THE REZIDOR HOTEL GROUP

Continued focus on cash protection as market remains weak

Comment from the CEO

"The third quarter has not witnessed any major change in the trading conditions for Rezidor. A weak demand from business clients has been partly offset by lower yield leisure travelers.

Visibility is still limited and our current plans are based on the assumption that the difficult business climate will continue at least for the near future. Our focus on capturing revenue and controlling costs is targeted to ensure that Rezidor is well positioned to benefit when market conditions improve. Our cost cutting program is progressing according to plan and we feel confident that we will achieve annual savings of MEUR 30 in operations and additional reductions of approximately MEUR 4 in central costs.

As reducing risk by adding fee-based managed and franchised rooms remains an important objective, Rezidor will continue to seek profitable growth opportunities in this area. This year, the company has already added almost 4,900 rooms to its operations, of which more than 88% are managed or franchised" ***Kurt Ritter, President & CEO.***

Third quarter, 2009

- RevPAR like-for-like decreased by -15.9% to EUR 64.3 (76.4). Like-for-like occupancy was 66.8% (69.4).
- Revenue decreased by -14.1% or MEUR -27.1 to MEUR 165.4 (192.5). On a like-for-like basis Revenue decreased by -13.4%.
- EBITDA was MEUR 3.1 (20.0), and EBITDA margin was 1.9% (10.4).
- Loss after tax amounted to MEUR -6.1 (10.1).
- Basic and diluted Earnings Per Share amounted to EUR -0.04 (0.07).

Nine month ending September, 2009

- RevPAR like-for-like decreased by -18.1% to EUR 63.2 (77.1). Like-for-like occupancy was 62.1% (67.6).
- Revenue decreased by -16.9% or MEUR -100.1 to MEUR 491.2 (591.3). On a like-for-like basis Revenue decreased by -14.5%.
- EBITDA was MEUR -4.8 (57.3), and EBITDA margin was -1.0% (9.7).
- Loss after tax amounted to MEUR -27.9 (24.9).
- Basic and diluted Earnings Per Share amounted to EUR -0.19 (0.17).
- Cash flow from operating activities amounted to MEUR -10.7 (49.1). Total available cash at the end of the period, including unutilised credit facilities, amounted to MEUR to 92.7 (146.8 in September 08). Net debt/cash amounted to MEUR -11.7 (19.3 in September 08).

Other developments

- Rezidor opened ca 1,800 rooms in the third quarter, of which 90% were managed or franchised. Two hotels, representing ca 145 rooms, left the system. During the first nine months, Rezidor opened ca 4,900 rooms, of which 88% were managed or franchised.
- Rezidor signed 5 contracts for new hotels in the third quarter featuring ca 1,000 rooms. During the first nine months, Rezidor signed 30 contracts for new hotels, totaling ca 5,900 rooms. 100% of the new rooms contracted year to date were managed or franchised.
- The cost savings plan generated net savings of MEUR 9.2 during the third quarter and MEUR 21.7 during the first nine months of the year.

Selected financial data, MEUR	Jul-Sep 09	Jul-Sep 08	Jan-Sep 09	Jan-Sep 08
Revenue	165.4	192.5	491.2	591.3
EBITDAR	54.2	70.8	148.8	211.6
EBITDA	3.1	20.0	(4.8)	57.3
EBIT	(4.9)	13.4	(27.0)	37.6
Profit/(loss) after Tax	(6.1)	10.1	(27.9)	24.9
EBITDAR Margin %	32.7%	36.8%	30.3%	35.8%
EBITDA Margin %	1.9%	10.4%	(1.0)%	9.7%
EBIT Margin %	(3.0)%	7.0%	(5.5)%	6.4%

Market Development

Industry RevPAR in Europe declined somewhat less in the third quarter compared to the previous quarter because of increased leisure travel in July and August and also because of a more favorable comparison base from the previous year. However, business travel demand continued to be weak and RevPAR decline in September was almost at the same level as before the summer.

The sector has also seen positive signs in the US market and somewhat less negative development in the UK compared to the rest of Europe. This is in line with an established pattern, as mainland Europe normally lags behind the UK and US in upturns as well as in downturns.

The balance between declining occupancy and a drop in room rates in Europe has changed significantly during the year. At the beginning of 2009, the decline in industry RevPAR was mainly a result of a drop in occupancy. However, in September, market data showed that two thirds of the RevPAR drop could be attributed to declining room rates.

Visibility remains very limited, however Rezidor feels that it is prudent to maintain its focus on cost management and cash flow. The cost cutting program is going according to plan with expected annual savings of MEUR 30 with additional reductions in central costs of approximately MEUR 4.

Value enhancing portfolio management and profitable growth remains important objectives for Rezidor. The company continues to reduce risk by adding fee-based managed and franchised rooms to the portfolio. This year, the company has added almost 4,900 rooms to its operations, of which more than 88% are fee-based. The pipeline has also grown by close to 6,000 rooms, almost all of which are managed or franchised.

RevPAR

Third quarter, 2009

The negative RevPAR development continued during the quarter with a drop in like-for-like RevPAR of 15.9%. The decline in occupancy stabilised during the quarter, whereas the fall in rates worsened. All geographic segments noted a decline in corporate travel and business and leisure groups. ROWE and the Nordics also experienced a decline in crew volumes. The fall in demand from these groups was partially compensated by low rate leisure individuals.

The following table shows the RevPAR development during Q3 09:

RevPAR	**Jul-Sep 09**
L/L decline	(15.9)%
FX impact	(3.9)%
New openings	(2.3)%
Reported decline	(22.1)%

The negative FX impact was mainly attributable to the depreciation of the SEK (ca -9%), GBP (ca -8%) and the NOK (ca -8%) compared to Q3 08. This was however partly offset by the appreciation of the USD (ca +5%) and the USD linked currencies in the Middle East.

All geographic segments noted a decline in like-for-like RevPAR development with Eastern Europe having the most significant decline. The key markets that decreased the most were South Africa (ca -41%), Russia (ca -39%), the Baltics (ca -33%), the UAE (ca -25%) and the Netherlands (ca -24%). The best performing market, based on RevPAR development, was Saudi Arabia (ca +5%).

The like-for-like AHR declined in all the geographic segments with Eastern Europe having the most significant drop. The key markets that decreased the most were Russia (ca -36%), the Baltics (ca -26%), Ireland (ca -22%) the UAE (ca -22%) and the Netherlands (ca -22%) The strongest performing markets, based on AHR development, were South Africa (ca +5%) and Saudi Arabia (ca +4%).

Like-for-like occupancy was also down in all the geographic segments and the key markets which noted the most significant declines were South Africa (ca -43%), Poland (ca -11%), the Baltics (ca -10%), Norway (ca -8%) and France (ca -7%). The best performing markets, based on occupancy development, were Ireland (ca +2%), Sweden (ca +1%) and Saudi Arabia (ca +1%).

Nine months ending September, 2009

The RevPAR performance during the nine month period of 09 versus the same period last year is shown in the table below:

RevPAR	**Jan-Sep 09**
L/L decline	(18.1)%
FX impact	(3.2)%
New openings	(2.1)%
Reported decline	(23.4)%

All geographic segments noted a decline in like-for-like RevPAR development based on lower AHR and occupancy, with Eastern Europe having most significant RevPAR decline.

