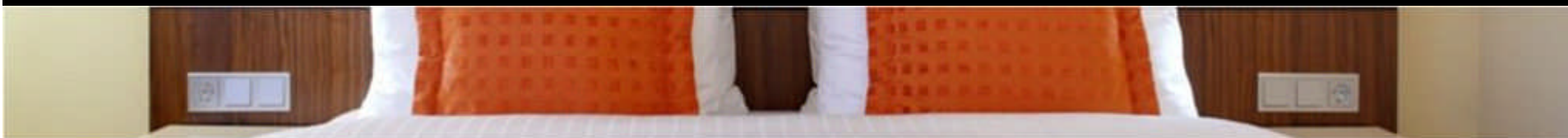
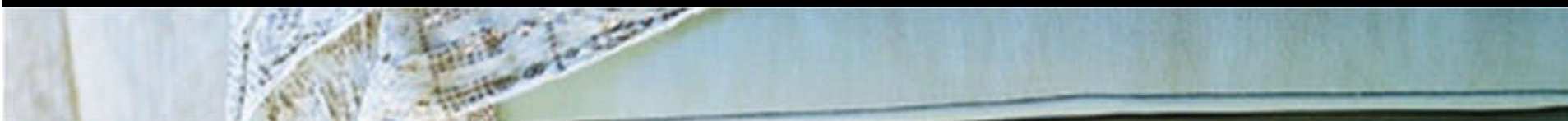
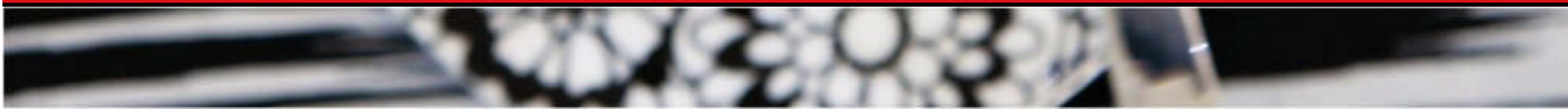




