

THE  
**REZIDOR**  
HOTEL GROUP

**Q4-2012 & FULL YEAR 2012  
RESULTS**

**WOLFGANG M. NEUMANN** President & CEO  
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Thursday, February 14, 2013

# Rezidor Q4 2012 Highlights

**4.2%**  
L/L RevPAR  
growth

- L/L RevPAR up 4.2%; driven by Occupancy growth
- Revenue up 6.6%; supported by the weakening of the Euro

**17.8%**  
growth in  
fee revenue

- EBITDA margin was 6.5%; similar to last year
- Loss after tax was MEUR -13.3; neg. impacted by termination costs of MEUR 9.4 and noncash write-downs of MEUR 11.2

**6.5%**  
EBITDA  
margin

- Exit from nine leases (seven in France and two in Sweden)

# Rezidor FY 2012 Highlights

**4.6%**  
L/L RevPAR  
growth

- L/L RevPAR up 4.6%; mainly lifted by Occupancy growth
- Revenue up 6.9%; supported by the weakening of the Euro
- EBITDA margin increased to 5.5% (up 1.8 pp from Route 2015)

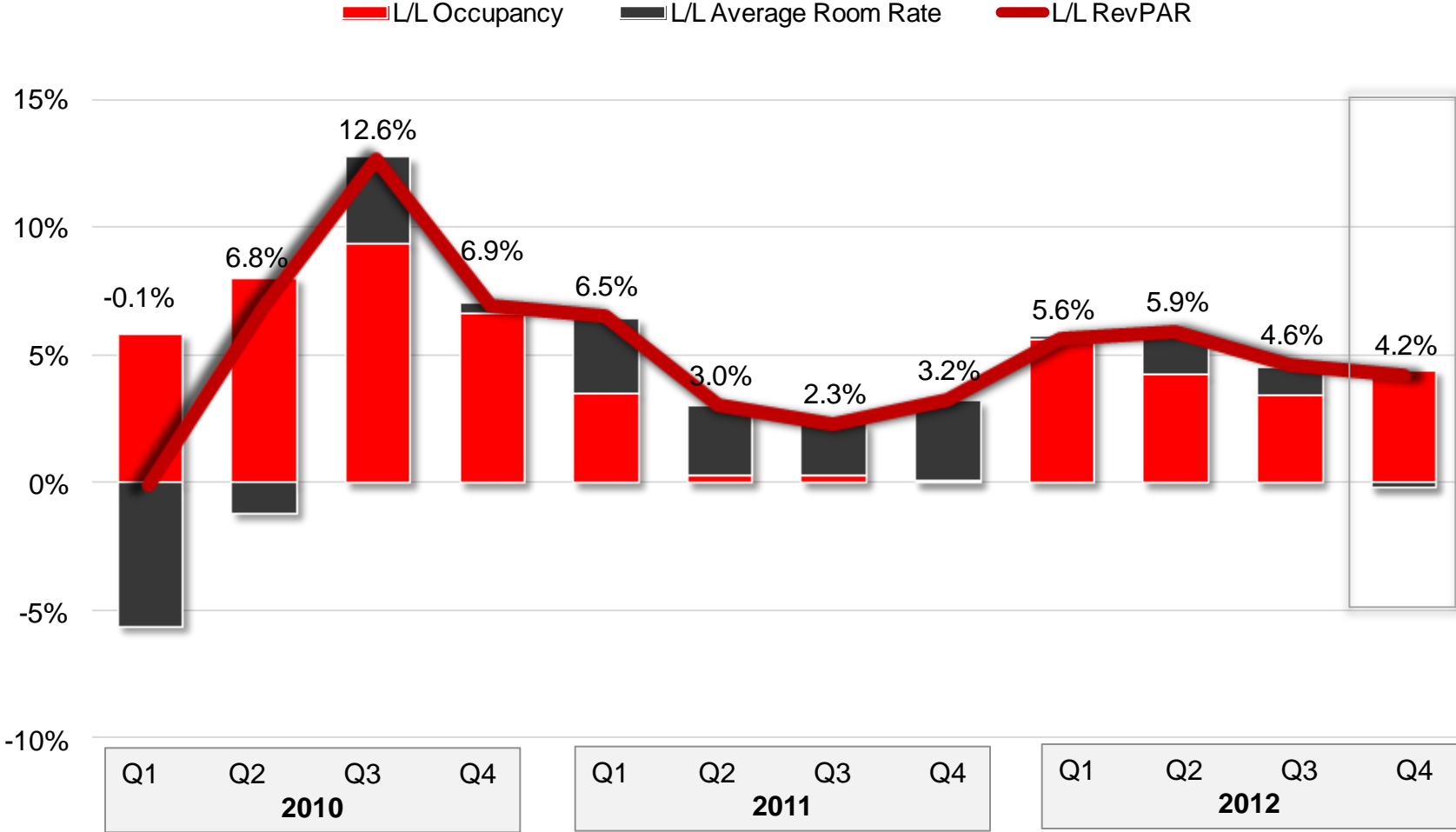
**16.7%**  
growth in  
fee revenue

- Loss after tax was MEUR -16.8; neg. impacted by termination costs of MEUR 9.4 and noncash one-offs of MEUR 19.7
- Cash flow from operations, adjusted for the termination costs, improved by MEUR 11.8

**5.5%**  
EBITDA  
margin

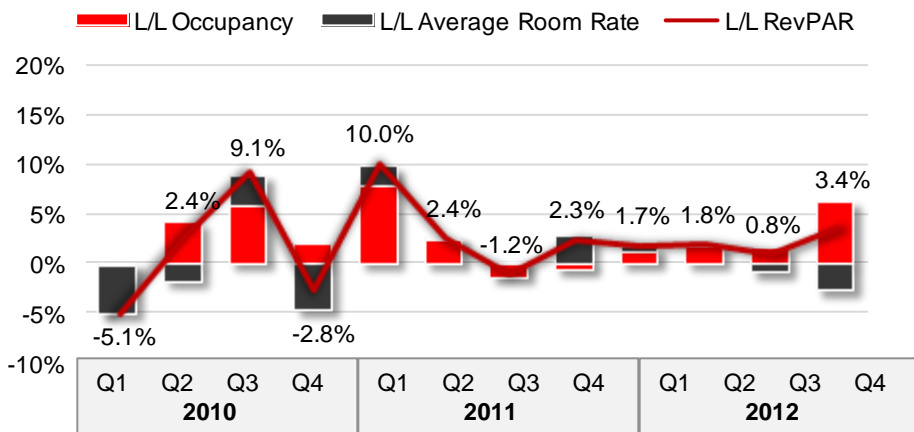
- Major structural changes undertaken during the year:
  - Cost cutting programme of MEUR 13-15 initiated
  - Extended partnership with Carlson
  - Significant organisational changes

