THE REZIDOR HOTEL GROUP

INTERIM REPORT

January–March 2017

First Quarter 2017

- **Like-for-like ("L/L") RevPAR for leased and managed hotels was up by 6.8%.** The growth is due to increase in occupancy as well as average room rate.
- **Revenue increased by 7.5% to MEUR 222.5 (207.0).** The increase is due to the strong like-for-like RevPAR development and two leased hotels re-opened after renovation, partly offset by the exit of four leased hotels and the temporary closure of one leased hotel for renovation. **On a L/L basis revenue increased by 9.6%.**
- **EBITDA amounted to MEUR 2.5 (–9.2) and the EBITDA margin increased to 1.1% (–4.4).** In addition to the impact of higher revenue, EBITDA is positively impacted by improved conversion in the like-for-like portfolio as well as the exit of loss-making hotels.

  The increase due to the above-mentioned factors is partly offset by financial advisor fees of MEUR 2.2 incurred in connection with the public offer on the shares of the company, as well as higher marketing costs of net MEUR 1.2 due to timing of activities.
- **EBIT amounted to MEUR –8.2 (–25.0) and the EBIT margin increased to –3.7% (–12.1).** The improved EBIT is mainly due to the strong EBITDA. In addition, EBIT was last year impacted by termination costs of MEUR 8.0, partly offset by gain on sale of shares in subsidiaries of MEUR 1.9.
- **Loss for the period amounted to MEUR 7.6 (21.6)**.
- **Basic and diluted loss per share was EUR 0.04 (0.13).**
- **Cash flow from operating activities amounted to MEUR 2.2 (–1.9).**
- **3,178 (1,967) rooms were contracted, 925 (967) rooms opened and 885 (303) rooms left the system.**

MEUR	Q1 2017	Q1 2016
Revenue	222.5	207.0
EBITDA	2.5	–9.2
EBIT	–8.2	–25.0
Profit/loss for the period	–7.6	–21.6
EBITDA margin	1.1%	–4.4%
EBIT margin	–3.7%	–12.1%

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

Comments from the CEO

The strongest first quarter since 2008

A strong start of the year with first quarter RevPAR growth of 7% for the group and 10% for our leased hotels which was supported by particularly good performance in March due to more favourable timing of Easter. Last year's exits of loss-making hotels also contributed positively to the overall results. Top line growth combined with good conversion made this quarter the strongest first quarter since 2008 underlining the traction in turnaround momentum and margin improvement.

The quarter was equally successful for signings: We contracted almost 3,200 rooms (compared to 2,000 rooms in the first quarter 2016), driven by Eastern Europe and the Middle East and including a 1,500 room Park Inn by Radisson in Makkah, Saudi Arabia. With the signing of our first lease since 2009 we will enter Geneva, Switzerland, one of the strongest hotel markets in Europe, with the Radisson Blu brand.

After the quarter closing, our new majority shareholder, HNA Tourism Group, announced the outcome of the mandatory tender offer. The offer was accepted by shareholders holding ca 19.1% of the outstanding shares. The shares tendered, together with those already held by HNA via Carlson Hotels, comprise to approximately 70.4% of the outstanding shares. We look forward to accelerating our development and growth together with HNA.

Wolfgang M. Neumann, President & CEO

Market RevPAR Development Q1

Market RevPAR across Europe was up 6.5% (at constant exchange rates) for the first quarter of 2017, with the improvement driven both by occupancy (4.1%) and room rates (2.3%).

In Western Europe, RevPAR grew by 4.8% primarily via occupancy (3.9%). All key countries were above last year, with key markets Germany (8.4%) and the United Kingdom (6.8%) having a strong quarter. The two countries impacted by terrorist attacks last year are beginning to recover (Belgium 4.6% and France 3.0%).

For Northern Europe, the growth (7.1%) was room rates led (4.2%) with occupancy improving (2.8%). In the Nordics, all key countries had positive developments: Norway 11.7%, Sweden 10.7%, Denmark 10.2% and Finland 8.4%.

Eastern Europe reported the strongest RevPAR growth (9.6%), with occupancy (7.3%) and room rates (2.2%) both driving the growth. All key countries were above last year. The performance in the key market Russia continued to be strong (6.7%).

Trading in the Middle East and Africa continued to be negatively impacted by political turmoil and the low oil price with RevPAR 1.9% below last year. Gains in Northern Africa (46.8%) and Southern Africa (5.6%) were off-set by the challenges in the Middle East (–8.2%). The development by country remains mixed, with Egypt (120.9%) leading the growth while other key markets are still challenging (Saudi Arabia –21.2% and the United Arab Emirates –3.9%).

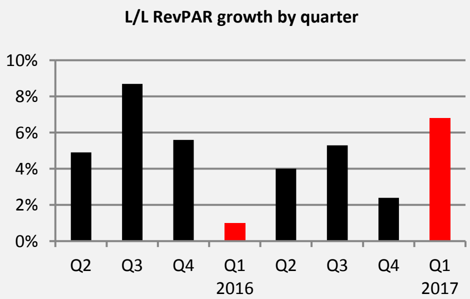
Sources: STR Global Ltd. © 2017 – European Hotel Review – Constant Currency Edition (March 2017); STR Global Ltd. © 2017 – Middle East/Africa Hotel Review – Constant Currency Edition (March 2017); Hotel | trends by Benchmarking | Alliance © 2017

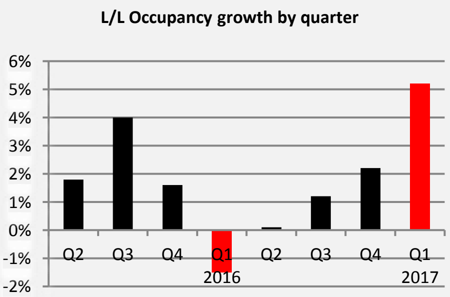
Rezidor RevPAR Development Q1

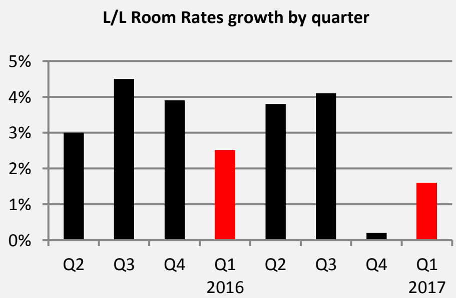
L/L RevPAR for leased and managed hotels increased by 6.8% compared to last year, with occupancy the main driver but average room rates also above last year. L/L RevPAR for leased hotels increased by 9.6%, with a more even split between occupancy and average room rate growth. The shift of Easter from March to April benefitted the performance.

