



THE
REZIDOR
HOTEL GROUP



**ONE OF THE WORLD'S FASTEST
GROWING HOSPITALITY COMPANIES**



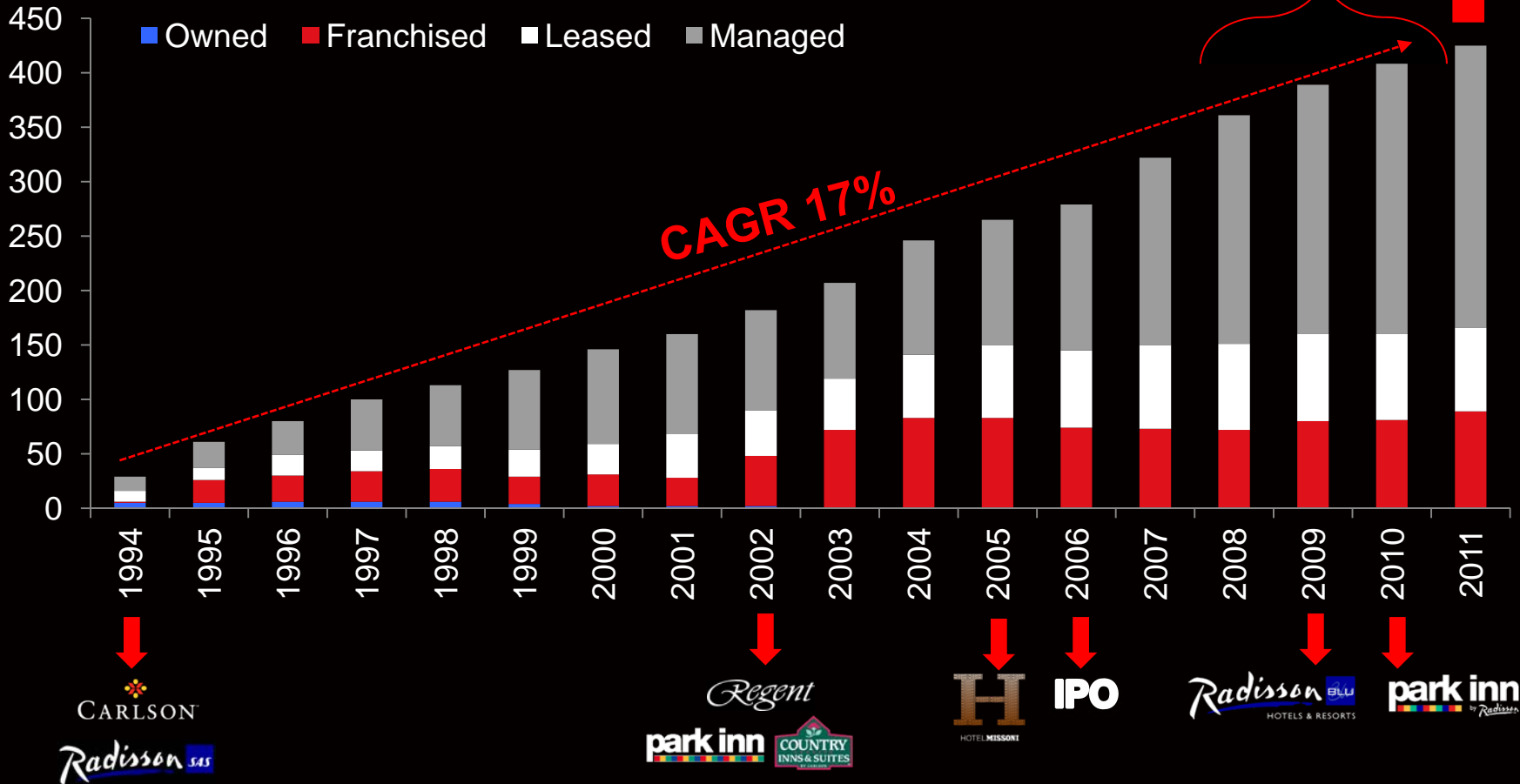
JANUARY 2012

THE
REZIDOR
HOTEL GROUP

“ one of the
FASTEST GROWING,
MOST DYNAMIC
 hospitality companies in the world ”

