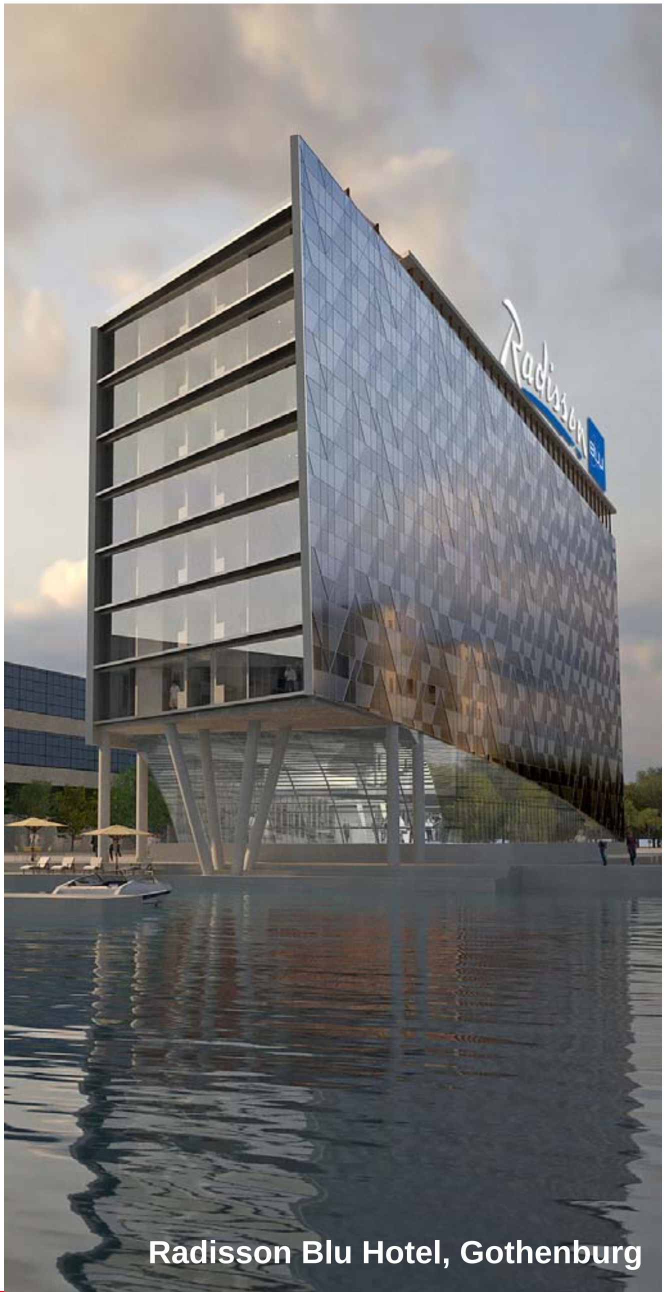
THE REZIDOR HOTEL GROUP

INTERIM RESULTS Q4-2010

22 February 2011
Brussels

MARKET DEVELOPMENT 2010

- All key destinations in Rest of Western Europe experienced strong RevPAR growth
- Sweden was the only country in the Nordics that marked a solid improvement
- Occupancy rose in Eastern Europe but rate lagged behind
- Mixed performance in the Middle East



Radisson Blu Hotel, Gothenburg

THE REZIDOR HOTEL GROUP

REZIDOR HIGHLIGHTS FY-2010

- RevPAR in line with market development
- Robust increase in margins and strong profit conversion
- Significant EBITDA contribution from the Emerging Markets
- Substantial increase in free cash flow; good operating results, improved working capital and tight CAPEX control
- Third consecutive year of record rooms openings
- Strategic moves:
  - Sale of Regent
  - Reval portfolio
  - Park Inn by Radisson

REZIDOR HIGHLIGHTS Q4-2010

- Continued strong RevPAR development in Rest of Western Europe
- Mixed results from the Nordics
- Strong performance by Park Inn
- Drop in margins due to extraordinary costs

