Scandic

The largest hotel company in the Nordics

January – March 2016

POSITIVE START TO THE YEAR AND GOOD UNDERLYING DEMAND

FIRST QUARTER IN SUMMARY

- Results for the quarter were impacted by this year's Easter holiday that fell entirely during the month of March.
- LFL RevPAR grew 1.7% driven by greater occupancy. Total RevPAR decreased by 1.9% mainly as a result of exchange rate fluctuations.
- Net sales LFL went up 2.3% due to continued good underlying demand.
- Net sales decreased by 2.6% to 2,594 MSEK (2,664), with mainly exchange rate fluctuations having a negative impact.
- Adjusted EBITDA amounted to 40 MSEK (66) corresponding to a margin of 1.5% (2.5). The margin change is a result of the changed mix of guests due to the Easter holiday.
- Earnings per share before and after dilution totaled -0.97 SEK (-0.87).
- A lease agreement was signed for Scandic Aalborg City, corresponding to 168 rooms with access from June 1, 2016.
- The company's CFO Gunilla Rudebjer announced that she will leave the Group on August 31, 2016.

FIRST FOUR MONTHS IN SUMMARY

- The Easter holiday fell entirely in March, which is why the quarter is not fully comparable with the first quarter of 2015. For a more fair view of the performance, the quarter should be compared with the first four months of the year.
- Scandic's RevPAR LFL for January-April 2016 went up 7.0% driven by both increased occupancy and higher average room rates. RevPAR increased by 3.5%.
- Net sales LFL for January-April rose by 7.4%.
- Net sales increased during the same period by 2.9% to 3,669 MSEK (3,564). Adjusted for exchange rate fluctuations, net sales increased by 6.2%.

EVENTS AFTER THE REPORTING DATE

- Scandic Continental opened on April 1 with 392 rooms and Haymarket by Scandic opened on May 10 with 405 rooms.
- Two new lease agreements were signed: Scandic Falconer in Copenhagen and Scandic Vaasa in Finland, which will add about 440 rooms.
- As of the publication date of this report, the strike within the Norwegian hotel sector that began on April 23 has had a limited financial effect.

GROUP KEY RATIOS

MSEK	Jan-Mar 2016	Jan-Mar 2015	Jan-Dec 2015	Apr-Mar 2015/2016
Financial key ratios				
Net sales	2,594	2,664	12,192	12,122
Net sales growth, %	-2.6	44.2	12.6	4.1
Net sales growth LFL, %	2.3	4.4	7.3	8.6
Adjusted EBITDAR	744	784	4,406	4,366
Adjusted EBITDA	40	66	1,246	1,220
Adjusted EBITDA margin, %	1.5	2.5	10.2	10.1
EBITDA	24	46	1,114	1,092
EBIT (Operating profit/loss)	-98	-79	613	594
Hotel-related key ratios				
RevPAR (Average Revenue Per Available Room), SEK	512.9	522.6	601.3	598.9
ARR (Average Room Rate), SEK	909.6	938.1	933.9	927.8
OCC (Occupancy), %	56.4	55.7	64.4	64.6
Total number of rooms	40,797	41,542	40,920	40,797

THE FIRST QUARTER INTERIM REPORT 2016 FOR SCANDIC HOTELS GROUP AB (PUBL.). THE INFORMATION IN THIS INTERIM REPORT IS SUCH THAT SCANDIC IS REQUIRED TO DISCLOSE IN ACCORDANCE WITH THE SECURITIES MARKET ACT. SUBMITTED FOR PUBLICATION ON MAY 12, 2016, 07.30 CET.

CEO'S COMMENTS

Positive start to the year

The year started well, confirming the strong momentum we have in the Group. It is clear that our strategies are working and continuing to result in commercial success. This is proven among other things through our ability to take over existing hotels and the great external interest we saw when we opened our first signature hotel in Stockholm this week – Haymarket by Scandic.

Our RevPAR LFL during the quarter continued to develop well despite the Easter holiday. The underlying demand in the market remains good with the exception of the Norwegian oil destinations that have been affected by the downturn in the oil industry in Norway.

Efficiency gains from the Rica Hotels acquisition continued to contribute positively during the quarter while revenue was impacted negatively by exchange rate fluctuations from the weakened Norwegian krone.

High level of activity creates conditions for achieving our growth targets

Our hotel portfolio continues to develop positively. During the first half of the year, we will have opened two large hotels in downtown Stockholm at the same time as we have added three more hotels to our already strong pipeline. In 2015 we also invested in a new digital commercial platform to reinforce our customer dialog and strengthen our e-commerce. The launch of our new commercial websites in April is an important part of this investment.

Continued high demand in 2016

The current macro-economic situation in the Nordic countries is favorable for our industry and at the same time, statistics show that the Nordic region is continuing to grow as a tourist and meeting destination. Taken together, we expect this to drive demand for hotel rooms going forward. There are concerns about the development of the Norwegian economy during the coming year, but at the same time we see that the weakened Norwegian krone is impacting leisure travel positively. With this in mind, we believe that market conditions in the hotel industry will continue to be favorable in 2016.

Frank Fiskers
President & CEO

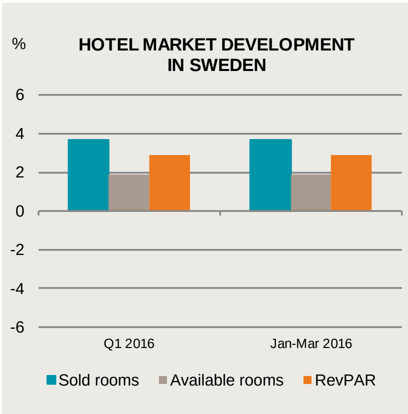
"A good start to the year and continued good underlying demand in the market."

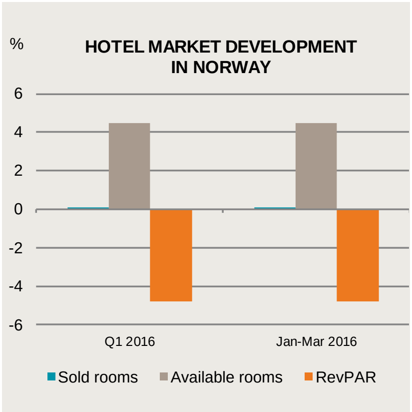
NORDIC HOTEL MARKET DEVELOPMENT

Demand for hotel nights in the Nordic markets remained high during the quarter. The Easter holiday, however, which fell entirely during the first quarter 2016 compared with 2015 when it fell during the first and second quarters, led to reduced occupancy and lower average room rates in March compared with the previous year, above all in Sweden and Norway.

During the first quarter, the number of rooms sold increased by 3.7% in Sweden and RevPAR in the Swedish market rose by 2.9% as a result of greater occupancy and higher average room rates compared with the previous year, despite the negative effects of the Easter holiday in March. In Norway, the number of rooms sold increased slightly, but higher room capacity led to a 4.8% decrease in RevPAR in the Norwegian market during the first quarter, mainly due to lower occupancy. The Norwegian market is polarized with decreases in RevPAR at destinations highly dependent on the oil industry while demand in the Oslo region, Trondheim and northern Norway is still strong. During the quarter, RevPAR increased by 7.6% in the Finnish market and 2.9% in the Danish market, driven by greater occupancy and higher average room rates.

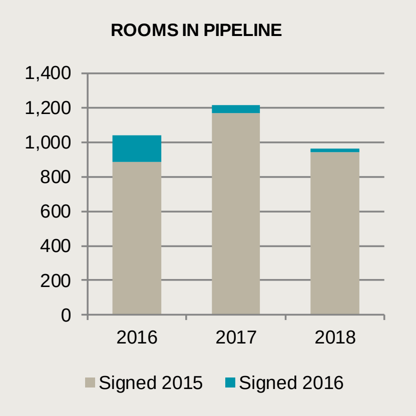
(Source: Benchmarking Alliance & STR Global.)





SEASONAL VARIATIONS

Scandic operates in a sector affected by seasonal variations. Revenues and earnings fluctuate during the year. The first quarter and other periods with low levels of business travel such as the summer months, Easter and Christmas/New Year's are generally the weakest periods. In 2016, the Easter holiday fell during the first quarter. When making comparisons with 2015, this needs to be taken into consideration since in 2015, the Easter holiday fell in both the first and second quarters. Approximately 70 percent of Scandic's revenues come from business travel and conferences, while the remaining 30 percent comes from leisure travel.

