

## INTERIM REPORT

### January-March 2014

#### First Quarter 2014

- Like-for like (“L/L”) RevPAR was up by 5.0%.
- Revenue increased by 2.1% and amounted to MEUR 211.4 (207.1). On a L/L basis Revenue increased by 3.6%.
- EBITDA amounted to MEUR -0.8 (-2.8), and the EBITDA margin to -0.4% (-1.4).
- Loss after tax amounted to MEUR -10.3 (-11.2).
- Basic and diluted Earnings Per Share amounted to EUR -0.07 (-0.08).
- Cash flow from operating activities amounted to MEUR -12.4 (-8.4).
- 1,214 new rooms opened and 1,006 new rooms were contracted. 802 managed rooms were converted to leased.

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#### Other

- The Board of Directors has proposed a rights issue of up to ca MEUR 60 to be approved at the Annual General Meeting on April 24, 2014.

MEUR	Q1 2014	Q1 2013
Revenue	211.4	207.1
EBITDAR	61.7	58.7
EBITDA	-0.8	-2.8
EBIT	-8.5	-10.0
Loss for the period	-10.3	-11.2
EBITDAR margin, %	29.2%	28.3%
EBITDA margin, %	-0.4%	-1.4%
EBIT margin, %	-4.0%	-4.8%



## Comments from the CEO

### Q1 results ahead of last year but negatively impacted by the strengthening of the Euro



“Underlying RevPAR trends remain positive with the strongest growth noted in Rest of Western Europe. Like-for-like RevPAR grew by 5.0% and the increase was primarily driven by improvement in average room rates. However, the strengthening of the Euro against Nordic and Eastern European currencies had a negative impact on RevPAR and Revenues.

Revenue grew nevertheless by MEUR 4.3 over last year, helped by two new leases in Copenhagen converted from management contracts, and the timing of Easter. The first quarter is seasonally the weakest of the year and EBITDA amounted to MEUR -0.8 (-2.8). The EBITDA margin increased by 1.0 percentage point to -0.4% and was positively impacted by Easter.

As mentioned in our 2013 full year report, we concluded another asset management transaction in January with annual positive effect on EBITDA of ca MEUR 1.2 as from 2014.

Looking further into 2014, although the economic and political environment remains uncertain in some markets, forward bookings data is encouraging and we are confident that we will deliver on our Route 2015 targets.

In order to accelerate the execution of key strategic and profitability initiatives, the Board of Directors has proposed to the AGM a rights issue of up to circa MEUR 60. The capital raised from the rights issue will allow Rezidor to capture additional opportunities within asset management, continue to invest in the leased hotels at an accelerated rate and further drive focused growth in emerging markets.

During the quarter, the opening of ca 1,200 rooms was ahead of last year and we added ca 1,000 rooms to the pipeline. All new rooms signed and opened were under fee based contracts. Ca 800 managed rooms were converted to leased as from January 1, 2014.”

Wolfgang M. Neumann, President & CEO

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## Market Development

Market RevPAR across Europe was up 5.6% (at constant exchange rates) in the first quarter of the year. The improvement was a result of a 2.8% increase in occupancy and a 2.7% increase in room rates.

The RevPAR development in the mature Western European markets was positively impacted by the timing of Easter. RevPAR in Norway and Sweden was at the same level as last year in January and February but grew strongly in March (The Easter holidays occurred partly in March in 2013). Some of the top performers in Western Europe in terms of RevPAR growth were Denmark (22.2%), Ireland (10.0%), UK (9.4%) and the Netherlands (7.4%).

Eastern Europe reported a RevPAR increase of 3.5% positively impacted by the Winter Olympics in Russia in February. RevPAR in March was, however, negatively impacted by the Ukraine-Russia situation.

Trading in the Middle East and Africa has been much more robust, with RevPAR up 6.5%. All countries reported strong RevPAR growth rates except Egypt, Lebanon and Kenya.

Source: STR Hotel Review - Constant Currency Edition

## First Quarter Summary

Total Revenue increased by MEUR 4.3 or 2.1% to MEUR 211.4. The main reasons for the increase are two new leased hotels in Copenhagen (existing hotels converted from management contracts) and the timing of Easter. Foreign exchange, as a result of the strengthening of the Euro, had a negative impact on Revenue. On a L/L basis, Revenue increased by 3.6%.

EBITDA amounted to MEUR -0.8 (-2.8) and the EBITDA margin increased by 1.0 percentage point to -0.4%. The main reasons for the improvement to last year is the timing of Easter and a released provision of MEUR 1.4 related to the 2011 long-term incentive plan. FX impact and the temporary closure of one leased hotel for renovation had a negative impact on the margin.

EBIT amounted to MEUR -8.5 (-10.0) and the EBIT margin increased with 0.8 percentage points to -4.0% due to the above mentioned factors. Loss after tax amounted to MEUR 10.3 compared to MEUR 11.2 last year.

## Strategies and Development

Rezidor is focused on hotel management and operates the core brands Radisson Blu and Park Inn by Radisson. In February 2014, Rezidor announced together with Carlson the intention to launch two additional brands: Radisson Red, an upscale “lifestyle select” brand, and Quorvus Collection, a traditional luxury brand. Rezidor has mutually terminated the agreements with Regent Hotels & Resorts and Missoni in respect of the luxury brands Regent and Hotel Missoni.

Rezidor’s strategy is to grow with management and franchise contracts and only exceptionally with leases. Rezidor is operating in 56 countries across Europe, the Middle East and Africa. The strategy is to further expand in the emerging markets.

In the first quarter, Rezidor opened six new hotels with 1,214 rooms. Three hotels with 418 rooms left the system, resulting in a net opening of 798 rooms. Contracts were signed for six new hotels with 1,006 rooms. All openings and signings were under management or franchise contracts. Two existing hotels in Copenhagen, representing 802 rooms in total, were converted from management contracts to lease contracts effective as from January 1, 2014.

## RevPAR Development

### First quarter 2014

L/L RevPAR for leased and managed hotels improved by 5.0% compared to last year mainly as a result of improvements in average room rate. L/L RevPAR for leased hotels grew by 3.7% with an almost even split between average room rate and occupancy growth. The majority of the growth in the leased portfolio was in March and due to the Easter impact.