THE REZIDOR HOTEL GROUP

FOCUS 2011

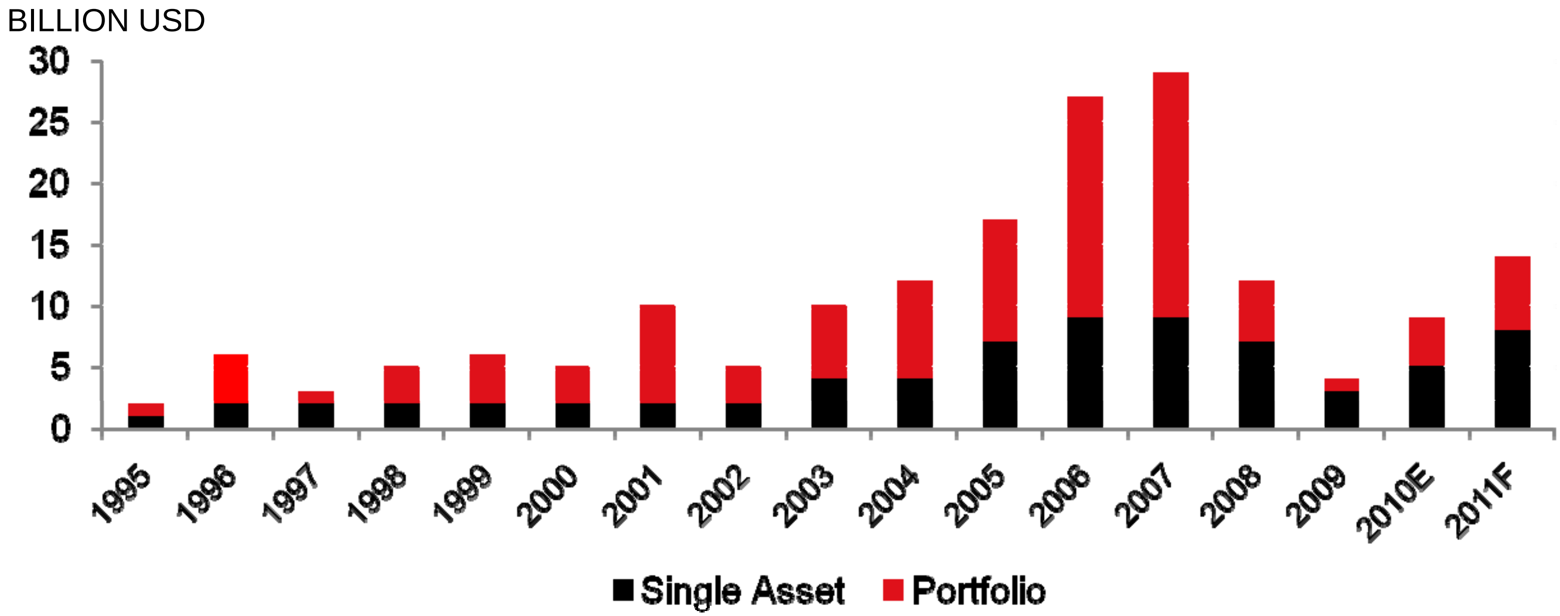
- Continue profitable asset-light growth
- Top-line growth
  - Park Inn by Radisson: new marketing campaign
  - Radisson Blu: Carlson brand alignment
- Improve profitability in Rest of Western Europe
  - New experienced leadership for Park Inn
  - Expanded Park Inn sales force in the UK
- Tight cost containment and cash improvement
- Accelerated CAPEX plan

o More demanding comparison base
o Absolute RevPAR is still low


Radisson Blu Hotel, Cannes

BUSINESS DEVELOPMENT

EMEA HOTEL TRANSACTION VOLUME RISING



- 2010 rebound caused by more equity available and increased confidence
- 2011:
  - more banks clearing balance sheets
  - debt restructuring
  - rising RevPAR

SOURCE: Jones Lang LaSalle Hotels, Hotel Investment Outlook 2011

BUSINESS DEVELOPMENT HIGHLIGHTS

Q4 2010	FY-2010
9 hotels (1,800 rooms) signed – 100% fee-based	40 hotels (8,100 rooms) signed – 17 conversions with 3,700 rooms – 100% fee-based – 16 primary/mega markets
3 hotels (500 rooms) opened – 69% fee-based	32 hotels (7,200 rooms) opened – 82% fee-based
2 hotels (300 rooms) offline	6 hotels (1,400 rooms) offline

Third consecutive record year of room openings

OPENINGS HIGHLIGHTS AND NEW FLAGSHIPS

Park Inn Oslo Airport
300 rooms
Adjacent to terminal

Radisson Royal Hotel, Moscow
497 rooms
Historic, city centre hotel

Park Inn Frankfurt Airport
209 rooms
Close to terminal two

Radisson Blu Hotel, Milan
250 rooms
Brand-enhancing conversion

CONVERSIONS / REBRANDING

18 hotels, 4,000 rooms converted in 2010

- Locations include Milan, Moscow, St. Petersburg and Salzburg
- Reval portfolio: 10 hotels, 2,400 rooms
- 95% fee-based

