

THE REZIDOR HOTEL GROUP

CORPORATE PRESENTATION

Open the door

CAN A CORPORATE PRESENTATION BE **YOUR FAVOURITE READING** OF THE DAY? YES – GIVE IT A TRY! LEAF THROUGH THIS BROCHURE AND GET TO KNOW **ONE OF THE MOST DYNAMIC HOTEL COMPANIES OF THE WORLD**. READ EVERYTHING ABOUT OUR VISION **"YES, I CAN!" AND OUR Z-FACTOR** WHICH MAKES US STAND OUT FROM THE CROWD. TRAVEL BACK IN TIME, TRACE OUR HISTORY OF MORE THAN 50 YEARS OF INNOVATIVE HOSPITALITY, MEET THE LONGEST SERVING CEO OF THE INDUSTRY AND FOLLOW OUR UNPARALLELED GROWTH WHICH HAS LED US TO **OVER 400 HOTELS ACROSS EUROPE, THE MIDDLE EAST AND AFRICA**.



to our world of hospitality!



In January 2011 Rezidor opened a new flagship in Stockholm: The Radisson Blu Waterfront Hotel featuring Scandinavia's largest congress centre.

All about us

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A positive year

A photograph of an older man with white hair and glasses, wearing a dark blue suit, light blue shirt, and patterned tie. He is sitting in a teal armchair, smiling at the camera. He has a gold watch on his left wrist and a gold ring on his left hand. His legs are crossed at the ankles. In the background, there is a bed with a blue and white striped duvet and two white pillows. Two bedside lamps with warm light are visible on either side of the bed. The room has a green wall and a wooden headboard.

“The Z-factor is our
key to success.”

CAN 35,000 EMPLOYEES IN 400 HOTELS SHARE ONE VISION?

You have turned the first page of our Corporate Presentation and opened the door to our world of hospitality. Welcome!

This company profile looks slightly different from others you may have seen: The size is bigger, the texture of paper differs per section, and some pages are foldouts, revealing even more stories underneath. The style of this Corporate Presentation is a reflection of the style of our company. We refer to it as the Z-factor, driving us to do things a bit differently from other players within the industry: We add little and big, expected and sometimes unexpected extra flavours with a unique kind of zest that makes working and staying with us so special.

Yes I Can!

It all starts with our company-wide vision and mission called "Yes I Can!". These three simple yet powerful words sum up our culture, our service philosophy and our take on hospitality. It is the driving force behind our business, it is the engine that fuels our growth and it is the attitude that makes us go the extra mile for our guests and business partners each and every day. "Yes I Can!" is not just a smart slogan; nor is it some kind of internal mantra that sounds pretty and has no real effect on service and profitability. On the contrary: research by the renowned Hotel School of Lausanne has proven that "Yes I Can!" really works and makes a significant contribution to both guest and employee satisfaction.

Rezidor's Z-factor is also the backbone of our business model. Unlike many other international hotel groups, Rezidor features a small but carefully selected brand portfolio across Europe, the Middle East and Africa. Our brands are clearly positioned and well-defined. "What you cannot explain, you cannot sell", is our motto. Whether you stay at a Radisson Blu, a Park Inn by Radisson or a Hotel Missoni, you can trust our brand promise – and you can be confident that we will deliver on that promise.

We believe in growth

Our two core brands, Radisson Blu and Park Inn by Radisson, are helping us drive our leading position in key emerging markets and strengthening our footprints in the home markets. Even during the recent global downturn, when many of our peers concentrated on consolidating their business, we continued growing our business. 2010 was the third consecutive year for record numbers of room openings for Rezidor! We added 7,200 new rooms to operation – compared with 7,100 in 2009 and 6,500 in 2008. Our pipeline of rooms under development is equally strong and ever expanding: with 20,000+ rooms scheduled to open in the next three to four years across Europe, the Middle East and Africa. In Europe, both of our leading brands – Radisson Blu and Park Inn by Radisson – have the largest pipeline in their respective segment.

Being different has also helped us to become the first mover in many pioneering initiatives and markets. Rezidor was the first international hotel operator to enter Russia & CIS in the 1990s, and has been among the earliest international hotel operators in Africa. Our "early-mover" strategy is paying off today handsomely as these emerging markets are contributing significantly to our EBITDA and are focal points for our future development. Russia & CIS and Africa still have an acute imbalance of supply and demand when it comes to internationally branded hotel rooms. Many African capital cities also have an old and dated hotel inventory. The economic development of these markets offers excellent opportunities for profitable growth through management contracts – a business model that perfectly complements Rezidor's asset-light framework.

We care

Rezidor also took an industry-leading role when it launched its first environmental policy in the late 1980s. Since then we have expanded our efforts to the current comprehensive group-wide Responsible Business programme focusing on the health and safety of our guests and employees; respect for ethical issues within the company and community; and a reduced negative impact on the environment. In 2010, our Responsible Business programme played a crucial part in Rezidor's nomination as one of the most ethical companies worldwide – an achievement we are very proud of.

We are a people business

The Z-factor is the key to our success! But what keeps this Z-factor alive and kicking? Our people. We are a people business: our guests, employees, owners, developers, architects and designers, suppliers and other partners add the Z in Rezidor. You will meet some of them while leafing through this presentation and will read about their life and experiences with our company. In fact, you might be one of them: you may work with Rezidor, be a guest at one of our hotels or simply want to know more about us – as a shareholder, analyst, journalist or potential business partner.

Thank you for your support, your loyalty and your interest – and I hope you enjoy reading our Corporate Presentation!



YourZ,
Kurt Ritter, President & CEO

OUR PROMISES

A brand is a promise: this is our credo. Unlike our competitors, we have a small but strong, well-defined and clearly differentiated brand portfolio that we know from A to Z. Our brands offer market-specific solutions for our business partners, respond to our guests' needs, and feature all those little extras that make a partnership or a stay with us so special.



Radisson Blu: Hotels that love to say yes

In 2010, Radisson reached the top: by becoming Europe's largest upper upscale brand*. We are proud of the success we have achieved with Radisson Blu. This first-class, full-service brand combines a strong Scandinavian heritage with contemporary architecture and interiors by leading designers and offers innovative service concepts. Across Europe, the Middle East and Africa, Radisson Blu offers a 100% Guest Satisfaction Guarantee. Our portfolio of hotels in operation and under development features more than 250 properties with a total of 59,000 rooms. Our "new breed" hotels are internationally acclaimed and award-winning buildings: landmarks and flagships with iconic architecture and creative design that make us stand out from the crowd. Our development for Radisson Blu focuses on primary markets, on city centres, conference locations, airports and resorts; and we mainly enter into management and in special cases franchise and lease agreements. Radisson Blu is also our key to entering new markets: the emerging countries of the African continent, for instance.

Upper upscale competitors: Hilton, Marriott and Sheraton.



Park Inn by Radisson: It's all about you

2010 saw a new name for our dynamic mid-market, full-service brand Park Inn: with Park Inn by Radisson we linked our two core brands and now combine Park Inn's impressive growth story with Radisson's strength and reputation. With Park Inn by Radisson, we grew from 0 to 143 hotels in just seven years, and now offer more than 26,000 rooms in operation and under development – and the growth pace is increasing! At Park Inn by Radisson, guests can expect excellent value for money. Our hotels concentrate on the essentials and offer a warm welcome in a stress-free, safe and clean environment, comfortable and colourful rooms, and personal service. Our main focus for Park Inn by Radisson is to grow through management and franchise agreements. The brand can be found in primary, secondary and tertiary markets in city centres, suburban locations and near train stations and airport terminals. In existing markets we work with a cluster strategy (market depth rather than width), creating operational and sales synergies – and in new markets Park Inn by Radisson usually follows in the footsteps of Radisson Blu. Park Inn by Radisson is also designed to make re-branding easy: our development partners benefit from one of the smartest and most efficient conversion packages in the hospitality industry.

Mid-market competitors: Holiday Inn, Mercure and Scandic.