# Consistent RevPAR growth in 2012 and captured market share

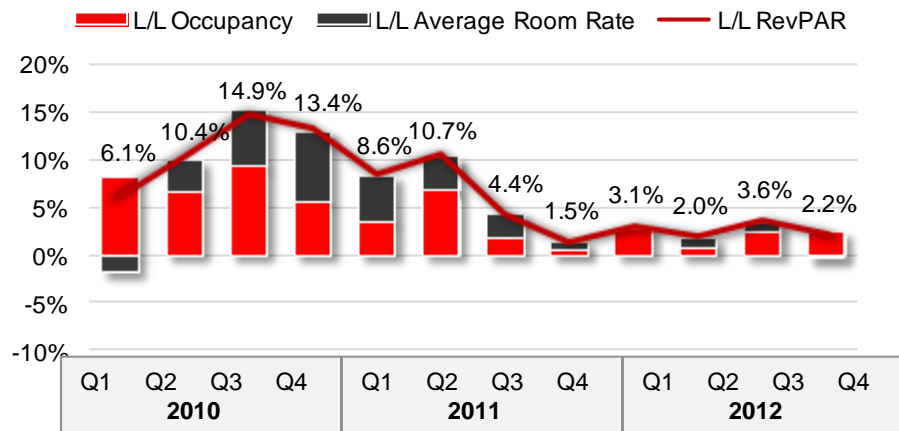


# The RevPAR recovery continues in all regions

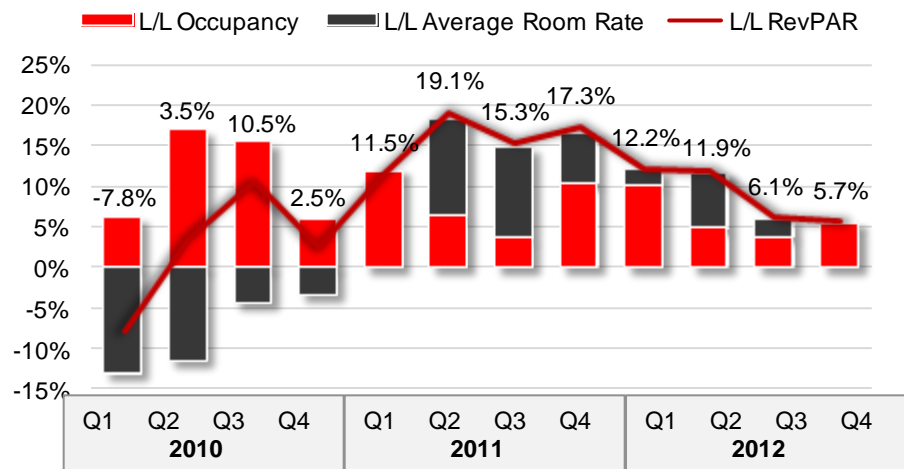
## NORDICS



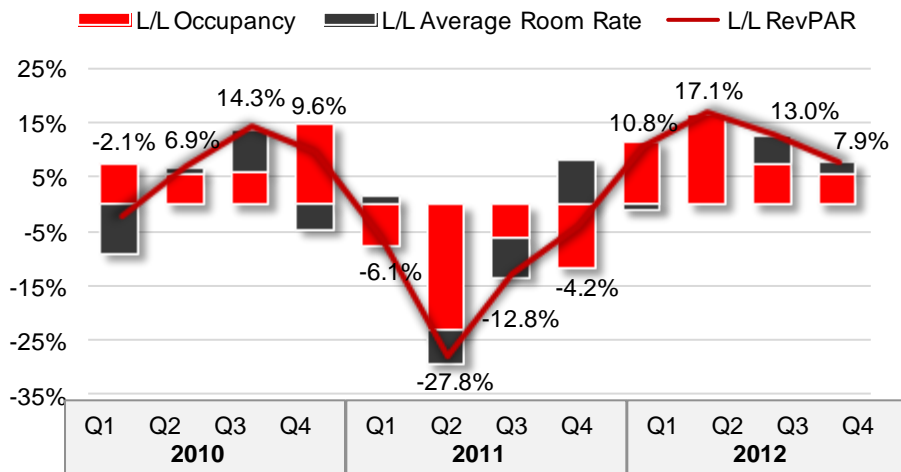
## Rest Of Western Europe



## Eastern Europe



## Middle East & Africa



# Organisational Review and Optimisation

## Executive Team complete

- Organisational optimisation and process review with a move towards a more decentralised operating model
- Executive Team complete
  - Executive VP, Chief Operating Officer: Olivier Harnisch
  - Senior VP, Head of Group Development : Elie Younes



# 2012 Signings

<b>SIGNINGS</b>	<b>Q4-2012</b>	<b>Q4-2011</b>	<b>FY-2012</b>	<b>FY-2011</b>
Hotels	4	13	30	39
Rooms	1,270	3,230	7,120	9,590

## Q4 Highlights:

- Expanding in strategic market: Park Inn Amsterdam
- Conversions in Germany: Bremen, Dortmund

## FY Highlights:

**100%**  
Fee-Based

**80%**  
Emerging  
Markets

**>20%**  
Conversions

Park Inn by Radisson, Amsterdam, The Netherlands



Radisson Blu Dortmund, Germany



# 2012 Openings

OPENINGS	Q4-2012	Q4-2011	FY-2012	FY-2011
Hotels	5	8	18	24
Rooms	1,070	1,640	3,960	5,760
Rooms offline	250	160	720	1,370
<b>Net openings</b>	<b>820</b>	<b>1,480</b>	<b>3,240</b>	<b>4,390</b>

## Q4 Highlights:

- Growing in France: Radisson Blu Nantes, Park Inn Lille
- Expansion in Eastern Europe: Budapest, Kiev, Sochi

