



Interim Results Q2-2011

Friday July 22, 2011

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HOTEL **MISSONI**



Q2-2011 Financial highlights

- Net Profit improvement over Q2 2010, excluding non-recurring items
- Continued RevPAR growth in Europe, although economic recovery remains fragile
- Like-for-like RevPAR increase of 3% (8% excluding North Africa and Bahrain)
- 8.5% Park Inn RevPAR growth
- 12% revenue growth, with two-thirds generated from new hotels
- Strong conversion in like-for-like hotels
- Loss of 1.5 MEUR in fee revenue due to unrest in North Africa and Bahrain

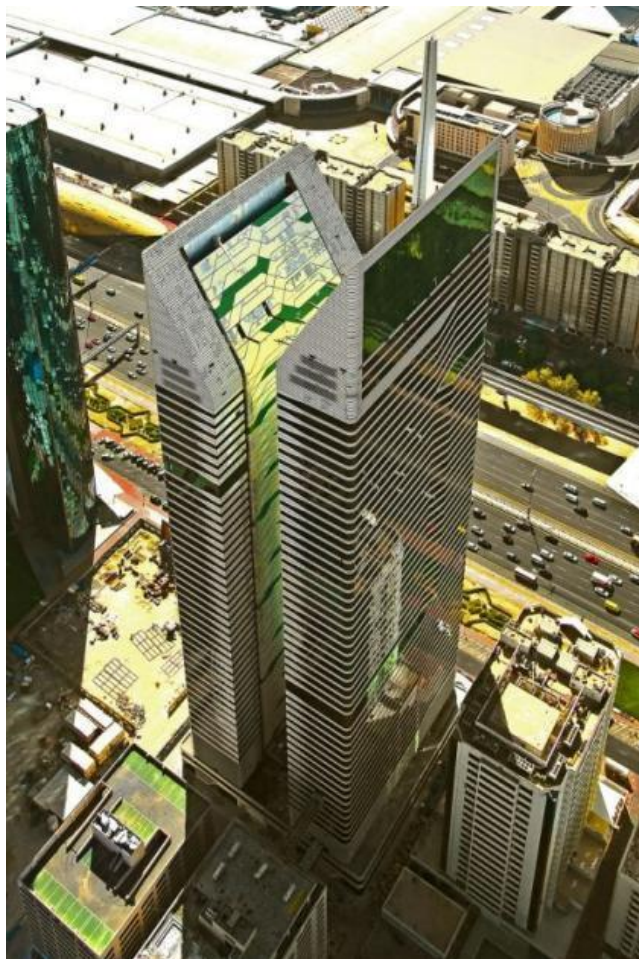
2011 Focus areas and highlights

- Revenue generation
 - Improved market penetration
 - Ramp-up of new hotels
 - Synergies with Carlson
- Maintaining strong pipeline of 20,000+ rooms
- Re-enforced organisation
- Accelerated CapEx plan
- “Best Employer in Hospitality”
- Europe’s largest pipelines in our segments

Leveraging Carlson – Rezidor Synergies

- Global brand alignment
- Revenue generation
 - Brand websites
 - Revenue optimisation
 - Travel intermediaries
 - Loyalty program
 - Sales
- Purchasing

A new Radisson flagship



Radisson Royal Hotel, Dubai

590 keys

Located on Sheikh Zayed
Road in the heart of the
financial district

Signed & Opened July 7, 2011



BUSINESS DEVELOPMENT

Puneet Chhatwal, Executive Vice President & CDO



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Market updates

- More conversion opportunities
 - Increasing transaction activity
 - Banks selling hotels in receivership
- Industry pipeline likely to rise
 - Higher hotel investor confidence
 - Declining IRR requirements
- Financial markets
 - Credit remains tight for new hotels
 - Branding essential to secure capital
- Emerging markets
 - Highly profitable management contracts
 - Strongest asset-light growth opportunities

Continued growth

SIGNINGS	Q2-2011	H1-2011	H1-2010
Hotels	8	19	24*
Rooms	2,100	4,300	5,100*

*Includes Baltic Portfolio (10 hotels, 2,400 rooms)

- H1 highlights:
 - 50%:50% Radisson Blu/Park Inn by Radisson
 - 75% of signings already under construction
- 100% fee-based signings for 6 consecutive quarters
- Key Q2 locations: Amsterdam, Budapest, Istanbul, Lagos, Nairobi



Radisson Blu Istanbul Golden Horn



Park Inn Lagos Apapa

Adding new flagships

OPENINGS	Q2-2011	H1-2011	H1-2010
Hotels	4	10	20*
Rooms	1,000	2,400	4,700*

*Includes Baltic Portfolio (10 hotels, 2,400 rooms)

