THE REZIDOR HOTEL GROUP

INTERIM REPORT

January-June 2016

Second Quarter 2016

- **Like-for-like ("L/L") RevPAR for leased and managed hotels was up by 4.0%.** The growth is mainly due to an increase in average room rate.
- **Revenue decreased by 1.5% to MEUR 259.8 (263.8).** The positive impact of the like-for-like RevPAR development has been offset by the strengthening of the Euro and the conversion of a hotel in Sweden from leased to franchise. **On a L/L basis revenue increased by 4.0%.**
- **EBITDA amounted to MEUR 36.4 (33.6) and the EBITDA margin increased to 14.0% (12.7).** In addition to the positive impact of the increase in like-for-like revenue, EBITDA is positively impacted by a good flow-through in the leased portfolio and lower costs for bad debts in the fee business.
- **EBIT amounted to MEUR 22.0 (23.0) and the EBIT margin decreased to 8.5% (8.7).** EBIT is negatively impacted by termination costs related to a loss making leased hotel in Norway of MEUR 2.7 as well as higher costs for depreciation and write-downs of MEUR 1.2.
- **Profit for the period amounted to MEUR 16.2 (15.4).**
- **Basic and diluted earnings per share were EUR 0.10 (0.09) and EUR 0.09 (0.09) respectively.**
- **2,565 (2,466) new rooms were contracted, 1,419 (1,202) new rooms opened and 429 (285) rooms left the system.**

Half Year 2016

- **L/L RevPAR for leased and managed hotels was up by 2.7%.**
- **Revenue decreased by 2.8% to MEUR 466.8 (480.2). On a L/L basis revenue increased by 2.7%.**
- **EBITDA amounted to MEUR 27.2 (32.8) and the EBITDA margin decreased to 5.8% (6.8).**
- **EBIT amounted to MEUR -3.0 (10.6) and the EBIT margin decreased to -0.6% (2.2).**
- **Profit/loss for the period amounted to MEUR -5.4 (2.0).**
- **Basic and diluted earnings per share were EUR -0.03 (0.01).**
- **Cash flow from operating activities amounted to MEUR 16.8 (22.6).**
- **4,532 (4,771) new rooms were contracted, 2,386 (1,429) new rooms opened and 732 (1,152) rooms left the system.**

MEUR	Q2 2016	Q2 2015	H1 2016	H1 2015
Revenue	259.8	263.8	466.8	480.2
EBITDA	36.4	33.6	27.2	32.8
EBIT	22.0	23.0	-3.0	10.6
Profit/loss for the period	16.2	15.4	-5.4	2.0
EBITDA margin, %	14.0	12.7	5.8	6.8
EBIT margin, %	8.5	8.7	-0.6	2.2

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Comments from the CEO

Margin expansion continued despite challenging external environment

Despite the challenging external environment in some EMEA destinations, Rezidor expanded the EBITDA margin by 1.3 pp to 14.0% versus last year and continued to gain market share. Like-for-like RevPAR increased by 4.0% and good flow through was achieved, especially in the leased portfolio.

The depressed oil price continued to affect key markets like Norway, as well as markets such as Saudi Arabia, Russia and Nigeria. Belgium entered into a downturn following the terror attacks in March and France continued to be weak, as well as other important leisure destinations like Turkey. On the other hand, Sweden, Denmark, Germany and Ireland posted good performances.

Due to these uncertain conditions, we remain focused on containment of overhead costs and additional procurement savings while fully protecting the guest experience at our hotels. In line with our commitment to high safety and security standards, we further expanded our partnership with Safehotels Alliance for independent third party certification of our properties. More than 110 Rezidor hotels across EMEA have now gained certification which will further mitigate risk for both our guests and colleagues.

Despite the difficulties in many countries, we accelerated our pipeline delivery reaching an operating portfolio of 80,000 rooms for the first time. Africa has been particularly strong in this quarter with the opening of our first hotels in Lomé, Togo, and Marrakech, Morocco. In Brussels, Belgium, we launched the world's first Radisson RED – our new lifestyle select brand that is well received in the market. New hotel signings also showed good momentum and were in line with our asset-light strategy concentrating on fee-based business.

We continue to carefully monitor the environment and pursue our long-term strategy of constantly optimising margins and growing our network.

Wolfgang M. Neumann, President & CEO

Market RevPAR Development YTD

Market RevPAR across Europe was up 2.8% (at constant exchange rates) June YTD, with improvement driven both by room rate (2.2%) and occupancy (0.7%).

The RevPAR development in the mature Western European markets, 1.1%, was mainly via room rate (0.9%). All key markets experienced positive growth, with the exceptions of France (-9.3%) and Belgium (-13.6%), both of which have been negatively impacted by terror attacks.

In Northern Europe, 2.9%, the growth was mainly due to improved room rate (2.6%). In the Nordics, Sweden (9.4%), Finland (9.3%) and Denmark (9.6%) all had positive developments with Norway (-3.1%) the only country below last year, with the hotel strike in April and May adding to the oil related challenge.

Eastern Europe reported the strongest RevPAR growth (13.0%), driven both by room rate (7.4%) and occupancy (5.3%). The key drivers were Russia (20.8%) and Poland (12.1%).

Trading in the Middle East and Africa continued to be negatively impacted by political turmoil and low oil price, with RevPAR 6.7 % below last year. The development by country remains mixed with South Africa (13.0%) continuing to perform well, but with other markets significantly below last year, including the United Arab Emirates (-12.1%). Saudi Arabia (0.4%) is marginally above last year, helped by an exceptional performance in June linked to the Ramadan period.

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

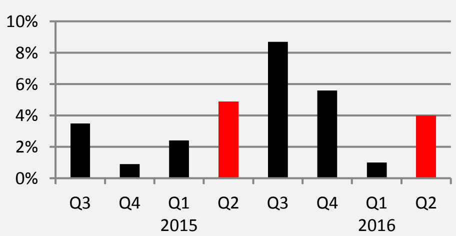
Rezidor RevPAR Development Q2

L/L RevPAR for leased and managed hotels increased by 4.0% compared to last year, with average room rate the main driver as occupancy only marginally increased. L/L RevPAR for leased hotels increased by 4.4%, with the growth also mainly via average room rate.

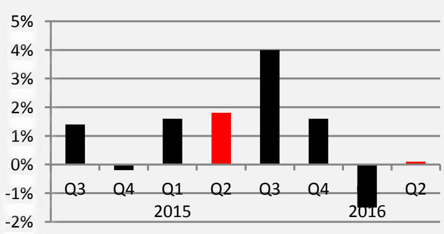
Three of the four regions reported L/L RevPAR growth over last year with the strongest development in Eastern Europe. The only region below last year was the Middle East, Africa & Others linked to the ongoing political turbulence in some areas and the depressed oil price.

Reported RevPAR growth was -5.2%. It was negatively impacted by -7.1% due to the strengthening of the Euro and -2.1% via new openings, renovations and off-line hotels.

