THE REZIDOR HOTEL GROUP

Rezidor continues focus on value enhancing growth and cash protection

Second quarter, 2009

- RevPAR Like-for-Like decreased by -22.9% to EUR 66.6 (86.4). Like-for-Like Occupancy was 63.9% (71.6).
- Revenue decreased by -21.9% or MEUR -48.6 to MEUR 173.2 (221.8). On a Like-for-Like basis Revenue decreased by -20.5%.
- EBITDA was MEUR 7.1 (37.1), and EBITDA margin was 4.1% (16.7).
- It is estimated that revenue was negatively impacted by MEUR 12-14 and EBITDA by MEUR 5-6 compared to last year due to the timing of Easter.
- Loss after tax amounted to MEUR -2.5 (21.7).
- Basic and diluted earnings Per Share amounted to EUR -0.02 (0.15).

Six month ending June, 2009

- RevPAR Like-for-Like decreased by -18.8% to EUR 62.3 (76.7). Like-for-Like Occupancy was 59.2% (65.8).
- Revenue decreased by -18.3% or MEUR -73 to MEUR 325.8 (398.8). On a Like-for-Like basis Revenue decreased by -16.6%.
- EBITDA was MEUR -7.8 (37.3), and EBITDA margin was -2.4% (9.4).
- Loss after tax amounted to MEUR -21.6 (14.7).
- Basic and diluted earnings Per Share amounted to EUR -0.15 (0.10).
- Cash flow from operating activities amounted to MEUR -19.1 (24.6). Total available cash at the end of the period, including unutilised credit facilities, amounted to MEUR to 89.0 (138.1 in June 08). Net debt/cash amounted to MEUR -16.7 (9.9 in June 08).

Other developments

- Rezidor added ca 2,400 rooms into operations in the second quarter, of which 84% were managed or franchised. During the first six months, Rezidor added ca 3,100 rooms, of which 87% were managed or franchised.
- Rezidor signed 11 contracts for new hotels in the second quarter featuring a total of ca 2,600 rooms. During the first six months, Rezidor signed 25 contracts for new hotels, totalling ca 5,000 rooms. 100% of the new rooms contracted in H1-2009 were managed or franchised.
- The first Missoni hotel was opened in Edinburgh in the UK in the second quarter.
- The cost savings plan generated savings of MEUR 8.0 during the second quarter and MEUR 12.5 during the first sixth months of the year.

Comment from the CEO

"The global recession continues to impact the hotel market and industry RevPAR in Europe fell more than 20% in the first six months of the year compared to the same period in 2008. During the second quarter the market showed signs of stabilisation in occupancy decline, while room rates continued to drop further. Rezidor has seen a less adverse impact in Norway, Sweden, the UK and South Africa.

Visibility is still very limited and we maintain focus on cost management and cash flow. Our aggressive cost cutting programme is proceeding with expected annual savings of around MEUR 30. So far this year we have managed to achieve total savings of MEUR 12.5. In addition, we expect to reduce central costs by 10% on an annual basis.

*Despite the downturn, we seek profitable opportunities and continue to reduce risks by adding fee-based managed and franchised rooms to our portfolio. We added more than 3,100 new rooms to operation in the first half of the year, 87% of which were fee-based. In addition, we added close to 5,000 new rooms to our pipeline, that currently features over 23,000 rooms, of which 90% are fee-based". **Kurt Ritter, President & CEO***

Selected financial data, MEUR	Apr-Jun 09	Apr-Jun 08	Jan-Jun 09	Jan-Jun 08
Revenue	173.2	221.8	325.8	398.8
EBITDAR	56.9	89.3	94.6	140.8
EBITDA	7.1	37.1	(7.8)	37.3
EBIT	(0.8)	30.4	(21.9)	24.2
Profit/(loss) after Tax	(2.5)	21.7	(21.6)	14.7
EBITDAR Margin %	32.8%	40.3%	29.0%	35.3%
EBITDA Margin %	4.1%	16.7%	(2.4)%	9.4%
EBIT Margin %	(0.5)%	13.7%	(6.7)%	6.1%

Market development

The global recession continues to impact the hotel market and industry RevPAR in Europe fell more than 20% in the first six months of the year compared to the same period in 2008. During the second quarter the market showed signs of stabilisation in occupancy decline, while room rates continued to drop further. Rezidor has seen a less adverse impact in Norway, Sweden, the UK and South Africa compared to the rest of EMEA.

As in previous downturns, the mid-market, economy and budget segments seem to be losing less RevPAR than the up-market segments.

Rezidor continues to maintain its strong focus on cost management and cash flow. The aggressive cost cutting programme is proceeding with expected annual savings of around MEUR 30. So far this year the company has managed to achieve total savings of MEUR 12.5. In addition, Rezidor expect to reduce central costs by 10% on an annual basis.

Reducing risks

Rezidor will maintain its strategy of further reducing risks in the portfolio by growing with fee-based managed and franchised rooms. Rezidor added more than 3,100 new rooms to operation in the first half of the year, 87% of which were fee-based. In addition, the company added close to 5,000 new rooms to its pipeline, of which only 30 rooms were leased and extensions to existing hotels. 90% of the Rezidor's current pipeline is managed or franchised.

Growth opportunities continue to exist despite the crisis. Research shows that distressed assets will change hands and there is a fundamental and structural need for internationally branded hotels in emerging markets like Africa, Russia and the other CIS countries.

Besides Moscow and St Petersburg, a significant number of cities in Russia and the other CIS with a population of 500,000 inhabitants or above, have no or very limited supply of international hotels. In Africa, there's a need to modernise the hotel supply in many of the continent's capital cities, and other business and leisure destinations.

Even considering the recent declines in RevPAR, emerging markets remain strong performers and absolute RevPAR in cities like Moscow is still high. Of the new rooms contracted in January-June 2009, 84% are in Eastern Europe, the Middle East and Africa. Nearly 75% of Rezidor's total pipeline, which currently features over 23,000 rooms, is in these emerging markets.