HOTEL MISSONI

Hotel Missoni: Bold. Passionate. Fashionable

Hotel Missoni is the newest member of the Rezidor family – born after a worldwide licence agreement we signed with the famous Italian fashion house Missoni. In collaboration with the founder and grand lady Rosita Missoni, we created a distinctly different and cutting-edge lifestyle hotel brand. Fabrics featuring the iconic Missoni patterns and colours, furniture and accessories from Missoni's home collection, as well as selected pieces by contemporary designers, make Hotel Missoni a truly unique experience. Restaurants like "Cucina" serving Mediterranean dishes that pamper every palate (many recipes are taken from the Missoni family's private cookbooks), bars where you can sip the best Italian coffee, and wellness & spa areas in which to relax and rejuvenate complement the properties. Rosita Missoni gives each hotel its own individual look inspired by the local culture – the brand made its debut in 2009 in Edinburgh (followed by Kuwait City in early 2011), and is now targeting further trendy destinations worldwide. Rezidor develops Hotel Missoni mainly under management agreements in fashionable cities as well as in up-and-coming resort areas.

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

Country Inn

Country Inn offers a mid-market alternative for those seeking a cosy, charming and familiar hotel experience with limited service. Rezidor is currently reviewing this brand, and is not actively developing it.

Regent

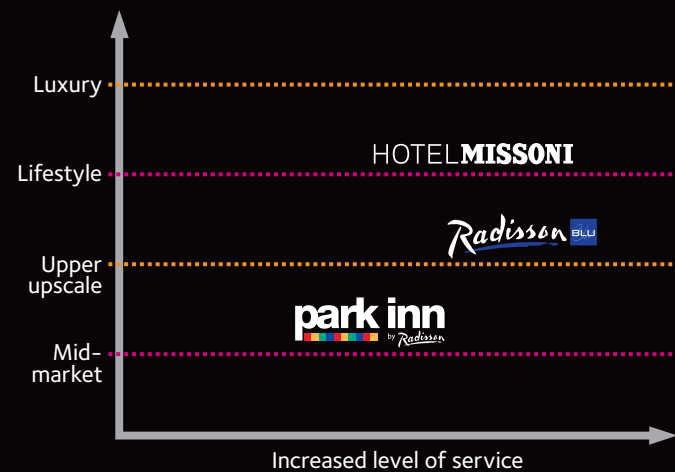
In line with our strategic decision to focus on our core brands, Rezidor and the brand owner of Regent, Carlson, sold the Regent luxury brand in mid-2010 to the Taiwan-based Formosa International Hotel Corporation. Based on a transitional service agreement, Rezidor continues to oversee the daily operational business of Regent hotels in Europe, the Middle East and Africa.

*Source: MKG Hospitality Ranking

Guest loyalty programme

As members of our young and award-winning loyalty programme, Club CarlsonSM (former goldpoints plusSM), our guests can collect and redeem points at all our Radisson Blu, Park Inn by Radisson and Country Inn hotels and also at any other Radisson and Park Plaza property worldwide – a grand total of more than 1,000 hotels around the globe.

The Rezidor hotel brands



Rezidor has a small portfolio with three main brands: Radisson Blu, Park Inn by Radisson and Hotel Missoni. The brands are carefully selected and clearly defined to respond to our guests' needs.

Bar and restaurant concepts

Rezidor offers a distinct collection of its own bar and restaurant concepts. Contemporary and stylish as our hotels, easy to implement and operate, and places that people return to time and again.

One of our most successful concepts is Filini – modern Italian bars and restaurants that give our hotels across Europe, the Middle East and Africa a Mediterranean flair. At Filini it is all about fresh, authentic food from Italy's different regions, accompanied by carefully selected wines and served in an ambiance in which design, lighting and music complement one another perfectly.

RBG Bar & Grill is another bestseller – originally a fresh, easy-going grill restaurant featuring classic burgers and steaks. Depending on the category, size and destination of the hotel, RBG also offers scope for variation, and can range from a snack-style venue to a prime restaurant with additional local and upscale dishes, buffet lunches or al fresco dining.



LET IT GROW

The development of new hotels is the engine behind Rezidor's growth. We are one of the fastest-growing hotel companies worldwide and focus on profitable, asset-light growth. Our key regions for future development are the emerging markets of Russia/CIS and the African continent.

Focus on emerging markets

Russia/CIS and Africa are exciting, up-and-coming markets with enormous natural resources, increasingly stable political and economic systems, considerably improved infrastructure, a high GDP growth. Last, but not least, they have an imbalance of supply and demand in terms of internationally branded hotel rooms. In many African capitals, the existing hotel inventory is old and dated. These countries are a perfect fit for our business model: we expand our portfolio mainly through management contracts that have limited or no downside, allowing us to maintain complete control of the high quality of our brands.

In the 1990s, Rezidor was one of the first international hotel operators to enter Russia, and our pioneering spirit has paid off. Today, we are the leading international player in the hospitality markets of Russia, the CIS and the Baltics – with our own fully fledged branch office in Moscow. We have 36 hotels with 9,600 rooms in operation, and a further 26 properties with 5,900 rooms under development. In 2010, we opened a new flagship: the luxurious Radisson Royal Hotel, Moscow. Housed in one of the famous "Seven Sisters" skyscrapers, the former Hotel Ukraina, re-opened its doors after a complete three-year renovation.

In Africa, the Radisson Blu Hotel Waterfront, Cape Town opened in 1999 – the basis for a portfolio that has now grown to 36 hotels and more than 8,000 rooms in operation and under development across this vast continent of 57 countries. Our African success story is supported by our joint venture with four Nordic Government

Funds (AfriNord), which help finance projects through mezzanine debt. In 2010, Rezidor also extended its partnership agreement with the Mvelaphanda Group, a powerful South African company with Black Economic Empowerment credentials, which will facilitate our further growth in this strategic market.

A balanced portfolio

Despite the still fragile economic climate, 2010 has been another good year for Rezidor and our third consecutive record year of rooms opened. We signed 40 hotels with

“Our business is all about signing and opening the right hotels.”

8,100 rooms and opened 32 hotels with 7,200 rooms – bringing our total portfolio of properties in operation and under development to more than 400 hotels with 87,000 rooms in over 60 countries.

Our business is not just about signing and opening hotels; it is all about signing and opening the right hotels to create a diversified portfolio that balances risk and reward. We do business in different regions, and have different contract types. We operate classic city and busi-

ness hotels and have increased our airport hotel portfolio – today, we are one of Europe's leading airport hotel operators. We are building up a sophisticated resort selection, and – with Hotel Missoni – have entered a new niche market, taking advantage of the trend towards boutique and fashion hotels.

Besides new-build hotels, conversions are an increasingly important part of our business. The global downturn makes the financing of new construction projects a challenge – conversions and especially strategic portfolio transactions, which we actively seek, are an attractive alternative way to grow, and generate immediate cash flow. Between 2008 and 2010, about 40% of our openings were conversions. Park Inn by Radisson offers extremely efficient conversion packages and is our best-seller, but Radisson Blu also is suitable for high-quality conversions of upper-upscale hotels.

A strong pipeline

Our ever-expanding pipeline is one of the strongest in the industry. Contrary to many of our competitors which consolidated their business during the global downturn we further grew our portfolio during the crisis. Both Radisson Blu and Park Inn by Radisson have today the largest pipelines in Europe in their respective market segment, and across Europe, the Middle East and Africa more than 20,000+ rooms are scheduled to come on line over the next three to four years. More than 95% of Rezidor's pipeline consists of high-margin, fee-based management and franchise contracts – once these hotels open, our EBITDA margin will improve by 2 to 2.5%, supporting our 12% overall target.

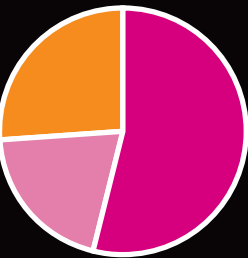
In this economic climate, where project cancellations are widespread, it is imperative for companies to not only grow their pipelines, but also protect them. We constantly work with owners and do our utmost to ensure that our projects are completed with only minimal delays.

