THE REZIDOR HOTEL GROUP

INTERIM REPORT

January-September 2016

Third Quarter 2016

- **Like-for-like ("L/L") RevPAR for leased and managed hotels was up by 5.3%.** The growth is mainly due to an increase in average room rate.
- **Revenue decreased by 3.9% to MEUR 251.3 (261.4).** The positive impact of the like-for-like RevPAR development has been offset by the strengthening of the Euro and the exit of four leases in the Nordics. **On a L/L basis revenue increased by 3.5%.**
- **EBITDA amounted to MEUR 29.0 (35.8) and the EBITDA margin decreased to 11.5% (13.7).** In addition to the decrease in revenue, EBITDA is negatively impacted by redundancy costs of MEUR 4.0.
- **EBIT amounted to MEUR 16.4 (24.4) and the EBIT margin decreased to 6.5% (9.3).** EBIT is negatively impacted by higher costs for depreciation and impairment of fixed assets of MEUR 2.3, partially offset by lower termination costs of MEUR 1.2.

  The performance of the hotels in Brussels, Nice and Paris are significantly impacted by the recent terrorist attacks and are in total MEUR 4.4 below last year on EBIT.
- **Profit for the period amounted to MEUR 14.9 (17.9)**, positively impacted by a lowered tax rate.
- **Basic and diluted earnings per share were EUR 0.09 (0.10).**
- **1,879 (2,300) new rooms were contracted, 292 (1,348) new rooms opened and 515 (0) rooms left the system.**

Nine months ended September 2016

- **L/L RevPAR for leased and managed hotels was up by 3.4%.**
- **Revenue decreased by 3.2% to MEUR 718.1 (741.6). On a L/L basis revenue increased by 3.7%.**
- **EBITDA amounted to MEUR 56.2 (68.6) and the EBITDA margin decreased to 7.8% (9.3).**
- **EBIT amounted to MEUR 13.3 (35.0) and the EBIT margin decreased to 1.9% (4.7).**
- **Profit for the period amounted to MEUR 9.5 (19.9).**
- **Basic and diluted earnings per share were EUR 0.06 (0.12) and EUR 0.05 (0.12) respectively.**
- **Cash flow from operating activities amounted to MEUR 38.5 (52.8).**
- **6,411 (7,071) new rooms were contracted, 2,678 (2,777) new rooms opened and 1,247 (1,152) rooms left the system.**

MEUR	Q3 2016	Q3 2015	Jan-Sep 2016	Jan-Sep 2015
Revenue	251.3	261.4	718.1	741.6
EBITDA	29.0	35.8	56.2	68.6
EBIT	16.4	24.4	13.3	35.0
Profit for the period	14.9	17.9	9.5	19.9
EBITDA margin, %	11.5	13.7	7.8	9.3
EBIT margin, %	6.5	9.3	1.9	4.7

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

Comments from the CEO

Fragile trading environment in some key markets impacted results, but cost restructuring and exit of loss-making hotels will support future profitability improvement

Market conditions continue to be fragile, especially in France and Belgium where the terrorist attacks are still affecting trading, with results in Brussels, Paris and Nice negatively impacting EBIT for the quarter by €4.4m. Also Turkey and Saudi Arabia continue to suffer from unrest and the depressed oil price. We are carefully monitoring these countries and are concentrating on operational efficiency.

In response to the ongoing challenges in some key markets, we have launched a cost containment plan targeting a total saving of €10m. Our focus is on central cost reductions as well as on a further increase of procurement efficiencies which leads to restructuring costs of ca €5m, of which €4m are accounted for in the third quarter.

It is encouraging to see that after a strong summer in Scandinavia the stressed market in Norway shows signs of recovery, while Denmark and Sweden continue to perform well. In Norway, we have further optimised our leased portfolio and exited three lease agreements at a cost of €11.7m (accrued for in previous quarters), but creating an annual positive EBIT of ca €4m as from September 2016. Two of the agreements have been converted to franchise contracts.

We continue to make solid progress in pursuit of our long-term strategy and sustainable network growth, while adapting to external factors. Management is focussed on vigilant cost containment and further margin enhancing initiatives to drive profitability.

Wolfgang M. Neumann, President & CEO

Market RevPAR Development YTD

Market RevPAR across Europe was up 2.2% (at constant exchange rates) September YTD with improvement driven primarily via room rate (2.0%).

RevPAR in the mature Western European market is below last year (-0.3%) as a result of a decline in occupancy (-1.1%). Belgium (-16.2%) and France (-10.9%), negatively impacted by terrorist attacks, offset the gains in the majority of the other key countries.

In Northern Europe, 3.7%, the growth was mainly due to improved room rate (3.3%). In the Nordics all four key countries had positive developments: Denmark 10.6%, Finland 9.3%, Norway 1.0% and Sweden 7.6%.

Eastern Europe reported the strongest RevPAR growth (14.3%), with room rate (8.5%) and occupancy (5.4%) both driving the growth. The key drivers were Russia (21.1%) and Poland (13.4%).

Trading in the Middle East and Africa continued to be negatively impacted by political turmoil and the low oil price with RevPAR 9.3% below last year. The development by country remains mixed with South Africa (12.1) continuing to performing well, but with other markets significantly below last year including the United Arab Emirates (-9.6%) and Saudi Arabia (-7.0%).

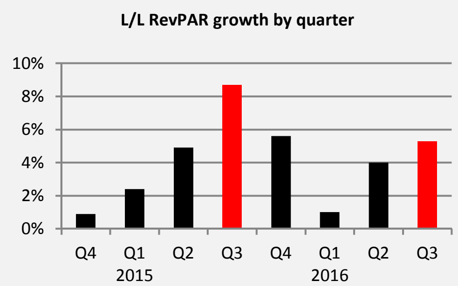
Sources: STR Global Ltd. © 2016 – European Hotel Review – Constant Currency Edition (September 2016); Hotel | trends by Benchmarking | Alliance © 2016

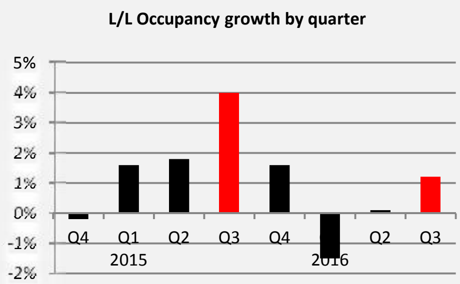
Rezidor RevPAR Development Q3

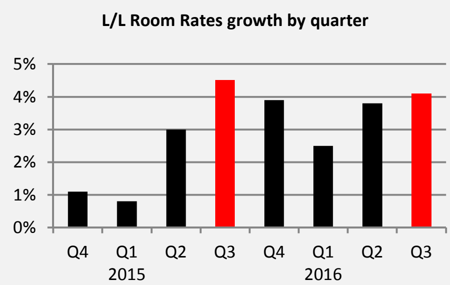
L/L RevPAR for leased and managed hotels increased by 5.3% compared to last year, with average room rate being the main driver (4.1%). L/L RevPAR for leased hotels increased by 5.1%, with the growth more evenly split between average room rate and occupancy.

