

**Rezidor Cornerstone A/S
Central Business Registration No
17099442
Amager Strandvej 60-64, 3rd floor
2300 Copenhagen S**

Annual report 2015

The Annual General Meeting adopted the annual report on

9/5 2016

Chairman of the General Meeting

Name: Monica Reib

Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's reports	3
Management commentary	5
Accounting policies	6
Income statement for 2015	10
Balance sheet at 31.12.2015	11
Statement of changes in equity for 2015	13
Notes	14

Entity details

Entity

Rezidor Cornerstone A/S
Amager Strandvej 60-64, 3rd floor
2300 Copenhagen S

Central Business Registration No: 17099442

Registered in: Copenhagen

Financial year: 01.01.2015 - 31.12.2015

Board of Directors

Scott Anthony Deibert, Chairman

Gopal Sawhney

Lars Gordon Nielsen

Executive Board

Jørgen Lindhardt, Chief Executive Officer

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 Copenhagen C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Rezidor Cornerstone A/S for the financial year 01.01.2015 - 31.12.2015.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

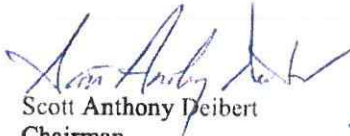
Copenhagen, 02.05.2016

Executive Board



Jørgen Lindhardt
Chief Executive Officer

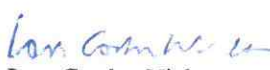
Board of Directors



Scott Anthony Deibert
Chairman



Gopal Sawhney



Lars Gordon Nielsen

Independent auditor's reports

To the owners of Rezidor Cornerstone A/S

Report on the financial statements

We have audited the financial statements of Rezidor Cornerstone A/S for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Independent auditor's reports

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Copenhagen, 02.05.2016

Deloitte

Statsautoriseret Revisionspartnerselskab



Ove Nielsen
State Authorized Public Accountant

CVR-nr. 33963556

Management commentary

Primary activities

Rezidor Cornerstone A/S is an internal marketing service company which renders services for all Rezidor hotels and the central Rezidor administration in Brussels:

- All kinds of graphic production and printing
- Project management
- Brand protection
- Distribution and stocking of collaterals
- Distribution and stocking of amenities
- Distribution logistics

Development in activities and finances

Profit of the year amount to DKK 6 thousand which is considered unsatisfactory.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C enterprises.

The accounting policies applied for these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Revenue

Revenue is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Accounting policies

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Cost of sales

Cost of sales comprises costs of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

Other external expenses

Other external expenses comprise expenses for distribution, sale, marketing, administration, etc.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Other financial income from group enterprises

Other financial income from group enterprises comprises interest income etc on receivables from group enterprises.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with its Parent and all of the Parent's other Danish subsidiaries. Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Accounting policies

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost of work in progress consists of direct labour costs.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts as well as financing costs are recognised in the income statement as incurred.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Accounting policies

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Deferred income

Deferred income comprises received income for recognition in subsequent financial years. Deferred income is measured at cost.

Income statement for 2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Revenue		41.629	47.025
Cost of sales		(21.830)	(24.061)
Other external expenses		<u>(3.714)</u>	<u>(5.404)</u>
Gross profit/loss		16.085	17.560
Staff costs	1	<u>(16.184)</u>	<u>(15.202)</u>
Operating profit/loss		(99)	2.358
Other financial income from group enterprises		66	66
Other financial expenses	2	<u>(38)</u>	<u>(53)</u>
Profit/loss from ordinary activities before tax		(71)	2.371
Tax on profit/loss from ordinary activities	3	<u>77</u>	<u>(679)</u>
Profit/loss for the year		<u>6</u>	<u>1.692</u>
Proposed distribution of profit/loss			
Retained earnings		<u>6</u>	1.692
		<u>6</u>	<u>1.692</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Deferred tax		82	0
Fixed asset investments		<u>82</u>	<u>0</u>
Fixed assets		<u>82</u>	<u>0</u>
Raw materials and consumables		3.595	2.950
Inventories		<u>3.595</u>	<u>2.950</u>
Trade receivables		4.498	5.646
Contract work in progress		251	475
Receivables from group enterprises		4.635	4.987
Other short-term receivables		849	1.093
Income tax receivable		101	0
Prepayments		200	112
Receivables		<u>10.534</u>	<u>12.313</u>
Cash		<u>31</u>	<u>11</u>
Current assets		<u>14.160</u>	<u>15.274</u>
Assets		<u>14.242</u>	<u>15.274</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Contributed capital	4	2.400	2.400
Retained earnings		7.324	7.318
Equity		<u>9.724</u>	<u>9.718</u>
Provisions for deferred tax		0	49
Provisions		<u>0</u>	<u>49</u>
Bank loans		4	0
Trade payables		608	1.452
Income tax payable		0	599
Other payables		3.651	2.997
Deferred income		255	459
Current liabilities other than provisions		<u>4.518</u>	<u>5.507</u>
Liabilities other than provisions		<u>4.518</u>	<u>5.507</u>
Equity and liabilities		<u>14.242</u>	<u>15.274</u>
Unrecognised rental and lease commitments	5		
Contingent liabilities	6		
Related parties with control	7		
Ownership	8		
Consolidation	9		

Statement of changes in equity for 2015

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	2.400	7.318	9.718
Profit/loss for the year	0	6	6
Equity end of year	2.400	7.324	9.724

Notes

	2015	2014	
	DKK'000	DKK'000	
1. Staff costs			
Wages and salaries	14.052	13.128	
Pension costs	1.072	1.065	
Other social security costs	254	306	
Other staff costs	806	703	
	16.184	15.202	
	2015	2014	
	DKK'000	DKK'000	
2. Other financial expenses			
Exchange rate adjustments	38	53	
	38	53	
	2015	2014	
	DKK'000	DKK'000	
3. Tax on ordinary profit/loss for the year			
Current tax	(48)	599	
Change in deferred tax for the year	(131)	(16)	
Adjustment relating to previous years	102	96	
	(77)	679	
	Number	Par value	Nominal
	DKK	DKK	value
	DKK'000	DKK'000	DKK'000
4. Contributed capital			
Ordinary shares	2.400	1.000,00	2.400
	2.400		2.400
	2015	2014	
	DKK'000	DKK'000	
5. Unrecognised rental and lease commitments			
Commitments under rental agreements or leases until expiry	2.587	3.881	

Notes

6. Contingent liabilities

The Entity is jointly and severally liable with the jointly registered consolidated enterprises for the total VAT liability.

The Entity participates in joint taxation (DK) with Rezidor Hospitality ApS as the administration company and, consequently, is jointly and severally liable as of the financial year 2013 with the other jointly taxed entities for the total corporation tax and for any obligation to withhold tax at source on interest, royalties and dividends for the jointly taxed entities. The jointly taxed entities' total known net liability in the joint taxation arrangement is stated in the financial statements of the administration company.

7. Related parties with control

The following related parties have a controlling interest in Rezidor Cornerstone A/S:

<u>Name</u>	<u>Registered office</u>	<u>Basis of influence</u>
Rezidor Hospitality ApS	Copenhagen	Parent
Rezidor Hospitality Holding AB	Stockholm	Parent
Rezidor Hotel Group AB (publ)	Stockholm	Parent
Carlson Holding Inc.	Minnetonka	Ultimate Parent

8. Ownership

Rezidor Cornerstone A/S is a wholly owned subsidiary of Rezidor Hospitality ApS, Amager Strandvej 60-64 3rd floor, DKK-2300 Copenhagen S.

9. Consolidation

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Rezidor Hotel Group AB (publ), Stockholm.