A global alignment

Together with Carlson, the brand owner of Radisson, Park Inn and Country Inn and Rezidor's largest shareholder, we are also looking beyond the borders of Europe, the Middle East and Africa – the region where we are Carlson's masterfranchisee. We support Carlson's strategy, "Ambition 2015", which is fuelled by an investment programme of up to USD 1.5 billion, and are working with Carlson on the worldwide development of Radisson as a vibrant, contemporary and globally consistent first-class brand. With our new breed Radisson Blu hotels, Rezidor has set high standards in Europe, the Middle East and Africa – a level that Carlson now aims to reach for flagship properties worldwide. The first upper-upscale Radisson Blu hotels in the Americas and Asia-Pacific were announced in 2010. They will enhance the brand's image and also open up more market segments to Rezidor: one of our targets is a higher share of US travellers. Park Inn by Radisson will also see global growth: Carlson is currently targeting key markets such as the United States, Mexico and India.

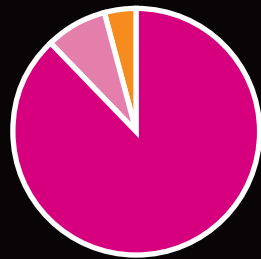
CONTRACT TYPES

In operation



- Managed, 54%
- Franchised, 20%
- Leased, 26%

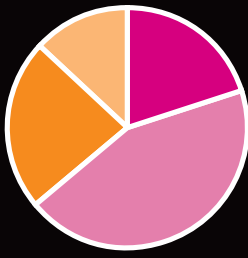
Under development



- Managed, 88%
- Franchised, 8%
- Leased, 4%

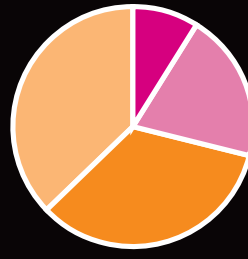
REGIONS

In operation



- Nordics, 20%
- Rest of Western Europe, 44%
- Eastern Europe, 23%
- Middle East, Africa & other, 13%

Under development



- Nordics, 9%
- Rest of Western Europe, 20%
- Eastern Europe, 34%
- Middle East, Africa & other, 37%

Sales and marketing

Rezidor’s Sales, Marketing & Distribution department promotes our business across Europe, the Middle East and Africa, and around the world. Our expanded Global Sales Team now consists of 90 employees in seven regional offices, taking care of local, national and international markets and/or brand-specific marketing. In 2010, we created a dedicated workforce in the UK in order to support Park Inn by Radisson in this key market.

Rezidor’s corporate and multi-brand teams develop and execute our strategies per market, and promote our brands through strong image and tactical campaigns, contemporary brand websites (in the wake of the launch of www.radisson-blu.com in 2009 came the launch of www.parkinn.com the following year), social media, and additional online tools such as search engine optimisation.

We work with more than 40 travel and non-travel partners, offer travel agents the unique loyalty programme Look to Book, and our guests the successful loyalty programme Club CarlsonSM (former goldpoints plusSM), which exceeded 1 million members in Europe, the Middle East and Africa in 2010 and has over 6 million members worldwide.





Daniel Nordvaller, Head of Hotel Division
and Per Mortensen, CEO of Linstow AS

Can a step
back move
business
forward?



YES!

Per Mortensen is the CEO of Linstow AS, a leading Norwegian property developer and owner of the former Reval Hotels, the biggest hotel chain in the Baltics. In April 2010, he signed a portfolio deal with Rezidor and handed over the management of 10 hotels with more than 2,400 rooms in Estonia, Latvia, Lithuania and Russia to Rezidor – a day he and his Head of Hotel Division, Daniel Nordvaller, will always remember:

“A few days prior to our press conference in Riga, when the news was to be announced both to our employees and to the public, the volcano in Iceland erupted and completely disrupted our travel plans. Our Linstow people and Rezidor’s management team had to travel by ship and train to Latvia. We, including Rezidor’s CEO Kurt Ritter spent the night on a ferry between Stockholm and Riga. A really remarkable trip.

It wasn’t only the forces of nature that made this signing so special for us. Since 1998, when we started our hotel business in the Baltics with the acquisition of the former Intourist hotels Latvija in Riga and Lietuva in Vilnius, we have been both owner and operator, very active and very involved. Now we had to learn to take a step back again and concentrate on our core business: property development.

But we’d realised that there wasn’t much more for us to develop – we were already the biggest chain in the region – and that we needed to start looking at new markets and their positive impact on our business. We wanted to open up bigger international markets for our relatively small and regional hotels, and began to look for an experienced international operator with a strong brand awareness. It was crucial for us to find a group with a considerable presence in our main feeder markets, the Nordics, Russia and Germany. Rezidor has strong Scandinavian roots, a good reputation in Germany and extensive knowledge of Russia – including an already well-established position in the Russian market. We were also in line with Rezidor’s growth strategy with its focus on emerging regions and felt that there would be a cultural match between our two companies.

The signing of our agreement and the conversion process were completed within a short time frame. We were impressed by how smoothly and efficiently Rezidor and our staff have converted our hotels. If you look at the properties today, you get the impression that they have been Radisson Blu or Park Inn by Radisson hotels for a long time – which is very positive for the guests.

We appreciated the fact that Rezidor opened its own regional office in Riga and that we have one dedicated contact person. There was also good follow-up from the executive team at Rezidor’s head office after the hand-over, and we have an open line of communication. We’re now working together on further stabilising and improving our internal structures. A major focus of attention in 2011 will be Rezidor’s training of our staff.

We want to be a challenging and demanding partner for Rezidor – in a positive sense: we, too, have been an operator, we know this business and our region well and we want to share our knowledge. The Baltics offer a lot of opportunities. We’ve seen previously how successful their small economies can be, and we strongly believe that once the upturn comes to these countries, business will grow fast.

We see our co-operation with Rezidor on a long-term basis, and we’re monitoring the market to assess whether further development opportunities might arise. Our target is to continue to be the first to know and the first to act – perhaps together with Rezidor. We’re always open to looking into new joint projects.

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OUR WORLD

Rezidor is not simply growing: we are growing in an organic way. Tracing our roots back to Scandinavia, we have gradually extended our network across Europe, the Middle East and Africa – we were pioneers in many emerging markets and are today a leading international player. Our current field of activity spans from Scandinavia to South Africa and we have properties in operation and under development in over 60 countries.

Nordics

The Nordics are our homeland, where our story began back in 1960 with the world's first designer hotel, the Radisson Blu Royal Hotel in Copenhagen. The market is mature and characterised by a high proportion of branded hotels and huge domestic demand. All over the region Radisson Blu enjoys a substantial RevPAR premium and an excellent reputation: for several years in a row our core brand has been recognised as the most preferred hotel chain in the Nordics*. We aim to maintain this leading position, to further strengthen Radisson Blu in primary and secondary markets, and to focus on effective asset management. Our existing properties are constantly being upgraded and improved – and since several of our contracts will come to an end in the coming years, we will be negotiating their extension. Early 2011 saw the opening of a new flagship in the Nordics: the Radisson Blu Waterfront Hotel in Stockholm – one of the most spectacular new buildings in town and the largest congress centre in Scandinavia. The Nordics are also a region where we are aiming to expand our dynamic mid-market brand Park Inn by Radisson: prominent recent launches such as the Park Inn Oslo, Park Inn Oslo Airport, and Park Inn Stockholm Hammarby Sjöstad are boosting our brand awareness and paving the way for more.

Rest of Western Europe

Rest of Western Europe is a mature and often crowded market. However, there are primary and secondary destinations remaining that offer opportunities for further growth for Radisson Blu – in Central Europe, and espe-

cially in Southern Europe where our presence is comparatively weak. In 2010, we added two Italian Radisson Blu hotels to our operating portfolio (Milan and Galzignano), and signed a resort on the French island of Corsica. Mainland France saw another outstanding opening in early 2011 when the Radisson Blu 1835 Hotel & Thalasso, Cannes, joined our family. For Park Inn by Radisson, the Rest of Western Europe offers scope for further clustered growth – Germany has been a pioneer market for large-

“Huge potential for profitable growth.”

scale Park Inn growth in co-operation with experienced, multi-unit franchise owners. We are pursuing a deliberate, clustered growth strategy focusing on the German-speaking region, as well as at the UK, where a dedicated Park Inn team was established in 2010.

