

**Rezidor Scandinavia ApS
Central Business Registration No
35255109
Amager Strandvej 60-64
2300 Copenhagen S**

Annual report 2015

The Annual General Meeting adopted the annual report on 31/5-16

Chairman of the General Meeting


Name: Monica Reib

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Entity details

Entity

Rezidor Scandinavia ApS
Amager Strandvej 60-64
2300 Copenhagen S

Central Business Registration No: 35255109
Registered in: Copenhagen
Financial year: 01.01.2015 - 31.12.2015

Internet: www.radissonblu.com

Board of Directors

Thomas Christopher Flanagan, Chairman
Sonja Dive Dahl
Gopal Sawhney
Lars Gordon Nielsen

Executive Board

Steen Block Gartmann

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
P.O. Box 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 Scandinavia ApS 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, 26.05.2016

Executive Board



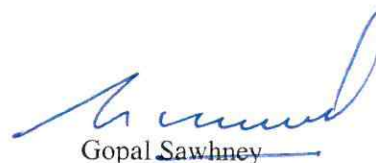
Steen Bloek Gartmann

Board of Directors

Thomas Christopher Flanagan
Chairman



Sonja Dive Dahl



Gopal Sawhney



Lars Gordon Nielsen

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Steen Bloek Gartmann

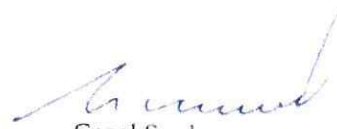
Board of Directors



Thomas Christopher Flanagan
Chairman



Sonja Dive Dahl



Gopal Sawhney



Lars Gordon Nielsen

Independent auditor's reports

To the owners of Rezidor Scandinavia ApS

Report on the financial statements

We have audited the financial statements of Rezidor Scandinavia ApS 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.

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.

Independent auditor's reports

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, 26.05.2016

Deloitte

Statsautoriseret Revisionspartnerselskab



Ove Nielsen
State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

	2015	2014	2013
	DKK'000	DKK'000	DKK'000
Financial highlights			
Key figures			
Revenue	203.020	184.729	0
Gross profit/loss	87.340	75.947	(9)
Operating profit/loss	16.232	7.811	(9)
Net financials	(58)	(86)	0
Profit/loss for the year	12.351	5.703	(9)
Total assets	47.680	29.052	849
Investments in property, plant and equipment	5.874	1.440	0
Equity	18.545	6.194	491
Ratios			
Net margin (%)	6,1	3,1	-
Return on equity (%)	99,9	170,6	(1,8)
Solvency ratio (%)	38,9	21,3	57,8

Management commentary

Primary activities

The activities of Rezidor Scandinavia ApS consist in the operation of hotel and restaurant as well as congress facilities.

Development in activities and finances

Profit for the year amounts to DKK 12,351 thousand, which is considered satisfactory.

Outlook

Total hotel revenue for 2016 is expected to increase compared to 2015. Positive results are expected for 2016.

Environmental performance

During the last couple of years, Radisson BLU Hotels & Resorts has implemented the programme "Responsible Business". The main purpose of the programme is to obtain systematic information on the hotel's energy consumption, waste disposal and chemical consumption detrimental to the environment in order to prepare a plan for minimising environmental impacts as much as possible. Moreover, special education programmes for hotel employees are part of the programme so that they will be capable of identifying potential environmental impacts and of planning the operations of the hotel in which consideration for the environment is integrated as an important factor.

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 C enterprises (medium).

The accounting policies applied to 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

The Company's revenue represents invoiced sale for the year less VAT and price reductions directly related to revenue.

Accounting policies

Cost of sales

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

Other external expenses

Other external expenses comprise expenses for sale, marketing, administration, premises, bad debts, etc.

Staff costs

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

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

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 Danish subsidiaries. The current 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

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-constructed assets, cost comprises direct

Accounting policies

and indirect costs of materials, components, subsuppliers and labour costs. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
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Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Inventories

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

Cost of goods for resale, raw materials and consumables consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

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

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

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.

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.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Accounting policies

Other financial liabilities

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

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Income tax receivable or payable

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.

Deferred income

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

Cash flow statement

The Company has not prepared any cash flow statement according to section 86(4) of the Danish Financial statements Act, as the Company's cash flows are included in the cash flow statement of Rezidor Hotel Group AB, Stockholm.

Financial highlights

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Ratios reflect
Net margin (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Revenue}}$	The Entity's operating profitability.
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The Entity's return on capital invested in the Entity by the owners.
Solvency ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the Entity.