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

Reported RevPAR decreased by 2.2%. It was negatively impacted by -4.8% due to the strengthening of the Euro and -2.7% via new openings, renovations and off-line hotels.







Income Statement

Third quarter 2016

Total revenue decreased by 3.9%, or MEUR 10.1, to MEUR 251.3 (261.4). The decrease is mainly due to the strengthening of the Euro, versus mainly the British Pound and the Norwegian Krona (in total MEUR -10.4), and the exit of four leased hotels in the Nordics, three of which occurred as of September 1.

On a L/L basis revenue increased by 3.5%, which is mainly due to the favourable L/L RevPAR development, partly offset by a one-off fee income of MEUR 1.7 last year.

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	7.5	-0.6	-6.1	-6.4	-5.6
F&D Revenue	1.4	-0.1	-2.1	-2.3	-3.1
Other Hotel Revenue	0.2	-0.1	-0.7	-0.4	-1.0
Total Leased Revenue	**9.1**	**-0.8**	**-8.9**	**-9.1**	**-9.7**
Fee Revenue	-0.2	2.4	-1.5	-1.2	-0.5
Other Revenue	0.2	—	—	-0.1	0.1
Total Revenue	**9.1**	**1.6**	**-10.4**	**-10.4**	**-10.1**

EBITDA decreased by MEUR 6.8 to MEUR 29.0. In addition to the impact of lower revenue, EBITDA was negatively impacted by redundancy costs of MEUR 4.0 and higher costs for long-term incentive programmes of MEUR 1.4.

Rent as a percentage of leased hotel revenue decreased from 28.0% to 27.4%, partly due to the positive impact of a re-negotiated rent agreement in Germany.

FX had a negative impact of ca MEUR 1.3 on EBITDA.

EBIT decreased by MEUR 8.0 to MEUR 16.4, due to the decrease in EBITDA and higher costs for depreciation and impairment of fixed assets in leased hotels of in total MEUR 2.3. This was however partly offset by lower costs for termination of contracts of MEUR 1.1.

The performance of the hotels under lease and management agreements in Brussels, Nice and Paris have been significantly impacted by the recent terrorist attacks. The eight hotels are in total MEUR 4.4 below last year on EBIT.

The profit for the period amounted to MEUR 14.9 compared to MEUR 17.9 last year. The positive income tax development is due to change in jurisdictional mix and tax treatment of certain expenses.

Nine months ended September 2016

Total revenue decreased by 3.2%, or MEUR 23.5, to MEUR 718.1 (741.6). The decrease is mainly due to the strengthening of the Euro and the exit of four leased hotels in the Nordics.

On a L/L basis revenue increased by 3.7%.

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	21.3	-2.6	-16.4	-15.4	-13.1
F&D Revenue	1.9	-0.6	-6.0	-6.6	-11.3
Other Hotel Revenue	1.8	-0.2	-1.6	-1.0	-1.0
Total Leased Revenue	**25.0**	**-3.4**	**-24.0**	**-23.0**	**-25.4**
Fee Revenue	-0.3	7.1	-3.3	-4.4	-0.9
Other Revenue	2.9	—	—	-0.1	2.8
Total Revenue	**27.6**	**3.7**	**-27.3**	**-27.5**	**-23.5**

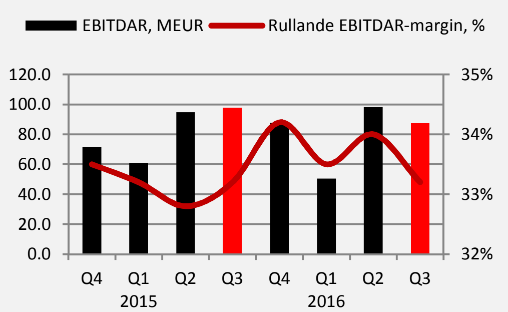
EBITDA decreased by MEUR 12.4 to MEUR 56.2, due to the weak performance in Q1 and Q3, impacted by the challenging trading in some areas, as well as higher central costs, of which the majority is due to redundancies.

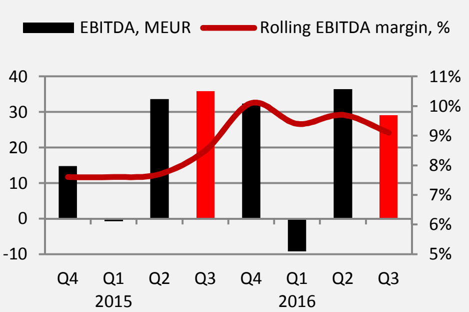
The performance of the hotels in Brussels, Nice and Paris have been heavenly impacted by the terrorist attacks. In addition, one of the hotels in Brussels was closed for renovation and re-branding during 3.5 months in the beginning of the year. The eight hotels in the three cities are in total MEUR 7.0 below last year on EBITDA.

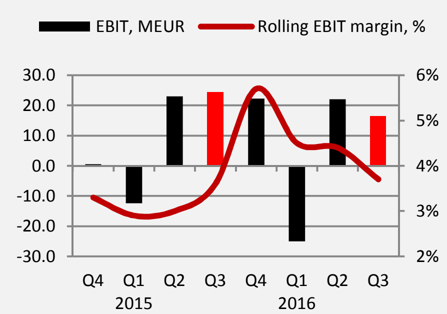
Rent as a percentage of leased hotel revenue was 29.0% (28.7). FX had a negative impact of ca MEUR 2.6 on EBITDA.

EBIT decreased by MEUR 21.7 to MEUR 13.3. In addition to the negative EBITDA development, EBIT is impacted by termination costs of MEUR 10.6 (1.1) for two leases in Norway, as well as higher costs for depreciation and impairment of fixed assets of MEUR 1.7, partly offset by MEUR 1.9 gain on sale of shares in subsidiaries.

The profit for the period amounted to MEUR 9.5 compared to MEUR 19.9 last year. The positive income tax development is due to change in jurisdictional mix and tax treatment of certain expenses.







Q3 Comments by Region

Nordics

MEUR	Q3 2016	Q3 2015	Change
L/L RevPAR, EUR	108.3	98.4	10.0%
Total Revenue	110.7	111.7	-0.9%
EBITDA	16.7	15.7	6.4%
EBITDA margin, %	15.1%	14.1%	1.0 pp
EBIT	8.2	8.0	2.5%
EBIT margin, %	7.4%	7.2%	0.2 pp

L/L RevPAR increased by 10.0% with the growth almost evenly split between average room rate and occupancy. All three key countries were above last year with Norway (14.6%) leading, followed by Denmark (10.3%) and Sweden (2.3%).

Total revenue decreased by MEUR 1.0 (or 0.9%) compared to last year, mainly due to the exit of four hotels and the weakening of the Norwegian krona. In addition, one hotel is closed for renovation as from September 1. The decrease due to the above mentioned factors has been partly offset by the strong L/L RevPAR development.

The increase in EBITDA of MEUR 1.0, and the improved EBITDA margin, is due to the strong L/L revenue development and improved conversion.

EBIT is negatively impacted by impairment of fixed assets of MEUR 3.8, partly offset by lower termination costs of MEUR 1.1 and lower depreciation costs.