RevPAR

Second quarter, 2009

All markets continued to report weak performance with like-for-like RevPAR below same period last year by ca -23%. The decline was stronger than the previous quarter and affected by traditionally low performance in several countries during the Easter period which fell into Q2 in 2009 versus Q1 2008.

All geographic segments noted a decline in corporate travel and business groups with ROWE and the Nordics also experiencing a decline in crew volumes. This was partly compensated by a positive development from leisure groups noted in all geographic segments.

The following table shows the RevPAR development during Q2 09:

RevPAR	Apr-Jun 09
L/L decline	(22.9)%
FX impact	(2.5)%
New openings	(3.2)%
Reported decline	(28.6)%

The negative FX impact was mainly coming from the depreciation of the PLN (ca -23%), the SEK (ca -13%), GBP (ca -10%) and the NOK (ca -10%) compared to Q2 08. This was however partly offset by the appreciation of the USD (ca 15%) 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 the Baltics (ca -41%), the UAE (ca -41%), Switzerland (ca -40%), Russia (-46%) and Ireland (ca -32%). The best performing market, based on RevPAR development, was Saudi Arabia (ca +12%).

The like-for-like AHR also 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 United Arab Emirates (ca -27%), the Baltics (ca -26%), the Netherlands (ca -25%) and Ireland (ca -21%). The strongest performing markets, based on AHR development, were South Africa (ca +7%) and Poland (ca +5%).

Like-for-like Occupancy was also down in all the geographic segments and the key markets which noted the most significant declines were Switzerland (ca -23%), the Baltics (ca -20%), the United Arab Emirates (ca -19%), South Africa (ca -18%) and Russia (ca -17%). The best performing market, based on RevPAR development, was Saudi Arabia (ca +11%).

Half year, 2009

The RevPAR performance during the first six months of 2009 versus the same period last year is shown in the table below:

RevPAR	**Jan-Jun 09**
L/L decline	(18.8)%
FX impact	(2.7)%
New openings	(2.5)%
Reported decline	(24.0)%

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	**Apr-Jun 09**	**Apr-Jun 08**	**Change**	**Jan-Jun 09**	**Jan-Jun 08**	**Change**
RevPAR Like-for-Like, EUR[1)]						
Radisson Blu	74.4	96.1	(22.6)%	70.4	86.4	(18.5)%
Park Inn	41.0	54.3	(24.5)%	35.1	44.4	(20.9)%
Rezidor	66.6	86.4	(22.9)%	62.3	76.7	(18.8)%
Occupancy Like-for-Like						
Radisson Blu	66.1%	73.9%	(780)bps	62.0%	68.8%	(680)bps
Park Inn	57.9%	65.2%	(730)bps	51.4%	57.3%	(590)bps
Rezidor	63.9%	71.6%	(770)bps	59.2%	65.8%	(660)bps
RevPAR, EUR						
Radisson Blu	70.2	95.8	(26.7)%	66.3	85.8	(22.7)%
Park Inn	36.7	54.4	(32.5)%	33.0	45.6	(27.6)%
Rezidor	61.5	86.1	(28.6)%	57.9	76.2	(24.0)%
Occupancy						
Radisson Blu	64.7%	73.8%	(910)bps	60.5%	68.4%	(790)bps
Park Inn	54.7%	65.3%	(1060)bps	49.6%	57.4%	(780)bps
Rezidor	61.8%	71.5%	(970)bps	57.4%	65.5%	(810)bps

1) At constant exchange rates

Apr-Jun 09 Q/Q Change	**Nordics**	**Rest of Western Europe**	**Eastern Europe**	**Middle East, Africa & Other**	**Rezidor**
RevPAR Like-for-Like[1)]	(17.6)%	(22.2)%	(35.7)%	(15.2)%	(22.9)%
Occupancy Like-for-Like	(13.7)%	(9.0)%	(15.2)%	(5.5)%	(10.8)%
AHR Like-for-Like[1)]	(4.6)%	(14.1)%	(23.2)%	(12.9)%	(13.4)%
RevPAR	(26.4)%	(26.2)%	(41.3)%	(13.6)%	(28.5)%

Jan-Jun 09 Y/Y Change	**Nordics**	**Rest of Western Europe**	**Eastern Europe**	**Middle East, Africa & Other**	**Rezidor**
RevPAR Like-for-Like[1)]	(13.4)%	(18.4)%	(32.4)%	(13.0)%	(18.8)%
Occupancy Like-for-Like	(10.8)%	(8.3)%	(15.8)%	(6.8)%	(10.0)%
AHR Like-for-Like[1)]	(3.0)%	(10.9)%	(19.8)%	(6.6)%	(9.8)%
RevPAR	(22.8)%	(22.8)%	(36.0)%	(11.5)%	(24.0)%

1) At constant exchange rates

Comments to Statements of Operations (p.11)

Second quarter, 2009

Total Revenue decreased by 21.9% or MEUR 48.6, of which MEUR 10.9 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	(22.2)	(6.8)	(29.0)
F&B Revenue	(11.4)	(3.1)	(14.5)
Other Hotel Revenue	(0.4)	(0.3)	(0.7)
Total Leased Revenu	**(34.0)**	**(10.2)**	**(44.2)**
Fee Revenue	(3.8)	(0.7)	(4.5)
Other Revenue	0.1	0.0	0.1
Total Revenue	**(37.7)**	**(10.9)**	**(48.6)**

Like-for-like Revenue decreased by 20.5% or MEUR 45.6. Rooms Revenue continued to mark a decline due to a decrease in RevPAR mainly driven by a drop in demand from business individuals, groups (business and leisure) and crew volumes across all geographical areas. In addition, the Easter period had a negative effect on second quarter 2009 in comparison to 2008, in particular in the Nordics. The negative variance in revenue was partly offset by the four newly opened leased hotels (since the end of Q2 08).

F&B and Other Hotel Revenue (at constant FX) continued to note a declined due to the drop in occupancy and lower demand for F&B and Meetings & Events in most countries.

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 Q2 2008.