Rezidor's performance

Leased and managed hotels	Jul-Sep 09	Jul-Sep 08	Change	Jan-Sep 09	Jan-Sep 08	Change
RevPAR like-for-like, EUR[1)]						
Radisson Blu	71.4	83.9	(14.9)%	71.1	86.3	(17.6)%
Park Inn	40.5	51.4	(21.2)%	36.7	46.6	(21.3)%
Rezidor	64.3	76.4	(15.9)%	63.2	77.1	(18.1)%
Occupancy like-for-like						
Radisson Blu	68.8%	71.2%	(240)bps	64.7%	70.3%	(560)bps
Park Inn	61.1%	64.9%	(380)bps	54.9%	60.1%	(520)bps
Rezidor	66.8%	69.4%	(260)bps	62.1%	67.6%	(550)bps
RevPAR, EUR						
Radisson Blu	66.7	83.8	(20.4)%	66.4	85.1	(21.9)%
Park Inn	36.1	50.3	(28.1)%	34.1	47.3	(27.8)%
Rezidor	59.0	75.8	(22.1)%	58.3	76.0	(23.4)%
Occupancy						
Radisson Blu	67.0%	71.1%	(410)bps	62.8%	69.4%	(660)bps
Park Inn	58.9%	63.4%	(450)bps	52.9%	59.5%	(660)bps
Rezidor	64.6%	69.0%	(440)bps	60.0%	66.7%	(670)bps

1) At constant exchange rates

Jul-Sep 09 Q/Q Change	**Nordics**	**Rest of Western Europe**	**Eastern Europe**	**Middle East, Africa & Other**	**Rezidor**
RevPAR like-for-like[1)]	(13.8)%	(13.0)%	(29.5)%	(9.2)%	(15.9)%
Occupancy like-for-like	(5.8)%	(2.6)%	(4.5)%	(4.2)%	(3.9)%
AHR like-for-like[1)]	(8.5)%	(10.3)%	(13.0)%	(10.6)%	(12.3)%
RevPAR	(21.1)%	(17.6)%	(34.4)%	(12.6)%	(22.1)%

Jan-Sep 09 Y/Y Change	**Nordics**	**Rest of Western Europe**	**Eastern Europe**	**Middle East, Africa & Other**	**Rezidor**
RevPAR like-for-like[1)]	(13.5)%	(16.6)%	(31.5)%	(14.5)%	(18.1)%
Occupancy like-for-like	(19.0)%	(6.3)%	(12.7)%	(7.2)%	(8.2)%
AHR like-for-like[1)]	(5.0)%	(11.0)%	(21.6)%	(7.9)%	(10.8)%
RevPAR	(22.2)%	(20.9)%	(35.4)%	(11.7)%	(23.4)%

1) At constant exchange rates

Comments to Statements of Operations (p.9)

Third quarter, 2009

Total Revenue decreased by 14.1% or MEUR 27.1, of which MEUR 7.5 came from FX. The impact from operations and FX on the change in revenue to same period last year is presented below.

MEUR	**Operations**	**FX**	**Tot. Change**
Rooms Revenue	(12.8)	(5.0)	(17.8)
F&B Revenue	(5.9)	(1.9)	(7.8)
Other Hotel Revenue	0.4	(0.3)	0.1
Total Leased Revenue	**(18.3)**	**(7.2)**	**(25.5)**
Fee Revenue	(1.8)	(0.5)	(2.3)
Other Revenue	0.5	0.2	0.7
Total Revenue	**(19.6)**	**(7.5)**	**(27.1)**

Like-for-like Revenue decreased by 13.4% or MEUR 25.4. Rooms revenue continued to mark a decline due to a decrease in RevPAR mainly driven by a drop in demand from corporate, business and leisure groups and crew volumes, which was only partially off-set by low rate leisure individuals across all geographical areas. The negative variance in revenue was partly offset by newly opened leased hotels since Q3 08.

At constant FX, F&B and Other Revenue noted a decline as a result of lower occupancy and demand for Meetings & Events.

The negative change in Fee Revenue (at constant FX) was due to lower RevPAR in several countries, particularly Russia, the Baltics, Ireland and the Middle East. This decline in fee revenue was partly offset by the opening of several new hotels under management and franchise contracts since Q3 2008.

Personnel Cost and Contract Labour continued to decrease in absolute terms. This decrease was partially off-set by the additional personnel cost in new leased hotels since Q3 08. Nevertheless, the personnel cost % (personnel costs as a percentage of revenue) was stable at 35.4% for Q3 2009. The average number of employees went down to 5,430 during the quarter compared to 6,065 in Q3 08.

As a mean to compensate for lost demand in several markets from corporate travel and business groups, the segment for leisure individuals was increased. This however lead to higher Other Operating Expenses from increased travel agent commission costs.. Other Operating Expenses as well as Property Insurance and Property Tax were also negatively impacted by new leased hotels since Q3 08.

Pre-opening costs for the quarter were MEUR 0.8 lower compared to the same period last year.

The cost cutting programme gave rise to savings of ca MEUR 9.4 during the quarter, which together with redundancy costs had a net positive impact on EBITDAR of ca MEUR 9.2.

Central costs decreased from MEUR 11.0 to MEUR 8.8 as a result of successful cost saving efforts and the timing of certain accruals.

EBITDAR declined due to the drop in Total Revenue, and was also negatively affected by FX of ca MEUR -2.4. The mainly rate-driven fall in revenue continued to put the EBITDAR margin under pressure, but tight cost control and the special cost cutting programme reduced the negative impact.

Fixed rent was negatively affected by the three new leased hotels (MEUR 1.1). Variable rent noted a decline due to lower revenues (mainly in the Nordics). FX had a positive effect of ca MEUR 2.3 on total rent.

Shortfall payments for management contracts with performance guarantees increased due to continued poor performance in several hotels in ROWE as well as in a few hotels in Eastern Europe.

The drop in Share of Income from Associates and Joint Ventures was both coming from the overall decline in the market and from the positive effect in Q3 08 for the hotel in Beijing from the Olympics last year.

In addition to the sharp market downturn EBITDA and EBITDA margin were negatively affected by the fixed rent structure for several hotels in ROWE and the additional shortfall payments. The effect on EBITDA from FX was immaterial.

Depreciation and Amortisation Expense increased mainly due to write-downs of fixed assets amounting to MEUR 1.2. In addition, the newly opened entities as well as the renovation works carried out in 2008 on the UK Park Inn portfolio also had a negative impact. This negative change was partly offset by a positive FX effect of MEUR 0.4.

The Financial Net decreased by MEUR 2.1 as a result of negative exchange losses and higher interest expenses, the latter from an increased utilisation of overdraft facilities.

The increase in the effective tax rate compared to last year is due to higher tax losses during the period in countries where not all losses are capitalised as deferred tax assets.

Nine month ending September, 2009

Total Revenue decreased by 16.9% or MEUR 100.1, of which MEUR 30.0 came from FX. The impact from operations and FX on the change in revenue to same period last year is presented below.

MEUR	**Operations**	**FX**	**Tot. Change**
Rooms Revenue	(41.9)	(19.1)	(61.0)
F&B Revenue	(21.5)	(8.8)	(30.3)
Other Hotel Revenue	(0.1)	(1.1)	(1.2)
Total Leased Revenue	**(63.5)**	**(29.0)**	**(92.5)**
Fee Revenue	(9.0)	(1.1)	(10.1)
Other Revenue	2.4	0.1	2.5
Total Revenue	**(70.1)**	**(30.0)**	**(100.1)**

Like-for-like Revenue decreased by 14.5% or MEUR 85.1. All geographical segments noted a decline in RevPAR. Eastern Europe deviated most negatively while MEAO only marked a minor decline.

The negative change in fee revenue was partly offset by the opening of new hotels under management and franchise contracts since Q3 2008.

Other revenue increased due to compensation received from the Carlson Group related to the use of certain intellectual property owned by Rezidor.

Central costs amounted to MEUR 30.0 and were 9% below same period last year. The number includes redundancy costs of ca MEUR 1.0.