425 hotels
93,000 rooms

**Record breaking growth
 amidst the downturn**



Our Presence

Number of hotels in operation & under development

- Rezidor in EMEA
 - 60+ countries
 - 320 hotels in operation
 - 100+ under development
- Rezidor+Carlson worldwide
 - 90+ countries
 - 1,100 hotels in operation
 - 250 under development

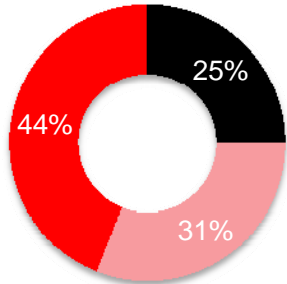


Asset Light growth in emerging markets

3 record breaking years of new openings amidst the downturn

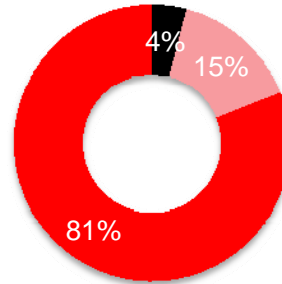
IPO-2006

Operating



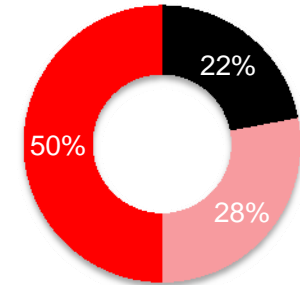
■ Franchised ■ Leased ■ Managed

Pipeline



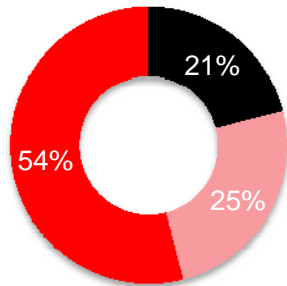
■ Franchised ■ Leased ■ Managed

Total

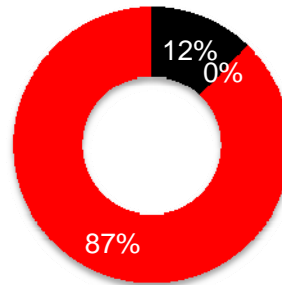


■ Franchised ■ Leased ■ Managed

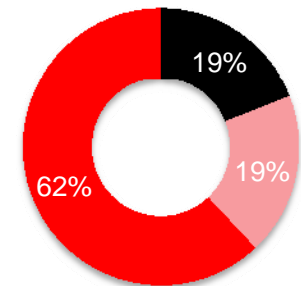
Nov-2011



■ Franchised ■ Leased ■ Managed



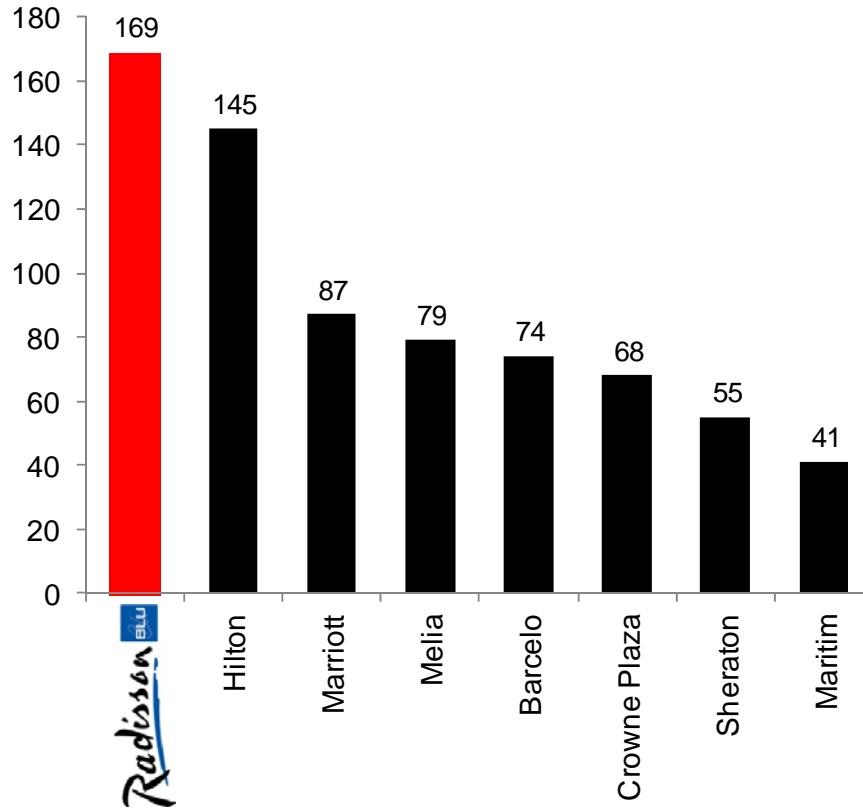
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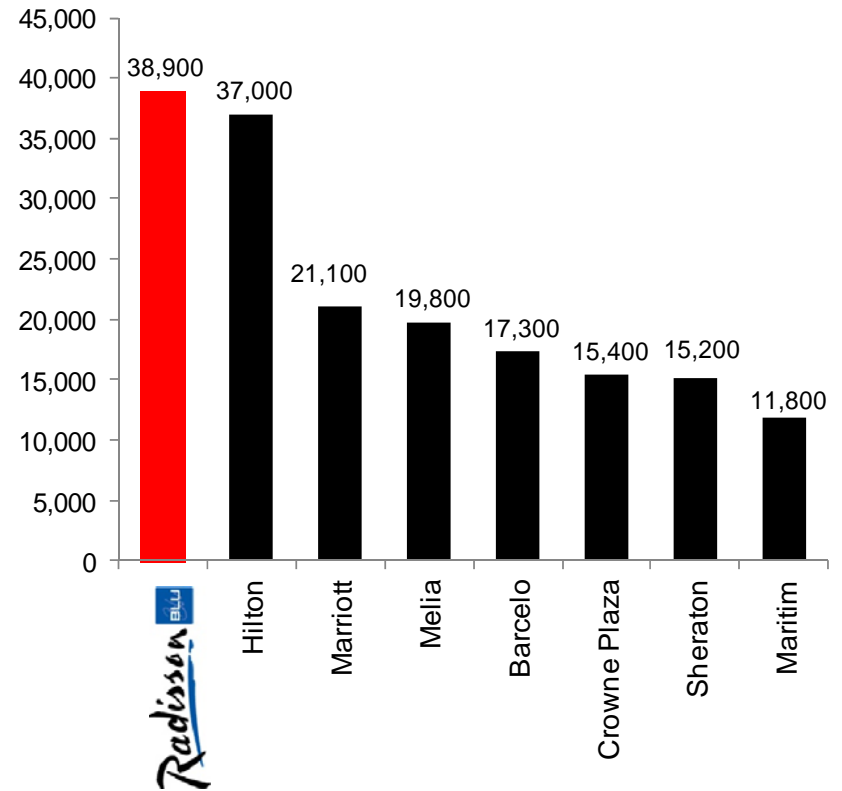
■ Franchised ■ Leased ■ Managed