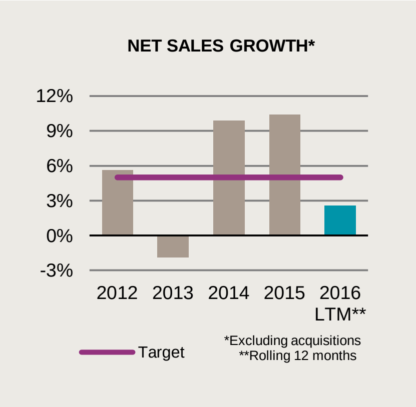


HOTEL PORTFOLIO

Existing hotel portfolio

Scandic has a high-quality, diversified portfolio as a result of a continual development plan spanning many years. At the end of the quarter, Scandic had 40,797 rooms in operation at 221 hotels, of which 188 have lease agreements. During the quarter, Scandic Gällivare opened as a new Scandic franchise hotel with 80 rooms and Scandic's agreement with the Norwegian partner hotel Skifer was terminated.

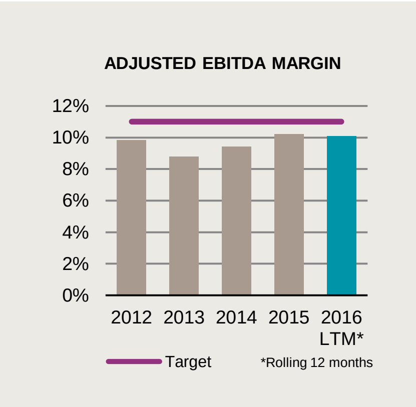
After the reporting date, two large hotels opened in downtown Stockholm – Scandic Continental with 392 rooms and Haymarket by Scandic with 405 rooms.



High-quality pipeline

At the end of the quarter, Scandic had a total of eight hotels corresponding to 2,776 rooms under development. During the quarter, a new lease agreement was signed regarding Scandic Aalborg City in Denmark with 168 rooms. Scandic will take over the operation of the hotel on June 1, 2016. Given current market conditions and Scandic's strong network of hotels in Stavanger after the acquisition of Rica Hotels, Scandic agreed with the property owner not to build the planned Scandic Stavanger Congress hotel.

After the reporting date, two more hotels were added to the company's pipeline, Scandic Falconer in Copenhagen with 300 rooms and Scandic Vaasa in Finland. Scandic Falconer will open during the second half of 2018 after an extensive renovation and extension. Scandic Vaasa will open under Scandic's management already in June 2016 and after an extension will have approximately 140 rooms. For more detailed information about Scandic's hotel portfolio, see the table on page 22.

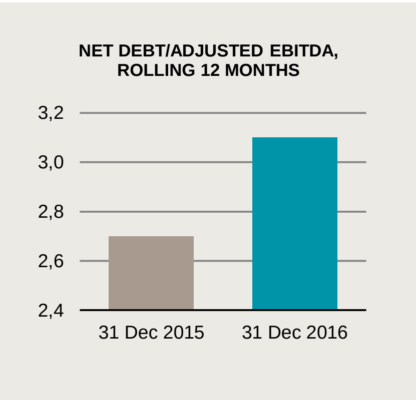


FINANCIAL TARGETS

Scandic began 2016 with a long-term strategy that reflects developments taking place in customer behavior and digitization in the industry. It is based on this strategy that Scandic will continue to develop the Group's activities to achieve its financial targets.

Scandic has adopted the following medium- and long-term financial targets:

- Annual net sales growth of at least 5 percent on average over a business cycle, excluding potential M&As.
- An adjusted EBITDA margin of at least 11 percent on average over a business cycle.
- A net debt in relation to adjusted EBITDA of 2-3x.



RESULTS FOR THE QUARTER

First quarter 2016

COMPARED WITH 2015	Q1 2015	Currency effects	New hotels	Exits	LFL	Q1 2016
RevPAR, SEK	522.6	-14.3	-3.1	-1.2	8.9	512.9
RevPAR growth, %		-2.8%	-0.6%	-0.2%	1.7%	-1.9%
Net sales, MSEK	2,664	-79	11	-59	57	2,594
Net sales growth, %		-3.0%	0.4%	-2.2%	2.3%	-2.6%
Adjusted EBITDA, MSEK	66	-5	-4	-4	-13	40
Adjusted EBITDA growth, %		-7.1%	-6.3%	-6.2%	-21.4%	-41.0%

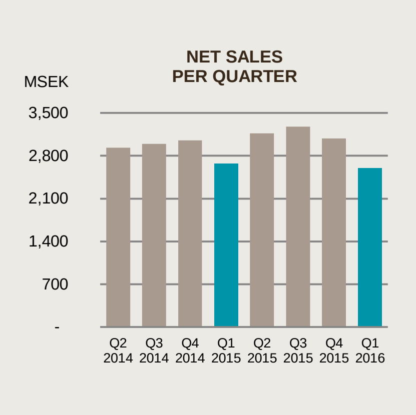
The first quarter is the seasonally the weakest quarter due to a lower proportion of business travelers. Compared with the previous year, the Easter holiday fell entirely in the first quarter of 2016 and had a negative effect on RevPAR, net sales and profits, primarily in Sweden and Norway. Net sales LFL, however, increased by 2.3%, driven by continued strong underlying demand within accommodations as well as restaurant and conference operations. The extra leap day in February 2016 contributed positively to revenue growth. The Group's reported net sales dropped by 2.6% to 2,594 MSEK (2,664). Exchange rate fluctuations, primarily from the weakened Norwegian krone, had a negative impact of 3.0% and exited hotels had a negative impact of 2.2%. New hotels contributed 0.4% to revenue growth.

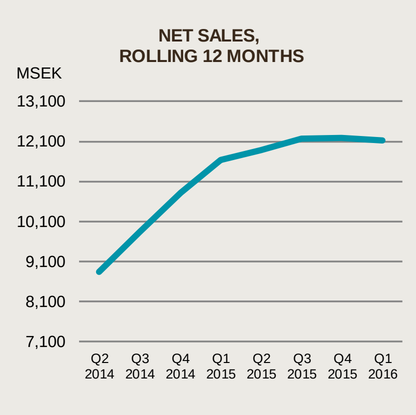
RevPAR LFL rose by 1.7% despite the Easter holiday. Underlying demand remained strong in all markets, and Scandic grew more than its competitors. Total RevPAR decreased by 1.9% during the quarter as exchange rate fluctuations, exited hotels and new hotels in the start-up phase impacted RevPAR negatively.

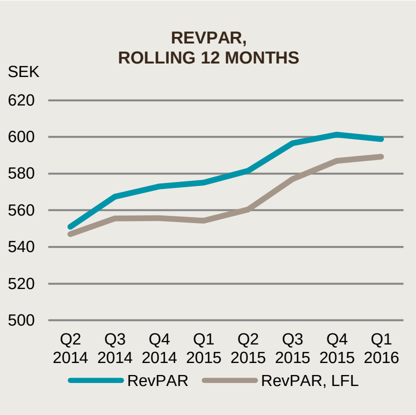
The proportion of net sales from restaurant and conference operations was 35.0% (35.7), a reduction explained by the changed business mix with fewer business meetings and conferences and a higher share of leisure travelers.

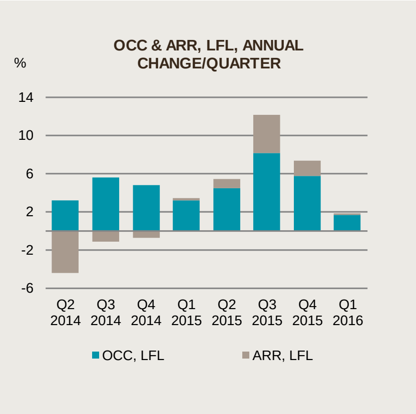
Synergies from the Rica acquisition were realized in line with expectations. The combination of the head offices along with purchasing synergies generated annual savings of 80 MSEK that were fully realized in 2015. The annual EBITDA contribution from sales and cost synergies, as well as efficiency measures within Norwegian operations, is expected to total 100–140 MSEK with full effect in 2017. Approximately one-third was realized in 2015. The implementation of Scandic's operational model in the former Rica hotels, which was carried out in 2015, resulted in lower operating costs during the first quarter of 2016. Due to sales synergies, Scandic had a stronger RevPAR than its competitors, resulting in increased market shares.

