

MESSAGE FROM THE PRESIDENT & CEO

EVERY MOMENT MATTERS

Every Moment Matters. These three words are, quite simply, the key to Rezidor's success. Every moment, every interaction, every point of contact with our guests, owners, business partners and team members counts and makes a difference. These moments give us a unique opportunity to differentiate us, to create memorable experiences – and to ultimately advance on our journey from being 'simply good' to becoming 'truly great'.

SUSTAINABLE FOUNDATION FOR IMPROVED PROFITABILITY

Such individual and personal moments count even more in the challenging times we live and do business in. The external environment was fragile during the past year: terrorist threats and attacks continued to affect many destinations, trading conditions in oil-producing countries remained difficult, the Syrian refugee crisis and Britain's Brexit vote put pressure on the European Union, and the change of Presidential leadership in the US caused concern and uncertainty in large parts of the world.

But despite the tough global market conditions, international travel & tourism maintained its strong position as one of the fastest growing sectors

worldwide. Also Rezidor continued to grow and made further progress in creating a sustainable foundation for improved profitability. We launched a €10m cost containment plan purely focused on overhead costs while protecting the guest experience in our hotels, and completed 15 more asset management transactions to optimize our portfolio, either through exiting loss-making properties or re-negotiating lease agreements. Asset management is a key contributor to our performance: over the past five years, our initiatives have yielded ca €17m EBITDA contribution and ca 1.8 percent uplift in EBITDA margin.

REACHING 100,000 ROOMS IN 80 COUNTRIES

Our growing network in more than 80 countries across Europe, the Middle East and Africa passed the milestone of 80,000 rooms in operation, and our pipeline remained strong with more than 20,000 rooms under development. We continue to lead with our bold approach concentrated on emerging markets. We are recognized for offering successful global brands, personalized service to owners, experienced technical and openings

WOLFGANG M. NEUMANN,
PRESIDENT & CEO



VIEW CEO'S VIDEO MESSAGE

REZIDOR
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teams, an attractive commercial strategy as well as operational excellence – and this is paying off. In 2016, Rezidor strengthened its leading position in Africa: in this core growth region, we signed in average a hotel every 37 days and opened a hotel every 60 days. Radisson Blu has the largest organic room pipeline on the continent, and also Quorvus Collection, Radisson RED and Park Inn by Radisson continue to grow in Africa where increased demand is driven by natural resources, infrastructure developments and a shortage of international branded supply.

PIONEERING BOLD RADISSON RED AND DYNAMIC PRIZEOTEL

In 2016, we celebrated the opening of the world's very first Radisson RED in our home town Brussels in Belgium. RED is our new lifestyle select offer – curated for the ageless millennial mindset, and inspired by fashion, music and art. We look forward to opening the next Radisson RED properties in Glasgow/UK and Cape Town/South Africa in 2017, and have five more projects under development in EMEA and, together with our strategic partner Carlson, 17 hotels under development worldwide.

April 2016 saw another significant development: Rezidor expanded its brand portfolio and entered the economy segment by acquiring a 49% stake in prizeotel, a dynamic, entrepreneurial and creative start-up based in Germany and designed by Karim Rashid. For the initial roll-out of prizeotel, we put priority on Germany, Switzerland, Austria and the BeNeLux countries – and already added three properties in Germany and Switzerland to prizeotel's existing portfolio of three hotels (*). The economy segment is constantly expanding, and we see promising potential for accelerated growth in other key markets.

COMMITTED TO SAFETY & SECURITY

Rezidor is recognized within the industry and beyond for our leading Safety & Security program – and yet we are always striving to even better respond to the changing external environment. We increased our focus on Safety & Security even further and complemented our program by an agreement with 'Safehotels', an independent partner certifying the safety standards at our hotels. We are proud that more than 160 Rezidor

* prizeotel numbers not included in the overall Rezidor room count.



