THE REZIDOR HOTEL GROUP

YEAR-END REPORT

January-December 2016

Fourth Quarter 2016

- **Like-for-like ("L/L") RevPAR for leased and managed hotels was up by 2.4%.** The growth is mainly due to an increase in occupancy.
- **Revenue decreased by 4.8% to MEUR 243.1 (255.4).** The positive impact of the like-for-like RevPAR development has been offset by the exit of four leases, the temporary closure of one leased hotel for renovation and the strengthening of the Euro. In addition, one-off fee revenue related to terminated and renegotiated agreements was MEUR 4.0 higher last year. **On a L/L basis revenue increased by 4.3%.**
- **EBITDA amounted to MEUR 23.1 (32.5) and the EBITDA margin decreased to 9.5% (12.7).** In addition to the decrease in revenue, EBITDA is negatively impacted by higher costs for sales & marketing and bad debts. Also, last year's numbers were positively impacted by the revaluation of the investment in Beijing of MEUR 2.8.
- **EBIT amounted to MEUR -10.3 (22.3) and the EBIT margin decreased to -4.2% (8.7).** EBIT is negatively impacted by termination costs of MEUR 18.3 (1.1), due to the strategic exit of six hotel leases in the UK, and higher costs for depreciation and write downs of fixed assets of MEUR 4.5.
- **Profit for the period amounted to MEUR 16.9 (14.3)**, positively impacted by the capitalisation of tax assets of MEUR 22.3 (net).
- **Basic and diluted earnings per share were EUR 0.10 (0.08).**
- **1,789 (865) rooms were contracted, 907 (1,375) rooms opened and 408 (981) rooms left the system.**

Twelve months ended December 2016

- **L/L RevPAR for leased and managed hotels was up by 3.2%.**
- **Revenue decreased by 3.6% to MEUR 961.2 (997.0). On a L/L basis revenue increased by 3.8%.**
- **EBITDA amounted to MEUR 79.3 (101.1) and the EBITDA margin decreased to 8.3% (10.1).**
- **EBIT amounted to MEUR 3.0 (57.3) and the EBIT margin decreased to 0.3% (5.7).**
- **Profit for the period amounted to MEUR 26.4 (34.2).**
- **Basic and diluted earnings per share were EUR 0.15 (0.20).**
- **Cash flow from operating activities amounted to MEUR 34.2 (85.8).**
- **8,200 (7,936) rooms were contracted, 3,585 (4,152) rooms opened and 1,655 (2,133) rooms left the system.**
- **The Board of Directors proposes, in line with the dividend policy, a dividend of EUR 0.05 (0.07) per share.**

MEUR	Q4 2016	Q4 2015	FY 2016	FY 2015
Revenue	243.1	255.4	961.2	997.0
EBITDA	23.1	32.5	79.3	101.1
EBIT	-10.3	22.3	3.0	57.3
Profit for the period	16.9	14.3	26.4	34.2
EBITDA margin, %	9.5	12.7	8.3	10.1
EBIT margin, %	-4.2	8.7	0.3	5.7

CARLSON REZIDOR HOTEL GROUP   QUORVUS COLLECTION   Radisson BLU   Radisson RED   park inn by Radisson   prizeotel

Comments from the CEO

Further asset management transactions and sustainable tax strategy lay foundation for profitability improvements

2016 was a turbulent year for the hospitality industry and our company, and Q4 was no different. L/L Revenue increased by 3.8% in 2016 and 4.3% in the quarter with many markets trading at new peak levels. However, increased volatility related to terrorist attacks and the lower oil price negatively affected some key countries. While we continued to gain market share for the fifth consecutive year, results have been impacted by these external factors.

During 2016, we continued to pursue our long-term asset management strategy. In Q4, we announced the exit from six unprofitable lease agreements in the UK in 2017. The terminations brought the number of successfully closed asset management transactions in 2016 to 15. Over the past five years, Rezidor's portfolio optimisation initiatives have yielded €17m EBITDA contribution and 1.8% uplift in EBITDA margin.

In response to OECD and EU initiatives, we have adopted a sustainable tax strategy which led to capitalization of previously unrecognized tax losses. This will lead to a more normalized tax rate in the future and lifted our net results for 2016 to €26.4m.

In Q4 we signed 12 hotels with 1,800 rooms – underlining the strong growth momentum achieved in 2016 with 45 new hotels and 8,200 rooms. In the quarter we also opened four hotels with 900 rooms. Throughout the year we opened 18 hotels and 3,600 rooms and expanded our geographic reach in Africa with openings in Morocco, Ivory Coast, Togo and Rwanda.

With the completion of the acquisition of Carlson Hotels in early December 2016, HNA Tourism Group became Rezidor's new majority shareholder (51.3%) – and announced its mandatory public offer to the minority shareholders on December 22, which is currently under evaluation by Rezidor's Board of Directors. The Rezidor team welcomes HNA Tourism Group as the new majority shareholder and looks forward to further accelerating the growth of the company together.

Wolfgang M. Neumann, President & CEO

Market RevPAR Development 2016

Market RevPAR across Europe was up 2.1% (at constant exchange rates) in 2016, with the improvement driven primarily via room rate (1.5%).

In Western Europe, RevPAR was marginally below last year (-0.2%), as a result of a decline in occupancy (-0.4%) with minimal room rate growth (0.2%). Belgium (-12.7%) and France (-10.2%), negatively impacted by terror attacks, off-set the gains in other key countries.

For Northern Europe the growth (3.6%) was mainly due to improved room rate (2.9%). In the Nordics all four key countries had positive developments: Denmark 10.6%, Finland 7.8%, Norway 1.0% and Sweden 7.6%.

Eastern Europe reported the strongest RevPAR growth (12.7%), with room rate (6.8%) and occupancy (5.5%) both driving the growth. The key drivers were Russia (15.6%) and Poland (11.6%).

Trading in the Middle East and Africa continued to be negatively impacted by political turmoil and the low oil price, with RevPAR 4.7% below last year. The development by country remains mixed with South Africa (11.4%) continuing to perform well, but with other markets significantly below last year, including the United Arab Emirates (-9.0%) and Saudi Arabia (-8.5%).

Sources: STR Global Ltd. © 2016 – European Hotel Review - Constant Currency Edition (December 2016); STR Global Ltd. © 2016 – Middle East/Africa Hotel Review - Constant Currency Edition (December 2016); Hotel | trends by Benchmarking | Alliance © 2016

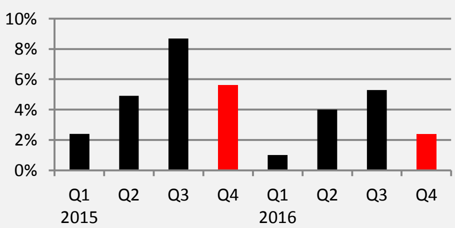
Rezidor RevPAR Development Q4

L/L RevPAR for leased and managed hotels increased by 2.4% compared to last year, with occupancy the driver since average room rates are only marginally above last year. L/L RevPAR for leased hotels increased by 4.9%, with occupancy the key driver but, average room rates were also above last year.

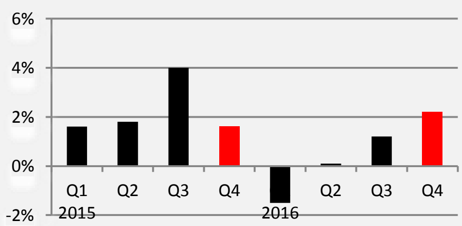
Three of the four regions reported L/L RevPAR growth over last year with the strongest development in the Nordics. The only region below last year was the Middle East, Africa & Others, linked to ongoing challenges in the Middle East.