## FY Highlights:

**100%**  
Fee-Based

**80%**  
Emerging  
Markets

**70%**  
Radisson  
Blu

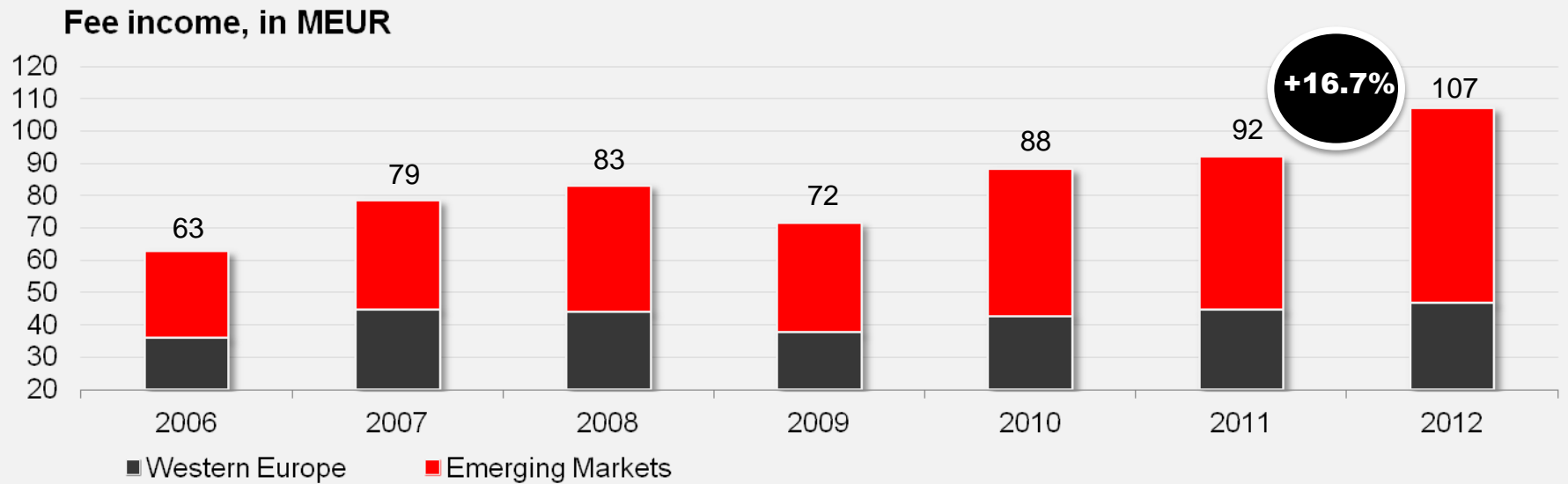




# Continued growth in Fees

## Supports shift in business model

- Fee income up 16.7%; due to new hotels and strong RevPAR growth in emerging markets





# FINANCIAL UPDATE

Knut Kleiven, Deputy President & CFO

Radisson Blu Hotel, Uppsala, Sweden

# Income Statement

Solid improvement in operational performance, net results impacted by one-offs

IN MEUR	Q4-2012	Q4-2011	2012	2011
Revenue	240.6	225.6	923.7	864.2
EBITDAR	78.5	74.0	300.5	274.6
EBITDAR Margin %	32.6%	32.8%	32.5%	31.8%
EBITDA	15.6	14.1	50.9	35.1
EBITDA Margin %	6.5%	6.3%	5.5%	4.1%
EBIT	-8.7	-4.0	-0.9	-7.7
EBIT Margin %	-3.6%	-1.8%	-0.1%	-0.9%
<b>NET RESULTS</b>	<b>-13.3</b>	<b>-13.5</b>	<b>-16.8</b>	<b>-11.9</b>

## Q4-2012 highlights

- **Revenue up 6.6% driven by:**
  - Solid RevPAR growth, new hotels and FX
- **EBIT neg. affected by MEUR 17.3 in one-offs:**
  - MEUR 1.2 in provision of an onerous contract
  - MEUR 9.4 in termination costs
  - MEUR 6.7 write-downs of fixed assets
- **Net results further affected by:**
  - MEUR 3.3 write-down of tax assets

# Cash Flow Statement

## Improvement in operational cash flow

<b>IN MEUR</b>	<b>2012</b>	<b>2011</b>
Operating loss	-0.9	-7.7
Non cash items	41.3	42.0
Interest, taxes paid and other cash items	-17.1	-14.9
Change in Working Capital	-6.8	-5.3
<b>Cash Flow from Operations</b>	<b>16.5</b>	<b>14.1</b>
<b>Cash Flow from Investments</b>	<b>-41.4</b>	<b>-39.6</b>
<b>FREE CASH FLOW</b>	<b>-24.9</b>	<b>-25.5</b>

- Cash flow from operations, adjusted for the termination costs of MEUR 9.4, improved by MEUR 11.8
- Continued investments