Largest upscale hotel brand in Europe

Number of Hotels










Number of Rooms










Largest Pipeline in Europe

Largest in Upscale







	7,100
	5,100
	4,100
	2,600
	1,600
	800
	600

2nd Largest in Mid-Scale

	6,000
	5,900
	4,400
	1,400
	1,600
	1,400
	550

Strong growth in Middle East & Africa

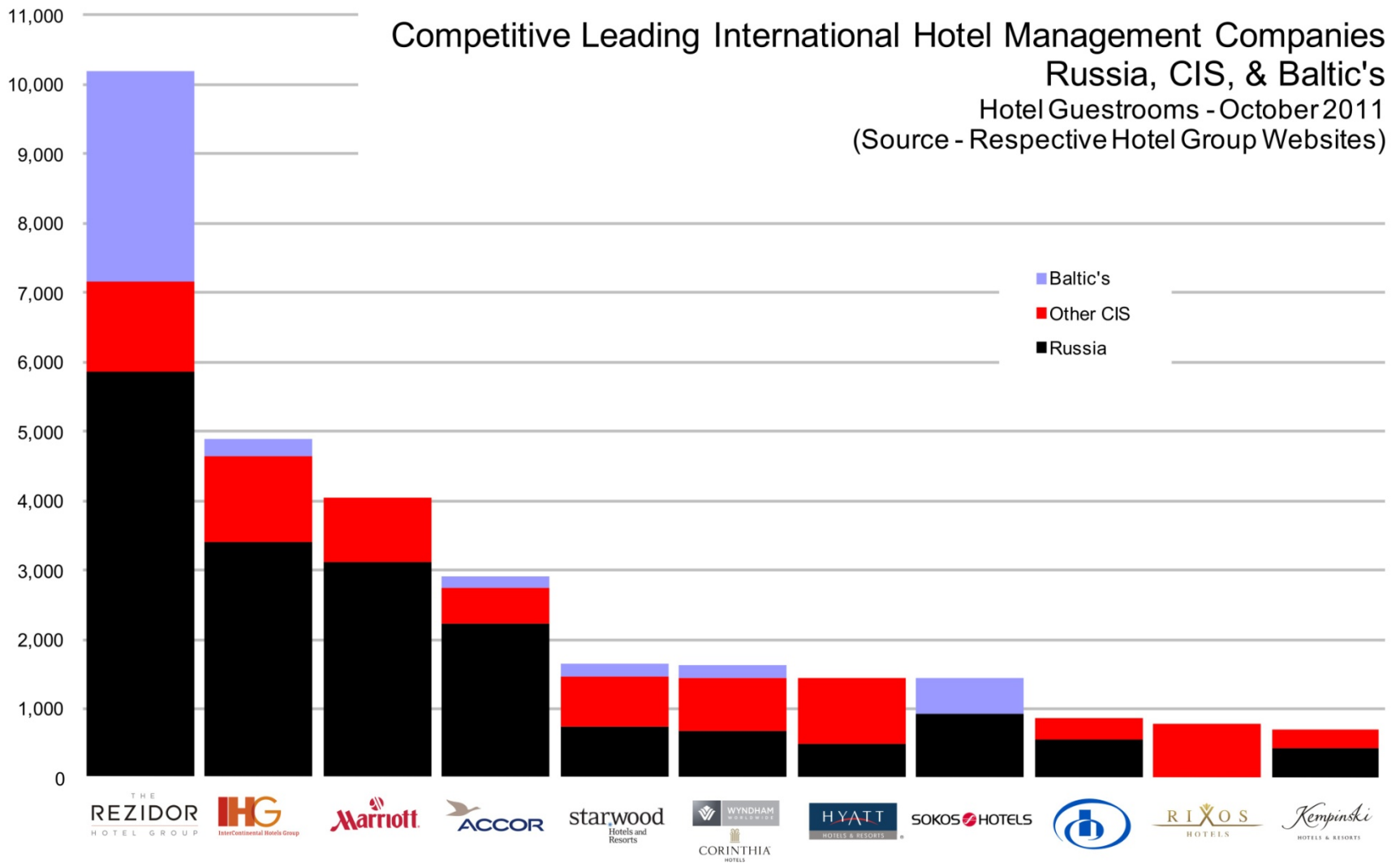
2nd Largest in Upscale

 Hilton	11,000
 Radisson Blu	5,200
 INTERCONTINENTAL	5,000
 Jumeirah	4,300
 Kempinski	4,000
 Marriott	3,000

