

Corporate Presentation 2011



THE
REZIDOR
HOTEL GROUP

The Rezidor Hotel Group

Corporate Presentation 2011



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Welcome to our world!

Kurt Ritter joined Rezidor 35 years ago. He has been the Group's President & CEO since 1989 and is probably the industry's longest-serving Chief Executive Officer. He describes how his company met the challenges of 2011, and which priorities will dictate business in 2012.

• The debt crisis in Europe, the turmoil in North Africa, the unrest in the Middle East – no, 2011 was certainly not an easy year. We had to work hard to increase like-for-like RevPAR by 3.7%, to maintain our strong pipeline of 100 hotels and to keep our momentum for the opening of new properties. Despite the harsh climate and the many challenges, we managed to find solutions and bring business forward.

• I must say that even in such tough times, I am proud when I look at our company. Our brand portfolio is small, but strong: Radisson Blu is Europe's largest upscale brand; Park Inn by Radisson is gaining market share in the mid-market segment and getting ready for the next generation of guests; and Hotel Missoni is a truly fashionable lifestyle brand. Rezidor is one of the world's fastest-growing hotel companies. Our strong focus on emerging markets continues to pay off: we are the leading international hotel operator in Russia/CIS, and have the largest pipeline of hotel rooms under development in sub-Saharan Africa.

• Besides all these facts and figures, it is equally important to me that Rezidor is still a Group with a heart, and a people business. Our employees are our biggest asset, and we offer them development opportunities on all levels – from basic training courses to the executive assessment centres, which helped us to set up an optimised operational organisation in 2011. We promote the majority of leaders from within; and if we hire externally, we prefer professionals who understand our culture of an entrepreneurial, approachable and fast-moving company. Last year we welcomed three such “outsiders” to the Executive Committee, and I am happy to report that they have quickly become “insiders” and members of a strong and dedicated team. Our core values – Being Host, Living Trust, Fighting Z-spirit – are strong, and we are highlighting them in 2012 through a dedi-

cated campaign, naturally linked to our “Yes I Can!” vision. Rezidor is also a Group that cares: our award-winning Responsible Business programme is a key element of the way we conduct our business: 2011, we were once again named one of the Most Ethical Companies Worldwide.

I do not think that 2012 will bring much relief compared to 2011, but I feel that we are well prepared to win our most important battle – to further increase revenue and profitability. Our “Route 2015” strategy is a raft of initiatives designed to improve EBITDA margins by 6 to 8 percentage points by 2015. One example is our strategic partnership with Carlson: since January 2012, we have appeared as one operator on the global hospitality market under the joint name Carlson Rezidor Hotel Group. “Together, we deliver more!” is our vision, and we build on synergies related to Revenue Generation, Branding, and Purchasing. The Carlson Rezidor Hotel Group comprises two great companies – all that Rezidor stands for and brings into this partnership is summed up in this booklet.

I cordially invite you to read through it, to meet with us and to discover our world!

Kurt Ritter,
President & CEO





**Kurt Ritter,
President & CEO.
Born in Switzerland,
at home in the world.**

Kurt Ritter is Rezidor's busiest corporate traveller. He travels more than six months a year across the globe to meet our guests, employees, colleagues, owners, and other business partners.

Your dream destination? I rarely go on private vacation. But if I really need a relaxing break, there's no better place on earth than Maldives.

Your favourite hotel? In our own group: Hotel Missoni. Among the competition: the InterContinental Hong Kong, a former Regent hotel that has a fantastic Guest Relations department.

Three things that you always have in your suitcase? A colourful Missoni tie, my workout clothes, and a pot of "Murmelschmutz", marmotte fat from the Swiss Alps. It smells horrible, but heals almost everything.

Your preferred travel reading? I always use the call- and meeting free time during a flight to read through urgent office documents.

What's the most important thing for you in a hotel room? Obviously a high quality bed; followed by high speed internet.

What don't you like at all in a hotel? Lengthy check ins. You have to present your credit card here, sign there, answer a lot of questions – horrible.

Are you a restaurant or room-service type? A restaurant type. I don't like room service that much; a restaurant offers much more quality, flexibility, and ambiance.

See the movie!
"35 Years of Legendary Leadership" starring Kurt Ritter.



Rezidor in brief

Speedy

One of the fastest growing hotel companies world-wide. More than 425 hotels with nearly 93,000 rooms in operation and under development.

Boundless

Present in 65 countries across Europe, the Middle East and Africa.

Selective

3 clearly defined brands: Radisson Blu, Park Inn by Radisson, Hotel Missoni.

Leading

The top international hotel operator in Russia, CIS & Baltics.

Focused

Pursuing an asset-smart growth: strategic, profitable and focused on emerging markets.

Strong

One of the leading pipelines in the industry with 22,000 rooms.

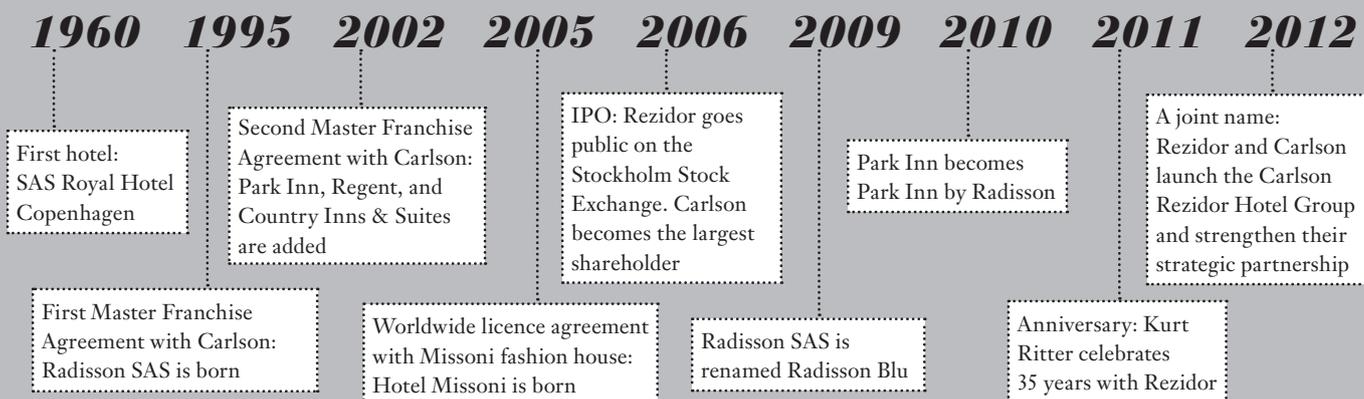
Multicultural

Over 35,000 employees from 125+ nations.