All four regions reported L/L RevPAR growth over last year. The strongest development was in the Middle East, Africa & Others based on double-digit RevPAR growth in South Africa and Saudi Arabia. Eastern Europe benefitted from the Winter Olympics in Russia and continued growth in Poland. The RevPAR in March in the region was however negatively impacted by the Ukraine-Russia situation. Rest of Western Europe and Nordics reported RevPAR growth in all key countries in the quarter with Nordics benefitting significantly from the Easter impact in March.

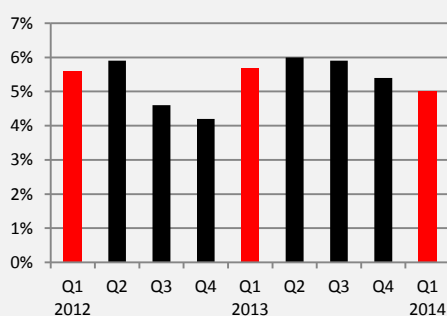
Reported RevPAR growth was -0.9%. It was negatively impacted by 5.5% due to the strengthening of the Euro.

RevPAR development for the quarter is presented in the table below.

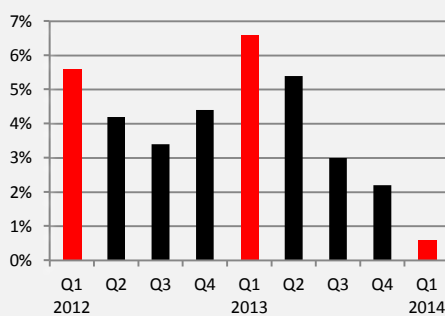
RevPAR	Q1 2014
L/L growth	5.0%
FX impact	-5.5%
Units out or closed for renovations	-0.2%
New openings	0.0%
Re-allocation of F&D revenue in Norway	-0.2%
Reported growth	-0.9%

Q1 2014 Change	Nordics	Rest of Western Europe	Eastern Europe	Middle East, Africa & Others	Group
L/L RevPAR	4.4%	4.5%	4.6%	6.4%	5.0%
L/L Occupancy	3.5%	1.3%	-3.5%	1.6%	0.6%
L/L Room Rates	0.9%	3.2%	8.4%	4.7%	4.4%
Reported RevPAR	-3.3%	6.6%	-6.8%	-1.3%	-0.9%

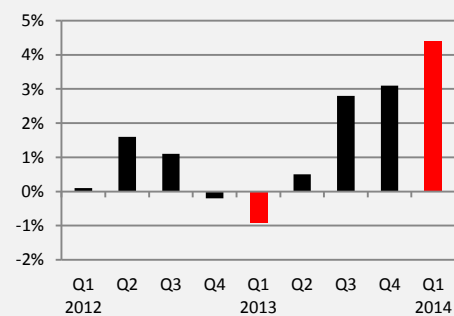
L/L RevPAR growth by quarter



L/L Occupancy growth by quarter



L/L Room Rates growth by quarter



## Income statement

### First quarter 2014

The first quarter is seasonally the weakest of the year. Compared to the previous year, Total Revenue increased by MEUR 4.3 to MEUR 211.4, helped by two new leases in Denmark (converted from management contracts) of MEUR 8.4 and Easter timing. Room and F&D Revenue were negatively impacted by the strengthening of the Euro against mainly the NOK and the SEK. The temporary closure of one leased hotel for renovation had a negative impact on revenue of MEUR 3.3. Fee revenue was unchanged compared to last year as newly opened hotels and growth in like-for-like was offset by hotel exits and FX. On a L/L basis total revenue was up by 3.6%.

The change in revenue, compared to the same period last year, was MEUR 4.3, as presented in the table below.

MEUR	L/L	New	Out	FX	Change
Rooms Revenue	3.8	5.1	-1.4	-4.1	3.4
F&D Revenue	2.1	2.8	-1.1	-2.6	1.2
Other Hotel Revenue	0.2	0.5	-0.8	-0.2	-0.3
<b>Total Leased Revenue</b>	<b>6.1</b>	<b>8.4</b>	<b>-3.3</b>	<b>-6.9</b>	<b>4.3</b>
Fee Revenue	1.0	1.6	-1.3	-1.3	-
Other Revenue	0.4	-	-	-0.4	-
<b>Total Revenue</b>	<b>7.5</b>	<b>10.0</b>	<b>-4.6</b>	<b>-8.6</b>	<b>4.3</b>

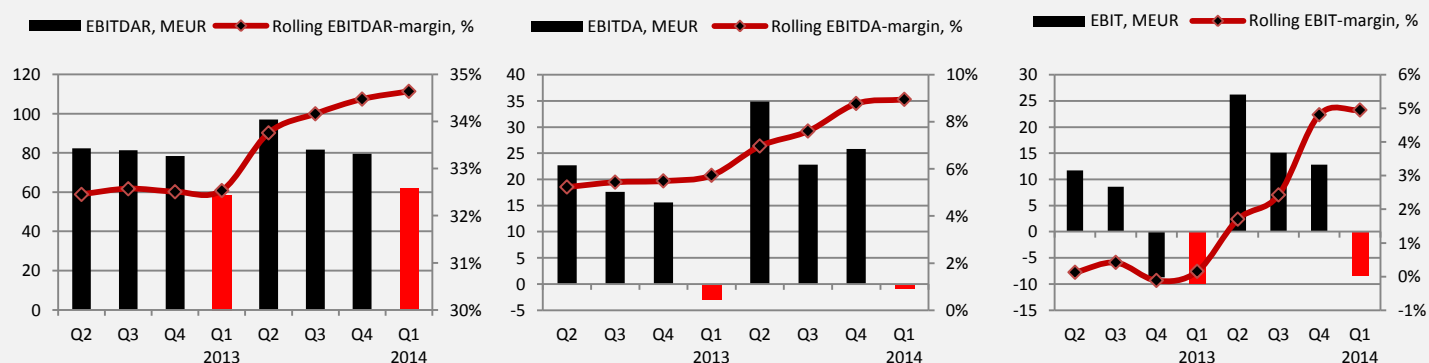
EBITDAR was up by MEUR 3.0 to last year and amounted to MEUR 61.7, with the margin increasing by 0.9 percentage points to 29.2%. The main reasons for the increase compared to last year is the timing of Easter with a negative impact on last year's results and released provisions of MEUR 1.4 related to the 2011 long term incentive programme, which expired during Q1 2014 as none of the performance criteria were met. EBITDAR was also negatively impacted by weak underlying RevPAR development in some countries in the leased portfolio (mainly France and Belgium) as well as a negative FX impact in the Nordics.