Rental costs amounted to 27.1% (27.0) of net sales, while fixed and guaranteed rental costs corresponded to 19.9% (19.3). The increase is as a result of seasonal variations.









Adjusted EBITDA before opening costs for new hotels and non-recurring items amounted to 40 MSEK (66). The change in the mix of guests compared with the previous year due to the Easter holiday meant that there was a larger proportion of leisure travelers and an increased number of guests per room. This led to higher variable costs and thereby a lower margin. Efficiency gains from the integration of the former Rica hotels had a positive impact on results. The adjusted EBITDA margin was 1.5% (2.5).

Pre-opening costs for new hotels totaled -16 MSEK (-3) and were primarily attributable to Scandic Continental and Haymarket by Scandic in Stockholm, which opened in the second quarter of 2016. EBITDA amounted to 24 MSEK (46). The profit for the previous year was affected by non-recurring items of -17 MSEK of which -14 MSEK is attributable to the integration of Rica Hotels and -3 MSEK comes from costs in connection with the IPO, restructuring and other items.

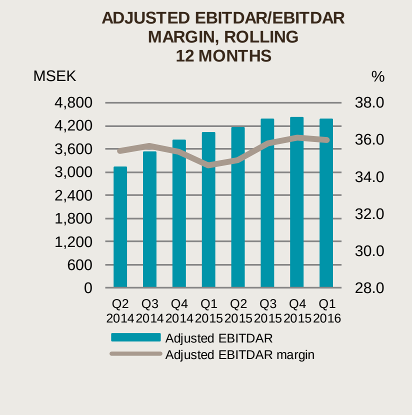
The Group reported a net financial expense of -30 MSEK (8). Interest expenses decreased to -34 MSEK (-114) due to refinancing and amortizing loans in connection with the IPO in December 2015. Exchange rate effects from the revaluation of loans and investments totaled +19 MSEK (+122). Revaluation of derivatives had a negative impact on the financial net of -16 MSEK (0).

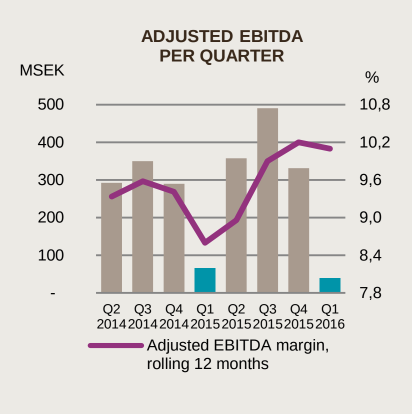
Reported tax includes standard tax amounting to MSEK 28 (3).

COMMENTS TO THE BALANCE SHEET

The balance sheet total on the reporting date was 13,210 MSEK compared with 12,900 MSEK on December 31, 2015 with the increase mainly due to changes in items within working capital. Interest-bearing net debt increased from 3,355 MSEK on December 31, 2015 to 3,775 MSEK on March 31, 2016 due to seasonally higher working capital. Of the interest-bearing liabilities of 3,896 MSEK, loans to credit institutions account for 3,893 MSEK and financial leasing represents 3 MSEK. The net debt on the reporting date corresponded to 3.1 times adjusted EBITDA (2.7 times on December 31, 2015). The Group's financial goal is to have net debt in relation to adjusted EBITDA of 2-3 times on December 31 of each year.

On March 31, 2016, the total number of shares and votes was 102,985,075. On the reporting date, total equity was 6,109 MSEK compared to 6,205 MSEK on December 31, 2015.





CASH FLOW AND LIQUIDITY

Operating cash flow amounted to -348 MSEK (-303) for the period and the change in working capital was -266 MSEK (-234). The first quarter is seasonally the weakest quarter of the year as a result of lower levels of business travel, which had a negative impact on working capital compared with December 31, 2015. Working capital in the Group was negative since most of the revenue derives from payments made through credit and debit cards. Working capital on the reporting date in relation to net sales from the last 12 months was -6.3% (-7.0).

Net investments during the period amounted to -101 MSEK (-87), of which hotel renovations accounted for -62 MSEK (-68) and IT for -5 MSEK (-5). Investments in new hotels and increased room capacity totaled -34 MSEK (-14).

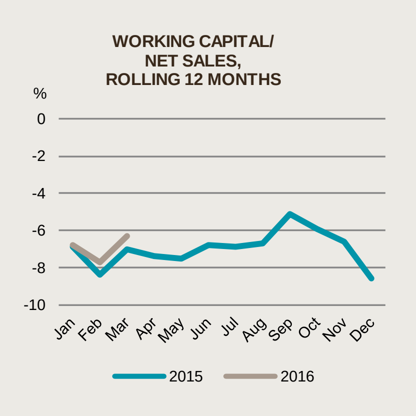
Cash flow from financing operations during the period amounted to 226 MSEK (-8) due to distribution of interest payments and the utilization of a credit facility amounting to 250 MSEK to handle seasonal variations in working capital.

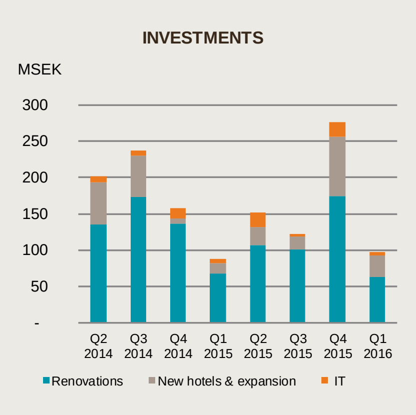
At the end of the first quarter, the Group had 121 MSEK (401) in cash and cash equivalents.

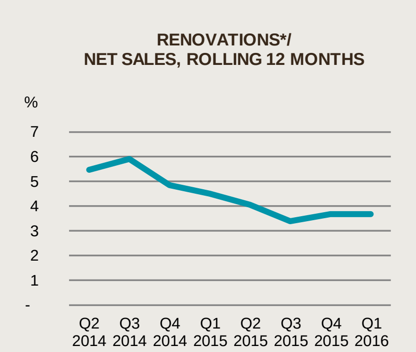
Unused credit facilities totaled 317 MSEK (122).

EMPLOYEES

The number of full-time employees (FTEs) decreased to 9,921 (10,067) during the period, mainly due to increased efficiency from the Rica integration and lower business volumes as a result of the Easter holiday. The average number of employees in the Group was 9,414 on March 31, 2016.





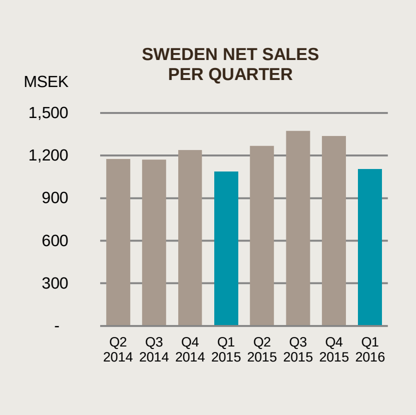


* Investments related to hotel renovations.

COMMENTS PER SEGMENT, FIRST QUARTER

Sweden

MSEK	Jan-Mar 2016	Jan-Mar 2015	Jan-Dec 2015	Apr-Mar 2015/2016
Net sales	1,104	1,086	5,065	5,083
Net sales growth, %	1.7	15.7	11.9	8.8
Net sales growth LFL, %	3.0	6.4	9.7	7.0
Adjusted EBITDA	81	109	828	800
Adjusted EBITDA margin, %	7.3	10.0	16.3	15.7
RevPAR, SEK	554.7	547.7	644.4	646.1
ARR, SEK	946.6	943.6	957.0	957.6
OCC, %	58.6	58.0	67.3	67.5



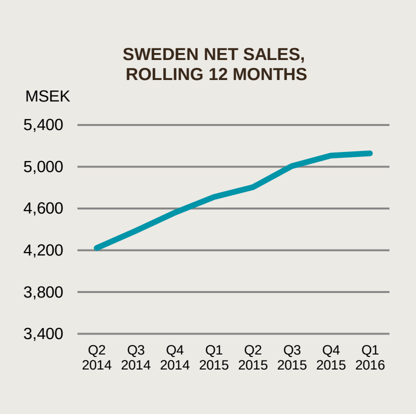
The favorable development in the market in 2015 continued during the quarter, with strong underlying demand for accommodations as well as restaurant and conference facilities.