All four regions reported L/L RevPAR growth over last year, with the strongest development in the Nordics and Eastern Europe.

Reported RevPAR growth was 6.1%.







Income Statement

First quarter 2017

Total revenue increased by 7.5%, or MEUR 15.5, to MEUR 222.5 (207.0). The increase is mainly due to strong development in the like-for-like portfolio (both in the leased business and in the fee business) and the re-opening of two hotels after renovation, partly offset by the exit of four leased hotels in Q3 and Q4 last year.

On a L/L basis revenue increased by 9.6%, which is mainly due to the strong RevPAR development and improved M&E business. L/L fee revenue includes income of MEUR 1.5 (–) related to a terminated management agreement.

The timing of Easter is estimated to have impacted revenue positively with ca MEUR 4.

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	9.4	2.7	–4.3	–1.2	6.6
F&D Revenue	5.7	1.6	–3.5	–0.2	3.6
Other Hotel Revenue	0.3	0.2	–0.4	–0.1	–0.0
Total Leased Revenue	**15.4**	**4.5**	**–8.2**	**–1.5**	**10.2**
Fee Revenue	3.9	1.9	–1.4	0.2	4.6
Other Revenue	0.6	—	—	0.1	0.7
Total Revenue	**19.9**	**6.4**	**–9.6**	**–1.2**	**15.5**

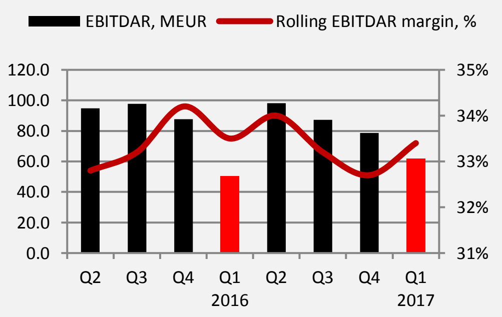
EBITDA increased by MEUR 11.7 to MEUR 2.5. In addition to the impact of higher revenue, EBITDA is positively impacted by improved conversion in the like-for-like portfolio as well as the exit of loss-making hotels. The timing of Easter is estimated to have impacted EBITDA with ca MEUR 2.

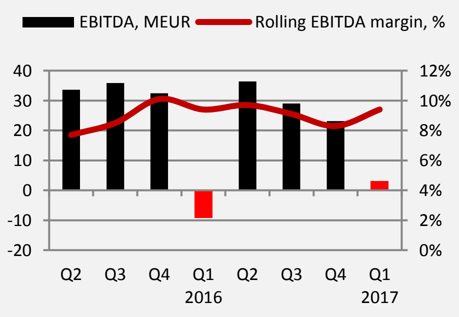
The increase due to the above-mentioned factors is partly offset by financial advisor fees of MEUR 2.2 incurred in connection with the public offer on the shares of the company. Furthermore, the marketing costs increased net MEUR 1.2 due to timing of activities.

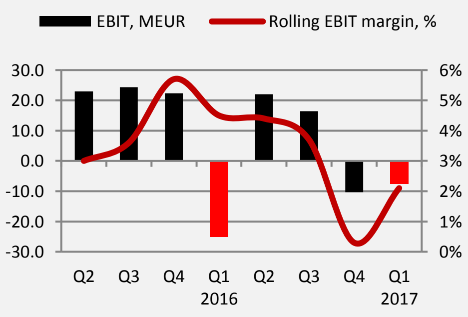
Rent as a percentage of leased hotel revenue decreased from 31.9 to 30.0%, mainly due to the high number of hotels with fixed rent during the period and a renegotiated rent agreement last year.

EBIT increased by MEUR 16.8 to MEUR –8.2, mainly due to the increase in EBITDA. In addition, EBIT was last year impacted by termination costs of MEUR 8.0, partly offset by gain on sale of shares in subsidiaries of MEUR 1.9.

The loss for the period amounted to MEUR 7.6, compared to MEUR 21.6 last year.







Q1 Comments by Region

Nordics

MEUR	Q1 2017	Q1 2016	Change
L/L RevPAR, EUR	85.9	76.7	12.0%
Total Revenue	92.7	87.9	5.5%
EBITDA	6.3	–0.5	N/A
EBITDA margin	6.8%	–0.6%	7.4 pp
EBIT	1.8	–11.2	N/A
EBIT margin	1.9%	–12.7%	14.6 pp

L/L RevPAR increased by 12.0% via both occupancy and average room rates. The three key countries were all above last year, with Denmark (18.6%) leading, followed by Norway (14.0%) and Sweden (6.1%).

Total revenue increased by MEUR 4.8 (or 5.5%) compared to last year, mainly due to the strong L/L RevPAR development and the strengthening of the Norwegian krona, however partly offset by the exit of four hotels. In addition, one hotel was closed for renovation during the period. The timing of Easter is estimated to have impacted revenue positively with ca MEUR 4.

The increase in EBITDA of MEUR 6.8 is due to the good revenue development, improved conversion in the like-for-like portfolio and the exit of loss making hotels. The timing of Easter is estimated to have impacted EBITDA with ca MEUR 2.

