THE REZIDOR HOTEL GROUP

Interim Results Q4-2011

Wednesday, February 22, 2012

Kurt Ritter, President & CEO

Puneet Chhatwal, Executive Vice President & CDO

Knut Kleiven, Deputy President & CFO

Radisson BLU HOTELMISSONI park inn by Radisson

Park Inn by Radisson Leuven, Belgium

Q4-2011 financial highlights

- RevPAR grew by 3.2% – an improvement from Q3
- Strong RevPAR growth in Eastern Europe, but the softer growth in Rest of Western Europe and the Nordics continued
- RevPAR development in the Middle East and North Africa improved from previous quarters
- Revenue up 6.6% over last year, driven by new hotels
- New leases contributed positively to EBITDA and margins
- EBITDA margin up by 3pp to last year; supported by additional high-margin fee revenue and one-offs in Q4-2010
- Underlying positive net result for the quarter, however negatively affected by write-downs

* All above RevPAR numbers refer to like-for-like RevPAR

"Route 2015" – tangible initiatives to improve EBITDA margin

6-8% uplift in EBITDA margin by 2015*

MEUR 50-70 positive EBITDA impact on 2011

Revenue Generation	3-4%
Fee based growth	2-2.5%
Cost savings projects	0.5-1%
Cap utilization	0.5%
Asset Management	

* Assuming RevPAR growth covers inflation

The "Carlson Rezidor Hotel Group" – global synergies

- Going to market under a joint name
- Help generate revenue through global sales channels
- More compelling and consistent value propositions for guests
- More attractive financial return for hotel owners
- Greater value for all our shareholders
- The legal status of Rezidor remain the same

CARLSON REZIDOR HOTEL GROUP

1+1 =3

Core Areas of Collaboration

- Branding, Revenue Generation, Purchasing, Communication, Marketing Synergies

Strong RevPAR growth in Russia, CIS & the Baltics

- Established leadership position as international operator
- Nearly twice as large as closest competitor
- Significant contributor to our future growth
  - Nearly 1/4 of our existing pipeline
- Growth primarily through management contracts
- Radisson Moscow Royal – voted
  "World's Leading Luxury Business Hotel 2011"

	Hotels	Rooms
In Operation	39	10,200
Under Development	26	5,900
TOTAL	**65**	**16,100**

Radisson Royal Hotel Moscow, Russia

THE REZIDOR HOTEL GROUP

BUSINESS DEVELOPMENT

Puneet Chhatwal, Executive Vice President & CDO

Radisson BLU HOTELMISSONI park inn by Radisson

Radisson Blu Hotel Addis Ababa, Ethiopia

Market Development & Rezidor Growth

Market Development

- Debt financing in mature markets remains challenging
- Continuing development activities in Emerging Markets

Rezidor Growth

- 8 consecutive quarters of fee based signings
- No leased hotels in the pipeline
- Continued focus on margin enhancing management contracts in Emerging Markets
- Managing and maintaining the pipeline
- 2011 net portfolio growth of rooms in operation: 7%

Continued fee-based growth

SIGNINGS	Q4-2011	2011	2010
Hotels	13	39	40
Rooms	3,200	9,600	8,100

- 2011 highlights:
  - Nearly 10,000 rooms signed
  - 1/4 already in operation (conversions)
  - 3/4 in emerging markets (EE & MEAO)

Radisson Blu Hotel, Mersin, Turkey

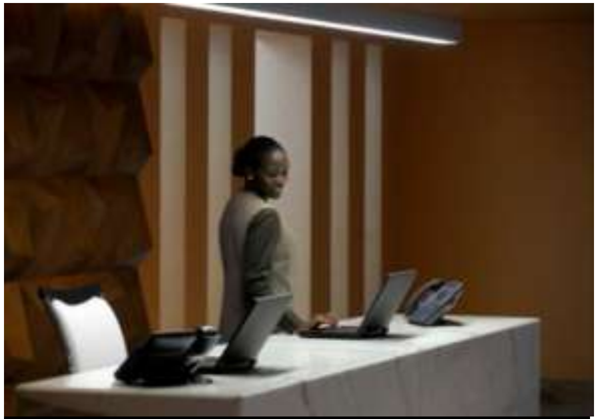
Park Inn by Radisson
Milan Malpensa, Italy