For the leased hotel revenue, a majority of the negative FX impact was due to the weakening of the GBP (ca 10%), the SEK (ca 13%) and the NOK (ca 10%). However, this was partly offset due to the strengthening of the CHF (ca 7%) versus the Euro. For the fee revenue, the negative FX effect was primarily due to depreciation of the PLN (ca 23%) and the GBP (ca 10%). However, this was partly offset by most currencies in the Middle East which are USD nominated (The USD appreciated by ca 15%).

Personnel cost and contract labour continued to decrease in absolute terms and the average number of employees went down to 5,633 during the quarter compared to 6,201 in Q2 08. The decrease in cost was partly offset by the additional personnel cost in the four new leased hotels since Q1 08.

The four new leased hotels also accounted for increased costs in Other Operating Expenses, property insurance and property tax.

Increased pre-opening cost in Q2 09 compared to same period last year had a negative effect of MEUR 0.7.

The cost cutting programme gave rise to savings of ca MEUR 8.2 during the quarter, which together with redundancy costs had a net positive impact on EBITDAR of ca MEUR 8.0.

Central costs decreased by 7% as a result of cost savings.

EBITDAR declined due to the drop in Total Revenue, and was also negatively affected by FX of ca MEUR -3.5. The sharp fall in revenue put the EBITDAR margin under pressure, but tight cost control and the special cost cutting programme reduced the negative impact.

Fixed rent was relatively stable, but it was also negatively affected by the four new leased hotels. Variable Rent noted a decline due to lower revenues (mainly in the Nordics). FX had a positive effect of ca MEUR 3.1 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 mainly due to overall decline in market conditions.

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. In addition FX had a negative impact on EBITDA of ca MEUR -0.4.

Depreciation and amortisation expense noted an increase due to a write down of fixed assets amounting to ca MEUR 1.0. This negative change was partly offset by a positive FX effect of MEUR 0.5.

The Financial Net improved despite a drop in cash flow from operations. This was due to exchange gains, lower interest rates and more efficient use of cash due to the new cash pool ing structure.

The increase in the effective tax rate is due to tax loss incurred during the period, where not all is capitalised as deferred tax assets.

Half year, 2009

Total Revenue decreased by 18.3% or MEUR 73.0, of which MEUR 23.0 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	(29.1)	(14.2)	(43.3)
F&B Revenue	(15.5)	(6.9)	(22.4)
Other Hotel Revenue	(0.6)	(0.7)	(1.3)
Total Leased Revenue	**(45.2)**	**(21.8)**	**(67.0)**
Fee Revenue	(6.8)	(1.1)	(7.9)
Other Revenue	2.0	(0.1)	1.9
Total Revenue	**(50.0)**	**(23.0)**	**(73.0)**

Like-for-like Revenue decreased by 16.6% or MEUR 66.2. 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 18 new hotels under management and franchise contracts since Q4 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 21.2 and were 4% below same period last year. The number includes redundancy costs of ca MEUR 0.9.

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 1.2, contributed positively by ca MEUR 12.5 during the period (mainly in personnel cost). In addition, EBITDAR was negatively affected by the addition of the four new leased hotels, increased pre-opening cost of ca MEUR 0.4 and FX of ca MEUR -7.7.

EBITDA and EBITDA margin were in addition 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. FX had a minor negative impact of ca MEUR -0.7.

The Financial Net improved despite the drop in cash flow from operations, high interest income in Q1 08 and some small one-off positive effects in Q1 08. This was mainly due to an exchange gain and the new more efficient cash pooling structure with improved terms and conditions.

The higher tax rate is due to higher losses in countries where not all tax loss carry forward is capitalized as deferred tax assets.

Q2 Comments by Region

Nordics

Like-for-like RevPAR dropped by 17.6% mainly a result of lower occupancy, particularly due to Easter. Denmark reported the biggest RevPAR drop (-21.2%), followed by Norway and Sweden (-18.4% and 16.4% respectively). The decline in corporate travel and business groups together with a decline in crew volumes account for the negative trend.

The negative market performance resulted in a MEUR 18.2 fall in leased revenue (excluding FX) compared to last year. Due to the substantial decrease in the Meeting & Events business, total leased revenue noticed a bigger drop than explained by the lower RevPAR. The weakening of the NOK and the SEK had a negative effect of MEUR 8.0.

Management and Franchise fees were equally affected by the downturn. In particular, managed fees were hit as a result of lower profit sharing fees. Franchise fees were also negatively impacted due to 10 hotels leaving the Rezidor system after Q1 08.

The negative trend in revenue was accompanied by a lower EBITDA for leased hotels and a pressure on the margins. Increase in energy prices and certain positive one-off items in Q2 08 had a further negative impact on EBITDA and on the deviation to last year. Lower revenue and weaker currencies however led to a lower variable rent, which in turn had a positive impact on EBITDA. Managed and Franchised EBITDA declined mainly due to the softening of the markets, and to some extent FX. Other EBITDA was lower than last year's due to a reversal of an accrual in Q2 08 related to a loyalty programme.

Rest of Western Europe

The market in ROWE was more significantly impacted by the economic slowdown than the Nordics as Like-for-like RevPAR declined 22.2%. 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 Switzerland (-39.7%), closely followed by Ireland (-32.0%) and The Netherlands (-30.9%). The ROWE markets were mainly affected by the slump in corporate travel and business groups.

Poor market conditions caused revenue from leased hotels to decline by MEUR 15.9 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 4 new leased properties had a positive effect on revenues by MEUR 5.5. Fees from Managed and Franchised hotels declined due to lower RevPAR. 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 negatively and put pressure on the margins. The high fixed lease commitments in Belgium, Germany and the UK as well as the addition of 4 new leases to the portfolio contributed to the negative EBITDA for leased hotels. EBITDA for Managed and Franchised business declined in line with revenues and was also negatively affected by increased guarantee payments (MEUR 2.8).

Eastern Europe

Like-for–like RevPAR noted a steep decline of 35.7%. Russia experienced a -45.8% drop, a result of lower business individual and leisure group volumes coupled with significant rate reductions. The Baltics (-40.9%) witnessed more significant decreases in business individual volume and crew volume but a lesser decline in rate.

The decline in RevPAR resulted in a substantial decrease in franchise and management fees. New rooms coming into the system could not turn around the negative effect of the current market conditions.