## INTERIM RESULTS Q3-2010



29 October 2010  
Brussels

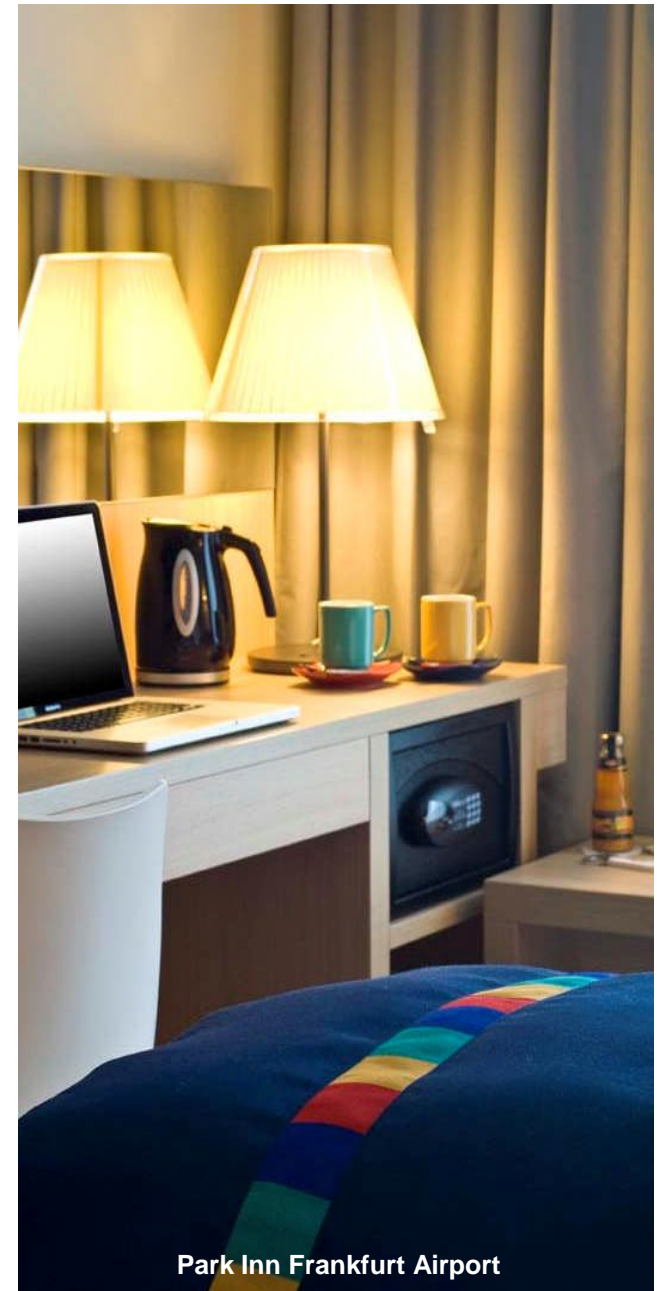


HOTEL MISSONI



# MARKET DEVELOPMENT

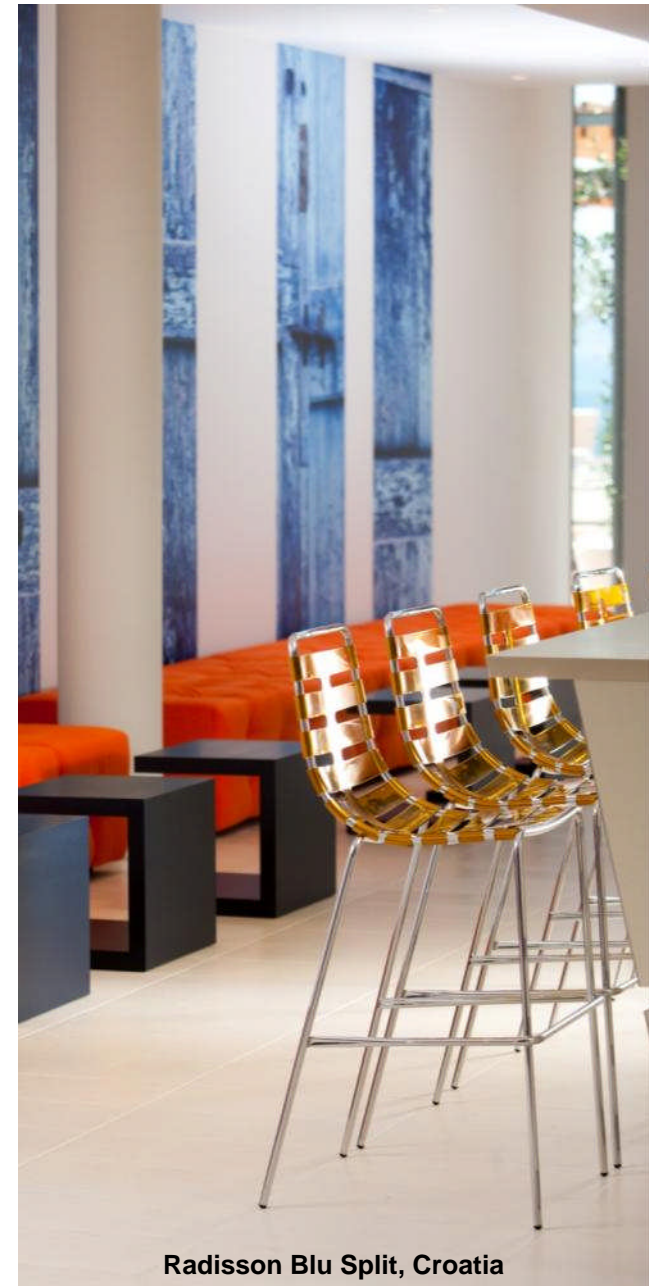
- Further strengthening of business and leisure demand
- Solid RevPAR growth accelerated by rate improvement
- Significant rebound in key international lodging markets
- Absolute RevPAR is still at a low level
- Supply growth in Europe at all time low
- Macroeconomic uncertainty remains