Adding new flagships

OPENINGS	Q4-2011	2011	2010
Hotels	8	24	32*
Rooms	1,600	5,800	7,200*

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

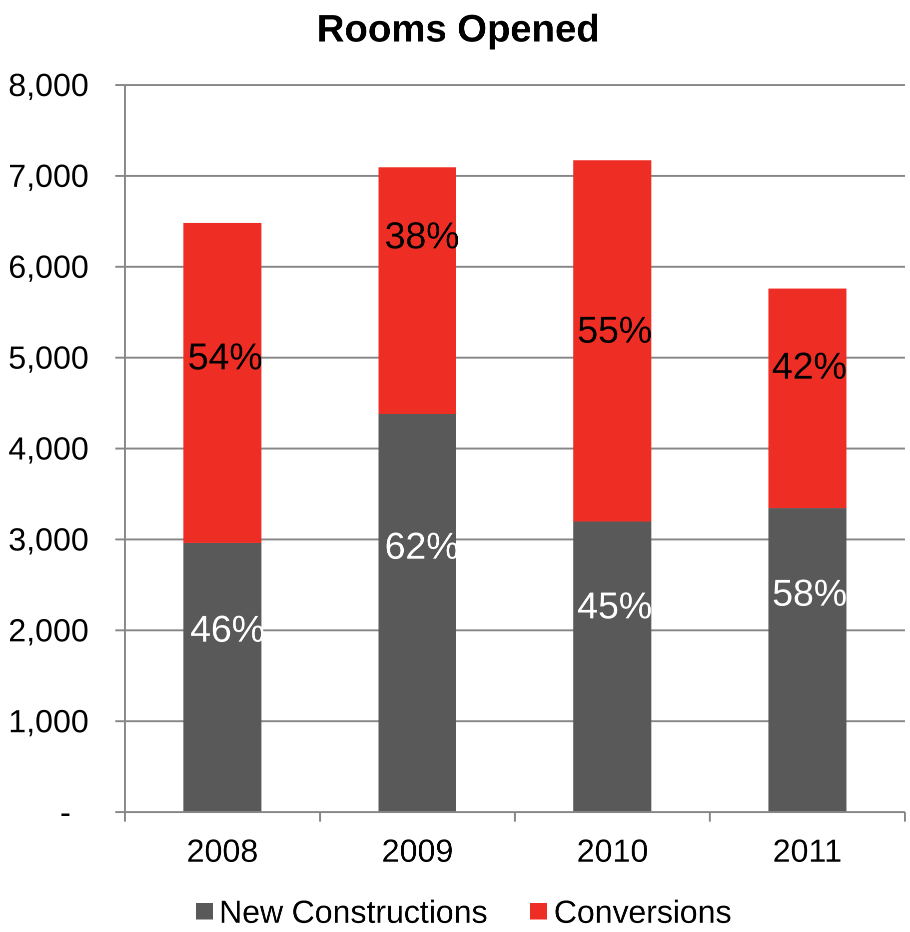
- 2011 highlights:
  - – 2 leased hotels opened, no leased hotels in pipeline
  - – 14 hotels in capital cities / primary markets
- Key locations: Athens, Addis Ababa, Cape Town, Dubai
- 11 hotels offline in 2011 (1,400 rooms) including 3 Regent hotels (600 rooms)