EBITDA from Franchise and Managed hotel follow the drop in revenues. Other EBITDA declined as a result of lower share income from the joint ventures in South Africa and China.

Middle East, Africa and Others

Like-for-like RevPAR saw a decline of 15.2%. FX had a positive impact on reported RevPAR. Saudi Arabia was the strongest performing market based on RevPAR development. UAE was the key MEAO market with the most significant RevPAR decline, -40.5%, a result of lower leisure individual and group volumes.
Despite the decline in underlying business (like-for-like RevPAR), fees noted a marginal increase due to ramping up and addition of new hotels as well as positive FX impact.

The growth in fees resulted in an increased EBITDA and the margins were stable.

Segmental Revenue, EBITDA and Central Costs

Revenue, MEUR	Apr-Jun 09	Apr-Jun 08	Change	Jan-Jun 09	Jan-Jun 08	Change
Nordics	74.6	103.1	(27.6)%	143.5	184.2	(22.1)%
Rest of Western Europe	89.3	108.1	(17.4)%	166.1	195.7	(15.1)%
Eastern Europe	5.6	7.4	(24.3)%	8.9	12.1	(26.4)%
Middle East, Africa & Others	3.8	3.3	15.2%	7.4	6.8	8.8%
Total Revenue	**173.2**	**221.8**	**(21.9)%**	**325.8**	**398.8**	**(18.3)%**

EBITDA, MEUR	Apr-Jun 09	Apr-Jun 08	Change	Jan-Jun 09	Jan-Jun 08	Change
Nordics	11.5	23.7	(51.5)%	19.3	33.2	(41.9)%
Rest of Western Europe	(1.2)	15.5	(107.7)%	(16.3)	11.4	(243.0)%
Eastern Europe	4.5	5.9	(23.7)%	5.0	8.7	(42.5)%
Middle East, Africa & Others	2.6	3.1	(16.1)%	5.5	5.9	(6.8)%
Central Costs	(10.3)	(11.1)	(7.2)%	(21.2)	(22.0)	(3.6)%
Total EBITDA	**7.1**	**37.1**	**(80.9)%**	**(7.8)**	**37.3**	**(120.9)%**

Central costs

Central costs amounted to MEUR 10.3. Due to tight control and cost-cutting measures, central costs were MEUR 0.8 lower in Q2 09 compared to the same period last year. The quarter was not affected by any redundancy costs.

Comments to balance sheet (p 12)

Compared to year-end 08, non-current assets have increased due to investments during the year, positive exchange differences related to Norway 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 associates 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 -40.1 (-55.8 at year-end 08). Cash and cash equivalents went down from MEUR 26.4 at year-end 08 to MEUR 7.1 and bank overdrafts increased from MEUR 8.2 at year-end 08 to MEUR 23.8.

Compared to year-end 08, equity went down by MEUR 13.6, 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 7.7.

Comments to cash flow and liquidity (p 14)

Cash flow from operating activities amounted to MEUR -19.1 in H1 09, which was MEUR 43.7 below that of last year. The negative change is almost entirely coming from the operating loss incurred during the year. Cash flow from change in working capital was negative and amounted to MEUR -7.5 (-4.1).

Change in working capital followed the normal seasonal pattern. The negative change to last year is mainly related to the lower business volume and the corresponding effect on net working capital (net liabilities). The successful efforts to reduce inventory and accounts receivables were outweighed by the impact from the decrease in operating liabilities. Compared to last year, liabilities also went down as a result of some relatively significant accruals in June 08 related to investments not present this year. The settlement of a one-off accrual in the beginning of the year and lower accruals for variable rent compared to 08, further added to the negative cash flow from working capital.

Cash flow from investing activities amounted to MEUR -16.3 and is similarly to 08 mainly related to investments in leased hotels in Norway and the UK. Cash flow from investments in leased hotels is lower this year, following a tight cash management. However, as a consequence of the final settlement of the acquisition of shares in subsidiaries prior years, amounting to MEUR 2.9, cash flow from investing activities was in line with that of the same period last year.

Cash flow from financing activities in H1 amounted to MEUR 15.8 and was attributable to an increased utilisation of overdraft facilities. 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 1.1 was used for bank guarantees and MEUR 23.8 was used as overdrafts, leaving MEUR 81.9 available for use. At the end of June 09, Rezidor had MEUR 7.1 in cash and cash equivalents.

Net interest bearing assets (including pension assets and retirement benefit obligations) amounted to MEUR 4.2 (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 -16.7 (18.2 at year-end 08).

Incentive programmes

On May 4, 2007 the Annual General Meeting approved a long-term equity settled performance-based incentive programme 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 programme may be awarded shares in the Company at the end of the vesting period (1st May 2010). The maximum number of shares that can be awarded is 225,801.

On April 23, 2008 the Annual General Meeting approved a new long-term equity settled performance-based incentive programme 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 programme may be awarded shares in the Company. In addition, participants are entitled to receive shares conditional on continuous employment during the vesting period. Allotments of shares will take place in conjunction with the release of the Q1 report in 2011. The maximum number of shares that can be awarded is 667,691.

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. No shares had been granted at the end of Q2 (to be granted in Q3), but the maximum number of shares that can be awarded is 1,350,000.

The cost for the incentive programmes in Q2 and H1, calculated in accordance with IFRS 2, amounted to MEUR 0.1 (0.1) and MEUR 0.2 (0.2) respectively. Costs for social security charges related to the programmes during Q2 and H1 were immaterial. The incentive programmes have not yet given rise to any dilution.

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 H1. The average number of own shares held by the Company during Q2 and H1 was 3,694,500 (1,970,200 and 1,600,325 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	Apr-Jun 09	Jan-Jun 09
By brand		
Radisson Blu	1,538	1,578
Park Inn	752	1,393
Other	136	136
Total	**2,426**	**3,107**
By contract type		
Managed	1,647	2,220
Leased	399	413
Franchised	380	474
Total	**2,426**	**3,107**

Rooms contracts signed	Apr-Jun 09	Jan-Jun 09
By brand		
Radisson Blu	1,236	2,417
Park Inn	1,212	2,010
Other	157	527
Total	**2,605**	**4,954**
By contract type		
Managed	2,440	4,307
Leased*	30	30
Franchised	135	617
Total	**2,605**	**4,954**
By geography		
Nordics*	30	30
Rest of Western Europe	277	759
Eastern Europe	751	1,488
Middle East, Africa & Others	1,547	2,677
Total	**2,605**	**4,954**

* 30 additional rooms signed through Asset Management

In Q2 09, Rezidor signed 11 contracts for new hotels (2,605 rooms). Out of these rooms, 93% are non-committed contracts.