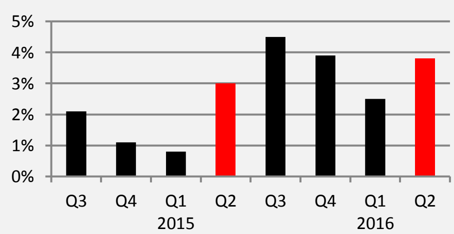
L/L RevPAR growth by quarter



L/L Occupancy growth by quarter



L/L Room Rates growth by quarter



Income Statement

Second quarter 2016

Total revenue decreased by 1.5%, or MEUR 4.0, to 259.8 (263.8). The decrease is mainly due to the strengthening of the Euro versus a number of currencies (MEUR -10.3) and the conversion of a leased hotel in Sweden to franchise.

On a L/L basis revenue increased by 4.0%, which is mainly due to the favourable L/L RevPAR development. The strike in Norway in April and May is estimated to have had an impact on total revenue of ca MEUR -3.0.

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

MEUR	L/L	New	Out	FX	Change
Rooms Revenue	6.5	-0.9	-3.5	-5.5	-3.4
F&D Revenue	0.5	-0.2	-1.0	-2.6	-3.3
Other Hotel Revenue	1.6	-0.1	-0.2	-0.3	1.0
Total Leased Revenue	**8.6**	**-1.2**	**-4.7**	**-8.4**	**-5.7**
Fee Revenue	1.0	2.5	-0.9	-1.9	0.7
Other Revenue	1.0	—	—	-0.0	1.0
Total Revenue	**10.6**	**1.3**	**-5.6**	**-10.3**	**-4.0**

EBITDA increased by MEUR 2.8 to MEUR 36.4. The earnings were postively impacted by the increase in L/L revenue, as well as a good flow through in the leased portfolio and lower costs for bad debts in the fee business. The positive impact on EBITDA of the timing of Easter is estimated to ca MEUR 2.0.

Rent as a percentage of leased hotel revenue was 28.3% (27.4). The increase is due to that revenue has decreased in hotels, mainly in Norway and Belgium, for which the rent is fixed.

FX had a negative impact of ca MEUR 1.4 on EBITDA.

EBIT decreased by MEUR 1.0 to MEUR 22.0. The increase in EBITDA has been offset by accrued termination costs of MEUR 2.7 related to the conversion of a loss making hotel in Norway from leased to franchised, as well as higher costs for depreciation and write-downs of MEUR 1.2.

The profit for the period amounted to MEUR 16.2 compared to MEUR 15.4 last year. The positive income tax development is due to change in jurisdictional mix, exceptional items and tax treatment of certain expenses.

Six months ended June 2016

Total revenue decreased by 2.8%, or MEUR 13.4, to MEUR 466.8 (480.2). The decrease is mainly due to the strengthening of the Euro and the conversion of a leased hotel in Sweden to franchise.

On a L/L basis revenue increased by 2.7%.

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	9.4	-2.1	-6.0	-8.8	-7.5
F&D Revenue	-1.4	-0.4	-2.0	-4.4	-8.2
Other Hotel Revenue	1.5	-0.1	-0.9	-0.5	-0.0
Total Leased Revenue	**9.5**	**-2.6**	**-8.9**	**-13.7**	**-15.7**
Fee Revenue	0.9	4.1	-2.2	-3.1	-0.3
Other Revenue	2.7	—	—	-0.1	2.6
Total Revenue	**13.1**	**1.5**	**-11.1**	**-16.9**	**-13.4**

EBITDA decreased by MEUR 5.6 to MEUR 27.2 due to the performance in Q1, which was impacted by weak revenue development and higher costs for reservations, provisions for bad debts and central costs.

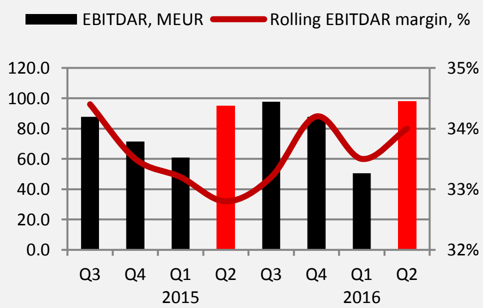
The closure of a hotel in Brussels for renovation, re-branding and re-opening in a downturn market, has had a negative impact on EBITDA of MEUR 2.4.

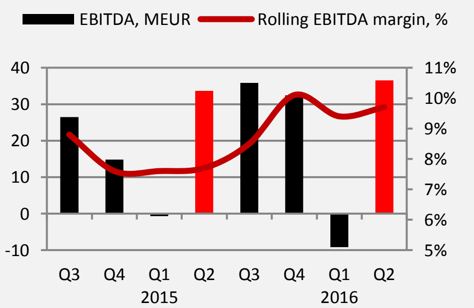
Rent as a percentage of leased hotel revenue was 29.9% (29.1). The increase is due to that revenue has decreased in hotels, mainly in Norway and Belgium, for which the rent is fixed.

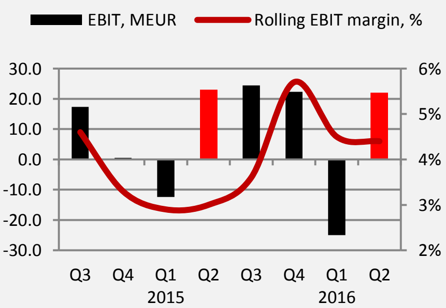
FX had a negative impact of ca MEUR 1.3 on EBITDA.

EBIT decreased by MEUR 13.6 to MEUR -3.0. In addition to the negative EBITDA development, EBIT is impacted by accrued termination costs of MEUR 10.6 for two leases in Norway, partly offset by MEUR 1.9 gain on sale of shares in subsidiaries.

The loss for the period amounted to MEUR 5.4 compared to a profit of MEUR 2.0 last year. The positive income tax development is due to change in jurisdictional mix, exceptional items and tax treatment of certain expenses.







Q2 Comments by Region

Nordics

MEUR	Q2 2016	Q2 2015	Change
L/L RevPAR, EUR	99.0	98.4	0.5%
Total Revenue	113.3	118.2	-4.1%
EBITDA	15.9	15.6	1.9%
EBITDA margin, %	14.0%	13.2%	0.8 pp
EBIT	8.3	10.7	-22.4%
EBIT margin, %	7.3%	9.1%	-1.8 pp

L/L RevPAR increased by 0.5% as gains in average room rates offset losses in occupancy. Two of the three key countries were above last year, Sweden (17.2%) and Denmark (12.7%), with Norway (-10.3%) below linked to the continued oil related impact on the west coast and the strike in April and May.

Total revenue decreased by MEUR 4.9 (or 4.1%) compared to last year, mainly due to the weakening of the Norwegian krona and the conversion of a hotel in Gothenburg, Sweden from leased to franchised.