Radisson Royal Hotel Dubai, UAE

Park Inn by Radisson Cape Town Foreshore, S. Africa

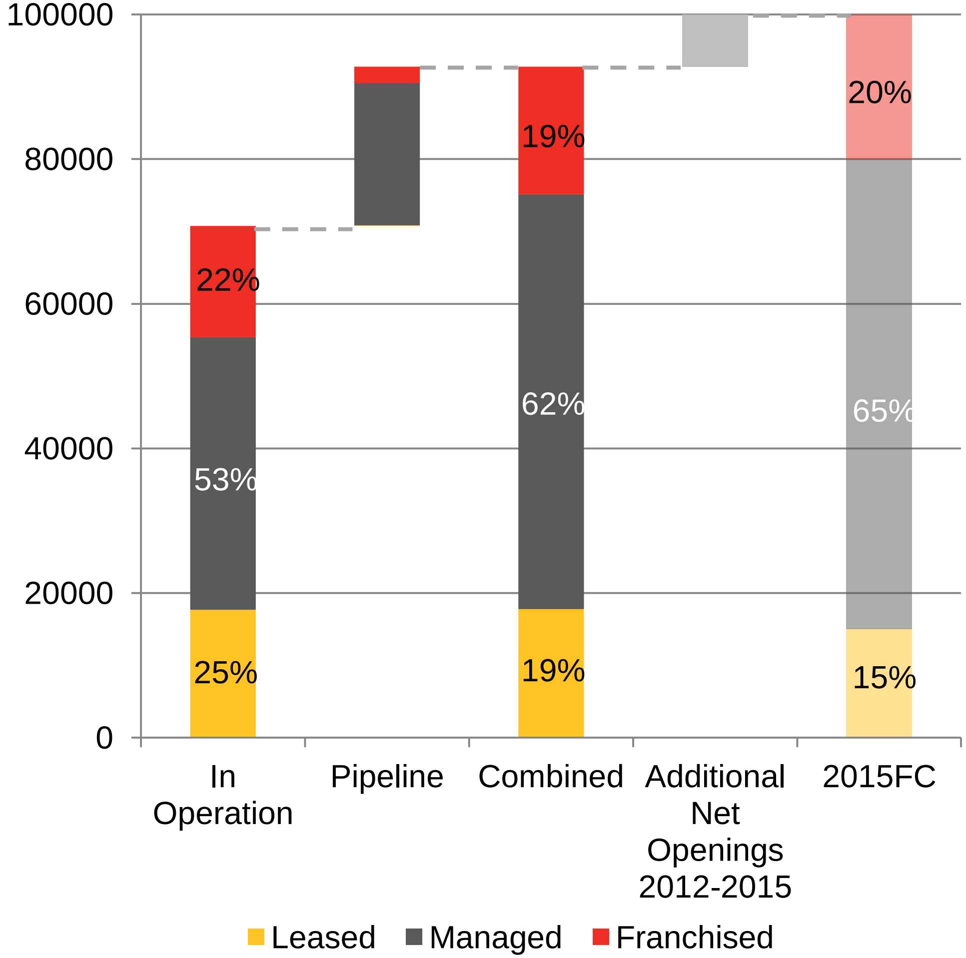
Conversions support growth



- Fast way to grow portfolio and generate income
- About 50% of rooms opened are conversions
- Conversions have compensated for delays due to economic downturn

Radisson Blu Sobieski Hotel
Warsaw, Poland

The Route to 2015



- Pipeline hotels are 100% fee-based
- Over 50% of pipeline under construction
  - Historically about 10-15% of pipeline washed out
  - Wash-out compensated by conversions