EBITDA increased by MEUR 2.0 to MEUR -0.8 and the EBITDA margin grew by 1.0 percentage point to -0.4% due to the above mentioned factors. Rent increased from MEUR 56.8 in the first quarter last year to MEUR 58.0, due to the two new leases in Copenhagen, increased revenue and annual indexation. The re-negotiated leases in Rest of Western Europe partly offset this increase.

Rent as a percentage of leased revenue was slightly lower than last year, due to the above mentioned re-negotiated lease terms. The ratio was, however, negatively impacted by the temporary closure of one leased hotel for renovation. Guarantees were MEUR 0.9 lower than last year, mainly due to the exit of a managed hotel with guarantees in Rest of Western Europe at the end of 2013.

EBIT was MEUR -8.5 compared to MEUR -10.0 in Q1 2013 and the EBIT margin improved with 0.8 percentage points to -4.0% due to the above mentioned factors.

Loss after tax amounted to MEUR -10.3 compared to MEUR -11.2 last year. Further financial information per region is provided on page 5.



## Q1 Comments by Region

### Nordics

MEUR	Q1 2014	Q1 2013	Change
L/L RevPAR, EUR	87.1	83.4	4.4%
Total Revenue	102.2	98.3	4.0%
EBITDA	6.8	7.4	-8.1%
EBITDA margin, %	6.7%	7.5%	-0.8 pp
EBIT	2.7	3.0	-10.0%
EBIT margin, %	2.6%	3.1%	-0.5 pp

L/L RevPAR grew by 4.4%. The growth was primarily related to the impact of Easter and related holidays last year. Denmark (15.3%) was ahead of last year mainly due to higher demand from business groups. Norway and Sweden experienced growth in the quarter of 3.3% and 2.6% respectively. The growth is entirely related to the timing of Easter, as the demand in general was weak in these two countries.

Total Revenue increased by MEUR 3.9 (or 4.0%) compared to last year. The increase compared to last year is mainly explained by the two new leased hotels in Copenhagen and the timing of Easter.

The EBIT margin was slightly below last year. This is mainly explained by a negative FX impact due to the weakening of the NOK and SEK against the Euro and the two new leases in Copenhagen converted from management contracts, which could not be offset by the positive margin impact this year due to the timing of Easter.

### Rest of Western Europe

MEUR	Q1 2014	Q1 2013	Change
L/L RevPAR, EUR	65.2	62.3	4.5%
Total Revenue	94.8	94.8	-
EBITDA	-5.0	-6.6	24.2%
EBITDA margin, %	-5.3%	-7.0%	1.7 pp
EBIT	-8.6	-9.2	6.5%
EBIT margin, %	-9.1%	-9.7%	0.6 pp

L/L RevPAR grew by 4.5% driven by a combination of average rate and occupancy growth with all three months of the quarter ahead of last year. The key drivers were the Netherlands (8.4%), Switzerland (8.3%) and the UK (7.0%), with all other key markets also reporting RevPAR growth.

Total Revenue was unchanged compared to last year. The positive impact of the RevPAR growth and the British Pound development was offset by the temporary closure of one leased hotel for renovation. The EBIT margin increased slightly compared to last year helped by the RevPAR development.

### Eastern Europe

MEUR	Q1 2014	Q1 2013	Change
L/L RevPAR, EUR	44.0	42.1	4.6%
Total Fee Revenue	6.8	6.7	1.5%
EBITDA	2.5	2.6	-3.8%
EBITDA margin, %	36.8%	38.8%	-2.0 pp
EBIT	2.5	2.5	-
EBIT margin, %	36.8%	37.3%	-0.5 pp

The positive development continued from last year with an L/L RevPAR growth of 4.6% via growth in average room rate, which offset a decline in occupancy. The key driver in the quarter was Russia (9.6%) due to the Winter Olympics which positively impacted January and February. However, the political situation in Ukraine and Russia in March softened the overall impact on the quarter.

Fee revenue was almost unchanged to last year. New hotels could not offset the negative FX impact due to the strengthening of the Euro against the currencies in the region, as a result of the Ukraine-Russia situation. The EBIT margin was broadly in line with last year.

### Middle East, Africa & Others

MEUR	Q1 2014	Q1 2013	Change
L/L RevPAR, EUR	81.2	76.4	6.4%
Total Fee Revenue	7.6	7.3	4.1%
EBITDA	5.0	4.5	11.1%
EBITDA margin, %	65.8%	61.6%	4.2 pp
EBIT	5.0	4.4	13.6%
EBIT margin, %	65.8%	60.3%	5.5 pp

L/L RevPAR improved by 6.4% driven both by increases in occupancy and average room rates. South Africa (13.6%) had the most significant growth rate, followed by Saudi Arabia (11.9%). The United Arab Emirates (6.3%) also experienced strong RevPAR growth with the key drivers in the area being business and leisure individuals plus a growing crew business.

Fee revenue increased compared to last year mainly as a result of hotel openings and the positive RevPAR growth. Margins were higher than last year.

### Central Costs

Central Costs amounted to MEUR 10.1 and were MEUR 0.6 lower than last year. This is mainly due to reversal of costs for the 2011 long-term incentive plan of MEUR 1.4, partly offset by re-classification of marketing items of MEUR 1.0 to the regions.

## Comments to the Balance Sheet

Non-current assets were in line with year-end 2013. Net working capital, excluding cash and cash equivalents, but including current tax assets and liabilities, at the end of the period was MEUR -41.1 (-48.4 at year-end 2013). The change is mainly explained by increases in other current receivables and tax receivables.

Cash and cash equivalents increased by MEUR 2.9 from year-end 2013 to MEUR 9.8 at the end of the quarter. Liabilities to financial institutions increased by 20.0 to MEUR 37.5 as a result of the negative cash flow from operating activities and investments carried out during the quarter.

Compared to year-end 2013, Equity including non-controlling interests decreased by MEUR 10.7, mainly due to the loss for the period.

MEUR	31-Mar 14	31-Dec 13
Balance sheet total	398.9	381.7
Net working capital	-41.1	-48.4
Net debt	27.7	10.5
Equity	144.3	155.0

## Cash Flow and Liquidity

Due to the improved operating performance, cash flow before working capital changes amounted to MEUR -9.6 in Q1 2014, an improvement of MEUR 2.3 compared to the same period last year.