Reported RevPAR decreased by 2.4%. It was negatively impacted by -4.0% due to the strengthening of the Euro and net -0.8% via new openings, hotels closed for renovation and off-line hotels.

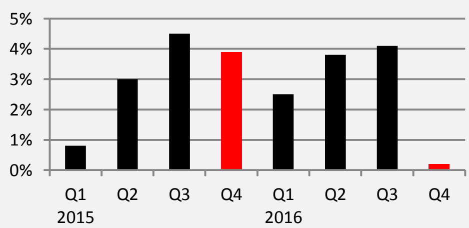
L/L RevPAR development by quarter



L/L Occupancy development by quarter



L/L Room Rates development by quarter



Income Statement

Fourth quarter 2016

Total revenue decreased by 4.8%, or MEUR 12.3, to MEUR 243.1 (255.4). The decrease is mainly due to the exit of four leased hotels and the temporary closure of one leased hotel for renovation in the Nordics (in total MEUR -14.2) and the strengthening of the Euro, mainly versus the British Pound (in total MEUR -8.3). Also, one-off fee revenue related to terminated and renegotiated agreements was MEUR 4.0 higher last year.

On a L/L basis revenue increased by 4.3%, which is mainly due to the favourable L/L RevPAR development and an increase in other revenue.

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	6.2	1.4	-8.4	-5.0	-5.8
F&D Revenue	2.0	1.3	-5.1	-2.0	-3.8
Other Hotel Revenue	-0.3	0.5	-0.7	-0.4	-0.9
Total Leased Revenue	**7.9**	**3.2**	**-14.2**	**-7.4**	**-10.5**
Fee Revenue	1.3	2.3	-6.4	-0.8	-3.6
Other Revenue	1.9	—	—	-0.1	1.8
Total Revenue	**11.1**	**5.5**	**-20.6**	**-8.3**	**-12.3**

EBITDA decreased by MEUR 9.4 to MEUR 23.1. In addition to the impact of lower revenue, EBITDA was negatively impacted by higher costs for sales and marketing as well as bad debts. Furthermore, last year's numbers were positively impacted by the revaluation of the net investment in Beijing of MEUR 2.8.

Rent as a percentage of leased hotel revenue was 27.5% (27.3). FX had a negative impact of ca MEUR 0.8 on EBITDA.

EBIT decreased by MEUR 32.6 to MEUR -10.3, due to the decrease in EBITDA, as well as termination costs of MEUR 18.3 for the exit of six leases in the UK. In addition, the costs for depreciation and write downs of fixed assets are MEUR 4.5 higher than last year.

The profit for the period amounted to MEUR 16.9, compared to MEUR 14.3 last year. The decrease in EBIT is offset by positive income tax, which is mainly due to the recognition of deferred tax assets in several jurisdictions totalling MEUR 29.3. The recognition is a consequence of the adoption of a new transfer pricing model to reflect recent tax law changes initiated by OECD and EU (BEPS).

The positive impact is partly offset by the loss of deferred tax assets in Germany of MEUR 7.0 as a consequence of change of control (new majority shareholder).

Twelve months ended December 2016

Total revenue decreased by 3.6%, or MEUR 35.8, to MEUR 961.2 (997.0). The decrease is mainly due to the exit of four leased hotels and the temporary closure of one leased hotel for renovation in the Nordics (in total MEUR -37.4) and the strengthening of the Euro (MEUR -35.6). In addition, one-off fee revenue related to terminated and renegotiated agreements was MEUR 5.8 higher last year.

On a L/L basis revenue increased by 3.8%.

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	27.4	-1.2	-24.8	-20.3	-18.9
F&D Revenue	3.8	0.7	-11.0	-8.6	-15.1
Other Hotel Revenue	1.5	-0.1	-2.0	-1.3	-1.9
Total Leased Revenue	**32.7**	**-0.6**	**-37.8**	**-30.2**	**-35.9**
Fee Revenue	0.6	9.8	-9.7	-5.2	-4.5
Other Revenue	4.8	—	—	-0.2	4.6
Total Revenue	**38.1**	**9.2**	**-47.5**	**-35.6**	**-35.8**

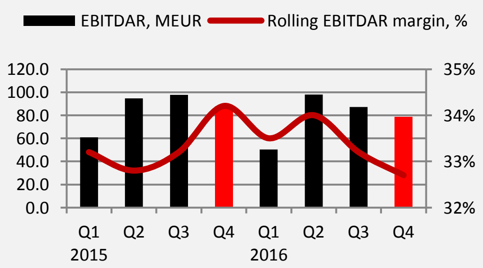
EBITDA decreased by MEUR 21.8 to MEUR 79.3, due to the challenging trading environment in some geographies, the above mentioned lower one-off fee revenue, as well as higher central costs, of which the majority is due to redundancies. Furthermore, last year's numbers were positively impacted by the revaluation of the net investment in Beijing of MEUR 2.8.

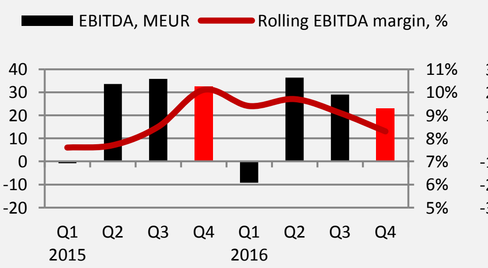
The performance of the hotels in Brussels, Nice and Paris have been significantly impacted by the terrorist attacks. In addition, one of the hotels in Brussels was closed for renovation and re-branding during 3.5 months in the beginning of the year. The eight hotels in the three cities are in total MEUR 6.3 below last year on EBITDA.

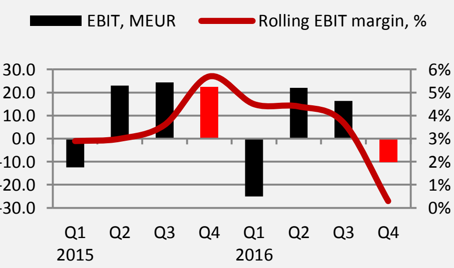
Rent as a percentage of leased hotel revenue was 28.7% (28.4). FX had a negative impact of ca MEUR 3.4 on EBITDA.

EBIT decreased by MEUR 54.3 to MEUR 3.0. In addition to the negative EBITDA development, EBIT is impacted by termination costs of MEUR 28.9 (1.1) for six leases in the UK and two leases in Norway, as well as higher costs for depreciation and write downs of fixed assets of MEUR 6.2, partly offset by MEUR 1.9 gain on sale of shares in subsidiaries.

The profit for the period amounted to MEUR 26.4 compared to MEUR 34.2 last year. The decrease in EBIT is offset by positive income tax, which is mainly due to the recognition of deferred tax assets of net MEUR 22.3. Please see above under section "Fourth quarter 2016" for further details.







Q4 Comments by Region

Nordics

MEUR	Q4 2016	Q4 2015	Change
L/L RevPAR, EUR	91.3	85.7	6.6%
Total Revenue	105.2	114.2	-7.9%
EBITDA	13.1	15.6	-16.0%
EBITDA margin, %	12.5%	13.7%	-1.2 pp
EBIT	7.8	11.2	-30.4%
EBIT margin, %	7.4%	9.8%	-2.4 pp

L/L RevPAR increased by 6.6%, with growth mainly via occupancy. The three key countries were above last year with Denmark (11.6%) leading, followed by Norway (5.7%) and Sweden (4.5%).