The increase in EBITDA of MEUR 0.3 to MEUR 15.9 is due to improved conversion, most notable during the strike in Norway.

EBIT is negatively impacted by accrued termination costs of MEUR 2.7 for a lease in Stavanger, Norway.

Rest of Western Europe

MEUR	Q2 2016	Q2 2015	Change
L/L RevPAR, EUR	101.6	97.0	4.8%
Total Revenue	128.3	127.5	0.6%
EBITDA	20.1	18.5	8.6%
EBITDA margin, %	15.7%	14.5%	1.2 pp
EBIT	13.3	12.8	3.9%
EBIT margin, %	10.4%	10.0%	0.4 pp

L/L RevPAR grew by 4.8% driven primarily via average room rate. The key drivers were Ireland (17.9%) and Germany (11.0%), with only Belgium (-11.4%) below last year linked to the ongoing impact on Brussels of the terrorist attacks in March.

Total revenue grew by MEUR 0.8 (or 0.6%) compared to last year, mainly due to the good L/L RevPAR development, partly offset by the weakening of the British Pound.

The increase in EBITDA of MEUR 1.6 is mainly due the increase in like-for-like revenue and improved conversion.

EBIT is negatively impacted by higher costs for write-downs of tangible assets.

Eastern Europe

MEUR	Q2 2016	Q2 2015	Change
L/L RevPAR, EUR	61.2	53.2	14.8%
Total Fee Revenue	11.3	10.8	4.6%
EBITDA	9.0	8.1	11.1%
EBITDA margin, %	79.6%	75.0%	4.6 pp
EBIT	9.0	8.1	11.1%
EBIT margin, %	79.6%	75.0%	4.6 pp

L/L RevPAR improved by 14.8% with the growth in both average room rate and occupancy. Russia (39.8%) remains the key driver, with the Baltics (-2.8%) impacted negatively mainly by the EU Presidency in Latvia last year.

Fee revenue increased by MEUR 0.5 (or 4.6%). The positive impact of the strong L/L RevPAR development has been partly offset by the weakening of the Ruble and other currencies in the region.

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

Middle East, Africa and Others

MEUR	Q2 2016	Q2 2015	Change
L/L RevPAR, EUR	65.8	69.8	-5.8%
Total Fee Revenue	6.9	7.3	-5.5%
EBITDA	3.8	3.8	-0.0%
EBITDA margin, %	55.1%	52.1%	3.0 pp
EBIT	3.8	3.8	-0.0%
EBIT margin, %	55.1%	52.1%	3.0 pp

L/L RevPAR decreased by 5.8% as the decline in occupancy offset an increase in average room rates. The country level performance continued to be a mix of results. South Africa (15.9%) led the growth, but with ongoing challenges in Saudi Arabia (-20.1%) and the United Arab Emirates (-12.0%).

The decrease in fee revenue of MEUR 0.4 (or 5.5%) is mainly due to the L/L RevPAR development.

EBITDA and EBIT are flat compared to last year, since the decrease in fee revenue has been offset by lower costs for bad debts.

Central costs

Central costs for the quarter amounted to MEUR 12.4, which is unchanged compared to last year.

Comments to the Balance Sheet

Non-current assets increased by MEUR 27.1 from year-end 2015 and amounted to MEUR 305.7. The increase is mainly related to investments in tangible assets of MEUR 35.6 and investments in associates of MEUR 14.7 (please see further under “Other Events” below), partly offset by depreciation and write downs of MEUR 21.5.

Net working capital, excluding cash and cash equivalents, but including current tax assets and liabilities, was MEUR -52.6 at the end of the period, compared to MEUR -53.0 at year-end 2015.

Cash and cash equivalents decreased by MEUR 24.9 from year-end 2015 to MEUR 12.8 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 decreased by MEUR 13.1 to MEUR 233.6, mainly due to the dividend distributed of MEUR 11.9 and the loss for the period of MEUR 5.4.

The decrease in assets classified as held for sale of MEUR 7.8 and the derecognition of liabilities classified as held for sale of MEUR 4.6 is mainly due to the finalisation of the sale of the entity holding the lease on the Radisson Blu Scandinavia Hotel, Gothenburg, Sweden.

MEUR	**30-Jun 16**	**31-Dec 15**
Total assets	487.2	464.3
Net working capital	-52.6	-53.0
Net cash (debt)	-3.4	41.1
Equity	233.6	246.7

Cash Flow and Liquidity

Cash flow from operations, before change in working capital, amounted to MEUR 9.0, a decrease of MEUR 16.9 and mainly due to the decrease in EBIT.

Cash flow from change in working capital amounted to MEUR 7.8, compared to -3.3 last year. The change is mainly due to higher accruals.

Cash flow used in investing activities was MEUR 20.5 higher compared to last year, and amounted to MEUR -49.1, 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 4.1 (-3.6). The increase is mainly due to the used overdraft of MEUR 8.0 and the arising 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 12.8 (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 and MEUR 8.0 (—) was used for overdrafts, leaving MEUR 191.5 (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 11.1 (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 -3.4 (41.1 at year-end 2015).

MEUR	**H1 16**	**H1 15**
Cash flow before working capital changes	9.0	25.9
Change in working capital	7.8	-3.3
Cash flow from investing activities	-49.1	-28.6
Free cash flow	**-32.3**	**-6.0**

Other Events

At the end of April 2016 Rezidor finalised the acquisition of 49% of the shares in prize Holding GmbH, a young hotel chain in the economy segment with currently three operating properties in Germany and one further hotel under development. The purchase price amounts to MEUR 14.7, where MEUR 6.5 has been settled. The remainning MEUR 8.2 is recognised as a non-current interest bearing liability. Rezidor has secured further rights, including an option to acquire the remaining 51% in four years time.

Subsequent Events

There are no significant post balance sheet events to report.

Material Risks and Uncertainties

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

The financial impact of exiting contracts is uncertain and it cannot be ruled out that an exit could lead to a cash outflow which is currently not fully reflected in the reported liabilities of the Group. The Parent Company performs services of a common Group character. The risks for the Parent Company are the same as for the Group.

Seasonal Effects

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

Sensitivity Analysis

With the current business model and portfolio mix Rezidor estimates that a EUR 1 RevPAR variation would result in a MEUR 6-8 change in 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.

Presentation of the Q2 Results

On July 27, 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 2 402 3092
Belgium, Free	0800 58033
Sweden, Local:	+46 8 5065 3938
Sweden, Free:	0200 883 440
UK, Local:	+44 20 3427 1906
UK, Free:	0800 279 4992
USA, Local:	+1 646 254 3367
USA, Free:	1877 280 2296
France, Local:	+33 1 76 77 22 26
France, Free:	0805 631 580
Norway, Local:	+47 2 316 27 71
Norway, Free:	800 56053

Confirmation code: 4241988. For a replay of the conference call please visit www.investor.rezidor.com.