EBIT was last year negatively impacted by termination costs of MEUR 8.0, partly offset by gain on sale of shares in subsidiaries of MEUR 1.9.

Rest of Western Europe

MEUR	Q1 2017	Q1 2016	Change
L/L RevPAR, EUR	80.4	76.0	5.8%
Total Revenue	111.0	104.7	6.0%
EBITDA	2.9	–1.1	N/A
EBITDA margin	2.6%	–1.1%	3.7 pp
EBIT	–3.2	–6.0	46.7%
EBIT margin	–2.9%	–5.7%	2.8 pp

L/L RevPAR grew by 5.8% via both occupancy and average room rates. The growth was primarily driven by the United Kingdom (11.4%) and Germany (7.3%), with France (–1.9%) and Belgium (–3.9%) below last year (the latter's Q1 performance impacted by the attacks on March 22 last year).

Total revenue increased by MEUR 6.3 (or 6.0%) compared to last year, mainly due to the good L/L RevPAR development and the re-opening of two leased hotels after renovation, however partly offset by the weakening of the British pound.

The increase in EBITDA of MEUR 4.0 is mainly due to the good revenue development and improved conversion in the like-for-like portfolio, as well as less costs for management guarantees.

EBIT increased by MEUR 2.8 due to the EBITDA improvement, partly offset by higher depreciation costs.

Eastern Europe

MEUR	Q1 2017	Q1 2016	Change
L/L RevPAR, EUR	37.5	33.8	11.0%
Total Fee Revenue	9.6	6.1	57.4%
EBITDA	5.0	2.2	127.3%
EBITDA margin	52.1%	36.1%	16.0 pp
EBIT	5.0	2.1	138.1%
EBIT margin	52.1%	34.4%	17.7 pp

L/L RevPAR improved by 11.0% with occupancy the main driver. Ukraine (20.0%), the Baltics (15.8%) and Russia (11.5%) led the growth, with Turkey (2.5%) starting to recover from the negative impact of the terrorist attacks, attempted coup and unrest in the neighbouring countries.

Fee revenue increased by MEUR 3.5 (or 57.4%) due to the strong L/L RevPAR development and fee income of MEUR 1.5 related to a terminated agreement. The strengthening of the Rouble and new hotels in the portfolio also had a positive impact.

The increase in EBITDA and EBIT margins is mainly due to the above-mentioned termination fee income, partly offset by higher costs for management guarantees.

Middle East, Africa and Others

MEUR	Q1 2017	Q1 2016	Change
L/L RevPAR, EUR	77.7	76.5	1.6%
Total Fee Revenue	9.2	8.3	10.8%
EBITDA	4.5	4.3	4.7%
EBITDA margin	48.9%	51.8%	–2.9 pp
EBIT	4.4	4.2	4.8%
EBIT margin	47.8%	50.6%	–2.8 pp

L/L RevPAR increased by 1.6% with a decline in average room rate being off-set by a growth in occupancy. South Africa (7.0%) continued to lead the growth with the challenges being Saudi Arabia (–22.9%), as the low oil price continues to have an impact, and the United Arab Emirates (–6.9%), linked to the increase in supply.

The increase in fee revenue of MEUR 0.9 (or 10.8%) is mainly due to new hotels in the portfolio.

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

Central costs

Central costs for the quarter amounted to MEUR 16.2, an increase compared to last year of MEUR 2.1, which is mainly due to one-off financial advisor fees of MEUR 2.2.

Comments to the Balance Sheet

Non-current assets decreased by MEUR 0.4 from year-end 2016 and amounted to MEUR 347.3. An increase in deferred tax assets of MEUR 2.7 is offset by a decrease in tangible assets.

Net working capital, excluding cash and cash equivalents, but including current tax assets and liabilities, was MEUR –41.3 at the end of the period, compared to MEUR –38.4 at year-end 2016.

Compared to year-end 2016, equity decreased by MEUR 8.6 to MEUR 257.1 due to the loss for the period of MEUR 7.6 and exchange differences on translation of foreign operations.

MEUR	31 Mar 17	31 Dec 16
Total assets	508.9	502.5
Net working capital	–41.3	–38.4
Net cash (debt)	–27.3	–20.9
Equity	257.1	265.7

Cash Flow and Liquidity

Cash flow from operations, before change in working capital, amounted to MEUR –2.4, an increase of MEUR 22.1 and mainly due to the increase in EBIT. Cash flow from change in working capital amounted to MEUR 4.6, compared to MEUR 22.6 last year.

Cash flow used in investing activities was MEUR 10.9 lower compared to last year, and amounted to MEUR –8.8. The decrease is due to less investments in the leased portfolio and partly due to timing of renovation works.

Cash flow from financing activities amounted to MEUR 7.8 (0.0). The change is due to used overdraft.

At the end of the period, Rezidor had MEUR 9.3 (8.0) in cash and cash equivalents, of which MEUR 0.0 (0.0) 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 (2.8) was used for bank guarantees and MEUR 28.2 (20.5) was used for over-drafts, leaving MEUR 169.0 (176.7) in available credit for use.

The committed credit facilities have a tenor until November 2018 and carry customary covenants, including change of control and delisting provisions. A change of control situation occurred in connection with HNA's completion of its purchase of Carlson Hotels Inc. in December 2016. The banks have waived their rights under the change of control provisions related to HNA's acquisition.

Net interest bearing assets amounted to MEUR –12.1 (–4.8 at year-end 2016).

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 –27.3 (–20.9 at year-end 2016).