Cash flow from change in working capital amounted to MEUR -2.8, which was MEUR 6.3 lower than in Q1 2013. This was mainly due to increases in prepaid expenses and accrued income and other receivables, partly offset by increases in accrued expenses.

Cash flow from investing activities was MEUR -6.1, compared to MEUR -7.8 during the same period last year. At the end of Q1 2014, Rezidor had MEUR 9.8 in cash and cash equivalents. The total credit facilities available for use by the end of the quarter amounted to MEUR 110.0. MEUR 1.3 was used for bank guarantees and MEUR 37.5 was used for overdrafts, leaving MEUR 71.2 available for use. The remaining term of the committed overdraft facility and credit facility ranges between nine and fourteen months, combined with customary covenants.

Net interest bearing liabilities amounted to MEUR 20.3 (4.5 at year-end 2013). The change was primarily due to use of overdrafts to cover the seasonally weakest quarter of the year.

Net debt/cash, defined as cash & cash equivalents plus short-term interest-bearing assets minus interest-bearing financial liabilities (short-term & long-term), amounted to MEUR 27.7 (10.5 at year-end 2013).

MEUR	Jan-Mar 14	Jan-Mar 13
Cash flow before working capital changes	-9.6	-11.9
Change in working capital	-2.8	3.5
Cash flow from investing activities	-6.1	-7.8
Free cash flow	-18.5	-16.2

## Subsequent Events

There are no significant post balance sheet events to report.

## Other Events

The Board of Directors has resolved, subject to approval by the Annual General Meeting on April 24, 2014, on an issue of new shares with preferential right for the company's shareholders. Assuming that all new shares are subscribed, gross proceeds from the rights issue will be approximately MEUR 60.

## 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 2013. 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. Management is continuously analysing ways to improve the performance of the hotel portfolio, currently 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 loss-making 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 operates in an industry with seasonal variations. Sales and profits vary by quarter and the first quarter is generally the weakest. 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 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.

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## Presentation of the Q1 Results

On April 24, 2014 at 9:00 (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](http://www.investor.rezidor.com)

To access the telephone conference, please dial:

Sweden:	+46 (0)8 5065 3933
Sweden toll-free:	0200 883 443
UK:	+44 (0)20 3364 5729
UK toll-free:	0800 279 4842
France:	+33(0)1 70 48 01 66
France toll-free:	0805 636 389
US:	+1 646 254 3371
US toll-free:	1877 280 3488

Confirmation code: **3087821**

For a replay of the conference call please visit [www.investor.rezidor.com](http://www.investor.rezidor.com).

## Financial Calendar

Q2 2014 results: July 23, 2014

Q3 2014 results: October 24, 2014

This quarterly report comprises information which Rezidor Hotel Group AB (publ) is required to disclose under the Securities Markets Act and/or the Financial Instruments Trading Act. It was released for publication at 07:30 Central European Time on April 24, 2014.

Stockholm April 24, 2014

Wolfgang M. Neumann  
President & CEO  
Rezidor Hotel Group AB

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## About the Rezidor Hotel Group

The Rezidor Hotel Group is one of the most dynamic and fastest growing hotel companies in the world. The group currently features a portfolio of 427 hotels with ca 95,000 rooms in operation and under development in 69 countries across Europe, the Middle East and Africa. Rezidor operates the core brands Radisson Blu and Park Inn by Radisson as well as Hotel Missoni.

Rezidor is a member of the Carlson Rezidor Hotel Group.

For more information, visit [www.rezidor.com](http://www.rezidor.com)

## Condensed consolidated statement of operations

MEUR	Q1 2014	Q1 2013
Revenue	211.4	207.1
F&D and other related expenses	-13.1	-12.9
Personnel cost and contract labour	-79.7	-78.5
Other Operating expenses	-53.3	-53.3
Insurance of properties and property tax	-3.6	-3.7
<b>Operating profit before rental expense and share of income in associates and depreciation and amortisation and gain on sale of fixed assets (EBITDAR)</b>	<b>61.7</b>	<b>58.7</b>
Rental expense	-62.3	-62.0
Shares of income in associates and joint ventures	-0.2	0.5
<b>Operating profit/loss before depreciation and amortisation and gain on sale of fixed assets (EBITDA)</b>	<b>-0.8</b>	<b>-2.8</b>
Depreciation and amortisation	-7.3	-7.2
Write-downs	-0.4	-
<b>Operating loss (EBIT)</b>	<b>-8.5</b>	<b>-10.0</b>
Financial income	0.2	0.3
Financial expense	-0.8	-0.5
<b>Loss before tax</b>	<b>-9.1</b>	<b>-10.2</b>
Income tax	-1.2	-1.0
<b>Loss for the period</b>	<b>-10.3</b>	<b>-11.2</b>
<b>Attributable to:</b>		
Owners of the company	-10.3	-11.2
Non-controlling interests	-	-
<b>Loss for the period</b>	<b>-10.3</b>	<b>-11.2</b>
Basic average no. of shares outstanding	146,320,902	146,320,902
Diluted average no. of shares outstanding	148,123,048	146,320,902
<b>Earnings per share, in EUR</b>		
Basic	-0.07	-0.08
Diluted	-0.07	-0.08

## Consolidated Statement of Comprehensive Income

<b>Loss for the period</b>	<b>-10.3</b>	<b>-11.2</b>
<b>Other comprehensive income:</b>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of foreign operations	0.5	-1.0
Tax on exchange differences	-0.0	0.2
Fair value gains and losses on cash flow hedges	-0.2	-
Tax on fair value gains and losses on cash flow hedges	0.1	-
<b>Other comprehensive income for the period, net of tax</b>	<b>0.4</b>	<b>-0.8</b>
<b>Total comprehensive income for the period</b>	<b>-9.9</b>	<b>-12.0</b>
<b>Attributable to:</b>		
Owners of the company	-9.9	-12.0
Non-controlling interests	-	-