- H1 highlights:
 - 2 leased hotels opened, no leased hotels in pipeline
 - 8 hotels in capital cities/primary markets
 - 7 hotels offline (1,000 rooms) including three Regent hotels
- Key Q2 Locations: Moscow, Dubai, Lagos



Radisson Blu Belorusskaya Moscow



Radisson Blu Lagos

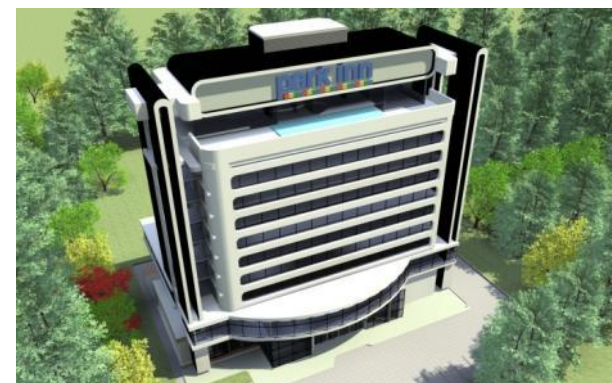
Taking Park Inn to the next level

PI SIGNINGS	H1-2011	% of Total
Hotels	12	65%
Rooms	2,000	50%

- Pursuing brand-enhancing hotels in capital cities to drive profitability and awareness
- 100% fee based signings
- Key cities: London, Amsterdam, Budapest, Lagos, Nairobi, Sochi



Park Inn London Wembley



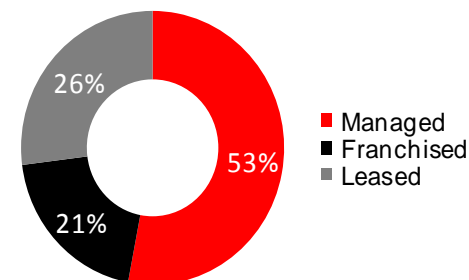
Park Inn Nairobi Westlands

Europe's largest pipelines in our segments

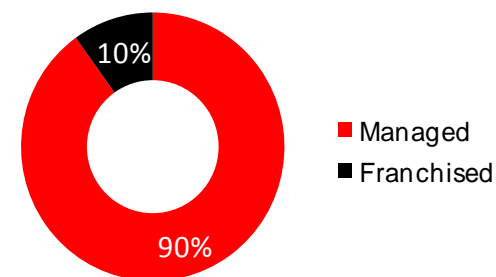
- Steady at 100+ hotels, 20,000+ rooms
- Represents 32% of portfolio in operation
- 55% under construction/site clearance
- Run-rate margin impact of 2-2.5% on EBITDA
- Key upcoming locations:

H2 2011 - 2013		
Addis Ababa	Istanbul (3)	Maputo
Amsterdam	Lagos (2)	Moscow
Budapest	London (2)	Nairobi
Cape Town	Lusaka	Oman (Missoni)

