pp	116.4	-1.2%	71.7	-1.5%	68.7	-6.1%
Rest of Western Europe	68.2%	1.4 pp	116.2	1.8%	79.3	3.9%	76.8	0.3%
Group	65.1%	0.6 pp	116.3	0.4%	75.7	1.4%	73.0	-2.5%

RevPAR Development – Like-for-like to Reported

RevPAR	Q1 2016
L/L growth	1.0%
FX impact	-4.9%
Units out	0.4%
New openings	-1.7%
Reported growth	-5.2%

Revenue per Area of Operation

MEUR	Q1 2016	Q1 2015	Change %
Rooms revenue	114.3	118.4	-3.5%
F&D revenue	56.6	61.5	-8.0%
Other hotel revenue	5.5	6.5	-15.4%
Total hotel revenue (leased)	176.4	186.4	-5.4%
Fee revenue (managed & franchised)	25.0	26.0	-3.8%
Other revenue	5.6	4.0	40.0%
Total revenue	207.0	216.4	-4.3%

Total Fee Revenue

MEUR	Q1 2016	Q1 2015	Change %
Management Fees	7.5	7.9	-5.1%
Incentive Fees	4.9	6.1	-20.0%
Franchise Fees	2.4	2.0	20.0%
Other Fees (incl. marketing, reservation fee etc.)	10.2	10.0	2.0%
Total fee revenue	25.0	26.0	-3.8%

Revenue per Region

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Other		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Leased	82.1	92.1	94.3	94.3	—	—	—	—	176.4	186.4
Managed	0.5	0.5	5.6	6.3	5.2	5.2	8.2	9.4	19.5	21.4
Franchised	2.2	1.9	2.3	2.1	0.9	0.6	0.1	—	5.5	4.6
Other	3.1	2.9	2.5	1.1	—	—	—	—	5.6	4.0
Total	87.9	97.4	104.7	103.8	6.1	5.8	8.3	9.4	207.0	216.4

Rental Expenses

MEUR	Q1 2016	Q1 2015	Change %
Fixed rent	47.8	49.8	-4.0%
Variable rent	8.5	8.3	2.4%
Rent	56.3	58.1	-3.1%
Rent as a % of leased hotel revenue	31.9%	31.2%	0.7 pp
Shortfall guarantees	3.3	3.4	-2.9%
Rental expenses	59.6	61.5	-3.1%

Operating Profit before Depreciation and Amortisation and Gain on Sales of Fixed Assets (EBITDA)

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Central costs		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Leased	-2.6	1.8	-2.8	-2.6	—	—	—	—	—	—	-5.4	-0.8
Managed	0.3	0.4	0.9	1.3	2.1	2.1	4.4	6.1	—	—	7.7	9.9
Franchised	1.0	0.8	0.8	0.8	0.1	0.3	—	—	—	—	1.9	1.9
Other ¹⁾	0.8	0.9	—	—	—	—	-0.1	-0.1	—	—	0.7	0.8
Central costs	—	—	—	—	—	—	—	—	-14.1	-12.5	-14.1	-12.5
Total	-0.5	3.9	-1.1	-0.5	2.2	2.4	4.3	6.0	-14.1	-12.5	-9.2	-0.7

1) Other also includes share of income from associates and joint ventures.

Operating Profit (EBIT)

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Central costs		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Leased	-12.6	-2.0	-7.6	-9.7	—	—	—	—	—	—	-20.2	-11.7
Managed	0.3	0.3	0.9	1.4	2.0	2.0	4.3	6.0	—	—	7.5	9.7
Franchised	1.0	0.8	0.7	0.8	0.1	0.3	—	—	—	—	1.8	1.9
Other ¹⁾	0.1	0.3	—	—	—	—	-0.1	-0.1	—	—	0.0	0.2
Central costs	—	—	—	—	—	—	—	—	-14.1	-12.5	-14.1	-12.5
Total	-11.2	-0.6	-6.0	-7.5	2.1	2.3	4.2	5.9	-14.1	-12.5	-25.0	-12.4

1) Other also includes share of income from associates and joint ventures.

Reconciliation of Profit/Loss for the Period

MEUR	Q1 2016	Q1 2015
Total operating profit/loss (EBIT) for reportable segments	-25.0	-12.4
Financial income	0.3	0.6
Financial expenses	-0.8	-0.8
Group's total profit/loss before tax	-25.5	-12.6

Balance Sheet and Investments

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Total	
	31-Mar 2016	31-Dec 2015	31-Mar 2016	31-Dec 2015	31-Mar 2016	31-Dec 2015	31-Mar 2016	31-Dec 2015	31-Mar 2016	31-Dec 2015
Assets	180.3	175.7	236.1	243.9	13.7	14.8	32.0	29.9	462.1	464.3
Investments (tangible & intangible assets)	5.1	23.5	15.6	49.8	0.1	0.1	0.1	0.6	20.9	74.0