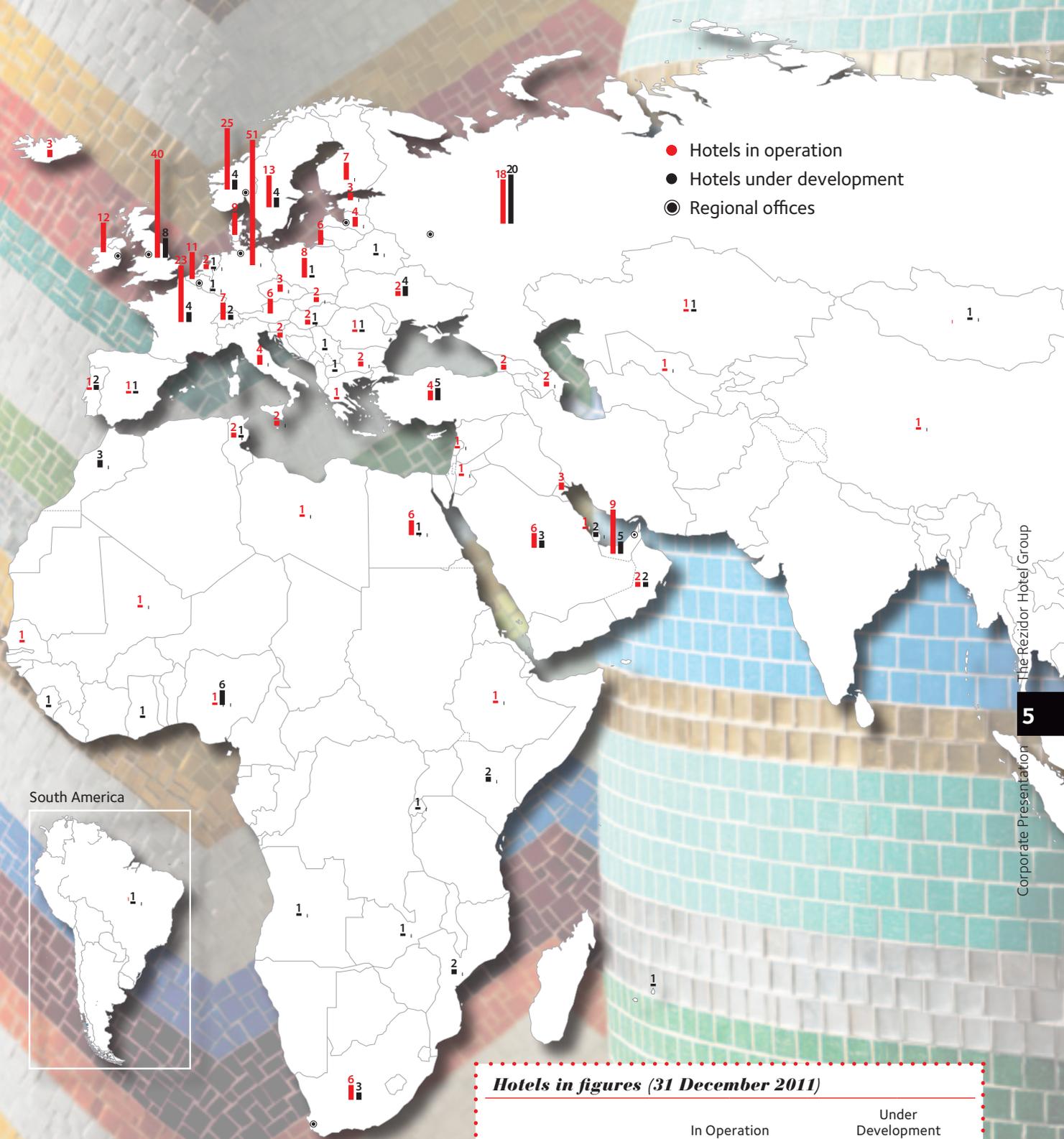
Responsible

Awarded as one of the World's Most Ethical Companies (by Ethisphere).

Timeline



- Hotels in operation
- Hotels under development
- ⊙ Regional offices



South America



Hotels in figures (31 December 2011)

| | In Operation | | Under Development | |
|-------------------------------|--------------|---------------|-------------------|---------------|
| | Hotels | Rooms | Hotels | Rooms |
| Nordics | 57 | 13,971 | 8 | 1,539 |
| Rest of Western Europe | 162 | 29,940 | 18 | 3,536 |
| Eastern Europe | 63 | 16,093 | 36 | 7,894 |
| Middle East, Africa and other | 43 | 10,762 | 38 | 9,070 |
| Total | 325 | 70,766 | 100 | 22,039 |

Radisson Blu

Designed to be different

Radisson Blu features first-class, full-service hotels that combine a strong Scandinavian heritage with contemporary architecture and interiors by leading designers, and offer unique service concepts in accordance with our “Yes I Can!” service philosophy and our 100% Guest Satisfaction Guarantee. Our fresh and stylish “new-breed” hotels are internationally acclaimed, award-winning buildings. Many of them also feature our own restaurant & bar concepts, with the modern Mediterranean “Filini” having the largest number of outlets.

We develop Radisson Blu across Europe, the Middle East and Africa, and focus on primary markets, city centres, conference locations, airports and resorts. Radisson Blu is also our key to entering

emerging markets such as the African countries. Our main contract type for Radisson Blu is the management agreement; in special cases we also negotiate franchise and lease agreements. We are proud that Radisson is Europe’s largest upper upscale brand. Together with our strategic partner Carlson, we are now working on a global brand alignment and development: In 2011, new Radisson Blu properties opened their doors in Asia-Pacific, and Carlson celebrated the very first Radisson Blu in the Americas: the outstanding Radisson Blu Aqua Hotel, Chicago in the heart of the “windy city”.

Upper upscale competitors: Hilton, Marriott, Sberaton, Sofitel.

The Radisson Blu logo, featuring the word "Radisson" in a blue script font and "BLU" in a blue sans-serif font inside a blue square.

64 countries

**261 hotels in operation
and under development**

62,800 rooms



The Radisson Blu Resort, Fujairah (UAE) joined Rezidor in July 2011. All 257 guest rooms offer breathtaking views of the private beach and the Indian Ocean.

Park Inn by Radisson

Young. Fun. Vibrant.

Park Inn by Radisson is our dynamic mid-market, full-service brand. These hotels apply our unique service philosophy, “Yes I Can!”, and offer comfortable rooms, contemporary restaurants and flexible meeting facilities. 2011, we strengthened our team under a new brand leader, and are now getting ready for the next generation of guests: 2012 will see the launch of an innovative, compelling brand concept, focusing on choice, creativity, connectivity and control – and will further enhance commerciality, competitiveness, guest loyalty and profitability. Our development strategy for Park Inn by Radisson has two main thrusts: we grow the brand through flagships in our core regions

(e.g. Amsterdam Airport and London City Center), and we capture additional growth by expanding the network in gateway cities and economic hubs in new markets, where Park Inn by Radisson often follows in the footsteps of Radisson Blu. The main contract types for Park Inn by Radisson are management and franchise agreements. The brand is also designed to make rebranding easy. Park Inn by Radisson offers one of the smartest and most efficient conversion packages in the hospitality industry.

Mid-market competitors: Holiday Inn, Novotel, Scandic.

park inn
by Radisson

33 countries

**152 hotels in operation
and under development**

28,500 rooms

Park Inn by Radisson meets your needs: located at convenient conference destinations, the hotels offer modern meeting facilities and business services.

Hotel Missoni

Bold. Passionate. Fashionable.

Hotel Missoni is our luxury lifestyle brand – born after a worldwide licence agreement was signed with the famous Italian fashion house, Missoni. In collaboration with founder Rosita Missoni, we create distinctly different and cutting-edge hotels for travellers seeking something truly unique. Each property is individually designed, inspired by the local culture, and features fabrics with the iconic Missoni patterns and colours, furniture and accessories from Missoni's home collection, as well as selected pieces by leading contemporary designers. Restaurants like Cucina with its authentic, seasonal Italian menu; Choco Café, an intensely flavoured sip of the classic café society;

buzzing bars and stylish wellness and spa areas – all these facilities and more complement each of the outstanding properties. Hotel Missoni debuted in 2009 in Edinburgh, followed by Kuwait City in 2011; five additional properties are under development in Turkey, Oman, Qatar, Mauritius, and Brazil, and are scheduled to open by 2015. Rezidor develops Hotel Missoni solely under management agreements targeting fashionable cities that turn heads and trendy resort destinations across the globe.

Life-style competitors: W Hotels, Edition by Marriott, Andaz by Hyatt.

HOTEL **MISSONI**

7 countries

**7 hotels in operation
and under development**

1,200 rooms

The orange, golden and turquoise colours of Hotel Missoni Kuwait reflect the sun, sand and ocean.

Together we deliver more!

Since January 2012 Carlson and Rezidor have appeared as one operator in the worldwide hotel market, conducting business under the name Carlson Rezidor Hotel Group. Our strategic, global partnership focuses on three core areas: Revenue Generation, Branding, and Purchasing.

Carlson and Rezidor have a long shared history: in 1995 we signed the Master Franchise Agreement for Radisson in Europe, the Middle East and Africa. This was followed in 2002 by the Master Franchise Agreement for Regent, Park Inn and Country Inns & Suites – and in 2010, Carlson and Rezidor jointly sold the Regent brand. Ever since Rezidor became a listed company, Carlson has been our biggest shareholder, and is currently our majority shareholder. Although our collaboration has become closer and more intense over the years, we also felt that we were not yet capturing the full value of what we were doing together. It was time for further evolution. In June 2011 we created our first joint business plan and announced our strategic partnership with the vision “Together we deliver more!”

A joint name, joint forces

January 2012, saw a further milestone: our joint company name, Carlson Rezidor Hotel Group. Under this name, we appear as one operator in the global hospitality market. Our common aim is to open up worldwide career opportunities to our employees, offer more compelling value propositions for our guests, create global business opportunities and more attractive financial return for our owners, and have greater value for our shareholders.

Of course, we cannot do it all at once – our business plan therefore includes three core areas of collaboration that offer the greatest potential. Each area is handled by a Global Council attended by Carlson and Rezidor executives, while a Global Hotel Steering Committee, headed by Hubert Joly and Kurt Ritter, oversees and controls all joint activities.