In Q2 09, 9 asset management projects were signed, including the addition of 30 rooms to the pipeline.

In Q2 09, 2,426 rooms opened and no hotels left the system.

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 more severe 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. The Parent Company performs services of a common Group character. The risks for the Parent Company are the same as for the Group.

Statement from the Board of Directors and the CEO

The Board of Directors and the CEO declare that the half-year report provides a fair view of the development of the Group's and the Parent Company's financial position and result of operations and describes material risks and uncertainties facing the Parent company and the companies included in the Group.

Stockholm, July 21, 2009

Urban Jansson Chairman of the Board	Hubert Joly Vice Chairman of the Board
Jay Witzel Board Member	Trudy Rautio Board Member
Benny Zakrisson Board Member	Göte Dahlin Board Member
Harald Einsmann Board Member	Ulla Litzén Board Member
Barry Wilson Board Member	Mats Hansson Employee Represntative
Emil Bäckström Employee Representative	Kurt Ritter President and CEO

Report on review of interim report[1)]

Introduction

We have reviewed the interim report of Rezidor Hotel Group AB (publ) (Corp. i.d. no. 556674-0964) as of June 30, 2009 and the six-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the recommendation SÖG 2410 issued by the Institute for the Accounting Profession in Sweden which is substantially consistent with the rules issued by the Certified International Federation of Accountants (IFAC) for a review of interim financial information as described in the International Standard on Review Engagements (ISRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity.* A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report, in all essential respects, has not been prepared for the Group's part in accordance with IAS 34 and the Annual Accounts Act and for the Parent Company's part in accordance with the Annual Accounts Act.

Stockholm, July 21, 2009

Deloitte AB

Thomas Strömberg
Authorized Public Accountant

1) This review report is an unauthorized translation of the original review report in Swedish.

Condensed consolidated statement of operations

MEUR	Apr-Jun 09	Apr-Jun 08	Jan-Jun 09	Jan-Jun 08
Revenue	173.2	221.8	325.8	398.8
F&B and other related expenses	(12.8)	(16.0)	(24.9)	(30.0)
Personnel cost and contract labour	(61.8)	(72.8)	(123.4)	(139.0)
Other Operating expenses	(38.6)	(40.6)	(76.9)	(82.9)
Insurance of properties and property tax	(3.1)	(3.1)	(6.0)	(6.1)
Operating profit before rental expense and share of income in associates and depreciation and amortisation and gain on sale of fixed assets (EBITDAR)	**56.9**	**89.3**	**94.6**	**140.8**
Rental expense	(50.2)	(53.3)	(103.2)	(105.6)
Shares of income in associates and Joint Ventures	0.4	1.1	0.8	2.1
Operating profit/(loss) before depreciation and amortisation and gain on sale of fixed assets (EBITDA)	**7.1**	**37.1**	**(7.8)**	**37.3**
Depreciation, amortisation and write-down expense	(7.9)	(6.7)	(14.1)	(13.1)
Operating profit/(loss)	**(0.8)**	**30.4**	**(21.9)**	**24.2**
Financial income	0.7	0.4	0.9	1.3
Financial expense	(0.4)	(0.6)	(0.7)	(1.6)
Profit/(loss) before tax	**(0.5)**	**30.2**	**(21.7)**	**23.9**
Income tax	(2.0)	(8.5)	0.1	(9.2)
Profit/(loss) for the period	**(2.5)**	**21.7**	**(21.6)**	**14.7**
Attributable to:				
Equity holders of the parent	(2.5)	21.7	(21.6)	14.7
Minority interest	-	-	-	-
Profit/(loss) for the period	**(2.5)**	**21.7**	**(21.6)**	**14.7**
Average no. of shares outstanding during the period	146,307,540	148,031,840	146,307,540	148,401,715
Earnings per share, in EUR				
Basic and diluted	(0.02)	0.15	(0.15)	0.10

Consolidated statement of comprehensive income

Profit/(loss) for the period	**(2.5)**	**21.7**	**(21.6)**	**14.7**
Other comprehensive income:				
Exchange differences on translation of foreign operations	2.5	0.5	6.3	(4.6)
Tax on exchange differences recognised directly in equity	0.5	0.3	1.4	(1.2)
Other comprehensive income for the period, net of tax	**3.0**	**0.8**	**7.7**	**(5.8)**
Total comprehensive income for the period	**0.5**	**22.5**	**(13.9)**	**8.9**
Attributable to:				
Equity holders of the parent	0.5	22.5	(13.9)	8.9
Minority interest	-	-	-	-
	0.5	**22.5**	**(13.9)**	**8.9**