Immediate EBITDA contribution

St. Petersburg

Moscow Airport

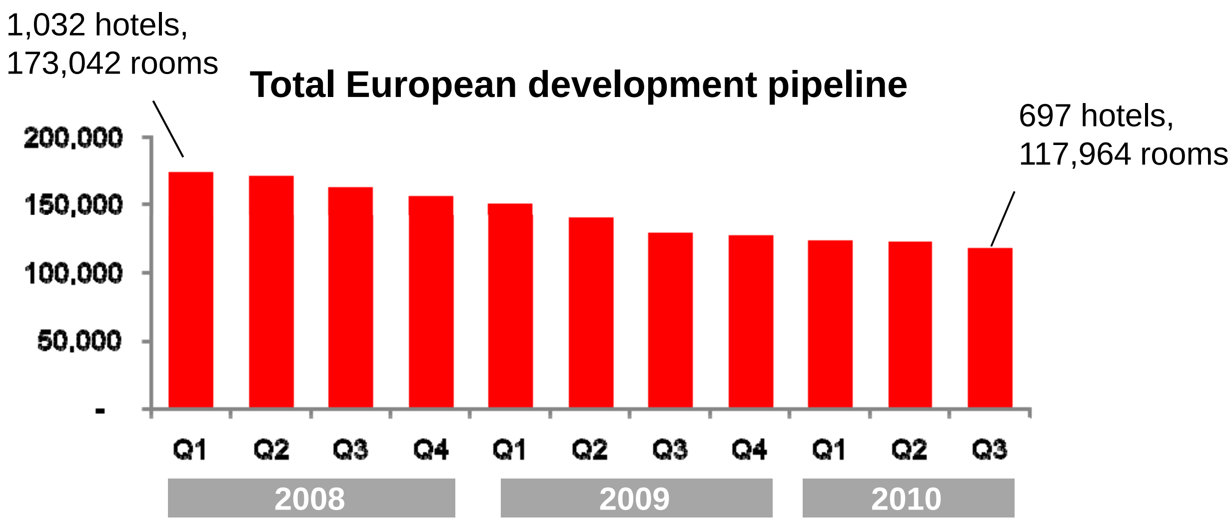
Riga

Dresden

Sofia

Salzburg

REZIDOR MAINTAINS PIPELINE

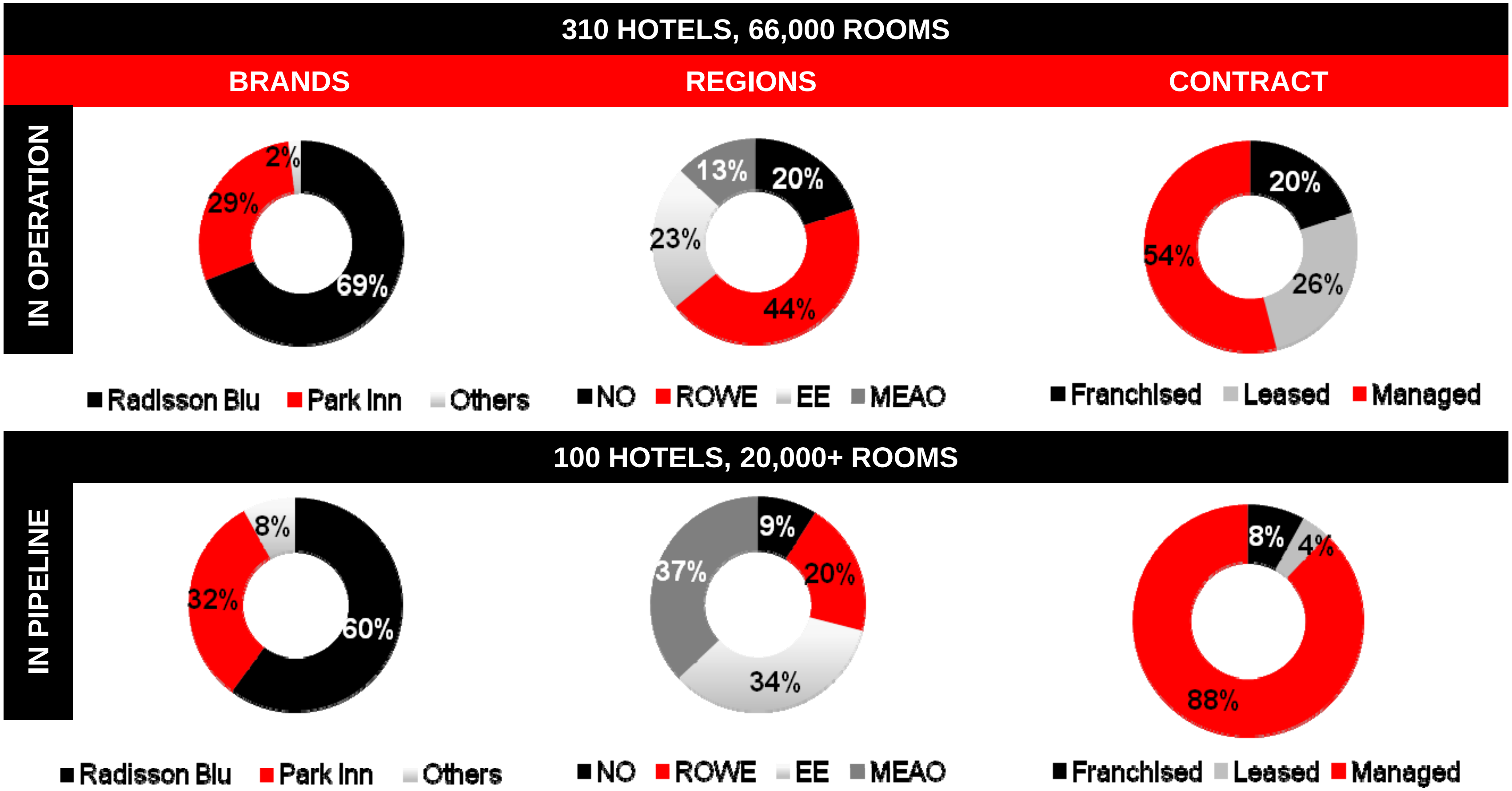


European Pipeline	Rezidor Pipeline
▪ Peaked in Q1 2008, declined by 32%	▪ Steady at 100+ hotels, 20,000+ rooms (EMEA)
▪ Construction starts expected to continue decline until 2012	▪ ca 50% of pipeline under construction/site clearance
▪ New project announcements down 60% from peak	▪ 8,100 rooms added to pipeline in 2010