HNA Tourism, Rezidor's new majority shareholder, has the ambition to become a global leader within our industry, and we look forward to growing our business together with a strong owner. At the same time, we extend our sincere thanks to Carlson for a fruitful partnership that lasted more than 25 years.

properties across Europe, the Middle East and Africa already received the Safehotels label.

Safety & Security is a core element of our award-winning Responsible Business program that aims to make a real difference. Also in 2016, Rezidor was named one of the World's Most Ethical Companies - an honor we have held since 2010. We work to be a role model, and, as Chairman of the International Tourism Partnership (ITP),

I strongly support Responsible Business alignment across all major international hotel companies.

During the past year, Rezidor was equally acclaimed for numerous visionary Responsible Business initiatives. Like our Park Inn by Radisson "Adding Color to Lives" campaign - an innovative art project designed to help youth at-risk– which won the prestigious United Nations World Tourism Organization Innovation Award.

NEW MAJORITY OWNERSHIP

2016 marked a change in majority ownership in Rezidor: In December, China-based HNA Tourism Group acquired Carlson Hotels, making HNA Tourism Group Rezidor's new majority shareholder (51.3%). HNA Tourism Group Co., Ltd. is a Fortune Global 500 company with operations across aviation, tourism, hospitality, finance and online services among other sectors. HNA has the ambition to become a global leader within our industry, and we look forward to growing our business together with a strong owner. At the same time, we extend our sincere thanks to Carlson for a fruitful partnership that lasted more than 25 years.

EMBRACING CHANGE WITH A Z-SPIRIT

We are living in a challenging yet exciting era of disruption and global change. The Rezidor team has always embraced change as an opportunity, rather than an obstacle. All of our successes are due to our people – our 43,700+ team members are living Rezidor's fighting Z-spirit and are true hosts. We are a relationship company, and we have established a distinct reputation and track record for that. Most importantly, our guests know and appreciate our hospitality mindset, wherever they travel, our hoteliers are keen to delight them. Each of our employees is empowered to offer personalized, and innovative service to make each stay a special and memorable one.

Welcome to our world!

Sincerely,

Wolfgang M. Neumann
President & CEO

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OUR COMMON NORTH

Every navigator knows the importance of a good compass, a tool for setting and following direction, the indicator for a good roadmap. If you do not know where to go and how to get there, how can you reach your destination, how can you be successful? This is where Our Common North comes in. For Rezidor, Our Common North highlights our joint direction And it outlines what is important to us and why – and what sets us apart from anyone else.

We share a common vision...a common purpose...a common dream. All in alignment, we act in concert as a well-oiled machine, developing talent, driving our business, delighting our guests and delivering results. That's our 4D strategy, fueled by our Yes I Can! service ethos, inspired by Our Common North, and ensuring that every moment matters – for our guests, our partners and our colleagues.

It is easy to be good. It takes more work, focus and dedication to be great. To go from good to great, we simply focus on the essential of our business: our guests. It is in our DNA, It is in our culture. In today's competitive hotel arena, it is not enough to focus on service excellence. We have to go beyond that and put our guests center stage in everything we do. We want to offer them