FINANCIAL UPDATE

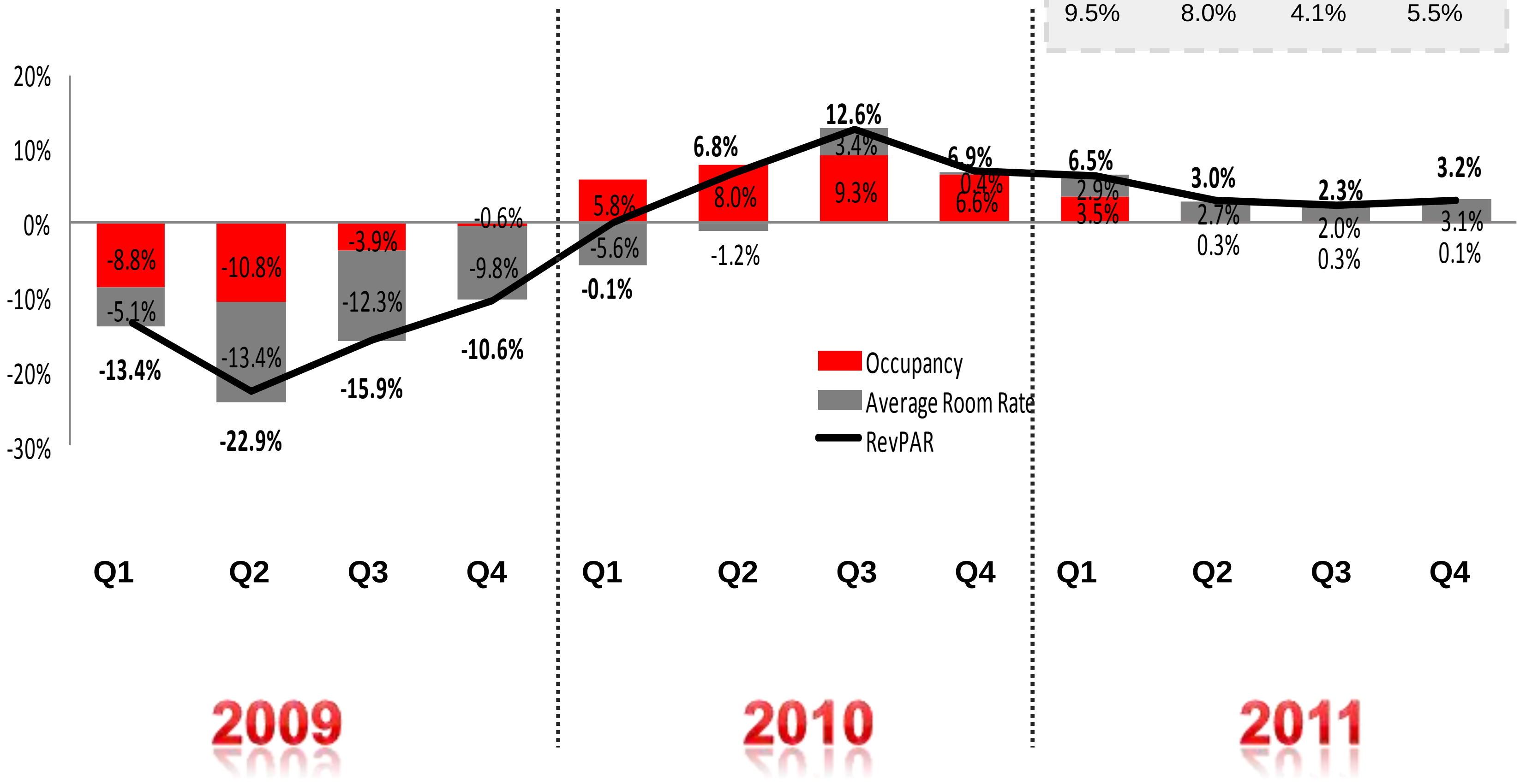
Knut Kleiven, Deputy President & CFO

Radisson Blu Hotel Athens, Greece

L/L RevPAR growth 3.2%; driven by Rate

RevPAR excl. N. Africa/Bahrain

9.5% 8.0% 4.1% 5.5%



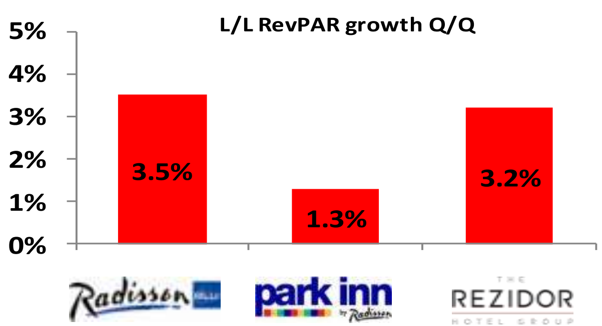
RevPAR growth continued, led by Eastern Europe