Revenue Generation

More than MUSD 400 in additional revenue and a RevPAR Index increase of more than 9 points by 2015: these ambitious targets



“Shakespeare asked, ‘What is in a name?’ In the case of the Carlson Rezidor Hotel Group, it is the expression of a common set of values and a desire to serve our guests over many generations.”

Marilyn Carlson Nelson,
Chairman Carlson

clearly place Revenue Generation at the top of our joint initiatives. Carlson Rezidor has reinforced its Global Sales Team and is concentrating on doubling its inter-theatre sales between Europe, the Middle East and Africa, the Americas and Asia – so that Rezidor, for example, gets a fair share of travellers from the US and Asia. Other Revenue Generation projects include revenue optimisation through unique booking tools such as SNAP, further development of our brand websites with the target of achieving 30% of sales online, intense cooperation with travel intermediaries – with Carlson Wagonlit being the most important partner, and our loyalty programme, “Club Carlson”. Launched in early 2011 as the successor to “goldpoints plus”, this was designed to be one of the most rewarding loyalty programmes in travel. Today, “Club Carlson” has 8 million members worldwide – by 2015, Carlson Rezidor aims to increase this number to 13 million.

Branding

As Carlson Rezidor, we want to have a clear, compelling and globally consistent brand portfolio. Our guests should enjoy the same standards and services across the globe, whether they stay with us in Berlin, Boston or Bangkok. We aim to globally align the Radisson brand and design it as a bifurcated brand with Radisson Blu sitting in the upper upscale segment and Radisson being present in the upscale segment.

This model allows us to further build Radisson Blu in Europe, the Middle East and Africa, to bring this successful and sophisticated upper upscale tier to primary destinations in the Americas and Asia, and to further improve the performance of the classic Radisson hotels in America and Asia, which Carlson mainly operates under franchise agreements. Park Inn by Radisson will also grow on a global level and become an international mid-market brand adapted to the

local market. Hotel Missoni – already under a worldwide licence agreement with the fashion house Missoni – will be further developed on an opportunity basis.

Purchasing

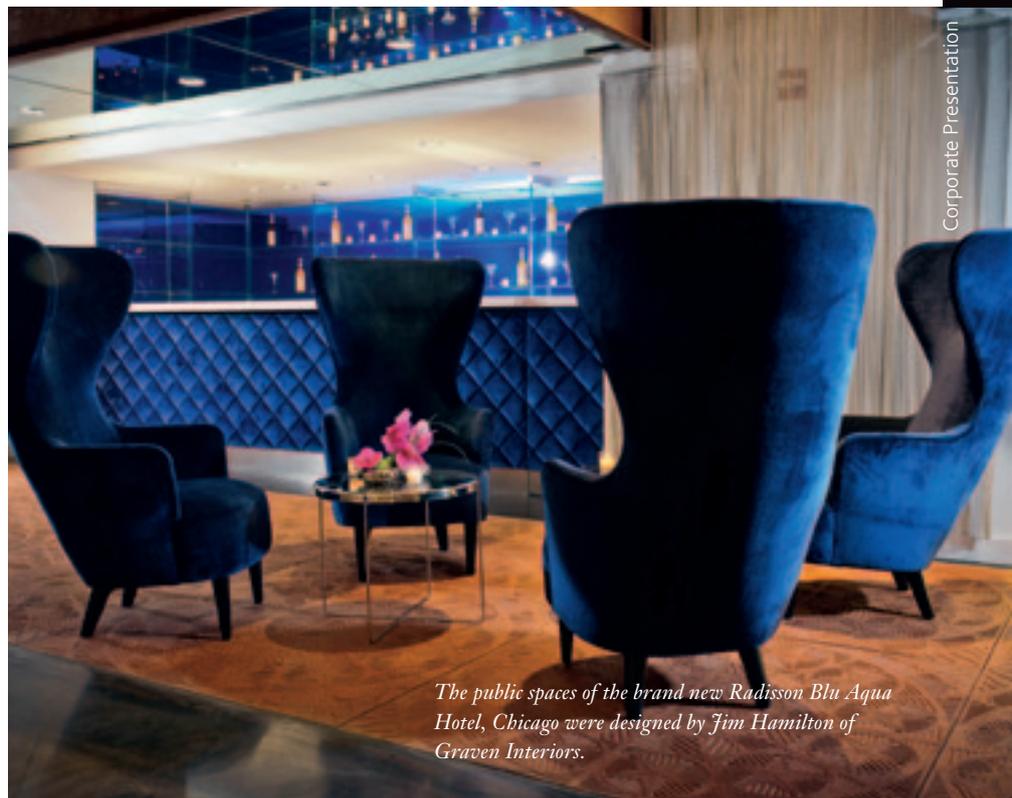
Carlson Rezidor aims to offer owners, franchisees and partners a systematic way to develop competitive contracts both locally or regionally and globally. Our focus is on high-spend and business-critical categories.

Human Resources & Communication

Our strategic partnership with Carlson also relates to Human Resources and Communication. With 1,300+ hotels in 80 countries and territories worldwide, we offer highly

attractive career opportunities to our employees. Carlson Rezidor wants to become the number one hospitality & travel company to work for, and is creating a global talent pool. The Carlson Credo and Rezidor’s strong values are omnipresent and highlighted through special events like values days for our staff. Corporate executives regularly meet for dedicated leadership conferences in order to fully understand and live our long-term vision.

Our Communication teams play a critical role in spreading the word internally and externally – about our people development programmes and, of course, about our overall strategic partnership, which is promoted towards the media and other stakeholders.



The public spaces of the brand new Radisson Blu Aqua Hotel, Chicago were designed by Jim Hamilton of Graven Interiors.

The road towards the future

Route 2015 is our strategy to improve Rezidor's EBITDA margins by 6 to 8 percentage points by the year 2015. It comprises revenue initiatives, cost savings, asset management activities, and plans to further grow our fee-based portfolio.

• Rezidor's main focus is on improving profitability, both in absolute terms and relative to the industry. In the current macroeconomic climate, we have to concentrate on what we can control ourselves: an ambitious range of activities that are expected to push up our margins by 6 to 8 percentage points, representing MEUR 50–70 in incremental EBITDA.

• 2008, 2009 and 2010 were three consecutive record years of room openings for Rezidor amid the global downturn. In 2011, we continued to maintain good momentum towards attaining our targets, signing 9,600 new rooms and opening almost 6,000. We aim to sustain our pace of growth by working asset-smart: our expansion will be strategic and profitable – focused on non-committed managed and franchised contracts, and on the young, emerging markets of Russia/CIS and Africa.

• It is equally crucial to open our strong and steady pipeline of 22,000 rooms. Once these rooms have joined our operating system, it will increase our EBITDA margin by 2 to 2.5 percentage points. The clear shift in our business model will also improve the margins – Rezidor will reduce the percentage of lease agreements to 15% by 2015 to hedge against volatility.

Collaborating with Carlson

• One key element of Route 2015 is stronger emphasis on Revenue Generation. This includes our strategic partnership with Carlson and our joint global target of achieving more than MUSD 400 in additional revenue and a RevPAR Index increase of 9.4 points by 2015 (see also pages 10 and 11). A ramp-up of new leased hotels and renovations of existing properties also support our Revenue Generation goals – as well as our dedicated initiatives for Park Inn by Radisson, comprising property upgrades, advertising campaigns, future flagship growth at key destinations and a refreshed brand profile.



Optimising portfolio and profit

It is of fundamental importance for Rezidor to further optimise our portfolio of leased hotels, increase their profit contribution and reduce the leverage of the company. Towards the end of 2011, we therefore established a separate Asset Management position at executive level, with responsibility for handling all contract-related aspects of our lease business.

Our Head of Asset Management will extend and/or restructure our existing lease contracts for the mutual benefit of both owners and Rezidor. His remit also includes termination agreements for unprofitable contracts.

Think Planet! Saving energy

One of our latest and most promising cost-saving projects is “Think Planet!”, a new five-year energy-saving initiative, which Rezidor kicked off early in 2012. This comprehensive and ambitious programme involves Operations, Responsible Business, Technical Services, Purchasing and Finance. Its purpose is to formulate ambitious energy-saving targets for our hotels, and to implement and measure them company-wide. Other cost-saving initiatives include our ambitions to further improve purchasing compliance within the Group, and constant, careful monitoring and adjustment of our central costs.