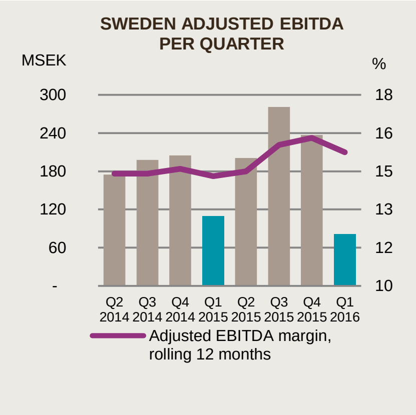
Net sales rose by 1.7% during the quarter (3.0 LFL) to 1,104 MSEK (1,086) despite the negative impact of the Easter holiday in March. RevPAR increased by 1.3% (1.9 LFL), driven by higher occupancy and increased average rates, despite the changed guest mix with a higher proportion of leisure travelers.

The closure of Scandic Kungsgatan, Stockholm, which reopened as Haymarket by Scandic following a complete renovation and extension, impacted revenue and profits for the quarter negatively compared with the previous year.

Adjusted EBITDA and the adjusted EBITDA margin declined compared with the previous year as a result of the changed guest mix during the Easter holiday when a greater proportion of leisure travelers and an increased number of guests per room led to higher operating costs.

Profit for the quarter was also affected by higher personnel costs of approximately 8 MSEK as a result of the abolishment of reduced social security contributions for employees under 26, known as the "youth discount." For 2016, the effect of this is expected to be approximately 29 MSEK for the entire year.





Changed segment disclosures: To improve the use of synergies in the Scandic Group within both sales and marketing and operations and purchasing, HTL's operations have been integrated into Scandic Sweden and Scandic Norway. From 2016, they are included in the segment disclosures for Sweden and Norway respectively. The comparative figures for previous periods have been recalculated.

Norway

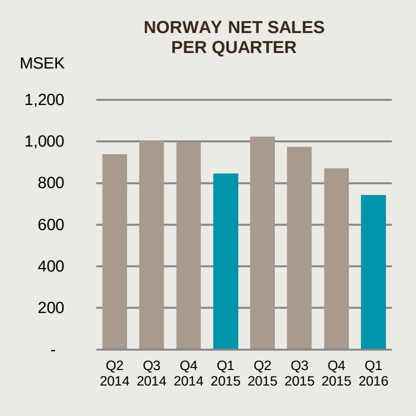
MSEK	Jan-Mar 2016	Jan-Mar 2015	Jan-Dec 2015	Apr-Mar 2015/2016
Net sales	742	846	3,716	3,612
Net sales growth, %	-12.3	246.7	16.7	-4.6
Net sales growth LFL, %	-1.0	-3.5	1.3	11.4
Adjusted EBITDA	1	9	321	313
Adjusted EBITDA margin, %	0.1	1.1	8.6	8.7
RevPAR, SEK	449.0	507.7	551.0	536.4
ARR, SEK	899.7	1,013.0	956.6	932.7
OCC, %	49.9	50.1	57.6	57.5

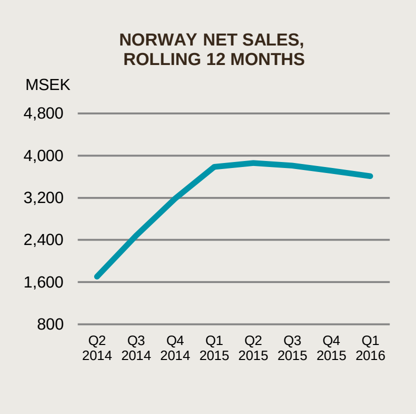
The Norwegian market continues to show uneven development with declining demand and decreasing room rates at destinations dependent on the oil industry, while growth in the Oslo region, Trondheim and northern Norway remains high.

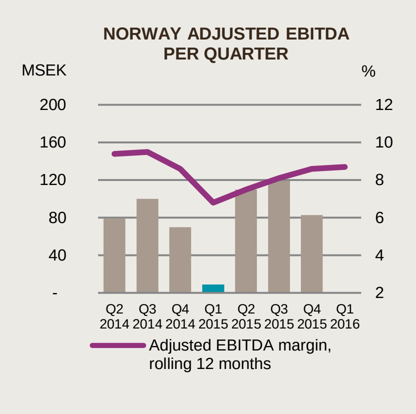
In Norway, the Easter holiday had a considerably negative impact on demand and average prices in March compared with the previous year, while demand was strong in February with a positive contribution from the Youth Olympic Games in Lillehammer. Net sales LFL declined by 1.0% during the quarter. Reported net sales dropped by 12.3% to 742 MSEK (846). The continued weak Norwegian krone had a negative effect of 8.6% on net sales and hotels that were exited (Grand Hotel, Oslo) had a negative impact of 3.3% while the hotels acquired in Bergen in 2015 increased net sales by 0.6%.

RevPAR went down by 11.6% due to exchange rate fluctuations. At unchanged exchange rates, RevPAR dropped by 3.0% and RevPAR LFL went down by only 0.6% despite the Easter holiday, a change driven mainly by lower average room rates. Scandic's commercial efforts and sales synergies attributable to the integration of the former Rica hotels have resulted in increased market shares, and Scandic has grown more than its competitors.

Adjusted EBITDA and the adjusted EBITDA margin declined compared with the previous year due to the Easter holiday. This has been partly offset by improved efficiency and the implementation of Scandic's operational model in the former Rica hotels, which have led to a more flexible cost base and lower personnel expenses during the quarter.

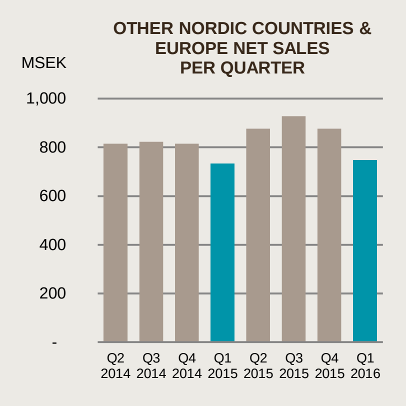






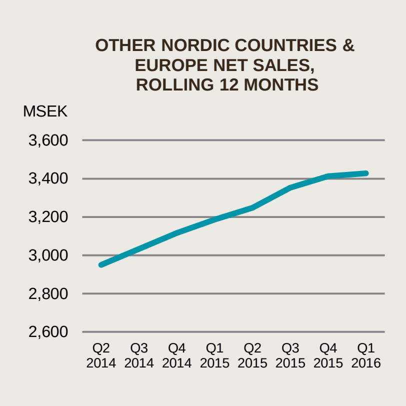
Other Nordic countries & Europe

MSEK	Jan-Mar 2016	Jan-Mar 2015	Jan-Dec 2015	Apr-Mar 2015/2016
Net sales	748	732	3,412	3,428
Net sales growth, %	2.2	10.2	9.5	7.6
Net sales growth LFL, %	4.6	4.5	6.1	2.8
Adjusted EBITDA	30	18	401	413
Adjusted EBITDA margin, %	4.0	2.5	11.8	12.0
RevPAR, SEK	520.7	502.0	592.7	597.5
ARR, SEK	865.5	862.5	879.5	880.1
OCC, %	60.2	58.2	67.4	67.9



Demand continued to be high in Denmark and Germany during the quarter and in Finland, the World Junior Hockey Championship in Helsinki helped boost demand for accommodations and restaurants in January.

The effect of the Easter holiday was less noticeable in this segment, but it still impacted RevPAR and net sales negatively compared with the previous year. Net sales increased by 2.2% (4.6 LFL) to 748 MSEK (732). RevPAR grew by 3.7% (4.0 LFL) driven by both higher occupancy and increased average room rates.

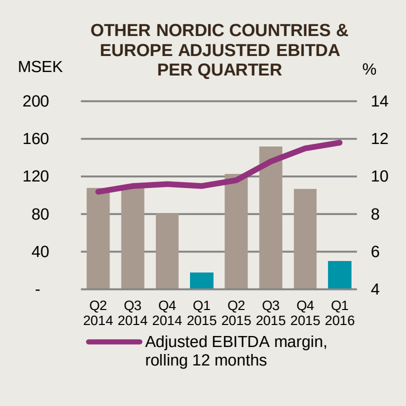


Scandic's three hotels in Germany showed good revenue growth with improved margins where shared support functions between the two hotels in Berlin led to lower costs.