EBITDAR margin declined due to the steep drop in Total Revenue. This was however partly offset by the cost savings plan which, after redundancy costs of MEUR 1.4, contributed positively by ca MEUR 21.7 during the period (mainly in personnel cost). In addition, EBITDAR was negatively affected by the addition of new leased hotels, increased pre-opening cost of ca MEUR 0.6 and FX of ca MEUR -9.0.

In addition, EBITDA and EBITDA margin were negatively affected by the fixed rent structure for several hotels in ROWE, and the additional shortfall payments. The drop in Share of Income from Associates and Joint Ventures also had a negative effect. The effect on EBITDA from FX was immaterial.

The Financial Net deteriorated in line with the drop in cash flow from operations and the corresponding increase in the use of overdraft facilities and was also negatively impacted by exchange losses.

The increase in the effective tax rate compared to last year is due to higher tax losses during the period in countries where not all losses are capitalised as deferred tax assets.

Q3 Comments by Region

Nordics

Like-for-like RevPAR at constant exchange rates dropped by 13.8% mainly a result of lower rate. Denmark reported the biggest RevPAR drop (-19.5%), followed by Norway and Sweden (-15.4% and -10.6% respectively). The decline in corporate travel and business and leisure groups together with a decline in crew volumes accounted for the negative trend. This was only partially offset leisure individuals.

The negative market performance resulted in a MEUR 11.4 fall in leased revenue (excluding FX) compared to last year. The opening of a new property had a small positive effect. The decrease in the Meeting & Events business for September made the drop in total leased revenue bigger than explained by the lower RevPAR. The weakening of the NOK and the SEK had a negative effect of MEUR 5.0.

Management and Franchise fees were equally affected by the downturn; like-for-like Franchise Fees were down 11% and Management Fees 13%.

The negative trend in revenue, accompanied by higher travel agent commission costs, continued to put pressure on margins. This together with the effect of some pre-opening expenses led to a lower EBITDAR for leased hotels. Lower revenue and weaker currencies, however, resulted in lower variable rent, which mitigated the negative impact on EBITDA. Managed and Franchised EBITDA declined mainly due to the softening of the markets, and to some extent FX.

Rest of Western Europe

The decline in RevPAR (-13%) was slightly lower than in the Nordics, but as opposed to the Nordics the decline mostly came from lower rate, adversely affecting the margins. The biggest like-for-like RevPAR drops were noted in The Netherlands (-24.0%) and Ireland (-20.8%). Like the Nordics, all business segments were on the decline, and the increase in leisure individuals only partially off-set the decline.

The poor market conditions caused revenue from leased hotels to decline by MEUR 6.9 excluding FX. FX had a negative impact of MEUR 2.1 on leased hotel revenue, mainly due to the depreciation of GBP, which was partly offset by the strengthening of the CHF. The opening of 2 new leased properties (MEUR 2.1) and the ramping up of 2 leased properties (opened in Q3 last year) had a positive effect on revenues. Fees from like-for-like Managed and Franchised hotels declined by 10%. The general trend due to lower RevPAR was not followed for a majority of the German Franchised properties that noted results in line with last year Q3. The overall fees from Franchised and Managed hotels also benefited from the addition of several new properties.

The drop in leased EBITDA followed the drop in the revenue base. Increased energy costs in the UK as well as the opening of new leased hotels and the related pre-opening costs also impacted EBITDA and EBITDA margin negatively. The high fixed lease commitments in Belgium, Germany and the UK as well as the addition of 2 new leases to the portfolio contributed to the negative EBITDA for leased hotels. EBITDA for the Managed and Franchised business declined in line with revenues, and was, in addition, negatively affected by increased guarantee payments (MEUR 2.3) as well as increased provisions for doubtful accounts.

Eastern Europe

Like-for–like RevPAR noted a steep decline of 29.5%. Russia had the most significant RevPAR drop (-39.0%) followed by The Baltics (-33.5%). Overall rate in Eastern Europe was under significant pressure. The loss of higher yielding corporate and business group volumes was partially replaced by leisure business (individual and group) that carried significant rate reductions.

On a like-for-like basis the decline in RevPAR resulted in an equal drop in franchise and management fees. New rooms coming into the system could not turn around the negative effect of the current market conditions.

EBITDA margin from Franchise hotels was negatively impacted by the provision for doubtful accounts. The EBITDA margin from Managed hotels followed the drop in revenues but was positively impacted by a reduction in guarantee payments.

Middle East, Africa and Others

Like-for-like RevPAR saw a decline of 9.2%. The decline came mostly from rate and was both noted in the Corporate business and the Leisure business (Individual as well as groups). Saudi Arabia was the strongest performing market based on RevPAR development (ca +4%). UAE, which also had the most significant RevPAR decline in previous quarters, ended Q3 with -25% and was only surpassed by South Africa that noted a 41% drop, mainly due to renovation works at one of the South Africa properties. Despite the decline in like-for-like RevPAR, fees only noted a minor decline due to new hotels added to the portfolio.

The EBITDA margin followed the same trend as the revenues but was additionally affected by doubtful account provision taking.

Segmental Revenue, EBITDA and Central Costs

Revenue, MEUR	**Jul-Sep 09**	**Jul-Sep 08**	**Change**	**Jan-Sep 09**	**Jan-Sep 08**	**Change**
Nordics	68.8	85.8	(19.8)%	212.3	270.0	(21.4)%
Rest of Western Europe	88.6	97.0	(8.7)%	254.6	292.8	(13.0)%
Eastern Europe	5.3	6.9	(23.2)%	14.2	18.9	(24.9)%
Middle East, Africa & Others	2.7	2.8	(3.6)%	10.1	9.6	5.2%
Total Revenue	**165.4**	**192.5**	**(14.1)%**	**491.2**	**591.3**	**(16.9)%**

EBITDA, MEUR	**Jul-Sep 09**	**Jul-Sep 08**	**Change**	**Jan-Sep 09**	**Jan-Sep 08**	**Change**
Nordics	9.6	18.4	(47.8)%	28.9	51.7	(44.1)%
Rest of Western Europe	(3.9)	5.1	(176.5)%	(20.3)	16.4	(223.8)%
Eastern Europe	3.9	4.7	(17.0)%	9.0	13.5	(33.3)%
Middle East, Africa & Others	2.2	2.8	(21.4)%	7.6	8.7	(12.6)%
Central Costs	(8.8)	(11.0)	(20.0)%	(30.0)	(33.0)	(9.1)%
Total EBITDA	**3.1**	**20.0**	**(84.5)%**	**(4.8)**	**57.3**	**(108.4)%**

Central costs

Central costs amounted to MEUR 8.8 and were MEUR 2.2 lower than in Q3 08. This was the result of tight control, successful cost-cutting measures and the timing differences of certain accruals. Redundancy costs only had a minor effect.

Comments to balance sheet (p 10)

Compared to year-end 08, Non-Current Assets have increased due to investments during the year, positive exchange differences related to the Nordics and the UK since year-end and an increase in deferred tax assets as a result of the capitalised tax loss carry forward in certain countries. Shares in associated companies went down as a result of dividend received.

Net working capital, excluding Cash and Cash Equivalents but including current tax assets and liabilities, at the end of the period was MEUR -48.6 (-55.8 at year-end 08). Cash and Cash Equivalents went down from MEUR 26.4 at year-end 08 to MEUR 10.0 and bank overdrafts increased from MEUR 8.2 at year-end 08 to MEUR 21.7.

Compared to year-end 08, Equity went down by MEUR 17.9, mainly as a result of the loss for the period. Exchange differences from translation of foreign operations including tax effects had a positive effect on Equity of MEUR 7.5.

Comments to cash flow and liquidity (p 12)

Cash flow from operating activities amounted to MEUR -10.7 during the first nine months of 09, which was MEUR 59.8 below that of last year. The negative development to last year is almost entirely coming from the operating loss incurred during the year.