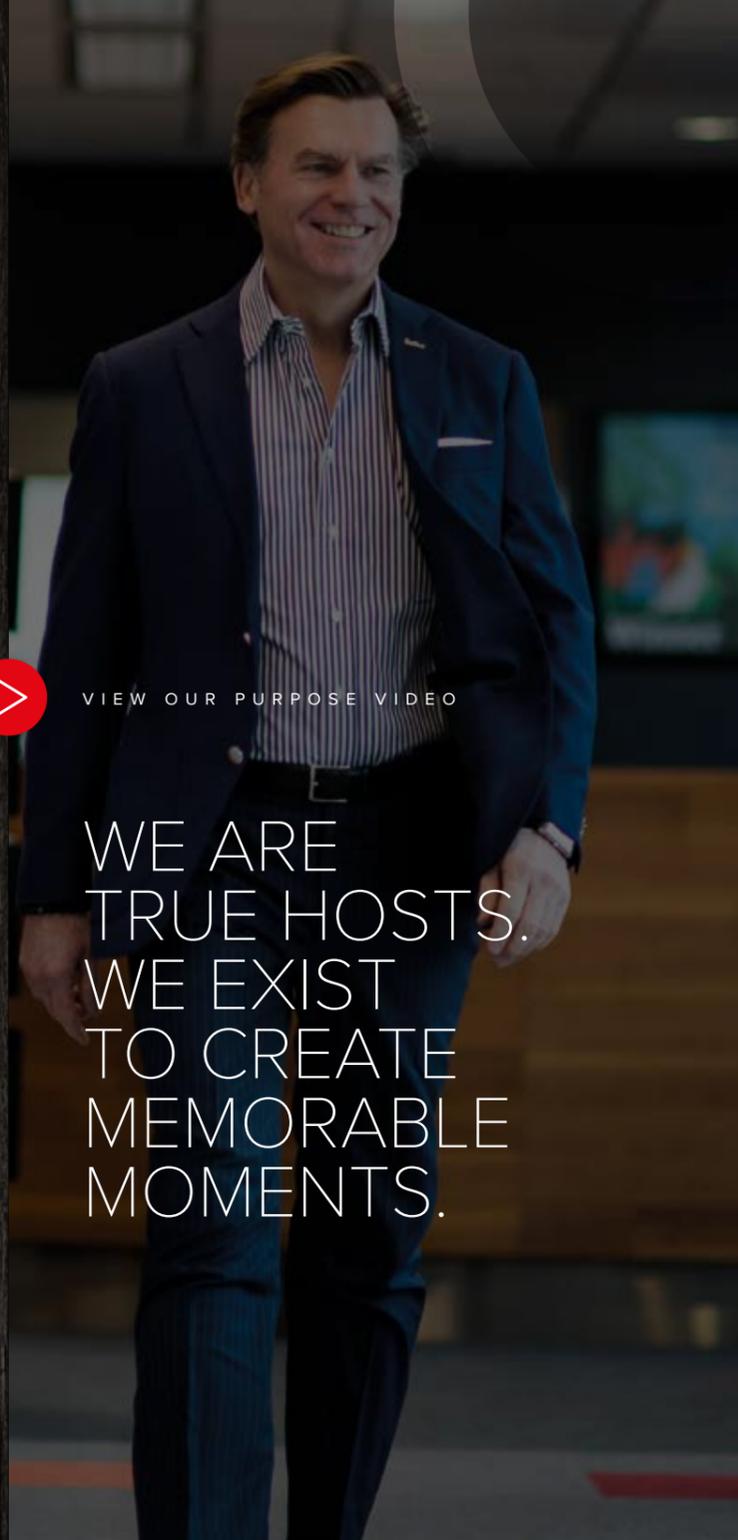
a unique and memorable experience that wows them, that compels them to share the experience with friends and family, giving us a strong third-party endorsement and strengthening loyalty.

We are true hosts. We exist to create memorable moments. We deliver by living the brand promise. What connects us? Our values, being host, living trust and the fighting z-spirit. Each and every one of our team members is empowered to make a difference, to live our values, to drive our business and to delight our guests. At Rezidor, every moment matters on our journey.



VIEW OUR PURPOSE VIDEO

WE ARE TRUE HOSTS. WE EXIST TO CREATE MEMORABLE MOMENTS.



WHY WE EXIST

CREATING MEMORABLE MOMENTS

WHO WE ARE

TRUE HOSTS

HOW WE DELIVER

LIVING THE BRAND PROMISE

WHAT CONNECTS US

OUR VALUES

BEING HOST / LIVING TRUST / FIGHTING Z-PIRIT

OUR GUIDING LIGHT



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