SOURCE: European Pipeline: Lodging Econometrics, Fall 2010 Real Estate Trends Report, Executive Summary

SHIFT IN BUSINESS MODEL

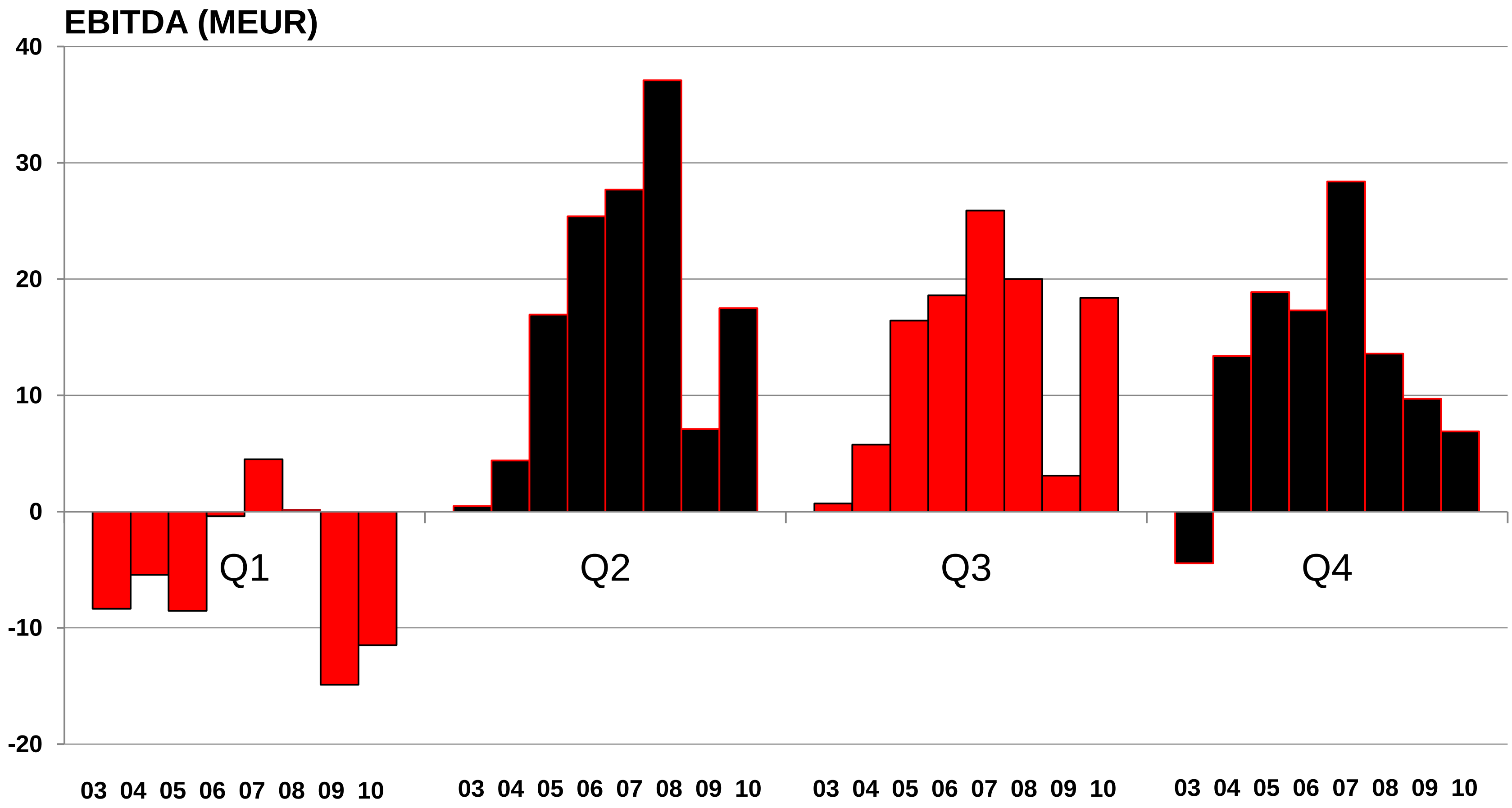
- EBITDA Impact = MEUR 20+
- EBITDA Margin impact (run-rate) = 2 to 2.5% pts positive impact



