Occupancy has stabilised in Q4 while rates continued to decrease

Comment from the CEO

"Occupancy reached 2008 levels in Q4, but rates continued to decrease. With limited visibility, it is still too early to assume this is the start of a recovery. We therefore continue to be prudent in preserving cash and controlling costs. The cost reduction programme has delivered according to plan. With annual savings of MEUR 32 in operational costs and additional reductions of approximately MEUR 4 in central costs, we have established a new level of fixed costs, ensuring that Rezidor will be well positioned when market conditions improve.

Perhaps the most significant accomplishment in 2009, however, was the record number of openings adding more than 7,000 rooms to the system. Of these new rooms, 87% were managed or franchised, thereby further reducing long-term risk to the company. Rezidor will continue to seek similar profitable growth opportunities in management contracts and in new, emerging markets." ***Kurt Ritter, President & CEO.***

Fourth quarter, 2009

- RevPAR like-for-like decreased by 10.6% to EUR 61.9 (69.2). Like-for-like occupancy was 61.4% (61.7).
- Revenue decreased by 3.9% or MEUR 7.6 to MEUR 186.0 (193.6). On a like-for-like basis Revenue decreased by 7.2%.
- EBITDA was MEUR 9.7 (13.6), and EBITDA margin was 5.2% (7.0).
- Loss after tax amounted to MEUR -0.3 (1.2).
- Basic and diluted Earnings Per Share amounted to EUR 0.00 (0.01).

Twelve months ending December, 2009

- RevPAR like-for-like decreased by 16.4% to EUR 62.9 (75.3). Like-for-like occupancy was 62.1% (66.4).
- Revenue decreased by 13.7% or MEUR 107.7 to MEUR 677.2 (784.9). On a like-for-like basis Revenue decreased by 13.6%.
- EBITDA was MEUR 4.9 (70.9), and EBITDA margin was 0.7% (9.0).
- Loss after tax amounted to MEUR -28.2 (26.1).
- Basic and diluted Earnings Per Share amounted to EUR -0.19 (0.18).
- Cash flow from operating activities amounted to MEUR -6.1 (61.9). Total available liquidity at the end of the period, including unutilised credit facilities, amounted to MEUR to 91.8 (123.9). Net debt/cash amounted to MEUR -7.5 (18.2).

Other developments

- Rezidor opened ca 2,200 rooms in the fourth quarter, of which 85% were managed or franchised. Three hotels, representing ca 370 rooms, left the system. In 2009, Rezidor opened ca 7,100 rooms, of which 87% were managed or franchised. 11 hotels, representing ca 1,100 rooms, left the system.
- Rezidor signed 9 contracts for new hotels in the fourth quarter representing ca 1,900 rooms. In 2009, Rezidor signed 39 contracts for new hotels, totaling ca 7,800 rooms. 95% of the new rooms contracted during the year were managed or franchised.
- The cost savings plan generated net savings in operational costs of MEUR 10 in the quarter and MEUR 32 during the year and, in addition, reductions of central costs of approximately MEUR 4 during the year.
- The Board of Directors proposes no dividend (EUR 0.00).

Selected financial data, MEUR	Oct-Dec 09	Oct-Dec 08	Jan-Dec 09	Jan-Dec 08
Revenue	186.0	193.6	677.2	784.9
EBITDAR	61.4	64.1	210.1	275.7
EBITDA	9.7	13.6	4.9	70.9
EBIT	2.0	5.3	(25.0)	42.9
Profit/(loss) after Tax	(0.3)	1.2	(28.2)	26.1
EBITDAR Margin %	33.0%	33.1%	31.0%	35.1%
EBITDA Margin %	5.2%	7.0%	0.7%	9.0%
EBIT Margin %	1.1%	2.7%	(3.7)%	5.5%

Market Development

There were some positive signs in the European hotel industry towards the end of 2009. In the very important London market RevPAR grew in the fourth quarter. Occupancy levels seem to have bottomed out in several other markets.

This indicates that we are moving towards a stabilisation in demand, which is normally followed first by increases in occupancy and then by increases in room rates. However, with limited visibility, it is still very difficult to forecast how long it will take for such increases to be realised.

Although all markets benefited from easier comparison figures at the end of 2009, it can be noted that UK, Germany and Sweden are among the Rezidor markets that held up better while Eastern Europe and the UAE continued to struggle.