Financial Calendar

Q3 2016 results: October 25, 2016
Q4 2016 results: February 10, 2017
Q1 2017 results: April 28, 2017

For Further Information, Contact

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About the Rezidor Hotel Group

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

The portfolio consists of 469 hotels with over 102,000 rooms in operation and under development in 81 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 half-year 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 July 27, 2016.

Statement from the Board of Directors and the CEO

The Board of Directors and the CEO declare that the half-year report provides a fair view of the development of the Group's and the Parent Company's financial position and result of operations and describes material risks and uncertainties facing the Parent company and the companies included in the Group.

Stockholm, July 27, 2016

Trudy Rautio
Chairman of the Board

Staffan Bohman
Vice Chairman of the Board

Wendy Nelson
Board Member

Anders Moberg
Board Member

David P. Berg
Board Member

Charlotte Strömberg
Board Member

Göran Larsson
Employee Representative

Wolfgang M. Neumann
President & CEO

Report on Review of Interim Report

Introduction

We have reviewed the accompanying interim report of Rezidor Hotel Group AB (publ) (Corp. i.d. no. 556674-0964) for the period January 1 – June 30, 2016. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with International Accounting Standard 34 'Interim financial reporting' and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the recommendation International Standard on Review Engagements (ISRE) 2410, '*Review of Interim Financial Information Performed by the Independent Auditor of the Entity'.* A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared in accordance with International Accounting Standard 34 and the Swedish Annual Accounts Act, and for the Parent Company the Swedish Annual Accounts Act.

Stockholm, July 27, 2016

Deloitte AB

Erik Olin
Authorised Public Accountant

Condensed Consolidated Statement of Operations

MEUR	Q2 2016	Q2 2015	H1 2016	H1 2015
Revenue	259.8	263.8	466.8	480.2
F&D and other related expenses	-13.8	-14.5	-26.0	-27.4
Personnel cost and contract labour	-82.6	-87.3	-164.6	-169.9
Other operating expenses	-61.5	-63.1	-120.0	-119.4
Insurance of properties and property tax	-3.8	-4.1	-7.6	-7.9
Operating profit before rental expense and share of income in associates and depreciation and amortisation and gain on sale of fixed assets (EBITDAR)	**98.1**	**94.8**	**148.6**	**155.6**
Rental expense	-61.8	-61.3	-121.4	-122.8
Share of income in associates and joint ventures	0.1	0.1	-0.0	0.0
Operating profit before depreciation and amortisation and gain on sale of fixed assets (EBITDA)	**36.4**	**33.6**	**27.2**	**32.8**
Depreciation and amortisation	-10.0	-9.6	-19.3	-18.3
Write-downs and reversals of write-downs	-1.8	-1.0	-2.2	-3.9
Costs due to termination of contracts	-2.6	—	-10.6	—
Gain on sale of shares, intangible and tangible assets	—	—	1.9	—
Operating profit (EBIT)	**22.0**	**23.0**	**-3.0**	**10.6**
Financial income	0.7	0.9	1.0	1.5
Financial expense	-1.0	-0.9	-1.8	-1.7
Profit/loss before tax	**21.7**	**23.0**	**-3.8**	**10.4**
Income tax	-5.5	-7.6	-1.6	-8.4
Profit/loss for the period	**16.2**	**15.4**	**-5.4**	**2.0**
Attributable to:				
Owners of the parent company	16.2	15.4	-5.4	2.0
Non-controlling interests	—	—	—	—
Profit/loss for the period	**16.2**	**15.4**	**-5.4**	**2.0**
Basic average no. of shares outstanding	170,707,719	170,707,719	170,707,719	170,707,719
Diluted average no. of shares outstanding	173,424,118	172,347,532	173,436,394	172,347,532
Earnings per share, in EUR				
Basic	0.10	0.09	-0.03	0.01
Diluted	0.09	0.09	-0.03	0.01

Consolidated Statement of Comprehensive Income

Profit/loss for the period	**16.2**	**15.4**	**-5.4**	**2.0**
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	1.9	-1.7	4.1	0.2
Tax on exchange differences	-0.1	0.0	-0.3	-0.1
Fair value gains and losses on cash flow hedges	-0.1	0.0	0.0	-0.6
Tax on fair value gains and losses on cash flow hedges	0.0	-0.0	-0.0	0.1
Other comprehensive income for the period, net of tax	**1.7**	**-1.7**	**3.8**	**-0.4**
Total comprehensive income for the period	**17.9**	**13.7**	**-1.6**	**1.6**
Attributable to:				
Owners of the parent company	17.9	13.7	-1.6	1.6
Non-controlling interests	—	—	—	—

Condensed Consolidated Balance Sheet Statements

MEUR	30-Jun 2016	31-Dec 2015
ASSETS		
Intangible assets	62.6	64.6
Tangible assets	181.3	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	14.7	13.7
Deferred tax assets	24.3	21.7
Total non-current assets	**305.7**	**278.6**
Inventories	5.0	5.0
Other current receivables	147.4	118.6
Derivative financial instruments	0.3	0.3
Other short term investments	1.7	2.0
Cash and cash equivalents	12.8	37.7
Assets classified as held for sale	14.3	22.1
Total current assets	**181.5**	**185.7**
TOTAL ASSETS	**487.2**	**464.3**
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent	233.6	246.7
Non-controlling interests	0.0	0.0
Total equity	**233.6**	**246.7**
Deferred tax liabilities	12.0	15.4
Retirement benefit obligations	5.8	5.6
Other long-term liabilities	25.2	17.6
Total non-current liabilities	**43.0**	**38.6**
Liabilities to financial institutions	8.0	—
Derivative financial instruments	0.0	0.1
Other current liabilities	202.6	174.3
Liabilities classified as held for sale	—	4.6
Total current liabilities	**210.6**	**179.0**
TOTAL EQUITY AND LIABILITIES	**487.2**	**464.3**
Number of ordinary shares outstanding at the end of the period	170,707,719	170,707,719
Number of ordinary shares held by the company	3,681,138	3,681,138
Number of registered ordinary shares at the end of the period	174,388,857	174,388,857