Total revenue decreased by MEUR 9.0 (or 7.9%) compared to last year, mainly due to the exit of four hotels. In addition, one hotel was closed for renovation during the period. The decrease in revenue due to these exited and closed hotels (impact of MEUR -14.2) has been partly offset by the impact of good L/L RevPAR development.

The decrease in EBITDA of MEUR 2.5 is mainly due to relatively weak conversion, as costs for sales & marketing, redundancies and rent adjustments have increased. The EBITDA impact of the exited and closed hotels is limited.

EBIT is negatively impacted by higher depreciation costs of MEUR 0.8.

Rest of Western Europe

MEUR	Q4 2016	Q4 2015	Change
L/L RevPAR, EUR	89.0	86.5	2.8%
Total Revenue	120.7	124.4	-3.0%
EBITDA	14.9	18.3	-18.6%
EBITDA margin, %	12.3%	14.7%	-2.4 pp
EBIT	-13.1	12.6	-204.0%
EBIT margin, %	10.9%	10.1%	0.8 pp

L/L RevPAR grew by 2.8%, mainly via occupancy. The gains, primarily driven by the United Kingdom (6.9%), Ireland (4.9%) and Germany (4.2%), off-set the challenges in France (-7.4%), Belgium (-0.6%) and Switzerland (-0.6%).

Total revenue decreased by MEUR 3.7 (or 3.0%) compared to last year, mainly due to lower one-off fee income for terminated and converted management agreements (MEUR 0.7 in Q4 2016 compared to MEUR 4.4 in Q4 2015) and the weakening of the British Pound. Partly offset by a positive L/L RevPAR development and the reopening of Radisson Blu Lyon after renovation.

The decrease in EBITDA of MEUR 3.4 is mainly attributable to the decrease in one-off fee income.

EBIT is impacted by the termination costs for six leases in the UK of MEUR 18.3 as well as MEUR 2.3 higher costs for write downs of fixed assets.

Eastern Europe

MEUR	Q4 2016	Q4 2015	Change
L/L RevPAR, EUR	42.4	40.1	5.8%
Total Fee Revenue	8.6	7.8	10.3%
EBITDA	5.6	5.5	1.8%
EBITDA margin, %	65.1%	70.5%	-5.4 pp
EBIT	5.6	5.4	3.7%
EBIT margin, %	65.1%	69.2%	-4.1 pp

L/L RevPAR improved by 5.8%, with occupancy the main driver. The Baltics (8.6%) and Poland (5.5%) led the growth, whilst Turkey (-10.2%) remains negatively impacted, mainly by the terrorist attacks, attempted coup and unrest in the neighbouring countries.

Fee revenue increased by MEUR 0.8 (or 10.3%) due to good L/L RevPAR development and new hotels in the portfolio.

The decrease in EBITDA and EBIT margins is mainly due to higher costs for bad debts of MEUR 0.7.

Middle East, Africa and Others

MEUR	Q4 2016	Q4 2015	Change
L/L RevPAR, EUR	72.0	75.3	-4.3%
Total Fee Revenue	8.6	9.0	-4.4%
EBITDA	4.6	9.2	-50.0%
EBITDA margin, %	53.5%	102.2%	-48.7 pp
EBIT	4.5	9.2	-51.1%
EBIT margin, %	52.3%	102.2%	-49.9 pp

L/L RevPAR decreased by 4.3%, with the decline almost equally split between average room rates and occupancy. South Africa (8.1%) continued to lead the growth, with the challenges being Saudi Arabia (-23.9%), as the low oil price continues to have an impact, and the United Arab Emirates (-9.7%) linked to the increase in supply.

The decrease in fee revenue of MEUR 0.4 (or 4.4%) is mainly due to the negative L/L RevPAR development.

The decrease in EBITDA and EBIT is mainly due the revaluation of the net investment in Beijing of MEUR 2.8 last year and increased costs for bad debts of MEUR 1.0.

Central costs

Central costs for the quarter amounted to MEUR 15.1, a decrease compared to last year of MEUR 1.0, which is mainly due to lower costs for variable remuneration.

Comments to the Balance Sheet

Non-current assets increased by MEUR 69.1 from year-end 2015 and amounted to MEUR 347.7. The increase is mainly related to an increase in deferred tax assets of MEUR 36.1, investments in tangible assets of MEUR 70.3 and investments in associates of MEUR 14.7, partly offset by depreciation of MEUR 41.8 and write-downs of MEUR 7.5.

Net working capital, excluding cash and cash equivalents, but including current tax assets and liabilities, was MEUR -38.4 at the end of the period, compared to MEUR -53.0 at year-end 2015.

Compared to year-end 2015, equity increased by MEUR 19.0 to MEUR 265.7. The profit for the period of MEUR 26.4, the increase in provision for long term incentive programmes of MEUR 2.4 and the net actuarial gain on defined benefit pension plans of MEUR 1.5 has been partly offset by the distributed dividend of MEUR 11.9.

The decrease in assets and liabilities classified as held for sale of MEUR 5.3 and MEUR 1.8, respectively, 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-Dec 16	31-Dec 15
Total assets	502.5	464.3
Net working capital	-38.4	-53.0
Net cash (debt)	-20.9	41.1
Equity	265.7	246.7

Cash Flow and Liquidity

Cash flow from operations, before change in working capital, amounted to MEUR 37.4, a decrease of MEUR 43.4 and mainly due to the decrease in EBIT. Cash flow from change in working capital amounted to MEUR -3.2, compared to MEUR 5.0 last year.

Cash flow used in investing activities was MEUR 8.5 higher compared to last year, and amounted to MEUR -83.1. The increase is mainly due to the investment in prize Holding GmbH of MEUR 14.7.

Cash flow from financing activities amounted to MEUR 15.8 (-5.7). The change is mainly due to used overdraft of MEUR 20.5 and the recognition of an interest bearing liability in connection with the acquisition of the shares in prize Holding GmbH of MEUR 8.2, partly offset by dividend distributed of MEUR 11.9.

At the end of the period, Rezidor had MEUR 8.0 (41.1) in cash and cash equivalents, of which MEUR 0.0 (3.4) was classified as assets held for sale. The total credit facilities available for use at the end of the period amounted to MEUR 200.0 (200.0). MEUR 2.8 (0.4) was used for bank guarantees and MEUR 20.5 (-) was used for overdrafts, leaving MEUR 176.7 (199.6) in available credit for use. The committed credit facilities have a tenor until November 2018 and carry customary covenants, including change of control provisions.

Net interest bearing assets amounted to MEUR -4.8 (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 -20.9 (41.1 at year-end 2015).

MEUR	FY 2016	FY 2015
Cash flow before working capital changes	37.4	80.8
Change in working capital	-3.2	5.0
Cash flow from investing activities	-83.1	-74.6
Free cash flow	**-48.9**	**11.2**

Other Events

On December 7, 2016, the Chinese group HNA Tourism Group Co, Ltd. ("HNA") announced the completion of its purchase of Carlson Hotels Inc. from Carlson Hospitality Group Inc. This transaction includes Carlson's stake in Rezidor Hotel Group AB, representing 51.3% of outstanding shares.

On December 22, 2016, HNA announced a mandatory public offer to the shareholders in Rezidor Hotel Group AB to acquire all shares in Rezidor for a cash consideration of SEK 34.86 per share. HNA has informed that the offer period will end on March 10, 2017. The Board is evaluating the offer and will obtain a fairness opinion. The Board will no later than two weeks prior to the expiry of the acceptance period announce its opinion of the offer, including the reasons for its opinion.

The agreements for Rezidor's long-term committed credit lines carry customary clauses related to change of control and delisting. Such change of control situation occurred in connection with HNA's completion of its purchase of Carlson Hotels Inc, as mentioned above. Discussions with the banks are therefore currently taking place.