Condensed consolidated balance sheet statements

MEUR	30-Jun 09	31-Dec 08
ASSETS		
Goodwill	13.7	13.2
Licences and related rights and other intangible assets	68.4	66.0
Tangible assets	112.0	103.7
Investments in associated companies and joint ventures	5.7	8.0
Other shares and participations	10.7	10.5
Pension funds, net	10.9	10.3
Other long-term receivables	12.2	12.2
Deferred tax assets	24.5	20.2
Total non-current assets	**258.1**	**244.1**
Inventories	4.5	5.3
Other current receivables	110.4	105.2
Other short term investments	2.8	3.0
Cash and cash equivalents	7.1	26.4
Total current assets	**124.8**	**139.9**
TOTAL ASSETS	**382.9**	**384.0**
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent	170.5	184.1
Minority interest	0.2	0.2
Total equity	**170.7**	**184.3**
Deferred tax liabilities	28.4	25.8
Retirement benefit obligations	1.6	1.5
Other long-term liabilities	6.7	3.2
Total non-current liabilities	**36.7**	**30.5**
Liabilities to financial institutions	23.8	8.2
Other current liabilities	151.7	161.0
Total current liabilities	**175.5**	**169.2**
TOTAL EQUITY AND LIABILITIES	**382.9**	**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	-	-	-	(3.4)	**(3.4)**	-	**(3.4)**
Long term incentive plan	-	-	-	0.2	**0.2**	-	**0.2**
Total comprehensive income for the period	-	-	(5.8)	14.7	**8.9**	-	**8.9**
Ending balance as of June 30, 2008	**10.0**	**120.3**	**7.8**	**54.1**	**192.2**	**0.2**	**192.4**
Share buy-back	-	-	-	(5.0)	**(5.0)**	-	**(5.0)**
Long term incentive plan	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	(14.5)	11.4	**(3.1)**	-	**(3.1)**
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	-	-	-	0.3	**0.3**	-	**0.3**
Total comprehensive income for the period	-	-	7.7	(21.6)	**(13.9)**	-	**(13.9)**
Ending balance as of June 30, 2009	**10.0**	**120.3**	**1.0**	**39.2**	**170.5**	**0.2**	**170.7**

Condensed consolidated statement of cash flow

MEUR	Jan-Jun 09	Jan-Jun 08
Operating profit/(loss)	**(21.9)**	**24.2**
Non cash items	13.5	9.0
Interest, taxes paid and other cash items	(3.2)	(4.5)
Change in working capital	(7.5)	(4.1)
Cash flow from operating activities	**(19.1)**	**24.6**
Purchase of intangible assets	(0.6)	(0.4)
Purchase of tangible assets	(13.0)	(14.6)
Other investments/divestments	(2.7)	(0.9)
Cash flow from investing activities	**(16.3)**	**(15.9)**
External financing, net	15.8	(4.3)
Dividends paid	-	(14.8)
Share buy back	-	(3.4)
Cash flow from financing activities	**15.8**	**(22.5)**
Cash flow for the period	**(19.6)**	**(13.8)**
Effects of exchange rate changes on cash and cash equivalents	0.3	(0.3)
Cash and cash equivalents at beginning of the period	**26.4**	**51.4**
Cash and cash equivalents at end of the period	**7.1**	**37.3**

Parent Company, Condensed statement of operations

MEUR	Apr-Jun 09	Apr-Jun 08	Jan-Jun 09	Jan-Jun 08
Revenue	0.7	1.0	1.6	1.9
Personnel cost	(0.6)	(0.8)	(1.2)	(1.5)
Other Operating expenses	(2.7)	(3.1)	(4.9)	(5.8)
Operating loss before depreciation and amortization	**(2.6)**	**(2.9)**	**(4.5)**	**(5.4)**
Depreciation and amortization expense	0	0	(0.1)	0
Operating loss	**(2.7)**	**(2.9)**	**(4.6)**	**(5.4)**
Financial income	0	0.2	0.1	0.5
Financial expense	(0.3)	(0.4)	(0.4)	(0.9)
Loss before tax	**(3.0)**	**(3.1)**	**(4.9)**	**(5.8)**
Income Tax	0.8	0.9	1.3	1.6
Loss for the period	**(2.2)**	**(2.2)**	**(3.6)**	**(4.2)**

Parent Company, condensed balance sheet statement

MEUR	30-Jun 09	31-Dec 08
ASSETS		
Tangible assets	0.2	0.2
Shares in subsidiaries	231.9	231.6
Deferred tax assets	1.5	-
Total non-current assets	**233.6**	**231.8**
Inventories	0	0
Current receivables	1.5	16.5
Cash and cash equivalents	0	0
Total current assets	**1.5**	**16.5**
TOTAL ASSETS	**235.1**	**248.3**
EQUITY AND LIABILITIES		
Equity	**190.4**	**194.3**
Current liabilities	44.7	54.0
Total current liabilities	**44.7**	**54.0**
TOTAL EQUITY AND LIABILITIES	**235.1**	**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	-	-	(3.4)	**(3.4)**
Long term incentive plan	-	-	0.2	**0.2**
Group contribution	-	-	3.9	**3.9**
Tax effect on group contribution	-	-	(1.1)	**(1.1)**
Net loss for the period	-	-	(4.2)	**(4.2)**
Balance as of June 30, 2008	**10.0**	**197.3**	**(11.3)**	**196.0**
Share buy-back	-	-	(5.0)	**(5.0)**
Long term incentive plan	-	-	-	**-**
Group contribution	-	-	5.7	**5.7**
Tax effect on group contribution	-	-	(1.6)	**(1.6)**
Net loss for the period	-	-	(0.8)	**(0.8)**
Balance as of Dec. 31, 2008	**10.0**	**197.3**	**(13.0)**	**194.3**
Long term incentive plan	-	-	0.3	**0.3**
Group contribution	-	-	(0.7)	**(0.7)**
Tax effect on group contribution	-	-	0.2	**0.2**
Net loss for the period	-	-	(3.6)	**(3.6)**
Balance as of June 30, 2009	**10.0**	**197.3**	**(16.9)**	**190.4**

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 Q2 09 and YTD 09 the inter-company revenue of the Parent Company amounted to MEUR 0.6 (0.8) and MEUR 1.4 (1.6) respectively. The inter-company costs in Q2 09 and YTD 09 amounted to MEUR 1.7 (2.3) and MEUR 3.1 (4.2) respectively. In Q2 09 and YTD 09 inter-company interest income amounted to MEUR 0 (0.2) and MEUR 0 (0.3) respectively and intercompany interest expenses to MEUR 0.1 (0.6) and 0.4 (0.9) respectively.

Comments to balance sheet

At the end of the quarter the inter-company receivables amounted to MEUR 1 (16.2 at year-end 08) and the inter-company liabilities to MEUR 42.2 (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 June 2009 Rezidor had ordinary current receivables related to Carlson of MEUR 0.3 (0.8) and ordinary current liabilities of MEUR 0.6 (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 six months of 2009, Rezidor had operating costs towards Carlson of MEUR 4.1 (4.3). Moreover, Rezidor paid commissions towards the travel agencies' network of Carlson amounting to MEUR 0.5 (0.3). For these specific commissions Rezidor had current liabilities of MEUR 0.2 (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.