Adjusted EBITDA and the adjusted EBITDA margin improved compared with the previous year, mainly as a result of higher revenues in all countries and cost synergies in Germany.

Central functions

Adjusted EBITDA for central functions amounted to -72 MSEK (-70) during the quarter of which central costs totaled -72 MSEK (-65) and Group adjustments for pension costs and loyalty program totaled 0 MSEK (-5). The increase in costs for central functions is mainly from strengthening the Group's commercial organization and Investor Relations function.



EVENTS AFTER THE REPORTING DATE

Scandic opened two large new hotels in downtown Stockholm in April and May 2016. Scandic Continental opened on April 1 with 392 rooms and Scandic's first signature hotel, Haymarket by Scandic, opened on May 10 with 405 rooms.

Two new lease agreements were signed in April: Scandic Falconer in central Copenhagen with 300 rooms and Scandic Vaasa in Finland. Scandic Falconer will open during the second half of 2018 after a complete renovation and extension. Scandic Vaasa will open under Scandic's management already in June 2016 and following an extension will have about 140 rooms.

As of the publication date of this report, the strike within the Norwegian hotel sector that began on April 23 has had a limited financial effect.

PHONE CONFERENCE

The phone conference that will take place at 09.00 CET on May 12, 2016 with President & CEO Frank Fiskers and CFO Gunilla Rudebjer will be available at +46 8 5664 2695 (Sweden) and +44 20 3008 9810 (UK). Please call in 5 minutes before the start. The conference will also be available afterwards at www.scandichotelsgroup.com

FOR MORE INFORMATION

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FINANCIAL CALENDAR

2016-08-16	Interim Report Q2 2016 (silent period begins July 17, 2016)
2016-11-08	Interim Report Q3 2016 (silent period begins October 9, 2016)
2017-02-23	Interim Report Q4 2016 (silent period begins January 24, 2017)

SIGNIFICANT RISKS AND RISK FACTORS

Scandic operates in a sector where demand for hotel nights and conferences is influenced by the underlying domestic economic development and purchasing power in the geographic markets in which Scandic does business as well as in the markets from which there is a significant amount of travel to the Nordic countries. Additionally, profitability in the sector is impacted by changes in room capacity where establishing new hotels can initially lead to lower occupancy in the short term, but in the long term, greater room capacity can help stimulate interest in particular destinations for business and leisure travel, which can increase the number of hotel rooms sold.

Scandic's business model is based on lease agreements where approximately 90 percent of the hotels (based on the number of rooms) have variable revenue-based rents. This results in lower profit risks since revenue losses are partly compensated through reduced rental costs. Scandic's other costs also include a high share of variable costs where above all, staffing flexibility is important to be able to adapt cost levels to variations in demand. Together, this means that by having a flexible cost structure, Scandic can lessen the effects of seasonal and economic fluctuations.

The realization of sales and cost synergies and other benefits from the acquisition of Rica may be delayed or result in a lower amount than expected because of changes in the economy, market conditions or other factors within and beyond the control of the company. These may have a negative impact on the value of the investment and recognized goodwill. An additional significant downturn in the Norwegian market beyond the assumptions made in the company's forecasts may have a negative impact on the value of recognized goodwill related to Norwegian operations.

For a more detailed description of risks and risk factors, please see the section on risks and risk management in Scandic's Annual Report 2015.

SENSITIVITY ANALYSIS

A change in RevPAR due to variable rental costs and variable costs will have an impact of approximately 40-60 percent on EBITDA. Based on Group results for 2015 and assuming that all other factors except RevPAR remain unchanged, Scandic assesses that an increase or decrease of 1 percent in RevPAR will have an impact of approximately 30-50 MSEK on EBITDA on an annual basis, where the higher value relates to a change driven entirely by average room rate and the lower value refers to a change driven solely by occupancy.

The operations of Scandic's subsidiaries are mainly local with revenues and expenses in domestic currencies, and the Group's internal sales are low. This means that currency exposure due to transactions is limited. Exchange rate fluctuations in the Group arise from the revaluation of Scandic's foreign subsidiaries' income statements and balance sheets to SEK. By currency, 43 percent of the Group's revenue during the period was in SEK, 28 percent was in NOK and 29 percent was in EUR and other currencies. The Group's external loans are denominated in SEK, NOK and EUR, which reduces currency exposure in foreign net assets.

Consolidated income statement

MSEK	Jan-Mar 2016	Jan-Mar 2015	Jan-Dec 2015	Apr-Mar 2015/2016
INCOME				
Room revenue	1,647	1,673	7,869	7,843
Restaurant and conference revenue*	907	950	4,068	4,025
Franchise and management fees	6	8	35	33
Other hotel-related revenue	34	33	220	221
Net sales	***2,594***	***2,664***	***12,192***	***12,122***
Other income	2	4	16	14
TOTAL OPERATING INCOME	**2,596**	**2,668**	**12,208**	**12,136**
OPERATING COSTS				
Raw materials and consumables	-234	-243	-1,180	-1,171
Other external costs	-641	-651	-2,668	-2,658
Personnel costs	-977	-990	-3,954	-3,941
Adjusted EBITDAR	**744**	**784**	**4,406**	**4,366**
Fixed and guaranteed rental charges	-516	-513	-2,091	-2,094
Variable rental charges	-188	-205	-1,069	-1,052
Adjusted EBITDA	**40**	**66**	**1,246**	**1,220**
Pre-opening costs	-16	-3	-28	-41
Non-recurring items	-	-17	-104	-87
EBITDA	**24**	**46**	**1,114**	**1,092**
Depreciation and amortization	-122	-125	-502	-499
TOTAL OPERATING COSTS	**-2,694**	**-2,747**	**-11,596**	**-11,543**
Adjusted EBIT	-82	-59	745	722
EBIT (Operating profit/loss)	**-98**	**-79**	**613**	**594**
Financial items				
Financial income	20	123	3	-119
Financial expenses	-50	-115	-500	-416
Net financial items	**-30**	**8**	**-497**	**-535**
EBT (Profit/loss before taxes)	**-128**	**-71**	**115**	**59**
Taxes	28	3	5	31
PROFIT/LOSS FOR PERIOD	**-100**	**-69**	**120**	**89**
Profit/loss for period relating to:				
Parent Company shareholders	-100	-70	117	87
Non-controlling interest	1	1	3	3
Profit/loss for period	**-99**	**-69**	**120**	**90**
Average number of outstanding shares before dilution**	102,985,075	80,000,000	81,826,211	86,173,916
Average number of outstanding shares after dilution**	102,985,075	80,000,000	81,826,211	86,088,137
Earnings per share before dilution, SEK	**-0.97**	**-0.87**	**1.43**	**1.01**
Earnings per share after dilution, SEK	**-0.97**	**-0.87**	**1.43**	**1.01**
Adjusted EBITDAR margin, %	28.7	29.4	36.1	36.0
Adjusted EBITDA margin, %	1.5	2.5	10.2	10.1
EBITDA margin, %	0.9	1.7	9.1	9.0
Adjusted EBIT margin, %	neg	neg	6.1	6.0
EBIT margin, %	neg	neg	5.0	4.9
Fixed and guaranteed rental charges, % of net sales	19.9	19.3	17.2	17.3
Variable rental charges, % of net sales	7.2	7.7	8.8	8.7
Total rental charges, % of net sales	27.1	27.0	25.9	26.0

**) Revenue from bars, restaurants, breakfasts and conferences including rental of premises.*

***) Average number of shares has been recalculated due to the bonus issue and the split in 2015, according to IAS 33.*

Consolidated statement of comprehensive income

MSEK	Jan-Mar 2016	Jan-Mar 2015	Jan-Dec 2015	Apr-Mar 2015/2016
Profit/loss for period	-100	-69	120	89
Items that may be reclassified to the income statement	37	6	-106	-75
Items that may not be reclassified to the income statement	-35	-	73	38
Other comprehensive income	**2**	**6**	**-33**	**-37**
Total comprehensive income for period	**-98**	**-63**	**87**	**52**
Relating to:				
Parent Company shareholders	-99	-64	84	50
Non-controlling interest	1	1	3	3