Subsequent Events

On January 27, 2017, it was announced that David Berg has resigned from his position on the Board of Directors with immediate effect.

Dividend and AGM

The Board of Directors proposes, in line with the dividend policy, for the Annual General Meeting 2017 that a dividend of EUR 0.05 per share is to be paid for the financial year 2016.

The Annual General Meeting of Rezidor Hotel Group AB (publ) will take place on April 28, 2017, in Stockholm.

The annual report will be available on the company's website (www.rezidor.com) on March 24, 2017.

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 existing 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 18.

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 L/L 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 Q4 Results

On February 10, 2017 at 10:00 (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 2 404 0662
Belgium, Free	0800 58033
Sweden, Local:	+46 8 5065 3936
Sweden, Free:	0200 883 440
UK, Local:	+44 20 3427 1901
UK, Free:	0800 279 5736
USA, Local:	+1 646 254 3360
USA, Free:	1877 280 2342
France, Local:	+33 1 76 77 22 30
France, Free:	0805 631 580
Norway, Local:	+47 2316 2729
Norway, Free:	800 56053

Confirmation code: 4571567. For a replay of the conference call please visit www.investor.rezidor.com.

Financial Calendar

Annual Report 2016: March 24, 2017
Q1 2017 results: April 28, 2017
AGM 2017: April 28, 2017
Q2 2017 results: July 26, 2017
Q3 2017 results: October 25, 2017

For Further Information, Contact

Knut Kleiven
Deputy President & CFO
Tel: +32 2 702 9244
Fax: +32 2 702 9330
knut.kleiven@carlsonrezidor.com

Andrea Brandenberger
Senior Director
Business Development Strategy & Investor Relations
Tel: +32 2 702 9237
andrea.brandenberger@carlsonrezidor.com

The Rezidor Hotel Group Corporate Office
Avenue du Bourget 44
B-1130 Brussels
Belgium
Tel: +32 2 702 9200
Fax: +32 2 702 9300

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. In 2014, Rezidor announced together with Carlson Hotels 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. Rezidor also holds 49% in prizeotel, a young hotel chain in the economy segment.

The portfolio consists of 483 hotels with over 105,000 rooms in operation and under development in 82 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 year-end 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 February 10, 2017.

Stockholm, February 10, 2017

The Board of Directors

Rezidor Hotel Group AB (publ)

Condensed Consolidated Statement of Operations

MEUR	Q4 2016	Q4 2015	FY 2016	FY 2015
Revenue	243.1	255.4	961.2	997.0
F&D and other related expenses	-14.9	-16.0	-53.9	-57.9
Personnel cost and contract labour	-86.1	-89.9	-337.8	-343.0
Other operating expenses	-60.0	-58.2	-240.9	-239.4
Insurance of properties and property tax	-3.4	-3.6	-14.0	-15.7
Operating profit before rental expense and share of income in associates and depreciation and amortisation and gain on sale of fixed assets (EBITDAR)	**78.7**	**87.7**	**314.6**	**341.0**
Rental expenses	-56.0	-58.3	-235.9	-243.1
Share of income in associates and joint ventures	0.4	3.1	0.6	3.2
Operating profit before depreciation and amortisation and gain on sale of fixed assets (EBITDA)	**23.1**	**32.5**	**79.3**	**101.1**
Depreciation and amortisation	-12.2	-9.8	-41.8	-37.3
Write-downs and reversals of write-downs	-2.9	-0.8	-7.5	-5.8
Costs due to termination of contracts	-18.3	-	-28.9	-1.1
Gain on sale of shares, intangible and tangible assets	0.0	0.4	1.9	0.4
Operating profit/loss (EBIT)	**-10.3**	**22.3**	**3.0**	**57.3**
Financial income	1.0	1.2	2.5	1.9
Financial expense	-0.7	-0.6	-2.8	-2.6
Profit/loss before tax	**-10.0**	**22.9**	**2.7**	**56.6**
Income tax	26.9	-8.6	23.7	-22.4
Profit for the period	**16.9**	**14.3**	**26.4**	**34.2**
Attributable to:				
Owners of the parent company	16.9	14.3	26.4	34.2
Non-controlling interests	—	—	—	—
Profit for the period	**16.9**	**14.3**	**26.4**	**34.2**
Basic average no. of shares outstanding	170,749,304	170,707,719	170,725,046	170,707,719
Diluted average no. of shares outstanding	173,523,326	173,448,943	173,509,152	172,902,764
Earnings per share, in EUR				
Basic	0.10	0.08	0.15	0.20
Diluted	0.10	0.08	0.15	0.20

Consolidated Statement of Comprehensive Income

Profit for the period	**16.9**	**14.3**	**26.4**	**34.2**
Other comprehensive income:				
Items that will not be reclassified subsequently to profit or loss:				
Actuarial gains and losses	0.5	0.4	2.3	0.6
Tax on actuarial gains and losses	-0.2	-0.1	-0.8	-0.2
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	1.4	0.2	3.5	-3.1
Tax on exchange differences	-0.6	0.2	-2.7	0.5
Fair value gains and losses on cash flow hedges	-0.1	-0.1	-0.3	-0.1
Tax on fair value gains and losses on cash flow hedges	0.1	0.0	0.1	0.0
Other comprehensive income for the period, net of tax	**1.1**	**0.6**	**2.1**	**-2.3**
Total comprehensive income for the period	**18.0**	**14.9**	**28.5**	**31.9**
Attributable to:				
Owners of the parent company	18.0	14.9	28.5	31.9
Non-controlling interests	—	—	—	—

Condensed Consolidated Balance Sheet Statements

MEUR	31-Dec 2016	31-Dec 2015
ASSETS		
Intangible assets	61.0	64.6
Tangible assets	189.0	170.5
Investments in associated companies and joint ventures	18.0	2.9
Other shares and participations	5.2	5.2
Other long-term receivables	16.7	13.7
Deferred tax assets	57.8	21.7
Total non-current assets	**347.7**	**278.6**
Inventories	4.6	5.0
Other current receivables	125.4	118.6
Derivative financial instruments	0.0	0.3
Other short term investments	0.0	2.0
Cash and cash equivalents	8.0	37.7
Assets classified as held for sale	16.8	22.1
Total current assets	**154.8**	**185.7**
TOTAL ASSETS	**502.5**	**464.3**
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent	265.7	246.7
Non-controlling interests	0.0	0.0
Total equity	**265.7**	**246.7**
Deferred tax liabilities	19.1	15.4
Retirement benefit obligations	3.7	5.6
Other long-term liabilities	25.1	17.6
Total non-current liabilities	**47.9**	**38.6**
Derivative financial instruments	0.1	0.1
Other current liabilities	165.5	174.3
Liabilities to financial institutions	20.5	0.0
Liabilities classified as held for sale	2.8	4.6
Total current liabilities	**188.9**	**179.0**
TOTAL EQUITY AND LIABILITIES	**502.5**	**464.3**
Number of ordinary shares outstanding at the end of the period	170,808,498	170,707,719
Number of ordinary shares held by the company	3,580,359	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**	**6.3**	**24.4**	**219.4**	**0.0**	**219.4**
Profit for the period	-	-	-	34.2	**34.2**	-	**34.2**
Other comprehensive income:							
Actuarial gains and losses on defined benefit plans	-	-	-	0.6	**0.6**	-	**0.6**
Tax on actuarial gains and losses on defined benefit plans	-	-	-	-0.2	**-0.2**	-	**-0.2**
Currency differences on translation of foreign operations	-	-	-3.1	-	**-3.1**	-	**-3.1**
Tax on exchange differences recognised in other comprehensive income	-	-	0.5	-	**0.5**	-	**0.5**
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	**-**	**-**	**-2.7**	**34.6**	**31.9**	**-**	**31.9**
Transactions with owners:							
Dividend	-	-	-	-5.1	**-5.1**	-	**-5.1**
Long term incentive plan	-	-	-	0.5	**0.5**	-	**0.5**
Ending balance as of December 31, 2015	**11.6**	**177.1**	**3.6**	**54.4**	**246.7**	**0.0**	**246.7**
Opening balance as of January 1, 2016	**11.6**	**177.1**	**3.6**	**54.4**	**246.7**	**0.0**	**246.7**
Profit for the period	—	—	—	26.4	**26.4**	—	**26.4**
Other comprehensive income:							
Actuarial gains and losses on defined benefit plans	—	—	—	2.3	**2.3**	—	**2.3**
Tax on actuarial gains and losses on defined benefit plans	—	—	—	-0.8	**-0.8**	—	**-0.8**
Currency differences on translation of foreign operations	—	—	3.5	—	**3.5**	—	**3.5**
Tax on exchange differences recognised in other comprehensive income	—	—	-2.7	—	**-2.7**	—	**-2.7**
Cash flow hedges	—	—	-0.3	—	**-0.3**	—	**-0.3**
Tax on cash flow hedges	—	—	0.1	—	**0.1**	—	**0.1**
Total comprehensive income for the period	**—**	**—**	**0.6**	**27.9**	**28.5**	**—**	**28.5**
Transactions with owners:							
Dividend	—	—	—	-11.9	**-11.9**	—	**-11.9**
Long term incentive plan	—	—	—	2.4	**2.4**	—	**2.4**
Ending balance as of December 31, 2016	**11.6**	**177.1**	**4.2**	**72.8**	**265.7**	**0.0**	**265.7**