MEUR	Q1 2017	Q1 2016
Cash flow before working capital changes	–2.4	–24.5
Change in working capital	4.6	22.6
Cash flow from investing activities	–8.8	–19.7
Free cash flow	**–6.6**	**–21.6**

Other Matters

On December 22, 2016, HNA Sweden Hospitality Management AB ("HNA Sweden"), an indirect wholly-owned subsidiary of HNA Tourism Group Co., Ltd. ("HNA Tourism Group"), announced a mandatory tender offer to the shareholders in Rezidor Hotel Group AB (publ) to acquire all outstanding shares in Rezidor for SEK 34.86 in cash per share. The initial acceptance period of the offer commenced on February 3, 2017 and ended on March 10, 2017. The acceptance period was extended first to March 24, 2017 and second to April 7, 2017.

The settlement of the offer is conditional on HNA Sweden receiving all necessary regulatory, governmental or similar clearances, approvals and decisions in each case, on terms that are acceptable to HNA Sweden. HNA Sweden has not yet obtained the necessary regulatory approvals to transfer funds out from China to be used for settlement in the offer. Therefore, HNA Sweden has postponed the date of settlement for shareholders who have tendered the offer during any of the three acceptance periods to on or around June 9, 2017. HNA Sweden has reserved the right to further postpone the date for settlement if HNA Sweden does not receive all necessary regulatory, governmental or similar clearances, approvals and decisions for the settlement prior to June 9, 2017. If the settlement is further postponed, it may be postponed in total up to nine months from the initiation of the initial acceptance period. HNA Sweden is, however, bound by the offer.

Due to this postponement of the settlement of the offer, shareholders who have accepted the offer during any of the three acceptance periods are entitled to withdraw their acceptances of the offer. The Board of Directors of Rezidor has proposed that the Annual General Meeting on April 28, 2017 resolves to distribute a dividend of EUR 0.05 for each share to Rezidor's shareholders. The proposed record date is May 3, 2017. If the Annual General Meeting decides in accordance with the proposal and HNA Sweden has not settled the offer prior to the record date, the shareholders who have accepted the offer will be entitled to receive dividend for the shares they have tendered in the offer. In such case, the offer price will be reduced accordingly by the amount of the dividend.

On April 12, 2017, HNA Sweden announced the final outcome of the offer to the shareholders. After the end of the second extended acceptance period, the offer has been accepted by shareholders holding an aggregate of 32,706,894 shares, corresponding to approximately 19.1% of the outstanding shares and votes in Rezidor. Prior to the announcement of the offer on December 22, 2016, HNA Tourism Group held, via its wholly-owned subsidiary Carlson Hotels, Inc., 51.3% of the outstanding shares and votes in Rezidor. The shares tendered in the offer, together with the shares already held by HNA Tourism Group via Carlson Hotels, Inc., amount to in aggregate 120,259,081 shares in Rezidor, corresponding to approximately 70.4 per cent of the outstanding shares and votes in Rezidor.

For more information about the offer, please see www.hnagroup.com/en/discl/HNA_Website2017/legal.html.

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 2016. The general market, economic and financial conditions as well as the development of RevPAR in various countries where Rezidor operates, continue to be the most important factors influencing the company's earnings. To reduce the risks associated with operating in Emerging Markets, Rezidor applies an asset light business model. Management is continuously analysing ways to improve the performance of the hotel portfolio, 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 17.

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 Q1 Results

On April 28, 2017 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 2 404 0660
Belgium, Free	0800 58032
Sweden, Local:	+46 8 5065 3937
Sweden, Free:	0200 883 440
UK, Local:	+44 20 3427 0503
UK, Free:	0800 279 4977
USA, Local:	+1 212 444 0412
USA, Free:	1877 280 2342
France, Local:	+33 1 76 77 22 25
France, Free:	0805 631 580
Norway, Local:	+47 2350 0486
Norway, Free:	800 56054

Confirmation code: 6519463. For a replay of the conference call please visit www.investor.rezidor.com.

Financial Calendar

AGM 2017: April 28
Q2 2017 results: July 26
Q3 2017 results: October 25

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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 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 484 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 interim report comprises information which Rezidor Hotel Group AB (publ) is required to disclose under the Securities Markets Act and/or the Financial Instruments Trading Act. It was released for publication at 07:30 Central European Time on April 28, 2017.

Stockholm, April 28, 2017

The Board of Directors

Rezidor Hotel Group AB (publ)

Condensed Consolidated Statement of Operations

MEUR	Q1 2017	Q1 2016
Revenue	222.5	207.0
F&D and other related expenses	–12.4	–12.2
Personnel cost and contract labour	–83.7	–82.0
Other operating expenses	–61.0	–58.5
Insurance of properties and property tax	–3.7	–3.8
Operating profit before rental expenses and share of income in associates and joint ventures, depreciation and amortisation, costs due to termination of contracts, gain on sale of fixed assets, net financial items and income tax (EBITDAR)	**61.7**	**50.5**
Rental expenses	–58.9	–59.6
Share of income in associates and joint ventures	–0.3	–0.1
Operating profit before depreciation and amortisation, costs due to termination of contracts, gain on sale of fixed assets, net financial items and income tax (EBITDA)	**2.5**	**–9.2**
Depreciation and amortisation	–10.5	–9.3
Write-downs and reversals of write-downs	–0.2	–0.4
Costs due to termination of contracts	—	–8.0
Gain on sale of shares, intangible and tangible assets	0.0	1.9
Operating profit/loss (EBIT)	**–8.2**	**–25.0**
Financial income	0.2	0.3
Financial expense	–0.8	–0.8
Profit/loss before tax	**–8.8**	**–25.5**
Income tax	1.2	3.9
Profit/loss for the period	**–7.6**	**–21.6**
Attributable to:		
Owners of the parent company	–7.6	–21.6
Non-controlling interests	—	—
Profit/loss for the period	**–7.6**	**–21.6**
Basic average no. of shares outstanding	170,826,611	170,707,719
Diluted average no. of shares outstanding	173,442,760	173,448,943
Earnings per share, in EUR		
Basic	–0.04	–0.13
Diluted	–0.04	–0.13