Consolidated Statement of Changes in Equity

MEUR	Share capital	Other paid in capital	Other reserves	Retained earnings incl. net profit/loss for the period	**Attributable to equity holders of the parent**	Non-controlling interests	**Total equity**
Opening balance as of January 1, 2015	**11.6**	**177.1**	**6.2**	**24.5**	**219.4**	**0.0**	**219.4**
Profit for the period	—	—	—	2.0	**2.0**	—	**2.0**
Other comprehensive income:							
Currency differences on translation of foreign operations	—	—	0.2	—	**0.2**	—	**0.2**
Tax on exchange differences recognised in other comprehensive income	—	—	-0.1	—	**-0.1**	—	**-0.1**
Cash flow hedges	—	—	-0.6	—	**-0.6**	—	**-0.6**
Tax on cash flow hedges	—	—	0.1	—	**0.1**	—	**0.1**
Total comprehensive income for the period	**—**	**—**	**-0.4**	**2.0**	**1.6**	**—**	**1.6**
Transactions with owners:							
Dividend	—	—	—	-5.1	**-5.1**	—	**-5.1**
Long term incentive plan	—	—	—	0.1	**0.1**	—	**0.1**
Ending balance as of June 30, 2015	**11.6**	**177.1**	**5.8**	**21.5**	**216.0**	**0.0**	**216.0**
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	—	—	—	-5.4	**-5.4**	—	**-5.4**
Other comprehensive income:							
Currency differences on translation of foreign operations	—	—	4.1	—	**4.1**	—	**4.1**
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	**—**	**—**	**3.8**	**-5.4**	**-1.6**	**—**	**-1.6**
Transactions with owners:							
Dividend	—	—	—	-11.9	**-11.9**	—	**-11.9**
Long term incentive plan	—	—	—	0.4	**0.4**	—	**0.4**
Ending balance as of June 30, 2016	**11.6**	**177.1**	**7.4**	**37.5**	**233.6**	**0.0**	**233.6**

Condensed Consolidated Statement of Cash Flow

MEUR	Q2 2016	Q2 2015	H1 2016	H1 2015
Operating profit (EBIT)	**22.0**	**23.0**	**-3.0**	**10.6**
Non-cash items	13.8	17.1	22.1	22.4
Interest, taxes paid and other cash items	-2.3	-1.7	-10.1	-7.1
Change in working capital	-14.8	-8.7	7.8	-3.3
Cash flow from operating activities	**18.7**	**29.7**	**16.8**	**22.6**
Purchase of intangible assets	-0.3	-0.3	-0.3	-0.6
Purchase of tangible assets	-14.8	-13.4	-35.6	-27.9
Investments in subsidiaries	—	—	—	0.4
Net proceeds from sale of shares in subsidiaries	—	—	0.6	—
Investments in associated companies and joint ventures	-14.7	—	-14.7	—
Other investments/divestments	0.4	-0.3	0.9	-0.5
Cash flow from investing activities	**-29.4**	**-14.0**	**-49.1**	**-28.6**
Dividend	-11.9	-5.1	-11.9	-5.1
External financing, net	16.0	-3.1	16.0	1.5
Cash flow from financing activities	**4.1**	**-8.2**	**4.1**	**-3.6**
Cash flow for the period	**-6.6**	**7.5**	**-28.2**	**-9.6**
Effects of exchange rate changes on cash and cash equivalents	0.0	0.0	-0.1	0.2
Cash and cash equivalents at beginning of the period	**19.4**	**18.6**	**41.1**	**35.5**
Cash and cash equivalents at end of the period	**12.8**	**26.1**	**12.8**	**26.1**

Parent Company, Condensed Statement of Operations

MEUR	Q2 2016	Q2 2015	H1 2016	H1 2015
Revenue	2.7	1.7	4.6	3.3
Personnel cost and contract labour	-1.5	-1.2	-3.2	-2.4
Other operating expenses	-3.5	-2.6	-6.2	-5.2
Operating profit/loss before depreciation and amortization (EBITDA)	**-2.3**	**-2.1**	**-4.8**	**-4.3**
Depreciation and amortization	0.0	-0.1	-0.0	-0.2
Operating profit/loss (EBIT)	**-2.3**	**-2.2**	**-4.8**	**-4.5**
Financial income	-0.8	3.9	4.8	4.0
Financial expense	0.0	-0.0	0.0	-0.0
Profit/loss before tax	**-3.1**	**1.7**	**0.0**	**-0.5**
Income tax	0.7	-0.4	0.0	0.1
Profit/loss for the period	**-2.4**	**1.3**	**0.0**	**-0.4**

Parent Company, Statement of Comprehensive Income

Profit/loss for the period	**-2.4**	**1.3**	**0.0**	**-0.4**
Other comprehensive income	—	—	—	—
Total comprehensive income for the period	**-2.4**	**1.3**	**0.0**	**-0.4**

Parent Company, Condensed Balance Sheet Statements

MEUR	30-Jun 2016	31-Dec 2015
ASSETS		
Intangible assets	0.0	0.0
Tangible assets	0.4	0.2
Shares in subsidiaries	234.0	233.5
Total non-current assets	**234.4**	**233.7**
Current receivables	40.5	53.8
Total current assets	**40.5**	**53.8**
TOTAL ASSETS	**274.9**	**287.5**
EQUITY AND LIABILITIES		
Equity	**271.2**	**282.7**
Current liabilities	3.7	4.8
Total current liabilities	**3.7**	**4.8**
TOTAL EQUITY AND LIABILITIES	**274.9**	**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	—	—	-0.4	**-0.4**
Transactions with owners:				
Dividend	—	—	-5.1	**-5.1**
Long term incentive plan	—	—	0.1	**0.1**
Ending balance as of June 30, 2015	**11.6**	**254.1**	**15.2**	**280.9**
Opening balance as of January 1, 2016	**11.6**	**254.2**	**16.9**	**282.7**
Total comprehensive income for the period	—	—	0.0	0.0
Transactions with owners:				
Dividend	—	—	-11.9	**-11.9**
Long term incentive plan	—	—	0.4	**0.4**
Ending balance as of June 30, 2016	**11.6**	**254.2**	**5.4**	**271.2**

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 Q2 2016 and YTD 2016 the intercompany revenue of the Parent Company amounted to MEUR 2.5 (1.6) and MEUR 4.3 (3.2) respectively. The intercompany costs in Q2 2016 and YTD 2016 amounted to MEUR 2.5 (1.7) and MEUR 4.3 (3.4) respectively.

The improvement of profit before tax by MEUR 0.5 YTD 2016 is mainly due to the increase in received group contributions.

Comments on the Balance Sheet

At the end of the period the intercompany receivables amounted to MEUR 40.1 (53.3) and the intercompany liabilities to MEUR 1.3 (2.7). The change in current assets and current liabilities since year end 2015 is mainly related to changes in intercompany balances.

Notes to Condensed Consolidated Financial Statements

Basis of preparation

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

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

The same accounting policies, presentation and methods of computation have been followed in this interim report as were applied in the company's annual report for the year ended December 31, 2015, except for the impact of the adoption of the standards and interpretations described below.

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

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 quidelines has resulted in extended disclosures, which can be found in the end of this report under the section "Definitions".

Incentive programmes

In 2013, 2014 and 2015 the AGM's have approved long-term equity settled performance-based incentive programmes to be offered to executives within Rezidor. The structure of the three programmes are similar. The programmes are comprised of both matching shares and performance shares. The President and CEO and other members of the Executive Committee have been offered the opportunity to participate in the performance share part as well as the matching share part of the programmes. Other key executives have been offered to participate in the performance share part of the programmes.

