

## January-September 2015

### Third Quarter 2015

- **Like-for-like (“L/L”) RevPAR for leased and managed hotels was up by 8.7%.** The growth, which is the highest since Q3 2010, is due to an increase in average room rate as well as higher occupancy.
- **Revenue increased by 8.6% to MEUR 261.4 (240.8).** The increase is mainly due to the strong RevPAR development. On a L/L basis Revenue increased by 8.4%.
- **EBITDA amounted to MEUR 35.8 (26.4) and the EBITDA margin increased to 13.7% (11.0).** The improvement is mainly due to the strong RevPAR development and a good flow through in the leased business.
- **EBIT amounted to MEUR 24.4 (17.3) and the EBIT margin was 9.3% (7.2).** The increase in EBITDA has been partly offset by higher depreciation, reflecting the increase in investments, as well as costs incurred in connection with the exit of a lease agreement in the Nordics.
- **Profit after tax amounted to MEUR 17.9 (11.3).**
- **Basic and diluted earnings per share were EUR 0.10 (0.07).**
- **2,300 (1,346) new rooms were contracted, 1,348 (586) new rooms opened and 0 (970) rooms left the system.**

### Nine months ended September 2015

- **L/L RevPAR was up by 5.0%.**
- **Revenue increased by 6.0% to MEUR 741.6 (699.3).** On a L/L basis Revenue increased by 4.6%.
- **EBITDA amounted to MEUR 68.6 (56.5) and the EBITDA margin increased to 9.3% (8.1).**
- **EBIT amounted to MEUR 35.0 (30.2) and the EBIT margin increased to 4.7% (4.3).**
- **Profit after tax amounted to MEUR 19.9 (15.1).**
- **Basic and diluted earnings per share were EUR 0.12 (0.10) and EUR 0.12 (0.09) respectively.**
- **Cash flow from operating activities amounted to MEUR 52.8 (23.1).**
- **7,071 (4,546) new rooms were contracted, 2,777 (2,595) new rooms opened and 1,152 (1,803) rooms left the system.**

MEUR	Q3 2015	Q3 2014	Jan-Sep 2015	Jan-Sep 2014
Revenue	261.4	240.8	741.6	699.3
EBITDA	35.8	26.4	68.6	56.5
EBIT	24.4	17.3	35.0	30.2
Profit for the period	17.9	11.3	19.9	15.1
EBITDA margin, %	13.7%	11.0%	9.3%	8.1%
EBIT margin, %	9.3%	7.2%	4.7%	4.3%

## Comments from the CEO

### Strong RevPAR growth, solid margin improvements and 100,000 rooms milestone reached



“The third quarter was marked by continued strong RevPAR development, positively influencing revenue and profitability. The EBITDA margin increased by 2.7 percentage points, underlining solid progress in the turnaround programme.

During the quarter we made further progress in pursuit of our focused growth strategy reaching the milestone of 100,000 rooms in operation and under development. Signings continued to see strong momentum: we contracted 2,300 rooms during the quarter and 7,100 rooms year-to-date, which is well above last year. Also openings were ahead of last year and included market entries in Congo and Mauritius as well as two openings in Russia, further solidifying our leading position in Eastern Europe.

The development of our new lifestyle select brand Radisson Red gained further momentum. Following the signing in Cape Town, South Africa, we contracted Europe’s first new built Radisson Red in Glasgow, UK, and Europe’s first conversion in Brussels, Belgium, is on track for an opening in April 2016. The brand has now ten hotels globally under development, two of which were signed after the end of the reporting period.

We continued to strengthen our organisation, reallocating resources for the creation of an expanded dedicated Africa area structure, underlining our commitment to this growth region. Rezidor has the largest pipeline on the continent and steadily delivers openings: three African hotels were opened in Q3 and eight year-to-date.

I am pleased with the performance of the business despite the fragile economic recovery. We continue to optimise our performance while facing uncertainties in some markets.”

Wolfgang M. Neumann, President & CEO

## Market RevPAR Development YTD Aug

Market RevPAR across Europe was up 7.6% (at constant exchange rates) for the first eight months of the year. The improvement was a result of a 4.6% increase in average room rate and a 2.9% increase in occupancy.

Eastern Europe reported the strongest RevPAR development (14.8%), with room rate and occupancy both driving the growth. The key drivers being the Czech Republic and Russia.

In the mature Western European markets the growth of 5.1% was also via both room rate and occupancy. All key markets experienced positive growth with the exception of Switzerland.

Northern Europe, 5.7%, followed the same pattern with growth via both room rate and occupancy. Ireland continued to lead the way. In the Nordics, the growth was led by Denmark and Sweden, with Norway only marginally above last year.

Trading in the Middle East and Africa was also positive, with RevPAR up 1.8% via improvements in room rate and occupancy. The development by country was mixed with Egypt leading the growth followed by Lebanon, but with other markets performing below last year, including Oman and the United Arab Emirates.

Sources: STR Global Ltd. © 2015 – European Hotel Review – Constant Currency Edition (August 2015); STR Global Ltd. © 2015 – Middle East/Africa Hotel Review – Constant Currency Edition (August 2015); Hotel | trends by Benchmarking | Alliance © 2015

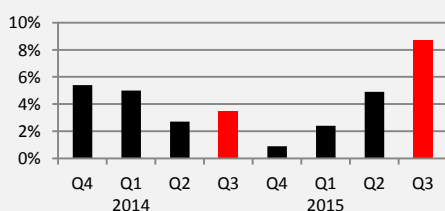
## Rezidor RevPAR Development Q3

L/L RevPAR for leased and managed hotels improved by 8.7% compared to last year, which is the highest since Q3 2010. The growth is almost equally split between room rate and occupancy. L/L RevPAR for leased hotels also increased by 8.7%.

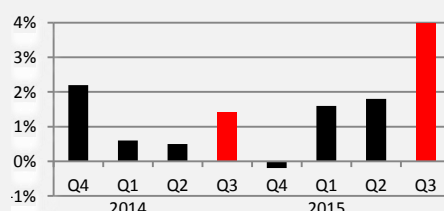
Three of the four regions reported L/L RevPAR growth over last year. The strongest development was in Eastern Europe, followed by Rest of Western Europe and the Nordics. The only region below last year was Middle East, Africa & Others. The key challenges in this region were in Saudi Arabia and the United Arab Emirates.

Reported RevPAR growth was 5.9%. It was negatively impacted by 1.1% due to FX and by 1.7% due to changes in the portfolio.

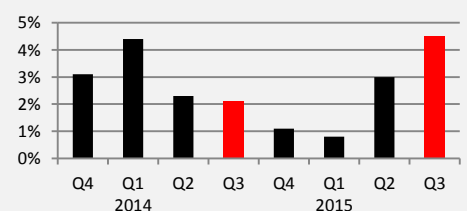
L/L RevPAR growth by quarter



L/L Occupancy growth by quarter



L/L Room Rates growth by quarter



## Income Statement

### Third quarter 2015

Total revenue increased by 8.6%, or MEUR 20.6, to MEUR 261.4 (240.8). The increase was mainly due to the strong RevPAR development and an increase in F&D revenue.

On a L/L basis revenue increased by 8.4%. L/L fee revenue includes a one-off income of MEUR 1.7 related to a re-negotiated management agreement.