# Pro Forma Income Statement Q4-2012

## Without one-offs Net Results was MEUR 7.3

<b>IN MEUR</b>	<b>Actual Q4-2012</b>	<b>One-offs Q4-2012</b>	<b>Pro Forma Q4-2012</b>
Revenue	241		241
EBITDAR	79		79
EBITDAR Margin %	32.6%		32.6%
EBITDA	15.6	-1.2	16.8
EBITDA Margin %	6.5%		7.0%
EBIT	-8.7	-16.1	8.6
EBIT Margin %	-3.6%		3.6%
Income tax	-4.0	-3.3	-0.7
<b>NET RESULTS</b>	<b>-13.3</b>	<b>-20.6</b>	<b>7.3</b>

# Pro Forma Income Statement 2012

## Without one-offs Net Results was MEUR 12.3

<b>IN MEUR</b>	<b>Actual 2012</b>	<b>One-offs 2012</b>	<b>Pro Forma 2012</b>
Revenue	924		924
EBITDAR	301		301
EBITDAR Margin %	32.5%		32.5%
EBITDA	50.9	-4.1	55.0
EBITDA Margin %	5.5%		6.0%
EBIT	-0.9	-21.7	24.9
EBIT Margin %	-0.1%		2.7%
Income tax	-15.0	-3.3	-11.7
<b>NET RESULTS</b>	<b>-16.8</b>	<b>-29.1</b>	<b>12.3</b>

# Flow-through Q4 2012 & FY 2012

Substantial improvement from L/L operations with MEUR 22 EBIT

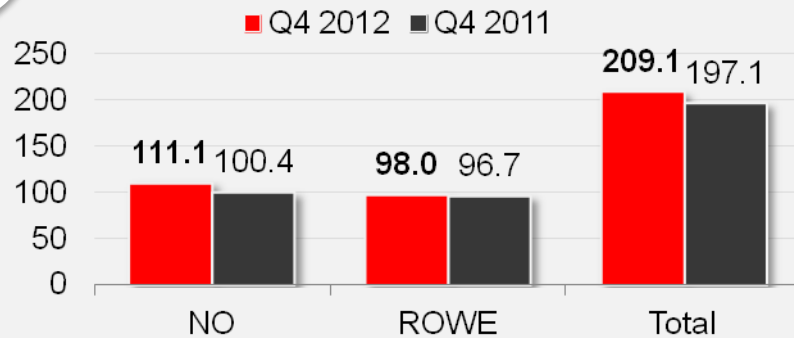
Q4-2012 vs Q4-2011	Reported Change	FX	Hotel Exits	New Hotels	One-offs	L/L
Revenue	23.1	7.7	-0.2	1.3	-	14.3
EBITDAR	4.5	2.5	-0.2	0.8	-4.2	5.6
EBITDA	1.5	0.6	-0.2	0.8	-4.9	5.2
EBIT	-4.7	0.2	-0.2	0.8	-11.2	5.7

2012 vs 2011	Reported Change	FX	Hotel Exits	New Hotels	One-offs	L/L
Revenue	67.6	25.5	-2.8	3.0	0.0	41.9
EBITDAR	25.9	8.2	-0.9	2.0	-2.2	18.8
EBITDA	15.8	1.1	-0.5	2.0	-6.2	19.5
EBIT	6.7	0.2	-0.5	2.0	-16.8	21.9

# Q4 Leased business

## Excluding one-offs EBIT was MEUR 4.8

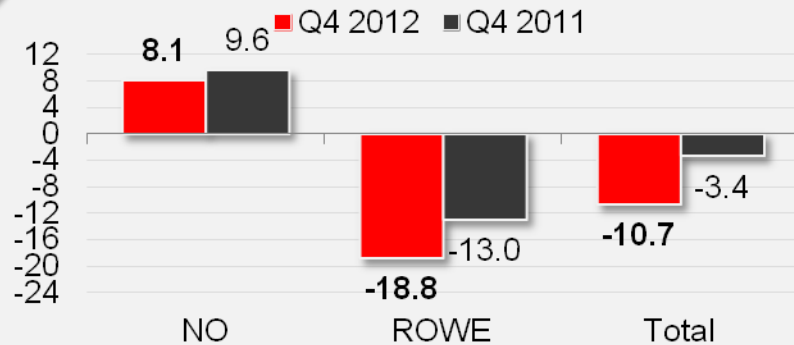
**LEASED REVENUE**  
MEUR



### Nordics:

- Revenue mainly up due to positive FX
- EBIT slightly below last year due to higher payroll costs and MEUR 0.9 in termination cost