## Condensed Consolidated Balance Sheet Statements

MEUR	31-Mar 2014	31-Dec 2013
<b>ASSETS</b>		
Intangible assets	67.3	68.2
Tangible assets	125.5	125.3
Investments in associated companies and joint ventures	2.7	2.9
Other shares and participations	5.2	5.2
Pension funds, net	-	-
Other long-term receivables	7.3	6.5
Deferred tax assets	28.5	28.6
<b>Total non-current assets</b>	<b>236.5</b>	<b>236.7</b>
Inventories	4.9	4.8
Other current receivables	132.0	115.8
Derivative financial instruments	0.2	0.5
Other short term investments	3.0	4.1
Cash and cash equivalents	9.8	6.9
Assets held for sale	12.5	12.9
<b>Total current assets</b>	<b>162.4</b>	<b>145.0</b>
<b>TOTAL ASSETS</b>	<b>398.9</b>	<b>381.7</b>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to equity holders of the parent	144.3	155.0
Non-controlling interests	0.0	0.0
<b>Total equity</b>	<b>144.3</b>	<b>155.0</b>
Deferred tax liabilities	15.2	15.6
Retirement benefit obligations	5.1	6.7
Other long-term liabilities	20.0	18.7
<b>Total non-current liabilities</b>	<b>40.3</b>	<b>41.0</b>
Liabilities to financial institutions	37.5	17.5
Derivative financial instruments	0.1	0.1
Other current liabilities	176.7	168.1
<b>Total current liabilities</b>	<b>214.3</b>	<b>185.7</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>398.9</b>	<b>381.7</b>
Number of ordinary shares outstanding at the end of the period	146,320,902	146,320,902
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	150,002,040	150,002,040

## 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
<b>Opening balance as of Jan 01, 2013</b>	<b>10.0</b>	<b>120.3</b>	<b>19.5</b>	<b>-4.0</b>	<b>145.8</b>	<b>0.0</b>	<b>145.8</b>
Loss for the period	-	-	-	-11.2	-11.2	-	-11.2
<i>Other comprehensive income:</i>							
Currency differences on translation of foreign operations	-	-	-1.0	-	-1.0	-	-1.0
Tax on exchange differences recognised in other comprehensive income	-	-	0.2	-	0.2	-	0.2
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-0.8</b>	<b>-11.2</b>	<b>-12.0</b>	<b>-</b>	<b>-12.0</b>
<i>Transactions with owners:</i>							
Long term incentive plan	-	-	-	0.1	0.1	-	0.1
<b>Ending balance as of Mar 31, 2013</b>	<b>10.0</b>	<b>120.3</b>	<b>18.7</b>	<b>-15.1</b>	<b>133.9</b>	<b>0.0</b>	<b>133.9</b>
<b>Opening balance as of Jan 01, 2014</b>	<b>10.0</b>	<b>120.3</b>	<b>11.2</b>	<b>13.5</b>	<b>155.0</b>	<b>0.0</b>	<b>155.0</b>
Loss for the period	-	-	-	-10.3	-10.3	-	-10.3
<i>Other comprehensive income:</i>							
Currency differences on translation of foreign operations	-	-	0.5	-	0.5	-	0.5
Tax on exchange differences recognised in other comprehensive income	-	-	-0.0	-	-0.0	-	-0.0
Cash flow hedges	-	-	-0.2	-	-0.2	-	-0.2
Tax on cash flow hedges	-	-	0.1	-	0.1	-	0.1
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>0.4</b>	<b>-10.3</b>	<b>-9.9</b>	<b>-</b>	<b>-9.9</b>
<i>Transactions with owners:</i>							
Long term incentive plan	-	-	-	-0.8	-0.8	-	-0.8
<b>Ending balance as of Mar 31, 2014</b>	<b>10.0</b>	<b>120.3</b>	<b>11.6</b>	<b>2.4</b>	<b>144.3</b>	<b>0.0</b>	<b>144.3</b>

## Condensed Consolidated Statement of Cash Flow

MEUR	Q1 2014	Q1 2013
<b>Operating profit/loss</b>	<b>-8.5</b>	<b>-10.0</b>
Non cash items	6.2	8.6
Interest, taxes paid and other cash items	-7.3	-10.5
Change in working capital	-2.8	3.5
<b>Cash flow from operating activities</b>	<b>-12.4</b>	<b>-8.4</b>
Purchase of intangible assets	-0.0	-0.0
Purchase of tangible assets	-6.6	-8.1
Other investments/divestments	0.5	0.3
<b>Cash flow from investing activities</b>	<b>-6.1</b>	<b>-7.8</b>
External financing, net	21.4	16.8
<b>Cash flow from financing activities</b>	<b>21.4</b>	<b>16.8</b>
<b>Cash flow for the period</b>	<b>2.9</b>	<b>0.6</b>
Effects of exchange rate changes on cash and cash equivalents	-0.0	-0.0
<b>Cash and cash equivalents at beginning of the period</b>	<b>6.9</b>	<b>8.6</b>
<b>Cash and cash equivalents at end of the period</b>	<b>9.8</b>	<b>9.2</b>

## Parent Company, Condensed Statement of Operations

MEUR	Q1 2014	Q1 2013
Revenue	1.4	0.9
Personnel cost	-1.0	-0.7
Other operating expenses	-2.0	-2.7
<b>Operating loss before depreciation and amortization</b>	<b>-1.6</b>	<b>-2.5</b>
Depreciation and amortization expense	-0.1	-0.1
<b>Operating loss</b>	<b>-1.7</b>	<b>-2.6</b>
Financial income	1.0	1.5
Financial expense	-0.0	-0.2
<b>Profit/loss before tax</b>	<b>-0.7</b>	<b>-1.3</b>
Income tax	0.2	0.3
<b>Profit/loss for the period</b>	<b>-0.5</b>	<b>-1.0</b>

## Parent Company, Statement of Comprehensive Income

<b>Profit/loss for the period</b>	<b>-0.5</b>	<b>-1.0</b>
<b>Other comprehensive income:</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>-0.5</b>	<b>-1.0</b>

## Parent Company, Condensed Balance Sheet Statement

MEUR	31-Mar 2014	31-Dec 2013
<b>ASSETS</b>		
Intangible assets	0.1	0.1
Tangible assets	0.2	0.2
Shares in subsidiaries	233.4	234.2
Deferred tax assets	5.5	5.3
<b>Total non-current assets</b>	<b>239.2</b>	<b>239.8</b>
Current receivables	16.1	15.7
<b>Total current assets</b>	<b>16.1</b>	<b>15.7</b>
<b>TOTAL ASSETS</b>	<b>255.3</b>	<b>255.5</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>	<b>210.1</b>	<b>211.4</b>
Current liabilities	45.2	44.1
<b>Total current liabilities</b>	<b>45.2</b>	<b>44.1</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>255.3</b>	<b>255.5</b>