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

MEUR	L/L	New	Out	FX	Change
Rooms Revenue	12.3	1.6	-0.6	0.1	13.4
F&D Revenue	1.6	0.8	-0.2	-0.2	2.0
Other Hotel Revenue	0.6	0.0	-0.6	0.2	0.2
<b>Total Leased Revenue</b>	<b>14.5</b>	<b>2.4</b>	<b>-1.4</b>	<b>0.1</b>	<b>15.6</b>
Fee Revenue	4.7	0.9	-1.0	-0.7	3.9
Other Revenue	1.1	-	-	0.0	1.1
<b>Total Revenue</b>	<b>20.3</b>	<b>3.3</b>	<b>-2.4</b>	<b>-0.6</b>	<b>20.6</b>

EBITDA increased by MEUR 9.4 to MEUR 35.8. The earnings were positively impacted by the strong RevPAR development, the one-off fee income mentioned above, improved F&D business and lower costs for management guarantee shortfalls. Furthermore, MEUR 0.6 lower net costs for the hotel closed for renovation in Lyon as well as the timing of marketing spend had a positive impact on EBITDA.

The net positive impact of the above mentioned factors was partly offset by increased central costs of MEUR 2.0.

Rent as a percentage of leased hotel revenue continued to improve and was 28.0% (29.2). FX had a negative impact of MEUR 0.3 on EBITDA.

EBIT increased by MEUR 7.1 to MEUR 24.4, due to the increase in EBITDA, but partly offset by higher depreciation costs and net write-downs of in total MEUR 1.3, as well as costs incurred in connection with the exit of a lease agreement in the Nordics of MEUR 1.1.

Profit after tax amounted to MEUR 17.9 compared to MEUR 11.3 last year.

The tax rate improved from 33.5% to 23.2%. This is mainly due to increased profitability in UK and France, countries in which we do not have any deferred tax assets recognised on tax losses carried forward.

### Nine months ended September 2015

Total revenue increased by 6.0%, or MEUR 42.3, to MEUR 741.6 (699.3). The increase was mainly due to the positive RevPAR development, the conversion of two hotels in Oslo from management contract to lease as from year-end 2014 and higher F&D revenue due to strengthened M&E business. FX had a positive impact on revenue of MEUR 5.5. The increase has been partly offset by rooms leaving the system.

On a L/L basis revenue increased by 4.6%.

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	20.1	4.4	-1.6	3.5	26.4
F&D Revenue	3.1	2.8	-0.5	0.9	6.3
Other Hotel Revenue	-0.5	0.1	-1.7	0.5	-1.6
<b>Total Leased Revenue</b>	<b>22.7</b>	<b>7.3</b>	<b>-3.8</b>	<b>4.9</b>	<b>31.1</b>
Fee Revenue	7.3	3.9	-3.0	0.6	8.8
Other Revenue	2.4	-	-	0.0	2.4
<b>Total Revenue</b>	<b>32.4</b>	<b>11.2</b>	<b>-6.8</b>	<b>5.5</b>	<b>42.3</b>

EBITDA increased by MEUR 12.1 to MEUR 68.6. The earnings were positively impacted by the RevPAR development and lower net costs of MEUR 3.3 for the hotel closed for renovation in Lyon.

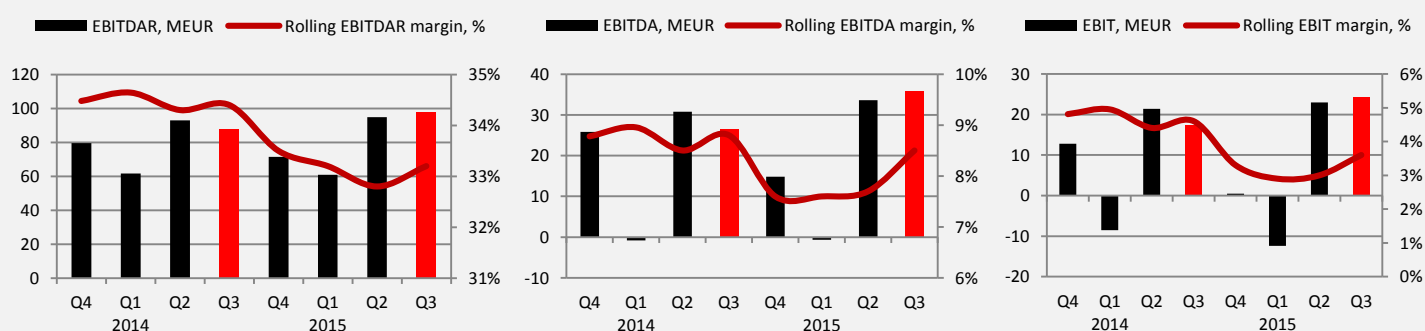
The positive impact of the RevPAR development and Lyon was partly offset by relatively weak conversion in Norway, increased central costs of MEUR 5.8, which is mainly due to higher accruals for variable remuneration, and changes in provisions for bad debts of MEUR 3.5. Furthermore, the central marketing costs increased by MEUR 2.8, mainly due to timing of activities.

Rent as a percentage of leased hotel revenue was 28.7% (29.7). FX had a positive impact of MEUR 0.3 on EBITDA.

EBIT increased by MEUR 4.8 to MEUR 35.0. The increase in EBITDA has been partly offset by increased costs for depreciation and net write-downs of in total MEUR 6.2 and termination costs of MEUR 1.1.

Profit after tax amounted to MEUR 19.9 compared to MEUR 15.1 last year.

The tax rate improved from 47.9% to 40.9%, mainly due to increased profitability in UK and France.



## Q3 Comments by Region

### Nordics

MEUR	Q3 2015	Q3 2014	Change
L/L RevPAR, EUR	102.3	93.7	9.2%
Total Revenue	111.7	109.1	2.4%
EBITDA	15.7	13.9	12.9%
EBITDA margin, %	14.1%	12.7%	1.4 pp
EBIT	8.0	9.3	-14.0%
EBIT margin, %	7.2%	8.5%	-1.3 pp

L/L RevPAR increased by 9.2% via room rate and occupancy growth. All three key countries in the region were ahead of last year with Sweden (21.8%) leading the way linked to events in Stockholm.

Total revenue increased by MEUR 2.6 (or 2.4%) compared to last year, mainly due to the L/L RevPAR development and the conversion of two hotels in Oslo from managed to lease, but to a great extent offset by the weakening of the Norwegian krona.

The increase in EBITDA margin of 1.4 percentage point is mainly due to good flow-through in Sweden.

EBIT decreased by MEUR 1.3, due to increased depreciation costs, write-downs of MEUR 2.0 and termination costs of MEUR 1.1.

### Rest of Western Europe

MEUR	Q3 2015	Q3 2014	Change
L/L RevPAR, EUR	97.3	89.0	9.4%
Total Revenue	133.0	115.5	15.2%
EBITDA	21.8	11.6	87.9%
EBITDA margin, %	16.4%	10.0%	6.4 pp
EBIT	18.3	7.2	154.2%
EBIT margin, %	13.8%	6.2%	7.6 pp

L/L RevPAR grew by 9.4% via room rate and occupancy growth. The key drivers were the Netherlands (17.1%), Ireland (16.8%) and France (14.6%), with all other key markets also reporting RevPAR growth.