Rest of Western Europe

MEUR	Q3 2016	Q3 2015	Change
L/L RevPAR, EUR	103.2	102.5	0.7%
Total Revenue	121.4	133.0	-8.7%
EBITDA	17.7	21.8	-18.8%
EBITDA margin, %	14.6%	16.4%	-1.8 pp
EBIT	13.7	18.3	-25.1%
EBIT margin, %	11.3%	13.8%	-2.5 pp

L/L RevPAR grew by 0.7% as average room rate growth offset a decline in occupancy. The growth, most notable in Germany (11.1%) and Ireland (11.0%), offset the challenges in Belgium (-18.6%) and France (-18.5%) linked to the ongoing impact of the terrorist attacks.

Total revenue decreased by MEUR 11.6 (or 8.7%) compared to last year, mainly due to the weakening of the British Pound and the challenges in Brussels, Nice and Paris after the terrorist attacks. In addition, last year's numbers included a one-off fee income of MEUR 1.7 related to a renegotiated management agreement.

The decrease in EBITDA of MEUR 4.1 is mainly attributable to the three cities mentioned above.

EBIT is negatively impacted by higher depreciation costs, partly offset by lower net costs for impairment of fixed assets.

Eastern Europe

MEUR	Q3 2016	Q3 2015	Change
L/L RevPAR, EUR	63.2	53.9	17.3%
Total Fee Revenue	12.3	10.6	16.0%
EBITDA	8.6	7.5	14.7%
EBITDA margin, %	69.9%	70.8%	-0.9 pp
EBIT	8.5	7.4	14.9%
EBIT margin, %	69.1%	69.8%	-0.7 pp

L/L RevPAR improved by 17.3%, with growth in both average room rate and occupancy. Russia (39.3%) remains the key driver with Turkey (-21.5%) negatively impacted mainly by the terrorist attacks, attempted coup and unrest in the neighbouring countries.

Fee revenue increased by MEUR 1.7 (or 16.0%). The positive impact of the strong L/L RevPAR development has been partly offset by the weakening of the Rouble and other currencies in the region.

EBITDA and EBIT margins are in line with last year.

Middle East, Africa and Others

MEUR	Q3 2016	Q3 2015	Change
L/L RevPAR, EUR	61.2	63.6	-3.7%
Total Fee Revenue	6.9	6.1	13.1%
EBITDA	5.0	3.6	38.9%
EBITDA margin, %	72.5%	59.0%	13.5 pp
EBIT	5.0	3.5	42.9%
EBIT margin, %	72.5%	57.4%	15.1 pp

L/L RevPAR decreased by 3.7% as the decline in average room rates offset a slight increase in occupancy. South Africa (10.0%) continued to lead the growth with Saudi Arabia (-13.4%) remaining the main challenge as the low oil price continues to have a negative impact.

The increase in fee revenue of MEUR 0.8 (or 13.1%) is mainly due to new hotels in the portfolio.

EBITDA and EBIT are, in addition to the revenue increase, impacted by lower costs for bad debts.

Central costs

Central costs for the quarter amounted to MEUR 19.0, an increase compared to last year of MEUR 6.2. This is mainly due to redundancy costs of MEUR 4.0 and higher costs for long-term incentive programmes of MEUR 1.4.

Comments to the Balance Sheet

Non-current assets increased by MEUR 31.4 from year-end 2015 and amounted to MEUR 310.0. The increase is mainly related to investments in tangible assets of MEUR 49.8 and investments in associates of MEUR 14.7, partly offset by depreciation of MEUR 29.6 and write-downs of MEUR 4.6.

Net working capital, excluding cash and cash equivalents, but including current tax assets and liabilities, was MEUR -52.9 at the end of the period, compared to MEUR -53.0 at year-end 2015.

Cash and cash equivalents decreased by MEUR 26.2 from year-end 2015 to MEUR 11.5 at the end of the period. The decrease is due to investments carried out during the period and dividend paid to the shareholders, partly offset by the positive cash flow from operating activities and external financing.

Compared to year-end 2015, equity increased by MEUR 0.4 to MEUR 247.1. The profit for the period of MEUR 9.5, the increase of provision for long term incentive programmes of MEUR 1.8 and the net actuarial gain on defined benefit pension plans of MEUR 1.2 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 7.9 and MEUR 4.6, 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	30-Sep 16	31-Dec 15
Total assets	489.3	464.3
Net working capital	-52.9	-53.0
Net cash (debt)	3.6	41.1
Equity	247.1	246.7

Cash Flow and Liquidity

Cash flow from operations, before change in working capital, amounted to MEUR 37.6, a decrease of MEUR 19.5 and mainly due to the decrease in EBIT. Cash flow from change in working capital amounted to MEUR 0.9, compared to MEUR -4.3 last year.

Cash flow used in investing activities was MEUR 17.4 higher compared to last year, and amounted to MEUR -63.3, reflecting the investment in prize Holding GmbH of MEUR 14.7 and increased capex spend in the leased business.

Cash flow from financing activities amounted to MEUR -4.6 (-5.2). The change is mainly due to 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 11.5 (37.7) in cash and cash equivalents. The total credit facilities available for use at the end of the period amounted to MEUR 200.0 (200.0). MEUR 0.5 (0.4) was used for bank guarantees, leaving MEUR 199.5 (199.6) in available credit for use. The committed credit facilities have a tenor until November 2018 and carry customary covenants.

Net interest bearing assets amounted to MEUR 19.3 (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 3.6 (41.1 at year-end 2015).

MEUR	Jan-Sep 16	Jan-Sep 15
Cash flow before working capital changes	37.6	57.1
Change in working capital	0.9	-4.3
Cash flow from investing activities	-63.3	-45.9
Free cash flow	**-24.8**	**6.9**

Subsequent Events

There are no significant post balance sheet events to report.

Material Risks and Uncertainties

No material changes have taken place during the period and reference is therefore made to the detailed description provided in the annual report for 2015. The general market, economic and financial conditions as well as the development of RevPAR in various countries where Rezidor operates, continue to be the most important factors influencing the company’s earnings. In order to reduce the risks associated with operating in Emerging Markets, Rezidor applies an asset light business model. Management is continuously analysing ways to improve the performance of the hotel portfolio, with a particular focus on how to increase the profitability of the leased business in Rest of Western Europe. Future cash flow projections related to leases or management agreements with performance guarantees are sensitive to changes in discount rate, occupancy and room rate assumptions. Changes in such assumptions may lead to a renewed assessment of the value of certain assets and the risk for loss making contracts.

The financial impact of 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 Q3 Results

On October 25, 2016 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 0660
Belgium, Free	0800 58032
Sweden, Local:	+46 8 5033 6538
Sweden, Free:	0200 883 440
UK, Local:	+44 20 3427 1918
UK, Free:	0800 279 4841
USA, Local:	+1 646 254 3360
USA, Free:	1877 280 1254
France, Local:	+33 1 76 77 22 27
France, Free:	0805 631 579

Confirmation code: 3927067. For a replay of the conference call please visit www.investor.rezidor.com.