Eastern Europe

In Eastern Europe, we have found one of the world's most exciting and largely untapped emerging markets with a huge potential for profitable growth through management contracts: Russia and the other CIS countries. We were a pioneer when we came to the region in the early 1990s – with Radisson, we brought one of the first international hotel brand to both Russia and the Ukraine, and we were the first international hotel operator to open its

own fully fledged branch office in Moscow. Today, we are the largest international hotel operator in Russia/CIS with a room count twice as big as our nearest competitor, and are continuing to strengthen our portfolio under the leadership of an award-winning team. Our development targets an expansion of Radisson to all primary and key secondary markets and a strong development of Park Inn by Radisson in major cities with 500,000+ inhabitants where there is a lack of internationally branded hotels. In 2010, Rezidor took over the management of 10 former Reval Hotels in the Baltics and Russia, and signed a strategic agreement with the Regional Hotel Chain (RHC) for the development of 10–20 Park Inn hotels across Russia. Outside of Russia/CIS we are working on further growth in Poland, the Czech Republic and Turkey – countries where Radisson Blu has an excellent reputation, and Park Inn is poised to follow.

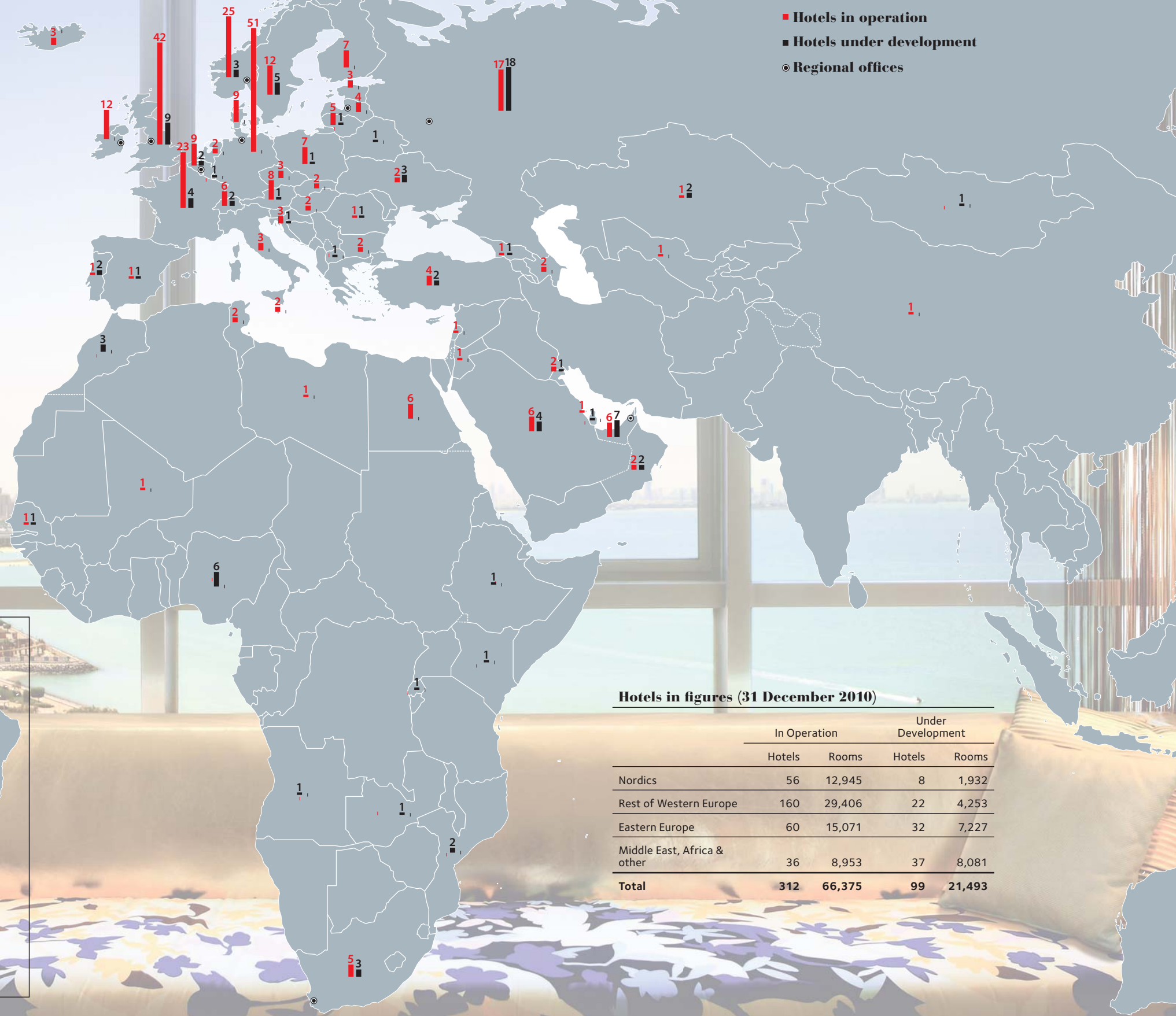
Middle East and Africa

Our presence in the Middle East dates back to 1980 – it is here that we opened our first hotel outside Scandinavia, the Radisson Blu Hotel, Kuwait. Having already established a strong and successful presence with Radisson Blu, we are continuing to bring the brand to primary and key secondary markets across the region. Besides the strong and often saturated upscale markets, we are increasingly active in the mid-scale segment – in 2010, we opened the first Park Inn by Radisson hotels in Muscat, Oman; Al Khobar, Saudi Arabia; and Yas Island, Abu Dhabi. In the niche market of lifestyle hotels, early 2011 saw the opening of Hotel Missoni Kuwait, and we have identified the

Middle East as a future key development area for this unique and fashionable brand.

The emerging countries of Africa, with their imbalance of supply and demand, are a focus of our development. Since our arrival on the continent in 1999, we have become one of the leading international hotel operators – our pipeline of rooms under development in Sub-Saharan Africa is the largest in the market. Out of a regional office in Cape Town, which we extended in 2010, we enter new primary locations with Radisson Blu and follow with Park Inn by Radisson. We are also active in other African countries such as Ethiopia, Kenya, Mozambique, Rwanda and Zambia, as well as on Indian Ocean islands, where we aim to expand our stylish resort portfolio.

*Source: BDRC, Business Development Research Consultants



BOUNCING BACK

The international travel industry has been badly hit by the global downturn, but now seems to be coming out of the crisis. In 2010, key performance indicators such as international tourist arrivals and RevPAR continued to show steady improvement. Institutions like the World Tourism Organisation (UNWTO) see the travel industry as one of the most dynamic economic sectors worldwide – able to create much-needed growth and employment.

Tourism sector gains momentum

During the most challenging year of the economic crisis, 2009, international tourist arrivals fell by 4%. For 2010, UNWTO reported an increase of almost 7%. Between January and August 2010 the number of international tourist arrivals reached 642 million and even surpassed the record set during the same period of the pre-crisis year 2008. Emerging markets were the main drivers of recovery, and the upward trend in international tourist arrivals was also strong in the Middle East (+14%) and Asia-Pacific (+13%), followed by Africa (+6%) and the Americas (8%); Europe was recovering at a slower pace with +3%. Our own financial results support these findings: in 2010, Rezidor noted a significant EBITDA contribution from emerging regions – our focus areas with a huge demand for and an often drastic undersupply of internationally branded hotels, such as Russia/CIS and Africa.