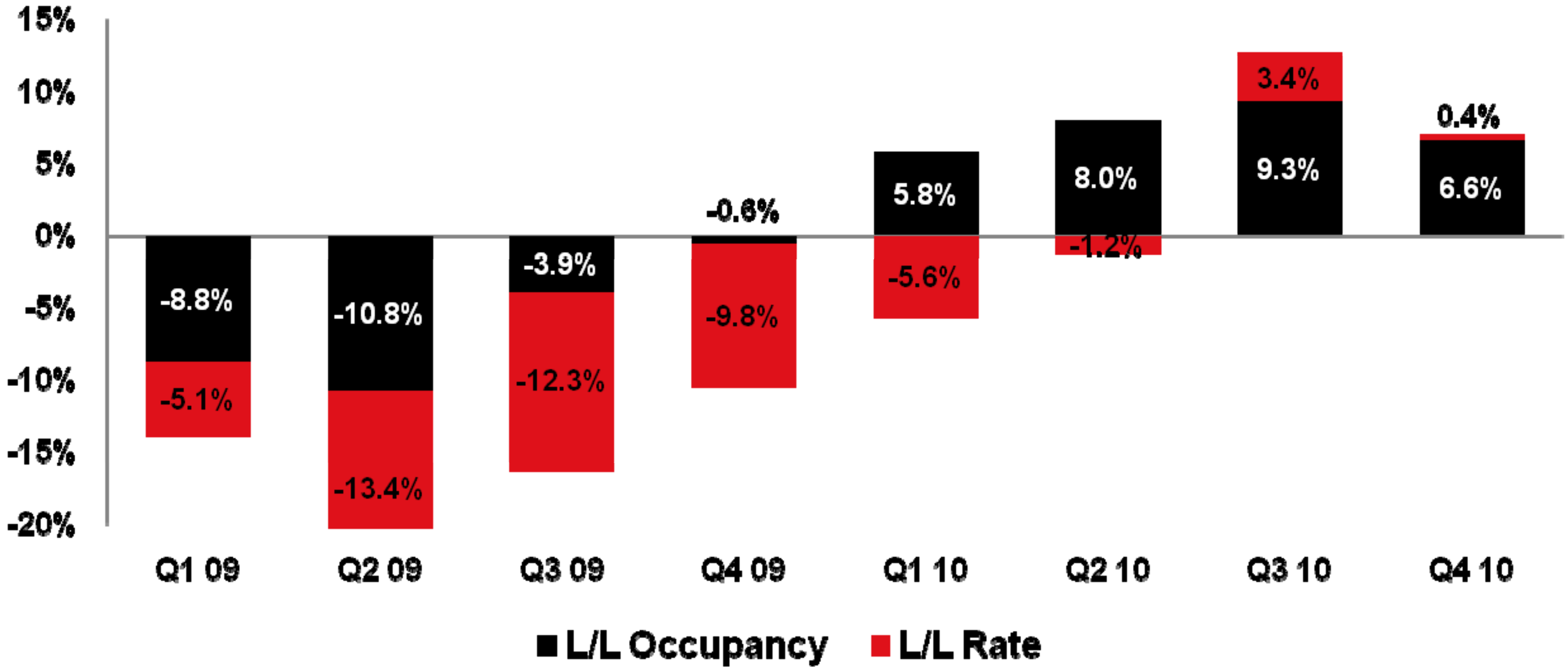
THE REZIDOR HOTEL GROUP

FINANCIALS

SEASONALITY



L/L OCCUPANCY & RATE TREND



Slow down in RevPAR growth in some of our key markets in Q4

THE REZIDOR HOTEL GROUP

L/L REVPAR BY BRAND & REGION

L/L REVPAR BY BRAND		
% CHANGE	**Q4 10**	**FY 10**
Radisson BLU	5.3%	4.3%
park inn by Radisson	14.8%	6.6%
THE REZIDOR HOTEL GROUP	6.9%	4.6%

L/L REVPAR BY REGION		
% CHANGE	**Q4 10**	**FY 10**
NO	-2.8%	1.0%
ROWE	13.4%	8.3%
EE	2.5%	-0.3%
MEAO	9.6%	4.0%

Strong RevPAR performance by Park Inn

NO Nordics
EE Eastern Europe
ROWE Rest of Western Europe
MEAO Middle East, Africa and Other

FROM L/L TO REPORTED

REVPAR		
% CHANGE	Q4 10	FY 10
L/L GROWTH	6.9%	4.6%
FX IMPACT	4.6%	4.8%
NEW OPENINGS	-5.2%	-2.2%
REPORTED	6.3%	7.2%

REVENUE		
% CHANGE	Q4 10	FY 10
L/L GROWTH	5.4%	3.2%
FX IMPACT	4.4%	5.3%
NEW OPENINGS	4.0%	7.5%
REPORTED	13.8%	16.0%

RevPAR: offsetting impact of FX and new openings

NOTE: (L/L) : RevPAR for like-for-like hotels at constant exchange rates

INCOME STATEMENT HIGHLIGHTS

IN MEUR	Q4 10	Q4 09	VAR	FY 10	FY 09	VAR
REVENUE	212	186	14%	786	677	16%
EBITDAR	63	61	3%	254	210	21%
% EBITDAR Margin	30%	*33%*	-3pp	32%	31%	1pp
EBITDA	7	10	-30%	32	5	540%
% EBITDA Margin	3%	*5%*	-2pp	4%	*1%*	3pp
EBIT	-1	2	n/a	4	-25	n/a
% EBIT Margin	0%	1%	-1pp	1%	-4%	5pp
TAX	-5	-3	n/a	-3	-3	n/a
NET RESULT	-7	0	n/a	-3	-28	n/a