Financial Calendar

Q4 2016 results: February 10, 2017
Annual Report 2016: March 24, 2017
Q1 2017 results: April 28, 2017
AGM 2017: April 28, 2017

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About the Rezidor Hotel Group

The Rezidor Hotel Group is focused on hotel management and operates the core brands Radisson Blu and Park Inn by Radisson. In 2014, Rezidor announced together with Carlson the launch of two additional brands; Radisson RED, an upscale "lifestyle select" brand inspired by the millennial lifestyle, and Quorvus Collection, a new generation of distinctive five star hotels. Rezidor also holds 49% in prizeotel, a young hotel chain in the economy segment.

The portfolio consists of 474 hotels with over 103,000 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 quarterly report comprises information which Rezidor Hotel Group AB (publ) is required to disclose under the Securities Markets Act and/or the Financial Instruments Trading Act. It was released for publication at 07:30 Central European Time on October 25, 2016.

Stockholm, October 25, 2016

Wolfgang M. Neumann
President & CEO
Rezidor Hotel Group AB

Condensed Consolidated Statement of Operations

MEUR	Q3 2016	Q3 2015	Jan-Sep 2016	Jan-Sep 2015
Revenue	251.3	261.4	718.1	741.6
F&D and other related expenses	-13.0	-14.5	-39.0	-41.9
Personnel cost and contract labour	-87.1	-83.2	-251.7	-253.1
Other operating expenses	-60.9	-61.7	-180.9	-181.1
Insurance of properties and property tax	-3.0	-4.3	-10.6	-12.2
Operating profit before rental expense and share of income in associates and depreciation and amortisation and gain on sale of fixed assets (EBITDAR)	**87.3**	**97.7**	**235.9**	**253.3**
Rental expenses	-58.5	-62.0	-179.9	-184.8
Share of income in associates and joint ventures	0.2	0.1	0.2	0.1
Operating profit before depreciation and amortisation and gain on sale of fixed assets (EBITDA)	**29.0**	**35.8**	**56.2**	**68.6**
Depreciation and amortisation	-10.2	-9.2	-29.6	-27.5
Write-downs and reversals of write-downs	-2.4	-1.1	-4.6	-5.0
Costs due to termination of contracts	—	-1.1	-10.6	-1.1
Gain on sale of shares, intangible and tangible assets	—	—	1.9	—
Operating profit (EBIT)	**16.4**	**24.4**	**13.3**	**35.0**
Financial income	0.5	-0.8	1.5	0.7
Financial expense	-0.4	-0.3	-2.1	-2.0
Profit before tax	**16.5**	**23.3**	**12.7**	**33.7**
Income tax	-1.6	-5.4	-3.2	-13.8
Profit for the period	**14.9**	**17.9**	**9.5**	**19.9**
Attributable to:				
Owners of the parent company	14.9	17.9	9.5	19.9
Non-controlling interests	—	—	—	—
Profit for the period	**14.9**	**17.9**	**9.5**	**19.9**
Basic average no. of shares outstanding	170,735,442	170,707,719	170,716,960	170,707,719
Diluted average no. of shares outstanding	173,639,018	173,448,943	173,504,452	172,718,703
Earnings per share, in EUR				
Basic	0.09	0.10	0.06	0.12
Diluted	0.09	0.10	0.05	0.12

Consolidated Statement of Comprehensive Income

Profit for the period	**14.9**	**17.9**	**9.5**	**19.9**
Other comprehensive income:				
Items that will not be reclassified subsequently to profit or loss:				
Actuarial gains and losses	1.8	0.2	1.8	0.2
Tax on actuarial gains and losses	-0.6	-0.1	-0.6	-0.1
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	-2.0	-3.5	2.1	-3.3
Tax on exchange differences	-1.8	0.4	-2.1	0.3
Fair value gains and losses on cash flow hedges	-0.2	0.6	-0.2	-0.0
Tax on fair value gains and losses on cash flow hedges	0.0	-0.1	0.0	0.0
Other comprehensive income for the period, net of tax	**-2.8**	**-2.5**	**1.0**	**-2.9**
Total comprehensive income for the period	**12.1**	**15.4**	**10.5**	**17.0**
Attributable to:				
Owners of the parent company	12.1	15.4	10.5	17.0
Non-controlling interests	—	—	—	—

Condensed Consolidated Balance Sheet Statements

MEUR	30-Sep 2016	31-Dec 2015
ASSETS		
Intangible assets	61.7	64.6
Tangible assets	181.8	170.5
Investments in associated companies and joint ventures	17.6	2.9
Other shares and participations	5.2	5.2
Other long-term receivables	15.4	13.7
Deferred tax assets	28.3	21.7
Total non-current assets	**310.0**	**278.6**
Inventories	4.8	5.0
Other current receivables	147.2	118.6
Derivative financial instruments	0.3	0.3
Other short term investments	1.3	2.0
Cash and cash equivalents	11.5	37.7
Assets classified as held for sale	14.2	22.1
Total current assets	**179.3**	**185.7**
TOTAL ASSETS	**489.3**	**464.3**
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent	247.1	246.7
Non-controlling interests	0.0	0.0
Total equity	**247.1**	**246.7**
Deferred tax liabilities	10.0	15.4
Retirement benefit obligations	4.1	5.6
Other long-term liabilities	25.4	17.6
Total non-current liabilities	**39.5**	**38.6**
Derivative financial instruments	0.2	0.1
Other current liabilities	202.5	174.3
Liabilities classified as held for sale	—	4.6
Total current liabilities	**202.7**	**179.0**
TOTAL EQUITY AND LIABILITIES	**489.3**	**464.3**
Number of ordinary shares outstanding at the end of the period	170,749,304	170,707,719
Number of ordinary shares held by the company	3,639,553	3,681,138
Number of registered ordinary shares at the end of the period	174,388,857	174,388,857