RevPAR increases steadily

Since the beginning of 2010, the hotel industry has benefited from the ongoing improvement in the economic environment. The overall pattern in most countries in Europe points to a steady increase in RevPAR over the past 12 months. During the first half of the year, growth was primarily driven by occupancy. The second half, however, witnessed a modest increase in room rates which contributed to the RevPAR growth. The strong RevPAR development in the mature and often crowded European markets is also expected to benefit from the low growth in room supply: estimates show an increase of only 1% for 2010, which is far from the high levels observed during the last global crisis in 2003. Despite the positive news,

absolute RevPAR is still at a very low base and well below the old levels the hotel industry enjoyed in 2008.

Conversions have positive effects

As in 2009, the global downturn continued to create a trend towards branded hotels in 2010. Hard-hit independent hotel owners were looking for international operators to support their properties with global marketing, sales and distribution tools (including attractive loyalty programmes), as well as with experienced and efficient purchasing and operational processes. From individual conversions to portfolio deals: such agreements are increasingly important for industry leaders, for both their

“Conversions are increasingly important for industry leaders”

business development and their operational results. In times when funding for newly built hotels remains difficult in many areas, conversions have the positive effect of generating immediate cash flow. Rezidor's mid-market brand Park Inn by Radisson has proven to be one of the most efficient conversion packages in the industry, and we clearly benefit from this market development.

A dynamic sector

There are more and more glimpses of sunshine – but it is still not yet a bright new day for the international travel industry. Researches continue to highlight budget constraints and unemployment as major risk factors for our industry's growth – accompanied by further hurdles such as the growing number of taxes on travel and tourism, the dawn of a new decade in which demographics will be changing and will affect travellers' demands and behaviour, and – last but not least – the increasing need to

conduct business in an environmentally responsible way. However, the fact that the travel industry is bouncing back from the downturn faster and stronger than many other industries means that UNWTO is not alone in regarding this as one of the most dynamic sectors of the worldwide economy. With the right attention from governments and organisations around the globe, the travel and tourism business can become a key driver of recovery, growth and sustainability.

2010 RevPAR Y/Y CHANGE IN LOCAL CURRENCY

Western Europe led the upturn – particularly Germany, France, Benelux and the UK. All key destinations in this region have experienced strong or even exceptional RevPAR growth. In most cases the growth has followed the economic recovery of each of these countries, but has sometimes also been helped by other factors. In Germany, for instance, the reduction in the VAT rate helped to boost occupancy and rate. An equivalent factor does not exist in 2011 and it is therefore reasonable to expect a somewhat slower development in Germany during this year. The UK had a strong performance in 2010, driven by double-digit RevPAR growth in London, which was heavily supported by international tourism due largely to the strong euro and weak pound. Regional UK fared less well, as these regions have a much higher share of domestic customers. The

effects of government spending cuts and the increase in the VAT rate in the UK remain hard to predict at this time. In the Nordics, Sweden was the only country that marked a solid improvement during 2010, supported by the country's strong economic recovery. Stockholm emerged as the star performer, thanks to a high proportion of domestic business and leisure tourism during the summer. Denmark and Norway had a weaker economic recovery and were also affected by an increase in room supply during the year, which had a negative effect on RevPAR development. Eastern Europe has noted healthy occupancy development since this summer but is still lagging behind on room rate growth. The Middle East reported an overall weak result with mixed performances observed in different countries.



	Occupancy	Average Room Rate	RevPAR
Belgium	6.6%	2.9%	9.7%
France	3.2%	4.8%	8.2%
Germany	5.8%	12.6%	19.1%
Ireland	6.5%	-5.5%	0.7%
Norway	-1.5%	-0.8%	-2.3%
Russia	10.6%	-8.5%	1.2%
Sweden	2.7%	4.5%	7.3%
Switzerland	5.1%	-1.1%	3.9%
UAE	-1.2%	-11.9%	-12.9%
UK	3.4%	3.8%	7.3%

Source: STR Global: Hotel Review December 2010

Radisson Blu Resort Split in Croatia



Karl-Axel Mentzoni, one of Rezidor's most loyal guests, together with Grégory Van Bulck, concierge at Radisson Blu Royal Hotel in Brussels.

Can you
feel at home
away from
home?

YES! ✦

Karl-Axel Mentzoni is a Norwegian businessman in the health and nutrition industry, and one of Rezidor's most loyal guests: travelling for about a fortnight a month. He stays at Radisson Blu wherever he can. We caught up with him during a trip to Uganda – not yet in a Radisson Blu property (we're working on extending our African portfolio to Uganda soon, Mr Mentzoni – that's a promise!), to talk about his preferred hotel brand.

“ As a Norwegian, I was of course very familiar with your former name Radisson SAS. Whenever I heard of it, I always thought of good hotels. I can't remember exactly when I stayed with you for the first time, but I now stay at Radisson Blu whenever I can find one in the destination I travel to.

My favourite hotel is the Radisson Blu Royal Hotel, Brussels. It's right in the heart of the city, and you can be sure of a good rest and complete peace of mind there. I feel relaxed as soon as I enter the lobby and see the goldfish in the aquarium (speaking of which, the only thing I sometimes miss in this hotel is a pool!). During the summer of 2009, one of my visits to Brussels lasted a full month – I was a bit worried about being away from home for such a long time, but then I felt so pampered at the hotel and so looked after that I ended up having a great time.

I like your bathrooms and your beds are just great (except for the lighting, which could be better... my eyesight isn't what it used to be!), and the Nespresso machine in your business class rooms really makes my day – so different from instant coffee. Another thing that I greatly appreciate is the free Internet access – being online is so important for me and my business, and I can get very upset when I have to pay for it or when it's not working.

But above all, I think what makes Radisson Blu so different is the staff. A hotel might have nice architecture, nice rooms and nice food – but if the people aren't nice, you won't enjoy the experience. At Radisson Blu, everybody from the chambermaid to the General Manager, is friendly and professional. And they really care. I remember one particular time at the Radisson Blu Royal Hotel, Brussels, when I arrived, the Concierge came out, helped me with my luggage and called me by my name, which was just amazing. Such an excellent attitude and a constant willingness to help and do things right make you feel valued as a customer.

When you launched your loyalty programme gold-points plus in 2003, I remember seeing the enrolment form and realising that it would pay off to join the programme. I enjoy the benefits and especially the Points & Cash redemption nights, for which I accumulate Gold Points®. This is a real plus that most other programmes don't offer.

I think the only time of the year when I don't stay at Radisson Blu is during my vacation, simply because I love our summerhouse. But my wife is keen on travelling to one of your resorts, so we might soon explore some of your nice properties, maybe by using all the Gold Points® I have in my account!

”

A HISTORY OF HOSPITALITY

Happy Birthday, Rezidor! In 2010, we celebrated our 50th anniversary. Our history of pioneering and innovative hospitality began back in 1960 with the opening of the legendary SAS Royal Hotel Copenhagen. Since then, Rezidor has grown from a small Scandinavian group into a renowned international player – and our success story continues.

The world's first designer hotel

The SAS Royal Hotel Copenhagen (now called the Radisson Blu Royal Hotel Copenhagen) was the world's first designer hotel: renowned Danish architect Arne Jacobsen created the look of the new hotel commissioned by SAS. Following the inauguration of a new route between the USA and Scandinavia, the airline wanted to build a complex conveniently located next to Tivoli Gardens and Copenhagen Central Station that would represent the best of Scandinavian design. Behind the elegant façade, Jacobsen created what was regarded at the time as the epitome of futuristic Danish design. Some of his most famous pieces of furniture were designed especially for the SAS Royal Hotel – his egg chairs and swan chairs have become true collectors' items around the globe. Room 606 has been left just as it was when Jacobsen designed it, and is one of the most photographed hotel rooms in the world.

The hotel is not just a design icon – it is also a family affair: its first and most famous General Manager was the Swiss hotelier Alberto Kappenberger, who lived with his wife and children in a suite on the 20th floor for more than 20 years. His son, Roy Al Kappenberger, who grew up in the hotel and started out as a bell-boy when he was only four years old, manages the property today – with his heart and soul.