As a result of shrinking demand and a lack of financing, the European industry pipeline declined in 2009. Industry data suggests that pipeline room counts have fallen 18% from the Q2 2008 peak and that the market is expected to be able to absorb the new capacity generated by the adjusted pipeline figures. However, in the short term, some cities in Northern and Eastern Europe will suffer from over capacity.

Rezidor's Focus

Until industry recovery is more certain, Rezidor will continue to be prudent in preserving cash and controlling costs. The cost reduction programme has delivered according to plan with annual savings of more than MEUR 30 in operational costs and an additional MEUR 4 savings in central costs. Value enhancing portfolio management and profitable growth remain important objectives for Rezidor.

The company still considers the emerging markets in Eastern Europe and Africa to be strategic growth markets with a fundamental structural need for new hotels. Adding fee-based managed and franchised rooms to the portfolio will also reduce the overall risk of the company. In 2009, Rezidor added more than 7,000 rooms to its operations, of which 87% were fee-based.

The pipeline has also grown by close to 8,000 rooms, of which 95% were managed or franchised. With more than 22,000 rooms in the pipeline and 60,000 rooms in operation Rezidor remains one of the fastest growing hotel companies in the world.

RevPAR

Fourth quarter, 2009

The negative RevPAR development continued during the quarter with a drop in like-for-like RevPAR of 10.6%. Occupancy during the quarter was in line with the same period last year and even noted a positive change by the end of the quarter. The fall in room rates was less than in previous quarters. Crew volume continued to decline in RoWE, MEAO and the Nordics and all geographic segments noted a decline in corporate travel. The loss in crew volume and corporate travel was however compensated by an increase in leisure and business bookings through low rate sales channels.

The following table shows the RevPAR development during Q4 09:

RevPAR	Oct-Dec 09
L/L decline	(10.6)%
FX impact	(3.1)%
New openings	(2.8)%
Reported decline	(16.5)%

The negative FX impact was mainly attributable to the depreciation of the USD linked currencies in the Middle East (ca -11%), the GBP (ca -7%), and the SEK (ca -1%) compared to Q4 08. Partially offsetting this was the appreciation of the NOK (ca 6%) and the CHF (ca 1%).

All geographic segments noted a decline in like-for-like RevPAR development with Eastern Europe having the most significant decline. The markets with the highest decreases were the Baltics (-36.5%), the UAE (-31.7%), Russia (-27.3%) and South Africa (-25.3%). The strongest performing markets, based on RevPAR development, were Denmark (+18.1%) and Saudi Arabia (+9.2%).

The like-for-like AHR declined in all the geographic segments with Eastern Europe having the most significant drop. Of significant note were the UAE (-30.4%), Russia (–28.4%), the Baltics (-28.0%), Ireland (-20.1%) and France (-11.6%). The strongest performing markets, based on AHR development, were Denmark (+11.4%) and Saudi Arabia (+5.0%).

Like-for-like occupancy only noted a decrease in the Nordics and MEAO, whereas Eastern Europe came in flat and RoWE had a positive development. The key markets which noted the most significant declines were South Africa (-20.2%), the Baltics (-11.8%) and Norway (-5.5%). The best performing markets, based on occupancy development, were Switzerland (+9.7%), Benelux (+6.5%) and Denmark (+5.9%).

Twelve months ending December, 2009

The RevPAR performance for the twelve months ending December 2009 versus the same period last year is shown in the table below:

RevPAR	Jan-Dec 09
L/L decline	(16.4)%
FX impact	(3.1)%
New openings	(2.2)%
Reported decline	(21.7)%