Total revenue grew by MEUR 17.5 (or 15.2%) compared to last year, mainly due to the strong L/L RevPAR development, the appreciation of the British Pound and an one-off fee income of MEUR 1.7.

The increase in EBIT of MEUR 11.1 is mainly due to the strong increase in revenue and that the results for the hotel closed for renovation in Lyon improved by MEUR 0.9 compared to last year due to lower net costs. EBIT is also positively impacted by net reversals of write-downs of MEUR 0.9.

### Eastern Europe

MEUR	Q3 2015	Q3 2014	Change
L/L RevPAR, EUR	63.9	54.4	17.4%
Total Fee Revenue	10.6	10.4	1.9%
EBITDA	7.5	7.7	-2.6%
EBITDA margin, %	70.8%	74.0%	-3.2 pp
EBIT	7.4	7.6	-2.6%
EBIT margin, %	69.8%	73.1%	-3.3 pp

L/L RevPAR improved by 17.4% via room rate and occupancy. Russia led the way (32.0%) linked to events in key cities and increased domestic travel (a result of the current political situation), followed by Poland (9.4%).

Fee revenue increased by MEUR 0.2 (or 1.9%). The positive impact of the strong L/L RevPAR development has been offset by the weakening of the Ruble.

EBITDA and EBIT margins were broadly in line with last year.

### Middle East, Africa and Others

MEUR	Q3 2015	Q3 2014	Change
L/L RevPAR, EUR	58.1	60.6	-4.2%
Total Fee Revenue	6.1	5.8	5.2%
EBITDA	3.6	4.0	-10.0%
EBITDA margin, %	59.0%	69.0%	-10.0 pp
EBIT	3.5	4.0	-12.5%
EBIT margin, %	57.4%	69.0%	-11.6 pp

L/L RevPAR decreased by 4.2% as the decline in occupancy was higher than the increase in room rates. The country level performance continued to be a mix of results. The key market South Africa showed growth (11.4%), but there were challenges in other key markets like Saudi Arabia (-10.3%) and the United Arab Emirates (-2.9%).

The increase in fee revenue of MEUR 0.3 (or 5.2%) is mainly due to new openings and favourable FX development.

Despite a small increase in fee revenue EBIT decreased by MEUR 0.5 compared to last year due to net negative changes in provisions for bad debts.

### Central costs

Central costs for the quarter amounted to MEUR 12.8 and were MEUR 2.0 higher than last year. The increase is mainly due to higher accruals for variable salaries compared to last year.

## Comments to the Balance Sheet

Non-current assets increased by MEUR 10.5 from year-end 2014 and amounted to MEUR 260.6. The increase is mainly related to investments in tangible assets (MEUR 45.5), partly offset by depreciation and write downs (MEUR 32.5) and a decrease in deferred tax assets.

Net working capital, excluding cash and cash equivalents, but including current tax assets and liabilities, was MEUR -45.4 at the end of the period compared to MEUR -42.3 at year-end 2014. The change is mainly explained by an increase in accrued expenses, partly offset by an increase in prepaid expenses and accrued income.

Cash and cash equivalents increased by MEUR 1.8 from year-end 2014 to MEUR 37.3 at the end of the period.

Compared to year-end 2014, equity increased by MEUR 12.2 to MEUR 231.6, mainly due to the profit for the period partly offset by the dividend distributed in Q2.

The increase in assets classified as held for sale of MEUR 3.9 and the addition of liabilities classified as held for sale of MEUR 4.4 is primarily due to the expected sale of a leased property in the Nordics.

MEUR	30-Sep 15	31-Dec 14
Balance sheet total	467.5	427.5
Net working capital	-45.4	-42.3
Net cash (net debt)	37.3	35.5
Equity	231.6	219.4

## Cash Flow and Liquidity

Cash flow from operations (before change in working capital) amounted to MEUR 57.1, an increase of MEUR 14.6 and mainly due to the improved EBITDA.

Cash flow from change in working capital amounted to MEUR -4.3, compared to -19.4 last year. The change is mainly related to accounts receivables and accruals.

Cash flow used in investing activities was MEUR 15.2 higher compared to last year, and amounted to a net of MEUR -45.9, reflecting the increased net capex spend in the leased business.

Cash flow from financing activities amounted to MEUR -5.2 (42.1), reflecting the dividend paid out earlier in the year. Last year's numbers included a rights issue of MEUR 58.5.

At the end of the quarter, Rezidor had MEUR 37.3 in cash and cash equivalents. The total credit facilities available for use at the end of the quarter amounted to MEUR 200.0. MEUR 0.8 was used for bank guarantees, leaving MEUR 199.2 in available credit for use. The committed credit facilities have a tenor of up to four years and carry customary covenants.

Net interest bearing assets amounted to MEUR 49.3 (46.3 at year-end 2014).

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 37.3 (35.5 at year-end 2014).

MEUR	Jan-Sep 15	Jan-Sep 14
Cash flow before working capital changes	57.1	42.5
Change in working capital	-4.3	-19.4
Cash flow from investing activities	-45.9	-30.7
<b>Free cash flow</b>	<b>6.9</b>	<b>-7.6</b>

## Subsequent Events

There are no significant events after the end of the reporting period.

## 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 2014. 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, 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 is active in an industry with seasonal variations. Sales and profits vary by quarter and the first quarter is generally the weakest. The timing of Easter can have a significant impact on Earnings when comparing to the equivalent period for the previous year. For quarterly revenue and margins, see table on page 17.

## Sensitivity Analysis

With the current business model and portfolio mix Rezidor estimates that a EUR 1 RevPAR variation would result in a MEUR 6-8 change in EBITDA. Future cash flow projections related to leases or management agreements with performance guarantees are sensitive to changes in discount rates, occupancy and room rate assumptions. Changes in such assumptions may lead to a renewed assessment of the value of certain assets and the risk for loss making contracts.

## Auditors' review

The report has not been subject to review by the auditors.

## Presentation of the Q3 Results

On October 22, 2015 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](http://www.investor.rezidor.com).

To access the telephone conference, please dial:

Belgium, Local	+32 (0)2 404 0660
Belgium, Free	0800 58033
Sweden, Local:	+46(0)8 5051 3793
Sweden, Free:	0200 883 440
UK, Local:	+44(0)20 3427 1906
UK, Free:	0800 279 4992
USA, Local:	+1 646 254 3362
USA, Free:	1877 280 2296
France, Local:	+33(0)1 76 77 22 29
France, Free:	0805 631 580

Confirmation code: 7472788. For a replay of the conference call please visit [www.investor.rezidor.com](http://www.investor.rezidor.com).

## Financial Calendar

Q4 2015 results: February 16, 2016  
Q1 2016 results: April 21, 2016  
AGM 2016: April 21, 2016

## For Further Information, Contact

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

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

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

Website: [www.rezidor.com](http://www.rezidor.com)

## About the Rezidor Hotel Group

The Rezidor Hotel Group is focused on hotel management and operates the core brands Radisson Blu and Park Inn by Radisson. In February 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 457 hotels with over 100,000 rooms in operation and under development in 80 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](http://www.rezidor.com).