In operation



In pipeline





FINANCIAL UPDATE

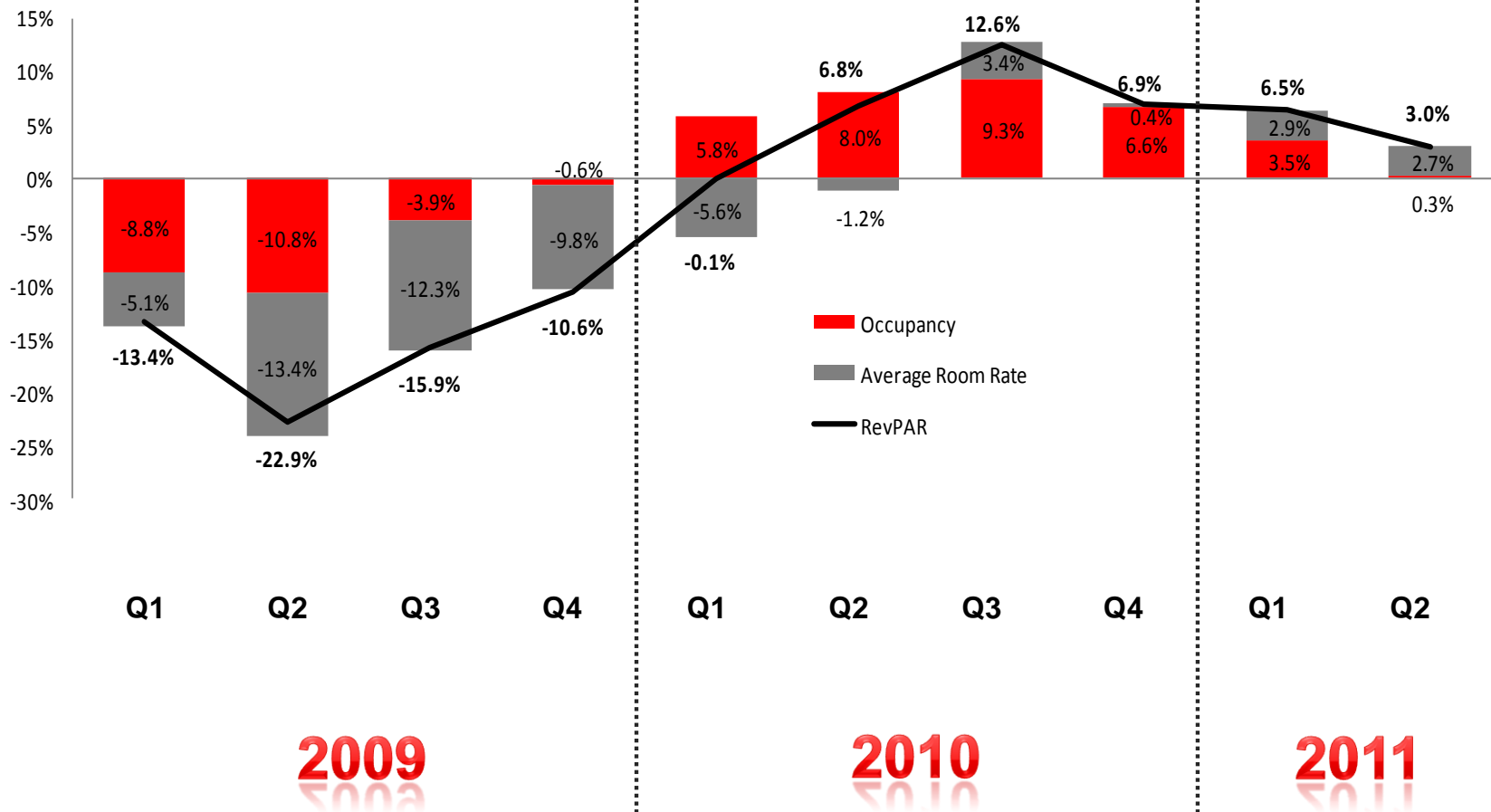
Knut Kleiven, Deputy President & CFO



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L/L RevPAR growth 3% (8% excluding N. Africa, Bahrain)



Solid European RevPAR growth

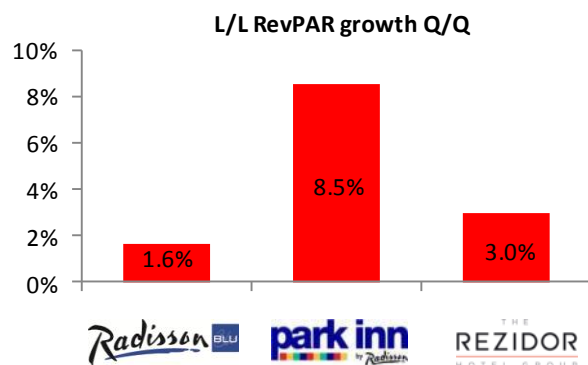
- **NORD:** Growth in Sweden and Denmark; Norway weak
- **EE:** Substantial rate growth, particularly in Russia, Baltics and Turkey
- **ROWE:** France, Switzerland and Benelux leading recovery
- **MEAO:** Turmoil caused overall drop, but Saudi Arabia, UAE and other countries improving

NO	Q2
L/L RevPAR:	2.4%
Occupancy:	2.4%
AHR:	0.1%

EE	Q2
L/L RevPAR:	19.1%
Occupancy:	6.3%
AHR:	12.0%

ROWE	Q2
L/L RevPAR:	10.7%
Occupancy:	6.8%
AHR:	3.6%

MEAO	Q2
L/L RevPAR:	-27.8%
Occupancy:	-23.1%
AHR:	-6.1%



Solid revenue growth, net results impacted by one-offs

IN MEUR	Q2-2011	Q2-2010
Revenue	226.7	203.0
Expenses	153.1	132.4
EBITDAR	73.6	70.6
% EBITDAR Margin	32%	35%
Rental expenses	58.8	53.1
EBITDA	14.8	17.5
% EBITDA Margin	7%	9%
EBIT	7.1	14.2
% EBIT Margin	3%	7%
Tax	-1.8	2.4
Net results	4.7	17.2

- 12% revenue growth
- New leased hotels ahead of expectations
- Excluding one-off's, EBITDA grew by 2.6 MEUR from Q2 2010
- Tax deviation due to capitalization of deferred tax assets in Q2 2010