Consolidated Statement of Changes in Equity

MEUR	Share capital	Other paid in capital	Other reserves	Retained earnings incl. net profit/loss for the period	**Attributable to equity holders of the parent**	Non-controlling interests	**Total equity**
Opening balance as of January 1, 2015	**11.6**	**177.1**	**6.2**	**24.5**	**219.4**	**0.0**	**219.4**
Profit for the period	—	—	—	19.9	**19.9**	—	**19.9**
Other comprehensive income:							
Actuarial gains and losses on defined benefit plans	—	—	—	0.2	**0.2**	—	**0.2**
Tax on actuarial gains and losses on defined benefit plans	—	—	—	-0.1	**-0.1**	—	**-0.1**
Currency differences on translation of foreign operations	—	—	-3.3	—	**-3.3**	—	**-3.3**
Tax on exchange differences recognised in other comprehensive income	—	—	0.3	—	**0.3**	—	**0.3**
Cash flow hedges	—	—	-0.0	—	**-0.0**	—	**-0.0**
Tax on cash flow hedges	—	—	0.0	—	**0.0**	—	**0.0**
Total comprehensive income for the period	**—**	**—**	**-3.0**	**20.0**	**17.0**	**—**	**17.0**
Transactions with owners:							
Dividend	—	—	—	-5.1	**-5.1**	—	**-5.1**
Long term incentive plan	—	—	—	0.3	**0.3**	—	**0.3**
Ending balance as of September 30, 2015	**11.6**	**177.1**	**3.2**	**39.7**	**231.6**	**0.0**	**231.6**
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	—	—	—	9.5	**9.5**	—	**9.5**
Other comprehensive income:							
Actuarial gains and losses on defined benefit plans	—	—	—	1.8	**1.8**	—	**1.8**
Tax on actuarial gains and losses on defined benefit plans	—	—	—	-0.6	**-0.6**	—	**-0.6**
Currency differences on translation of foreign operations	—	—	2.1	—	**2.1**	—	**2.1**
Tax on exchange differences recognised in other comprehensive income	—	—	-2.1	—	**-2.1**	—	**-2.1**
Cash flow hedges	—	—	-0.2	—	**-0.2**	—	**-0.2**
Tax on cash flow hedges	—	—	0.0	—	**0.0**	—	**0.0**
Total comprehensive income for the period	**—**	**—**	**-0.2**	**10.7**	**10.5**	**—**	**10.5**
Transactions with owners:							
Dividend	—	—	—	-11.9	**-11.9**	—	**-11.9**
Long term incentive plan	—	—	—	1.8	**1.8**	—	**1.8**
Ending balance as of September 30, 2016	**11.6**	**177.1**	**3.4**	**55.0**	**247.1**	**0.0**	**247.1**

Condensed Consolidated Statement of Cash Flow

MEUR	Q3 2016	Q3 2015	Jan-Sep 2016	Jan-Sep 2015
Operating profit (EBIT)	**16.4**	**24.4**	**13.3**	**35.0**
Non-cash items	12.2	10.5	34.3	32.9
Interest, taxes paid and other cash items	0.1	-3.7	-10.0	-10.8
Change in working capital	-7.0	-1.0	0.9	-4.3
Cash flow from operating activities	**21.7**	**30.2**	**38.5**	**52.8**
Purchase of intangible assets	-0.2	-0.2	-0.5	-0.8
Purchase of tangible assets	-14.2	-17.3	-49.8	-45.2
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	0.2	0.2	1.1	-0.3
Cash flow from investing activities	**-14.2**	**-17.3**	**-63.3**	**-45.9**
Dividend	—	—	-11.9	-5.1
External financing, net	-8.7	-1.6	7.3	-0.1
Cash flow from financing activities	**-8.7**	**-1.6**	**-4.6**	**-5.2**
Cash flow for the period	**-1.2**	**11.3**	**-29.4**	**1.7**
Effects of exchange rate changes on cash and cash equivalents	-0.1	-0.1	-0.2	0.1
Cash and cash equivalents at beginning of the period	**12.8**	**26.1**	**41.1**	**35.5**
Cash and cash equivalents at end of the period	**11.5**	**37.3**	**11.5**	**37.3**

Parent Company, Condensed Statement of Operations

MEUR	Q3 2016	Q3 2015	Jan-Sep 2016	Jan-Sep 2015
Revenue	3.9	1.7	8.5	5.0
Personnel cost and contract labour	-1.6	-1.2	-4.8	-3.6
Other operating expenses	-4.3	-2.8	-10.5	-8.0
Operating profit/loss before depreciation and amortization (EBITDA)	**-2.0**	**-2.3**	**-6.8**	**-6.6**
Depreciation and amortization	-0.1	0.0	-0.1	-0.2
Operating profit/loss (EBIT)	**-2.1**	**-2.3**	**-6.9**	**-6.8**
Financial income	-4.5	10.6	0.3	14.6
Financial expense	0.0	-0.2	-0.0	-0.2
Profit/loss before tax	**-6.6**	**8.1**	**-6.6**	**7.6**
Income tax	1.4	-1.8	1.4	-1.7
Profit/loss for the period	**-5.2**	**6.3**	**-5.2**	**5.9**

Parent Company, Statement of Comprehensive Income

Profit/loss for the period	**-5.2**	**6.3**	**-5.2**	**5.9**
Other comprehensive income	—	—	—	—
Total comprehensive income for the period	**-5.2**	**6.3**	**-5.2**	**5.9**

Parent Company, Condensed Balance Sheet Statements

MEUR	30-Sep 2016	31-Dec 2015
ASSETS		
Intangible assets	0.0	0.0
Tangible assets	0.5	0.2
Shares in subsidiaries	235.4	233.5
Deferred tax assets	1.4	—
Total non-current assets	**237.3**	**233.7**
Current receivables	34.3	53.8
Total current assets	**34.3**	**53.8**
TOTAL ASSETS	**271.6**	**287.5**
EQUITY AND LIABILITIES		
Equity	**267.4**	**282.7**
Current liabilities	4.2	4.8
Total current liabilities	**4.2**	**4.8**
TOTAL EQUITY AND LIABILITIES	**271.6**	**287.5**

Parent Company, Statement of Changes in Equity

MEUR	Share capital	Share premium reserve	Retained earnings incl. net profit/loss for the period	Total equity
Opening balance as of January 1, 2015	**11.6**	**254.1**	**20.6**	**286.3**
Total comprehensive income for the period	—	—	5.9	**5.9**
Transactions with owners:				
Dividend	—	—	-5.1	**-5.1**
Long term incentive plan	—	—	0.3	**0.3**
Ending balance as of September 30, 2015	**11.6**	**254.1**	**21.7**	**287.4**
Opening balance as of January 1, 2016	**11.6**	**254.2**	**16.9**	**282.7**
Total comprehensive income for the period	—	—	-5.2	-5.2
Transactions with owners:				
Dividend	—	—	-11.9	**-11.9**
Long term incentive plan	—	—	1.8	**1.8**
Ending balance as of September 30, 2016	**11.6**	**254.2**	**1.6**	**267.4**

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 Q3 2016 and YTD 2016 the intercompany revenue of the Parent Company amounted to MEUR 5.4 (1.6) and MEUR 7.9 (4.8) respectively. The intercompany costs in Q3 2016 and YTD 2016 amounted to MEUR 3.0 (1.7) and MEUR 7.3 (5.2) respectively.

The decrease in profit before tax by MEUR 11.1 YTD 2016 is mainly due to changes in group contributions.

Comments on the Balance Sheet

At the end of the period the intercompany receivables amounted to MEUR 33.9 (58.8) and the intercompany liabilities to MEUR 1.4 (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 Rezidor Group's cumulative earnings per share for three consecutive financial years, starting as from the year the programme has been approved by the AGM.

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. In total 46,408 shares were awarded to the Executive Committee members participating, of which the President and CEO was awarded 17,497 shares.

Six members of the Executive Committee participate in the 2014 programme entitling them to a maximum total of 491,843 shares, of which the President and CEO is entitled to a maximum of 207,307 shares. 18 other members of management participate in the programme, entitling them to a maximum of 198,489 shares in total.

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

Seven members of the Executive Committee participate in the 2015 programme entitling them to a maximum total of 674,620 shares, of which the President and CEO is entitled to a maximum of 272,935 shares. 25 other members of management participate in the programme, entitling them to a maximum of 402,525 shares in total.