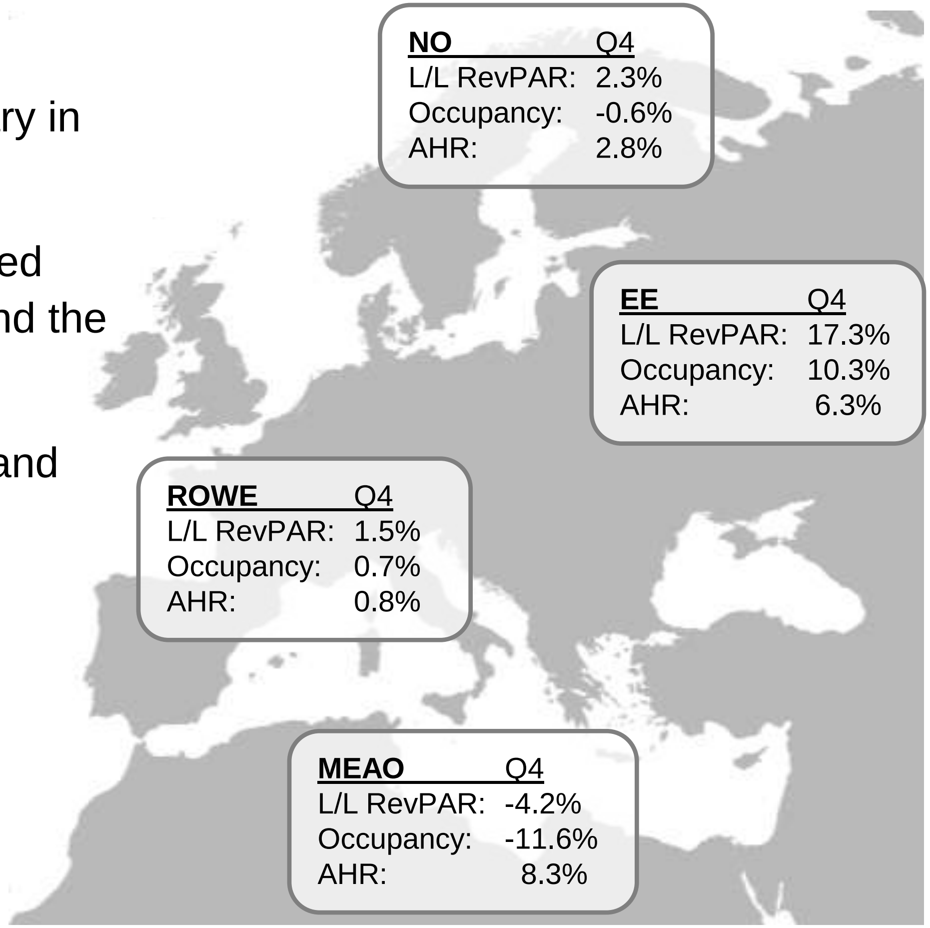
NO: Solid development in Norway (7%); but Sweden and Denmark were weak

EE: Continued strong growth, particulary in the Baltics and Russia

ROWE: The deceleration continued; a mixed performance between countries and the months

MEAO: Improvements in the Middle East and North Africa





Solid revenue growth supported by new hotels

IN MEUR	2011	2010	Q4-2011	Q4-2010
Revenue	864	786	226	212
EBITDAR	275	254	74	63
% EBITDAR Margin	31.8%	32.3%	32.8%	29.9%
EBITDA	35	32	14	7
% EBITDA Margin	4.1%	4.0%	6.3%	3.3%
EBIT	-8	4	-4	-1
% EBIT Margin	-0.9%	0.5%	-1.8%	-0.4%
Tax	-3	-3	-10	-5
Net results	-12	-3	-14	-7

Q4-2011 highlights

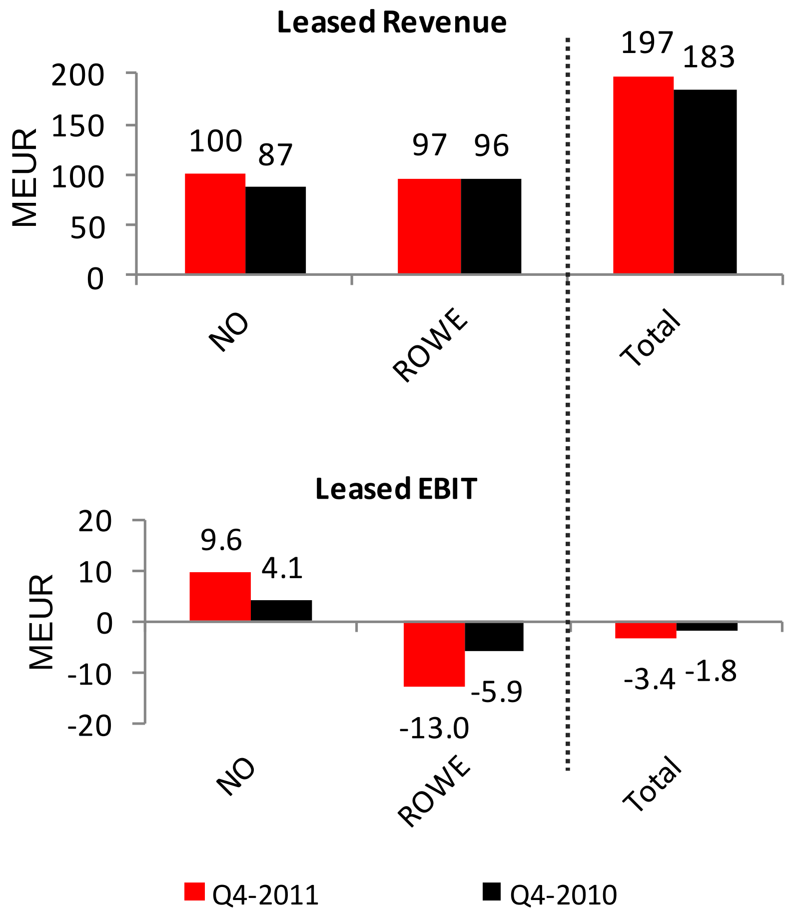
- 7% revenue growth – driven by new hotels
- EBITDA margin supported by new leases, additional high-margin fee revenue and one-offs in Q4-2010
- Write-downs of fixed assets and deferred tax assets of ca MEUR 18