Consolidated Statement of Comprehensive Income

Profit/loss for the period	**–7.6**	**–21.6**
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	–1.5	2.2
Tax on exchange differences	–0.1	–0.2
Fair value gains and losses on cash flow hedges	0.1	0.1
Tax on fair value gains and losses on cash flow hedges	–0.0	–0.0
Other comprehensive income for the period, net of tax	**–1.5**	**2.1**
Total comprehensive income for the period	**–9.1**	**–19.5**
Attributable to:		
Owners of the parent company	–9.1	–19.5
Non-controlling interests	—	—

Condensed Consolidated Balance Sheet Statements

MEUR	31 Mar 2017	31 Dec 2016
ASSETS		
Intangible assets	60.9	61.0
Tangible assets	186.9	189.0
Investments in associated companies and joint ventures	17.6	18.0
Other shares and participations	5.2	5.2
Other long-term receivables	16.2	16.7
Deferred tax assets	60.5	57.8
Total non-current assets	**347.3**	**347.7**
Inventories	4.8	4.6
Other current receivables	130.8	125.4
Derivative financial instruments	0.1	0.0
Other short term investments	0.0	0.0
Cash and cash equivalents	9.3	8.0
Assets classified as held for sale	16.6	16.8
Total current assets	**161.6**	**154.8**
TOTAL ASSETS	**508.9**	**502.5**
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent	257.1	265.7
Non-controlling interests	0.0	0.0
Total equity	**257.1**	**265.7**
Deferred tax liabilities	16.9	19.1
Retirement benefit obligations	3.8	3.7
Other long-term liabilities	25.1	25.1
Total non-current liabilities	**45.8**	**47.9**
Derivative financial instruments	0.1	0.1
Other current liabilities	174.1	165.5
Liabilities to financial institutions	28.2	20.5
Liabilities classified as held for sale	3.6	2.8
Total current liabilities	**206.0**	**188.9**
TOTAL EQUITY AND LIABILITIES	**508.9**	**502.5**
Number of ordinary shares outstanding at the end of the period	170,846,444	170,808,498
Number of ordinary shares held by the company	3,542,413	3,580,359
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, 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**
Other comprehensive income:							
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**
Transactions with owners:							
Long term incentive programmes	—	—	—	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**
Opening balance as of January 1, 2017	**11.6**	**177.1**	**4.2**	**72.8**	**265.7**	**0.0**	**265.7**
Profit/loss for the period	—	—	—	–7.6	**–7.6**	—	**–7.6**
Other comprehensive income:							
Currency differences on translation of foreign operations	—	—	–1.5	—	**–1.5**	—	**–1.5**
Tax on exchange differences recognised in other comprehensive income	—	—	–0.1	—	**–0.1**	—	**–0.1**
Cash flow hedges	—	—	0.1	—	**0.1**	—	**0.1**
Tax on cash flow hedges	—	—	–0.0	—	**–0.0**	—	**–0.0**
Total comprehensive income for the period	—	—	**–1.5**	**–7.6**	**–9.1**	—	**–9.1**
Transactions with owners:							
Long term incentive programmes	—	—	—	0.5	**0.5**	—	**0.5**
Ending balance as of March 31, 2017	**11.6**	**177.1**	**2.7**	**65.7**	**257.1**	**0.0**	**257.1**

Condensed Consolidated Statement of Cash Flow

MEUR	Q1 2017	Q1 2016
Operating profit (EBIT)	**–8.2**	**–25.0**
Non-cash items	11.6	8.3
Interest, taxes paid and other cash items	–5.8	–7.8
Change in working capital	4.6	22.6
Cash flow from operating activities	**2.2**	**–1.9**
Purchase of intangible assets	–0.8	–0.0
Purchase of tangible assets	–8.5	–20.8
Net proceeds from sale of shares in subsidiaries	0.0	0.6
Other investments/divestments	0.5	0.5
Cash flow from investing activities	**–8.8**	**–19.7**
External financing, net	7.8	0.0
Cash flow from financing activities	**7.8**	**0.0**
Cash flow for the period	**1.2**	**–21.6**
Effects of exchange rate changes on cash and cash equivalents	0.1	–0.1
Cash and cash equivalents at beginning of the period	**8.0**	**41.1**
Cash and cash equivalents at end of the period	**9.3**	**19.4**
Where of classified as assets held for sale	**0.0**	—

Parent Company, Condensed Statement of Operations

MEUR	Q1 2017	Q1 2016
Revenue	3.5	1.9
Personnel cost and contract labour	–1.8	–1.7
Other operating expenses	–6.2	–2.7
Operating profit/loss before depreciation and amortization (EBITDA)	**–4.5**	**–2.5**
Depreciation and amortization	–0.0	–0.0
Operating profit/loss (EBIT)	**–4.5**	**–2.5**
Financial income	0.0	5.6
Financial expense	–0.1	–0.0
Profit/loss before tax	**–4.6**	**3.1**
Income tax	1.0	–0.7
Profit/loss for the period	**–3.6**	**2.4**

Parent Company, Statement of Comprehensive Income

Profit/loss for the period	**–3.6**	**2.4**
Other comprehensive income	**—**	**—**
Total comprehensive income for the period	**–3.6**	**2.4**

Parent Company, Condensed Balance Sheet Statements

MEUR	31 Mar 2017	31 Dec 2016
ASSETS		
Intangible assets	0.0	0.0
Tangible assets	0.3	0.3
Shares in subsidiaries	236.5	236.0
Deferred tax assets	1.0	—
Total non-current assets	**237.8**	**236.3**
Current receivables	38.5	42.7
Total current assets	**38.5**	**42.7**
TOTAL ASSETS	**276.3**	**279.0**
EQUITY AND LIABILITIES		
Equity	**269.7**	**272.8**
Current liabilities	6.6	6.2
Total current liabilities	**6.6**	**6.2**
TOTAL EQUITY AND LIABILITIES	**276.3**	**279.0**

