



Interim Results Q3-2011

Friday October 28, 2011

Kurt Ritter, President & CEO

Puneet Chhatwal, Exec. Vice President & CDO

Knut Kleiven, Deputy President & CFO

Radisson BLU

HOTEL **MISSONI**

park inn
by Radisson

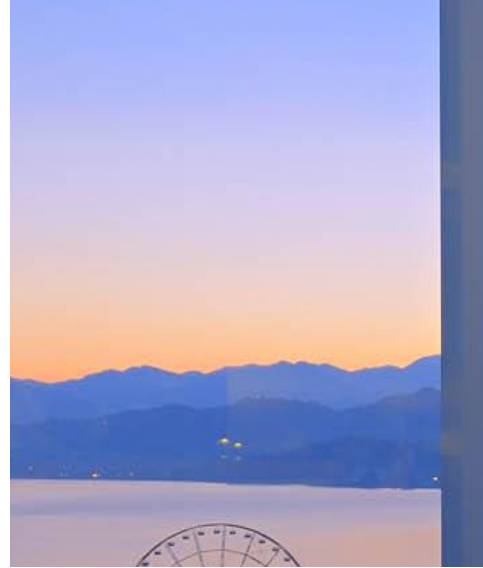
Radisson Royal Hotel, Dubai

Q3-2011 Financial highlights

- Strong RevPAR development in emerging markets; macro-economic uncertainty impacting growth in Europe
- Rezidor RevPARs recovering faster than competitive hotels
- Revenue up 7% over last year, driven by new hotels
- 2.3% company-wide L/L RevPAR increase (4.1% excluding North Africa, Bahrain)
- 15% L/L RevPAR surge in Eastern Europe
- EBIT margin improvement for leased hotels
- After-tax profit of €14.2 million versus €4.6 in 2010, due to capitalisation of deferred tax asset

Focus area: Profit Optimisation

- Revenue generation
- Improved market penetration
- New openings and ramp-up of recent openings
- Comprehensive asset and contract management
- Re-enforced but streamlined organisation
- Synergies with Carlson



BUSINESS DEVELOPMENT

Puneet Chhatwal, Executive Vice President & CDO



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Radisson Hotel, Batumi, Georgia

Market updates

- Financing: Debt funding now available, but at low LTV
- Mergers & Acquisitions: Positive trend in single-asset transactions
- Supply: Growth remains subdued in most markets
- Brand Consolidation: Independent hotels seeking international branding
- Emerging Markets: Improving performance levels, but longer development process

Continued growth

SIGNINGS	Q3-2011	YTD-2011	YTD-2010
Hotels	7	26	31
Rooms	2,100	6,400	6,300

- YTD highlights:
 - On track to exceed 2010 total (which included Baltic portfolio of 2,400 rooms)
 - 21% of rooms already in operation (conversions)
 - 81% of rooms in emerging markets (EE & MEAO)
- 100% fee-based signings for 7 consecutive quarters



**Park Inn by Radisson
Trysil Mountain Resort, Norway**



Radisson Royal Hotel, Dubai

Adding new flagships

OPENINGS	Q3-2011	YTD-2011	YTD-2010
Hotels	6	16	29*
Rooms	1,700	4,100	6,700*

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

- YTD highlights:
 - 2 leased hotels opened, no leased hotels in pipeline
 - 11 hotels in capital cities/primary markets
- 9 hotels offline YTD (1,200 rooms) including three Regent hotels
- Key Q3 Locations: Warsaw, Dubai