Other related parties are the management of Rezidor. Within this context, a member of the Executive Committee has received from Rezidor Hotel Group an interest-bearing loan amounting to TEUR 40 in order to acquire shares of Rezidor Hotel Group as part of the long-term equity settled performance-based incentive programme. The loan was granted effective 12th September 2007 and will mature at the end of May 2010. The related rate of interest is Euribor 3-month plus 0.6% per annum.

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-Jun 2009**	**31-Dec 2008**
Securities on deposits (restricted accounts)	2.8	3.0

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

Revenue per area of operation

MEUR	Apr-Jun 09	Apr-Jun 08	Change %	Jan-Jun 09	Jan-Jun 08	Change %
Revenue						
Rooms revenue	97.2	126.2	(23.0)	180.9	224.2	(19.3)
F&B revenue	49.3	63.7	(22.6)	95.4	117.9	(19.1)
Other hotel revenue	4.6	5.4	(14.8)	8.8	10.2	(13.7)
Total hotel revenue	**151.1**	**195.3**	**(22.6)**	**285.1**	**352.3**	**(19.1)**
Fee revenue	19.0	23.5	(19.1)	33.3	41.1	(19.0)
Other revenue	3.1	3.0	3.3	7.4	5.4	(37.0)
Total revenue	**173.2**	**221.8**	**(21.9)**	**325.8**	**398.8**	**(18.3)**

Total fee revenue

MEUR	Apr-Jun 09	Apr-Jun 08	Change %	Jan-Jun 09	Jan-Jun 08	Change %
Management Fees	6.0	7.7	(22.1)	10.8	13.7	(21.2)
Incentive Fees	5.0	7.8	(35.9)	8.2	12.4	(33.9)
Franchise Fees	1.8	1.5	20.0	3.0	2.9	3.4
Other Fees (incl. marketing, reservation fee etc.)	6.2	6.5	(4.6)	11.3	12.1	(6.6)
Total fee revenue	**19.0**	**23.5**	**(19.1)**	**33.3**	**41.1**	**(19.0)**

Revenue per region

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Total	
Apr-Jun	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Leased	70.7	96.9	80.4	98.4	-	-	-	-	151.1	195.3
Managed	0.6	2.3	5.5	8.0	5.4	7.2	3.8	3.3	15.3	20.7
Franchised	1.2	1.4	2.4	1.2	0.2	0.2	-	-	3.7	2.8
Other	2.1	2.5	1.0	0.5	-	-	-	-	3.1	3.0
Total	**74.6**	**103.1**	**89.3**	**108.1**	**5.6**	**7.4**	**3.8**	**3.3**	**173.2**	**221.8**

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Total	
Jan-Jun	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Leased	133.8	173.5	151.4	178.8	-	-	-	-	285.2	352.3
Managed	1.3	3.4	9.8	13.7	8.5	11.7	7.4	6.8	26.9	35.6
Franchised	2.3	2.8	3.6	2.3	0.4	0.4	-	-	6.3	5.5
Other	6.1	4.5	1.3	0.9	-	-	-	-	7.4	5.4
Total	**143.5**	**184.2**	**166.1**	**195.7**	**8.9**	**12.1**	**7.4**	**6.8**	**325.8**	**398.8**

Rental expenses

MEUR	Apr-Jun 09	Apr-Jun 08	Change %	Jan-Jun 09	Jan-Jun 08	Change %
Fixed rent	40.3	40.7	(1.0)	81.8	82.1	(0.4)
Variable rent	6.9	12.4	(44.4)	9.9	18.3	(45.9)
Rent	**47.2**	**53.1**	**(11.1)**	**91.7**	**100.4**	**(8.7)**
Rent as a % of leased hotel revenue	31.2%	27.2%	400 bps	32.2%	28.5%	370 bps
Guarantees	3.0	0.2	1400.0	11.5	5.2	121.2
Rental expense	**50.2**	**53.3**	**(5.8)**	**103.2**	**105.6**	**(2.3)**

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	
Apr-Jun	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Leased	9.8	19.7	(4.9)	8.9	-	-	-	(0.1)	-	-	4.9	28.6
Managed	0.2	1.9	1.5	6.5	4.2	5.6	3.0	2.6	-	-	8.9	16.6
Franchised	0.8	0.8	1.9	0.4	0.2	0.2	-	-	-	-	2.8	1.5
Other[1)2)]	0.5	1.3	0.2	(0.4)	0	0	0.1	0.6	-	-	0.8	1.5
Central costs[2)]	-	-	-	-	-	-	-	-	(10.3)	(11.1)	(10.3)	(11.1)
Total	**11.3**	**23.7**	**(1.3)**	**15.5**	**4.4**	**5.9**	**3.1**	**3.1**	**(10.3)**	**(11.1)**	**7.1**	**37.1**

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Central costs		Total	
Jan-Jun	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Leased	14.6	28.2	(15.7)	4.6	-	-	-	(0.2)	-	-	(1.2)	32.7
Managed	0.6	2.6	(2.7)	6.7	4.8	8.4	5.3	5.1	-	-	8.0	22.8
Franchised	1.3	1.5	2.3	0.8	0.3	0.2	-	-	-	-	3.8	2.5
Other[1)2)]	2.9	0.9	(0.2)	(0.7)	0	0.1	0.2	1.0	-	-	2.8	1.3
Central costs[2)]	-	-	-	-	-	-	-	-	(21.2)	(22.0)	(21.2)	(22.0)
Total	**19.3**	**33.2**	**(16.3)**	**11.4**	**5.0**	**8.7**	**5.5**	**5.9**	**(21.2)**	**(22.0)**	**(7.8)**	**37.3**

Operating profit (EBIT)