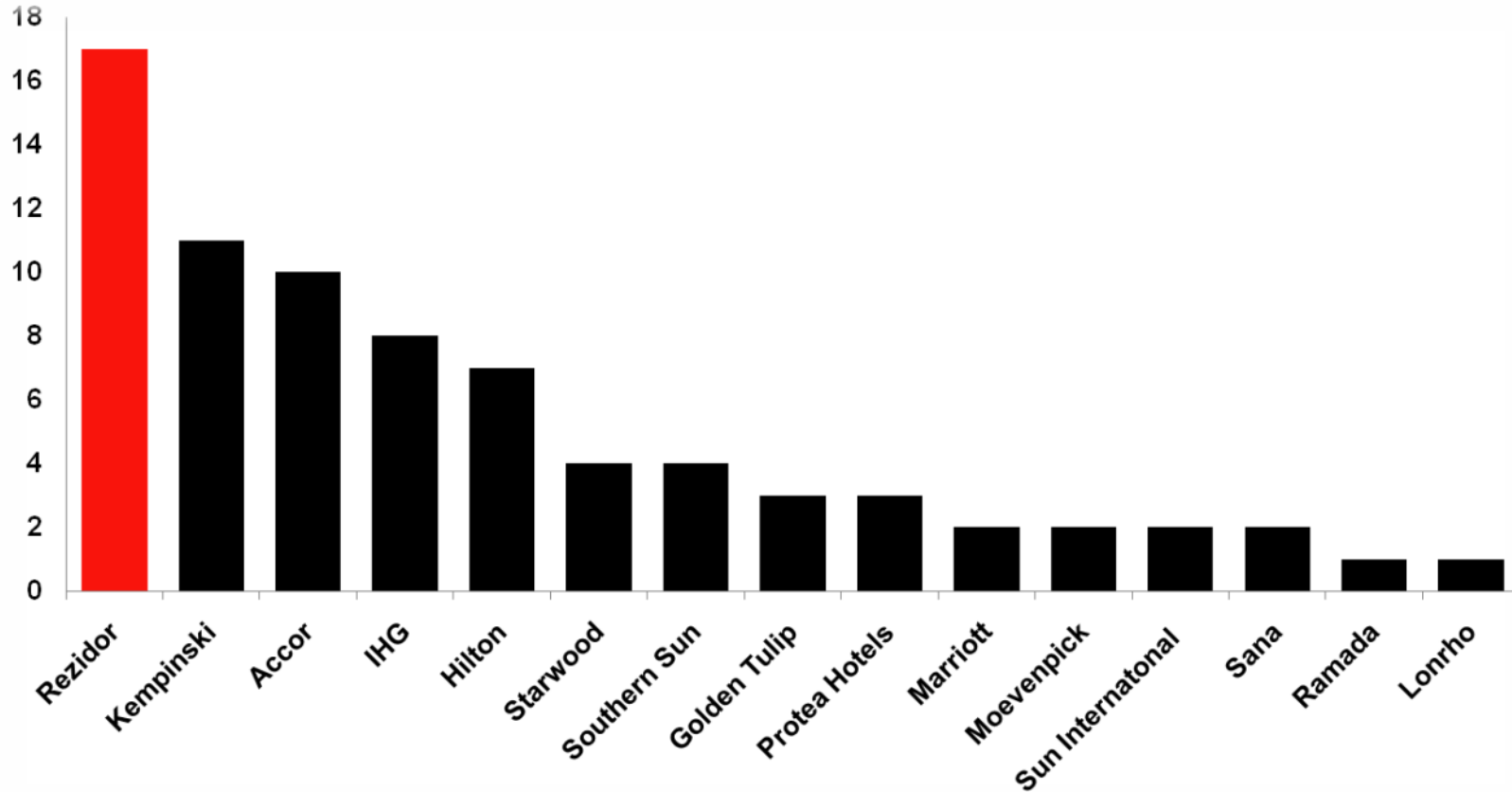
4th Largest in Mid-Scale

 Holiday Inn HOTELS + RESORTS	4,300
 NOVOTEL HOTELS	2,800
 COURTYARD Marriott	2,100
 park inn by Radisson	2,000
 RAMADA PLAZA	300