Change in working capital followed the seasonal pattern from previous years. YTD, cash flow from change in working capital amounted to MEUR 0.5 and was the same as in 08. The first quarter of the year witnessed a negative development, mostly explained by the lower business volume and the corresponding effect on net working capital. However, strong focus on working capital during the year, such as efforts in bringing down accounts receivables and keeping operating liabilities at a stable level, has given positive results and in both Q2 and Q3 working capital developed better than in the same periods 08. In Q3, the cash flow from change in working capital was positive and amounted to MEUR 7.1 (4.6).

Cash flow from investing activities amounted to MEUR -20.8 (-26.3) of which MEUR -2.9 was related to the final settlement of the acquisition of shares in subsidiaries prior years. Compared to 08, the investments carried out in leased hotels were considerably lower this year as a result of the strong focus on cash management and cost control. This was especially the case in Q3, when the investments in leased hotels amounted to MEUR 5.3 compared to MEUR 12.4 during the same period last year.

Cash flow from financing activities amounted to MEUR 14.7 and was almost all coming from an increased utilisation of overdraft facilities, following the negative operational performance. Last year the overdraft went down during the same period.

The total credit facilities available for use amounted to MEUR 106.8 of varied terms and with no covenants. MEUR 2.4 was used for bank guarantees and MEUR 21.7 was used as overdrafts, leaving MEUR 82.7 available for use. At the end of September 09, Rezidor had MEUR 10.0 in cash and cash equivalents.

Net interest bearing assets (including pension assets and retirement benefit obligations) amounted to MEUR 7.0 (44.0 at year-end 08). Net cash/debt, defined as Cash & cash equivalents plus short-term interest-bearing assets (with maturity within 3 months) minus interest-bearing financial liabilities (short-term & long-term), amounted to MEUR -11.7 (18.2 at year-end 08).

Incentive programmes

The Annual General Meetings of 2007 and 2008 have approved two long-term equity settled performance-based incentive programmes to be offered executives within the Rezidor Group. Based on the outcome of certain performance criteria, defined as growth in earnings per share and total shareholder return relative to a defined peer group, the participants of the programmes may be awarded shares in the Company at the end of the vesting periods (in 2010 and 2011 respectively). In addition, the participants of the 2008 programme are entitled to receive shares conditional on continuous employment during the vesting period. The maximum number of shares that can be awarded in the 2007 and 2008 programmes is 225,801 and 667,691 respectively.

On April 23, 2009 the Annual General Meeting approved a new long-term equity settled performance-based incentive programme to be offered no more than 30 executives within the Rezidor Group. Based on the outcome of certain performance criteria, defined as total shareholder return relative to a defined peer group and growth in earnings per share during the financial years 2009-2011, the participants of the programme may be awarded a certain number of shares in the Company at the end of the vesting period. Allotments of shares will take place in conjunction with the release of the Q1 report in 2012. The maximum number of shares that can be awarded is 1,229,526. At grant date (July 23, 2009), the fair value of the portion linked to total shareholder return (75% of the shares that can be awarded) was SEK 8.63 per share and the fair value of the portion linked to earnings per share (25% of the shares that can be awarded) was SEK 17.44.

The cost for the incentive programmes in Q3 and YTD, calculated in accordance with IFRS 2, amounted to MEUR 0.2 (0.1) and MEUR 0.5 (0.3) respectively. Costs for social security charges related to the programmes in Q3 and YTD amounted to MEUR 0.1 (0) and MEUR 0.2 (0) respectively.

Share buy-back

The number of own shares held by the Company at the end of quarter was 3,694,500, corresponding to 2.5% of all registered shares. No shares have been bought back during 2009. The average number of own shares held by the Company during Q3 and 09 YTD was 3,694,500 (3,084,443 and 2,098,642 in Q3 08 and nine months 08 respectively). The shares have been bought back in 2007 and 2008 following authorisations at the Annual General Meetings in the same years. The authorisations have been given to secure delivery of shares to participants in the two share based incentive programmes decided in 2007 and 2008 and to cover social security costs pertaining to these programs as well as to ensure that the Group has a more efficient capital structure. A total of 1,089,207 shares has been bought back to secure delivery of shares in the incentive programmes and the related social security costs.

On April 23, 2009 the Annual General Meeting authorised the Board of Directors to decide on the acquisition of a maximum of 1,700,000 shares to secure delivery of shares in the 2009 incentive programme and to cover social security costs pertaining to the programme. In addition, the Board of Directors was authorised to decide on the acquisition and transfer of the Company's own shares. The purpose of the authorisation is to give the Board of Directors an increased capacity to act in respect of organising the capital structure of the Company.

Post balance sheet events

There are no post balance sheet events to report.

Business development

Rooms added into operation	Jul-Sep 09	Jan-Sep 09
By brand		
Radisson Blu	1,634	3,212
Park Inn	130	1,523
Other	-	136
Total	**1,764**	**4,871**
By contract type		
Managed	1,445	3,665
Leased	180	593
Franchised	139	613
Total	**1,764**	**4,871**

Rooms contracts signed	Jul-Sep 09	Jan-Sep 09
By brand		
Radisson Blu	450	2,852
Park Inn	547	2,557
Other	-	527
Total	**997**	**5,936**
By contract type		
Managed	887	5,179
Leased*	-	30
Franchised	110	727
Total	**997**	**5,936**
By geography		
Nordics*	110	140
Rest of Western Europe	-	759
Eastern Europe	-	1,488
Middle East, Africa & Others	887	3,549
Total	**997**	**5,936**

* 30 additional rooms signed through Asset Management

In Q3 09, Rezidor signed 5 contracts for new hotels (997 rooms). Out of these rooms, 100% are non-committed contracts.

In Q3 09, 9 asset management projects were signed, adding to 28 asset management projects signed in total, year to date.

In Q3 09, 1,764 rooms opened and 2 hotels (145 rooms) left the system, resulting in a net opening of 1,619 rooms.

At Q3 09 a total of 30 contracts (5,936 rooms) have been signed and 27 hotels opened (4,871 rooms) year to date.

Other Developments

Recent published research has given Rezidor several recognitions:

The market researcher BDRC's report positions Radisson Blu as the most preferred hotel chain in the Nordics.

Consumer satisfaction data collected by the well known researcher J D Powers ranks Park Inn number one in guest satisfaction in the mid scale full service segment in Europe.

A study made by Ernst & Young confirms Rezidor's position as the largest hotel operator in Russia & CIS.

The hotel consultancy company HVS ranks Rezidor highest in its European Hotel Corporate Governance survey.

Material risks and uncertainties

No material changes have taken place during the period and reference is therefore made to the detailed description provided in the annual report for 2008. The general market, economic and financial conditions as well as the development of RevPAR in various countries where Rezidor operates will continue to be the most important factors influencing the company's earnings. A continuing economic down-turn with major implications on the performance of the company's hotels, may lead to a renewed assessment of the value of certain assets and the risk for loss making contracts as well as an increased focus on portfolio management. The Parent Company performs services of a common Group character. The risks for the Parent Company are the same as for the Group.

Auditor's review

The report has not been subject to review by the auditors.