Park Inn Frankfurt Airport

## REZIDOR HIGHLIGHTS Q3-2010

- Strong RevPAR growth in all geographic segments notably:
  - Switzerland, Sweden, Benelux, France, Germany and UK
- First quarter of positive rate growth since Q4 2008
- Robust increase in margins; driven by operational gearing and tight cost control
- Significant EBITDA contribution from Emerging Markets
- Substantial improvement in free cash flow; good operating results and tight CAPEX
- Continued momentum of openings and signings during the recession





# BUSINESS DEVELOPMENT



## MARKET UPDATE

- Positive RevPAR trend should stimulate more development
- Considerable hotel debt refinancing in coming years creates conversion opportunities
- Improving investment climate
- Further industry consolidation anticipated



## INDUSTRY CONSTRUCTION PIPELINE

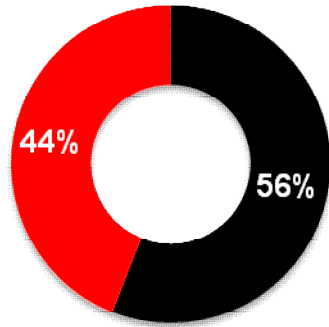
REGION	Q2 2010		% CHANGE: Q2 2008 TO Q2 2010	
	HOTELS	ROOMS	HOTELS	ROOMS
EUROPE	721	121,933	-29%	-29%
MIDDLE EAST	427	116,043	-23%	-29%
AFRICA	159	30,502	-11%	-17%
TOTAL	1,307	268,478	-26%	-28%

Pipeline decline for eight consecutive quarters

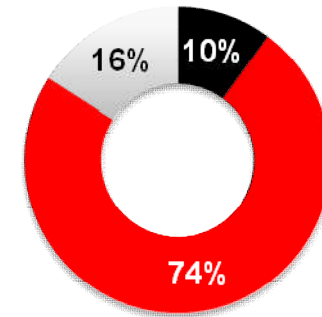
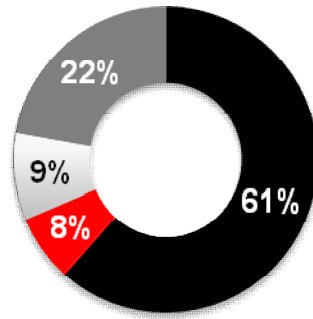
# REZIDOR AHEAD OF LAST YEAR'S GROWTH PACE