“We focus strongly on improving profitability, both in absolute terms and relative to the industry”

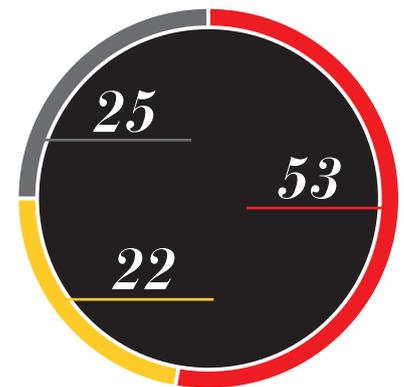
**Kurt Ritter,
President & CEO**



All Rezidor employees form the company's "Generation Revenue" – like this meeting hostess at the outstanding Radisson Royal Hotel, Dubai.

Shift in business model

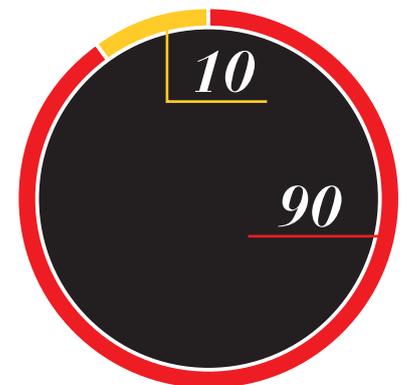
Rooms in operation, %



● Managed ● Franchised ● Leased

By the end of 2011 Rezidor had approx. 71,000 rooms (325 hotels) in operation; 75% of the rooms were under management or franchise contracts.

Rooms in pipeline, %



● Managed ● Franchised

Rezidor has a pipeline of 22,000 rooms (100 hotels) due to open within three to four years. 100% of the pipeline is fee-based (no leases) supporting our asset-light strategy.

Booming business along the Bosphorus

There are only a few places in Europe, the Middle East and Africa where life is as lively and business as busy as in Istanbul. Rezidor came to the city in 1998 and signed the agreement for the very first of what are now five Group properties, the Radisson Blu Bosphorus Hotel. Owner Mehmet Bayhan presents his hotel and talks about the collaboration with Rezidor.







Mehmet Bayhan

**Owner of the Radisson Blu
Bosphorus Hotel, Istanbul**

The palaces and mosques telling the city's rich history, the mild climate and ample vegetation that make a stay so pleasant at any time of year, the countless special offers attracting both leisure and business guests: Istanbul is a paradise for Mehmet Bayhan. He also enjoys travelling, and brings the best ideas from abroad back home.

Your dream destination?

Australia. I would like to make a cross-continent trip one day and explore its vast wilderness.

Your favourite hotel?

The hotel "De l'Europe" in Amsterdam. It offers the best views on the city and the waterways.

Three things that you always have in your suitcase?

My track suit and trainers, my iPhone, and my shaving kit.

Your preferred travel reading?

Newspapers. I'm always glad if I have time to catch up on the latest news.

What's the most important thing for you in a hotel room?

The room has to be clean. I also need quiet and daylight; noise and neon light mean stress to me.

What don't you like at all in a hotel?

Equipment that doesn't work.

Are you a restaurant or room-service type?

I'm a restaurateur! Room service is not an option for me; I always visit the restaurant in any hotel I stay at.



Istanbul has been the capital of the Roman Empire, the Byzantine Empire, the Latin Empire and the Ottoman Empire; its history, art and architecture are second to none. Istanbul is the only metropolis around the globe that is situated on two continents – Europe and Asia – so it is a true melting pot of cultures. Istanbul is also a rising star among the world's lifestyle destinations: from gourmet restaurants to trendy nightclubs, colourful bazaars to stylish boutiques, art galleries to pop concerts: the city has it all!

Rezidor came to Istanbul in late 1998, and since then has expanded its presence in this busy and bustling city to five hotels, with more than 1,000 rooms in operation or under development. The first property signed was the Radisson Blu Bosphorus Hotel, situated in the very heart of Istanbul along the banks of the Bosphorus Strait. "When we negotiated our agreement, Rezidor showed sincere interest and confidence in the project," says Mehmet Bayhan, owner of the building. "We always had an open, two-way dialogue, which is crucial for a good partnership. I'm proud that together we have created one of the most successful first-class hotels in Istanbul today."

Reflecting the city's character

The Radisson Blu Bosphorus Hotel reflects the character of our city. It overlooks the Bosphorus Bridge connecting the European and Asian banks of the river; its facade is reminiscent of the traditional Ottoman style, and its interior offers all the creature comforts

modern travellers look for. Mehmet Bayhan monitors business performance from his office, poring over Excel sheets, and also regularly schedules personal meetings with the General Manager. What's more, he is a frequent private visitor. "I dine at the restaurant, visit the health club and even go to the hairdresser. It's important for me to experience the hotel like any other guest; otherwise I don't know what works and what doesn't."

Creating new business opportunities

Bayhan is an owner who wants to continuously develop and grow all of his ventures – an attitude he also expects from Rezidor: "In an ever-changing and often challenging environment, a business partner like Rezidor needs to bring international knowledge to our local partnership, and recognise or create good opportunities." Perfection is a utopian word for him; he always sees room for improvement.

Loving Istanbul with all his heart and soul (despite the fact he was born in beautiful Adana in Southern Turkey) and a passionate restaurateur, he dreams of the Radisson Blu Bosphorus Hotel really making its mark on the culinary map of Istanbul. "The hotel has such a great potential. And especially in Ortaköy, the lively area in which the hotel is located, people like to dine out, they want to enjoy great food and experience a special ambience each evening. We need to work more closely with Rezidor pursuing exciting ideas on how to capture this growing and promising local business."

Growing the Radisson Blu family

Rezidor's future in Istanbul will certainly not be boring! Besides the successful collaboration with Mehmet Bayhan at the Radisson Blu Bosphorus Hotel, the Group also operates Serdar Bilgili's Radisson Blu Conference & Airport Hotel, Istanbul, with its chic new lobby created by Turkish design star Tanju Özelgin. In spring 2012, the spectacular Radisson Blu Hotel, Istanbul Asia, (owned by Mehmet Okay) will open its doors in the booming business district of Ataşehir. Early 2013 will see the launch of the Radisson Blu Hotel, Istanbul Şişli – owned by Dilek Holding, and situated in the Şişli district, known for its grand avenues and the Istanbul Cevahir centre, one of Europe's largest shopping and entertainment complexes. And around the same time, the Radisson Blu Hotel, Istanbul Pera (another Dilek-property) will further strengthen Rezidor's impressive presence in town: situated in the cosmopolitan Pera district, the property will face the legendary Golden Horn, the inlet of the Bosphorus.

Mehmet Bayhan will visit all new sister hotels and welcome them to the growing Radisson Blu family in Istanbul. But at the end of the day, he will always return to his own Radisson Blu hotel: "I'll have a drink at the terrace bar, which is my favourite spot, and gaze at the skyline of old Istanbul rising above the waters of the river and the Sea of Marmara. I'm a lucky man and very fortunate to be the owner of such a beautiful hotel."

Strategic, smart, successful

Rezidor is all about growth. Tracing our roots back to Scandinavia, we have expanded our portfolio across Europe, the Middle East and Africa. Our future growth will be asset-smart: strategic; margin enhancing; and also covering asset and contract management, relationship building and tracking of the complete process from sourcing to opening of our hotels.

• Nordics

• The Nordics is our homeland, where our story began back in 1960 with the opening of the world's first designer hotel, Arne Jacobsen's Radisson Blu Royal Hotel, Copenhagen. The Nordics is a mature market, characterised by a high proportion of branded hotels and substantial domestic demand. All over the region, Radisson Blu enjoys an excellent reputation: for the past ten years it has been the preferred hotel brand of Nordic business travellers*. We aim to maintain this position, and to focus on extensions and asset management. In 2011 we created a dedicated position at executive level: our Head of Asset Management is responsible for extending and restructuring our existing leases.

• Besides the Radisson Blu Royal Hotel, Copenhagen, the Nordic region plays host to many Radisson Blu flagship properties, such as the Radisson Blu Plaza Hotel, Oslo, and the Radisson Blu Waterfront Hotel, Stockholm, which is linked to Scandinavia's largest congress centre. The Nordics is also a region where our mid-market brand Park Inn by Radisson is growing; leveraging the Radisson endorsement and prominent recent launches such as the Park Inn by Radisson Oslo Airport and the Park Inn by Radisson Trysil Mountain Resort.