Condensed Consolidated Statement of Cash Flow

MEUR	Q4 2016	Q4 2015	FY 2016	FY 2015
Operating profit (EBIT)	**-10.3**	**22.3**	**3.0**	**57.3**
Non-cash items	15.0	4.0	49.3	36.9
Interest, taxes paid and other cash items	-4.9	- 2.6	-14.9	-13.4
Change in working capital	-4.1	9.3	-3.2	5.0
Cash flow from operating activities	**-4.3**	**33.0**	**34.2**	**85.8**
Purchase of intangible assets	-0.3	-0.6	-0.8	-1.4
Purchase of tangible assets	-20.5	-27.3	-70.3	-72.5
Investments in subsidiaries	—	—	—	0.4
Net proceeds from sale of shares in subsidiaries	—	—	0.6	—
Investments in associated companies and joint ventures	—	—	-14.7	—
Other investments/divestments	1.0	-0.8	2.1	-1.1
Cash flow from investing activities	**-19.8**	**-28.7**	**-83.1**	**-74.6**
Dividend	—	—	-11.9	-5.1
External financing, net	20.4	-0.5	27.7	-0.6
Cash flow from financing activities	**20.4**	**-0.5**	**15.8**	**-5.7**
Cash flow for the period	**-3.7**	**3.8**	**-33.1**	**5.5**
Effects of exchange rate changes on cash and cash equivalents	0.2	0.0	0.0	0.1
Cash and cash equivalents at beginning of the period	**11.5**	**37.3**	**41.1**	**35.5**
Cash and cash equivalents at end of the period	**8.0**	**41.1**	**8.0**	**41.1**
Where of classified as assets held for sale	0.0	3.4	0.0	3.4

Parent Company, Condensed Statement of Operations

MEUR	Q4 2016	Q4 2015	FY 2016	FY 2015
Revenue	3.3	1.4	11.8	6.4
Personnel cost and contract labour	-1.8	-1.2	-6.6	-4.8
Other operating expenses	-5.8	-3.8	-16.3	-11.8
Operating profit/loss before depreciation and amortization (EBITDA)	**-4.3**	**-3.6**	**-11.1**	**-10.2**
Depreciation and amortization	-0.0	-0.0	-0.1	-0.1
Operating profit/loss (EBIT)	**-4.3**	**-3.6**	**-11.2**	**-10.3**
Financial income	10.5	-3.0	10.8	11.6
Financial expense	0.0	0.3	0.0	-0.0
Profit/loss before tax	**6.2**	**-6.3**	**-0.4**	**1.3**
Income tax	-1.4	1.4	-0.0	-0.3
Profit/loss for the period	**4.8**	**-4.9**	**-0.4**	**1.0**

Parent Company, Statement of Comprehensive Income

Profit/loss for the period	**4.8**	**-4.9**	**-0.4**	**1.0**
Other comprehensive income	—	—	—	—
Total comprehensive income for the period	**4.8**	**-4.9**	**-0.4**	**1.0**

Parent Company, Condensed Balance Sheet Statements

MEUR	31-Dec 2016	31-Dec 2015
ASSETS		
Intangible assets	0.0	0.0
Tangible assets	0.3	0.2
Shares in subsidiaries	236.0	233.5
Total non-current assets	**236.3**	**233.7**
Current receivables	42.7	53.8
Total current assets	**42.7**	**53.8**
TOTAL ASSETS	**279.0**	**287.5**
EQUITY AND LIABILITIES		
Equity	**272.8**	**282.7**
Current liabilities	6.2	4.8
Total current liabilities	**6.2**	**4.8**
TOTAL EQUITY AND LIABILITIES	**279.0**	**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**	**254.2**	**20.5**	**286.3**
Total comprehensive income for the period	-	-	1.0	**1.0**
Transactions with owners:				
Dividend	-	-	-5.1	**-5.1**
Long term incentive plan	-	-	0.5	**0.5**
Ending balance as of December 31, 2015	**11.6**	**254.2**	**16.9**	**282.7**
Opening balance as of January 1, 2016	**11.6**	**254.2**	**16.9**	**282.7**
Total comprehensive income for the period	—	—	-0.4	-0.4
Transactions with owners:				
Dividend	—	—	-11.9	**-11.9**
Long term incentive plan	—	—	2.4	**2.4**
Ending balance as of December 31, 2016	**11.6**	**254.2**	**7.0**	**272.8**

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 Q4 2016 and YTD 2016 the intercompany revenue of the Parent Company amounted to MEUR 3.1 (1.4) and MEUR 11.0 (6.2) respectively. The intercompany costs in Q4 2016 and YTD 2016 amounted to MEUR 4.8 (3.4) and MEUR 12.1 (8.6) respectively.

The decrease in profit before tax by MEUR 1.7 YTD 2016 is mainly due to the decrease in group contributions.

Comments on the Balance Sheet

At the end of the year the intercompany receivables amounted to MEUR 42.4 (58.8) and the intercompany liabilities to MEUR 3.5 (0.7). 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.

ESMA's guidelines on "alternative performance measures" has been applied from July 3, 2016. The guidelines involve disclosure requirements related to financial measures that are not defined under IFRS. The application of these new guidelines has resulted in extended disclosures, which can be found in the end of this report under the section "Definitions".

Incentive programmes

In 2013, 2014, 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 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 cumulative earnings per share for three consecutive financial years, starting as from the year the programme has been approved by the AGM.

The programme approved by the AGM in 2013 has expired in 2016. The performance target based on cumulative earnings per share for three consecutive financial years was not met. Six members of the Executive Committee met the requirements for the matching share part of the programme. 46,408 shares were awarded to the Executive Committee members participating, of which the President and CEO was awarded 17,497 shares.