OPENINGS	Q3 2010	Q3 2009	YTD 2010	YTD 2009
HOTELS	9	7	29	27
ROOMS	2,000	1,800	6,700	4,900

■ Radisson Blu ■ Park Inn



■ Franchised ■ Managed ■ Leased

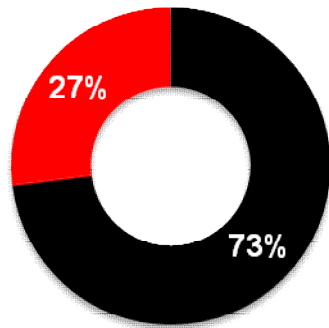


■ EE ■ MEAO ■ NO ■ ROWE

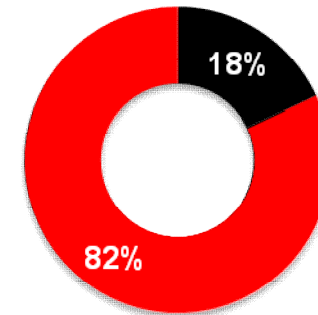
# 100% FEE BASED SIGNINGS

SIGNINGS	Q3 2010	Q3 2009	YTD 2010	YTD 2009
HOTELS	7	5	31	30
ROOMS	1,250	1,000	6,300	5,900

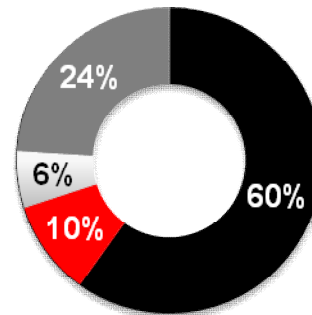
■ Radisson Blu ■ Park Inn



■ Franchised ■ Managed



■ EE ■ MEAO ■ NO ■ ROWE



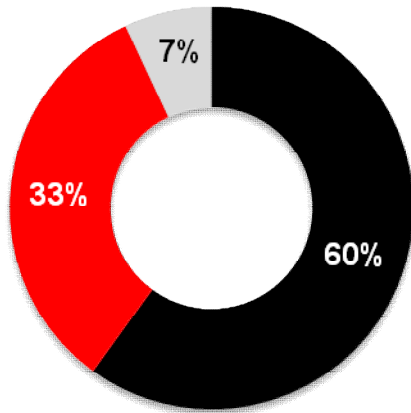
## GROWTH DURING RECESSION: Q4 2008 – Q3 2010

Q4 2008 – Q3 2010	ROOMS
<b>SIGNINGS</b>	<b>16,700 (82 hotels)</b>
<i>% FEE BASED</i>	98%
<i>% EE &amp; MEAO</i>	70%
<b>OPENINGS</b>	<b>16,800 (78 hotels)</b>
<i>% FEE BASED</i>	90%
<i>% EE &amp; MEAO</i>	60%

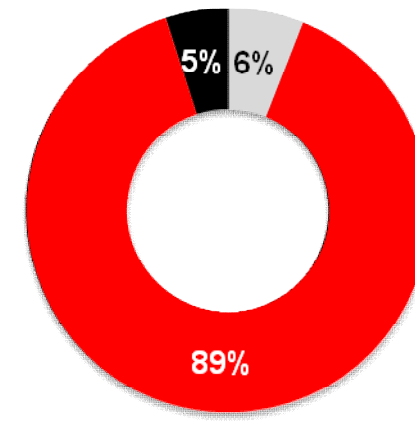
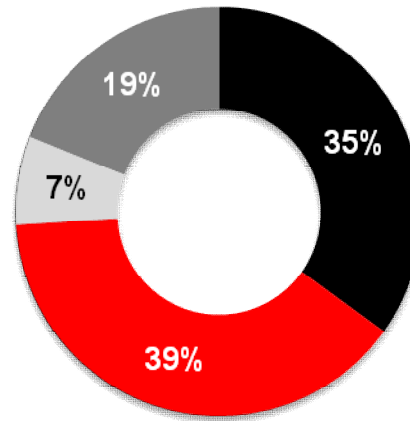
Well-positioned for the recovery ahead