Income statement for 2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Revenue		203.020	184.729
Cost of sales		(16.328)	(14.906)
Other external expenses		<u>(99.352)</u>	<u>(93.876)</u>
Gross profit/loss		87.340	75.947
Staff costs	1	(70.779)	(68.108)
Depreciation, amortisation and impairment losses		<u>(329)</u>	<u>(28)</u>
Operating profit/loss		16.232	7.811
Other financial expenses		<u>(58)</u>	<u>(86)</u>
Profit/loss from ordinary activities before tax		16.174	7.725
Tax on profit/loss from ordinary activities	2	<u>(3.823)</u>	<u>(2.022)</u>
Profit/loss for the year		<u>12.351</u>	<u>5.703</u>
Proposed distribution of profit/loss			
Retained earnings		<u>12.351</u>	<u>5.703</u>
		<u>12.351</u>	<u>5.703</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Other fixtures and fittings, tools and equipment		6.153	812
Property, plant and equipment in progress		804	600
Property, plant and equipment	3	<u>6.957</u>	<u>1.412</u>
Fixed assets		<u>6.957</u>	<u>1.412</u>
Manufactured goods and goods for resale		1.220	1.151
Inventories		<u>1.220</u>	<u>1.151</u>
Trade receivables		9.757	9.266
Receivables from group enterprises		26.646	11.394
Other short-term receivables		0	3
Prepayments	4	1.569	4.838
Receivables		<u>37.972</u>	<u>25.501</u>
Cash		<u>1.531</u>	<u>988</u>
Current assets		<u>40.723</u>	<u>27.640</u>
Assets		<u>47.680</u>	<u>29.052</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Contributed capital	5	500	500
Retained earnings		18.045	5.694
Equity		<u>18.545</u>	<u>6.194</u>
Provisions for deferred tax		228	43
Provisions		<u>228</u>	<u>43</u>
Prepayments received from customers		948	571
Trade payables		7.266	8.318
Debt to group enterprises		183	324
Income tax payable		3.647	1.979
Other payables	6	16.335	10.701
Deferred income	7	528	922
Current liabilities other than provisions		<u>28.907</u>	<u>22.815</u>
Liabilities other than provisions		<u>28.907</u>	<u>22.815</u>
Equity and liabilities		<u><u>47.680</u></u>	<u><u>29.052</u></u>
Contingent liabilities	8		
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Statement of changes in equity for 2015

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	500	5.694	6.194
Profit/loss for the year	0	12.351	12.351
Equity end of year	500	18.045	18.545

Notes

	2015 DKK'000	2014 DKK'000
1. Staff costs		
Wages and salaries	65.548	62.920
Pension costs	3.900	3.788
Other social security costs	1.331	1.400
	<u>70.779</u>	<u>68.108</u>
Average number of employees	<u>144</u>	<u>142</u>
	2015 DKK'000	2014 DKK'000
2. Tax on ordinary profit/loss for the year		
Current tax	3.638	1.979
Change in deferred tax for the year	185	43
	<u>3.823</u>	<u>2.022</u>
	Other fixtures and fittings, tools and equipment DKK'000	Property, plant and equipment in progress DKK'000
3. Property, plant and equipment		
Cost beginning of year	840	600
Additions	5.670	204
Cost end of year	<u>6.510</u>	<u>804</u>
Depreciation and impairment losses beginning of the year	(28)	0
Depreciation for the year	(329)	0
Depreciation and impairment losses end of the year	<u>(357)</u>	<u>0</u>
Carrying amount end of year	<u>6.153</u>	<u>804</u>

4. Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

Notes

	<u>Number</u>	<u>Par value DKK</u>	<u>Nominal value DKK'000</u>
5. Contributed capital			
Share capital	5.000	100,00	500
	<u>5.000</u>		<u>500</u>
		<u>2015</u>	<u>2014</u>
		<u>DKK'000</u>	<u>DKK'000</u>
6. Other short-term payables			
VAT and duties		1.124	175
Wages and salaries, personal income taxes, social security costs, etc. payable		395	378
Holiday pay obligation		3.930	3.718
Other costs payable		10.886	6.430
		<u>16.335</u>	<u>10.701</u>

7. Short-term deferred income

Short-term deferred income comprises received income for recognition in subsequent financial years.

8. Contingent liabilities

The Entity participates in joint taxation (DK) with Rezidor Hospitality A/S 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.

Contractual obligations

The annual rent obligation incumbent on the Company for rent of the hotel building is partly a minimum rent, partly dependent on the Company's operating profit. The tenancy is interminable by the tenant until 31 December 2034. For 2016, the rent obligation is expected to amount to DKK 50,000 thousand.

Notes

9. Related parties with control

The following related parties have a controlling interest in Rezidor Scandinavia ApS:

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

10. Ownership

Rezidor Scandinavia ApS is a wholly owned subsidiary of Rezidor Hotels ApS Danmark. Amager Strandvej 60-64, 2300 Copenhagen S, Denmark.

11. Consolidation

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

Rezidor Hotel Group AB, Stockholm. Group accounts are available at www.rezidor.com.