This quarterly report comprises information which Rezidor Hotel Group AB (publ) is required to disclose under the Securities Markets Act and/or the Financial Instruments Trading Act. It was released for publication at 07:30 Central European Time on October 22, 2015.

Stockholm October 22, 2015

Wolfgang M. Neumann  
President & CEO  
Rezidor Hotel Group AB

## Condensed Consolidated Statement of Operations

MEUR	Q3 2015	Q3 2014	Jan-Sep 2015	Jan-Sep 2014
Revenue	261.4	240.8	741.6	699.3
F&D and other related expenses	-14.5	-13.6	-41.9	-40.7
Personnel cost and contract labour	-83.2	-78.8	-253.1	-240.7
Other operating expenses	-61.7	-57.1	-181.1	-164.5
Insurance of properties and property tax	-4.3	-3.6	-12.2	-11.0
<b>Operating profit before rental expense, share of income in associates and depreciation and amortisation of fixed assets (EBITDAR)</b>	<b>97.7</b>	<b>87.7</b>	<b>253.3</b>	<b>242.4</b>
Rental expenses	-62.0	-61.4	-184.8	-185.2
Share of income in associates and joint ventures	0.1	0.1	0.1	-0.7
<b>Operating profit before depreciation and amortisation (EBITDA)</b>	<b>35.8</b>	<b>26.4</b>	<b>68.6</b>	<b>56.5</b>
Depreciation and amortisation	-9.2	-8.3	-27.5	-23.8
Write-downs and reversals of write-downs	-1.1	-0.8	-5.0	-2.5
Costs due to termination of contracts	-1.1	-	-1.1	-
<b>Operating profit (EBIT)</b>	<b>24.4</b>	<b>17.3</b>	<b>35.0</b>	<b>30.2</b>
Financial income	-0.8	0.2	0.7	0.5
Financial expenses	-0.3	-0.5	-2.0	-1.7
<b>Profit before tax</b>	<b>23.3</b>	<b>17.0</b>	<b>33.7</b>	<b>29.0</b>
Income tax	-5.4	-5.7	-13.8	-13.9
<b>Profit for the period</b>	<b>17.9</b>	<b>11.3</b>	<b>19.9</b>	<b>15.1</b>
<b>Attributable to:</b>				
Owners of the parent company	17.9	11.3	19.9	15.1
Non-controlling interests	-	-	-	-
<b>Profit for the period</b>	<b>17.9</b>	<b>11.3</b>	<b>19.9</b>	<b>15.1</b>
Basic average no. of shares outstanding	170,707,719	170,707,719	170,707,719	157,755,014
Diluted average no. of shares outstanding	173,448,943	172,552,774	172,718,703	159,320,095
<b>Earnings per share, in EUR</b>				
Basic	0.10	0.07	0.12	0.10
Diluted	0.10	0.07	0.12	0.09

## Consolidated Statement of Comprehensive Income

<b>Profit for the period</b>	<b>17.9</b>	<b>11.3</b>	<b>19.9</b>	<b>15.1</b>
<b>Other comprehensive income:</b>				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Actuarial gains and losses	0.2	-1.7	0.2	-1.7
Tax on actuarial gains and losses	-0.1	0.6	-0.1	0.6
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translation of foreign operations	-3.5	2.2	-3.3	0.7
Tax on exchange differences	0.4	0.1	0.3	0.1
Fair value gains and losses on cash flow hedges	0.6	-0.1	-0.0	-0.5
Tax on fair value gains and losses on cash flow hedges	-0.1	0.0	0.0	0.1
<b>Other comprehensive income for the period, net of tax</b>	<b>-2.5</b>	<b>1.1</b>	<b>-2.9</b>	<b>-0.7</b>
<b>Total comprehensive income for the period</b>	<b>15.4</b>	<b>12.4</b>	<b>17.0</b>	<b>14.4</b>
<b>Attributable to:</b>				
Owners of the parent company	15.4	12.4	17.0	14.4
Non-controlling interests	-	-	-	-

## Condensed Consolidated Balance Sheet Statements

MEUR	30-Sep 2015	31-Dec 2014
<b>ASSETS</b>		
Intangible assets	65.6	68.3
Tangible assets	152.9	137.1
Investments in associated companies and joint ventures	2.5	2.5
Other shares and participations	5.2	5.2
Other long-term receivables	12.2	10.0
Deferred tax assets	22.2	27.0
<b>Total non-current assets</b>	<b>260.6</b>	<b>250.1</b>
Inventories	5.1	5.1
Other current receivables	144.7	120.4
Derivative financial instruments	0.4	0.5
Other short term investments	3.5	3.9
Cash and cash equivalents	37.3	35.5
Assets classified as held for sale	15.9	12.0
<b>Total current assets</b>	<b>206.9</b>	<b>177.4</b>
<b>TOTAL ASSETS</b>	<b>467.5</b>	<b>427.5</b>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to equity holders of the parent	231.6	219.4
Non-controlling interests	0.0	0.0
<b>Total equity</b>	<b>231.6</b>	<b>219.4</b>
Deferred tax liabilities	15.1	16.5
Retirement benefit obligations	5.8	5.7
Other long-term liabilities	17.7	19.3
<b>Total non-current liabilities</b>	<b>38.6</b>	<b>41.5</b>
Derivative financial instruments	0.2	0.1
Other current liabilities	192.7	166.5
Liabilities classified as held for sale	4.4	-
<b>Total current liabilities</b>	<b>197.3</b>	<b>166.6</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>467.5</b>	<b>427.5</b>
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
<b>Opening balance as of January 1, 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>
Profit for the period	-	-	-	15.1	15.1	-	15.1
<i>Other comprehensive income:</i>							
Actuarial gains and losses on defined benefit plans	-	-	-	-1.7	-1.7	-	-1.7
Tax on actuarial gains and losses on defined benefit plans	-	-	-	0.6	0.6	-	0.6
Currency differences on translation of foreign operations	-	-	0.7	-	0.7	-	0.7
Tax on exchange differences recognised in other comprehensive income	-	-	0.1	-	0.1	-	0.1
Cash flow hedges	-	-	-0.5	-	-0.5	-	-0.5
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>14.0</b>	<b>14.4</b>	<b>-</b>	<b>14.4</b>
<i>Transactions with owners:</i>							
Rights issue (incl. transaction costs*)	1.6	56.8	-	-	58.4	-	58.4
Long term incentive plan	-	-	-	-0.2	-0.2	-	-0.2
<b>Ending balance as of September 30, 2014</b>	<b>11.6</b>	<b>177.1</b>	<b>11.6</b>	<b>27.3</b>	<b>227.6</b>	<b>0.0</b>	<b>227.6</b>
<b>Opening balance as of January 1, 2015</b>	<b>11.6</b>	<b>177.1</b>	<b>6.2</b>	<b>24.5</b>	<b>219.4</b>	<b>0.0</b>	<b>219.4</b>
Profit for the period	-	-	-	19.9	19.9	-	19.9
<i>Other comprehensive income:</i>							
Actuarial gains and losses on defined benefit plans	-	-	-	0.2	0.2	-	0.2
Tax on actuarial gains and losses on defined benefit plans	-	-	-	-0.1	-0.1	-	-0.1
Currency differences on translation of foreign operations	-	-	-3.3	-	-3.3	-	-3.3
Tax on exchange differences recognised in other comprehensive income	-	-	0.3	-	0.3	-	0.3
Cash flow hedges	-	-	-0.0	-	-0.0	-	-0.0
Tax on cash flow hedges	-	-	0.0	-	0.0	-	0.0
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-3.0</b>	<b>20.0</b>	<b>17.0</b>	<b>-</b>	<b>17.0</b>
<i>Transactions with owners:</i>							
Dividend	-	-	-	-5.1	-5.1	-	-5.1
Long term incentive plan	-	-	-	0.3	0.3	-	0.3
<b>Ending balance as of September 30, 2015</b>	<b>11.6</b>	<b>177.1</b>	<b>3.2</b>	<b>39.7</b>	<b>231.6</b>	<b>0.0</b>	<b>231.6</b>