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, 2016	**11.6**	**254.2**	**16.9**	**282.7**
Total comprehensive income for the period	—	—	2.4	**2.4**
Transactions with owners:				
Long term incentive programmes	—	—	0.2	**0.2**
Ending balance as of March 31, 2016	**11.6**	**254.2**	**19.5**	**285.3**
Opening balance as of January 1, 2017	**11.6**	**254.2**	**7.0**	**272.8**
Total comprehensive income for the period	—	—	–3.6	**–3.6**
Transactions with owners:				
Long term incentive programmes	—	—	0.5	**0.5**
Ending balance as of March 31, 2017	**11.6**	**254.2**	**3.9**	**269.7**

Comments on the Income Statement

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

The main revenue of the company is internal fees charged to hotels for the services provided by the Shared Service Centre. In Q1 2017 the intercompany revenue of the Parent Company amounted to MEUR 3.2 (1.8). The intercompany costs amounted to MEUR 2.8 (1.8).

The decrease in profit before tax by MEUR 7.7 is mainly due to that no group contribution has been accounted for in 2017 (MEUR 5.6 last year) and one-off financial advisor fees of MEUR 2.2.

Comments on the Balance Sheet

The decrease in current assets of MEUR 4.2 since year end 2016 is mainly due to changes in intercompany balances. The increase in current liabilities of MEUR 0.4 is mainly due to higher accounts payables, partly offset by changes in intercompany balances.

At the end of the period the intercompany receivables amounted to MEUR 37.7 (42.4) and the intercompany liabilities to MEUR 1.4 (3.5).

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, 2016.

Incentive programmes

In 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 programmes is similar. The programmes are comprised of both matching shares and performance shares. The President and CEO and other members of the Executive Committee have been offered the opportunity to participate in the performance share part as well as the matching share part of the programmes. Other key executives have been offered to participate in the performance share part of the programmes.

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

Four members of the Executive Committee participate in the 2014 programme entitling them to a maximum total of 407,230 shares, of which the President and CEO is entitled to a maximum of 207,307 shares. 16 other members of management participate in the programme, entitling them to a maximum of 175,663 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.

Five members of the Executive Committee participate in the 2015 programme entitling them to a maximum total of 565,521 shares, of which the President and CEO is entitled to a maximum of 272,935 shares. 21 other members of management participate in the programme, entitling them to a maximum of 334,179 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.

Five members of the Executive Committee participate in the 2016 programme entitling them to a maximum total of 630,143 shares, of which the President and CEO is entitled to a maximum of 304,258 shares. 23 other members of management participate in the programme, entitling them to a maximum of 369,414 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 29,749 shares in 2017.

The net costs recognised in the income statement during Q1 2017 in accordance with IFRS 2 for the incentive programmes amounted to MEUR 0.5 (0.2).

Share buy-back

The number of treasury shares held by the company at the end of the quarter was 3,542,413, corresponding to 2.0% of all registered shares. The average number of its own shares held by the company during Q1 2017 was 3,562,246 (3,681,138). The shares have been bought back in 2007 and 2008 following authorisations at the AGMs in the same years. Most the shares bought back are held to secure delivery of shares in the incentive programmes and the related social security costs.

Financial instruments measured at fair value

On March 31, 2017, Rezidor had financial instruments measured at fair value amounting to MEUR 5.2 (5.2).

Related party transactions

HNA Group Co., Ltd. and its affiliates ("HNA") are significant related parties.

On March 31, 2017 Rezidor had no receivables related to HNA (none as at December 31, 2016) and current liabilities of MEUR 2.3 (1.0). The business relationship with HNA mainly consisted of operating costs related to the use of the brands and the use of HNA's reservation system. During Q1 2017 Rezidor had operating costs towards HNA of MEUR 5.0 (5.8).

HNA also charged MEUR 1.3 (1.3) for points earned in the Club Carlson loyalty programme and reimbursed MEUR 0.5 (0.5) for points redeemed. Furthermore, HNA recharged MEUR 1.6 (1.3) of costs incurred from third parties, mainly internet based reservation channels.

HNA and Rezidor are also cooperating in various other areas, such as global sales, brand websites, revenue optimisation tools and purchasing. During Q1 2017 Rezidor had revenue towards HNA of MEUR 0.3 (0.3) and costs of MEUR 0.7 (0.6), related to these cost sharing arrangements.

Pledged assets and contingent liabilities

Pledged assets, MEUR	31 Mar 2017	31 Dec 2016
Pledged assets	—	—

Contingent liabilities, MEUR	31 Mar 2017	31 Dec 2016
Tax claim interest deduction Sweden	5.4	5.4
Guarantees provided	2.8	2.8

RevPAR Development by Brand (Leased & Managed Hotels)

	L/L Occupancy		L/L Average Room Rates		L/L RevPAR		Reported RevPAR	
In EUR	**Q1 2017**	**vs. 2016**	**Q1 2017**	**vs. 2016**	**Q1 2017**	**vs. 2016**	**Q1 2017**	**vs. 2016**
Radisson Blu	63.8%	3.1 pp	116.8	1.7%	74.6	6.9%	71.6	5.5%
Park Inn by Radisson	59.4%	3.1 pp	73.5	1.6%	43.7	7.4%	41.4	8.4%
Group	**62.7%**	**3.1 pp**	**106.6**	**1.6%**	**66.8**	**6.8%**	**64.0**	**6.1%**

RevPAR Development by Region (Leased & Managed Hotels)