Quarterly Key Figures

MEUR	Q1 2016	Q1 2015	Q1 2014	Q1 2013	Q1 2012
RevPAR	60.4	63.7	61.3	61.9	58.5
Revenue	207.0	216.4	211.4	207.1	206.9
EBITDAR	50.5	60.9	61.7	58.7	58.4
EBITDA	-9.2	-0.7	-0.8	-2.8	-5.0
EBIT	-25.0	-12.4	-8.5	-10.0	-12.5
Profit/loss for the period	-21.6	-13.4	-10.3	-11.2	-14.1
EBITDAR Margin %	24.4	28.1	29.2	28.3	28.2
EBITDA Margin %	-4.4	-0.3	0.4	-1.4	-2.4
EBIT Margin %	-12.1	-5.7	-4.0	-4.8	-6.0

MEUR	2016	2015				2014			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
RevPAR	60.4	67.9	77.0	77.2	63.7	65.4	72.7	72.6	61.3
Revenue	207.0	255.4	261.4	263.8	216.4	238.0	240.8	247.1	211.4
EBITDAR	50.5	87.7	97.7	94.8	60.9	71.4	87.7	93.0	61.7
EBITDA	-9.2	32.5	35.8	33.6	-0.7	14.8	26.4	30.8	-0.8
EBIT	-25.0	22.3	24.4	23.0	-12.4	0.5	17.3	21.4	-8.5
Profit/loss for the period	-21.6	14.3	17.9	15.4	-13.4	-0.9	11.3	14.1	-10.3
EBITDAR Margin %	24.4	34.3	37.4	35.9	28.1	30.0	36.4	37.6	29.2
EBITDA Margin %	-4.4	12.7	13.7	12.7	-0.3	6.2	11.0	12.5	0.4
EBIT Margin %	-12.1	8.7	9.3	8.7	-5.7	0.2	7.2	8.7	-4.0

Hotel and Room Openings and Signings

	Openings		Signings	
	Hotels	Rooms	Hotels	Rooms
	Q1 2016	Q1 2016	Q1 2016	Q1 2016
By region:				
Nordics	2	238	-	-
Rest of Western Europe	1	105	3	328
Eastern Europe	2	193	4	497
Middle East, Africa & Others	2	431	6	1,142
Total	7	967	13	1,967
By brand:				
Radisson Blu	5	802	2	430
Park Inn by Radisson	1	105	7	969
Other	1	60	4	568
Total	7	967	13	1,967
By contract type:				
Managed	4	624	10	1,592
Franchised	3	343	3	375
Total	7	967	13	1,967

In Q1 2016, one hotel with 303 rooms left the system, resulting in a net opening of 664 rooms.

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

	In operation				Under development			
	Hotels		Rooms		Hotels		Rooms	
	2016	2015	2016	2015	2016	2015	2016	2015
31 March								
By region:								
Nordics	62	60	14,830	14,890	-	1	-	215
Rest of Western Europe	137	137	26,795	26,877	15	10	3,057	2,385
Eastern Europe	97	85	23,616	21,523	25	31	4,537	5,908
Middle East, Africa & Others	65	55	14,025	12,679	64	55	14,210	12,057
Total	361	337	79,266	75,969	104	97	21,804	20,565
By brand:								
Radisson Blu	237	226	55,763	54,604	61	58	13,856	13,378
Park Inn by Radisson	117	106	22,574	20,613	38	39	7,029	7,177
Other	7	5	929	752	5	-	919	10
Total	361	337	79,266	75,969	104	97	21,804	20,565
By contract type:								
Leased	70	71	17,440	17,789	-	-	-	-
Managed	189	178	41,676	40,459	89	82	19,264	17,880
Franchised	102	88	20,150	17,721	15	15	2,540	2,685
Total	361	337	79,266	75,969	104	97	21,804	20,565

Definitions

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.

Central Costs

Central Costs represent costs for corporate and regional functions, such as Executive Management, Finance, Business Development, Legal, Communication & Investor Relations, Technical Development, Human Resources, Operations, IT, Brand Management & Development, and Purchasing. These costs are incurred to the benefit of all hotels within the Rezidor Group, i.e. leased, managed and franchised.

Earnings per Share

Profit for the period, before allocation to minority interest divided by the weighted average number of shares outstanding.

EBIT

Operating profit before net financial items and tax.

EBITDA

Operating profit before depreciation and amortisation, costs due to termination/restructuring of contracts, net financial items and tax.

EBITDA Margin

EBITDA as a percentage of Revenue.

EBITDAR

Operating profit before rental expense and share of income in associates, depreciation and amortisation, costs due to termination/restructuring of contracts, net financial items and tax.

F&D

Food and Drink.

FF&E

Furniture, Fittings and Equipment.

L/L Hotels

Same hotels in operation during the previous period compared.

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).

Net Interest-bearing Assets/Liabilities

Interest bearing assets minus interest bearing liabilities.

Net Working Capital

Current non-interest-bearing receivables minus current non-interest-bearing liabilities.

Occupancy (%)

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

Revenue

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

RevPAR

Revenue Per Available Room: Rooms revenue in relation to rooms available.

RevPAR L/L

RevPAR for L/L hotels at constant exchange rates.

System-wide Revenue

Hotel revenue (including rooms revenue, food & drinks, conference & banqueting revenue and other hotel revenue) from leased, managed and franchised hotels, where revenue from franchised hotels is an estimate. It also includes other non-hotel revenue from administration units, such as revenue from Rezidor's print shop that prepares marketing materials for Rezidor hotels and revenue generated under Rezidor's loyalty programs.

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

Middle East, Africa and Others, (MEAO)

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

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