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Central costs		Total	
Apr-Jun	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Leased	7.0	16.3	(8.9)	6.3	-	-	-	(0.1)	-	-	(1.9)	22.5
Managed	0.2	1.9	1.5	6.4	4.1	5.5	2.9	2.6	-	-	8.7	16.4
Franchised	0.8	0.8	1.8	0.4	0.2	0.2	-	-	-	-	2.8	1.4
Other[1)2)]	(0.1)	1.1	(0.1)	(0.6)	0	0	0.1	0.6	-	-	(0.1)	1.2
Central costs[2)]	-	-	-	-	-	-	-	-	(10.3)	(11.1)	(10.3)	(11.1)
Total	**7.9**	**20.1**	**(5.7)**	**12.5**	**4.3**	**5.8**	**3.0**	**3.1**	**(10.3)**	**(11.1)**	**(0.8)**	**30.4**

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Central costs		Total	
Jan-Jun	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Leased	9.1	21.7	(22.6)	(0.6)	-	-	-	(0.2)	-	-	(13.5)	20.9
Managed	0.5	2.6	(2.8)	6.6	4.8	8.4	5.2	5.0	-	-	7.7	22.6
Franchised	1.2	1.5	2.3	0.8	0.2	0.2	-	-	-	-	3.7	2.5
Other[1)2)]	2.0	0.3	(0.7)	(1.2)	0	0.1	0.2	1.0	-	-	1.4	0.2
Central costs[2)]	-	-	-	-	-	-	-	-	(21.2)	(22.0)	(21.2)	(22.0)
Total	**12.8**	**26.1**	**(23.8)**	**5.6**	**5.0**	**8.7**	**5.4**	**5.8**	**(21.2)**	**(22.0)**	**(21.9)**	**24.2**

1) *Other also include share of income from associates and joint ventures.*
2) *Reclassification of certain costs was made between Other EBITDA and central costs for 2008 to align the cost allocation approach for the two periods. The adjustment led to a change in central costs and a corresponding change in Other EBITDA for 2008.*

Reconciliation of profit/(loss) for the period

MEUR	Apr-Jun 09	Apr-Jun 08	Jan-Jun 09	Jan-Jun 08
Total operating profit/(loss) (EBIT) for reportable segments	**(0.8)**	**30.4**	**(21.9)**	**24.2**
Financial income	0.7	0.4	0.9	1.3
Financial expense	(0.4)	(0.6)	(0.7)	(1.6)
Group's total profit/(loss) before tax	**(0.5)**	**30.2**	**(21.7)**	**23.9**

Balance sheet and investments

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Total	
	30-Jun 2009	31-Dec 2008	30-Jun 2009	31-Dec 2008	30-Jun 2009	31-Dec 2008	30-Jun 2009	31-Dec 2008	30-Jun 2009	31-Dec 2008
Assets	155.6	109.6	167.7	209.1	25.3	30.0	34.3	35.3	382.9	384.0
Investments (tangible & intangible assets)	4.6	9.7	14.9	27.5	0.1	-	0.1	0	19.7	37.2

Hotels in operation

Contract type	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Total	
30-Jun,	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Leased	23	23	46	42	-	-	-	-	69	65
Managed	8	7	60	54	35	30	29	21	132	112
Franchised	23	23	44	33	7	6	-	-	74	62
Total	**54**	**53**	**150**	**129**	**42**	**36**	**29**	**21**	**275**	**239**

Rooms in operation

Contract type	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Total	
30-Jun,	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Leased	6,139	6,129	9,564	8,679	-	-	-	-	15,703	14,808
Managed	2,106	2,064	10,106	8,981	9,063	7,944	6,769	5,054	28,044	24,043
Franchised	4,137	4,063	8,034	6,047	1,258	1,097	-	-	13,429	11,207
Total	**12,382**	**12,256**	**27,704**	**23,707**	**10,321**	**9,041**	**6,769**	**5,054**	**57,176**	**50,058**

Hotels and rooms in development

Contract type	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Total	
30-Jun, 2009	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**
Radisson Blu	2	490	7	1,480	19	5,352	24	6,291	52	13,613
Park Inn	6	1,448	18	2,664	13	2,398	9	1,940	46	8,450
Missoni	-	-	-	-	-	-	4	696	4	696
Regent	-	-	-	-	1	130	2	798	3	928
Total	**8**	**1,938**	**25**	**4,144**	**33**	**7,880**	**39**	**9,725**	**105**	**23,687**

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, Saudi Arabia, Senegal, South Africa, Tunisia, the United Arab Emirates, Qatar and Zambia.

Financial calendar

Interim Report January-September: 30 October 2009
Year-end Report January-December: 11 February 2010

Webcast

22nd July 2009 at 15:30

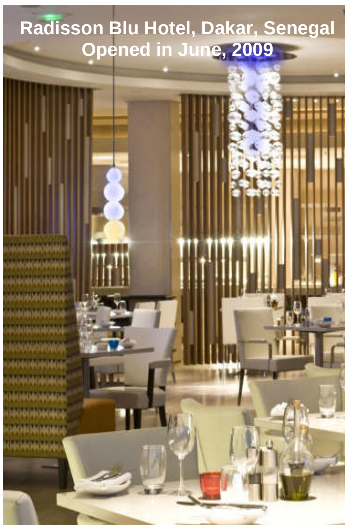
Kurt Ritter, President & CEO, Knut Kleiven, Deputy President & CFO and Puneet Chhatwal, Chief Development Officer, will present the report and answer questions on 22nd July 2009 at 15:30 (Central European Time).

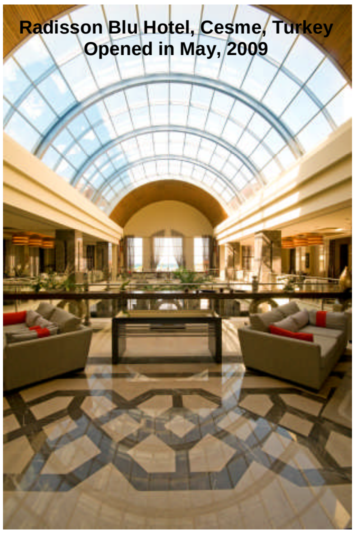
To participate in the teleconference, please dial:

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#.





In the first six months of 2009 Rezidor opened 20 new hotels

For further information, please contact:

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