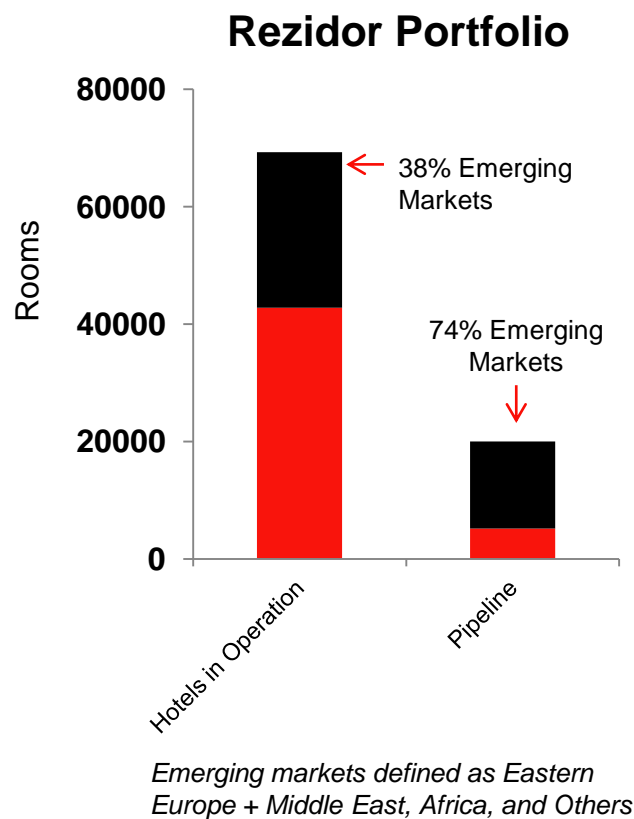


**Radisson Blu Sobieski Hotel,
Warsaw**



Radisson Blu Resort, Fujairah, UAE

Understanding the pipeline



- Pipeline hotels are 100% fee based
- ca. 60% under construction / site clearance
- Growth in emerging markets results in higher “washout”/delays
- Since 2008, average annual “washout” of 1,000 rooms (most related to financing)
- ca. 15-20% of current pipeline at risk of “washout”/delays