Leading international hotel operator in Russia, CIS & Baltics



Largest Pipeline in Sub-Saharan Africa

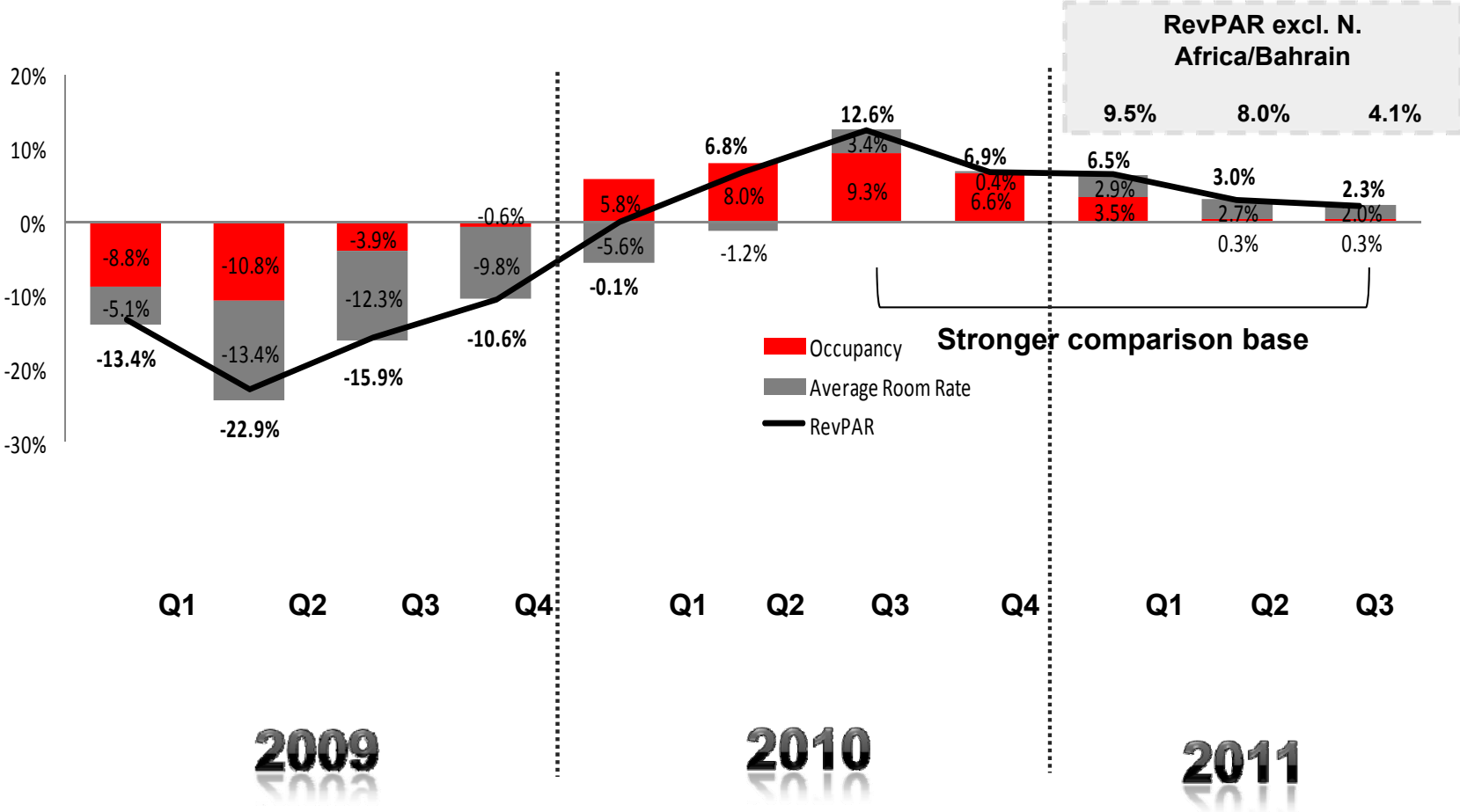


Highest growth in Europe

RANK	GROUP	ROOMS JAN. 2011	ROOMS JAN. 2010	GROWTH
1	Accor	247,000	242,000	1.8%
2	Best Western	89,000	87,000	2.4%
3	Intercontinental Hotel Group	85,000	85,000	0.2%
4	Groupe du Louvre	67,000	72,000	-6.8%
5	NH Hoteles	51,000	51,000	1.2%
6	Rezidor/Carlson	49,000	44,000	10.7%
7	Sol Melia	45,000	46,000	-3.1%
9	TUI	42,000	40,000	4.3%
10	Hilton International	41,000	40,000	3.8%

FINANCIAL UPDATE

Slowdown of RevPAR growth



Income Statement

MEUR	2007	2008	2009	2010	2011* TTM
Revenue	785	785	677	786	850
EBITDAR	281	276	210	254	276
% EBITDAR Margin	36%	35%	31%	32%	32%
EBITDA	86	71	5	31	40
%EBITDA Margin	11%	9%	1%	4%	5%

Operational Gearing & Margins

An industry leading EBITDAR margin

EBITDA margin trailing; initiatives expected to help meet targets

IN MEUR	2007	2009	2011* (TTM)
RevPAR	77	58	62
<i>Change vs 2007 RevPAR</i>		<i>-25%</i>	<i>-20%</i>
REVENUE	785	677	850
% <i>EBITDAR Margin</i>	36%	31%	32%
% <i>EBITDA Margin</i>	11%	1%	5%

- **Revenue:** growth driven by new business despite massive drop in RevPAR vs 2007 levels
- **EBITDAR Margin:** tight cost control keeping margins at good levels, room to grow
- **EBITDA Margin:** low, but initiatives will help meet the targets