Extraordinary costs in Q4 impacted the EBITDA margin by more than 3pp

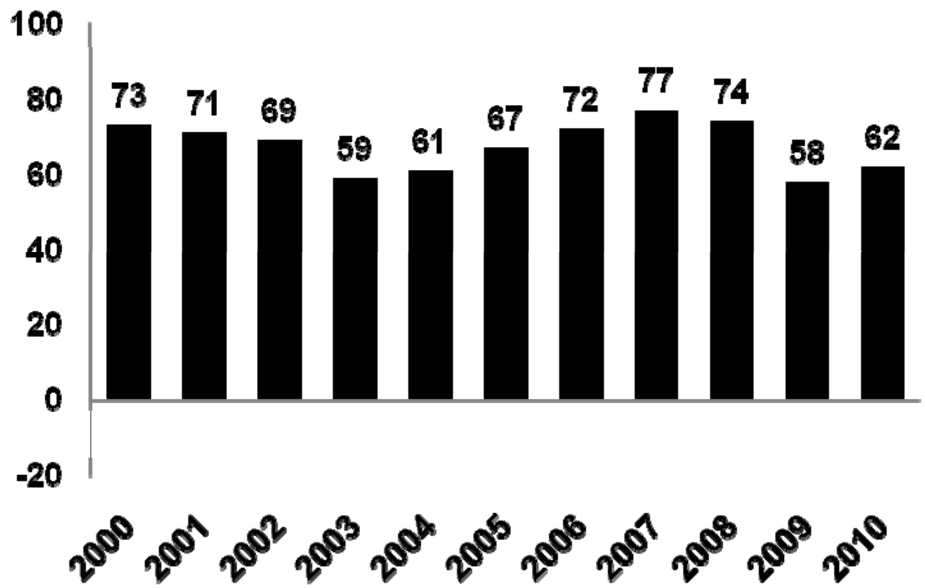
COST RATIOS

IN %	Q4 10	Q4 09	VAR	FY 10	FY 09	VAR
COGS[1)]	26%	25%	-1pp	27%	26%	-1pp
PERSONNEL[2)]	36%	35%	-1pp	35%	36%	1pp
OTHER OPERATING EXPENSES[2)]	25%	22%	-3pp	23%	23%	0pp
RENT[3)]	30%	30%	0pp	31%	32%	1pp
GUARANTEES[2)]	1%	2%	1pp	2%	3%	1pp
TOTAL COSTS[2)]	95%	93%	-2pp	95%	98%	3pp

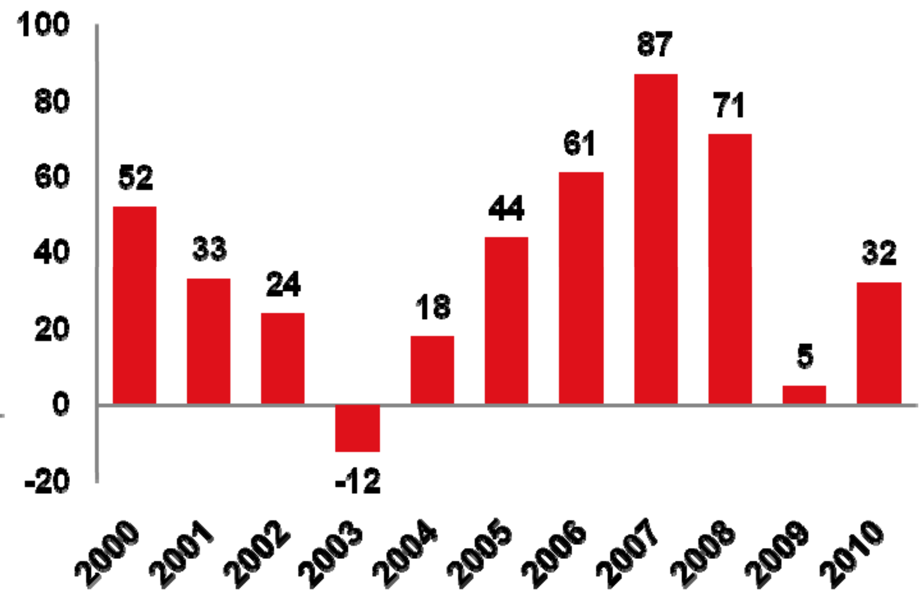
The extraordinary costs in Q4 do not represent an increase in the cost base going forward

1) % of F&B Revenue 2) % of Total Revenue 3) % of Leased Hotel Revenue

REVPAR SENSITIVITY



REVPAR (EUR)