## Parent Company, Statement of Changes in Equity

MEUR	Share capital	Share premium reserve	Retained earnings incl. net profit/loss for the period	Total equity
<b>Opening balance as of Jan 01, 2013</b>	<b>10.0</b>	<b>197.3</b>	<b>-0.4</b>	<b>206.9</b>
Long term incentive plan	-	-	0.1	<b>0.1</b>
Total comprehensive income for the period	-	-	-1.0	<b>-1.0</b>
<b>Ending balance as of Mar 31, 2013</b>	<b>10.0</b>	<b>197.3</b>	<b>-1.3</b>	<b>206.0</b>
<b>Opening balance as of Jan 01, 2014</b>	<b>10.0</b>	<b>197.3</b>	<b>4.1</b>	<b>211.4</b>
Long term incentive plan	-	-	-0.8	<b>-0.8</b>
Total comprehensive income for the period	-	-	-0.5	<b>-0.5</b>
<b>Ending balance as of Mar 31, 2014</b>	<b>10.0</b>	<b>197.3</b>	<b>2.8</b>	<b>210.1</b>

### Comments to Income Statement

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

The main revenue of the company is internal fees charged to the hotels in Sweden for the related administrative services provided by the Shared Service Centre. In Q1 2014 the intercompany revenue of the Parent Company amounted to MEUR 1.3 (0.8). The intercompany costs in Q1 2014 amounted to MEUR 1.2 (2.0).

In Q1 2014, financial income was mainly related to group contribution received of MEUR 1.0 (1.0).

### Comments to Balance Sheet

At the end of the quarter the intercompany receivables amounted to MEUR 14.8 (15.4 at year-end 2013) and the intercompany liabilities to MEUR 42.8 (42.0 at year-end 2013). The changes in the balance sheet since year-end 2013 are mainly related to changes in short-term intercompany borrowing and lending.

### 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).

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, 2013, except for the impact of the adoption of the standards and interpretations described below.

New standards are IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests of Other Entities. Furthermore, there have been amendments to IAS 27, IAS 28, IAS 32, IAS 36 and IAS 39. All these new standards and amendments have had limited or no effect of the reported results or financial position of the Group.

#### **Incentive programmes**

The long-term equity settled performance based incentive programme approved by the AGM in 2011 expired during Q1 2014. Since none of the non-market based performance criteria were met, the previously recorded expense of MEUR 1.4 has been reversed.

The AGM in 2013 has approved a long-term equity settled performance-based incentive programme to be offered to executives within Rezidor. The programme is 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 programme. Other key executives have been offered to participate in the performance share part of the programme.

In order to qualify for matching shares, each participant shall meet certain requirements, including a share holding 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 the financial years 2013 to 2015.

Seven members of the Executive Committee participate in the 2013 incentive programme entitling them to a maximum total of 703,781 shares, of which the President and CEO is entitled to a maximum of 279,942 shares. 21 other members of management participate in the programme, entitling them to a maximum of 343,788 shares in total. The total value of the 2013 programme at grant date, incl. social security costs, amounted to MEUR 2.2.

The net costs recognized in the income statement during Q1 2014 in accordance with IFRS 2 for the 2013 programme amounted to MEUR 0.2.

### **Share buy-back**

The number of treasury shares held by the company at the end of the quarter was 3,681,138, corresponding to 2.5% of all registered shares. The average number of its own shares held by the company during Q1 was 3,681,138 (3,681,138). The shares have been bought back in 2007 and 2008 following authorisations at the AGMs in the same years. A majority of the shares bought back are held to secure delivery of shares in the incentive programmes and the related social security costs.

### **Related party transactions**

Related parties with significant influence are the Carlson Group (Carlson) owning 51.3% of the outstanding shares. Rezidor also has some joint ventures and associated companies. As at March 31, 2014 Rezidor had no current receivables related to Carlson (none as at December 31, 2013) and ordinary current liabilities of MEUR 1.5 (2.0 as at December 31, 2013). The business relationship with Carlson mainly consisted of operating costs related to the use of the brands and the use of the Carlson reservation system. During Q1 2014, Rezidor had operating costs towards Carlson of MEUR 4.4 (3.1). Carlson also charged MEUR 2.0 (1.4) for points earned in the loyalty programme Club Carlson and reimbursed MEUR 0.7 (0.3) for points redeemed. Furthermore, Carlson recharged MEUR 1.1 (0.9) 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 0.0 (0.0). For these specific commissions Rezidor had current liabilities of MEUR 0.0 (0.2 as at December 31, 2013).

Information on the long-term equity settled performance based incentive programmes is included on page 13.

### **Pledged assets and contingent liabilities**

	31-Mar 2014	31-Dec 2013
<b>Asset pledged, MEUR</b>		
Securities on deposits (restricted accounts)	3.0	4.1
<b>Contingent liabilities, MEUR</b>		
Guarantees provided	1.3	1.7

## RevPAR development by brand (leased & managed hotels)

In EUR	L/L Occupancy		L/L Average Room Rates		L/L RevPAR		Reported RevPAR	
	Q1 2014	vs. 2013	Q1 2014	vs. 2013	Q1 2014	vs. 2013	Q1 2014	vs. 2013
Radisson Blu	62.6%	0.4 pp	119.4	3.9%	74.8	4.6%	69.9	-1.4%
Park Inn by Radisson	56.1%	0.1pp	69.4	5.9%	38.9	6.1%	36.7	1.6%
<b>Group</b>	<b>60.9%</b>	<b>0.4pp</b>	<b>107.8</b>	<b>4.4%</b>	<b>65.7</b>	<b>5.0%</b>	<b>61.3</b>	<b>-0.9%</b>

## RevPAR development by region (leased & managed hotels)

In EUR	L/L Occupancy		L/L Average Room Rates		L/L RevPAR		Reported RevPAR	
	Q1 2014	vs. 2013	Q1 2014	vs. 2013	Q1 2014	vs. 2013	Q1 2014	vs. 2013
Nordics	66.4%	2.2pp	131.2	0.9%	87.1	4.4%	80.4	-3.3%
Rest of Western Europe	64.7%	0.8pp	100.6	3.2%	65.2	4.5%	65.7	6.6%
Eastern Europe	48.1%	-1.7pp	91.5	8.4%	44.0	4.6%	39.0	-6.8%
Middle East, Africa & Others	68.7%	1.0pp	118.2	4.7%	81.2	6.4%	73.4	-1.3%
<b>Group</b>	<b>60.9%</b>	<b>0.4pp</b>	<b>107.8</b>	<b>4.4%</b>	<b>65.7</b>	<b>5.0%</b>	<b>61.3</b>	<b>-0.9%</b>