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	Oct-Dec 09	Oct-Dec 08	Change	Jan-Dec 09	Jan-Dec 08	Change
RevPAR like-for-like, EUR[1)]						
Radisson Blu	70.3	78.1	(10.0)%	71.0	84.4	(15.9)%
Park Inn	34.2	40.1	(14.7)%	35.8	44.7	(20.0)%
Rezidor	61.9	69.2	(10.6)%	62.9	75.3	(16.4)%
Occupancy like-for-like						
Radisson Blu	64.2%	64.5%	(30)bps	64.7%	69.1%	(440)pbs
Park Inn	53.1%	54.0%	(90)bps	54.5%	58.8%	(430)pbs
Rezidor	61.4%	61.7%	(30)bps	62.1%	66.4%	(430)bps
RevPAR, EUR						
Radisson Blu	64.6	76.5	(15.5)%	65.9	82.9	(20.4)%
Park Inn	32.1	39.2	(18.2)%	33.6	45.1	(25.6)%
Rezidor	56.5	67.7	(16.5)%	57.8	73.9	(21.7)%
Occupancy						
Radisson Blu	60.7%	63.6%	(290)bps	62.2%	67.9%	(570)bps
Park Inn	51.9%	52.9%	(100)bps	52.6%	57.8%	(520)bps
Rezidor	58.3%	60.8%	(250)bps	59.5%	65.2%	(570)bps

1) At constant exchange rates

Oct-Dec 09 Q/Q Change	Nordics	Rest of Western Europe	Eastern Europe	Middle East, Africa & Other	Rezidor
RevPAR like-for-like[1)]	(4.6)%	(8.8)%	(19.0)%	(15.2)%	(10.6)%
Occupancy like-for-like	(2.8)%	2.0%	0.1%	(5.1)%	(0.6)%
AHR like-for-like[1)]	(1.9)%	(9.9)%	(16.1)%	(13.8)%	(9.8)%
RevPAR	(1.2)%	(10.8)%	(29.0)%	(33.9)%	(16.5)%

Jan-Dec 09 Y/Y Change	Nordics	Rest of Western Europe	Eastern Europe	Middle East, Africa & Other	Rezidor
RevPAR like-for-like[1)]	(11.1)%	(14.9)%	(29.0)%	(15.6)%	(16.4)%
Occupancy like-for-like	(7.3)%	(4.5)%	(10.7)%	(6.8)%	(6.6)%
AHR like-for-like[1)]	(4.2)%	(10.9)%	(20.5)%	(9.5)%	(10.5)%
RevPAR	(17.6)%	(18.6)%	(33.7)%	(18.5)%	(21.7)%

1) At constant exchange rates

Comments to Statements of Operations (p.10)

Fourth quarter, 2009

Total Revenue, decreased by 3.9% or MEUR 7.6. FX had a positive impact of MEUR 0.8. The change in Revenues from operations and FX to same period last year is presented below.

MEUR	Operations	FX	Tot. Change
Rooms Revenue	(3.7)	0.1	(3.6)
F&B Revenue	(3.4)	0.5	(2.9)
Other Hotel Revenue	0.1	0	0.1
Total Leased Revenue	**(7.0)**	**0.6**	**(6.4)**
Fee Revenue	(1.8)	0.2	(1.6)
Other Revenue	0.4	0.0	0.4
Total Revenue	**(8.4)**	**0.8**	**(7.6)**

Like-for-like Revenue decreased by 7.2% or MEUR 13.9. Rooms revenue continued to mark a decline due to a decrease in RevPAR mainly driven by a drop in rate related to the low demand from corporate, business and leisure groups and crew volumes. Newly opened leased properties since Q4 2008 have mitigated the negative trend and have had a positive impact of MEUR 4.4 on revenue.

As occupancy levels were holding compared to Q4 08, so, too, did revenues derived from F&B and Other Revenue at constant FX noted a stabilisation. Revenue from Meeting & Events continued to decrease as a result of the persistent decline in demand.

The negative change in Fee Revenue (at constant FX) was due to lower RevPAR and some hotels leaving the system in the Nordics.

Personnel Costs continued to decrease in absolute terms as a result of various cost saving activities. This decrease was partially off-set by the additional personnel costs in new leased hotels since Q4 08. The average number of employees went down to 5,033 during the quarter compared to 5,814 in Q4 08.

Despite an occupancy in line with Q4 08 and the additional costs from new leased hotels, Other Operating Expenses came in below the same period last year. This was mainly the result of the various cost saving activities initiated since 2008. Other Property Insurance and Property Tax increased compared to Q4 08, partly due to a tax refund last year.

Pre-opening costs for the quarter were MEUR 0.6 higher compared to the same period last year and are related to the newly opened leased hotels in Q4 09 as well the ones to open early 2010.