Five members of the Executive Committee participate in the 2014 programme entitling them to a maximum total of 456,963 shares, of which the President and CEO is entitled to a maximum of 207,307 shares. 17 other members of management participate in the programme, entitling them to a maximum of 185,086 shares.

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

Six members of the Executive Committee participate in the 2015 programme entitling them to a maximum total of 604,567 shares, of which the President and CEO is entitled to a maximum of 272,935 shares. 24 other members of management participate in the programme, entitling them to a maximum of 393,403 shares.

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

Six members of the Executive Committee participate in the 2016 programme entitling them to a maximum total of 644,866 shares, of which the President and CEO is entitled to a maximum of 304,258 shares. 26 other members of management participate in the programme, entitling them to a maximum of 434,766 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.

Participants in the 2014-2016 programmes that have left the company have been awarded 54,371 shares in 2016.

The net costs recognised in the income statement during Q4 2016 and FY 2016 in accordance with IFRS 2 for the incentive programmes amounted to MEUR 0.7 (0.2) and MEUR 2.7 (0.6) respectively.

Share buy-back

The number of treasury shares held by the company at the end of the quarter was 3,580,359, corresponding to 2.1% of all registered shares. The average number of its own shares held by the company during Q4 2016 was 3,639,553 (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.

Financial instruments measured at fair value

On December 31, 2016, Rezidor had financial instruments measured at fair value amounting to MEUR 5.2 (5.4).

Related party transactions

Carlson Hotels, Inc. and its affiliates ("Carlson Hotels") are significant related parties. On December 7, 2016, HNA Tourism Group Co, Ltd. ("HNA") completed its purchase of Carlson Hotels and thereby acquired 51.3% of all outstanding shares in Rezidor. After this date HNA is included as a related party.

On December 31, 2016 Rezidor had no receivables related to Carlson Hotels (none as at December 31, 2015) and current liabilities of MEUR 1.0 (0.8). The business relationship with Carlson Hotels mainly consisted of operating costs related to the use of the brands and the use of the Carlson Hotels reservation system. During Q4 and YTD 2016, Rezidor had operating costs towards Carlson Hotels of MEUR 4.5 (4.4) and MEUR 18.9 (19.6), respectively.

Carlson Hotels also charged MEUR 1.4 (1.3) and MEUR 5.4 (5.6), respectively, for points earned in the Club Carlson loyalty programme and reimbursed MEUR 0.6 (0.5) and MEUR 2.9 (3.1), respectively, for points redeemed. Furthermore, Carlson Hotels recharged MEUR 1.2 (0.2) and MEUR 4.9 (2.8), respectively, of costs incurred from third parties, mainly internet based reservation channels.

Carlson Hotels and Rezidor are also cooperating in various other areas, such as global sales, brand websites, revenue optimisation tools and purchasing. During Q4 and YTD 2016 Rezidor had revenue towards Carlson Hotels of MEUR 0.2 (1.0) and MEUR 1.0 (2.3), respectively, and costs of MEUR -0.1 (0.1) and MEUR 0.4 (1.0), respectively, related to these cost sharing arrangements.

The travel management company Carlson Wagonlit Travel ("CWT") was a related party until December 6, 2016.

During Q4 and YTD 2016 Rezidor paid commissions towards CWT amounting to MEUR 0.1 (0.2) and MEUR 0.4 (0.6), respectively. For these commissions Rezidor had current liabilities of MEUR 0.0 (0.0).

Pledged assets and contingent liabilities

Pledged assets, MEUR	**31-Dec 2016**	**31-Dec 2015**
Securities on deposits (restricted accounts)	—	2.0

Contingent liabilities, MEUR	**31-Dec 2016**	**31-Dec 2015**
Tax claim interest deduction Sweden	5.4	5.4
Guarantees provided	2.8	0.4

RevPAR Development by Brand (Leased & Managed Hotels)

	L/L Occupancy		L/L Average Room Rates		L/L RevPAR		Reported RevPAR	
In EUR	**Q4 2016**	**vs. 2015**	**Q4 2016**	**vs. 2015**	**Q4 2016**	**vs. 2015**	**Q4 2016**	**vs. 2015**
Radisson Blu	65.5%	1.0 pp	119.6	0.3%	78.4	1.8%	73.7	-3.1%
Park Inn by Radisson	64.3%	2.4 pp	73.7	0.5%	47.3	4.3%	43.2	-1.2%
Group	**65.2%**	**1.4 pp**	**108.1**	**0.2%**	**70.5**	**2.4%**	**66.2**	**-2.4%**

In EUR	**FY 2016**	**vs. 2015**	**FY 2016**	**vs. 2015**	**FY 2016**	**vs. 2015**	**FY 2016**	**vs. 2015**
Radisson Blu	67.7%	-0.1 pp	122.3	2.9%	82.8	2.7%	76.7	-3.8%
Park Inn by Radisson	68.7%	1.5 pp	76.5	3.1%	52.5	5.4%	45.1	-2.8%
Group	**68.0%**	**0.4 pp**	**111.6**	**2.8%**	**75.8**	**3.2%**	**68.8**	**-3.7%**

RevPAR Development by Region (Leased & Managed Hotels)

	L/L Occupancy		L/L Average Room Rates		L/L RevPAR		Reported RevPAR	
In EUR	**Q4 2016**	**vs. 2015**	**Q4 2016**	**vs. 2015**	**Q4 2016**	**vs. 2015**	**Q4 2016**	**vs. 2015**
Nordics	72.4%	3.1 pp	126.2	2.0%	91.3	6.6%	87.6	7.2%
Rest of Western Europe	74.2%	1.4 pp	119.9	0.8%	89.0	2.8%	82.8	-3.9%
Eastern Europe	56.1%	2.4 pp	75.6	1.2%	42.4	5.8%	40.6	3.5%
Middle East, Africa & Others	61.1%	-1.4 pp	117.9	-2.1%	72.0	-4.3%	67.0	-8.6%
Group	**65.2%**	**1.4 pp**	**108.1**	**0.2%**	**70.5**	**2.4%**	**66.2**	**-2.4%**

	FY 2016	**vs. 2015**	**FY 2016**	**vs. 2015**	**FY 2016**	**vs. 2015**	**FY 2016**	**vs. 2015**
Nordics	74.7%	2.5 pp	129.0	2.5%	96.4	6.0%	89.2	1.3%
Rest of Western Europe	75.9%	0.3 pp	122.2	2.1%	92.8	2.4%	88.1	-1.8%
Eastern Europe	60.6%	1.4 pp	85.4	9.7%	51.8	12.3%	46.0	3.8%
Middle East, Africa & Others	61.4%	-3.1 pp	115.3	-2.5%	70.8	-7.1%	62.0	-14.4%
Group	**68.0%**	**0.3 pp**	**111.6**	**2.8%**	**75.8**	**3.2%**	**68.8**	**-3.7%**

RevPAR Development by Region (Leased Hotels)

	L/L Occupancy		L/L Average Room Rates		L/L RevPAR		Reported RevPAR	
In EUR	**Q4 2016**	**vs. 2015**	**Q4 2016**	**vs. 2015**	**Q4 2016**	**vs. 2015**	**Q4 2016**	**vs. 2015**
Nordics	72.1%	3.4%	125.0	2.3%	90.1	7.4%	85.6	7.0%
Rest of Western Europe	74.3%	1.6%	118.2	0.8%	87.9	3.0%	81.4	-4.4%
Group	**73.4%**	**2.4%**	**121.1**	**1.5%**	**88.8**	**4.9%**	**83.2**	**0.6%**