**EBIT**  
MEUR



### Rest of Western Europe:

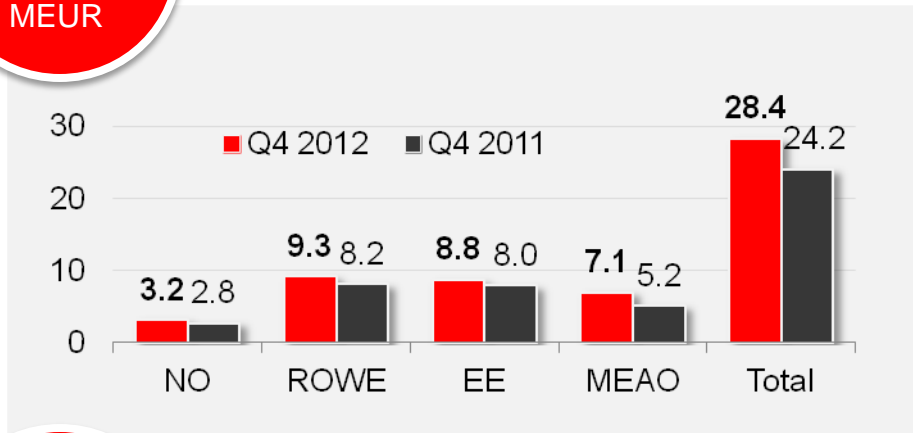
- Revenue up in line with RevPAR growth
- EBIT before one-offs of MEUR 15.5 shows strong improvement



# Q4 Fee business

## Emerging markets continue to drive the growth

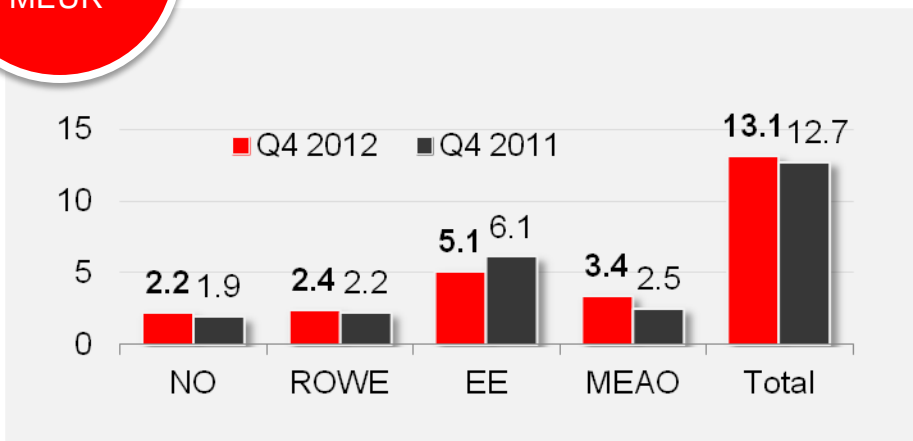
**FEE REVENUE**  
MEUR



### Eastern Europe:

- Revenue up due to strong RevPAR growth and new hotels
- EBIT slightly below last year due to higher provisions related to fee receivables

**EBIT**  
MEUR



### Middle East, Africa & Others:

- Revenue up due to RevPAR growth and new hotels
- Strong EBIT growth

# Solid progress in Asset Management during 2012

## EBITDA impact of MEUR 3.7

IN MEUR (Annual Numbers)	Exit Fee	Revenue Impact	EBITDA Impact	EBITDA margin Impact
Exit from seven leases in France	11.5	-14.8	1.9	
Exit from two leases in Sweden	0.9	-10.2	0.9	
Exit from a committed management contract	-	-1.0	0.9	
<b>Total</b>	<b>12.4</b>	<b>26.0</b>	<b>3.7</b>	<b>0.5%</b>

All profitable leases with initial expiration before 2015 have been successfully extended

# The pursuit of our Route 2015 target is well on track

## Focus areas

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

## EBITDA margin uplift by 2015

6-8%\*

||

MEUR 50-70 positive EBITDA impact over 2011

EBITDA margin uplift of 1.8 pp in 2012

## Financial Targets

<b>Profitability Target</b>	EBITDA margin of 12% over a business cycle
<b>Balance Sheet</b>	Small positive average net cash position
<b>Dividend Policy</b>	Ca 1/3 of after-tax income

\* Assuming market RevPAR growth covers inflation



# Q&A

Radisson Blu Resort, Bukovel, Ukraine