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

Six members of the Executive Committee participate in the 2016 programme entitling them to a maximum total of 718,479 shares, of which the President and CEO is entitled to a maximum of 304,258 shares. 25 other members of management participate in the programme, entitling them to a maximum of 417,350 shares in total.

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

The net costs recognised in the income statement during Q3 2016 and YTD 2016 in accordance with IFRS 2 for the incentive programmes amounted to MEUR 1.6 (0.2) and MEUR 2.0 (0.3) respectively.

Share buy-back

The number of treasury shares held by the company at the end of the quarter was 3,639,553, corresponding to 2.1% of all registered shares. The average number of its own shares held by the company during Q3 2016 was 3,653,415 (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 September 30, 2016, Rezidor has financial instruments measured at fair value amounting to MEUR 5.5 (5.4).

Related party transactions

Related parties with significant influence are the Carlson Group (Carlson), owning 51.3% of the outstanding shares. Rezidor also has some joint ventures and associated companies. On September 30, 2016 Rezidor had no receivables related to Carlson (none as at December 31, 2015) and current liabilities of MEUR 2.1 (0.8). The business relationship with Carlson mainly consisted of operating costs related to the use of the brands and the use of the Carlson reservation system. During Q3 and YTD 2016, Rezidor had operating costs towards Carlson of MEUR 4.9 (5.2) and MEUR 14.4 (15.2), respectively.

Carlson also charged MEUR 0.9 (1.6) and MEUR 4.0 (4.3), respectively, for points earned in the Club Carlson loyalty programme and reimbursed MEUR 0.8 (0.9) and MEUR 2.3 (2.6), respectively, for points redeemed. Furthermore, Carlson recharged MEUR 0.8 (0.9) and MEUR 3.7 (2.6), respectively, of costs incurred from third parties, mainly internet based reservation channels. Moreover, Rezidor paid commissions towards the travel agencies' network of Carlson amounting to MEUR 0.1 (0.1) and MEUR 0.3 (0.4), respectively. For these commissions Rezidor had current liabilities of MEUR 0.1 (0.0).

Carlson and Rezidor are also cooperating in various other areas, such as global sales, brand websites, revenue optimisation tools and purchasing. During Q3 and YTD 2016 Rezidor had revenue towards Carlson of MEUR 0.2 (0.4) and MEUR 0.8 (1.1), respectively, and costs of MEUR 0.1 (0.2) and MEUR 0.3 (1.3), respectively, related to these cost sharing arrangements.

Pledged assets and contingent liabilities

Pledged assets, MEUR	30-Sep 2016	31-Dec 2015
Securities on deposits (restricted accounts)	1.3	2.0

Contingent liabilities, MEUR	30-Sep 2016	31-Dec 2015
Tax claim interest deduction Sweden	5.4	5.4
Guarantees provided	0.5	0.4

RevPAR Development by Brand (Leased & Managed Hotels)

	L/L Occupancy		L/L Average Room Rates		L/L RevPAR		Reported RevPAR	
In EUR	**Q3 2016**	**vs. 2015**	**Q3 2016**	**vs. 2015**	**Q3 2016**	**vs. 2015**	**Q3 2016**	**vs. 2015**
Radisson Blu	74.1%	0.6 pp	122.1	3.9%	90.5	4.7%	83.9	-2.2%
Park Inn by Radisson	78.1%	1.5 pp	71.9	5.4%	56.1	7.5%	49.6	-1.7%
Group	**75.1%**	**0.9 pp**	**109.3**	**4.1%**	**82.1**	**5.3%**	**75.3**	**-2.2%**

In EUR	**Jan-Sep 2016**	**vs. 2015**	**Jan-Sep 2016**	**vs. 2015**	**Jan-Sep 2016**	**vs. 2015**	**Jan-Sep 2016**	**vs. 2015**
Radisson Blu	68.6%	-0.4 pp	123.1	3.6%	84.4	3.0%	77.6	-4.1%
Park Inn by Radisson	68.5%	0.2 pp	76.9	4.8%	52.7	5.1%	45.8	-3.4%
Group	**68.5%**	**-0.2 pp**	**112.3**	**3.7%**	**76.9**	**3.4%**	**69.6**	**-4.2%**

RevPAR Development by Region (Leased & Managed Hotels)

	L/L Occupancy		L/L Average Room Rates		L/L RevPAR		Reported RevPAR	
In EUR	**Q3 2016**	**vs. 2015**	**Q3 2016**	**vs. 2015**	**Q3 2016**	**vs. 2015**	**Q3 2016**	**vs. 2015**
Nordics	84.5%	4.0 pp	128.2	4.8%	108.3	10.0%	103.4	6.9%
Rest of Western Europe	82.2%	-0.6 pp	125.6	1.4%	103.2	0.7%	96.1	-5.6%
Eastern Europe	73.1%	1.2 pp	86.5	15.4%	63.2	17.3%	58.1	11.1%
Middle East, Africa & Others	61.3%	0.6 pp	99.9	-4.6%	61.2	-3.7%	55.4	-11.7%
Group	**75.1%**	**0.9 pp**	**109.3**	**4.1%**	**82.1**	**5.3%**	**75.3**	**-2.2%**

	Jan-Sep 2016	**vs. 2015**	**Jan-Sep 2016**	**vs. 2015**	**Jan-Sep 2016**	**vs. 2015**	**Jan-Sep 2016**	**vs. 2015**
Nordics	75.5%	2.3 pp	129.9	2.7%	98.1	5.8%	89.7	-0.5%
Rest of Western Europe	76.5%	-0.1 pp	122.9	2.4%	94.1	2.3%	89.9	-1.1%
Eastern Europe	61.4%	0.6 pp	87.9	12.9%	54.0	13.9%	47.8	3.9%
Middle East, Africa & Others	61.7%	-3.6 pp	113.8	-2.3%	70.2	-7.7%	60.2	-16.4%
Group	**68.5%**	**-0.2 pp**	**112.3**	**3.7%**	**76.9**	**3.4%**	**69.6**	**-4.2%**

RevPAR Development by Region (Leased Hotels)

	L/L Occupancy		L/L Average Room Rates		L/L RevPAR		Reported RevPAR	
In EUR	**Q3 2016**	**vs. 2015**	**Q3 2016**	**vs. 2015**	**Q3 2016**	**vs. 2015**	**Q3 2016**	**vs. 2015**
Nordics	84.2%	4.1%	126.4	5.1%	106.5	10.5%	101.2	6.6%
Rest of Western Europe	81.3%	-0.0%	122.6	1.2%	99.7	1.2%	92.1	-6.2%
Group	**82.6%**	**1.8%**	**124.3**	**2.9%**	**102.6**	**5.1%**	**96.3**	**-0.3%**

	Jan-Sep 2016	**vs. 2015**	**Jan-Sep 2016**	**vs. 2015**	**Jan-Sep 2016**	**vs. 2015**	**Jan-Sep 2016**	**vs. 2015**
Nordics	75.7%	2.9 pp	128.2	3.3%	97.1	7.3%	88.4	0.3%
Rest of Western Europe	76.3%	0.8 pp	121.7	2.1%	92.9	3.2%	88.1	-2.2%
Group	**76.0%**	**1.7 pp**	**124.5**	**2.7%**	**94.7**	**5.0%**	**88.2**	**-1.0%**