FINANCIAL UPDATE

Knut Kleiven, Deputy President & CFO

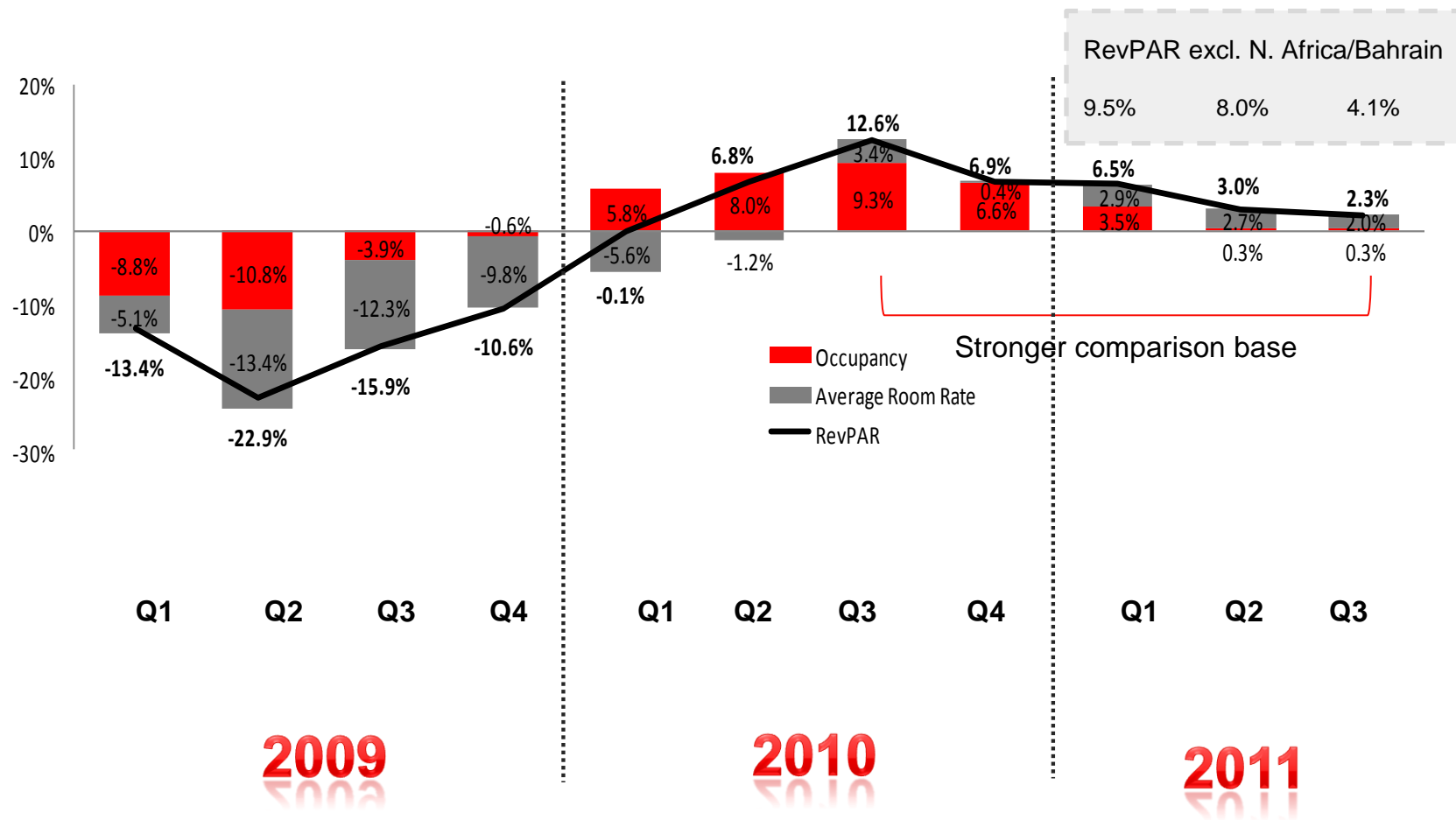


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Radisson Royal Hotel, Dubai

L/L RevPAR growth 2.3%



Eastern Europe leading the recovery

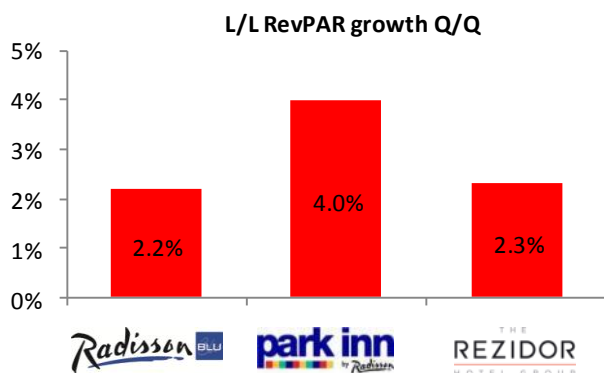
- **NORD:** Negative RevPAR development in Norway and Sweden, Denmark recovering strongly
- **EE:** Strong rate growth, particularly in Baltics, Poland and Turkey
- **ROWE:** France, Benelux and Ireland were best performers
- **MEAO:** Continued turmoil overshadowed growth in Saudi Arabia and UAE

NO	Q3
L/L RevPAR:	-1.2%
Occupancy:	-1.4%
AHR:	0.2%

EE	Q3
L/L RevPAR:	15.3%
Occupancy:	3.6%
AHR:	11.2%

ROWE	Q3
L/L RevPAR:	4.4%
Occupancy:	1.8%
AHR:	2.6%

MEAO	Q3
L/L RevPAR:	-12.8%
Occupancy:	-6.2%
AHR:	-7.1%



Solid revenue growth and improved net result

IN MEUR	Q3-2011	Q3-2010
Revenue	219.4	205.3
Expenses	145.0	130.2
EBITDAR	74.4	75.1
% EBITDAR Margin	34%	37%
Rental expenses	60.4	58.0
EBITDA	14.8	18.4
% EBITDA Margin	7%	9%
EBIT	5.9	9.4
% EBIT Margin	3%	5%
Tax	+8.7	3.2
Net results	14.2	4.6

- 7% revenue growth
- Increased expenses from new hotels and extensive marketing campaign
- Capitalisation of €11.7 million deferred tax assets