Q4 2011 vs Q4 2010

Q4 2011 vs Q4 2010	Reported Change	FX	Hotel Exits	New Hotels	Pre-opening	Write-downs	L/L
Revenue	**13.9**	3.2	-1.0	12.8	-	-	-1.1
EBITDAR	**10.8**	1.1	0.1	4.5	1.1	-	4.0
EBITDA	**7.2**	0.2	0.3	2.1	1.1	-	3.5
EBIT	**-3.1**	0.0	0.3	1.9	1.1	-9.9	3.5

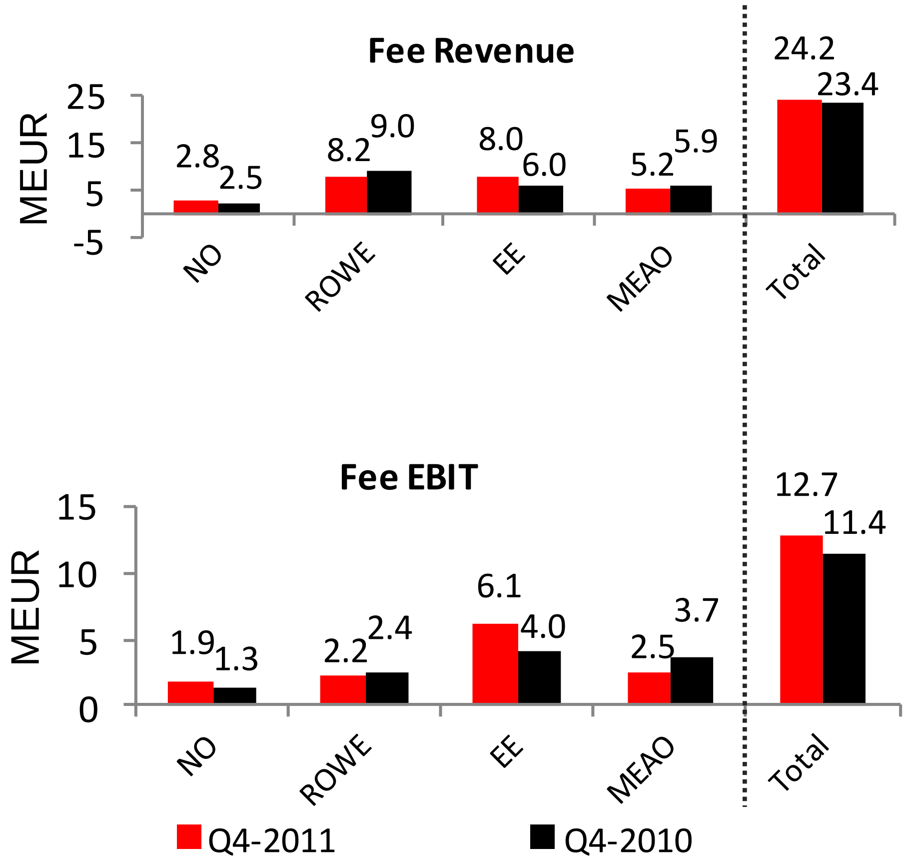
- Positive contribution from new hotels
- EBIT impacted by write-downs of fixed assets; MEUR 9.9
- Write-downs of deferred tax assets; MEUR 8.5
- EPS impact from the write-downs of fixed assets and deferred tax assets is -0.13 EUR