\*) Total transaction costs amount to MEUR 1.2

## Condensed Consolidated Statement of Cash Flow

MEUR	Q3 2015	Q3 2014	Jan-Sep 2015	Jan-Sep 2014
<b>Operating profit (EBIT)</b>	<b>24.4</b>	<b>17.3</b>	<b>35.0</b>	<b>30.2</b>
Non-cash items	10.5	9.1	32.9	24.9
Interest, taxes paid and other cash items	-3.7	-1.6	-10.8	-12.6
Change in working capital	-1.0	-2.5	-4.3	-19.4
<b>Cash flow from operating activities</b>	<b>30.2</b>	<b>22.3</b>	<b>52.8</b>	<b>23.1</b>
Purchase of intangible assets	-0.2	-0.1	-0.8	-0.2
Purchase of tangible assets	-17.3	-15.6	-45.2	-32.1
Investments in subsidiaries	-	-	0.4	-
Other investments/divestments	0.2	-1.3	-0.3	1.6
<b>Cash flow from investing activities</b>	<b>-17.3</b>	<b>-17.0</b>	<b>-45.9</b>	<b>-30.7</b>
Rights issue	-	-0.1	-	58.5
Dividend	-	-	-5.1	-
External financing, net	-1.6	-0.9	-0.1	-16.4
<b>Cash flow from financing activities</b>	<b>-1.6</b>	<b>-1.0</b>	<b>-5.2</b>	<b>42.1</b>
<b>Cash flow for the period</b>	<b>11.3</b>	<b>4.3</b>	<b>1.7</b>	<b>34.5</b>
Effects of exchange rate changes on cash and cash equivalents	-0.1	0.0	0.1	0.0
<b>Cash and cash equivalents at beginning of the period</b>	<b>26.1</b>	<b>37.1</b>	<b>35.5</b>	<b>6.9</b>
<b>Cash and cash equivalents at end of the period</b>	<b>37.3</b>	<b>41.4</b>	<b>37.3</b>	<b>41.4</b>

## Parent Company, Condensed Statement of Operations

MEUR	Q3 2015	Q3 2014	Jan-Sep 2015	Jan-Sep 2014
Revenue	1.7	1.6	5.0	4.6
Personnel cost and contract labour	-1.2	-1.0	-3.6	-3.1
Other operating expenses	-2.8	-2.5	-8.0	-7.1
<b>Operating profit/loss before depreciation and amortisation (EBITDA)</b>	<b>-2.3</b>	<b>-1.9</b>	<b>-6.6</b>	<b>-5.6</b>
Depreciation and amortisation	0.0	-0.1	-0.2	-0.4
<b>Operating profit/loss (EBIT)</b>	<b>-2.3</b>	<b>-2.0</b>	<b>-6.8</b>	<b>-6.0</b>
Financial income	10.6	3.7	14.6	9.3
Financial expense	-0.2	-0.0	-0.2	-0.3
<b>Profit/loss before tax</b>	<b>8.1</b>	<b>1.7</b>	<b>7.6</b>	<b>3.0</b>
Income tax	-1.8	-0.4	-1.7	-0.7
<b>Profit/loss for the period</b>	<b>6.3</b>	<b>1.3</b>	<b>5.9</b>	<b>2.3</b>

## Parent Company, Statement of Comprehensive Income

<b>Profit/loss for the period</b>	<b>6.3</b>	<b>1.3</b>	<b>5.9</b>	<b>2.3</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>6.3</b>	<b>1.3</b>	<b>5.9</b>	<b>2.3</b>

## Parent Company, Condensed Balance Sheet Statements

MEUR	30-Sep 2015	31-Dec 2014
<b>ASSETS</b>		
Intangible assets	0.1	0.1
Tangible assets	0.1	0.2
Shares in subsidiaries	233.3	233.0
Deferred tax assets	-	0.3
<b>Total non-current assets</b>	<b>233.5</b>	<b>233.6</b>
Current receivables	59.1	55.4
<b>Total current assets</b>	<b>59.1</b>	<b>55.4</b>
<b>TOTAL ASSETS</b>	<b>292.6</b>	<b>289.0</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>	<b>287.4</b>	<b>286.3</b>
Current liabilities	5.2	2.7
<b>Total current liabilities</b>	<b>5.2</b>	<b>2.7</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>292.6</b>	<b>289.0</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 January 1, 2014</b>	<b>10.0</b>	<b>197.3</b>	<b>4.1</b>	<b>211.4</b>
Total comprehensive income for the period	-	-	2.3	<b>2.3</b>
<i>Transactions with owners:</i>				
Rights issue (incl. transaction costs*)	1.6	56.8	-	<b>58.4</b>
Long term incentive plan	-	-	-0.2	<b>-0.2</b>
<b>Ending balance as of September 30, 2014</b>	<b>11.6</b>	<b>254.1</b>	<b>6.2</b>	<b>271.9</b>
<b>Opening balance as of January 1, 2015</b>	<b>11.6</b>	<b>254.1</b>	<b>20.6</b>	<b>286.3</b>
Total comprehensive income for the period	-	-	5.9	<b>5.9</b>
<i>Transactions with owners:</i>				
Dividend	-	-	-5.1	<b>-5.1</b>
Long term incentive plan	-	-	0.3	<b>0.3</b>
<b>Ending balance as of September 30, 2015</b>	<b>11.6</b>	<b>254.1</b>	<b>21.7</b>	<b>287.4</b>

\*) Total transaction costs amount to MEUR 1.2

### 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 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 Q3 2015 and YTD 2015 the intercompany revenue of the Parent Company amounted to MEUR 1.6 (1.5) and MEUR 4.8 (4.4) respectively. The intercompany costs in Q3 2015 and YTD 2015 amounted to MEUR 1.8 (1.6) and MEUR 5.2 (4.6) respectively.

The increase in profit before tax of MEUR 6.4 and MEUR 4.6 in Q3 2015 and YTD 2015, respectively, is mainly due to an increase in received group contributions.

### Comments on the Balance Sheet

At the end of the quarter the intercompany receivables amounted to MEUR 58.8 (55.2) and the intercompany liabilities to MEUR 0.7 (0.1). The change in current assets and current liabilities since year end 2014 is mainly related to changes in intercompany balances and income tax liability, respectively.

### 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, 2014, except for the impact of the adoption of the standards and interpretations described below.