# EXAMINING THE PIPELINE: 20,000+ ROOMS

■ Radisson Blu ■ Park Inn ■ Other



■ Franchised ■ Managed ■ Leased



■ EE ■ MEAO ■ NO ■ ROWE

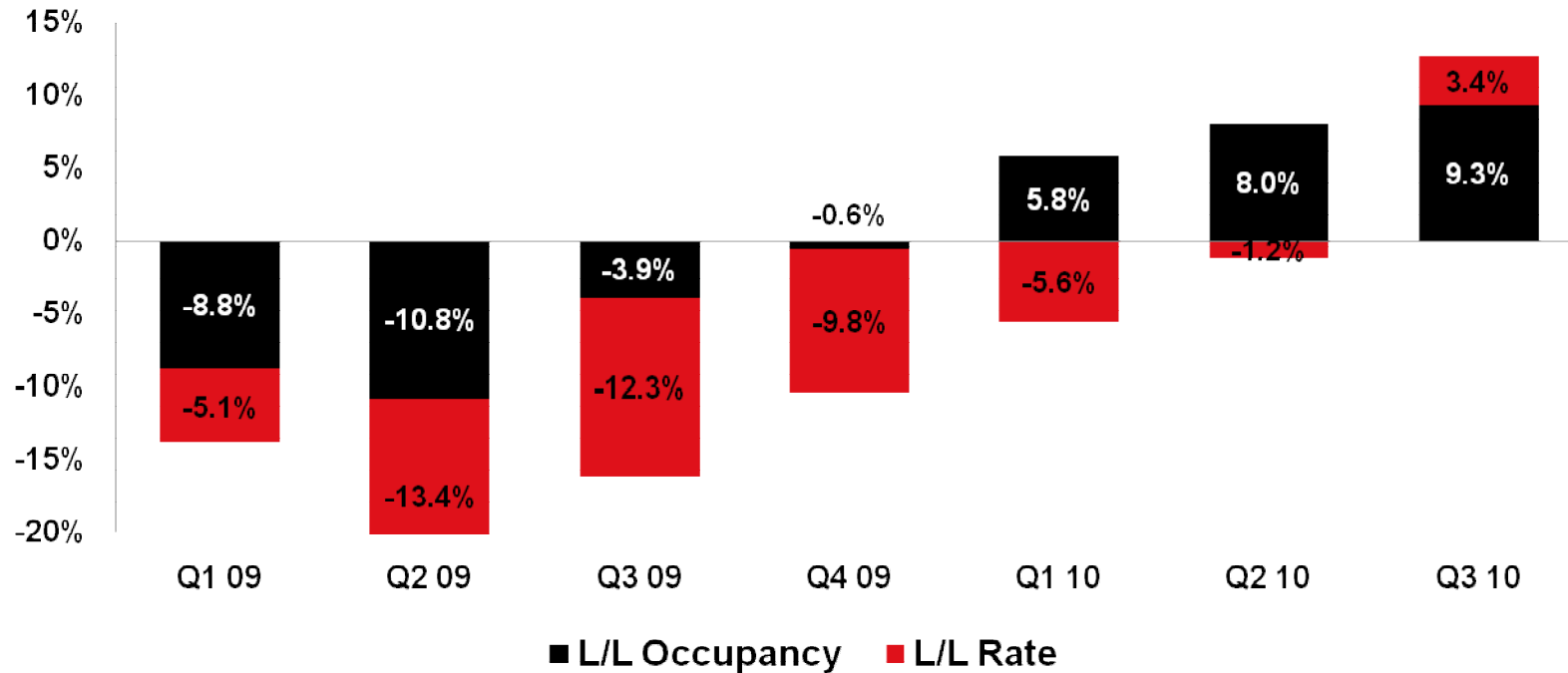
Run-rate margin impact: 2-2.5% on EBITDA  
 One of the strongest pipelines in the industry