Consolidated balance sheet, summary

MSEK	31 Mar 2016	31 Mar 2015	31 Dec 2015
ASSETS			
Intangible assets	8,954	9,166	8,907
Tangible assets	2,665	2,526	2,638
Financial fixed assets	61	135	63
Total fixed assets	**11,680**	**11,827**	**11,608**
Current assets	1,409	2,585	1,044
Cash and cash equivalents	121	401	248
Total current assets	**1,530**	**2,986**	**1,292**
TOTAL ASSETS	**13,210**	**14,813**	**12,900**
EQUITY AND LIABILITIES			
Equity attributable to owners of the Parent Company	6,083	3,523	6,177
Non-controlling interest	26	28	28
Total equity	**6,109**	**3,551**	**6,205**
Interest-bearing liabilities	3,896	7,708	3,603
Other long-term liabilities	931	1,030	916
Total long-term liabilities	**4,827**	**8,738**	**4,519**
Current liabilities to credit institutions	-	230	-
Derivative instruments	92	41	77
Other current liabilities	2,182	2,253	2,099
Total current liabilities	**2,274**	**2,524**	**2,176**
TOTAL EQUITY AND LIABILITIES	**13,210**	**14,813**	**12,900**
Equity per share, SEK	59.1	44.0	75.5
Working capital	-767	-816	-1,047
Interest-bearing net liabilities	3,775	7,537	3,355
Interest-bearing net liabilities/adjusted EBITDA, rolling 12 months	3.1	7.5	2.7
Pledged assets	46	7,189	45
Contingent liabilities	210	216	207

Changes in Group equity

MSEK	Share capital	Other paid-in capital	Translation reserve	Retained earnings	Equity attributable to owners of the Parent Company	Non-controlling interest	Total equity
Opening balance 01/01/2015	**0**	**5,294**	**35**	**-1,742**	**3,587**	**27**	**3,614**
Profit/loss for period	-	-	-	-70	-70	1	-69
Other comprehensive income							
Currency fluctuations from translation of foreign operations	-	-	6	-	6	-	6
Closing balance 03/31/2015	**0**	**5,294**	**41**	**-1,812**	**3,523**	**28**	**3,551**
Bonus issue	20	-	-	-20	-	-	-
Share issue and share issue costs	6	1,534	-	-49	1,491	-	1,491
Shareholders' contribution received	-	1,037	-	-	1,037	-	1,037
Dividend	-	-	-	-	-	-2	-2
Share-based payments	-	-	-	0	0	-	0
Forward to repurchase own shares	-	-	-	-22	-22	-	-22
Profit/loss for year	-	-	-	187	187	2	189
Other comprehensive income							
Actuarial gains and losses during the year, net after tax	-	-	-	73	73	-	73
Currency fluctuations from translation of foreign operations	-	-	-151	-	-151	0	-151
Hedge of net investment in a foreign operation, net after tax	-	-	39	-	39	-	39
Opening balance 01/01/2016	**26**	**7,865**	**-71**	**-1,643**	**6,177**	**28**	**6,205**
Profit/loss for period	-	-	-	-100	-100	1	-99
Share-based payments	-	-	-	1	1	-	1
Other comprehensive income							
Actuarial gains and losses during the year, net after tax	-	-	-	-35	-35	-	-35
Currency fluctuations from translation of foreign operations	-	-	70	-	70	-3	67
Hedge of net investment in a foreign operation, net after tax	-	-	-30	-	-30	-	-30
Closing balance 03/31/2016	**26**	**7,865**	**-31**	**-1,777**	**6,083**	**26**	**6,109**

Consolidated cash flow statement

	Jan-Mar 2016	Jan-Mar 2015	Jan-Dec 2015	Apr-Mar 2015/2016
OPERATING ACTIVITIES				
EBIT (Operating profit/loss)	-98	-79	613	594
Depreciation	122	125	502	499
Items not included in cash flow	-5	-	19	14
Paid tax	-	-	-1	-1
Change in working capital	-266	-234	54	22
Cash flow from operating activities	**-247**	**-188**	**1,186**	**1,127**
INVESTING ACTIVITIES				
Net investments	-101	-87	-623	-637
Business combinations	-	-28	-162	-134
Cash flow from investing operations	**-101**	**-115**	**-785**	**-771**
OPERATIVE CASH FLOW	**-348**	**-303**	**401**	**356**
FINANCING OPERATIONS				
Interest payments	-24	-7	-220	-237
Refinancing of loans	-	-1	-99	-98
Share issue, net after issuing costs	-	-	1,517	1,517
Borrowing	250	-	4,742	4,992
Amortization	-	-	-6,801	-6,801
Cash flow from financing operations	**226**	**-8**	**-861**	**-627**
CASH FLOW FOR PERIOD	**-122**	**-311**	**-460**	**-271**
Cash and cash equivalents at beginning of period	248	716	716	401
Translation difference in cash and cash equivalents	-5	-4	-8	-9
Cash and cash equivalents at end of the period	121	401	248	121

Parent Company income statement, summary

MSEK	Jan-Mar 2016	Jan-Mar 2015	Jan-Dec 2015	Apr-Mar 2015/2016
Net sales	6	-	21	27
Expenses	-4	-	-52	-56
EBIT (Operating profit/loss)	**2**	**-**	**-31**	**-29**
Financial income	39	24	99	114
Financial expenses	-23	-24	-112	-111
Net financial items	**16**	**-**	**-13**	**3**
Appropriations	-	-	574	574
EBT (profit/loss before tax)	**18**	**-**	**530**	**548**
Tax	-4	-	-116	-120
PROFIT/LOSS FOR PERIOD	**14**	**-**	**415**	**428**

Consolidated statement of comprehensive income

MSEK	Jan-Mar 2016	Jan-Mar 2015	Jan-Dec 2015	Apr-Mar 2015/2016
Profit/loss for period	**14**	**-**	**415**	**428**
Items that may be reclassified to the income statement	-	-	-	-
Items that may not be reclassified to the income statement	-	-	-	-
Other comprehensive income	**-**	**-**	**-**	**-**
Total comprehensive income for period	**14**	**-**	**415**	**428**

Parent Company balance sheet, summary

MSEK	31 Mar 2016	31 Mar 2015	31 Dec 2015
ASSETS			
Investments in subsidiaries	4,590	3,532	3,536
Group company receivables	5,986	958	6,778
Deferred tax assets	82	192	82
Total fixed assets	**10,658**	**4,682**	**10,396**
Current receivables	4	-	2
Cash and cash equivalents	-	1	2
Total current assets	**4**	**1**	**4**
TOTAL ASSETS	**10,662**	**4,683**	**10,400**
EQUITY AND LIABILITIES			
Equity	**6,663**	**3,706**	**6,648**
Liabilities to credit institutions	3,968	-	3,679
Liabilities to affiliated companies	4	977	8
Total long-term liabilities	**3,972**	**977**	**3,687**
Other liabilities	13	-	2
Accrued expenses and prepaid income	14	-	63
Total current liabilities	**27**	**-**	**65**
TOTAL EQUITY AND LIABILITIES	**10,662**	**4,683**	**10,400**

Changes in Parent Company's equity

MSEK	Share capital	Share premium reserve	Retained earnings	Total equity
Opening balance 01/01/2015	**0**	**-**	**3,706**	**3,706**
Profit/loss for period	-	-	-	-
Other comprehensive income	-	-	-	-
Closing balance 03/31/2015	**0**	**-**	**3,706**	**3,706**
Shareholders' contribution received	-	-	1,036	1,036
Bonus issue	20	-	-20	-
Share issue and share issue costs	6	1,534	-49	1,491
Share-based payments	-	-	0	0
Profit/loss for period	-	-	415	415
Other comprehensive income	-	-	-	-
Opening balance 01/01/2016	**26**	**1,534**	**5,088**	**6,648**
Profit/loss for period	-	-	14	14
Other comprehensive income	-	-	-	-
Closing balance 03/31/2016	**26**	**1,534**	**5,103**	**6,663**

Parent Company

The operations of the Parent Company, Scandic Hotels Group AB, include management services for the rest of the Group. Revenues for the period amounted to 6 MSEK (-). Operating profit totaled 2 MSEK (-).

The net financial income for the period was 16 MSEK (-).The Parent Company's profit before taxes was 18 MSEK (-).