IFRIC 21 is a new interpretation on Levies. Furthermore, there have been amendments to IFRS 1, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24, IAS 38 and IAS 40. The new interpretation and the amendments have had no impact on the reported results or financial position of the Group.

### **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, 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. 19 other members of management participate in the programme, entitling them to a maximum of 209,384 shares in total.

The total value of the 2014 programme at grant date, 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. 26 other members of management participate in the programme, entitling them to a maximum of 418,051 shares in total.

The total value of the 2015 programme at grant date, including social security costs, amounted to MEUR 5.0.

The net costs recognised in the income statement during Q3 2015 in accordance with IFRS 2 for the three incentive programmes 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 2.1% of all registered shares. The average number of its own shares held by the company during Q3 and YTD 2015 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. On September 30, 2015 Rezidor had no receivables related to Carlson (none as at December 31, 2014) and ordinary current liabilities of MEUR 1.7 (1.5 as at December 31, 2014). The business relationship with Carlson mainly consisted of operating costs related to the use of the brands and the use of the Carlson reservation system. During Q3 2015, Rezidor had operating costs towards Carlson of MEUR 5.2 (4.1).

Carlson also charged MEUR 4.3 (4.4) for points earned in the Loyalty programme Club Carlson and reimbursed MEUR 2.2 (2.1) for points redeemed. Furthermore, Carlson recharged MEUR 2.6 (2.9) 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 0.1 (0.1). For these specific commissions Rezidor had current liabilities of MEUR 0.1 (0.0 as at December 31, 2014).

Carlson and Rezidor are also cooperating in various other areas, such as global sales, brand websites, revenue optimisation tools and purchasing. During Q3 2015 Rezidor had revenue towards Carlson of MEUR 0.4 (0.2) and costs of MEUR 0.2 (0.2) related to these cost sharing arrangements.

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

<b>Asset pledged, MEUR</b>	<b>30-Sep 2015</b>	<b>31-Dec 2014</b>
Securities on deposits (restricted accounts)	3.1	3.9
<b>Contingent liabilities, MEUR</b>	<b>30-Sep 2015</b>	<b>31-Dec 2014</b>
Guarantees provided	0.8	1.2

## RevPAR Development by Brand (Leased & Managed Hotels)

In EUR	L/L Occupancy		L/L Average Room Rates		L/L RevPAR		Reported RevPAR	
	Q3 2015	vs. 2014	Q3 2015	vs. 2014	Q3 2015	vs. 2014	Q3 2015	vs. 2014
Radisson Blu	74.5%	1.9 pp	118.6	5.9%	88.4	8.7%	85.8	6.4%
Park Inn by Radisson	76.9%	6.1 pp	69.3	0.9%	53.3	9.6%	50.4	6.1%
<b>Group</b>	<b>75.0%</b>	<b>2.9 pp</b>	<b>106.7</b>	<b>4.5%</b>	<b>80.0</b>	<b>8.7%</b>	<b>77.0</b>	<b>5.9%</b>

	Jan-Sep 2015		vs. 2014		Jan-Sep 2015		vs. 2014	
	Q3 2015	vs. 2014	Q3 2015	vs. 2014	Q3 2015	vs. 2014	Q3 2015	vs. 2014
Radisson Blu	69.7%	0.8 pp	118.0	3.5%	82.2	4.7%	80.9	4.7%
Park Inn by Radisson	68.5%	3.0 pp	71.7	3.2%	49.1	8.0%	47.4	8.3%
<b>Group</b>	<b>69.3%</b>	<b>1.3 pp</b>	<b>107.3</b>	<b>3.0%</b>	<b>74.4</b>	<b>5.0%</b>	<b>72.7</b>	<b>5.5%</b>

## RevPAR Development by Region (Leased & Managed Hotels)

In EUR	L/L Occupancy		L/L Average Room Rates		L/L RevPAR		Reported RevPAR	
	Q3 2015	vs. 2014	Q3 2015	vs. 2014	Q3 2015	vs. 2014	Q3 2015	vs. 2014
Nordics	80.2%	4.2 pp	127.6	3.5%	102.3	9.2%	96.7	1.5%
Rest of Western Europe	82.4%	2.5 pp	118.1	6.0%	97.3	9.4%	101.8	15.8%
Eastern Europe	73.8%	7.9 pp	86.6	5.0%	63.9	17.4%	52.3	-0.7%
Middle East, Africa & Others	60.8%	-4.5 pp	95.5	2.9%	58.1	-4.2%	62.7	3.3%
<b>Group</b>	<b>75.0%</b>	<b>2.9 pp</b>	<b>106.7</b>	<b>4.5%</b>	<b>80.0</b>	<b>8.7%</b>	<b>77.0</b>	<b>5.9%</b>

	Jan-Sep 2015		vs. 2014		Jan-Sep 2015		vs. 2014	
	Q3 2015	vs. 2014	Q3 2015	vs. 2014	Q3 2015	vs. 2014	Q3 2015	vs. 2014
Nordics	73.1%	0.1 pp	131.4	3.3%	96.1	3.5%	90.2	-1.2%
Rest of Western Europe	76.3%	2.0 pp	114.5	4.9%	87.4	7.7%	90.9	14.6%
Eastern Europe	63.1%	4.2 pp	88.1	3.4%	55.6	10.8%	46.0	-3.8%
Middle East, Africa & Others	64.1%	-2.8 pp	98.7	-0.6%	63.3	-4.7%	72.0	7.8%
<b>Group</b>	<b>69.3%</b>	<b>1.3 pp</b>	<b>107.3</b>	<b>3.0%</b>	<b>74.4</b>	<b>5.0%</b>	<b>72.7</b>	<b>5.5%</b>

## RevPAR Development by Region (Leased Hotels)

In EUR	L/L Occupancy		L/L Average Room Rates		L/L RevPAR		Reported RevPAR	
	Q3 2015	vs. 2014	Q3 2015	vs. 2014	Q3 2015	vs. 2014	Q3 2015	vs. 2014
Nordics	80.5%	3.3 pp	127.1	3.6%	102.4	7.9%	94.9	0.0%
Rest of Western Europe	81.2%	3.1 pp	114.7	5.1%	93.1	9.3%	98.2	15.5%
<b>Group</b>	<b>80.9%</b>	<b>3.2 pp</b>	<b>120.5</b>	<b>4.4%</b>	<b>97.5</b>	<b>8.7%</b>	<b>96.6</b>	<b>7.8%</b>

	Jan-Sep 2015		vs. 2014		Jan-Sep 2015		vs. 2014	
	Q3 2015	vs. 2014	Q3 2015	vs. 2014	Q3 2015	vs. 2014	Q3 2015	vs. 2014
Nordics	72.8%	-0.3 pp	129.2	2.7%	94.0	2.3%	88.2	-4.1%
Rest of Western Europe	75.4%	2.1 pp	112.8	4.7%	85.1	7.8%	90.0	14.3%
<b>Group</b>	<b>74.2%</b>	<b>1.0 pp</b>	<b>120.3</b>	<b>3.6%</b>	<b>89.3</b>	<b>5.0%</b>	<b>89.1</b>	<b>5.1%</b>