Rent & Margin Profile: Nordics Vs ROWE

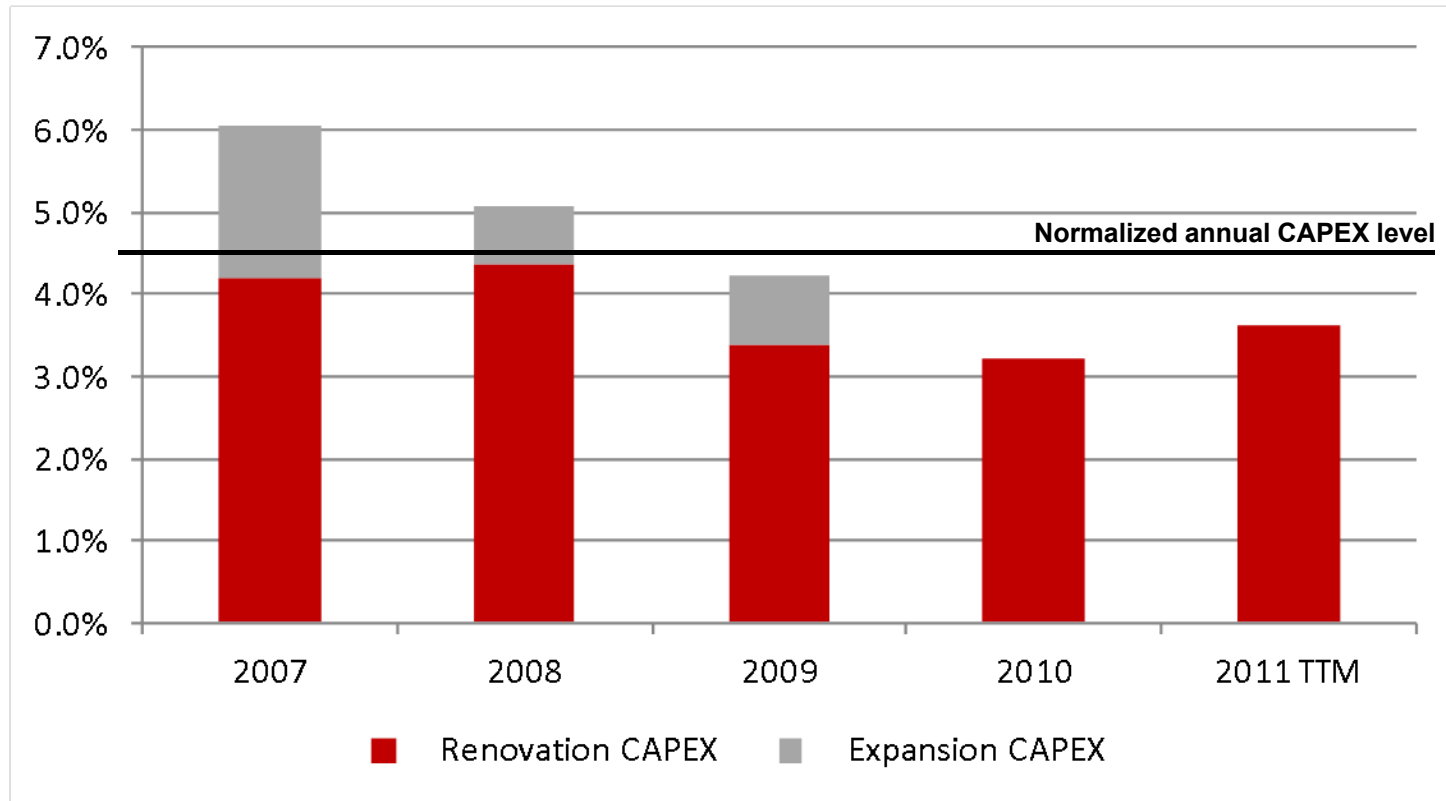
Nordics – a profitable region for Rezidor

MEUR	NORDICS			ROWE		
	2007	2009	2011* (TTM)	2007	2009	2011* (TTM)
LEASED REVENUE	327	276	360	366	316	383
FIXED RENT	17%	21%	21%	28%	34%	31%
VARIABLE RENT	8%	5%	6%	2%	2%	3%
TOTAL RENT	26%	26%	27%	30%	35%	34%
EBITDAR MARGIN	42%	38%	37%	33%	28%	32%
EBTIDA MARGIN	16%	12%	10%	3%	-8%	-2%