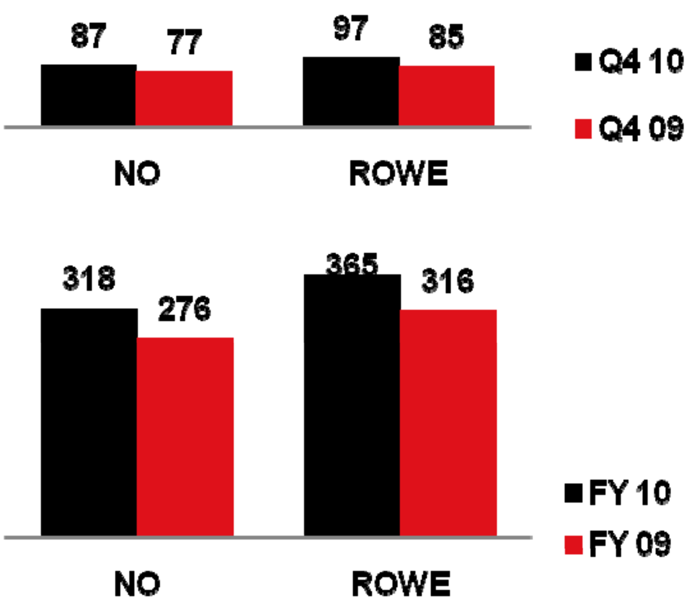


EBITDA (MEUR)

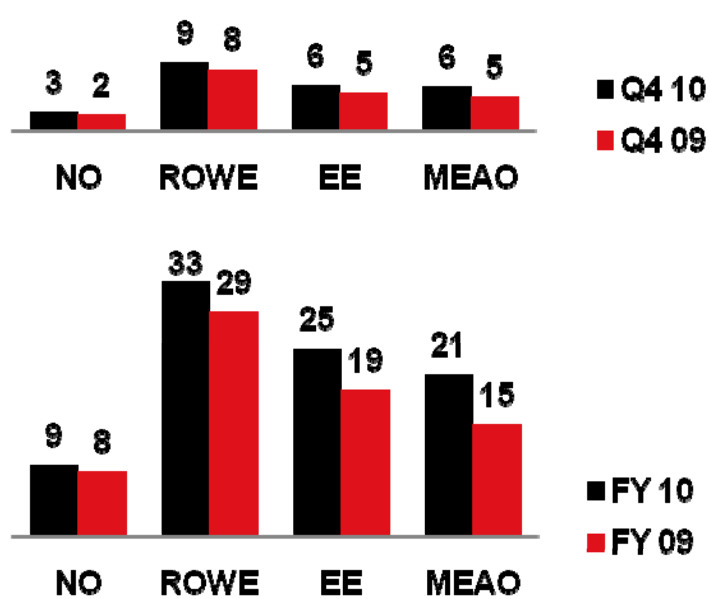
EUR 1 change in RevPAR = MEUR 5-6 change in EBITDA

REVENUE SEGMENTATION

LEASED REVENUE – IN MEUR



FEE REVENUE – IN MEUR

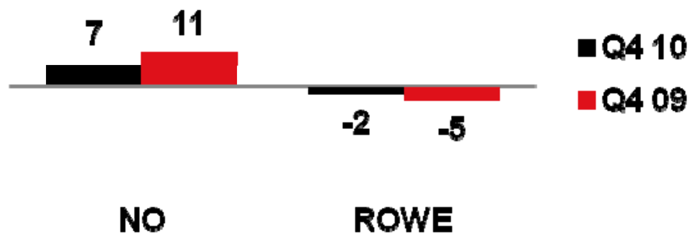


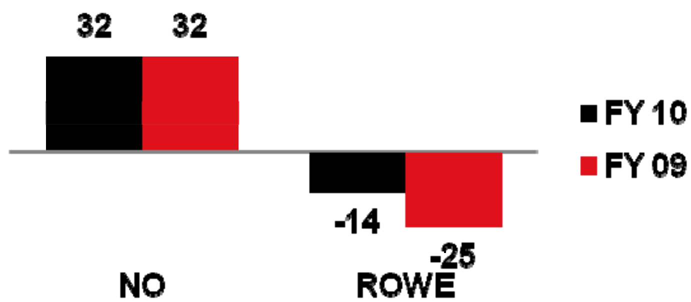
RevPAR growth, new hotels and the weakening of the EUR had a significant positive impact on revenue

NO Nordics
EE Eastern Europe
ROWE Rest of Western Europe
MEAO Middle East, Africa and Other