# FINANCIALS






# L/L OCCUPANCY & RATE TREND



Rate improvement accelerated RevPAR growth

## L/L REVPAR BY BRAND & REGION

L/L REVPAR BY BRAND		
% CHANGE	Q3 10	YTD 10
	11.8%	4.7%
	13.7%	6.0%
	12.6%	5.0%

L/L REVPAR BY REGION		
% CHANGE	Q3 10	YTD 10
NO	9.1%	2.5%
ROWE	14.9%	7.9%
EE	10.5%	-0.4%
MEAO	14.3%	5.3%

Strong RevPAR growth led by ROWE for both Q3 and YTD

## FROM L/L TO REPORTED

REVPAR		
% CHANGE	Q3 10	YTD 10
L/L GROWTH	12.6%	5.0%
FX IMPACT	6.0%	4.9%
NEW OPENINGS	-4.5%	-2.4%
REPORTED	14.1%	7.5%

REVENUE		
% CHANGE	Q3 10	YTD 10
L/L GROWTH	10.4%	3.6%
FX IMPACT	6.2%	5.7%
NEW OPENINGS	7.5%	7.6%
REPORTED	24.1%	16.9%

Opening of new leased hotels & FX had a big impact on revenue

## INCOME STATEMENT HIGHLIGHTS

IN MEUR	Q3 10	Q3 09	VAR	YTD 10	YTD 09	VAR
REVENUE	205	165	24%	574	491	17%
EBITDAR	75	54	39%	191	149	28%
% EBITDAR Margin	37%	33%	4pp	33%	30%	3pp
EBITDA	18	3	500%	25	-5	n/m
% EBITDA Margin	9%	2%	7pp	4%	-1%	5pp
EBIT	9	-5	n/m	5	-27	n/m
% EBIT Margin	5%	-3%	8pp	1%	-5%	6pp
TAX	-3	0	n/m	2	0	n/m
NET RESULT	5	-6	n/m	4	-28	n/m

Strong margins due to positive market development,  
operational gearing and tight cost control

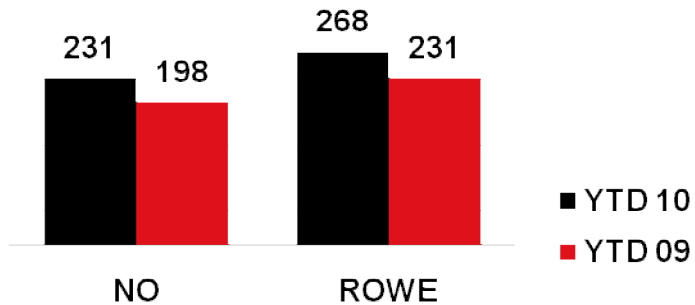
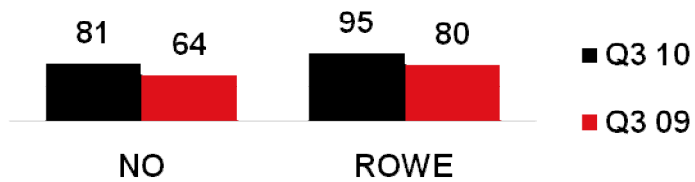
## COST RATIOS

IN %	Q3 10	Q3 09	VAR	YTD 10	YTD 09	VAR
COGS <sup>1)</sup>	32%	29%	-3pp	27%	27%	0pp
PERSONNEL <sup>2)</sup>	34%	34%	0pp	35%	36%	1pp
OTHER OPERATING EXPENSES <sup>2)</sup>	21%	24%	3pp	22%	25%	3pp
RENT <sup>3)</sup>	31%	33%	2pp	31%	32%	1pp
GUARANTEES <sup>2)</sup>	2%	2%	0pp	2%	3%	1pp
TOTAL COSTS <sup>2)</sup>	90%	97%	7pp	94%	99%	5pp

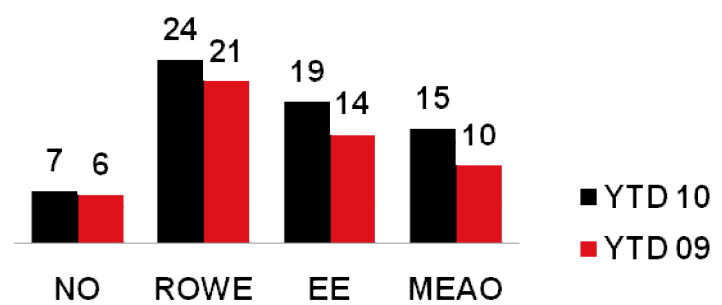
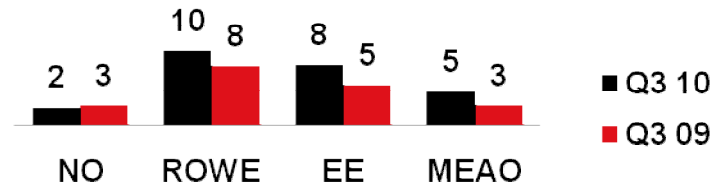
Effective cost control despite rising occupancy  
Some “other operating expenses” have been reclassified as COGS