RevPAR Development – Like-for-like to Reported

RevPAR	**Q3 2016**	**Jan-Sep 2016**
L/L growth	5.3%	3.4%
FX impact	-4.8%	-5.5%
Units out or closed for renovation	0.6%	1.3%
New openings	-3.3%	-3.4%
Reported growth	-2.2%	-4.2%

Revenue per Area of Operation

MEUR	Q3 2016	Q3 2015	Change %	Jan-Sep 2016	Jan-Sep 2015	Change %
Rooms revenue	150.3	155.9	-3.6%	413.8	426.9	-3.1%
F&D revenue	55.9	59.0	-5.3%	177.3	188.6	-6.0%
Other hotel revenue	6.7	7.7	-13.0%	20.0	21.0	-4.8%
Total hotel revenue (leased)	**212.9**	**222.6**	**-4.4%**	**611.1**	**636.5**	**-4.0%**
Fee revenue (managed & franchised)	33.0	33.5	-1.5%	90.1	91.0	-1.0%
Other revenue	5.4	5.3	1.9%	16.9	14.1	19.9%
Total revenue	**251.3**	**261.4**	**-3.9%**	**718.1**	**741.6**	**-3.2%**

Total Fee Revenue

MEUR	Q3 2016	Q3 2015	Change %	Jan-Sep 2016	Jan-Sep 2015	Change %
Management Fees	8.9	9.7	-8.2%	24.8	26.9	-7.8%
Incentive Fees	8.5	7.7	10.4%	21.5	21.7	-0.9%
Franchise Fees	3.6	3.1	16.1%	9.4	8.0	17.5%
Other Fees (incl. marketing, reservation fee etc.)	12.0	13.0	-8.4%	34.4	34.4	0.0%
Total fee revenue	**33.0**	**33.5**	**-1.8%**	**90.1**	**91.0**	**-1.0%**

Revenue per Region

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Total	
Q3	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Leased	103.8	105.6	109.1	117.0	—	—	—	—	212.9	222.6
Managed	0.7	0.7	7.3	11.1	10.7	9.3	6.8	6.1	25.5	27.2
Franchised	2.5	2.1	3.3	2.9	1.6	1.3	0.1	—	7.5	6.3
Other	3.7	3.3	1.7	2.0	—	—	—	—	5.4	5.3
Total	**110.7**	**111.7**	**121.4**	**133.0**	**12.3**	**10.6**	**6.9**	**6.1**	**251.3**	**261.4**

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Total	
Jan-Sep	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Leased	292.8	310.5	318.3	326.0	—	—	—	—	611.1	636.5
Managed	1.6	1.8	21.0	25.7	25.4	23.3	21.8	22.8	69.8	73.6
Franchised	7.2	5.9	8.5	7.6	4.3	3.9	0.3	—	20.3	17.4
Other	10.3	9.1	6.6	5.0	—	—	—	—	16.9	14.1
Total	**311.9**	**327.3**	**354.4**	**364.3**	**29.7**	**27.2**	**22.1**	**22.8**	**718.1**	**741.6**

Rental Expenses

MEUR	Q3 2016	Q3 2015	Change %	Jan-Sep 2016	Jan-Sep 2015	Change %
Fixed rent	45.9	50.0	-8.2%	141.9	149.6	-5.1%
Variable rent	12.4	12.3	0.8%	35.5	33.2	6.9%
Rent	**58.3**	**62.3**	**-6.4%**	**177.4**	**182.8**	**-3.0%**
Rent as % of leased hotel revenue	27.4%	28.0%	-0.6 pp	29.0%	28.7%	0.3 pp
Shortfall guarantees	0.2	-0.3	-166.7%	2.5	2.0	25.0%
Rental expense	**58.5**	**62.0**	**-5.6%**	**179.9**	**184.8**	**-2.7%**

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	
Q3	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Leased	12.0	10.8	11.1	11.2	—	—	—	—	—	—	23.1	22.0
Managed	0.6	0.5	5.0	9.1	7.5	6.9	4.8	3.5	—	—	17.9	20.0
Franchised	1.6	1.3	1.5	1.5	1.1	0.6	—	—	—	—	4.2	3.4
Other[1)]	2.5	3.1	0.1	—	—	—	0.2	0.1	—	—	2.8	3.2
Central costs	—	—	—	—	—	—	—	—	-19.0	-12.8	-19.0	-12.8
Total	**16.7**	**15.7**	**17.7**	**21.8**	**8.6**	**7.5**	**5.0**	**3.6**	**-19.0**	**-12.8**	**29.0**	**35.8**

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Central costs		Total	
Jan-Sep	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Leased	22.2	25.2	20.9	19.8	—	—	—	—	—	—	43.1	45.0
Managed	1.1	1.2	12.1	16.6	17.7	15.7	12.8	13.3	—	—	43.7	46.8
Franchised	4.1	3.2	3.6	3.4	2.1	2.3	0.1	—	—	—	9.9	8.9
Other[1)]	4.7	5.5	0.1	—	—	—	0.2	0.1	—	—	5.0	5.6
Central costs	—	—	—	—	—	—	—	—	-45.5	-37.7	-45.5	-37.7
Total	**32.1**	**35.1**	**36.7**	**39.8**	**19.8**	**18.0**	**13.1**	**13.4**	**-45.5**	**-37.7**	**56.2**	**68.6**

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	
Q3	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Leased	4.4	3.8	7.1	7.7	—	—	—	—	—	—	11.5	11.5
Managed	0.5	0.5	5.0	9.2	7.5	6.8	4.8	3.4	—	—	17.8	19.9
Franchised	1.6	1.4	1.5	1.4	1.0	0.6	0.0	—	—	—	4.1	3.4
Other[1)]	1.7	2.3	0.1	—	—	—	0.2	0.1	—	—	2.0	2.4
Central costs	—	—	—	—	—	—	—	—	-19.0	-12.8	-19.0	-12.8
Total	**8.2**	**8.0**	**13.7**	**18.3**	**8.5**	**7.4**	**5.0**	**3.5**	**-19.0**	**-12.8**	**16.4**	**24.4**

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Central costs		Total	
Jan-Sep	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Leased	-2.2	10.3	5.4	3.7	—	—	—	—	—	—	3.2	14.0
Managed	1.0	1.2	12.0	16.6	17.6	15.5	12.7	13.1	—	—	43.3	46.4
Franchised	4.1	3.2	3.5	3.3	2.0	2.3	0.1	—	—	—	9.7	8.8
Other[1)]	2.3	3.4	0.1	—	—	—	0.2	0.1	—	—	2.6	3.5
Central costs	—	—	—	—	—	—	—	—	-45.5	-37.7	-45.5	-37.7
Total	**5.2**	**18.1**	**21.0**	**23.6**	**19.6**	**17.8**	**13.0**	**13.2**	**-45.5**	**-37.7**	**13.3**	**35.0**