• Rest of Western Europe

• The Rest of Western Europe (ROWE) is also a mature market, and often a crowded one. But as Europe's largest upscale brand, Radisson enjoys a great position which we aim to re-enforce. Central and especially Southern Europe still offers growth opportunities for Radisson Blu's famous new breed properties. In 2011, we opened our first hotel in the Greek capital of Athens, and 2012 will see additional launches, for example in Gran Canaria (Canary Islands), Corsica and Nantes (France), and Portimão (Portugal).

• For Park Inn by Radisson, Rest of Western Europe also offers scope for further growth:

We will continue to build up our successful clusters in key markets like Germany and the United Kingdom where we ran a major multi-media campaign for Park Inn by Radisson in 2011, and where our UK-team got further support with the appointment of an Area Vice President. We aim to secure Park Inn by Radisson flagships in key destinations across Rest of Western Europe in order to strengthen the brand network. In 2011, we signed the Park Inn by Radisson Milano Malpensa, and future flagships under development include two hotels in central London and one at Amsterdam Schiphol Airport.

• Middle East

Our presence in the Middle East dates back to 1980 – it was here that we opened our very first hotel outside Scandinavia, the Radisson Blu Hotel, Kuwait. Still under Rezidor management, this property is currently undergoing extensive renovation and is scheduled to re-open shortly. Kuwait is also home to our second fashionable Hotel Missoni, which opened in early 2011. We have identified the Middle East as a key development area for Hotel Missoni and two more properties are presently under development in this region, in Oman and Qatar. Radisson Blu has a strong presence in the Middle East, is expanding further and featuring new flagships. Our most important opening in 2011 was the launch of the stylish and sophisticated Radisson Royal Hotel, Dubai.

Park Inn by Radisson is becoming established in key markets of the Middle East, where the mid-scale segment is not yet as crowded as the upscale and luxury segments. For all our brands and their future development, we focus not only on the UAE but also on the Kingdom of Saudi Arabia, the largest and richest country in the Gulf. We feel that the Arabian Spring, although it heavily impacted our business in 2011, will open doors to new, exciting business opportunities.

Emerging markets I Africa

Rezidor has been in Africa since 1999, when we opened the Radisson Blu Hotel Waterfront in Cape Town, and today has the largest pipeline of internationally branded hotel rooms in sub-Saharan Africa – managed out of a regional office in Cape Town. Most African capital cities have an outdated hotel inventory and offer excellent opportunities for Radisson Blu to become the largest and most modern upscale brand. Late 2011 saw the opening of the Radisson Blu Hotel, Addis Ababa, in Ethiopia, and in early 2012 we will welcome properties in Maputo (Mozambique) and Lusaka (Zambia).

Park Inn by Radisson usually follows in markets where Radisson Blu is successfully established – as in South Africa, where we opened the Park Inn by Radisson Foreshore, Cape Town, in 2011. With both brands, we are also active in other African countries such as Mali, Nigeria, Senegal, Kenya, Rwanda and Gabon. In late 2011, we announced our very first hotel in the Indian Ocean, Hotel Missoni Mauritius, which is scheduled to welcome its first guests in 2014.



In May 2011 Rezidor opened the first Radisson Blu Hotel in Lagos/Nigeria – a key market for the Group.

The Rezidor Hotel Group

17

Emerging markets II Russia/CIS

Rezidor was a pioneer in the Russian hotel market: with Radisson, we brought the first international brand to the country in the 1990s, and we were the first international hotel group to open our own fully fledged branch office in Moscow. Today, we are the largest international operator in Russia/CIS and the Baltics – with a room count twice as big as that of our nearest competitor. Our hotels in operation include stars like the legendary Radisson Royal Hotel, Moscow, the Radisson Royal Hotel, St Petersburg, and other Radisson flagships in key cities such as Tbilisi and Kiev.

Park Inn by Radisson is similarly expanding its network, for instance with hotels strategically located near major train stations, properties that we develop together with our partner RHC (Regional Hotel Chain). We are also gearing up for the 2014 Winter Olympics in Sochi: Rezidor already operates a Radisson hotel in Sochi, and has another Radisson resort and two Park Inn by Radisson hotels under development.



In June 2010, Rezidor opened the fifth hotel in St Petersburg: the Radisson Sonya Hotel with 173 rooms and an interior inspired by Dostoyevsky.

Corporate Presentation

Reach out to the world

Global sales, marketing, distribution and e-commerce go hand-in-hand in promoting our brands across the globe, to bring the right clients to the right hotels, and to increase revenue. We regularly update our tools to respond to modern travellers' needs.

Club Carlson

One of the most rewarding loyalty programmes

In March 2011, Carlson and Rezidor re-launched their loyalty programme – and gold-points plus became Club Carlson. One of the most attractive and rewarding loyalty programmes in the travel industry (Award Nights start at 9,000 points, which is equal to only five nights' stay!), Club Carlson currently features more than 1,300 hotels worldwide (Radisson, Radisson Blu, Radisson Edwardian, Country Inns & Suites, Park Inn by Radisson and Park Plaza Hotels & Resorts) and includes more than 40 stunning resorts in Europe, the Middle East, the Caribbean, Latin America and Asia Pacific.

For our most loyal guests, the programme offers a Concierge elite tier, which provides members with complimentary room upgrades and continental breakfast, a 75% point bonus on stays, and access to a very special concierge service line for theatre and sports tickets and restaurant reservations. Club Carlson currently has almost 8 million members worldwide (1.5 million in Europe, the Middle East and Africa). Carlson and Rezidor are aiming to increase this to 13 million across the globe by 2015 (2.5 million in Europe, the Middle East and Africa).



To expand and optimise its reach to mobile users, Club Carlson has launched new iPhone and Android mobile applications that feature express booking for all hotels, GPS mapping and the ability to redeem points, as well as linking to “Explore Destinations”, a best-in-class feature that stores more than 4.4 million points of interest, ranging from key tourist attractions to local restaurants.

Club Carlson also targets meeting planners and is driving our Meetings & Events business through focused online advertisements and e-mail campaigns to our growing B2B database. Most recently, in early 2012, Club Carlson for Business was introduced: a loyalty programme especially for small and medium-sized businesses that have no corporate contract with Carlson or Rezidor. It offers rewards to both business and individual travellers, and boosts our efforts to successfully engage the growing high-end segment of small and medium-sized enterprises (SMEs).

Rezidor Gift Card

The perfect present



Would you like to offer something special to a very special person? Maybe a spa treatment in Ireland, a shopping weekend in Glasgow, a romantic dinner in Paris or a city break in Milan? Rezidor's Gift Card covers it all: our guests can use the Gift Card for accommodation, restaurants and services at over 250 hotels (Radisson Blu, Park Inn by Radisson and Hotel Missoni) in more than 30 countries.

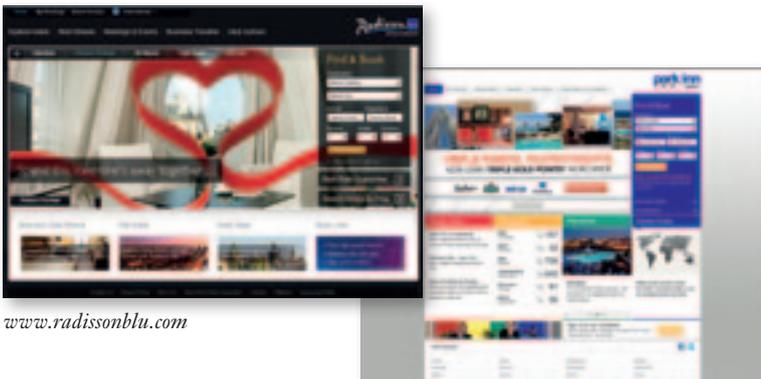
The perfect gift is just a few clicks away: cards can be purchased online at www.radissonblu.com/giftcard or www.parkinn.com/giftcard and are available with a value of EUR 20–150 or GBP 20–100, valid for two years.

Brand websites

Explore and book our hotels online

Our brand websites form an important part of our guests' experience – before they even start their stay with us. We are constantly developing our range, and our key mission is to increase the amount of room revenue generated by bookings through www.radissonblu.com, www.parkinn.com, and www.hotelmissoni.com.