Condensed consolidated statement of operations

MEUR	Jul-Sep 09	Jul-Sep 08	Jan-Sep 09	Jan-Sep 08
Revenue	165.4	192.5	491.2	591.3
F&B and other related expenses	(12.0)	(14.1)	(36.9)	(44.1)
Personnel cost and contract labour	(58.7)	(68.2)	(182.1)	(207.2)
Other Operating expenses	(37.3)	(36.1)	(114.2)	(119.0)
Insurance of properties and property tax	(3.2)	(3.3)	(9.2)	(9.4)
Operating profit before rental expense and share of income in associates and depreciation and amortisation and gain on sale of fixed assets (EBITDAR)	**54.2**	**70.8**	**148.8**	**211.6**
Rental expense	(51.8)	(51.8)	(155.1)	(157.4)
Shares of income in associates and Joint Ventures	0.7	1.0	1.5	3.1
Operating profit/(loss) before depreciation and amortisation and gain on sale of fixed assets (EBITDA)	**3.1**	**20.0**	**(4.8)**	**57.3**
Depreciation, amortisation and write-downs	(8.0)	(6.6)	(22.2)	(19.7)
Operating profit/(loss)	**(4.9)**	**13.4**	**(27.0)**	**37.6**
Financial income	0.2	1.7	0.6	2.9
Financial expense	(1.3)	(0.7)	(1.5)	(2.1)
Profit/(loss) before tax	**(6.0)**	**14.5**	**(27.9)**	**38.4**
Income tax	(0.1)	(4.3)	(0.0)	(13.5)
Profit/(loss) for the period	**(6.1)**	**10.1**	**(27.9)**	**24.9**
Attributable to:				
Equity holders of the parent	(6.1)	10.1	(27.9)	24.9
Minority interest	-	-	-	-
Profit/(loss) for the period	**(6.1)**	**10.1**	**(27.9)**	**24.9**
Basic average no. of shares outstanding	146,307,540	146,917,597	146,307,540	147,903,398
Diluted average no. of shares outstanding	146,419,239	146,917,597	146,345,182	147,903,398
Earnings per share, in EUR				
Basic	(0.04)	0.07	(0.19)	0.17
Diluted	(0.04)	0.07	(0.19)	0.17

Consolidated statement of comprehensive income

Profit/(loss) for the period	**(6.1)**	**10.1**	**(27.9)**	**24.9**
Other comprehensive income:				
Exchange differences on translation of foreign operations	(0.1)	0.5	6.2	(4.1)
Tax on exchange differences recognised directly in equity	(0.1)	0.0	1.3	(1.2)
Other comprehensive income for the period, net of tax	**(0.2)**	**0.5**	**7.5**	**(5.3)**
Total comprehensive income for the period	**(6.3)**	**10.6**	**(20.4)**	**19.6**
Attributable to:				
Equity holders of the parent	(6.3)	10.6	(20.4)	19.6
Minority interest	-		-	

Condensed consolidated balance sheet statements

MEUR	30-Sep 09	31-Dec 08
ASSETS		
Goodwill	13.7	13.2
Licences and related rights and other intangible assets	71.1	66.0
Tangible assets	109.8	103.7
Investments in associated companies and joint ventures	5.7	8.0
Other shares and participations	10.7	10.5
Pension funds, net	11.2	10.3
Other long-term receivables	11.2	12.2
Deferred tax assets	27.0	20.2
Total non-current assets	**260.4**	**244.1**
Inventories	4.6	5.3
Other current receivables	110.7	105.2
Other short term investments	2.3	3.0
Cash and cash equivalents	10.0	26.4
Total current assets	**127.6**	**139.9**
TOTAL ASSETS	**388.0**	**384.0**
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent	164.2	184.1
Minority interest	0.2	0.2
Total equity	**164.4**	**184.3**
Deferred tax liabilities	29.8	25.8
Retirement benefit obligations	1.7	1.5
Other long-term liabilities	9.6	3.2
Total non-current liabilities	**41.1**	**30.5**
Liabilities to financial institutions	21.7	8.2
Other current liabilities	160.8	161.0
Total current liabilities	**182.5**	**169.2**
TOTAL EQUITY AND LIABILITIES	**388.0**	**384.0**
Number of ordinary shares outstanding at the end of the period	146,307,540	146,307,540
Number of ordinary shares held by the company	3,694,500	3,694,500
Number of registered ordinary shares at the end of the period	150,002,040	150,002,040

Consolidated statement of changes in equity

MEUR	Share capital	Other paid in capital	Translation reserves	Retained earnings incl. net profit/loss for the period	**Attributable to equity holders of the parent**	Minority interests	**Total equity**
Ending balance as of Dec. 31, 2007	**10.0**	**135.1**	**13.6**	**42.5**	**201.3**	**0.2**	**201.5**
Dividends paid to shareholders	-	(14.8)	-	-	**(14.8)**	-	**(14.8)**
Share buy-back	-	-	-	(8.4)	**(8.4)**	-	**(8.4)**
Long term incentive plan	-	-	-	0.4	**0.4**	-	**0.4**
Total comprehensive income for the period	-	-	(5.3)	24.9	**19.6**	-	**19.6**
Ending balance as of Sep 30, 2008	**10.0**	**120.3**	**8.3**	**59.4**	**198.0**	**0.2**	**198.2**
Share buy-back	-	-	-	-	-	-	-
Long term incentive plan	-	-	-	(0.2)	**(0.2)**	-	**(0.2)**
Total comprehensive income for the period	-	-	(15.0)	1.3	**(13.7)**	-	**(13.7)**
Ending balance as of Dec. 31, 2008	**10.0**	**120.3**	**(6.7)**	**60.5**	**184.1**	**0.2**	**184.3**
Long term incentive plan	-	-	-	0.5	**0.5**	-	**0.5**
Total comprehensive income for the period	-	-	7.5	(27.9)	**(20.4)**	-	**(20.4)**
Ending balance as of Sep 30, 2009	**10.0**	**120.3**	**0.8**	**33.1**	**164.2**	**0.2**	**164.4**

Condensed consolidated statement of cash flow

MEUR	Jan-Sep 09	Jan-Sep 08
Operating profit/(loss)	**(27.0)**	**37.6**
Non cash items	19.9	15.9
Interest, taxes paid and other cash items	(4.1)	(4.9)
Change in working capital	0.5	0.5
Cash flow from operating activities	**(10.7)**	**49.1**
Purchase of intangible assets	(1.1)	(1.0)
Purchase of tangible assets	(17.7)	(26.4)
Other investments/divestments	(2.0)	1.1
Cash flow from investing activities	**(20.8)**	**(26.3)**
External financing, net	14.7	(23.3)
Dividends paid	-	(14.8)
Share buy back	-	(8.4)
Cash flow from financing activities	**14.7**	**(46.5)**
Cash flow for the period	**(16.8)**	**(23.7)**
Effects of exchange rate changes on cash and cash equivalents	0.4	(0.3)
Cash and cash equivalents at beginning of the period	**26.4**	**51.4**
Cash and cash equivalents at end of the period	**10.0**	**27.4**

Parent Company, Condensed statement of operations

MEUR	Jul-Sep 09	Jul-Sep 08	Jan-Sep 09	Jan-Sep 08
Revenue	0.8	0.9	2.3	2.8
Personnel cost	(0.7)	(0.7)	(1.9)	(2.1)
Other Operating expenses	(2.0)	(2.4)	(6.9)	(8.2)
Operating loss before depreciation and amortization	**(1.9)**	**(2.2)**	**(6.5)**	**(7.5)**
Depreciation and amortization expense	0	0	(0.1)	0
Operating loss	**(1.9)**	**(2.2)**	**(6.6)**	**(7.6)**
Financial income	0	0.9	0.1	0.6
Financial expense	(1.5)	(0.6)	(1.9)	(0.7)
Loss before tax	**(3.4)**	**(1.9)**	**(8.4)**	**(7.7)**
Income Tax	0.9	0.5	2.2	2.2
Loss for the period	**(2.5)**	**(1.4)**	**(6.2)**	**(5.5)**