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

Reconciliation of Profit/Loss for the Period

MEUR	Q3 2016	Q3 2015	Jan-Sep 2016	Jan-Sep 2015
Total operating profit/loss (EBIT) for reportable segments	**16.4**	**24.4**	**13.3**	**35.0**
Financial income	0.5	-0.8	1.5	0.7
Financial expense	-0.4	-0.3	-2.1	-2.0
Group's total profit/loss before tax	**16.5**	**23.3**	**12.7**	**33.7**

Balance Sheet and Investments

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Total	
	30-Sep 2016	31-Dec 2015	30- Sep 2016	31-Dec 2015	30- Sep 2016	31-Dec 2015	30- Sep 2016	31-Dec 2015	30- Sep 2016	31-Dec 2015
Assets	184.1	175.7	260.1	243.9	15.6	14.8	29.5	29.9	489.3	464.3
Investments (tangible & intangible assets)	14.5	23.5	35.3	49.8	0.1	0.1	0.4	0.6	50.3	74.0

Quarterly Key Figures

MEUR	Q3 2016	Q3 2015	Q3 2014	Q3 2013	Q3 2012
RevPAR	75.3	77.0	72.7	72.5	71.9
Revenue	251.3	261.4	240.8	227.4	237.3
EBITDAR	87.3	97.7	87.7	81.7	81.3
EBITDA	29.0	35.8	26.4	22.8	17.6
EBIT	16.4	24.4	17.3	15.1	8.6
Profit for the period	14.9	17.9	11.3	9.7	4.4
EBITDAR margin, %	34.7	37.4%	36.4%	35.9%	34.3%
EBITDA margin, %	11.5	13.7%	11.0%	10.0%	7.4%
EBIT margin, %	6.5	9.3%	7.2%	6.7%	3.6%

	2016			2015				2014	
MEUR	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
RevPAR	75.3	73.1	60.4	67.9	77.0	77.2	63.7	65.4	72.7
Revenue	251.3	259.8	207.0	255.4	261.4	263.8	216.4	238.0	240.8
EBITDAR	87.3	98.1	50.5	87.7	97.7	94.8	60.9	71.4	87.7
EBITDA	29.0	36.4	-9.2	32.5	35.8	33.6	-0.7	14.8	26.4
EBIT	16.4	22.0	-25.0	22.3	24.4	23.0	-12.4	0.5	17.3
Profit/loss for the period	14.9	16.2	-21.6	14.3	17.9	15.4	-13.4	-0.9	11.3
EBITDAR margin, %	34.7	37.8	24.4	34.3	37.4	35.9	28.1	30.0	36.4
EBITDA margin, %	11.5	14.0	-4.4	12.7	13.7	12.7	-0.3	6.2	11.0
EBIT margin, %	6.5	8.5	-12.1	8.7	9.3	8.7	-5.7	0.2	7.2

Hotel and Room Openings and Signings

	Openings				Signings			
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
	Q3 2016	Q3 2016	Jan-Sep 2016	Jan-Sep 2016	Q3 2016	Q3 2016	Jan-Sep 2016	Jan-Sep 2016
By region:								
Nordics	—	—	2	238	—	—	—	—
Western Europe	—	—	2	423	—	—	3	328
Eastern Europe	—	—	5	589	1	181	8	1,456
Middle East, Africa & Others	1	292	5	1,428	8	1,698	22	4,627
Total	**1**	**292**	**14**	**2,678**	**9**	**1,879**	**33**	**6,411**
By brand:								
Radisson Blu	1	292	11	2,399	3	817	12	2,730
Park Inn by Radisson	—	—	2	219	6	1,062	16	2,863
Others	—	—	1	60	—	—	5	818
Total	**1**	**292**	**14**	**2,678**	**9**	**1,879**	**33**	**6,411**
By contract type:								
Leased	—	—	—	—	—	—	—	—
Managed	1	292	8	1,774	9	1,879	29	5,908
Franchised	—	—	6	904	—	—	4	503
Total	**1**	**292**	**14**	**2,678**	**9**	**1,879**	**33**	**6,411**

In Q3 2016, three hotels and 515 rooms left the system, resulting in a net closing of 223 rooms.

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

	In operation				Under development			
	Hotels		Rooms		Hotels		Rooms	
30 September	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
By region:								
Nordics	61	60	14,531	14,810	—	3	—	315
Western Europe	134	137	26,678	26,878	14	12	2,739	2,671
Eastern Europe	98	93	23,872	23,031	25	29	4,955	5,558
Middle East, Africa & Others	68	61	15,031	13,515	74	62	16,178	13,754
Total	**361**	**351**	**80,112**	**78,234**	**113**	**106**	**23,872**	**22,298**
By brand:								
Radisson Blu	239	232	56,968	55,218	64	67	14,295	15,064
Park Inn by Radisson	114	114	22,066	22,258	43	37	8,408	6,813
Others	8	5	1,078	758	6	2	1,169	421
Total	**361**	**351**	**80,112**	**78,234**	**113**	**106**	**23,872**	**22,298**
By contract type:								
Leased	67	71	16,701	17,789	—	—	—	—
Managed	183	187	41,687	42,000	101	90	21,912	19,607
Franchised	111	93	21,724	18,445	12	16	1,960	2,691
Total	**361**	**351**	**80,112**	**78,234**	**113**	**106**	**23,872**	**22,298**

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.

	30-Sep 2016	31-Dec 2015
Cash & cash equivalents [A]	11.5	37.7
Cash & cash equivalents classified as held-for-sale [B]	—	3.4
Short-term interest bearing assets [C]	—	—
Interest-bearing liabilities [D]	17.8	11.3
Retirement benefit obligations [E]	4.1	5.6
Liabilities related to investments in hotels under management contracts [F]	5.4	5.7
Net cash (debt) [A+B+C-D+E+F]	**3.6**	**41.1**

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

MEUR	30-Sep 2016	31-Dec 2015
Interest-bearing assets [A]	37.1	64.3
Interest-bearing liabilities [B]	17.8	11.3
Net interest-bearing assets/liabilities [A-B]	**19.3**	**53.0**

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

MEUR	Jan-Sep 2016	Jan-Sep 2015
Cash flow from operating activities [A]	38.5	52.8
Cash flow from investing activities [B]	-63.3	-45.9
Free cash flow [A+B]	**-24.8**	**6.9**

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

MEUR	Jan-Sep 2016	Jan-Sep 2015
Rental expense [A]	179.9	184.8
Where of shortfall guarantees [B]	2.5	2.0
Total hotel revenue [C]	611.1	636.5
Rent as percentage of leased hotel revenue [(A-B)/C]	**29.0%**	**28.7%**

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

MEUR	30-Sep 2016	31-Dec 2015
Inventory [A]	4.8	5.0
Current non-interest-bearing receivables [B]	145.0	116.4
Current non-interest-bearing liabilities [C]	202.7	174.4
Net working capital [A+B-C]	**-52.9**	**-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	Jan-Sep 2016	Jan-Sep 2015
Rooms revenue (MEUR) [A]	413.8	426.9
Number of available rooms (thousands) [B]	4,690	4,790
RevPAR [A/B]	**88.2**	**89.1**

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

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