	L/L Occupancy		L/L Average Room Rates		L/L RevPAR		Reported RevPAR	
In EUR	**Q1 2017**	**vs. 2016**	**Q1 2017**	**vs. 2016**	**Q1 2017**	**vs. 2016**	**Q1 2017**	**vs. 2016**
Nordics	71.4%	5.0 pp	120.3	4.1%	85.9	12.0%	83.4	17.7%
Rest of Western Europe	69.4%	2.1 pp	115.8	2.6%	80.4	5.8%	77.1	1.9%
Eastern Europe	51.2%	3.4 pp	73.3	3.6%	37.5	11.0%	38.9	17.5%
Middle East, Africa & Others	64.2%	2.6 pp	121.0	–2.5%	77.7	1.6%	69.6	–1.3%
Group	**62.7%**	**3.1 pp**	**106.6**	**1.6%**	**66.8**	**6.8%**	**64.0**	**6.1%**

RevPAR Development by Region (Leased Hotels)

	L/L Occupancy		L/L Average Room Rates		L/L RevPAR		Reported RevPAR	
In EUR	**Q1 2017**	**vs. 2016**	**Q1 2017**	**vs. 2016**	**Q1 2017**	**vs. 2016**	**Q1 2017**	**vs. 2016**
Nordics	71.4%	5.9 pp	118.7	3.9%	84.8	13.2%	82.3	19.9%
Rest of Western Europe	70.3%	2.1 pp	118.8	3.8%	83.6	7.0%	80.4	4.7%
Group	**70.8%**	**3.7 pp**	**118.7**	**3.9%**	**84.1**	**9.6%**	**81.2**	**11.2%**

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

RevPAR	**Q1 2017**
L/L growth	6.8%
FX impact	–0.4%
Units out or closed for renovation	1.8%
New openings	–2.1%
Reported growth	**6.1%**

Revenue per Area of Operation

MEUR	**Q1 2017**	**Q1 2016**	**Change %**
Rooms revenue	120.9	114.3	5.8%
F&D revenue	60.2	56.6	6.4%
Other hotel revenue	5.5	5.5	–0.0%
Total hotel revenue (leased)	**186.6**	**176.4**	**5.8%**
Fee revenue (managed & franchised)	29.6	25.0	18.4%
Other revenue	6.3	5.6	12.5%
Total revenue	**222.5**	**207.0**	**7.5%**

Total Fee Revenue

MEUR	**Q1 2017**	**Q1 2016**	**Change %**
Management Fees	8.0	7.5	6.7%
Incentive Fees	5.8	4.9	18.4%
Franchise Fees	2.8	2.4	16.7%
Other Fees (incl. marketing, reservation fee etc.)	13.0	10.2	27.5%
Total fee revenue	**29.6**	**25.0**	**18.4%**

Revenue per Region

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Total	
Q1	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Leased	85.6	82.1	101.0	94.3	—	—	—	—	186.6	176.4
Managed	0.5	0.5	5.3	5.6	6.8	5.2	9.1	8.2	21.7	19.5
Franchised	2.3	2.2	2.6	2.3	2.8	0.9	0.1	0.1	7.8	5.5
Other	4.3	3.1	2.1	2.5	—	—	—	—	6.4	5.6
Total	**92.7**	**87.9**	**111.0**	**104.7**	**9.6**	**6.1**	**9.2**	**8.3**	**222.5**	**207.0**

Rental Expenses

MEUR	Q1 2017	Q1 2016	Change %
Fixed rent	46.2	47.8	–3.3%
Variable rent	9.8	8.5	15.3%
Rent	**56.0**	**56.3**	**–0.5%**
Rent as % of leased hotel revenue	30.0%	31.9%	–1.9 pp
Shortfall guarantees	2.9	3.3	–12.1%
Rental expense	**58.9**	**59.6**	**–1.2%**

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	
Q1	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Leased	3.4	–2.6	0.4	–2.8	—	—	—	—	—	—	3.8	–5.4
Managed	0.2	0.3	1.8	0.9	2.7	2.1	4.5	4.4	—	—	9.2	7.7
Franchised	1.1	1.0	1.0	0.8	2.3	0.1	0.0	—	—	—	4.4	1.9
Other[1)]	1.6	0.8	–0.3	—	—	—	0.0	–0.1	—	—	1.3	0.7
Central costs	—	—	—	—	—	—	—	—	–16.2	–14.1	–16.2	–14.1
Total	**6.3**	**–0.5**	**2.9**	**–1.1**	**5.0**	**2.2**	**4.5**	**4.3**	**–16.2**	**–14.1**	**2.5**	**–9.2**

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	
Q1	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Leased	–0.3	–12.6	–5.7	–7.6	—	—	—	—	—	—	–6.0	–20.2
Managed	0.2	0.3	1.8	0.9	2.7	2.0	4.4	4.3	—	—	9.1	7.5
Franchised	1.1	1.0	1.0	0.7	2.3	0.1	0.0	—	—	—	4.4	1.8
Other[1)]	0.8	0.1	–0.3	—	—	—	0.0	–0.1	—	—	0.5	0.0
Central costs	—	—	—	—	—	—	—	—	–16.2	–14.1	–16.2	–14.1
Total	**1.8**	**–11.2**	**–3.2**	**–6.0**	**5.0**	**2.1**	**4.4**	**4.2**	**–16.2**	**–14.1**	**–8.2**	**–25.0**

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

Reconciliation of Profit/Loss for the Period

MEUR	Q1 2017	Q1 2016
Total operating profit/loss (EBIT) for reportable segments	**–8.2**	**–25.0**
Financial income	0.2	0.3
Financial expense	–0.8	–0.8
Group’s total profit/loss before tax	**–8.8**	**–25.5**

Balance Sheet and Investments

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Total	
	31 Mar 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016
Assets	174.7	172.1	286.7	283.9	14.6	15.2	32.9	31.3	508.9	502.5
Investments (tangible & intangible assets)	6.2	23.2	3.1	47.5	0.0	0.2	0.0	0.1	9.3	71.0