	FY 2016	**vs. 2015**	**FY 2016**	**vs. 2015**	**FY 2016**	**vs. 2015**	**FY 2016**	**vs. 2015**
Nordics	74.8%	3.0%	127.4	3.0%	95.3	7.4%	87.7	1.9%
Rest of Western Europe	75.8%	1.0%	120.9	1.8%	91.6	3.2%	86.3	-2.8%
Group	**75.4%**	**1.9%**	**123.7**	**2.4%**	**93.2**	**5.0%**	**87.0**	**-0.6%**

RevPAR Development – Like-for-like to Reported (Leased & Managed Hotels)

RevPAR	**Q4 2016**	**FY 2016**
L/L growth	2.4%	3.2%
FX impact	-4.0%	-5.9%
Units out or closed for renovation	0.8%	1.7%
New openings	-1.6%	-2.7%
Reported growth	-2.4%	-3.7%

Revenue per Area of Operation

MEUR	Q4 2016	Q4 2015	Change %	FY 2016	FY 2015	Change %
Rooms revenue	127.7	133.5	-4.3%	541.5	560.4	-3.4%
F&D revenue	69.9	73.7	-5.2%	247.2	262.3	-5.8%
Other hotel revenue	6.6	7.5	-12.0%	26.6	28.5	-6.7%
Total hotel revenue (leased)	**204.2**	**214.7**	**-4.9%**	**815.3**	**851.2**	**-4.2%**
Fee revenue (managed & franchised)	31.6	35.2	-10.2%	121.7	126.2	-3.6%
Other revenue	7.3	5.5	32.7%	24.2	19.6	23.5%
Total revenue	**243.1**	**255.4**	**-4.8%**	**961.2**	**997.0**	**-3.6%**

Total Fee Revenue

MEUR	Q4 2016	Q4 2015	Change %	FY 2016	FY 2015	Change %
Management Fees	8.5	8.4	1.2%	33.3	35.3	-5.7%
Incentive Fees	8.6	9.6	-10.4%	30.1	31.3	-3.8%
Franchise Fees	3.1	2.7	14.8%	12.5	10.7	16.8%
Other Fees (incl. marketing, reservation fee etc.)	11.4	14.5	-21.4%	45.8	48.9	-6.3%
Total fee revenue	**31.6**	**35.2**	**-10.2%**	**121.7**	**126.2**	**-3.6%**

Revenue per Region

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Total	
Q4	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Leased	97.9	107.5	106.3	107.2	—	—	—	—	204.2	214.7
Managed	0.6	1.1	8.9	12.2	7.3	6.6	8.5	9.0	25.3	28.9
Franchised	2.1	1.8	2.7	3.3	1.3	1.2	0.1	—	6.2	6.3
Other	4.6	3.8	2.8	1.7	—	—	—	—	7.4	5.5
Total	**105.2**	**114.2**	**120.7**	**124.4**	**8.6**	**7.8**	**8.6**	**9.0**	**243.1**	**255.4**

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Total	
FY	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Leased	390.7	418.0	424.6	433.2	—	—	—	—	815.3	851.2
Managed	2.2	2.9	29.9	37.9	32.7	29.9	30.3	31.8	95.1	102.5
Franchised	9.3	7.7	11.2	10.9	5.6	5.1	0.4	—	26.5	23.7
Other	14.9	12.9	9.4	6.7	—	—	—	—	24.3	19.6
Total	**417.1**	**441.5**	**475.1**	**488.7**	**38.3**	**35.0**	**30.7**	**31.8**	**961.2**	**997.0**

Rental Expenses

MEUR	Q4 2016	Q4 2015	Change %	FY 2016	FY 2015	Change %
Fixed rent	45.5	48.9	-7.0%	187.4	198.5	-5.6%
Variable rent	10.7	9.7	10.3%	46.2	42.9	7.7%
Rent	**56.2**	**58.6**	**-4.1%**	**233.6**	**241.4**	**-3.2%**
Rent as % of leased hotel revenue	27.5%	27.3%	0.2 pp	28.7%	28.4%	0.3 pp
Shortfall guarantees	-0.2	-0.3	-33.3%	2.3	1.7	35.3%
Rental expense	**56.0**	**58.3**	**-3.9%**	**235.9**	**243.1**	**-3.0%**

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	
Q4	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Leased	9.3	11.4	6.4	5.8	—	—	—	—	—	—	15.7	17.2
Managed	0.4	0.9	7.2	10.6	4.9	4.7	4.5	6.1	—	—	17.0	22.3
Franchised	1.2	1.1	1.1	1.9	0.7	0.8	-0.0	—	—	—	3.0	3.8
Other[1)]	2.2	2.2	0.2	—	—	—	0.1	3.1	—	—	2.5	5.3
Central costs	—	—	—	—	—	—	—	—	-15.1	-16.1	-15.1	-16.1
Total	**13.1**	**15.6**	**14.9**	**18.3**	**5.6**	**5.5**	**4.6**	**9.2**	**-15.1**	**-16.1**	**23.1**	**32.5**

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Central costs		Total	
FY	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Leased	31.5	36.6	27.3	25.6	—	—	—	—	—	—	58.8	62.2
Managed	1.5	2.1	19.3	27.2	22.6	20.4	17.3	19.4	—	—	60.7	69.1
Franchised	5.3	4.3	4.7	5.3	2.8	3.1	0.1	—	—	—	12.9	12.7
Other[1)]	6.9	7.7	0.3	—	—	—	0.3	3.2	—	—	7.5	10.9
Central costs	—	—	—	—	—	—	—	—	-60.6	-53.8	-60.6	-53.8
Total	**45.2**	**50.7**	**51.6**	**58.1**	**25.4**	**23.5**	**17.7**	**22.6**	**-60.6**	**-53.8**	**79.3**	**101.1**

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	
Q4	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Leased	4.8	7.6	-21.6	0.3	—	—	—	—	—	—	-16.8	7.9
Managed	0.4	0.9	7.2	10.4	4.8	4.7	4.4	6.1	—	—	16.8	22.1
Franchised	1.1	1.0	1.1	1.9	0.8	0.7	0.0	—	—	—	3.0	3.6
Other[1)]	1.5	1.7	0.2	—	—	—	0.1	3.1	—	—	1.8	4.8
Central costs	—	—	—	—	—	—	—	—	-15.1	-16.1	-15.1	-16.1
Total	**7.8**	**11.2**	**-13.1**	**12.6**	**5.6**	**5.4**	**4.5**	**9.2**	**-15.1**	**-16.1**	**-10.3**	**22.3**

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Central costs		Total	
FY	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Leased	2.6	17.9	-16.2	4.0	—	—	—	—	—	—	-13.6	21.9
Managed	1.4	2.1	19.2	27.0	22.4	20.2	17.1	19.2	—	—	60.1	68.5
Franchised	5.2	4.2	4.6	5.2	2.8	3.0	0.1	—	—	—	12.7	12.4
Other[1)]	3.8	5.1	0.3	—	—	—	0.3	3.2	—	—	4.4	8.3
Central costs	—	—	—	—	—	—	—	—	-60.6	-53.8	-60.6	-53.8
Total	**13.0**	**29.3**	**7.9**	**36.2**	**25.2**	**23.2**	**17.5**	**22.4**	**-60.6**	**-53.8**	**3.0**	**57.3**

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

Reconciliation of Profit/Loss for the Period

MEUR	Q4 2016	Q4 2015	FY 2016	FY 2015
Total operating profit/loss (EBIT) for reportable segments	**-10.3**	**22.3**	**3.0**	**57.3**
Financial income	1.0	1.2	2.5	1.9
Financial expense	-0.7	-0.6	-2.8	-2.6
Group's total profit/loss before tax	**-10.0**	**22.9**	**2.7**	**56.6**