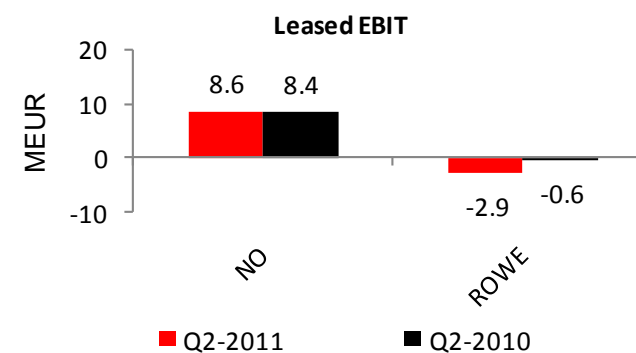
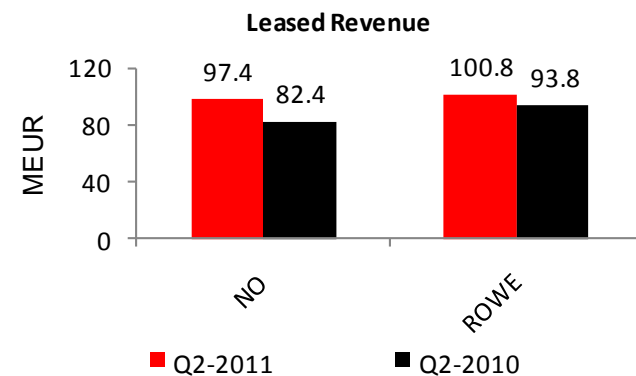
Q2 2011 vs Q2 2010

Q2 2011 vs Q2 2010	Reported Change	FX	Hotel Exits	New Hotels	Impairments	Other one-offs	L/L	Margin
Revenue	23.7	2.9	-2.9	16.1	-	-	7.6	-
EBITDAR	3.0	0.9	-0.4	5.3	-1.5	-5.0	3.7	49%
EBITDA	-2.7	0.1	0.5	0.5	-0.3	-5.0	1.5	20%
EBIT	-7.2	0.0	0.7	0.1	-0.9	-8.9	1.8	24%
Net Result	-12.5	0.3	0.7	0.3	-1.2	-15.2	2.6	34%

- 5 MEUR impact from one-off operating costs:
 - Restructuring costs in 2011
 - Additional marketing expenses in 2011
 - Reversal of accruals in 2010
- 2010 EBIT includes 3.9 MEUR capital gain from sale of Regent
- Capitalisation of deferred tax assets of 8.4 MEUR in Q2 2010

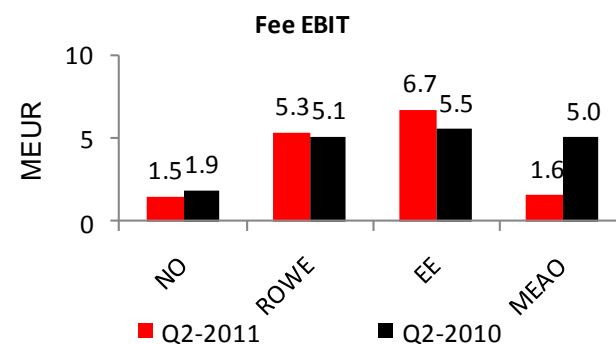
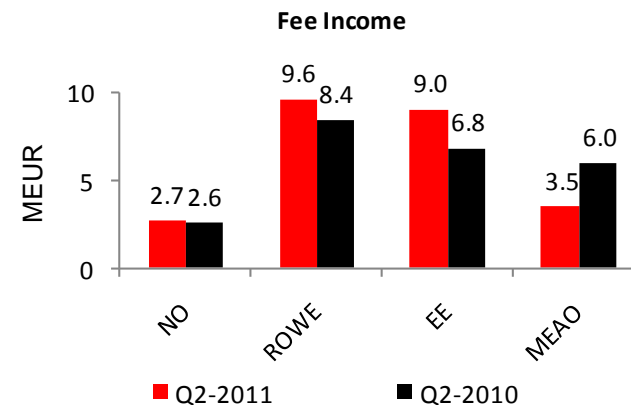
New openings driving revenue growth

- New Nordic leases generated 12 MEUR in revenue
- Margins negatively impacted by new openings
- Positive FX effect in Nordics
- ROWE EBIT variance mainly caused by sale of Regent



Fee based asset-light growth

- EE was strongest performing region, buoyed by new openings and market RevPAR growth
- ROWE performance supported by RevPAR growth and decreased shortfall payments
- MEAO drop attributable to MENA unrest, and South Africa World Cup in Q2 2010



2011 Focus areas & market trends

European RevPAR
growth; economic
recovery fragile

Supply growth remains
low

2011 Focus Areas

Revenue Generation
Maintaining Strong Pipeline 20,000+ rooms
Re-enforced Organisation
Accelerated CapEx Plan

Continued impact of
MENA unrest

Hotel investor
confidence rising, but
credit remains tight



Q&A



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