The root of our success

The SAS Royal Hotel Copenhagen paved the way to success for The Rezidor Hotel Group. In the early days, it was

known as SAS Catering & Hotels, and later as SAS International Hotels (SIH). Originally a Scandinavian company, SIH began to look beyond the region's borders and in 1980 opened its first hotel outside the Nordics, in Kuwait. In 1994, SIH signed a Master Franchise Agreement with Carlson, a major player in international travel and tourism founded by the Swedish-American Curtis Carlson. This led to the creation of the world's first dual-branded hotel chain, Radisson SAS, developed and operated across Europe, the Middle East and Africa. Three years later, SIH

“Growth is our main driver and our motto is: Yes, I can!”

once again took on a pioneering role when it was one of the first companies in the hotel industry to go asset-light – operating hotels without owning them. The Group's very first hotel in Africa was opened in 1999 (the Radisson Blu Waterfront Hotel, Cape Town), and in 2001, SIH was renamed Rezidor SAS Hospitality.

The following year, Rezidor SAS Hospitality signed a further agreement with Carlson and went multi-brand, as

Carlson's franchisee for Radisson SAS, and also for Country Inn, Park Inn and Regent in Europe, the Middle East and Africa. Further expansion came in 2005, when Rezidor signed a worldwide licence agreement with the iconic Italian fashion house Missoni for a completely new and cutting-edge lifestyle brand: Hotel Missoni. This made its debut in Edinburgh in 2009.

When SAS sold its hotel business in 2006, Rezidor took off on its own, becoming a listed company on the Stockholm Stock Exchange with brand owner Carlson as the largest shareholder. It also gained a new name: The Rezidor Hotel Group. Another name change was announced in 2009 – Radisson SAS was rebranded as Radisson Blu and continued on the road to success. Radisson is now Europe's largest upper upscale hotel brand, and the name is also helping to enhance its brother, Park Inn: since 2010, Rezidor's fresh, colourful and dynamic mid-market brand has traded under the name Park Inn by Radisson – a combination linking Park Inn's remarkable growth story and Radisson's great reputation.

In 2010, Rezidor and Carlson took the strategic decision to sell the Regent luxury brand to the Taiwan-based Formosa International Hotels Corporation (FIHC). Since then, Rezidor has focused even more on its core brands of Radisson Blu and Park Inn by Radisson. Growth is still the company's main driver: by the end of 2010, Rezidor's portfolio featured 400+ hotels, with more than 87,000 rooms in operation and under development in over 60 countries, mainly across Europe, the Middle East and Africa.

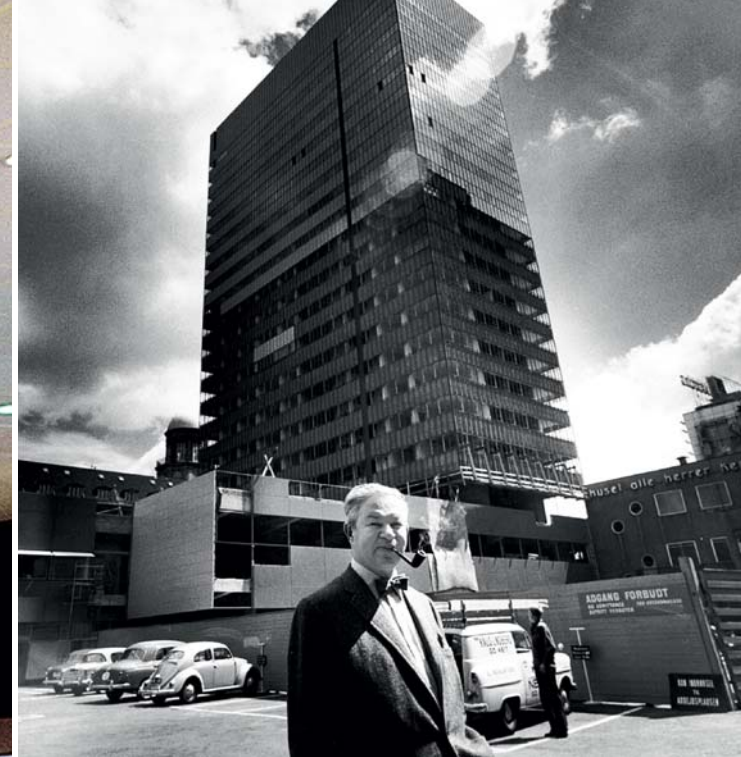
The industry's longest-serving CEO

Not only has Rezidor written history, but so has the Group's President & CEO, Kurt Ritter, who has been at the helm since 1989 and is the longest-serving President & CEO within the hospitality industry. Kurt Ritter's life is and has been all about hotels: he grew up in his parents' hotel in Switzerland and later graduated from the prestigious École Hôtelière de Lausanne.

His career with Rezidor started in 1976 as General Manager of the SAS Luleå Hotel in Sweden, and he took up leading positions in Kuwait and Singapore before being appointed President & CEO. Two honorary doctorates and several lifetime achievement awards crown his success. It goes without saying that Rezidor's motto “Yes I Can!” is also Kurt Ritter's credo – he and his company are ready for more.



The SAS Royal Hotel-Copenhagen (today known as the Radisson Blu Royal Hotel Copenhagen) was the world's first designer hotel: renowned Danish architect Arne Jacobsen created the look of the new hotel commissioned by SAS.



THE STEPS TO SUCCESS

Rezidor is a people business. We believe that the people who work for us are our biggest asset and the key drivers of our quality performance and fast growth. We hire talented individuals with the right attitude and hone their skills. We develop and promote our employees from within – and everything we do is based on our vision and mission: Yes I Can!

Yes I Can! Our vision and mission

Yes I Can! is much more than a slogan – it is our core service philosophy, our way of life, and the life blood that runs through our veins. Yes I Can! stands for our positive and personal attitude towards our guests and business partners, for the extra mile we go 365 days a year, for the best possible solution we seek in every situation. 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 employee and guest satisfaction.

Yes I Can! is also the driving force behind our company's own award-winning 5-step people development programme. This programme is our tool to bring each of our employees to his or her full potential, it respects the local cultural values of our 35,000 employees in the 60+ countries in which we operate, and it looks after individual needs and different sets of skills and experiences. It starts with the hiring process, features every level of our organisation and allows us to develop our people from within the company – we are proud to say that 90% of our General Managers are home-grown.

Gimme 5! Our people development programme

How does our 5-step people development programme work? Imagine an inverted pyramid. On the first and broadest level, we work with all our employees via mandatory Yes I Can! and Responsible Business training programmes, 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: they can become Heads of Department and reach level 3 within just two years.

On level 3, two of our most unique training programmes step in. The first is the Business School @ Rezidor, our company's own school, which was launched in 1996 and drives value, quality and revenue. Held every quarter in one of our hotels across Europe, the Middle East or Africa, and led by both internal trainers and external experts, the Business School comprises courses on hotel management and people development, as well as our General Manager Certification Training. In 2010 alone, the Business School was attended by 750 participants from 42 countries.

“We are proud to say that 90% of our General Managers are home-grown.”

The second is the Mentor-Mentee Programme, our way of finding the best of the best – people who have the talent to become General Managers. During an ambitious 12-month training period supervised by their personal Mentor (an experienced General Manager), the Mentees gain the skills and confidence to head their very first hotel.