- RevPAR in ROWE lower than in the Nordics
- Lower profit margins in ROWE
- High rent percentages (mainly fixed) in ROWE

Capex – as a % of Leased Revenue

Focus on revenue generating capex



- Normalized CAPEX 4.5% to 5.0% p.a.
- Back log since 2009 → some catch up to take place during 2012-13 (0.5% to 1.0% higher than normal)

Balance Sheet

Stable & debt free; strong liquidity buffer

MEUR	2007	2008	2009	2010	Sep-11
BALANCE SHEET TOTAL	413	384	357	378	406
NET WORKING CAPITAL (EXCL CASH)	-46	-56	-47	-73	-55
NET DEBT (NET CASH)	-20	-18	7	-27	2
EQUITY	201	184	166	175	177

- Net working capital negative in leased business
- No on-balance sheet debt
- Asset Management to help delever
- Change in IFRS – capitalisation of all lease contracts expected in 2015



Margin Improvement Lifting The Bar A Notch Higher

Summary of EBITDA Margin Improvement

Rezidor's initiatives & run-rate impact by 2015

**6-8%
uplift in
EBITDA
margin by
2015***

**MEUR 50-70
positive
EBITDA impact
on 2011 TTM**

Revenue Generation

3-4%

Fee based growth

2-2.5%

Cost savings projects

0.5-1%

Cap utilization

0.5%

Asset Management

A solid action plan to achieve the targets

FOCUS AREAS

- Revenue initiatives
- Fee based room growth
- Cost savings
- Asset management / deleveraging

EBITDA MARGIN UPLIFT

Rezidor's Initiatives

6-8%

+ Asset Management

+ Market Recovery over and above inflation

OUR FINANCIAL TARGETS

Profitability Target

EBITDA margin of 12% over a business cycle

Balance Sheet

Small positive average net cash position

Dividend Policy

Approximately one third of annual after-tax income to be distributed to shareholders

Q&A



CONTRACT TYPES

	FRANCHISED	MANAGED	LEASED
SERVICES PROVIDED BY REZIDOR	Brand, sales & marketing support, reservation system, & purchasing network	All management services including hiring & training of staff, brand, sales & marketing, reservation system & purchasing network	All management services including hiring & training of staff, brand, sales & marketing, reservation system & purchasing network
OPERATING COMPANY	Belongs to third party	Belongs to third party	Belongs to Rezidor
EMPLOYEES	Belong to third party	Belong to third party	Belong to Rezidor
FINANCIAL COMMITMENTS BY REZIDOR	None	In some cases, performance guarantees	Rent - Fixed or Variable
CONSIDERATION RECEIVED BY REZIDOR	Royalty, marketing & reservation fees	Management, marketing, incentive, royalty & reservation fees	Net profits of operating company
REZIDOR'S FINANCIAL EXPOSURE	None	At times, guaranteed result, however, shortfalls capped at 2-3x annual guarantee	Often offer minimum rent + variable, shortfalls capped at 1-2x annual guarantee
PROPERTY TAXES & INSURANCE	Obligation of third party	Obligation of third party	Subject to negotiation
FF&E MAINTENANCE	Obligation of third party	Obligation of third party	Rezidor's obligation
STRUCTURAL MAINTENANCE	Obligation of third party	Obligation of third party	Normally lessor's obligation
TYPICAL CONTRACT TERM	10 years	15-20 years	20+ years
ACCOUNTING REVENUE FOR REZIDOR	Fees from hotel	Fees from hotel	All revenues of hotel

CONTRACT TYPES

	FRANCHISED	MANAGED	LEASED
REGIONS	All regions	All regions (some regions are reluctant)	Mature markets with low volatility.
LOCATIONS	Secondary and tertiary locations.	All locations.	Strategic locations.
EBITDA	50%	70-80%	8-15%
RISK/ REWARDS	Low risk Low Fee Income (5-6%)	Balanced risk and reward. High fee income. (8-10%)	Higher risk/rewards. Trade belongs to Rezidor.
BRAND CONTROL	Helps to increase brand awareness due to rapid growth potential	High control of the brand, quality and standards.	High control of the brand, quality and standards.