Parent Company, condensed balance sheet statement

MEUR	30-Sep 09	31-Dec 08
ASSETS		
Tangible assets	0.3	0.2
Shares in subsidiaries	232.1	231.6
Deferred tax assets	3.0	-
Total non-current assets	**235.4**	**231.8**
Inventories	0	0
Current receivables	1.0	16.5
Cash and cash equivalents	0	0
Total current assets	**1.0**	**16.5**
TOTAL ASSETS	**236.4**	**248.3**
EQUITY AND LIABILITIES		
Equity	**186.5**	**194.3**
Current liabilities	49.9	54.0
Total current liabilities	**49.9**	**54.0**
TOTAL EQUITY AND LIABILITIES	**236.4**	**248.3**

Parent Company, statement of changes in equity

MEUR	Share capital	Share premium reserve	Retained earnings incl. net profit/loss for the period	Total equity
Balance as of Jan. 1, 2008	**10.0**	**212.1**	**(6.8)**	**215.3**
Dividends paid	-	(14.8)	-	**(14.8)**
Share buy-back	-	-	(8.4)	**(8.4)**
Long term incentive plan	-	-	0.4	**0.4**
Group contribution	-	-	5.8	**5.8**
Tax effect on group contribution	-	-	(1.6)	**(1.6)**
Net loss for the period	-	-	(5.5)	**(5.5)**
Balance as of Sep 30, 2008	**10.0**	**197.3**	**(16.1)**	**191.2**
Share buy-back	-	-	-	**-**
Long term incentive plan	-	-	(0.2)	**(0.2)**
Group contribution	-	-	3.8	**3.8**
Tax effect on group contribution	-	-	(1.0)	**(1.0)**
Net profit for the period	-	-	0.5	**0.5**
Balance as of Dec. 31, 2008	**10.0**	**197.3**	**(13.0)**	**194.3**
Long term incentive plan	-	-	0.5	**0.5**
Group contribution	-	-	(2.9)	**(2.9)**
Tax effect on group contribution	-	-	0.8	**0.8**
Net loss for the period	-	-	(6.2)	**(6.2)**
Balance as of Sep 30, 2009	**10.0**	**197.3**	**(20.8)**	**186.5**

Comments to income statement

The primary purpose of the Parent Company is to act as a holding company for the Group's investments in hotel operating subsidiaries in various countries. In addition to this main activity, the Parent Company also serves as a Shared Service Centre for all hotels in Sweden.

The main revenue of the Company is internal fees charged to the hotels in Sweden for the related administrative services provided by the Shared Service Centre. In Q3 09 and YTD 09 the inter-company revenue of the Parent Company amounted to MEUR 0.7 (0.8) and MEUR 2.1 (2.4) respectively. The inter-company costs in Q3 09 and YTD 09 amounted to MEUR 1.3 (1.6) and MEUR 4.4 (5.9) respectively. In Q3 09 and YTD 09 inter-company interest income amounted to MEUR 0 (0.1) and MEUR 0 (0.4) respectively and intercompany interest expenses to MEUR 0.4 (0.6) and 0.5 (1.6) respectively.

Comments to balance sheet

At the end of the quarter the inter-company receivables amounted to MEUR 0.5 (16.2 at year-end 08) and the inter-company liabilities to MEUR 44.9 (52.4 at year-end 08). The changes in the balance sheet since year-end are mainly related to changes in short-term inter-company borrowing and lending.

Notes to condensed consolidated financial statements

Basis of preparation

The interim report has been prepared in accordance with the Swedish Annual Accounts Act and International Accounting Standard (IAS) 34 Interim Financial Reporting. The interim report has been prepared using accounting principles consistent with International Financial Reporting Standards (IFRS).

The interim report for the parent company has been prepared in accordance with Swedish Annual Accounts Act and Recommendation RFR 2.2, Accounting for Legal Entities, issued by Swedish Financial Accounting Standards Council.

The same accounting policies, presentation and methods of computation have been followed in this interim report as were applied in the Company's annual report for the year ended 31 December 2008, except for the impact of the adoption of the standards and interpretations described below.

As from January 1st, 2009 the Group has adopted the new standard *IFRS 8 Operating Segments* which replaces IAS 14 Segment Reporting. The new standard requires that segment information is reported in the same way as it is reported internally. The implementation of IFRS 8 has not given rise to any new identified segments compared to the segments presented in Note 7 to the Group's annual report for the year ended December 31st, 2008. The Group has also adopted the revised *IAS 1 Presentation of Financial Statements*. This revised standard has introduced a number of terminology changes and resulted in some changes in presentation and disclosure (such as other comprehensive income), but has had no impact on the reported results or financial position of the Group. Other revised standards and new interpretations effective as from January 1st, 2009 are the revised *IAS 23 Borrowing Costs*, the revised *IAS 32 Financial instruments: Presentation*, *IFRIC 13 Customer Loyalty Programmes*, *IFRIC 16 Hedges of Net Investment in a Foreign Operation* and *IFRIC 15 Agreements for the Construction of Real Estate*. These revised standards and new interpretations have had little or no effect on the reported results or financial position of the Group.

Related party transactions

Related parties with significant influence are: The Carlson Group (Carlson) owning 44% of the shares. Rezidor also has some joint ventures and associated companies. On the 30th of Sep 2009 Rezidor had ordinary current receivables related to Carlson of MEUR 0.3 (0.8) and ordinary current liabilities of MEUR 1.3 (1.0). The business relationship with Carlson mainly consisted of operating costs related to the use of the brands and the use of the Carlson reservation system. During the first nine months of 2009, Rezidor had operating costs towards Carlson of MEUR 6.4 (6.1). Moreover, Rezidor paid commissions towards the travel agencies' network of Carlson amounting to MEUR 0.9 (0.4). For these specific commissions Rezidor had current liabilities of MEUR 0.0 (0.2 as at 31st December 2008).

In December 08, Rezidor entered into an agreement with Carlson, whereby Carlson acquired the right to use certain brand tools, concepts, manuals and intellectual property developed by Rezidor for the Radisson brand. Carlson paid MEUR 1.8, equal to the estimated fair value for the products which were delivered in January 09 and the revenue from this transaction was consequently recognised in Q1 09. In September 09, a similar agreement regarding a F&B concept was entered into between Rezidor and Carlson, for which Carlson has paid MEUR 0.2.

Information on the long-term equity settled performance- based incentive programme is included on page 7.

Pledged assets and contingent liabilities

Asset pledged, MEUR	**30-Sep 2009**	**31-Dec 2008**
Securities on deposits (restricted accounts)	2.3	3.0

Contingent liabilities, MEUR	**30-Sep 2009**	**31-Dec 2008**
Miscellaneous guarantees provided	2.4	1.1
Total guarantees provided	**2.4**	**1.1**

Revenue per area of operation

MEUR	Jul-Sep 09	Jul-Sep 08	Change %	Jan-Sep 09	Jan-Sep 08	Change %
Revenue						
Rooms revenue	97.4	115.1	(15.4)	278.2	339.3	(18.0)
F&B revenue	41.3	49.1	(15.9)	136.7	167.0	(18.1)
Other hotel revenue	5.4	5.3	1.9	14.3	15.5	(7.7)
Total hotel revenue	**144.1**	**169.5**	**(15.0)**	**429.2**	**521.8**	**(17.7)**
Fee revenue	18.4	20.7	(11.1)	51.7	61.8	(16.3)
Other revenue	2.9	2.3	(26.1)	10.3	7.7	33.8
Total revenue	**165.4**	**192.5**	**(14.1)**	**491.2**	**591.3**	**(16.9)**