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

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

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

Six members of the Executive Committee participate in the 2014 programme entitling them to a maximum total of 491,843 shares, of which the President and CEO is entitled to a maximum of 207,307 shares. 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 683,360 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 404,120 shares in total.

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

The net costs recognised in the income statement during Q2 2016 and YTD 2016 in accordance with IFRS 2 for the three incentive programmes amounted to MEUR 0.2 (0.1) and MEUR 0.4 (0.1) respetively. Costs are limited since program vesting conditions are only partially being achieved.

A fourth long-term equity settled incentive programme was approved by the AGM on April 21, 2016 with similar structure as the 2013, 2014 and 2015 programmes. The maximum number of shares that can be awarded in the 2016 programme is 1,276,556. The subscription period is still open at the date of this report. More information will be given in the report for the third quarter.

Share buy-back

The number of treasury shares held by the company at the end of the quarter was 3,681,138, corresponding to 2.1% of all registered shares. The average number of its own shares held by the company during Q2 2016 was 3,681,138 (3,681,138). The shares have been bought back in 2007 and 2008 following authorisations at the AGMs in the same years. A majority of the shares bought back are held to secure delivery of shares in the incentive programmes and the related social security costs.

Financial instruments measured at fair value

On June 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 June 30, 2016 Rezidor had no receivables related to Carlson (none as at December 31, 2015) and current liabilities of MEUR 1.2 (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 Q2 and H1 2016, Rezidor had operating costs towards Carlson of MEUR 3.7 (4.9) and MEUR 9.5 (10.0), respectively.

Carlson also charged MEUR 1.8 (0.7) and MEUR 3.1 (2.7), respectively, for points earned in the Club Carlson loyalty programme and reimbursed MEUR 1.0 (0.7) and MEUR 1.5 (1.4), respectively, for points redeemed. Furthermore, Carlson recharged MEUR 1.6 (0.6) and MEUR 2.9 (1.7), 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 (0.2) and MEUR 0.2 (0.3), respectively. For these commissions Rezidor had current liabilities of MEUR 0.0 (0.0).

Carlson and Rezidor are also cooperating in various other areas, such as global sales, brand websites, revenue optimisation tools and purchasing. During Q2 and H1 2016 Rezidor had revenue towards Carlson of MEUR 0.4 (0.5) and MEUR 0.7 (0.8), respectively, and costs of MEUR 0.2 (0.7) and MEUR 0.4 (1.3), respectively, related to these cost sharing arrangements.

Pledged assets and contingent liabilities

Pledged assets, MEUR	30-Jun 2016	31-Dec 2015
Securities on deposits (restricted accounts)	1.7	2.0

Contingent liabilities, MEUR	30-Jun 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	**Q2 2016**	**vs. 2015**	**Q2 2016**	**vs. 2015**	**Q2 2016**	**vs. 2015**	**Q2 2016**	**vs. 2015**
Radisson Blu	69.3%	-0.3 pp	128.3	4.0%	88.8	3.6%	81.0	-5.2%
Park Inn by Radisson	70.6%	0.9 pp	80.6	5.0%	56.9	6.4%	49.6	-4.2%
Group	**69.6%**	**0.1 pp**	**116.2**	**3.8%**	**80.9**	**4.0%**	**73.1**	**-5.2%**

In EUR	H1 2016	vs. 2015	H1 2016	vs. 2015	H1 2016	vs. 2015	H1 2016	vs. 2015
Radisson Blu	65.0%	-0.9 pp	123.6	3.5%	80.4	2.2%	74.5	-5.1%
Park Inn by Radisson	64.2%	1.0 pp	79.1	3.3%	50.8	4.9%	43.9	-4.3%
Group	**64.9%**	**-0.4 pp**	**113.3**	**3.3%**	**73.5**	**2.7%**	**66.8**	**-5.2%**

RevPAR Development by Region (Leased & Managed Hotels)

	L/L Occupancy		L/L Average Room Rates		L/L RevPAR		Reported RevPAR	
In EUR	**Q2 2016**	**vs. 2015**	**Q2 2016**	**vs. 2015**	**Q2 2016**	**vs. 2015**	**Q2 2016**	**vs. 2015**
Nordics	71.5%	-1.6 pp	138.5	2.8%	99.0	0.5%	95.2	-3.7%
Rest of Western Europe	80.0%	0.5 pp	127.1	4.1%	101.6	4.8%	98.3	1.9%
Eastern Europe	65.3%	3.3 pp	93.7	9.0%	61.2	14.8%	52.1	0.3%
Middle East, Africa & Others	59.2%	-4.0 pp	111.1	0.5%	65.8	-5.8%	55.5	-20.3%
Group	**69.6%**	**0.1 pp**	**116.2**	**3.8%**	**80.9**	**4.0%**	**73.1**	**-5.2%**

	H1 2016	vs. 2015	H1 2016	vs. 2015	H1 2016	vs. 2015	H1 2016	vs. 2015
Nordics	67.0%	-0.7 pp	129.2	1.1%	86.6	0.1%	83.0	-4.4%
Rest of Western Europe	73.7%	0.2 pp	121.3	3.1%	89.3	3.4%	86.8	1.7%
Eastern Europe	56.7%	1.6 pp	88.2	10.2%	50.0	13.5%	42.6	-0.5%
Middle East, Africa & Others	61.7%	-4.3 pp	120.5	0.3%	74.3	-6.3%	62.8	-18.5%
Group	**64.9%**	**-0.4 pp**	**113.3**	**3.3%**	**73.5**	**2.7%**	**66.8**	**-5.2%**

RevPAR Development by Region (Leased Hotels)

	L/L Occupancy		L/L Average Room Rates		L/L RevPAR		Reported RevPAR	
In EUR	**Q2 2016**	**vs. 2015**	**Q2 2016**	**vs. 2015**	**Q2 2016**	**vs. 2015**	**Q2 2016**	**vs. 2015**
Nordics	72.7%	0.1%	136.6	3.9%	99.3	3.8%	95.6	-0.6%
Rest of Western Europe	79.2%	-1.2%	125.7	3.4%	99.5	5.0%	95.2	0.1%
Group	**76.1%**	**-0.6%**	**130.6**	**3.6%**	**99.4**	**4.4%**	**95.4**	**-0.2%**

	H1 2016	vs. 2015	H1 2016	vs. 2015	H1 2016	vs. 2015	H1 2016	vs. 2015
Nordics	67.1%	-0.3 pp	127.4	1.7%	85.5	1.4%	82.2	-3.1%
Rest of Western Europe	73.7%	1.7 pp	121.3	2.6%	89.4	4.4%	86.0	0.2%
Group	**70.6%**	**0.8 pp**	**124.0**	**2.2%**	**87.6**	**3.0%**	**84.2**	**-1.3%**