In 2011, alone, we added extra languages (including Arabic and Chinese) and national domains to our websites, optimised the Find & Book process, included more visuals such as photo and video galleries, and worked on more comprehensive social media integration. We have also enhanced the Meeting & Events functionality, now offering private offer pages for events and conferences. In addition, we are strengthening our partnerships and using online marketing partners to increase our reach and maximise the placement opportunities for our banners on other sites. This year, 2012, will see another big leap in our website development: migration to a single web platform, merging with our strategic partner Carlson.



www.radissonblu.com

www.parkinn.com



**Our mission?
Sell, sell, sell!**

**Olivier Jacquin, SVP Sales,
Marketing & Distribution**

Revenue Generation has regularly featured as headline news for Rezidor over the past few months. In addition to the ongoing developments mentioned above, what are the key focus areas?

We are concentrating on five key areas: brand websites, revenue optimisation, travel intermediaries, loyalty programme and sales. Within each area, we have identified key opportunities and activities, which we are currently implementing in an effort to drive revenue and meet our targets.

What are your Revenue Generation targets?

We have set ourselves very ambitious targets: on a global level, Carlson and Rezidor aim to generate more than MUSD 400 in incremental revenue by 2015. We forecast that 40% of this total amount will be generated at our leased, managed and franchised hotels in Europe, the Middle East and Africa alone – accounting for MEUR 120.

Together with Carlson, you are going truly global, specifically with regard to sales. How is your Global Sales Team set up?

In addition to my role at Rezidor, I oversee all global sales offices of Carlson and Rezidor – currently our full team comprises 150+ people in 12 key locations. We are developing our global network, adding sales specialists in key markets in order to boost our inter-theatre sales between EMEA, the Americas and Asia.

The most effective sales forces thrive when they know how to manage “change”, and our team constantly adapts to the ever-growing sources of revenue opportunities. The MICE segment remains a key focus, and through more integrated global account management, we aim to further improve our key corporate account production – driving more room nights and more revenue.

Partners working on win-win solutions

Siemens and Statoil, Nokia and Novartis, Ericsson and EADS: corporate clients like these are VIP guests at Rezidor. How do we attract them, what are their booking conditions, and where do we welcome them? Markus Nowara, Global Commodity Manager at Siemens, reports on our collaboration.







Markus Nowara

**Global Commodity Manager
Procurement Hotels, Siemens**

Markus Nowara inherited his love of travel from his parents. They gave him the opportunity to discover Europe when he was a child, and he has enjoyed exploring the world ever since.

Your dream destination?

Hawaii. I went there years ago and would like to go back one day.

Your favourite hotel?

During that famous Hawaii trip, I stayed at a fabulous property at Kawaii's Hanalei Bay. I think it was a former Sheraton, but can't recall the name – it might not exist any more.

Three things that you always have in your suitcase?

My toilet bag with the standard equipment, a Swiss knife and a box of matches.

Your preferred travel reading?

A good book and a Sudoku magazine.

What's the most important thing for you in a hotel room?

Good lighting and a multi-purpose design: even if it's just one room, it needs to be suitable for relaxing and working.

What don't you like at all in a hotel?

Neon lighting in the bathroom, which makes you look like a stranger in the mirror. I also hate American-style carpet.

Are you a restaurant or room-service type?

I usually prefer restaurants. With the exception of the old Radisson hotel in Berlin: Many years ago, I had an event there that was held over several weekends. Every Thursday night upon arrival, I would order the great "Radisson Burger" and enjoy it in my room watching a football match on TV.



Siemens, a global powerhouse of electronics and electrical engineering and active in the fields of industry, energy and healthcare, is one of Rezidor's biggest corporate clients. Since the first corporate agreement, Siemens' volume at Rezidor and Carlson hotels has steadily increased and reached a global turnover of more than MEUR 8 in 2011. The man behind this development is Markus Nowara, Global Commodity Manager Procurement Hotels. Based at the Siemens offices in Munich, he structures and coordinates international hotel purchasing for the Group. He has also developed Siemens' own TravelNet, a comprehensive online booking tool.

Business has gone global

Being a hotelier himself – his career began in 1983 as a trainee at the legendary German hotel Bühlerhöhe – he specialised in event and travel management in the early 1990s and joined Siemens in the summer of 1995. “The early years were all about conventional purchasing, all about rates and conditions, and we mainly worked with the German market,” Markus Nowara recalls. “Today, business has gone global, and I no longer look at the rate alone, but at detailed rate definitions, rate designs and rate control. There's an incredible variety out there, and many different ‘adjusting screws’ like rate types, room categories and seasons that allow us to optimise the average room rate for the benefit of both our company and our partners.”

Such complex processes require intensive contact and communication between Siemens and their hotel partners; trust, openness and mutual understanding are the key elements of a fruitful collaboration. “We have a very good relationship with Rezidor,” explains Markus Nowara. “It started back in the days before the Park Inn brand was launched and Radisson was not yet so very well known. I recall a lunch during a trade fair in Geneva when we sat with Kurt Ritter and spoke about our companies and strategies. I appreciated the fact that the President & CEO took the time for such an open dialogue.”

A relationship became a partnership

Since then, the relationship between Siemens and Rezidor has developed and become a true partnership. Today, the biggest share of the business is signed with Radisson Blu properties (MEUR 6.5 global turnover in 2011), which Markus Nowara considers to be high-level meetings and events hotels. However, Park Inn by Radisson is also playing an increasingly important role. “I personally think that the brand design is a little bit too colourful – but that's a matter of individual taste and preference,” he admits, and is equally honest about another topic: like any other couple who have spent years together, Siemens and Rezidor have a common history with ups as well as downs, although both partners can deal with this professionally. “We regularly ‘oil’ the adjusting screws I mentioned so that they don't get

rusty,” says Markus Nowara with a smile, and adds: “I feel that we both do our best; we see the options and opportunities we have, and we work on solutions.”

The story continues

The course seems to be set for continued close collaboration. Siemens sees room for growth that is both strategic and makes sense: “We are interested in business travel, with a clear focus on ‘business’ rather than ‘travel’. We won't go to resort or leisure destinations where we don't have any projects. We reach natural boundaries here that both Siemens and Rezidor need to respect.” Markus Nowara envisages further future common projects in the area of conventional business bookings at worldwide destinations where Siemens has a presence. “I hope that we can continue our story and create attractive offers for our clients. Corporate travel management partners should not only think about each other, but also about the guest. Ultimately, travellers need to understand our offers and find them attractive – otherwise they won't book them.

I expect from a valuable partner that we think together, are open and flexible, and look out for new horizons. The game is not about stopping and standing still, it's about going forward.”

We hire attitude, we train skills

We are a true people business. Our employees are our biggest asset and the key drivers of our quality performance and profitable growth. We hire candidates with the right attitude and train skills. We also promote and develop the majority of our employees from within. Our aim is to be the number one hotel company to work for.

35,000+ employees

Our Yes I Can! service philosophy is also the driving force behind our people development programme, which will bring each of our 35,000+ employees to his or her full potential – respecting local cultural values, individual needs and different sets of skills and experiences. It starts with the hiring process, features at every level within our hotels and offices, and allows us to develop our people from within.

We are proud to say that more than 90% of our General Managers are home-grown. In late 2011 the programme was complemented by a comprehensive review and restructuring of our operational organisation – defining future Rezidor Business Leaders and improving our performance across Europe, the Middle East and Africa.

5 steps to success

Our 5-step people development programme works like an inverted pyramid. At the first and broadest level, we work with all our employees via mandatory Yes I Can! and Responsible Business seminars, as well as on-the-job skills training. Level 2 offers dedicated courses for Supervisors, including our Management Development Programme, which takes them to new heights in their career, enabling them to become Heads of Department and reach level 3 within just two years. At level 3, our most unique training programmes step in: one is The Business School @ Rezidor, our company's own management school driving values, quality and revenue.

Held every quarter in one of our hotels, the school is led by both internal and external trainers and comprises courses on hotel management and people development, as well as our General Manager Certification Training. In 2011, the school celebrated its 15th anni-

versary and welcomed the 10,000th participant. The other training element is our 12-month Mentor-Mentee Programme, which helps us to find the best of the best: employees who have the talent to become General Managers. Under the guidance of their own personal mentor, our mentees gain the skills and confidence to head their very first hotel “of their own”.

Level 4 offers further Business School courses to all our General Managers – they also have the chance to join our Corporate Top Executive team in level 5: carefully selected, highly motivated and extremely knowledgeable senior managers who direct our growing business across Europe, the Middle East and Africa.