Total fee revenue

MEUR	Jul-Sep 09	Jul-Sep 08	Change %	Jan-Sep 09	Jan-Sep 08	Change %
Management Fees	5.7	6.9	(17.4)	16.5	20.7	(20.3)
Incentive Fees	4.7	5.4	(13.0)	12.9	17.8	(27.5)
Franchise Fees	1.4	1.2	16.7	4.4	4.1	7.3
Other Fees (incl. marketing, reservation fee etc.)	6.6	7.2	(8.3)	17.9	19.2	(6.8)
Total fee revenue	**18.4**	**20.7**	**(11.1)**	**51.7**	**61.8**	**(16.3)**

Revenue per region

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Total	
Jul-Sep	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Leased	64.2	80.6	79.9	88.9	-	-	-	-	144.1	169.5
Managed	1.5	1.8	6.3	6.8	5.1	6.6	2.7	2.8	15.6	18.0
Franchised	1.1	1.3	1.5	1.1	0.2	0.3	-	-	2.8	2.7
Other	2.0	2.1	0.9	0.2	-	-	-	-	2.9	2.3
Total	**68.8**	**85.8**	**88.6**	**97.0**	**5.3**	**6.9**	**2.7**	**2.8**	**165.4**	**192.5**

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Total	
Jan-Sep	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Leased	198.0	254.2	231.2	267.6	-	-	-	-	429.2	521.8
Managed	2.8	5.1	16.1	20.6	13.6	18.3	10.1	9.6	42.6	53.6
Franchised	3.4	4.1	5.1	3.5	0.6	0.6	-	-	9.1	8.2
Other	8.1	6.6	2.2	1.1	-	-	-	-	10.3	7.7
Total	**212.3**	**270.0**	**254.6**	**292.8**	**14.2**	**18.9**	**10.1**	**9.6**	**491.2**	**591.3**

Rental expenses

MEUR	Jul-Sep 09	Jul-Sep 08	Change %	Jan-Sep 09	Jan-Sep 08	Change %
Fixed rent	43.0	42.0	2.4	124.9	124.1	0.6
Variable rent	4.7	8.1	(42.0)	14.5	26.4	(45.1)
Rent	**47.7**	**50.1**	**(4.8)**	**139.4**	**150.5**	**(7.4)**
Rent as a % of leased hotel revenue	33.1%	29.6%	350 bps	32.5%	28.8%	370 bps
Guarantees	4.1	1.7	141.2	15.7	6.9	127.5
Rental expense	**51.8**	**51.8**	**0.0**	**155.1**	**157.4**	**(1.5)**

Operating profit before depreciation and amortization and gain on sales of fixed assets (EBITDA)

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Central costs		Total	
Jul-Sep	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Leased	6.6	13.6	(5.1)	(0.7)	-	-	-	(0.1)	-	-	1.5	12.8
Managed	1.3	1.5	0.2	4.7	3.9	4.5	1.9	2.3	-	-	7.3	13.0
Franchised	0.5	0.9	1.0	0.6	0	0.2	-	-	-	-	1.5	1.7
Other1)	1.3	2.4	0	0.5	-	0	0.3	0.6	-	-	1.6	3.5
Central costs	-	-	-	-	-	-	-	-	(8.8)	(11.0)	(8.8)	(11.0)
Total	**9.7**	**18.4**	**(3.9)**	**5.1**	**3.9**	**4.7**	**2.2**	**2.8**	**(8.8)**	**(11.0)**	**3.1**	**20.0**

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Central costs		Total	
Jan-Sep	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Leased	21.2	41.9	(20.9)	3.9	-	-	-	(0.3)	-	-	0.3	45.5
Managed	1.8	4.1	(2.5)	11.3	8.7	13.0	7.2	7.4	-	-	15.2	35.8
Franchised	1.8	2.4	3.3	1.5	0.3	0.4	-	-	-	-	5.4	4.3
Other1)	4.1	3.3	(0.2)	(0.3)	0	0.1	0.4	1.6	-	-	4.3	4.7
Central costs	-	-	-	-	-	-	-	-	(30.0)	(33.0)	(30.0)	(33.0)
Total	**28.9**	**51.7**	**(20.3)**	**16.4**	**9.0**	**13.5**	**7.6**	**8.7**	**(30.0)**	**(33.0)**	**(4.8)**	**57.3**

Operating profit (EBIT)

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Central costs		Total	
Jul-Sep	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Leased	3.9	10.5	(9.5)	(3.5)	-	-	-	(0.1)	-	-	(5.6)	6.9
Managed	1.3	1.5	0.2	4.6	3.8	4.3	1.9	2.3	-	-	7.2	12.7
Franchised	0.5	0.9	1.0	0.6	0	0.1	-	-	-	-	1.5	1.6
Other1)	0.9	2.4	(0.3)	0.2	-	0	0.3	0.6	-	-	0.9	3.3
Central costs	-	-	-	-	-	-	-	-	(8.8)	(11.0)	(8.8)	(11.0)
Total	**6.5**	**15.3**	**(8.6)**	**1.9**	**3.8**	**4.4**	**2.2**	**2.8**	**(8.8)**	**(11.0)**	**(4.9)**	**13.4**

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Central costs		Total	
Jan-Sep	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Leased	12.9	32.3	(32.2)	(4.1)	-	-	-	(0.3)	-	-	(19.3)	27.9
Managed	1.8	4.1	(2.6)	11.2	8.6	12.6	7.1	7.3	-	-	14.9	35.2
Franchised	1.7	2.3	3.2	1.4	0.2	0.3	-	-	-	-	5.2	4.0
Other1)	2.8	2.7	(1.0)	(1.0)	0	0.1	0.4	1.6	-	-	2.2	3.4
Central costs	-	-	-	-	-	-	-	-	(30.0)	(33.0)	(30.0)	(33.0)
Total	**19.3**	**41.4**	**(32.6)**	**7.5**	**8.8**	**13.0**	**7.5**	**8.6**	**(30.0)**	**(33.0)**	**(27.0)**	**37.6**

1) *Other also include share of income from associates and joint ventures.*

Reconciliation of profit/(loss) for the period

MEUR	Jul-Sep 09	Jul-Sep 08	Jan-Sep 09	Jan-Sep 08
Total operating profit/(loss) (EBIT) for reportable segments	**(4.9)**	**13.4**	**(27.0)**	**37.6**
Financial income	0.2	1.7	0.6	2.9
Financial expense	(1.3)	(0.7)	(1.5)	(2.1)
Group's total profit/(loss) before tax	**(6.0)**	**14.5**	**(27.9)**	**38.4**

Balance sheet and investments

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Total	
	30-Sep 2009	31-Dec 2008	30-Sep 2009	31-Dec 2008	30-Sep 2009	31-Dec 2008	30-Sep 2009	31-Dec 2008	30-Sep 2009	31-Dec 2008
Assets	162.1	109.6	167.1	209.1	25.4	30.0	33.4	35.3	388.0	384.0
Investments (tangible & intangible assets)	5.3	9.7	21.2	27.5	0.1	-	0.1	0	26.7	37.2

Hotels in operation

Contract type	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Total	
30-Sep,	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Leased	24	23	46	44	-	-	-	-	70	67
Managed	8	8	59	55	37	31	31	23	135	117
Franchised	23	23	45	33	7	7	-	-	75	63
Total	**55**	**54**	**150**	**132**	**44**	**38**	**31**	**23**	**280**	**247**

Rooms in operation

Contract type	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Total	
30-Sep,	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Leased	6,319	6,128	9,564	9,161	-	-	-	-	15,883	15,289
Managed	2,106	2,106	9,911	9,198	9,720	8,119	7,427	5,542	29,164	24,965
Franchised	4,137	4,063	8,353	6,047	1,258	1,258	-	-	13,748	11,368
Total	**12,562**	**12,297**	**27,828**	**24,406**	**10,978**	**9,377**	**7,427**	**5,542**	**58,795**	**51,622**