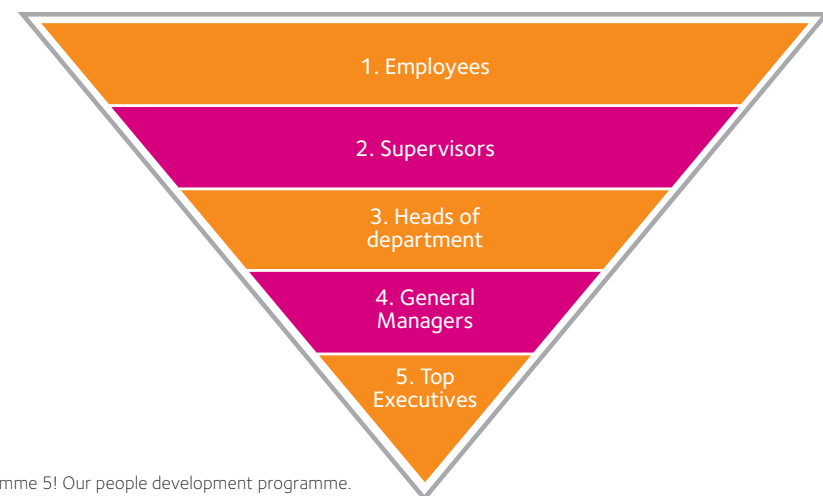
All our General Managers – both “old hands” and “newcomers” – meet again on level 4 of our people development programme and undertake further manage-

ment courses at the Business School. They also have the chance to take the next step in their career and join our Corporate Top Executive team on level 5: carefully selected, highly motivated and extremely knowledgeable senior managers who oversee, direct and further develop our business worldwide.

Rezidor's 5-step 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 refined and complemented, and new modules are developed, such as the Rezidor Learning Network, an e-learning system based on a virtual electronic platform.

I can get satisfaction!

We want to be the employer of choice for our people. We care for our employees, involve them in our planning and decision-making processes and ask for their feedback, where we are doing well – and also where there is room for improvement. Our annual Climate Analysis, a Group-wide employee satisfaction survey conducted by an external independent party, shows us that we are on the right track. Since 1991, the first year when the analysis was conducted, and even during the challenging times of the global downturn, Rezidor's Employee Satisfaction Score steadily increased and currently stands at 86.7 – an outstanding result within our industry and other service industries worldwide. Such a result makes us proud and thankful for having such a fantastic, loyal team. And they clearly motivate us: Yes I Can!



Gimme 5! Our people development programme.



The Employee Satisfaction Score stands at 86.7, an outstanding result which makes us proud and thankful for having such a fantastic, loyal team.



Kelly Mahlangu, Executive Housekeeper at the Radisson Blu Hotel Sandton in Johannesburg.

Can we do
magic day
by day?

YES! ✦

Kelly Mahlangu is Executive Housekeeper at the Radisson Blu Hotel Sandton, Johannesburg, and heads a team of 66 people who take care of the property's 290 rooms and 11 penthouses. Her life is all about "Yes I Can!". Her passion for her job and the perfection with which she does it make her smile as originally she had completely different career plans...

“ When I was a kid, I always wanted to be a teacher – like many members of my family. To be a teacher or a doctor meant something special in South Africa at that time; it was a good job to have. To work in a hotel did not yet earn the same respect. Especially within the black community, people considered it more as a temporary or part-time job without any long-term prospects.

It was purely by coincidence that my very first job was that of a waitress in a pizzeria – I needed to earn some money when I left secondary school. And I really liked it! Serving people was something I was good at, and I could see that the hospitality business offered a lot of career opportunities. I attended a course at Cape Town's International Hotel School and worked at two smaller hotels before I joined the Radisson Blu Waterfront Hotel in Cape Town as the Executive Housekeeper, and later Johannesburg's Radisson Blu Hotel, Sandton in the same position.

At Radisson Blu, I discovered our unique service philosophy Yes I Can. Obviously service was important at the other hotels where I worked, – but not to such an extent, and not with such an emphasis as at Radisson Blu, where Yes I Can! is the strongest and most powerful tool.

Yes I Can! is the engine that keeps me going, challenging me each and every day. It is not only the vision of Radisson Blu but also my own personal mission and way of life. Here in Sandton I was already part of the

hotel's pre-opening team, working with the Human Resources Manager, responsible for recruiting my own team, and I even trained some of my staff from the scratch. They had never worked in a hotel before. I like to share my knowledge and to empower people. I encourage them to take decisions and even make mistakes – as long as they learn from it.

In my job, you have to be positive, you have to be a fast thinker, and you always have to have a plan B. I remember when South Africa's former President Frederik Willem de Klerk stayed at our hotel. He arrived 24 hours earlier than originally announced – and we all had to pull together quickly and decisively to work some magic and have his suite perfectly ready! If I get the chance one day, I would like to share my experience with even more people and join one of our company's task forces to assist with our new hotel openings in South Africa.

South Africa, well, Africa as such, is the region I like the most and where I want to progress my career. But I also have a little big dream of taking a trip to Europe one day, to Spain. During the Football World Cup, the goalkeeper and captain of the Spanish national team stayed at our hotel – he was such a nice, friendly man that I really would like to visit his country.

”

NUMBER 1 IN ETHICS

Rezidor strongly believes in Responsible Business: we operate in a way that is respectful of human rights, socially equitable and environmentally sustainable. Our company-wide Responsible Business programme is one of the longest-standing and most comprehensive in the industry. In 2010, we were named one of the World's Most Ethical Companies.

A group-wide Responsible Business programme

As a company with Scandinavian roots, Rezidor was one of the first international hotel groups to develop its own company-wide Responsible Business programme. Our first environmental policy dates back to 1989 – today, we work with a comprehensive and industry-leading system comprising three main pillars: taking responsibility for the health and safety of employees and guests, respecting social and ethical issues in the company as well as the community, and reducing our negative impact on the environment.

We continue to focus on resource efficiency with regard to energy, water and waste and mandatory Responsible Business training for all employees has allowed us to maintain our strong environmental performance in 2010. Almost half of our hotels have been awarded an eco-label in recognition of their green efforts.

Our employees undertake a dedicated Responsible Business training programme and have the opportunity to volunteer in their communities. Hotels also raise funds for local causes and our official corporate charity organisation, World Childhood Foundation, which is dedicated to helping street children, sexually abused or exploited children, and children trafficked for sexual purposes.

Code of Business Ethics

Rezidor has long been committed to maintaining a high standard of business ethics, honesty and integrity, and every employee is introduced to the company's ethical culture and Code of Business Ethics through the induction programme and the Living Responsible Business training programme. Our Code of Business Ethics contains rules and guidelines for our conduct and responsibilities vis-à-vis colleagues, customers, guests, suppliers, shareholders

and the authorities. It is also reflected in the "Always Care" motto of our Safety and Security programme, TRIC=S, now widely acknowledged as best practice for corporate security management.

A safe and secure place to work and stay

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 services and solutions for our hotels and offices, TRIC=S includes monitoring in all countries where we have a presence; regular information and briefings for employees; and detailed rules, procedures and tools for any incident that may occur. Overseen and continually developed by an

“An award-winning Responsible Business programme”

experienced corporate safety and security management team, TRIC=S is considered to be an industry-leading initiative and has gained international respect. Consistent with the global alignment of their core brands, Rezidor and Carlson signed an agreement in November 2010 to extend their cooperation to include the area of corporate safety and security.

An award-winning company

In 2010, we were named one of the world's most ethical companies by the Ethisphere Institute think-tank. Ethisphere honoured Rezidor with this prestigious award after reviewing thousands of nominations from companies in more than 100 countries and 36 industries. The award committee, which consists of lawyers, professors, government officials and organisation leaders, helped create the methodology for the awards and reviewed seven distinct categories: Corporate Citizenship and Responsibility; Corporate Governance; Innovation that Contributes to the Public Well-Being; Industry Leadership; Executive Leadership; Legal, Regulatory and Reputation Track Record; and Internal Systems and Ethics/Compliance Programme.

A bevy of firsts

Rezidor was one of the first international hotel groups to join the United Nations' Global Compact, in early 2009. The Global Compact is a 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. We were also the first international hotel group to offer guests the possibility to offset the carbon emissions associated with their stay.

Employees of Radisson Blu Hotel, Leeds and their families volunteering on an urban farm during Responsible Business Action Month.

Responsible Business

1. Taking responsibility for the health and safety of employees and guests.
2. Respecting social and ethical issues in the company, as well as in the community.
3. Reducing our negative impact on the environment.



A POSITIVE YEAR

2010 has been a positive year for Rezidor with a faster and stronger recovery than we had expected. After a turbulent 2009, in which the whole industry witnessed an unprecedented RevPAR drop, the recession bottomed out towards the end of that year. When we entered 2010, we saw the first green shoots of recovery. This manifested itself as an improvement in occupancy followed by an increase in room rates in the third quarter.