Our people development programme is a living system. Times and needs are changing, and our Corporate Human Resources team works constantly to improve the programme. Existing training courses are redefined and refreshed, and new modules are developed, such as the Rezidor Learning Network, an e-learning system based on a virtual electronic platform, and Responsible Business webinars, which were launched in 2011.

The Number 1 company to work for

The Carlson Rezidor Hotel Group aims to become the number one hospitality company to work for – we want to be the employer of choice for our people. We are definitely heading in the right direction: Rezidor's annual Climate Analysis, a Group-wide employee satisfaction survey conducted by an external, independent partner, shows a steadily increasing Employee Satisfaction Score that reached 86.7 points in 2010 and yet again in 2011. This result is excellent within the worldwide hospitality and service industry, and makes us proud. Yes, we can have a fantastic, dedicated and loyal team!

Yes I can!



Our service philosophy encourages our employees to take responsibility, to be proactive and creative, and to deliver our brand promises.

The Carlson Credo and our vision & values

Whatever you do, do it with integrity
Wherever you go, go as a leader
Whoever you serve, serve with caring
Whenever you dream, dream with your all
And never, ever give up

When we launched the joint name Carlson Rezidor Hotel Group in early 2012, we at Rezidor adopted the inspiring Carlson Credo, the legacy of Carlson founder Curtis L. Carlson. This credo complements our unique Yes I Can! vision, which is much more than just a slogan – it is our core service philosophy, our way of life, and the blood that runs through our veins. Yes I Can! stands for our positive and personal attitude towards our guests and business partners, and for the extra mile we go each and every day. And it works: a study by the renowned École Hôtelière de Lausanne in Switzerland has shown that Yes I Can! makes a significant contribution to better service performance and increases both guest and employee satisfaction.

Our Yes I Can! vision is the headline above our company values, which we redefined in 2011 and are currently revitalising through a dedicated values campaign. Training courses and events in all our hotels and offices focus on our three core values that summarise what Rezidor is all about: **Being Host** – Be professional, responsible, focused on quality service. **Living Trust** through honesty and integrity, empower employees at all levels. **Fighting Z-spirit** – Always entrepreneurial, innovative and pro-active; quick decision-making.

From Russia with love for Rezidor

At Rezidor, our people grow from within: a dedicated and comprehensive development programme allows them to carve out their own individual career – tailor-made and respecting their background and culture, skills and experience. Olga Sukhorukova, Corporate Sales Manager at Rezidor's regional office in Moscow, describes her route through our system.







Olga Sukhorukova
Corporate Sales Manager, Rezidor

Olga Sukhorukova mainly travels in her home country Russia and CIS: as Rezidor's Corporate Sales Manager she visits and promotes our hotels from St Petersburg in the north to Baku in the south. During one of her next private trips, she hopes to travel to the Mediterranean and to experience *la dolce vita*.

Your dream destination?

Italy. I've never been there, but would love to discover the country's charm and culture.

Do you prefer to travel by plane, train or car?

I'm the daughter of a stewardess, so of course I choose to fly! Russia is also far too big to travel by train or car; it would simply take too long.

Three things that you always have in your suitcase?

My three "must haves" are my passport, my ticket and my laptop. I also like to bring my favourite perfume "DKNY be delicious", high-heeled shoes and a swimsuit.

Your preferred travel reading?

I always get a travel guide of the destination; I like to learn more about the city or country I'm travelling to.

What's the most important thing for you in a hotel room?

The view from the window. I want to have a sea view, please!

What don't you like at all in a hotel?

I'm very easy-going and undemanding; there's nothing I hate.

Are you a restaurant or room-service type?

I prefer the restaurant, and always try a regional dish.



There are not many little Russian girls who are allowed to fly in the cockpit of an aircraft – Olga Sukhorukova was one of them. When Olga turned five, her mother, who was working as a stewardess with Ural Airlines, would take her on board from time to time and let her sit close to the captain. “Each time, when I saw my Mum and the rest of the crew in uniform, it was something special for me and I guess that was also when my passion for travel was sparked!” Olga recalls. Years later, her passion turned into her profession. She began studying tourism and hospitality at Ekaterinburg’s Ural State University and spent an unforgettable summer in the US, working in a supermarket’s deli section and in a Gap store.

Where colleagues become friends

Upon her return to Russia, she heard that Rezidor would be opening the very first internationally branded hotel in Ekaterinburg. She applied for a position there, and embarked on her career in early 2006 as a receptionist at the Park Inn Ekaterinburg. “That will always be my favourite hotel on earth,” Olga says. “I was a member of the pre-opening team there, knew every little detail about the property, and met great people. Some of them were not only colleagues, but also became good friends.”

After her first internal promotion in 2008, she joined Rezidor’s Management Development Programme and became Front Office Manager in 2010. “Rezidor’s people development programme runs like a leitmotif through

each employee’s career,” Olga explains. “And it’s not just about theory. Participants can work on their own projects and implement them in practice. They learn how to identify measurable goals and how to achieve them. I really like the programme, as it constantly trains you and prepares you for growth.”

Where size matters

Olga’s own ambitions mirrored Rezidor’s industry-leading growth in Russia: in 2011 she left her home town of Ekaterinburg and moved to St Petersburg – as Front Office Manager at the Park Inn Pribaltiskaya. With 1,200 guest rooms and meeting facilities for up to 1,500 delegates, the hotel is the largest congress and conference venue in town, and one of the biggest Park Inns in Europe, the Middle East and Africa. “The size of this huge machine is so impressive and fascinating. When I saw the coaches rolling towards our ramp, and the hundreds of guests were checking in, that really excited me,” says Olga, who headed her team of 30 receptionists in a calm and caring manner even during the most stressful peak times. Excellent planning and organisation were her keys to success, and she aimed to be a “Yes I Can!” role model for her staff. “Our Yes I Can! service philosophy is a way of life and perfectly complements our Park Inn attributes: our brand is vibrant, bright and fresh. It’s so easy and uncomplicated to work with Park Inn people, and that’s something I really appreciate.”

Not only did she play an active part in her own hotel, but also supported other proper-

ties in Russia as a task force member – like the Park Inn Kazan during its opening phase in autumn 2010. “The Grand Opening has been the most memorable event in my career to date. I felt part of a great team and a successful company, and even had the chance to greet Rezidor’s President & CEO, Kurt Ritter. That meeting was the icing on the cake for me,” recalls Olga.

Where the future begins

Very recently, she took the next step in her career: since January 2012 she has been based at Rezidor’s regional office in Moscow. The Group was the first international hotel operator in Russia/CIS to open a fully-fledged branch office in the Russian capital, and currently has 35 full-time employees there. Olga joined the team as the company’s new Corporate Sales Manager for Russia/CIS. “This is another milestone for me; I can test myself in a corporate role and within the field of sales and marketing. I also need this experience for my long-term goal: I want to be a General Manager one day.”

Although she is open and flexible enough to move to any destination, she imagines the first hotel of her “own” will be in Russia. “I like my country, and modern women can make a great career in Russia. It’s no longer easier for men to have success here. That particular stereotype is a thing of the past.” Yes, she can! Olga Sukhorukova is really taking off – just as she did as a little girl sitting in the cockpit.

Clean business – our business

In 2011, Rezidor was yet again named one of the World’s Most Ethical Companies. Our Group strongly believes in Responsible Business and operates in a way that is respectful of human rights, socially equitable and environmentally sustainable.



• Responsible Business and Safety & Security have a long tradition at Rezidor. Our first corporate security manual was introduced in 1988, and our first environmental policy dates back to 1989. We were also one of the first international hotel groups to develop our own company-wide Responsible Business programme. Since 2009 Rezidor has been a member of the United Nations’ Global Compact – a global policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption.

• Today, we have a comprehensive, award-winning and industry-leading Responsible Business practice based on three key elements: responsibility for the health and safety of our guests and employees, respect for social and ethical issues within the company and the community, and a reduced negative impact on the environment.

• **Taking action for people in need**

• All our employees receive dedicated Responsible Business training, and for the past eight years, September has been declared our Responsible Business Action Month (RBAM). September 2011 saw more than 9,000 Rezidorians in 80% of our hotels taking part in almost 500 activities, which raised EUR 85,000 in donations for our corporate charity organisation, the World Childhood Foundation, for the UN Refugee Agency UNHCR, which we supported in camps in Tunisia and Egypt during the turmoil in Libya, and also for local causes. One of the biggest regional activities was the “Box Appeal” in the Middle East, where more than 10,000 boxes containing everyday essentials for people in need were packed and distributed in partnership with the Red Crescent.