## RevPAR Development – Like-for-like to Reported

RevPAR	Q3 2015	Jan-Sep 2015
L/L growth	8.7%	5.0%
FX impact	-1.1%	0.2%
Units out or closed for renovation	0.7%	1.7%
New openings	-2.4%	-1.4%
Reported growth	5.9%	5.5%

## Revenue per Area of Operation

MEUR	Q3 2015	Q3 2014	Change %	Jan-Sep 2015	Jan-Sep 2014	Change %
Rooms revenue	155.9	142.5	9.4%	426.9	400.5	6.6%
F&D revenue	59.0	57.0	3.5%	188.6	182.3	3.5%
Other hotel revenue	7.7	7.5	2.7%	21.0	22.6	-7.1%
<b>Total hotel revenue (leased)</b>	<b>222.6</b>	<b>207.0</b>	<b>7.5%</b>	<b>636.5</b>	<b>605.4</b>	<b>5.1%</b>
Fee revenue (managed & franchised)	33.6	29.7	13.1%	91.0	82.2	10.7%
Other revenue	5.2	4.1	26.8%	14.1	11.7	20.5%
<b>Total revenue</b>	<b>261.4</b>	<b>240.8</b>	<b>8.6%</b>	<b>741.6</b>	<b>699.3</b>	<b>6.0%</b>

## Total Fee Revenue

MEUR	Q3 2015	Q3 2014	Change %	Jan-Sep 2015	Jan-Sep 2014	Change %
Management Fees	9.7	9.1	6.6%	26.9	25.5	5.5%
Incentive Fees	7.7	7.5	2.7%	21.7	19.8	9.6%
Franchise Fees	3.1	2.7	14.8%	8.0	7.2	11.1%
Other Fees (incl. marketing, reservation fee etc.)	13.1	10.4	26.0%	34.4	29.7	15.8%
<b>Total fee revenue</b>	<b>33.6</b>	<b>29.7</b>	<b>13.1%</b>	<b>91.0</b>	<b>82.2</b>	<b>10.7%</b>

## Revenue per Region

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Other		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Leased	105.6	103.4	117.0	104.2	-	-	-	-	222.6	207.6
Managed	0.7	0.8	11.1	8.2	9.3	9.0	6.1	5.8	27.2	23.8
Franchised	2.1	1.9	2.9	2.6	1.3	1.4	-	-	6.3	5.9
Other	3.3	3.0	2.0	0.5	-	-	-	-	5.3	3.5
<b>Total</b>	<b>111.7</b>	<b>109.1</b>	<b>133.0</b>	<b>115.5</b>	<b>10.6</b>	<b>10.4</b>	<b>6.1</b>	<b>5.8</b>	<b>261.4</b>	<b>240.8</b>

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Other		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Leased	310.5	312.7	326.0	292.7	-	-	-	-	636.5	605.4
Managed	1.8	1.7	25.7	22.0	23.3	24.0	22.8	18.9	73.6	66.6
Franchised	5.9	5.4	7.6	7.4	3.9	2.8	-	-	17.4	15.6
Other	9.1	8.3	5.0	3.4	-	-	-	-	14.1	11.7
<b>Total</b>	<b>327.3</b>	<b>328.1</b>	<b>364.3</b>	<b>325.5</b>	<b>27.2</b>	<b>26.8</b>	<b>22.8</b>	<b>18.9</b>	<b>741.6</b>	<b>699.3</b>

## Rental Expenses

MEUR	Q3 2015	Q3 2014	Change %	Jan-Sep 2015	Jan-Sep 2014	Change %
Fixed rent	50.0	49.8	0.4%	149.6	149.4	0.1%
Variable rent	12.3	10.8	13.9%	33.2	30.6	8.5%
<b>Rent</b>	<b>62.3</b>	<b>60.6</b>	<b>2.8%</b>	<b>182.8</b>	<b>180.0</b>	<b>1.6%</b>
Rent as a % of leased hotel revenue	28.0%	29.2%	-1.2 pp	28.7%	29.7%	-1.0 pp
Shortfall guarantees <sup>1)</sup>	-0.3	0.8	-137.5%	2.0	5.2	-61.5%
<b>Rental expenses</b>	<b>62.0</b>	<b>61.4</b>	<b>1.0%</b>	<b>184.8</b>	<b>185.2</b>	<b>-0.2%</b>

1) Shortfall guarantees also include changes in provisions for onerous contracts

## 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	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Leased	10.8	10.4	11.2	5.2	-	-	-	-	-	-	22.0	15.6
Managed	0.5	0.2	9.1	5.2	6.9	6.9	3.5	4.0	-	-	20.0	16.3
Franchised	1.3	1.0	1.5	1.2	0.6	0.8	-	-	-	-	3.4	3.0
Other <sup>1)</sup>	3.1	2.3	-	-	-	-	0.1	-	-	-	3.2	2.3
Central costs	-	-	-	-	-	-	-	-	-12.8	-10.8	-12.8	-10.8
<b>Total</b>	<b>15.7</b>	<b>13.9</b>	<b>21.8</b>	<b>11.6</b>	<b>7.5</b>	<b>7.7</b>	<b>3.6</b>	<b>4.0</b>	<b>-12.8</b>	<b>-10.8</b>	<b>35.8</b>	<b>26.4</b>

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Central costs		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Leased	25.2	29.7	19.8	2.8	-	-	-	-	-	-	45.0	32.5
Managed	1.2	-0.7	16.6	13.2	15.7	17.8	13.3	12.9	-	-	46.8	43.2
Franchised	3.2	2.9	3.4	3.0	2.3	1.6	-	-	-	-	8.9	7.5
Other <sup>1)</sup>	5.5	5.4	-	-	-	-	0.1	-0.2	-	-	5.6	5.2
Central costs	-	-	-	-	-	-	-	-	-37.7	-31.9	-37.7	-31.9
<b>Total</b>	<b>35.1</b>	<b>37.3</b>	<b>39.8</b>	<b>19.0</b>	<b>18.0</b>	<b>19.4</b>	<b>13.4</b>	<b>12.7</b>	<b>-37.7</b>	<b>-31.9</b>	<b>68.6</b>	<b>56.5</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	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Leased	3.8	6.4	7.7	0.9	-	-	-	-	-	-	11.5	7.3
Managed	0.5	0.1	9.2	5.2	6.8	6.8	3.4	3.9	-	-	19.9	16.0
Franchised	1.4	1.0	1.4	1.1	0.6	0.8	-	-	-	-	3.4	2.9
Other <sup>1)</sup>	2.3	1.8	-	-	-	-	0.1	0.1	-	-	2.4	1.9
Central costs	-	-	-	-	-	-	-	-	-12.8	-10.8	-12.8	-10.8
<b>Total</b>	<b>8.0</b>	<b>9.3</b>	<b>18.3</b>	<b>7.2</b>	<b>7.4</b>	<b>7.6</b>	<b>3.5</b>	<b>4.0</b>	<b>-12.8</b>	<b>-10.8</b>	<b>24.4</b>	<b>17.3</b>