RevPAR Development – Like-for-like to Reported

RevPAR	Q2 2016	H1 2016
L/L growth	4.0%	2.7%
FX impact	-7.1%	-6.6%
Units out or closed for renovation	0.9%	1.4%
New openings	-3.0%	-2.7%
Reported growth	-5.2%	-5.2%

Revenue per Area of Operation

MEUR	Q2 2016	Q2 2015	Change %	H1 2016	H1 2015	Change %
Rooms revenue	149.2	152.6	-2.2%	263.5	271.0	-2.8%
F&D revenue	64.8	68.1	-4.8%	121.4	129.6	-6.3%
Other hotel revenue	7.8	6.8	14.7%	13.3	13.3	-0.0%
Total hotel revenue (leased)	**221.8**	**227.5**	**-2.5%**	**398.2**	**413.9**	**-3.8%**
Fee revenue (managed & franchised)	32.1	31.4	2.2%	57.1	57.4	-0.5%
Other revenue	5.9	4.9	20.4%	11.5	8.9	29.2%
Total revenue	**259.8**	**263.8**	**-1.5%**	**466.8**	**480.2**	**-2.8%**

Total Fee Revenue

MEUR	Q2 2016	Q2 2015	Change %	H1 2016	H1 2015	Change %
Management Fees	8.4	9.3	-9.7%	15.9	17.2	-7.6%
Incentive Fees	8.1	7.9	2.5%	13.0	14.0	-7.1%
Franchise Fees	3.4	2.9	17.2%	5.8	4.9	18.4%
Other Fees (incl. marketing, reservation fee etc.)	12.2	11.3	8.0%	22.4	21.3	5.2%
Total fee revenue	**32.1**	**31.4**	**2.2%**	**57.1**	**57.4**	**-0.5%**

Revenue per Region

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Total	
Q2	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Leased	106.9	112.8	114.9	114.7	—	—	—	—	221.8	227.5
Managed	0.4	0.6	8.1	8.3	9.5	8.8	6.8	7.3	24.8	25.0
Franchised	2.5	1.9	2.9	2.6	1.8	2.0	0.1	—	7.3	6.5
Other	3.5	2.9	2.4	1.9	—	—	—	—	5.9	4.8
Total	**113.3**	**118.2**	**128.3**	**127.5**	**11.3**	**10.8**	**6.9**	**7.3**	**259.8**	**263.8**

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Total	
H1	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Leased	189.0	204.9	209.2	209.0	—	—	—	—	398.2	413.9
Managed	0.9	1.1	13.7	14.6	14.7	14.0	15.0	16.7	44.3	46.4
Franchised	4.7	3.8	5.2	4.7	2.7	2.6	0.2	—	12.8	11.1
Other	6.6	5.8	4.9	3.0	—	—	—	—	11.5	8.8
Total	**201.2**	**215.6**	**233.0**	**231.3**	**17.4**	**16.6**	**15.2**	**16.7**	**466.8**	**480.2**

Rental Expenses

MEUR	Q2 2016	Q2 2015	Change %	H1 2016	H1 2015	Change %
Fixed rent	48.2	49.8	-3.2%	96.0	99.6	-3.6%
Variable rent	14.6	12.6	15.9%	23.1	20.9	10.5%
Rent	**62.8**	**62.4**	**0.6%**	**119.1**	**120.5**	**-1.2%**
Rent as % of leased hotel revenue	28.3%	27.4%	0.9 pp	29.9%	29.1%	0.8 pp
Shortfall guarantees	-1.0	-1.1	9.1%	2.3	2.3	0.0%
Rental expense	**61.8**	**61.3**	**0.8%**	**121.4**	**122.8**	**-1.1%**

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

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Central costs		Total	
Q2	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Leased	12.8	12.6	12.6	11.2	—	—	—	—	—	—	25.4	23.8
Managed	0.2	0.3	6.2	6.2	8.1	6.7	3.6	3.7	—	—	18.1	16.9
Franchised	1.5	1.1	1.3	1.1	0.9	1.4	0.1	—	—	—	3.8	3.6
Other[1)]	1.4	1.6	0.0	—	—	—	0.1	0.1	—	—	1.5	1.7
Central costs	—	—	—	—	—	—	—	—	-12.4	-12.4	-12.4	-12.4
Total	**15.9**	**15.6**	**20.1**	**18.5**	**9.0**	**8.1**	**3.8**	**3.8**	**-12.4**	**-12.4**	**36.4**	**33.6**

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Central costs		Total	
H1	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Leased	10.2	14.4	9.8	8.6	—	—	—	—	—	—	20.0	23.0
Managed	0.5	0.7	7.1	7.5	10.2	8.8	8.0	9.8	—	—	25.8	26.8
Franchised	2.5	1.9	2.1	1.9	1.0	1.7	0.1	—	—	—	5.7	5.5
Other[1)]	2.2	2.4	0.0	—	—	—	-0.0	-0.0	—	—	2.2	2.4
Central costs	—	—	—	—	—	—	—	—	-26.5	-24.9	-26.5	-24.9
Total	**15.4**	**19.4**	**19.0**	**18.0**	**11.2**	**10.5**	**8.1**	**9.8**	**-26.5**	**-24.9**	**27.2**	**32.8**

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	
Q2	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Leased	6.0	8.5	5.9	5.7	—	—	—	—	—	—	11.9	14.2
Managed	0.2	0.4	6.1	6.0	8.1	6.7	3.6	3.7	—	—	18.0	16.8
Franchised	1.5	1.0	1.3	1.1	0.9	1.4	0.1	—	—	—	3.8	3.5
Other[1)]	0.6	0.8	0.0	—	—	—	0.1	0.1	—	—	0.7	0.9
Central costs	—	—	—	—	—	—	—	—	-12.4	-12.4	-12.4	-12.4
Total	**8.3**	**10.7**	**13.3**	**12.8**	**9.0**	**8.1**	**3.8**	**3.8**	**-12.4**	**-12.4**	**22.0**	**23.0**

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Central costs		Total	
H1	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Leased	-6.6	6.5	-1.7	-4.0	—	—	—	—	—	—	-8.3	2.5
Managed	0.5	0.7	7.0	7.4	10.1	8.7	7.9	9.7	—	—	25.5	26.5
Franchised	2.5	1.8	2.0	1.9	1.0	1.7	0.1	—	—	—	5.6	5.4
Other[1)]	0.7	1.1	0.0	—	—	—	-0.0	-0.0	—	—	0.7	1.1
Central costs	—	—	—	—	—	—	—	—	-26.5	-24.9	-26.5	-24.9
Total	**-2.9**	**10.1**	**7.3**	**5.3**	**11.1**	**10.4**	**8.0**	**9.7**	**-26.5**	**-24.9**	**-3.0**	**10.6**