• In early 2012, we launched a new initiative and kicked off our global partnership with World Cleanup, a campaign that aims to

clean up illegal stray waste in 100 countries across the globe and raise people’s awareness. The year 2012 also marks the beginning of Rezidor’s five-year energy-saving initiative “ThinkPlanet!” – a comprehensive project that will formulate, implement and measure ambitious targets for energy, water and waste savings in our hotels. Fifty-five per cent of our hotels across Europe, the Middle East and Africa are currently eco-labelled by independent third-party labels, and we aim to increase this to 100% by 2015.

• **Respecting social and ethical issues**

Rezidor is committed to maintaining a high standard of business ethics, honesty and integrity. Every employee is introduced to our ethical culture and Code of Business Ethics through the induction programme and the Living Responsible Business training programme. In 2011, Rezidor was yet again named one of the World’s Most Ethical Companies by the Ethisphere Institute think-tank. The award committee, which consists of lawyers, academics, government officials and organisation leaders, helped create the award methodology. A sampling of other 2011 winners includes Adidas, Timberland, Microsoft, American Express, Starbucks and UPS.

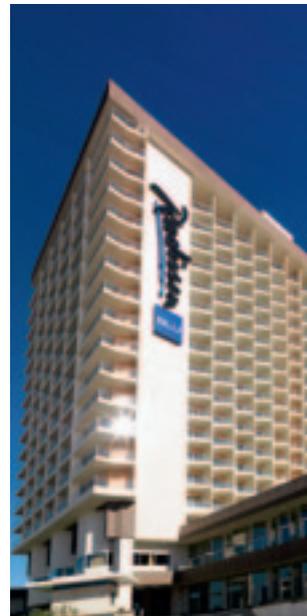
Our Code of Business Ethics is also reflected in the “Always Care” motto of our Safety & Security programme, TRIC=S. TRIC=S stands for Threat Assessment + Risk Mitigation + Incident Response Capability + Crisis Management Preparedness = Safe, Secure Hotels. Developed within Rezidor and providing bespoke safety and security solutions for Carlson Rezidor hotels and offices, TRIC=S includes threat-trend monitoring in all countries where we have a presence, regular information for employees, and detailed guidance, procedures and tools to prevent, prepare for and respond to any incident that may occur.

Libya: Return to a reborn country

Rezidor has been operating the Radisson Blu Hotel, Tripoli since August 2009. When the political turmoil in Libya escalated in early 2011 and the UN imposed sanctions on the country, the hotel was de-branded and temporarily managed by the owner's own team. Rezidor's Vice President Safety & Security, Paul Moxness, describes how we supported the local team during the unrest, and how we finally returned to Tripoli.

“Like many foreign companies, we first of all focused on safely evacuating our non-Libyan staff. In close collaboration with the hotel owner, an aircraft was chartered and flew our non-Libyan employees out of Tripoli. We ensured that they were all repatriated to their home countries. With the Libyan management at the hotel, we agreed on a daily operational update by phone so that our General Manager could follow all developments from abroad, report any critical news to our Head Office and support the remaining team in Tripoli. Employees working in such a volatile and explosive environment and in a damaged hotel (which even received direct bomb threats) obviously fear for their lives and their morale is fragile. Understandably, too, the hotel lost business during the conflict, but things started to pick up again in early summer 2011.

Carefully monitoring and evaluating developments in Libya with the help of organisations such as Control Risks and the US State Department's Overseas Security Advisory Council, Rezidor started working on a business plan to re-enter Tripoli once everything had calmed down and returned to relative normality. But before that could happen, the situation took another turn for the worse: in August, when the fighting between the rebels and Gadd-



afi's troops culminated, critical supplies like water, food, fuel and electricity were low or no longer available at all for a couple of weeks. Once the tension had been relieved and conditions in Tripoli had improved again, Rezidor's executive team, which from the outset had been in regular contact with the hotel owner, stepped up communications. Both parties met at our Head Office in Brussels – and thanks to the owner's trust and confidence in Rezidor, a new management contract for the hotel was agreed. We put a task force together, which arrived in Tripoli in November 2011 and included highly experienced heads of departments willing to support us in a still challenging and extreme situation in a reborn country. It was due to this task force's preparations and achievements in cooperation with the owner's team and the brave, loyal local employees that we were able to take over management of the hotel in early 2012.

Of course, there were many problems to solve on all sides, and many hurdles to overcome. However, I believe that our expertise, commitment and open dialogue were the key to our return to Libya. We never stopped believing in 'our' hotel and the Tripoli market, and we look forward to resuming business as usual – for the benefit of the country, the owner and our Group.”

A year of ups and downs

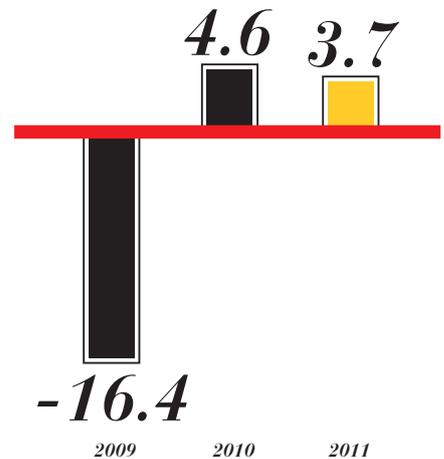
Last year was a challenging year for Rezidor. But despite the turbulent political and economic environment across Europe, the Middle East and Africa, growth continued – and the company reported a like-for-like RevPAR of 3.7%.

The year 2011 started with high expectations for the European hotel market. RevPAR (revenue per available room) grew in all significant markets in the first quarter, and the numbers reflected a good mix of occupancy and rate as drivers of this positive and promising development. In the third quarter, however, the pace of growth in the Western European and Nordic markets slowed down due to the economic instability in the Euro-zone, and the deceleration continued in the fourth quarter. Eastern Europe, on the other hand, witnessed a significant recovery throughout the whole year, with the emerging and dynamic markets of Russia and the Baltics as the key performers in the region. The Middle East and Africa experienced a significant drop in RevPAR during 2011, mainly due to the Arab Spring and the over-supply of hotel rooms in South Africa after the Soccer World Cup in 2010. The contribution from our like-for-like hotels to revenue and results was therefore dampened during most of 2011. The negative trend slowed down in the third quarter, and even more so during the fourth quarter. Some cities in the region, such as Dubai, benefited from the turmoil, and showed a strong performance in occupancy levels.

Margins still need a push

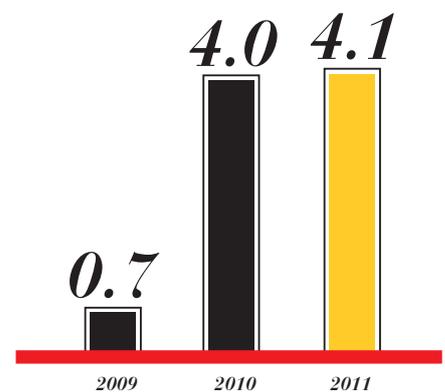
Our revenue increased by a healthy 10%, with almost all of this growth coming from new hotels opened since the beginning of 2011. The performance of these new hotels was generally satisfactory, but the contribution to operating profit was limited, as many of these hotels are in their ramp-up phase. On average, new hotels reach a normal profitability level after two to three years. The impressive revenue growth for the year was therefore barely reflected at EBITDA level, and the EBITDA margin only noted a minor increase. Several measures were therefore launched during the year to improve Rezidor's performance and margins.

L/L RevPAR



Adjusted for the three troubled countries in the Middle East and North Africa due to the "Arab Spring", like-for-like RevPAR for the group grew by 6.3% in 2011.

EBITDA, margin %



The EBITDA margin noted a modest increase of 10 bps to last year and EBITDA grew by MEUR 3.6.

The Rezidor Hotel Group is one of the most dynamic and fastest growing hotel companies in the world. The group currently features a portfolio of more than 425 hotels with 93,000 rooms in operation and under development in 65 countries across Europe, the Middle East and Africa.

Rezidor operates the core brands Radisson Blu and Park Inn by Radisson – as well as Hotel Missoni, a new luxury lifestyle brand which is being developed worldwide under a licence agreement with the iconic Italian fashion house Missoni.

Rezidor is a member of the Carlson Rezidor Hotel Group, one of the world's ten largest hotel groups.

For more information, visit www.rezidor.com

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