## RevPAR development by region (leased hotels)

In EUR	L/L Occupancy		L/L Average Room Rates		L/L RevPAR		Reported RevPAR	
	Q1 2014	vs. 2013	Q1 2014	vs. 2013	Q1 2014	vs. 2013	Q1 2014	vs. 2013
Nordics	66.4%	-1.2pp	133.5	0.4%	88.6	3.2%	80.3	-7.3%
Rest of Western Europe	65.7%	2.6pp	101.9	3.0%	67.0	4.0%	67.7	4.9%
<b>Group</b>	<b>66.0%</b>	<b>1.1pp</b>	<b>115.8</b>	<b>1.9%</b>	<b>76.5</b>	<b>3.7%</b>	<b>73.5</b>	<b>-0.8%</b>

## Revenue per area of operation

MEUR	Q1 2014	Q1 2013	Change %
Rooms revenue	114.4	111.0	3.1%
F&D revenue	61.4	60.2	2.0%
Other hotel revenue	6.9	7.2	-4.2%
<b>Total hotel revenue (leased)</b>	<b>182.7</b>	<b>178.4</b>	<b>2.4%</b>
Fee revenue (managed & franchised)	25.0	25.0	-
Other revenue	3.7	3.7	-
<b>Total revenue</b>	<b>211.4</b>	<b>207.1</b>	<b>4.3%</b>

## Total fee revenue

MEUR	Q1 2014	Q1 2013	Change %
Management Fees	7.7	7.6	1.3%
Incentive Fees	5.7	6.1	-6.6%
Franchise Fees	2.0	1.8	11.1%
Other Fees (incl. marketing, reservation fee etc.)	9.6	9.5	1.1%
<b>Total fee revenue</b>	<b>25.0</b>	<b>25.0</b>	<b>-</b>

## Revenue per region

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Other		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Leased	97.3	92.1	85.3	86.2	-	-	-	-	182.6	178.3
Managed	0.4	1.5	6.3	5.7	6.3	6.3	7.6	7.3	20.6	20.8
Franchised	1.7	1.6	2.2	2.2	0.5	0.4	-	-	4.4	4.2
Other	2.8	3.1	1.0	0.7	-	-	-	-	3.8	3.8
<b>Total</b>	<b>102.2</b>	<b>98.3</b>	<b>94.8</b>	<b>94.8</b>	<b>6.8</b>	<b>6.7</b>	<b>7.6</b>	<b>7.3</b>	<b>211.4</b>	<b>207.1</b>

## Central marketing fund

MEUR	Q1 2014	Q1 2013	Change %
Marketing fee	9.7	8.8	10.2%
Marketing expense	-9.4	-9.4	-
<b>Net</b>	<b>0.3</b>	<b>-0.6</b>	<b>150.0%</b>

## Rental expenses

MEUR	Q1 2014	Q1 2013	Change %
Fixed rent	49.9	47.9	4.2%
Variable rent	8.1	8.9	-9.0%
<b>Rent</b>	<b>58.0</b>	<b>56.8</b>	<b>2.1%</b>
Rent as a % of leased hotel revenue	31.7%	31.9%	-0.2pp
Shortfall guarantees <sup>1)</sup>	4.3	5.2	-17.3%
<b>Rental expense</b>	<b>62.3</b>	<b>62.0</b>	<b>0.5%</b>

1) Shortfall guarantees also include provisions for onerous contracts

## Operating profit before depreciation and amortization and gain on sales of fixed assets (EBITDA)

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Central costs		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Leased	5.4	4.7	-8.5	-7.5	-	-	-	-	-	-	-3.1	-2.8
Managed	0.1	1.2	2.5	-0.2	2.2	2.4	5.1	4.5	-	-	9.9	7.9
Franchised	0.9	1.1	1.0	1.1	0.3	0.2	-	-	-	-	2.2	2.4
Other <sup>1)</sup>	0.4	0.4	-	-	-	-	-0.1	-	-	-	0.3	0.4
Central costs	-	-	-	-	-	-	-	-	-10.1	-10.7	-10.1	-10.7
<b>Total</b>	<b>6.8</b>	<b>7.4</b>	<b>-5.0</b>	<b>-6.6</b>	<b>2.5</b>	<b>2.6</b>	<b>5.0</b>	<b>4.5</b>	<b>-10.1</b>	<b>-10.7</b>	<b>-0.8</b>	<b>-2.8</b>

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	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Leased	2.0	1.0	-12.1	-10.0	-	-	-	-	-	-	-10.1	-9.0
Managed	0.1	1.2	2.5	-0.3	2.2	2.3	5.1	4.4	-	-	9.9	7.6
Franchised	0.9	1.1	1.0	1.1	0.3	0.2	-	-	-	-	2.2	2.4
Other <sup>1)</sup>	-0.3	-0.3	-	-	-	-	-0.1	-	-	-	-0.4	-0.3
Central costs	-	-	-	-	-	-	-	-	-10.1	-10.7	-10.1	-10.7
<b>Total</b>	<b>2.7</b>	<b>3.0</b>	<b>-8.6</b>	<b>-9.2</b>	<b>2.5</b>	<b>2.5</b>	<b>5.0</b>	<b>4.4</b>	<b>-10.1</b>	<b>-10.7</b>	<b>-8.5</b>	<b>-10.0</b>

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



## Reconciliation of profit/loss for the period

MEUR	Q1 2014	Q1 2013
<b>Total operating profit/loss (EBIT) for reportable segments</b>	<b>-8.5</b>	<b>-10.0</b>
Financial income	0.2	0.3
Financial expense	-0.8	-0.5
<b>Group's total loss before tax</b>	<b>-9.1</b>	<b>-10.2</b>

## Balance sheet and investments

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Total	
	31-Mar 2014	31-Dec 2013	31-Mar 2014	31-Dec 2013	31-Mar 2014	31-Dec 2013	31-Mar 2014	31-Dec 2013	31-Mar 2014	31-Dec 2013
Assets	189.1	176.9	171.6	166.5	13.6	15.2	24.6	23.1	398.9	381.7
Investments (tangible & intangible assets)	3.1	21.3	3.5	27.7	0.0	0.0	0.0	0.1	6.6	49.1