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

Reconciliation of Profit/Loss for the Period

MEUR	Q2 2016	Q2 2015	H1 2016	H1 2015
Total operating profit/loss (EBIT) for reportable segments	**22.0**	**23.0**	**-3.0**	**10.6**
Financial income	0.7	0.9	1.0	1.5
Financial expense	-1.0	-0.9	-1.8	-1.7
Group's total profit/loss before tax	**21.7**	**23.0**	**-3.8**	**10.4**

Balance Sheet and Investments

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Total	
	30-Jun 2016	31-Dec 2015	30-Jun 2016	31-Dec 2015	30-Jun 2016	31-Dec 2015	30-Jun 2016	31-Dec 2015	30-Jun 2016	31-Dec 2015
Assets	185.7	175.7	256.4	243.9	15.3	14.8	29.8	29.9	487.2	464.3
Investments (tangible & intangible assets)	8.8	23.5	26.7	49.8	0.1	0.1	0.4	0.6	36.0	74.0

Quarterly Key Figures

MEUR	Q2 2016	Q2 2015	Q2 2014	Q2 2013	Q2 2012
RevPAR	73.1	77.2	72.6	68.7	72.9
Revenue	259.8	263.8	247.1	248.9	238.9
EBITDAR	98.1	94.8	93.0	97.0	82.3
EBITDA	36.4	33.6	30.8	34.9	22.7
EBIT	22.0	23.0	21.4	26.2	11.7
Profit/loss for the period	16.3	15.4	14.1	17.4	6.2
EBITDAR margin, %	37.8	35.9	37.6	39.0	34.4
EBITDA margin, %	14.0	12.7	12.5	14.0	9.5
EBIT margin, %	8.5	8.7	8.7	10.5	4.9

	2016		2015				2014		
MEUR	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
RevPAR	73.1	60.4	67.9	77.0	77.2	63.7	65.4	72.7	72.6
Revenue	259.8	207.0	255.4	261.4	263.8	216.4	238.0	240.8	247.1
EBITDAR	98.1	50.5	87.7	97.7	94.8	60.9	71.4	87.7	93.0
EBITDA	36.4	-9.2	32.5	35.8	33.6	-0.7	14.8	26.4	30.8
EBIT	22.0	-25.0	22.3	24.4	23.0	-12.4	0.5	17.3	21.4
Profit/loss for the period	16.2	-21.6	14.3	17.9	15.4	-13.4	-0.9	11.3	14.1
EBITDAR margin, %	37.8	24.4	34.3	37.4	35.9	28.1	30.0	36.4	37.6
EBITDA margin, %	14.0	-4.4	12.7	13.7	12.7	-0.3	6.2	11.0	12.5
EBIT margin, %	8.5	-12.1	8.7	9.3	8.7	-5.7	0.2	7.2	8.7

Hotel and Room Openings and Signings

	Openings				Signings			
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
	Q2 2016	Q2 2016	H1 2016	H1 2016	Q2 2016	Q2 2016	H1 2016	H1 2016
By region:								
Nordics	—	—	2	238	—	—	—	—
Western Europe	1	318	2	423	—	—	3	328
Eastern Europe	3	396	5	589	3	778	7	1,275
Middle East, Africa & Others	2	705	4	1,136	8	1,787	14	2,929
Total	**6**	**1,419**	**13**	**2,386**	**11**	**2,565**	**24**	**4,532**
By brand:								
Radisson Blu	5	1,305	10	2,107	7	1,483	9	1,913
Park Inn by Radisson	1	114	2	219	3	832	10	1,801
Others	—	—	1	60	1	250	5	818
Total	**6**	**1,419**	**13**	**2,386**	**11**	**2,565**	**24**	**4,532**
By contract type:								
Leased	—	—	—	—	—	—	—	—
Managed	3	858	7	1,482	10	2,437	20	4,029
Franchised	3	561	6	904	1	128	4	503
Total	**6**	**1,419**	**13**	**2,386**	**11**	**2,565**	**24**	**4,532**

In Q2 2016, four hotels and 429 rooms left the system, resulting in a net opening of 990 rooms.

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

	In operation				Under development			
	Hotels		Rooms		Hotels		Rooms	
30 June	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
By region:								
Nordics	62	59	14,859	14,605	—	2	—	292
Western Europe	134	137	26,679	26,878	14	11	2,739	2,490
Eastern Europe	100	89	24,040	22,438	25	30	4,935	5,642
Middle East, Africa & Others	67	57	14,730	12,965	67	61	14,772	13,071
Total	**363**	**342**	**80,308**	**76,886**	**106**	**104**	**22,446**	**21,495**
By brand:								
Radisson Blu	238	226	56,627	54,448	62	63	13,781	14,314
Park Inn by Radisson	117	111	22,603	21,680	38	40	7,496	6,936
Others	8	5	1,078	758	6	1	1,169	245
Total	**363**	**342**	**80,308**	**76,886**	**106**	**104**	**22,446**	**21,495**
By contract type:								
Leased	70	71	17,442	17,789	—	—	—	—
Managed	188	180	42,254	41,000	93	89	20,336	18,928
Franchised	105	91	20,612	18,097	13	15	2,110	2,567
Total	**363**	**342**	**80,308**	**76,886**	**106**	**104**	**22,446**	**21,495**

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-Jun 2016	31-Dec 2015
Cash & cash equivalents [A]	12.8	37.7
Cash & cash equivalents classified as held-for-sale [B]	—	3.4
Short-term interest bearing assets [C]	—	—
Interest-bearing liabilities [D]	27.6	11.3
Retirement benefit obligations [E]	5.8	5.6
Liabilities related to investments in hotels under management contracts [F]	5.6	5.7
Net cash (debt) [A+B+C-D+E+F]	**-3.4**	**41.1**

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

MEUR	30-Jun 2016	31-Dec 2015
Interest-bearing assets [A]	38.7	64.3
Interest-bearing liabilities [B]	27.6	11.3
Net interest-bearing assets/liabilities [A-B]	**11.1**	**53.0**

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

MEUR	H1 2016	H1 2015
Cash flow from operating activities [A]	16.8	22.6
Cash flow from investing activities [B]	-49.1	-28.6
Free cash flow [A+B]	**-32.3**	**-6.0**

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

MEUR	H1 2016	H1 2015
Rental expense [A]	121.4	122.8
Where of shortfall guarantees [B]	2.3	2.3
Total hotel revenue [C]	398.2	413.9
Rent as percentage of leased hotel revenue [(A-B)/C]	**29.9%**	**29.1%**

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

MEUR	30-Jun 2016	31-Dec 2015
Inventory [A]	5.0	5.0
Current non-interest-bearing receivables [B]	145.1	116.4
Current non-interest-bearing liabilities [C]	202.7	174.4
Net working capital [A+B-C]	**-52.6**	**-53.0**

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

Leased portfolio	H1 2016	H1 2015
Rooms revenue (MEUR) [A]	263.5	271.0
Number of available rooms (thousands) [B]	3,130	3,175
RevPAR [A/B]	**84.2**	**85.3**

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, 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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