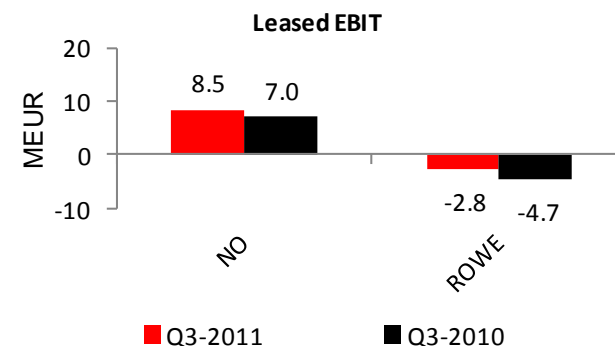
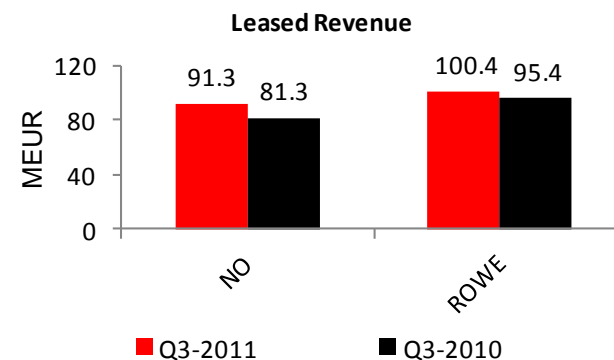
Q3 2011 vs Q3 2010

Q3 2011 vs Q3 2010	Reported Change	FX	Hotel Exits	New Hotels	Pre-opening	L/L
Revenue	14.1	1.4	-3.0	15.2	-	0.5
EBITDAR	-0.7	0.2	-1.7	5.7	1.0	-5.9
EBITDA	-3.6	-0.2	-1.5	2.8	1.0	-5.7
EBIT	-3.5	-0.2	-1.1	2.4	1.0	-5.6

- €4.5 million additional marketing costs in 2011 (impacting L/L)
- €1.0 million revenue loss in N. Africa & Bahrain
- Pre-opening costs related to 4 leased hotels opening Q3 2010 - Q1 2011
- Positive contribution from new hotels

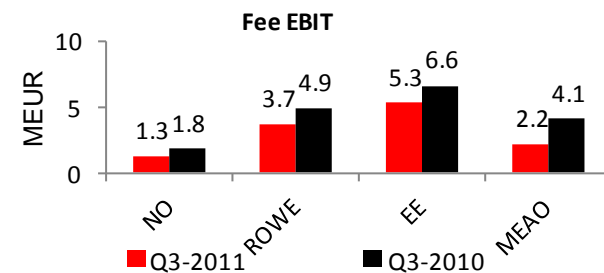
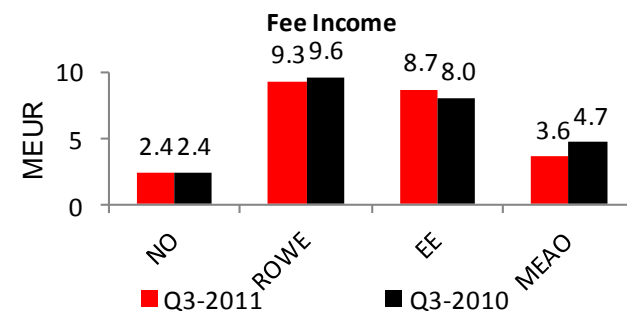
Improved EBIT margins

- Nordic revenue growth due to new openings; L/L negatively impacted by strong Q3 2010 (several major conferences) and ongoing renovations
- Nordic EBIT margin improvement from 8.6% to 9.3%
- Exits from two unprofitable leases decreased revenues, but improved margins



Fee based asset-light growth

- EE was strongest performing region for revenue growth; EBIT impacted by higher marketing costs and provisions for doubtful accounts
- MEAO drop attributable to MENA unrest, and South Africa World Cup in summer 2010
- Nordics revenue flat, slight increase in marketing costs



Liquidity position

MEUR	2011	2010
Cash Flow from Operations	10.4	20.1
Change in Working Capital	-16.0	1.8
Investments	-23.9	-6.8
<i>CapEx</i>	-22.5	-18.5
<i>Other Financial Items</i>	-1.4	11.7
Free Cash Flow	-29.5	15.1

- Negative deviation in working capital due to drop in short-term liabilities (settlement of large accruals in Q4 2010)
- 2010 investments included €10.6 million proceeds from sale of Regent

Market trends and profit optimisation focus

Macro-economic
uncertainty impacting
growth in Europe

Encouraging results
from emerging markets,
excluding N. Africa

Profit Optimisation

Revenue generation
Improved market penetration
New hotels & ramp-up of recent openings
Asset & contract management
Streamlined organisation
Synergies with Carlson

Continued, but reduced,
impact of MENA unrest

RevPAR surge in
Eastern Europe



Q&A



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