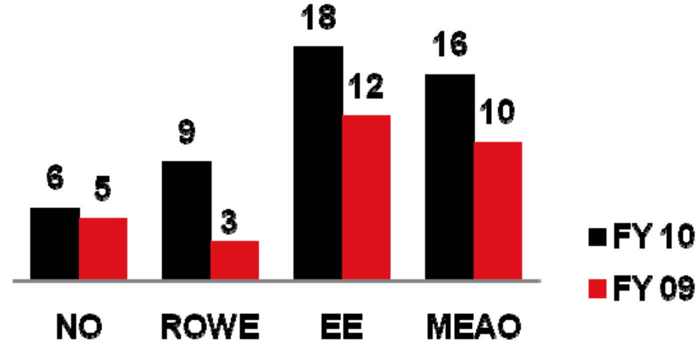
EBITDA SEGMENTATION

LEASED EBITDA – IN MEUR





FEE EBITDA – IN MEUR

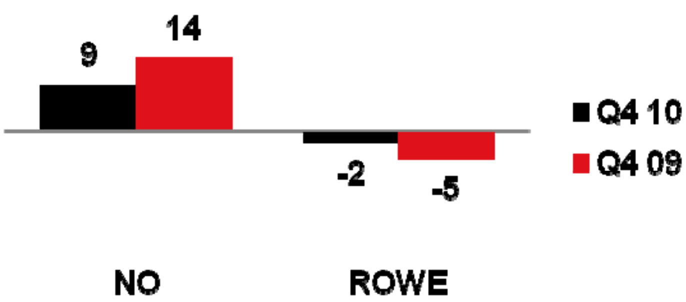


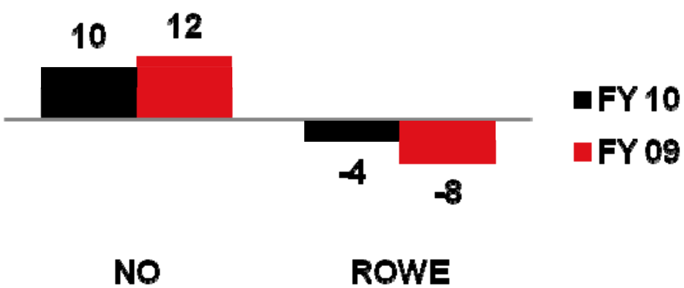
Our shift in business model had a positive impact on the fee business in both Q4 and 2010

NO Nordics
EE Eastern Europe
ROWE Rest of Western Europe
MEAO Middle East, Africa and Other

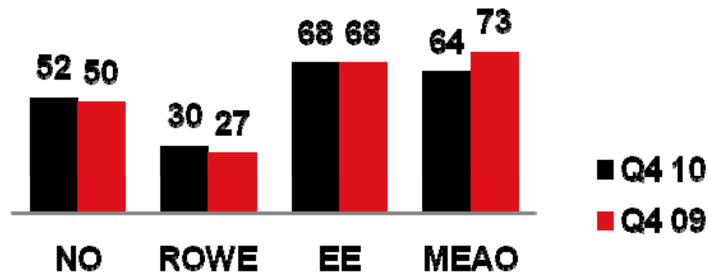
EBITDA MARGIN SEGMENTATION

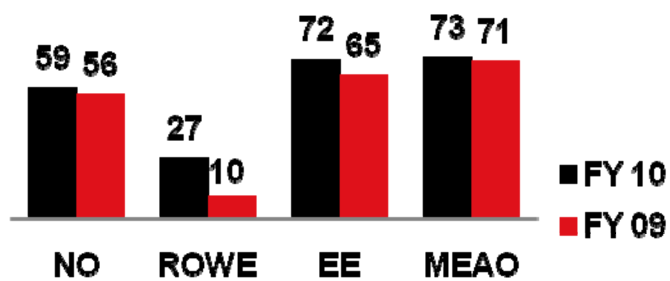
LEASED EBITDA MARGIN – IN %





FEE EBITDA MARGIN – IN %





The EBITDA margin in ROWE improved as a result of the fixed rent structure and the lower cost base

PROFIT CONVERSION FY-2010

FY-2010 vs 2009	DEVIATION vs 2009 (MEUR)	REPORTED CONVERSION	PROFORMA CONVERSION (excl. new units & sale of Regent)	L/L CONVERSION (excl. FX, new units & sale of Regent)
REVENUE	108.5	-	-	-
EBITDAR	44.0	41%	45%	64%
EBITDA	26.6	25%	35%	85%
EBIT	28.9	27%	33%	88%

EBITDA conversion supported by fixed rents in ROWE

LIQUIDITY POSITION

- MEUR 27 in cash and MEUR 103 in unused overdrafts/credit lines

IN MEUR	2010	2009
CASH FLOW FROM OPERATIONS	25.8	-5.4
CHANGE IN WORKING CAPITAL	21.8	-0.7
INVESTMENTS	-12.4	-23.5
CAPEX	-24.1	-23.1
SALE OF REGENT[1)]	10.1	-
OTHER FINANCIAL ITEMS	1.6	-0.4
FREE CASH FLOW	35.2	-29.6

Substantial improvement in free cash flow

NOTE 1 : Sales price of MEUR 10.6 minus cash /bank of sold entities of MEUR 0.5

CAPEX

- Reduced CAPEX in 09/10 due to the prevailing market uncertainties

IN MEUR	2010	2009	2008	2007	2006
CAPEX	-24	-23	-35	-46	-33
MAINTENANCE	*-18*	*-23*	*-30*	*-33*	*-33*
EXPANSION	*-6*	*-*	*-5*	*-13*	*-*
LEASED HOTEL REVENUE	683	592	691	693	631
MAINTENANCE CAPEX AS A % OF LEASED HOTEL REVENUE	2.6%	3.9%	4.3%	4.8%	5.2%

Maintenance CAPEX in leased hotels will increase over the next two to three years

FOCUS AREAS & FINANCIAL TARGETS

FOCUS AREAS

- Top-line growth
- Asset-light pipeline
- Geographic diversification
- Focus on core brands
- Maintain the low fixed cost base
- Synergies from the size of the business

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 shareholders

Q&A