Our revenue grew by 16% in 2010 reflecting the market recovery, and we have also seen a robust increase in the margins. The combination of strong revenue growth and improved margins led to a substantial increase in cash flow. Our financial targets remain, and we will continue to focus on tight cost control, cash and margin improvement in 2011.

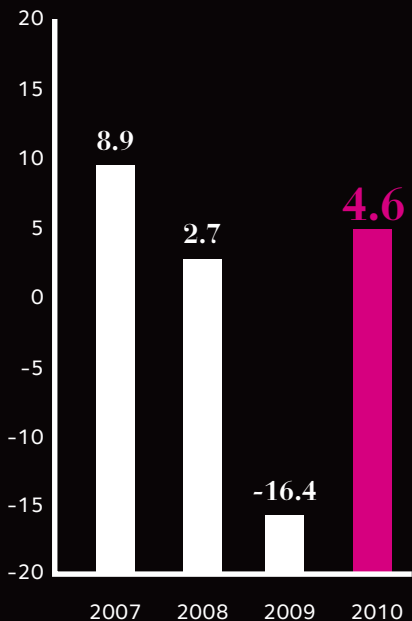
FINANCIAL TARGETS

Profitability target
EBITDA margin of 12% over a business cycle

Balance sheet
Small positive average net cash position

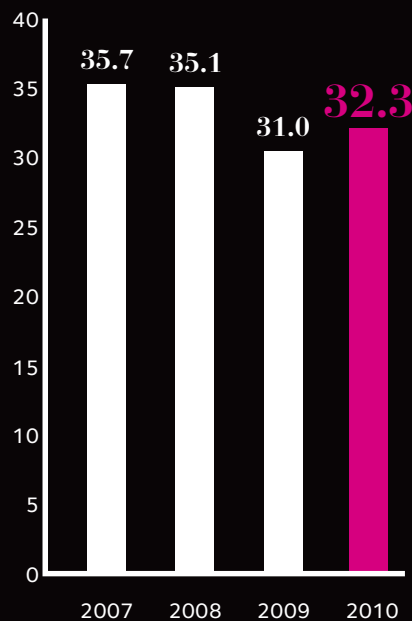
Dividend policy
Approximately one third of annual after-tax income to be distributed to share holders

RevPAR like-for-like, %



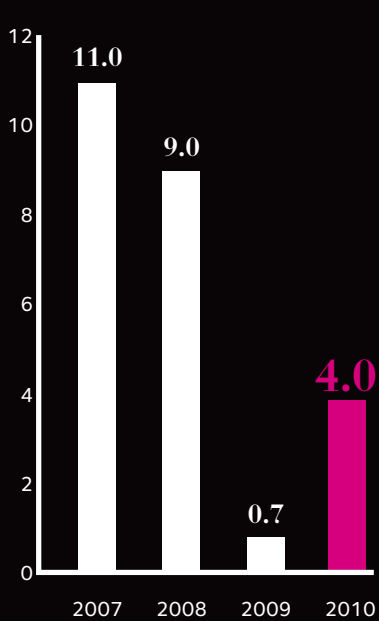
All customer segments noted an increase in volume compared to 2009. As a result occupancy grew by 6.3%. Combined with a marginal room rate decline of 1.6% this resulted in a like-for-like RevPAR growth of 4.6%. The strongest development was noted in Rest of Western Europe (+8.3%).

EBITDAR MARGIN, %

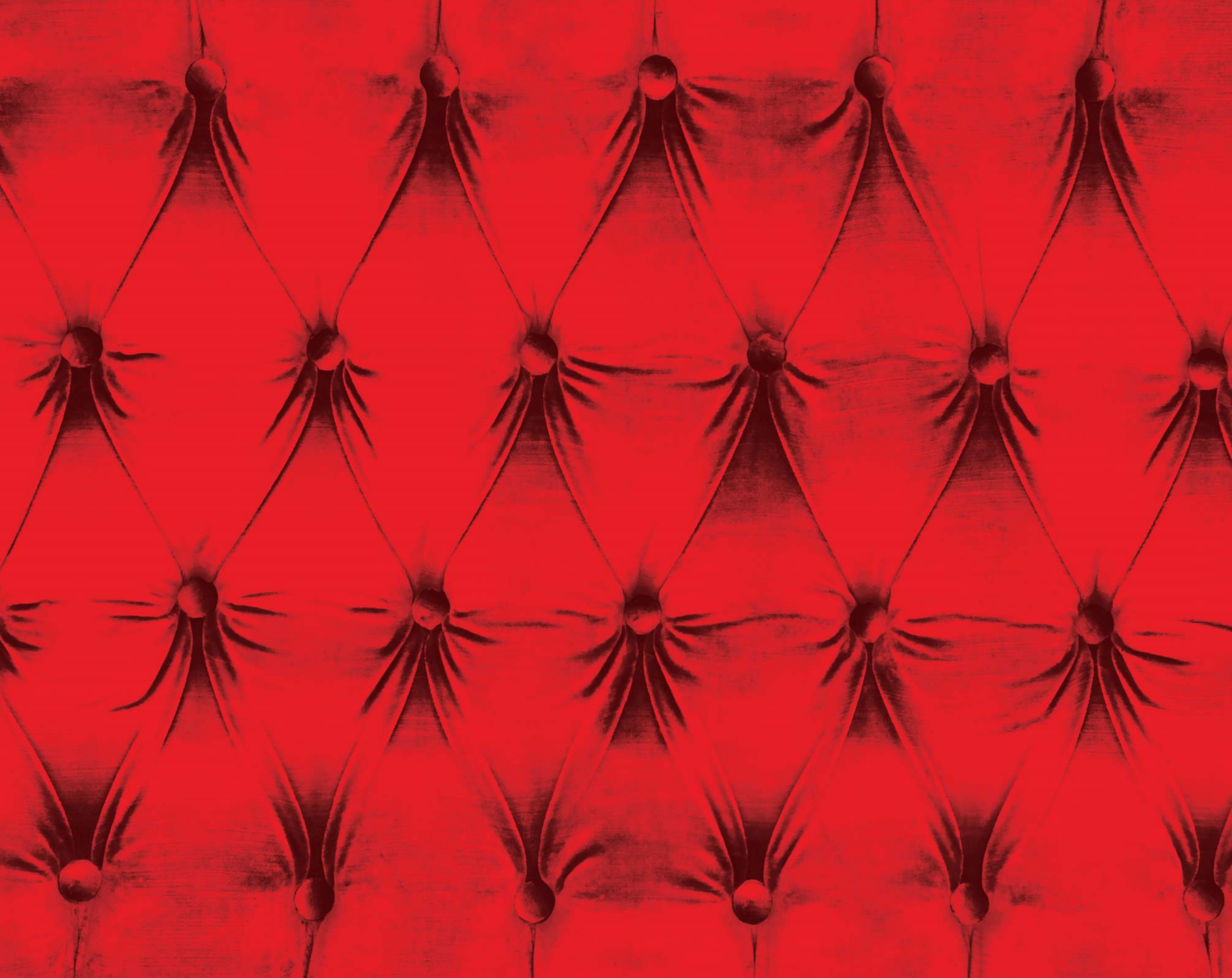


The EBITDAR margin improved by 130 bps to 32.3% compared to last year. This is partly as a result of the measures initiated in 2008/2009 through our ambitious cost-saving programme and the lower cost base established.

EBITDA MARGIN, %



The EBITDA margin improved by 330 bps to 4.0% compared to 2009 due to the increased EBITDAR-margin, lower shortfall guarantees and the fixed-lease structure in Rest of Western Europe.



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 400 hotels with 87,000 rooms in operation and under development in over 60 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 lifestyle brand which is developed worldwide following a licence agreement with the iconic Italian fashion house Missoni.

For more information, visit www.rezidor.com

T H E
REZIDOR
H O T E L G R O U P