Hotels and rooms in development

	Nordics		Rest of Western Europe		Eastern Europe		Middle East Africa & Others		Total	
30-Sep, 2009	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**
Radisson Blu	1	310	6	1,341	17	4,695	24	6,068	48	12,414
Park Inn	7	1,558	17	2,534	13	2,398	11	2,377	48	8,867
Missoni	-	-	-	-	-	-	4	696	4	696
Regent	-	-	-	-	1	130	2	798	3	928
Total	**8**	**1,868**	**23**	**3,875**	**31**	**7,223**	**41**	**9,939**	**103**	**22,905**

Historic quarterly data

	2009			2008				2007			
MEUR	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
RevPAR	59.0	61.5	54.0	67.8	75.8	86.1	66.1	76.4	81.3	80.7	67.3
Revenue	165.4	173.2	152.6	193.6	192.5	221.8	177.0	213.3	201.0	197.6	173.4
EBITDAR	54.2	56.9	37.7	64.1	70.8	89.3	51.6	76.8	74.9	75.5	53.3
EBITDA	3.1	7.1	(14.9)	13.6	20.0	37.1	0.2	28.4	25.9	27.7	4.5
EBIT	(4.9)	(0.8)	(21.2)	5.3	13.4	30.4	(6.3)	23.0	19.6	21.7	(1.0)
Profit/(loss) after Tax	(6.1)	(2.5)	(19.2)	1.3	10.1	21.7	(7.0)	16.7	15.1	15.0	(1.1)
EBITDAR Margin %	32.7%	32.8%	24.7%	33.1%	36.8%	40.3%	29.1%	36.0%	37.3%	38.2%	30.7%
EBITDA Margin %	1.9%	4.1%	(9.8)%	7.0%	10.4%	16.7%	0.1%	13.3%	12.9%	14.0%	2.6%
EBIT Margin %	(3.0)%	(0.5)%	(13.9)%	2.7%	7.0%	13.7%	(3.5)%	10.8%	9.7%	11.0%	(0.6)%

Definitions

Average House Rate
Average House Rate – Rooms revenue in relation to number of rooms sold. Also referred to as ARR (Average Room Rate) or ADR (Average Daily Rate) in the hotel industry.

Central Costs
Central Costs represent costs for corporate and regional functions, such as Executive Management, Finance, Business Development, Legal, Communication & Investor Relations, Technical Development, Human Resources, Operations, IT, Brand Management & Development, and Purchasing. These costs are incurred to the benefit of all hotels within the Rezidor group, i.e. leased, managed and franchised.

Earnings per share
Profit for the period, before allocation to minority interest divided by the weighted average number of shares outstanding.

EBIT
Operating profit before net financial items and tax.

EBITDA
Operating profit before depreciation and amortisation and gain on sale of shares and fixed assets and net financial items and tax.

EBITDA margin
EBITDA as a percentage of Revenue.

EBITDAR
Operating profit before rental expense and share of income in associates and before depreciation and amortisation and gain on sale of shares and of fixed assets and net financial items and tax.

FF&E
Furniture, Fittings and Equipment.

Like-for-like hotels
Same hotels in operation during the previous period compared.

Net Cash/Debt
Cash & cash equivalents plus short-term interest-bearing assets (with maturity within 3 months) minus interest-bearing liabilities (short-term & long-term).

Net Interest Bearing Assets/Liabilities
Interest Bearing assets minus interest bearing liabilities.

Net working capital
Current non-interest-bearing receivables minus current non-interest-bearing liabilities.

Occupancy (%)
Number of rooms sold in relation to the number of rooms available for sale.

Revenue
All related business revenue (including rooms revenue, food & beverage revenue, other hotel revenue, fee revenue and other non-hotel revenue from administration units).

RevPAR
Revenue Per Available Room: Rooms revenue in relation to rooms available.

RevPAR like-for-like
RevPAR for like-for-like hotels at constant exchange rates.

System-wide revenue
Hotel revenue (including rooms revenue, food & beverage, conference & banqueting revenue and other hotel revenue) from leased, managed and franchised hotels, where revenue from franchised hotels is an estimate. It also includes other non-hotel revenue from administration units, such as revenue from Rezidor’s print shop that prepares marketing materials for Rezidor hotels and revenue generated under Rezidor’s loyalty programs.

Geographic regions/segments

Nordics (NO)
Denmark, Finland, Iceland, Norway and Sweden.

Rest of Western Europe (ROWE)
Austria, Belgium, France, Germany, Ireland, Italy, Malta, the Netherlands, Portugal, Spain, Switzerland and the United Kingdom.

Eastern Europe (incl. CIS countries) (EE)
Azerbaijan, Belarus, Bulgaria, Croatia, the Czech Republic, Estonia, Georgia, Hungary, Kazakhstan, Latvia, Lithuania, Macedonia, Poland, Romania, Russia, Slovakia, Turkey, Ukraine and Uzbekistan.

Middle East, Africa and Others, (MEAO)
Angola, Bahrain, Brazil, China, Egypt, Ethiopia, Jordan, Kenya, Kuwait, Lebanon, Libya, Mali, Morocco, Mozambique, Nigeria, Oman, Qatar, Saudi Arabia, Senegal, South Africa, Tunisia, the United Arab Emirates and Zambia.

Financial calendar

Year-end Report January-December 2009: 11 February 2010
Interim Report January-March 2010: 16 April 2010

Stockholm 30th October, 2009

Kurt Ritter
President & CEO
Rezidor Hotel Group AB

Webcast

30th October 2009 at 15:30

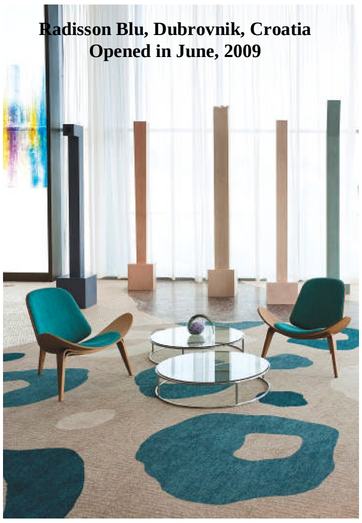
Kurt Ritter, President & CEO, Knut Kleiven, Deputy President & CFO and Puneet Chhatwal, Chief Development Officer, will present the report and answer questions on 30th October 2009 at 15:30 (Central European Time).

To participate in the teleconference, please dial:

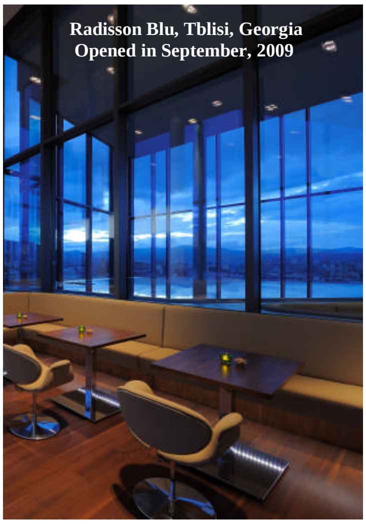
Sweden:	+46 8 505 204 24
Sweden toll-free:	0200 896 377
UK:	+44 203 023 4416
US:	+1 646 843 4608
US toll-free:	1 866 966 5335

To follow the webcast, please visit www.rezidor.com

A replay of the conference call will be available one month following the call by dialling +44 208 196 1998 (UK) and +1 866 583 1035 (US), access code 195424#.


Radisson Blu, Dubrovnik, Croatia
Opened in June, 2009


Radisson Blu, Tripoli, Libya
Opened in August, 2009


Radisson Blu, Tblisi, Georgia
Opened in September, 2009

In the first nine months of 2009 Rezidor opened 27 new hotels

For further information, please contact:

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