Leased business: improved EBIT margin in the Nordics



- Strong revenue & EBIT growth in Nordics mainly due to new openings
- Lower variable salaries in Q4 and one-offs in Q4-2010 supported the EBIT in the Nordics
- Minor growth in revenue in ROWE due to a modest RevPAR growth
- EBIT in ROWE impacted by write-downs of fixed assets (MEUR 9.9)

Growth in fee business led by Eastern Europe



- EE saw a substantial RevPAR growth and new hotels added to the portfolio
- MEAO drop attributable to the unrest in MENA

Liquidity position

MEUR	2011	2010
Cash Flow from Operations	19	26
Change in Working Capital	-5	22
Investments	-40	-13
CapEx	-37	-24
Other	-3	11
Free Cash Flow	-26	35

- Negative deviation in Working Capital due to large accruals in Q4-2010 settled in H1-2011 (related to variable salaries, variable rent and other accruals for new leases)
- 2010 investments included MEUR 11 proceeds from sale of Regent
- Available overdrafts and cash MEUR 105

Stronger Portfolio Management Focus

Contract Extension

- Extend profitable contracts
- Renovate portfolio

Contract Renegotiation

- Work with partners to prevent receivership to protect contract lifetime

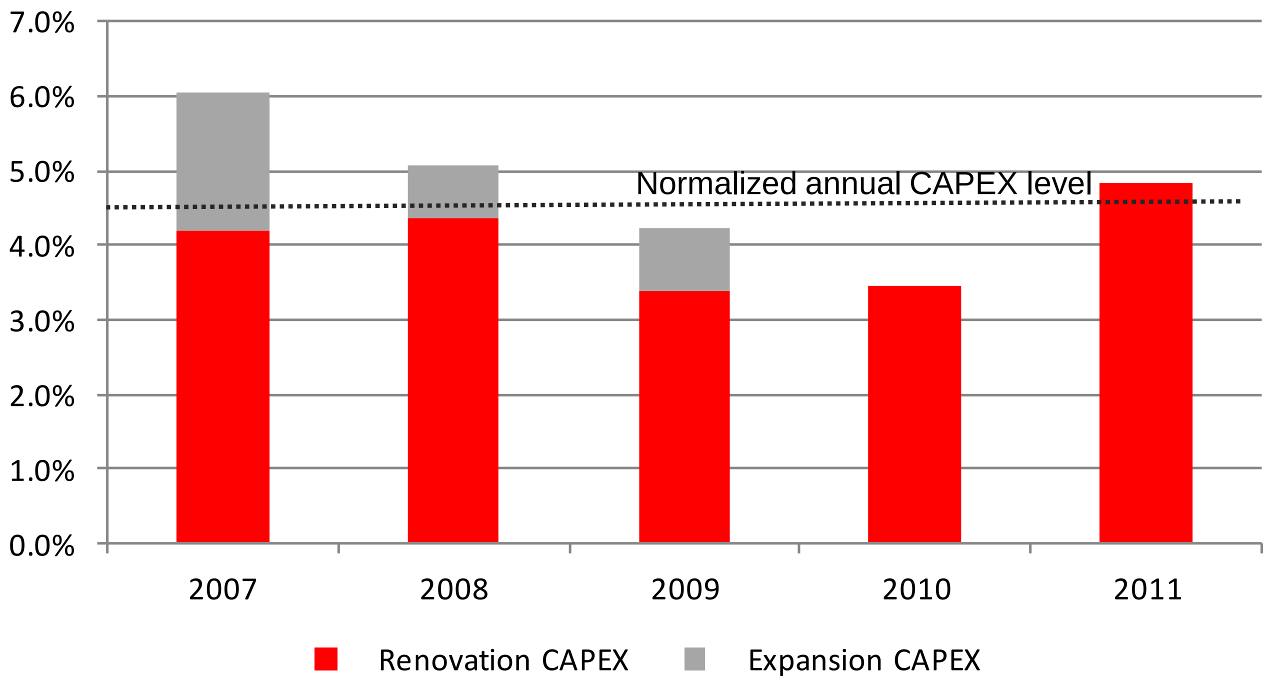
Contract Management

- Maximize contract value
- Reduce income volatility
- Customize contract type

Termination

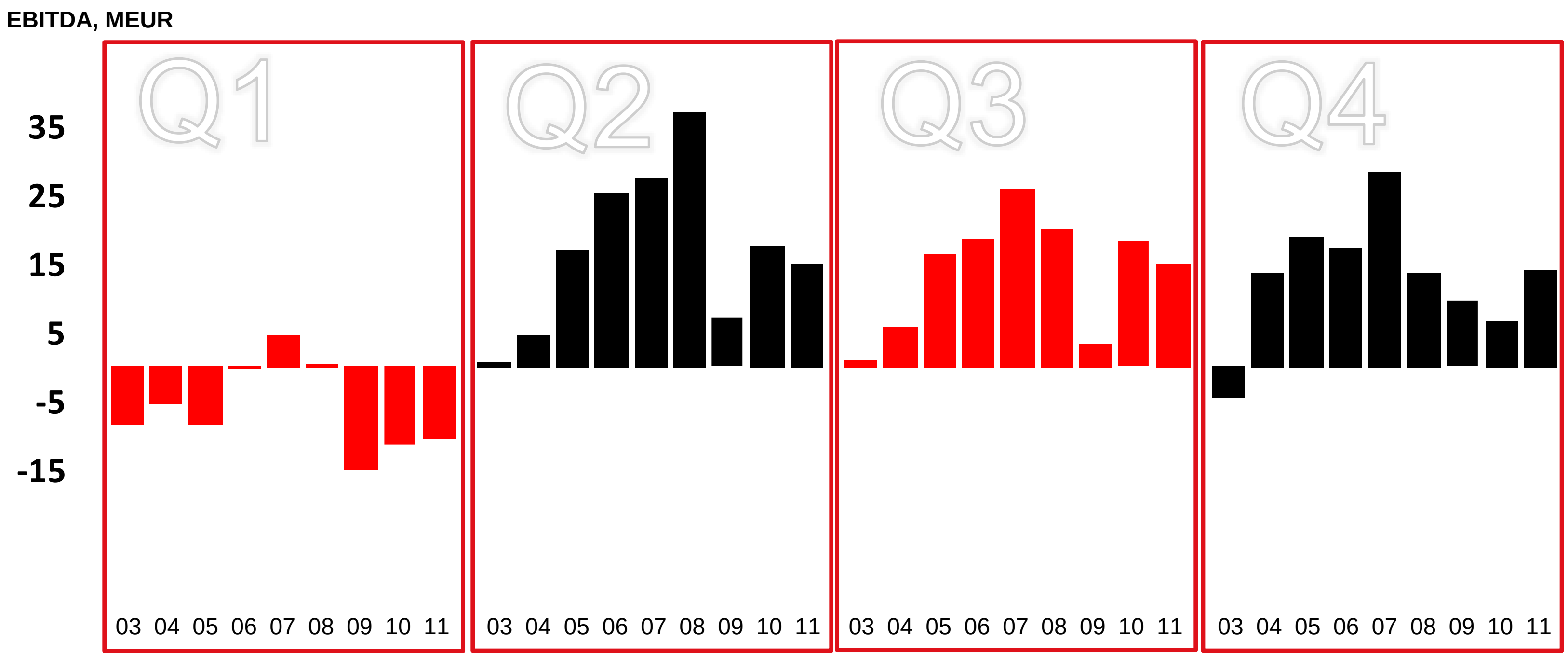
- Exit non-profitable contracts
- Exit non-strategic leases

Focus on revenue generating CAPEX



- Normalized level 4.5-5% p.a.
- Back log since 2009 → catch up during 2011-13

Q1 is always the weakest quarter



- Market outlook very uncertain due to lack of visibility
- Long term; RevPAR is expected to benefit from low growth in room supply

A solid action plan to achieve the targets

FOCUS AREAS	EBITDA MARGIN UPLIFT	OUR FINANCIAL TARGETS

FOCUS AREAS

- Revenue initiatives
- Fee based room growth
- Cost savings
- Asset management / deleveraging

EBITDA MARGIN UPLIFT

Rezidor's Initiatives

6-8%

+ Asset Management

OUR 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

+ Market Recovery over and above inflation

* Assuming RevPAR growth covers inflation

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Q&A

Hotel Missoni Kuwait