# REVENUE SEGMENTATION

## LEASED REVENUE – IN MEUR



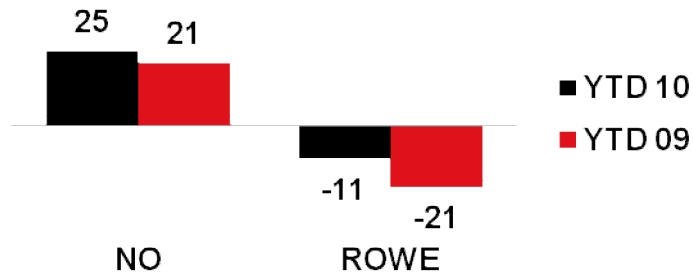
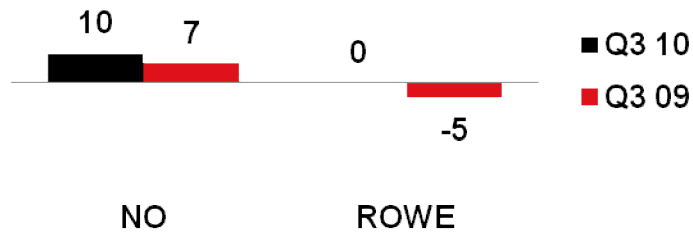
## FEE REVENUE – IN MEUR



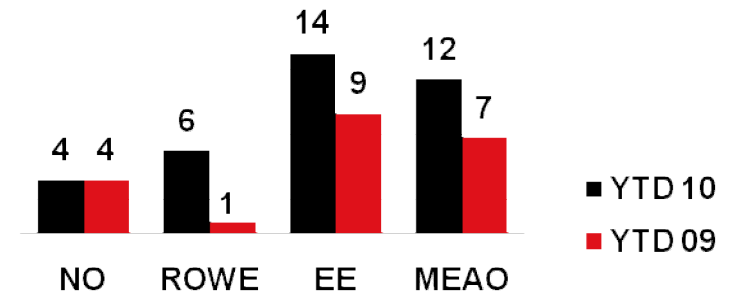
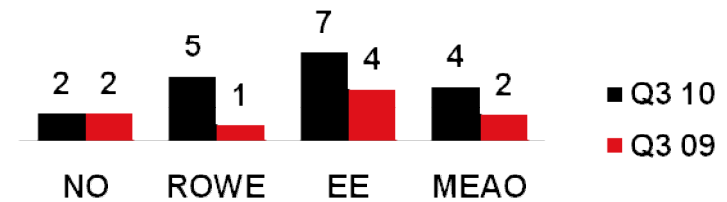
Positive impact from RevPAR increase and weakening of EUR

# EBITDA SEGMENTATION

## LEASED EBITDA – IN MEUR



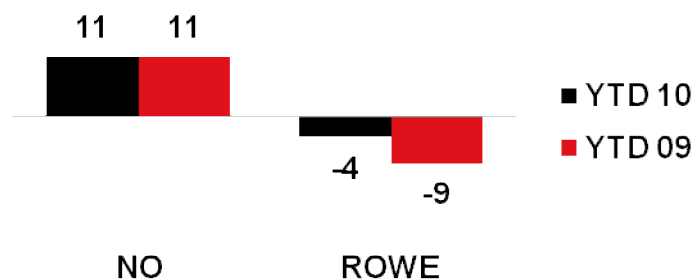
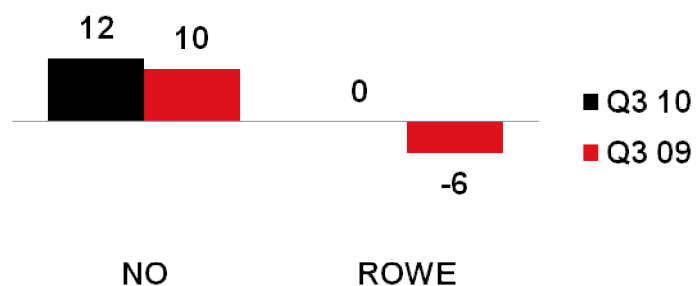
## FEE EBITDA – IN MEUR