Quarterly Key Figures

MEUR	Q1 2017	Q1 2016	Q1 2015	Q1 2014	Q1 2013
RevPAR	64.0	60.4	63.7	61.3	61.9
Revenue	222.5	207.0	216.4	211.4	207.1
EBITDAR	61.7	50.5	60.9	61.7	58.7
EBITDA	2.5	–9.2	–0.7	–0.8	–2.8
EBIT	–8.2	–25.0	–12.4	–8.5	–10.0
Profit for the period	–7.6	–21.6	–13.4	–10.3	–11.2
EBITDAR margin, %	27.7	24.4	28.1	29.2	28.3
EBITDA margin, %	1.1	–4.4	–0.3	0.4	–1.4
EBIT margin, %	–3.7	–12.1	–5.7	–4.0	–4.8

	2017	2016				2015			
MEUR	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
RevPAR	64.0	66.2	75.3	73.1	60.4	67.9	77.0	77.2	63.7
Revenue	222.5	243.1	251.3	259.8	207.0	255.4	261.4	263.8	216.4
EBITDAR	61.7	78.7	87.3	98.1	50.5	87.7	97.7	94.8	60.9
EBITDA	2.5	23.1	29.0	36.4	–9.2	32.5	35.8	33.6	–0.7
EBIT	–8.2	–10.3	16.4	22.0	–25.0	22.3	24.4	23.0	–12.4
Profit/loss for the period	–7.6	16.9	14.9	16.2	–21.6	14.3	17.9	15.4	–13.4
EBITDAR Margin %	27.7	32.4	34.7	37.8	24.4	34.3	37.4	35.9	28.1
EBITDA Margin %	1.1	9.5	11.5	14.0	–4.4	12.7	13.7	12.7	–0.3
EBIT Margin %	–3.7	–4.2	6.5	8.5	–12.1	8.7	9.3	8.7	–5.7

Hotel and Room Openings and Signings

	Openings		Signings	
	Hotels	Rooms	Hotels	Rooms
	Q1 2017	Q1 2017	Q1 2017	Q1 2017
By region:				
Nordics	—	—	—	—
Rest of Western Europe	1	162	1	250
Eastern Europe	1	171	3	627
Middle East, Africa & Others	3	592	4	2,301
Total	**5**	**925**	**8**	**3,178**
By brand:				
Radisson Blu	3	603	2	470
Park Inn by Radisson	2	322	4	2,182
Other	—	—	2	526
Total	**5**	**925**	**8**	**3,178**
By contract type:				
Leased	—	—	1	250
Managed	5	925	5	2,531
Franchised	—	—	2	397
Total	**5**	**925**	**8**	**3,178**

In Q1 2017, four hotels and 885 rooms left the system, resulting in a net opening of 40 rooms.

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

	In operation				Under development			
	Hotels		Rooms		Hotels		Rooms	
31 March	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
By region:								
Nordics	59	62	14,293	14,830	—	—	—	—
Rest of Western Europe	137	137	27,381	26,795	13	15	2,361	3,057
Eastern Europe	99	97	23,807	23,616	33	25	6,215	4,537
Middle East, Africa & Others	69	65	14,988	14,025	74	64	16,890	14,210
Total	**364**	**361**	**80,469**	**79,266**	**120**	**104**	**25,466**	**21,804**
By brand:								
Radisson Blu	240	237	57,127	55,763	67	61	13,439	13,856
Park Inn by Radisson	117	117	22,464	22,574	43	38	10,017	7,029
Others	7	7	878	929	10	5	2,010	919
Total	**364**	**361**	**80,469**	**79,266**	**120**	**104**	**25,466**	**21,804**
By contract type:								
Leased	66	70	16,535	17,440	1	—	250	—
Managed	189	189	42,601	41,676	102	89	22,528	19,264
Franchised	109	102	21,333	20,150	17	15	2,688	2,540
Total	**364**	**361**	**80,469**	**79,266**	**120**	**104**	**25,466**	**21,804**

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 of contracts, gain on sale of fixed assets, net financial items and income tax.

EBITDA Margin
EBITDA as a percentage of Revenue.

EBITDAR
Operating profit before rental expenses and share of income in associates and joint ventures, depreciation and amortisation, costs due to termination of contracts, gain on sale of fixed assets, net financial items and income 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 Mar 2017	31 Dec 2016
Cash & cash equivalents [A]	9.3	8.0
Cash & cash equivalents classified as held-for-sale [B]	0.0	0.0
Short-term interest bearing assets [C]	—	—
Interest-bearing liabilities [D]	45.7	37.9
Retirement benefit obligations [E]	3.8	3.7
Liabilities related to investments in hotels under management contracts [F]	5.3	5.3
Net cash (debt) [A+B+C-D+E+F]	**–27.3**	**–20.9**

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

MEUR	31 Mar 2017	31 Dec 2016
Interest-bearing assets [A]	33.7	33.1
Interest-bearing liabilities [B]	45.8	37.9
Net interest-bearing assets/liabilities [A-B]	**–12.1**	**–4.8**

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

MEUR	Q1 2017	Q1 2016
Cash flow from operating activities [A]	2.2	–1.9
Cash flow from investing activities [B]	–8.8	–19.7
Free cash flow [A+B]	**–6.6**	**–21.6**

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

MEUR	Q1 2017	Q1 2016
Rental expense [A]	58.9	59.6
Where of shortfall guarantees [B]	2.9	3.3
Total hotel revenue [C]	186.6	176.4
Rent as percentage of leased hotel revenue [(A-B)/C]	**30.0%**	**31.9%**

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

MEUR	31 Mar 2017	31 Dec 2016
Inventory [A]	4.8	4.6
Current non-interest-bearing receivables [B]	128.1	122.6
Current non-interest-bearing liabilities [C]	174.2	165.6
Net working capital [A+B-C]	**–41.3**	**–38.4**

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

Leased portfolio	Q1 2017	Q1 2016
Rooms revenue (MEUR) [A]	120.9	114.3
Number of available rooms (thousands) [B]	1,488	1,565
RevPAR [A/B]	**81.2**	**73.0**

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.

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