Transactions between related parties

Through companies, the fund EQT V owns the majority of the shares in the Parent Company. The fund and its holdings, Dometic Group AB, is considered to be a related party in terms of participating interest and Board representation during the year. The Braganza AB Group is also considered to be a related party in terms of participating interest and Board representation during the year. Accommodation revenues from related parties amounted to 2 MSEK for the period. For transactions with subsidiaries, the OECD's recommendations for Transfer Pricing are applied.

ACCOUNTING PRINCIPLES

The Group applies International Financial Reporting Standards, IFRS, as endorsed by the EU. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act.

The accounting principles and methods of calculation applied in this report are the same as those used in the preparation of the Annual Report and consolidated financial statements for 2015 and are outlined in Note 1, Accounting principles.

The Parent Company applies the Annual Accounts Act and RFR 2 Accounting for legal entities, which means that IFRS is applied with certain exceptions and additions.

This interim report gives a true and fair view of the Parent Company and Group's operations, financial position and results of operations and also describes the significant risks and uncertainties to which the Parent Company and Group companies are exposed. All amounts in this report are expressed in MSEK unless otherwise stated. Rounding differences may occur.

The information for the interim period on pages 1-26 is an integral part of these financial statements.

CALCULATION OF FAIR VALUE

The fair value of financial instruments is determined by their classification in the hierarchy of actual value. The different levels are defined as follows:

Level 1: Listed prices for identical assets or liabilities on active markets.

Level 2: Other observable data than what is included in Level 1 regarding the asset or liability, either direct or indirect.

Level 3: Data for the asset or liability that is not based on observable market data.

The Group's derivative instruments and loans from credit institutions are classified as Level 2. For liabilities to credit institutions, the booked value is equivalent to the fair value.

SEGMENT DISCLOSURES

HTL's operations have been integrated into Scandic Sweden and Scandic Norway, and from 2016 they are included in segment reporting for Sweden and Norway. Comparative figures for previous periods have been recalculated.

Segments are reported according to IFRS 8 Operating segments. Segment information is reported in the same way as it is analyzed and studied internally by executive decision-makers, that is, the CEO and the Executive Committee.

Scandic's main markets in which the Group operates are:

Sweden – Swedish hotels that are operated under the Scandic brand.

Norway – Norwegian hotels that are operated under the Scandic brand. Norwegian partner hotels operate under their own brands.

Other Nordic countries & Europe – hotel operations under the Scandic brand in Belgium, Denmark, Finland, Poland and Germany as well as hotels operated under the Hilton brand in Finland.

Central functions – costs for finance, business development, investor relations, communications, technical development, human resources, branding, marketing, sales, IT and purchasing. These central functions support all of the hotels in the Group, including those under lease agreements as well as management and franchise agreements.

The division of revenues between segments is based on the location of the business activities and segment disclosure is determined after eliminating inter-group transactions. Revenues derive from a large number of customers in all segments.

Segment results are analyzed based on adjusted EBITDA.

Segment disclosures

Jan-Mar	Sweden		Norway		Other Nordic countries & Europe		Central functions		Group	
MSEK	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Net sales	1,104	1,086	742	846	748	732	-	-	2,594	2,664
Other income	2	4	-	-	-	-	-	-	2	4
Internal transactions	-	-	-	-	-	-	6	-	6	-
Group eliminations	-	-	-	-	-	-	-6	-	-6	-
Total income	**1,106**	**1,090**	**742**	**846**	**748**	**732**	**-**	**-**	**2,596**	**2,668**
Expenses	-1,025	-981	-741	-837	-718	-714	-72	-70	-2,556	-2,602
Adjusted EBITDA	**81**	**109**	**1**	**9**	**30**	**18**	**-72**	**-70**	**40**	**66**
Adjusted EBITDA margin, %	7.3	10.0	0.1	1.1	4.0	2.5	-	-	1.5	2.5
EBITDA	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**24**	**46**
EBITDA margin, %	-	-	-	-	-	-	-	-	0.9	1.7
Depreciation and amortization	-	-	-	-	-	-	-	-	-122	-125
Net financial items	-	-	-	-	-	-	-	-	-30	8
EBT (Profit/loss before tax)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-128**	**-71**

Assets and investments by segment

31 Mar 2016	Sweden		Norway		Other Nordic countries & Europe		Central functions		Group	
MSEK	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Fixed assets	4,695	4,992	3,437	3,565	1,142	745	2,406	2,525	11,680	11,827
Investments in fixed assets	48	31	36	33	12	18	5	5	101	87

RevPAR development by segment

	OCC LFL		ARR LFL		RevPAR LFL		RevPAR	
	Jan-Mar		Jan-Mar		Jan-Mar		Jan-Mar	
SEK	2016	vs 2015	2016	vs 2015	2016	vs 2015	2016	vs 2015
Sweden	58.6%	0.6 pp	948.5	0.8%	555.5	1.9%	554.7	1.3%
Norway	50.5%	0.3 pp	926.6	-1.2%	468.2	-0.6%	449.0	-11.6%
Other Nordic countries & Europe	59.9%	2.1 pp	842.8	0.4%	505.2	4.0%	520.7	3.7%
Total	56.6%	0.9 pp	911.1	0.1%	515.5	1.7%	512.9	-1.9%

Revenue by country

MSEK	**Jan-Mar 2016**	**Jan-Mar 2015**	**Jan-Dec 2015**	**Apr-Mar 2015/2016**
Sweden	1,106	1,090	5,081	5,098
Norway	742	846	3,716	3,611
Denmark	260	259	1,264	1,265
Finland	373	357	1,601	1,616
Germany	96	88	406	414
Poland	14	11	64	68
Belgium	5	17	76	64
Total countries	**2,596**	**2,668**	**12,208**	**12,136**
Other	6	-	21	27
Group eliminations	-6	-	-21	-27
Group	**2,596**	**2,668**	**12,208**	**12,136**

Revenue by type of agreement

MSEK	**Jan-Mar 2016**	**Jan-Mar 2015**	**Jan-Dec 2015**	**Apr-Mar 2015/2016**
Lease agreements	2,582	2,650	12,134	12,066
Management agreements	2	2	11	11
Franchise and partner agreements	4	6	24	22
Owned	8	10	39	37
Total	**2,596**	**2,668**	**12,208**	**12,136**
Other	6	-	21	27
Group eliminations	-6	-	-21	-27
Group	**2,596**	**2,668**	**12,208**	**12,136**

Quarterly data

MSEK	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014
RevPAR, SEK	512.9	576.3	671.5	632.4	522.6	557.1
Net sales	2,594	3,085	3,275	3,169	2,664	3,051
Adjusted EBITDAR	744	1,105	1,344	1,173	784	1,058
Adjusted EBITDA	40	332	491	358	66	290
EBITDA	24	270	476	323	46	100
Adjusted EBIT	-82	214	362	227	-59	172
EBIT (Operating profit/loss)	-98	153	347	192	-79	-18
EBT (Profit/loss before tax)	-128	19	98	70	-71	-393
Adjusted EBITDAR margin, %	28.7	35.8	41.0	37.0	29.4	34.7
Adjusted EBITDA margin, %	1.5	10.7	15.0	11.3	2.5	9.5
EBITDA margin, %	0.9	8.8	14.5	10.2	1.7	3.3
Adjusted EBIT margin, %	neg	6.9	11.1	7.2	neg	5.7
EBIT margin, %	neg	5.0	10.6	6.1	neg	neg
Earnings per share, SEK	-0.97	0.23	1.29	0.80	-0.87	-4.24

Quarterly data per segment

MSEK	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014
Net sales						
Sweden	1,104	1,337	1,373	1,269	1,086	1,238
Norway	742	872	974	1,023	846	998
Other Nordic countries & Europe	748	876	928	877	732	815
Total net sales	**2,594**	**3,085**	**3,275**	**3,169**	**2,664**	**3,051**
Adjusted EBITDA						
Sweden	81	237	281	201	109	205
Norway	1	83	119	110	9	70
Other Nordic countries & Europe	30	107	152	123	18	81
Central functions	-72	-95	-61	-76	-70	-66
Total adjusted EBITDA	**40**	**332**	**491**	**358**	**66**	**290**