## Quarterly key figures

MEUR	Q1 2014	Q1 2013	Q1 2012	Q1 2011	Q1 2010
RevPAR	61.3	61.9	58.5	54.2	51.6
Revenue	211.4	207.1	206.9	192.7	165.7
EBITDAR	61.7	58.7	58.4	52.7	45.1
EBITDA	-0.8	-2.8	-5.0	-8.5	-11.5
EBIT	-8.5	-10.0	-12.5	-16.5	-19.0
Profit/loss after Tax	-10.3	-11.2	-14.1	-17.4	-17.7
EBITDAR Margin %	29.2%	28.3%	28.2%	27.3%	27.2%
EBITDA Margin %	0.4%	-1.4%	-2.4%	-4.4%	-6.9%
EBIT Margin %	-4.0%	-4.8%	-6.0%	-8.6%	-11.5%

MEUR	2014		2013			2012			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
RevPAR	61.3	66.9	72.5	68.7	61.9	66.3	71.9	72.9	58.5
Revenue	211.4	236.0	227.4	248.9	207.1	240.6	237.3	238.9	206.9
EBITDAR	61.7	79.6	81.7	97.0	58.7	78.5	81.3	82.3	58.4
EBITDA	-0.8	25.8	22.8	34.9	-2.8	15.6	17.6	22.7	-5.0
EBIT	-8.5	12.9	15.1	26.2	-10.0	-8.7	8.6	11.7	-12.5
Profit/loss after Tax	-10.3	7.3	9.7	17.4	-11.2	-13.3	4.4	6.2	-14.1
EBITDAR Margin %	29.2%	33.7%	35.9%	39.0%	28.3%	32.6%	34.3%	34.4%	28.2%
EBITDA Margin %	0.4%	10.9%	10.0%	14.0%	-1.4%	6.5%	7.4%	9.5%	-2.4%
EBIT Margin %	-4.0%	5.5%	6.7%	10.5%	-4.8%	-3.6%	3.6%	4.9%	-6.0%

## Hotel and room openings and signings

	Openings		Signings	
	Hotels	Rooms	Hotels	Rooms
	Q1 2014	Q1 2014	Q1 2014	Q1 2014
<b>By region:</b>				
Nordics	1	190	-	-
Rest of Western Europe	1	121	1	168
Eastern Europe	4	903	1	140
Middle East, Africa & Others	-	-	4	698
<b>Total</b>	<b>6</b>	<b>1,214</b>	<b>6</b>	<b>1,006</b>
<b>By brand:</b>				
Radisson Blu	4	870	5	916
Park Inn by Radisson	2	344	1	90
<b>Total</b>	<b>6</b>	<b>1,214</b>	<b>6</b>	<b>1,006</b>
<b>By contract type:</b>				
Leased	-	-	-	-
Managed	3	612	5	866
Franchised	3	602	1	140
<b>Total</b>	<b>6</b>	<b>1,214</b>	<b>6</b>	<b>1,006</b>

- In Q1 2014, three hotels with 418 rooms have gone offline, resulting in a net opening of 798 rooms.

## Hotels and rooms in operation and under development (in pipeline)

	In operation				Under development			
	Hotels		Rooms		Hotels		Rooms	
	2014	2013	2014	2013	2014	2013	2014	2013
<b>31-Mar,</b>								
<b>By region:</b>								
Nordics	59	59	14,658	14,455	3	6	558	1,127
Rest of Western Europe	152	160	28,951	29,955	6	15	1,142	3,085
Eastern Europe	81	72	20,509	18,230	30	38	6,836	8,814
Middle East, Africa & Others	48	47	11,955	11,595	48	41	9,866	9,146
<b>Total</b>	<b>340</b>	<b>338</b>	<b>76,073</b>	<b>74,235</b>	<b>87</b>	<b>100</b>	<b>18,402</b>	<b>22,172</b>
<b>By brand:</b>								
Radisson Blu	222	219	53,720	52,273	49	46	11,485	11,506
Park Inn by Radisson	113	112	21,601	21,099	38	49	6,907	9,798
Others	5	7	752	863	-	5	10	868
<b>Total</b>	<b>340</b>	<b>338</b>	<b>76,073</b>	<b>74,235</b>	<b>87</b>	<b>100</b>	<b>18,402</b>	<b>22,172</b>
<b>By contract type:</b>								
Leased	70	68	17,537	16,626	-	-	-	101
Managed	179	182	40,445	40,207	80	91	17,073	20,203
Franchised	91	88	18,091	17,402	7	9	1,329	1,868
<b>Total</b>	<b>340</b>	<b>338</b>	<b>76,073</b>	<b>74,235</b>	<b>87</b>	<b>100</b>	<b>18,402</b>	<b>22,172</b>

## Definitions

### **Average Room Rate**

Average Room Rate – Rooms revenue in relation to number of rooms sold. This is also referred to as ARR (Average Room Rate), ADR (Average Daily Rate) or AHR (Average House Rate) in the hotel industry.

### **Central Costs**

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

### **Earnings per share**

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

### **EBIT**

Operating profit before net financial items and tax.

### **EBITDA**

Operating profit before depreciation and amortisation, costs due to termination/restructuring of contracts, gain on sale of shares and fixed assets, 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, gain on sale of shares and fixed assets, net financial items and tax.

### **FF&E**

Furniture, Fittings and Equipment.

### **L/L hotels**

Same hotels in operation during the previous period compared.

### **Net Cash/Debt**

Cash & cash equivalents plus short-term interest-bearing assets (with maturity within 3 months) minus interest-bearing liabilities (short-term & long-term).

### **Net Interest Bearing Assets/Liabilities**

Interest Bearing assets minus interest bearing liabilities.

### **Net working capital**

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

### **Occupancy (%)**

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

### **Revenue**

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

### **RevPAR**

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

### **RevPAR L/L**

RevPAR for L/L hotels at constant exchange rates.

### **System-wide revenue**

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

## Geographic regions/segments

### **Nordics (NO)**

Denmark, Finland, Iceland, Norway and Sweden.

### **Rest of Western Europe (ROWE)**

Austria, Belgium, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, the Netherlands, Portugal, Spain, Switzerland and the United Kingdom.

### **Eastern Europe (incl. CIS countries) (EE)**

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

### **Middle East, Africa and Others, (MEAO)**

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