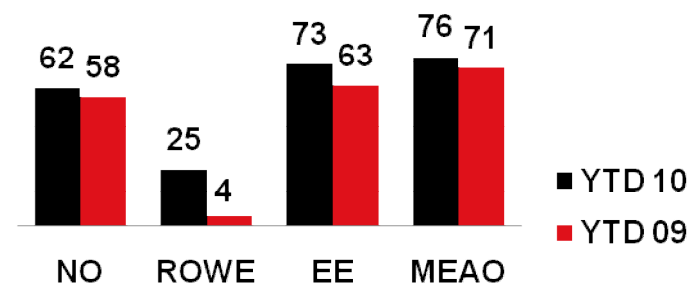
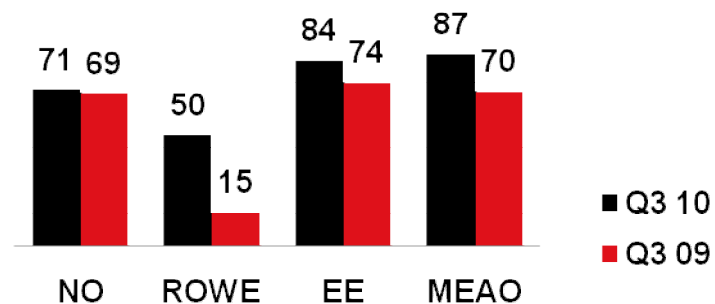
A significant and growing EBITDA contribution from Emerging Markets

# EBITDA MARGIN SEGMENTATION

## LEASED EBITDA MARGIN – IN %



## FEE EBITDA MARGIN – IN %



Considerable margin improvement in ROWE; mainly due to the operational gearing in our leased business in countries like Germany

## LIQUIDITY POSITION

- MEUR 11 in cash and MEUR 97 in unused overdrafts/credit lines

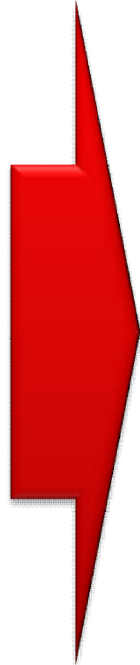
IN MEUR	30 SEP 10	30 SEP 09
CASH FLOW FROM OPERATIONS	20.1	-11.2
CHANGE IN WORKING CAPITAL	1.8	0.5
INVESTMENTS	-6.8	-20.8
CAPEX	-18.5	-18.8
SALE OF REGENT <sup>1)</sup>	10.1	-
OTHER FINANCIAL ITEMS	1.6	-2.0
FREE CASH FLOW	15.1	-31.5

Substantial improvement in free cash flow

# FOCUS AREAS & FINANCIAL TARGETS

## FOCUS AREAS

- Asset-light pipeline
- Geographic diversification
- Focus on core brands
- Maintain the new fixed cost base
- Synergies from the size of the business
- Current pipeline to generate 2-2.5% pts on EBITDA margin



## FINANCIAL TARGETS

<b>Profitability Target</b>	EBITDA margin of 12% over a business cycle
<b>Balance Sheet</b>	Small positive average net cash position
<b>Dividend Policy</b>	Approximately one third of annual after-tax income to be distributed to shareholders

# Q&A