Hotels and rooms in operation and under development

	Operational										Under development	
	Lease agreements		Management agreements		Franchise and partner agreements		Owned		Total		Total	
31 Mar 2016	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Sweden	75	14,983	1	145	6	726	-	-	82	15,854	3	1,278
Norway	61	11,342	-	-	22	2,801	1	135	84	14,278	3	944
Denmark	21	3,496	1	210	-	-	-	-	22	3,706	2	538
Finland	25	5,216	-	-	2	233	-	-	27	5,449	-	-
Rest of Europe	6	1,510	-	-	-	-	-	-	6	1,510	-	16
Total	**188**	**36,547**	**2**	**355**	**30**	**3,760**	**1**	**135**	**221**	**40,797**	**8**	**2,776**

Exchange rates

SEK/EUR	Jan-Mar 2016	Jan-Mar 2015	Jan-Dec 2015
Income statement (average)	9.3248	9.3797	9.3562
Balance sheet (at end of period)	9.2323	9.2869	9.1350
SEK/NOK			
Income statement (average)	0.9792	1.0738	1.0465
Balance sheet (at end of period)	0.9802	1.0680	0.9556
SEK/DKK			
Income statement (average)	1.2499	1.2591	1.2544
Balance sheet (at end of period)	1.2389	1.2433	1.2242

LONG-TERM INCENTIVE PROGRAM

In December 2015, Scandic implemented a share-based long-term incentive program (LTIP 2015) that enables participants to receive matching shares and performance shares provided they make their own investments in shares or allocate shares already held to the program. For each such savings share, the participant may be allotted one matching share, free of consideration. In addition, the participants may receive a number of performance shares, free of consideration, depending on the degree of meeting certain performance criteria adopted by the Board of Directors for the 2015–2017 financial years. Matching shares and performance shares will be allotted after the end of a vesting period until the date of publication of Scandic's interim report for the first quarter of 2018, subject to the participant remaining a permanent employee within the Group and retaining the savings shares during the entire vesting period.

A total of 34 senior managers have invested in the program and may be allotted a maximum of 286,886 shares (66,264 of which are shares to the CEO), corresponding to approximately 0.28 percent of Scandic's share capital and votes. The expected costs of the entire program are estimated to be 12.2 MSEK, and the costs included in the income statement for the Group in accordance with IFRS 2 amounted to MSEK 1.2 in the first quarter of 2016, including social security contributions. The maximum cost of the program, including social security contributions, is estimated to be 35.6 MSEK. For more information about Scandic's Long Term Incentive Program, see Note 6 in Scandic's Annual Report 2015.

The Board of Directors has proposed to the 2016 Annual General Meeting to approve a new LTIP (LTIP 2016) on basically the same terms and conditions as the LTIP 2015, but with an additional requirement related to the total shareholder return on the company's shares (TSR) that 50 percent of the matching shares that may be allotted under the program shall be conditional upon continued employment and an uninterrupted holding of savings shares, while the allotment of the remaining 50 percent of the matching shares shall in addition be subject to a TSR-related condition. The program will be offered to a maximum of 40 senior managers who may be allotted a maximum of 400,000 shares (87,650 of which are shares to the CEO), corresponding to approximately 0.39 percent of Scandic's share capital and votes. The vesting period is three years, ending on the date of publication of Scandic's interim report for the first quarter of 2019. The expected costs for the entire program are estimated to be 12.3 MSEK including social security contributions. The maximum cost of the program, including social security contributions, is estimated to be 36.4 MSEK.

The expected financial exposure to shares that may be allotted under LTIP 2015 and LTIP 2016 and the delivery of shares to the participants of LTIP 2015 and LTIP 2016 has been hedged by Scandic's entering into a share swap agreement with a third party on market terms.

The Board of Directors and the CEO assure that this interim report gives a true and fair view of the Parent Company and Group's operations, financial position and results of operations and that it also describes the significant risks and uncertainties to which the Parent Company and Group companies are exposed.

Stockholm, May 11, 2016

Vagn Sørensen Chairman	Per G. Braathen Member of the Board
Caspar Callerström Member of the Board	Grant Hearn Member of the Board
Lottie Knutson Member of the Board	Eva Moen Adolfsson Member of the Board
Niklas Sloutski Member of the Board	Rikard Steiber Member of the Board
Fredrik Wirdenius Member of the Board	Jan Wallmark Employee representative

Frank Fiskers
President & CEO

AUDITORS' REVIEW

This interim report has not been the subject of any review by the company's auditors.

HOTEL-RELATED KEY RATIOS

ARR (Average Room Rate)
The average room rate is the average room revenue per sold room.

LFL (Like-for-Like)
LFL refers to the hotels that were in operation during the entire period as well as during the corresponding period of the previous year at unchanged exchange rates.

OCC (Occupancy)
Refers to sold rooms in relation to the number of available rooms. Expressed as a percentage.

RevPAR (Revenue Per Available Room)
Refers to the average room revenue per available room.

Pre-opening costs
Refers to costs for contracted and newly opened hotels before opening day.

Full-time equivalents (FTEs)
The number of full-time employees calculated as the total number of working hours for the period divided by annual working time.

FINANCIAL KEY RATIOS

EBT
Earnings before tax.

EBIT
Earnings before interest and taxes.

EBITDA
Earnings before interest, taxes, depreciation and amortization.

EBITDA margin
EBITDA as a percentage of net sales.

Adjusted EBIT
Earnings before pre-opening costs, non-recurring items, interest and taxes.

Adjusted EBITDA
Earnings before pre-opening costs, non-recurring items, interest, taxes, depreciation and amortization.

Adjusted EBITDAR
Earnings before pre-opening costs, non-recurring items, interest, taxes, depreciation, amortization and rent.

Non-recurring items
Items that are not directly related to the normal operations of the company, for example costs for transactions, exits and restructuring.

Interest-bearing net liabilities
Interest-bearing assets minus interest-bearing liabilities.

Working capital, net
Current non-interest bearing receivables minus current non-interest bearing liabilities.

EQUITY-RELATED KEY RATIOS

Earnings per share
The profit/loss during the period, related to the shareholders of the company, divided by the average number of shares.

Scandic Hotels Group

Scandic is the largest hotel company in the Nordic countries with about 44,000 rooms at 230 hotels in operation and under development. In 2015, the Group had annual sales of SEK 12.2 billion.

We operate within the mid-market hotel segment under our industry-leading and well-loved Scandic brand. About 70 percent of our revenue comes from business travel and conferences and the remaining 30 percent from leisure travel. We have a high share of returning guests and our Scandic Friends loyalty program is the largest in the Nordic hospitality industry with more than 1.7 million members.

Since it was founded in 1963, Scandic has been a pioneer and driven development in the hotel industry. Corporate responsibility has always been a part of our DNA and in 2016, we were named the most sustainable hotel operator for the sixth year in a row according to a Sustainable Brands survey.

Scandic was listed on the Nasdaq Stockholm exchange on December 2, 2015.

Press releases

2016-04-12 Scandic recognizes employees through Scandic President's Awards

2016-04-12 Scandic to launch two more signature hotels in the Nordic region

2016-04-11 Scandic recruits Frippe Stenberg as VP Brand & Guest Journey

2016-04-11 Scandic to open new conference hotel in Copenhagen in 2018

2016-04-08 Notice of the annual general meeting of Scandic Hotels Group AB

2016-04-07 Scandic Hotels cements position as best in the industry in sustainability

2016-04-04 Changes in the Nomination Committee

2016-04-01 Scandic recruits Jan Edgren as VP Technical Services

2016-03-29 Scandic recognized as one of Sweden's most gender equal listed companies

2016-03-17 Scandic to take over popular hotel in Aalborg

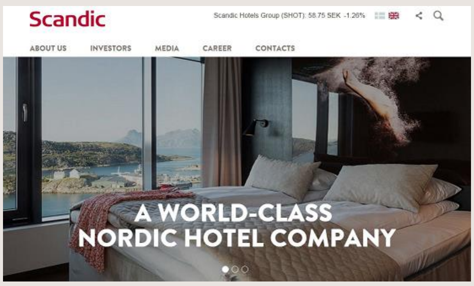
2016-03-09 Gunilla Rudebjer to leave Scandic

2016-02-26 Scandic strengthens its sales organization

2016-02-23 Scandic's year-end report 2015

2016-01-04 Exercise of over-allotment option in relation to Scandic

scandichotelsgroup.com



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Scandic