Balance Sheet and Investments

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Total	
	31-Dec 2016	31-Dec 2015	31-Dec 2016	31-Dec 2015	31-Dec 2016	31-Dec 2015	31-Dec 2016	31-Dec 2015	31-Dec 2016	31-Dec 2015
Assets	172.1	175.7	283.9	243.9	15.2	14.8	31.3	29.9	502.5	464.3
Investments (tangible & intangible assets)	23.2	23.5	47.5	49.8	0.2	0.1	0.1	0.6	71.0	74.0

Quarterly Key Figures

MEUR	Q4 2016	Q4 2015	Q4 2014	Q4 2013	Q4 2012
RevPAR	66.2	67.9	65.4	66.9	66.3
Revenue	243.1	255.4	238.0	236.0	240.6
EBITDAR	78.7	87.7	71.4	79.6	78.3
EBITDA	23.1	32.5	14.8	25.8	15.4
EBIT	-10.3	22.3	0.5	12.9	-8.9
Profit for the period	16.9	14.3	-0.9	7.3	-13.5
EBITDAR margin, %	32.4	34.3	30.0	33.7	32.6
EBITDA margin, %	9.5	12.7	6.2	10.9	6.4
EBIT margin, %	-4.2	8.7	0.2	5.5	-3.7

	2016				2015				2014
MEUR	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
RevPAR	66.2	75.3	73.1	60.4	67.9	77.0	77.2	63.7	65.4
Revenue	243.1	251.3	259.8	207.0	255.4	261.4	263.8	216.4	238.0
EBITDAR	78.7	87.3	98.1	50.5	87.7	97.7	94.8	60.9	71.4
EBITDA	23.1	29.0	36.4	-9.2	32.5	35.8	33.6	-0.7	14.8
EBIT	-10.3	16.4	22.0	-25.0	22.3	24.4	23.0	-12.4	0.5
Profit/loss after Tax	16.9	14.9	16.2	-21.6	14.3	17.9	15.4	-13.4	-0.9
EBITDAR margin, %	32.4	34.7	37.8	24.4	34.3	37.4	35.9	28.1	30.0
EBITDA margin, %	9.5	11.5	14.0	-4.4	12.7	13.7	12.7	-0.3	6.2
EBIT margin, %	-4.2	6.5	8.5	-12.1	8.7	9.3	8.7	-5.7	0.2

Hotel and Room Openings and Signings

	Openings				Signings			
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
	Q4 2016	Q4 2016	FY 2016	FY 2016	Q4 2016	Q4 2016	FY 2016	FY 2016
By region:								
Nordics	—	—	2	238	—	—	—	—
Rest of Western Europe	2	651	4	1,074	1	180	4	508
Eastern Europe	2	256	7	845	8	1,061	16	2,517
Middle East, Africa & Others	—	—	5	1,428	3	548	25	5,175
Total	**4**	**907**	**18**	**3,585**	**12**	**1,789**	**45**	**8,200**
By brand:								
Radisson Blu	2	651	13	3,050	9	1,365	21	4,095
Park Inn by Radisson	2	256	4	475	1	109	17	2,972
Others	—	—	1	60	2	315	7	1,133
Total	**4**	**907**	**18**	**3,585**	**12**	**1,789**	**45**	**8,200**
By contract type:								
Leased	—	—	—	—	—	—	—	—
Managed	3	678	11	2,452	8	1,233	37	7,141
Franchised	1	229	7	1,133	4	556	8	1,059
Total	**4**	**907**	**18**	**3,585**	**12**	**1,789**	**45**	**8,200**

In Q4 2016, two hotels and 408 rooms left the system, resulting in a net opening of 499 rooms.

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

	In operation				Under development			
	Hotels		Rooms		Hotels		Rooms	
31 December	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
By region:								
Nordics	60	61	14,459	14,895	—	2	—	238
Rest of Western Europe	136	136	27,219	26,688	13	13	2,274	2,834
Eastern Europe	100	95	24,129	23,467	31	26	5,759	4,966
Middle East, Africa & Others	67	63	14,695	13,578	76	61	16,624	13,654
Total	**363**	**355**	**80,502**	**78,628**	**120**	**102**	**24,657**	**21,692**
By brand:								
Radisson Blu	240	233	57,302	55,243	71	65	15,015	14,711
Park Inn by Radisson	116	116	22,322	22,516	41	35	8,158	6,570
Others	7	6	878	869	8	2	1,484	411
Total	**363**	**355**	**80,502**	**78,628**	**120**	**102**	**24,657**	**21,692**
By contract type:								
Leased	67	71	16,701	17,789	—	—	—	—
Managed	186	189	42,222	42,073	105	88	22,366	19,314
Franchised	110	95	21,579	18,766	15	14	2,291	2,378
Total	**363**	**355**	**80,502**	**78,628**	**120**	**102**	**24,657**	**21,692**

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
Operating 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/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.

EBITDAR Margin
EBITDAR as a percentage of Revenue.

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-Dec 2016	31-Dec 2015
Cash & cash equivalents [A]	8.0	37.7
Cash & cash equivalents classified as held-for-sale [B]	0.0	3.4
Short-term interest bearing assets [C]	—	—
Interest-bearing liabilities [D]	37.9	11.3
Retirement benefit obligations [E]	3.7	5.6
Liabilities related to investments in hotels under management contracts [F]	5.3	5.7
Net cash (debt) [A+B+C-D+E+F]	**-20.9**	**41.1**

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

MEUR	31-Dec 2016	31-Dec 2015
Interest-bearing assets [A]	33.1	64.3
Interest-bearing liabilities [B]	37.9	11.3
Net interest-bearing assets/liabilities [A-B]	**-4.8**	**53.0**

Free Cash Flow
Total cash flow from operating activities and investing activities.

MEUR	FY 2016	FY 2015
Cash flow from operating activities [A]	34.2	85.8
Cash flow from investing activities [B]	-83.1	-74.6
Free cash flow [A+B]	**-48.9**	**11.2**

Rent as Percentage of Leased Hotel Revenue
Rental expense minus shortfall guarantees as percentage of total hotel revenue (leased portfolio).

MEUR	FY 2016	FY 2015
Rental expense [A]	235.9	243.1
Where of shortfall guarantees [B]	2.3	1.7
Total hotel revenue [C]	815.3	851.2
Rent as percentage of leased hotel revenue [(A-B)/C]	**28.7%**	**28.4%**

Net Working Capital
Inventory plus current non-interest-bearing receivables minus current non-interest-bearing liabilities.

MEUR	31-Dec 2016	31-Dec 2015
Inventory [A]	4.6	5.0
Current non-interest-bearing receivables [B]	122.6	116.4
Current non-interest-bearing liabilities [C]	165.6	174.4
Net working capital [A+B-C]	**-38.4**	**-53.0**

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	FY 2016	FY 2015
Rooms revenue (MEUR) [A]	541.5	560.4
Number of available rooms (thousands) [B]	6,226	6,404
RevPAR [A/B]	**87.0**	**87.5**

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.

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.

F&D
Food and Drink.

FF&E
Furniture, Fittings and Equipment.

L/L Hotels
Same hotels in operation during the previous period compared (“like-for-like”).

Occupancy (%)
Number of rooms sold in relation to the number of rooms available for sale.

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

Middle East, Africa and Others, (MEAO)
Algeria, Angola, Bahrain, Benin, Cape Verde, Chad, China, Congo, Egypt, Ethiopia, Gabon, Ghana, Guinea, Iraq, Ivory Coast, 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, Zambia and Zimbabwe.

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