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Central costs		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Leased	10.3	18.7	3.7	-9.9	-	-	-	-	-	-	14.0	8.8
Managed	1.2	-0.8	16.6	13.1	15.5	17.6	13.1	12.7	-	-	46.4	42.6
Franchised	3.2	2.8	3.3	2.9	2.3	1.6	-	-	-	-	8.8	7.3
Other <sup>1)</sup>	3.4	3.5	-	-	-	-	0.1	-0.1	-	-	3.5	3.4
Central costs	-	-	-	-	-	-	-	-	-37.7	-31.9	-37.7	-31.9
<b>Total</b>	<b>18.1</b>	<b>24.2</b>	<b>23.6</b>	<b>6.1</b>	<b>17.8</b>	<b>19.2</b>	<b>13.2</b>	<b>12.6</b>	<b>-37.7</b>	<b>-31.9</b>	<b>35.0</b>	<b>30.2</b>

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

## Reconciliation of Profit/Loss for the Period

MEUR	Q3 2015	Q3 2014	Jan-Sep 2015	Jan-Sep 2014
<b>Total operating profit (EBIT) for reportable segments</b>	<b>24.4</b>	<b>17.3</b>	<b>35.0</b>	<b>30.2</b>
Financial income	-0.8	0.2	0.7	0.5
Financial expenses	-0.3	-0.5	-2.0	-1.7
<b>Group's total profit before tax</b>	<b>23.3</b>	<b>17.0</b>	<b>33.7</b>	<b>29.0</b>



## Balance Sheet and Investments

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Total	
	30-Sep 2015	31-Dec 2014	30-Sep 2015	31-Dec 2014	30-Sep 2015	31-Dec 2014	30-Sep 2015	31-Dec 2014	30-Sep 2015	31-Dec 2014
Assets	187.4	175.8	238.5	211.7	15.4	15.2	26.2	24.8	467.5	427.5
Investments (tangible & intangible assets)	13.7	22.0	32.1	31.7	0.1	0.0	0.1	0.1	46.0	53.8

## Quarterly Key Figures

MEUR	Q3 2015	Q3 2014	Q3 2013	Q3 2012	Q3 2011
RevPAR	77.0	72.7	72.5	71.9	67.2
Revenue	261.4	240.8	227.4	237.3	219.4
EBITDAR	97.7	87.7	81.7	81.3	74.4
EBITDA	35.8	26.4	22.8	17.6	14.8
EBIT	24.4	17.3	15.1	8.6	5.9
Profit/loss for the period	17.9	11.3	9.7	4.4	14.2
EBITDAR Margin %	37.4%	36.4%	35.9%	34.3%	33.9%
EBITDA Margin %	13.7%	11.0%	10.0%	7.4%	6.7%
EBIT Margin %	9.3%	7.2%	6.7%	3.6%	2.7%

MEUR	2015			2014				2013	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
RevPAR	77.0	77.2	63.7	65.4	72.7	72.6	61.3	66.9	72.5
Revenue	261.4	263.8	216.4	238.0	240.8	247.1	211.4	236.0	227.4
EBITDAR	97.7	94.8	60.9	71.4	87.7	93.0	61.7	79.6	81.7
EBITDA	35.8	33.6	-0.7	14.8	26.4	30.8	-0.8	25.8	22.8
EBIT	24.4	23.0	-12.4	0.5	17.3	21.4	-8.5	12.9	15.1
Profit/loss after Tax	17.9	15.4	-13.4	-0.9	11.3	14.1	-10.3	7.3	9.7
EBITDAR margin, %	37.4%	35.9%	28.1%	30.0%	36.4%	37.6%	29.2%	33.7%	35.9%
EBITDA margin, %	13.7%	12.7%	-0.3%	6.2%	11.0%	12.5%	0.4%	10.9%	10.0%
EBIT margin, %	9.3%	8.7%	-5.7%	0.2%	7.2%	8.7%	-4.0%	5.5%	6.7%

## Hotel and Room Openings and Signings

	Openings				Signings			
	Hotels		Rooms		Hotels		Rooms	
	Q3 2015	Q3 2015	Jan-Sep 2015	Jan-Sep 2015	Q3 2015	Q3 2015	Jan-Sep 2015	Jan-Sep 2015
<b>By region:</b>								
Nordics	1	205	1	205	2	238	3	315
Western Europe	-	-	-	1	2	281	5	1,026
Eastern Europe	4	593	8	1,402	3	540	9	1,703
Middle East, Africa & Others	4	550	9	1,169	5	1,241	20	4,027
<b>Total</b>	<b>9</b>	<b>1,348</b>	<b>18</b>	<b>2,777</b>	<b>12</b>	<b>2,300</b>	<b>37</b>	<b>7,071</b>
<b>By brand:</b>								
Radisson Blu	6	770	8	946	10	1,663	21	4,012
Park Inn by Radisson	3	578	10	1,825	1	461	14	2,648
Others	-	-	-	6	1	176	2	411
<b>Total</b>	<b>9</b>	<b>1,348</b>	<b>18</b>	<b>2,777</b>	<b>12</b>	<b>2,300</b>	<b>37</b>	<b>7,071</b>
<b>By contract type:</b>								
Leased	-	-	-	-	-	-	-	-
Managed	7	1,000	14	2,129	8	1,721	30	6,140
Franchised	2	348	4	648	4	579	7	931
<b>Total</b>	<b>9</b>	<b>1,348</b>	<b>18</b>	<b>2,777</b>	<b>12</b>	<b>2,300</b>	<b>37</b>	<b>7,071</b>

- In Q3 2015, no hotels or rooms left the system

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

	In operation				Under development			
	Hotels		Rooms		Hotels		Rooms	
	2015	2014	2015	2014	2015	2014	2015	2014
<b>30 September</b>								
<b>By region:</b>								
Nordics	60	60	14,810	14,888	3	1	315	215
Rest of Western Europe	137	143	26,878	27,633	12	7	2,671	1,620
Eastern Europe	93	84	23,031	21,348	29	31	5,558	6,822
Middle East, Africa & Others	61	50	13,515	12,200	62	52	13,754	10,766
<b>Total</b>	<b>351</b>	<b>337</b>	<b>78,234</b>	<b>76,069</b>	<b>106</b>	<b>91</b>	<b>22,298</b>	<b>19,423</b>
<b>By brand:</b>								
Radisson Blu	232	227	55,218	54,736	67	53	15,064	12,382
Park Inn by Radisson	114	105	22,258	20,581	37	38	6,813	7,031
Other	5	5	758	752	2	-	421	10
<b>Total</b>	<b>351</b>	<b>337</b>	<b>78,234</b>	<b>76,069</b>	<b>106</b>	<b>91</b>	<b>22,298</b>	<b>19,423</b>
<b>By contract type:</b>								
Leased	71	70	17,789	17,537	-	-	-	-
Managed	187	181	42,000	41,229	90	79	19,607	17,055
Franchised	93	86	18,445	17,303	16	12	2,691	2,368
<b>Total</b>	<b>351</b>	<b>337</b>	<b>78,234</b>	<b>76,069</b>	<b>106</b>	<b>91</b>	<b>22,298</b>	<b>19,423</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, 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.

### **F&D**

Food and Drink.

### **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 three 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 & drinks 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 & drinks, 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)**

Armenia, Azerbaijan, Belarus, Bulgaria, Croatia, the Czech Republic, Cyprus, 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, the United Arab Emirates, Uganda and Zambia.