

Q3 2014: The Rezidor Hotel Group concludes further asset management agreements and accelerates growth in focus markets

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Pro-active asset management

Rezidor, one of the most dynamic hotel companies worldwide and a member of the Carlson Rezidor Hotel Group, further drives its pro-active and strategic asset management approach with the conclusion of two major agreements in Western Europe in Q3 2014: A restructured contract will result in a €2.3M improvement in EBITDA as from 2014. A further contract was extended by seven years and equally restructured – leading to a €0.9M rent reduction in 2014 and 2015 and €0.7M thereafter.

"Asset management is a core pillar of our Route 2015 programme. Through exits and re-negotiations of unprofitable contracts we improve profitability and consciously prune our portfolio", said Wolfgang M. Neumann, President & CEO at Rezidor.

Accelerated growth in focus markets

In Q3 2014, Rezidor signed five hotels with 1,300 rooms – bringing the company's signings from January to September 2014 to a total of 22 hotels with 4,500 rooms which is in line with last year. Further pursuing its asset-light and geographically diversified emerging markets strategy, Rezidor accelerated its growth in key focus countries and regions.

The group signed a country development agreement in the **Kingdom of Saudi Arabia**: Together with Al Hokair Group, a leading tourism developer in Saudi Arabia, Rezidor will develop and operate more than 30 Radisson Blu and Park Inn by Radisson hotels, resorts and serviced apartments. Besides major markets like Riyadh, Jeddah, Makkah and Medina, Rezidor and Al Hokair target the Eastern Province and upcoming secondary cities in Saudi Arabia where business and investment opportunities are driven by the government's proactive approach to spread wealth across the country. Seven hotels are already in construction or planned for conversions across the Kingdom.

"This strategic alliance marks a milestone to our growth journey in emerging markets. It is designed to optimise shareholder value to Al Hokair and ourselves as well as to potential new partners in the Kingdom", commented Elie Younes, Senior Vice President & Head of Group Development at Rezidor. "A trustful partnership and transparent collaboration with a strong regional player like Al Hokair Group is crucial for our mutual success. We see further potential for such professional co-operations with other existing and future investors in Saudi Arabia and the Middle East", continued Younes.

In **Africa**, one of Rezidor's most important emerging markets, a highlight was the group's addition of a new country to its portfolio by signing the first Radisson Blu hotel in Ghana's capital city (Accra Airport, 207 keys, opening in 2017). This is in addition the recent announcement of the company's first hotel in Uganda, the 195-room Radisson Blu Kampala.

Rezidor is now present in 22 countries across the continent with more than 50 hotels and 11,500+ rooms. "The powerful emerging market of Africa is one of our key growth markets. We are holding the largest pipeline of hotels and rooms under development in Africa, and will further extend our network", said Elie Younes. "Due to its huge natural resources, favourable demographics and improved infrastructure, Africa offers considerable potential to investors under our core brands Radisson Blu and Park Inn by Radisson. With selected partners, we also aim to capture additional opportunities in dedicated countries through our new brands Radisson Red in the lifestyle select segment and Quorvus Collection in the luxury segment", added Younes.

Openings at prime airport locations

In the course of Q3 2014 Rezidor opened two hotels at prime airport locations in **Russia**: the Park Inn by Radisson Pulkovo Airport, St Petersburg (200 rooms) and the Radisson Blu Hotel Moscow Sheremetyevo Airport (391 rooms) – the only property with direct terminal access. "These flagship openings at travel hubs underline our unchanged commitment to Russia. We monitor the political and economic unrest in the region closely and carefully, and give highest priority to the safety and security of our guests and employees. We are confident that Russia will remain an attractive hospitality market in the future", said Wolfgang M. Neumann.

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