The cost cutting programme gave rise to savings of MEUR 10.5 during the quarter, which together with redundancy costs had a net positive impact on EBITDAR of MEUR 10.1.

Central costs decreased from MEUR 9.6 to MEUR 7.8 as a result of successful cost saving efforts.

EBITDAR declined primarily due to the drop in Total Revenue. The impact of FX was marginal. Tight cost control and the special cost cutting programme mitigated the negative effects on margins from the mainly rate driven drop in RevPAR and the EBITDAR margin of 33% was in line with that of last year. FX had only a minor positive impact of MEUR 0.3 on EBITDAR.

Fixed rent was negatively affected by the new leased hotels (MEUR 1.9). This was only partly offset by a decrease in variable rent due to lower revenues (mainly in the Nordics) and unlike the previous quarters, FX had only a minor positive impact.

Shortfall payments for management contracts with performance guarantees were stable compared to the same quarter last year. Although RoWE showed an increase in guarantees due to the poor market conditions, guarantees in EE went down as several hotels reached their cap on guarantees.

The drop in Share of Income from Associates and Joint Ventures was as result of the overall decline in the market.

The fixed rent structure for several hotels in ROWE continued to have a negative effect on EBITDA and EBITDA margins. The impact from FX on EBITDA was MEUR 0.6.

The decrease in Depreciation and Amortisation Expense is related to a write-down of fixed assets done in Q4 08 amounting to MEUR 2.2. Excluding this effect, the Depreciation and Amortisation expense increased due to renovation works carried out last in 2008.

The Financial Net increased by MEUR 0.4 as a result of exchange losses and higher interest expenses resulting from a higher utilisation of overdraft facilities. These higher interest expenses were offset by positive exchange differences and a capital gain from the sale of a minority stake in a Turkish company.

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.

Twelve month ending December, 2009

Total Revenue decreased by 13.7% or MEUR 107.7. FX had a negative impact of MEUR 28.2. The impact from operations and FX on the change in revenue to same period last year is presented on the next side.

MEUR	Operations	FX	Tot. Change
Rooms Revenue	(45.7)	(19.0)	(64.7)
F&B Revenue	(24.9)	(8.3)	(33.2)
Other Hotel Revenue	0	(1.1)	(1.1)
Total Leased Revenue	**(70.6)**	**(28.4)**	**(99.0)**
Fee Revenue	(12.0)	0.2	(11.8)
Other Revenue	3.1	0	3.1
Total Revenue	**(79.5)**	**(28.2)**	**(107.7)**

Like-for-like Revenue decreased by 13.6% or MEUR 105.9. All geographic segments noted a decline in RevPAR. Eastern Europe noted the most significant drop, both from occupancy and rate.

The negative change in fee revenue was partly offset by the opening of 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.

Pre-opening costs were down with MEUR 0.2 compared to last year.

Central costs amounted to MEUR 37.9 and were MEUR 4.7 (11%) below same period last year. The number includes redundancy costs of MEUR 1.1.

The addition of new leased hotels, increased energy costs as well as higher travel agent commission costs related to the increased leisure business, negatively impacted the operational costs. Overall, however, costs went down as the company had to adapt the cost structure to the declining revenue. The special cost cutting programme is estimated to have given rise to savings of MEUR 33.6 during the year, which together with redundancy costs of MEUR 1.8 had a net positive EBITDAR impact of MEUR 31.8.

EBITDAR margin declined primarily due to the steep drop in Total Revenue and the addition of several leased hotels in their ramp-up phase. The various cost saving activities could only partly offset the negative trend. The effect from FX on EBITDAR for the year was ca MEUR -8.1.

In addition, EBITDA and EBITDA margin were negatively affected by the fixed rent structure for several hotels in ROWE, as well as the increase in shortfall payments. The effect from FX on EBITDA for the year was ca MEUR 1.4.

The drop in Share of Income from Associates and Joint Ventures, which followed the overall decline, also had a negative effect on EBITDA and EBITDA margin.

The Financial Net deteriorated in line with the drop in cash flow from operations and the corresponding increase in the use of overdraft facilities as well as the negative impact of 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.

Q4 Comments by Region

Nordics

Like-for-like RevPAR dropped by 4.6%, coming from both lower AHR and Occupancy. Denmark, as a result of the COP 15 (UN Climate Change Conference), had a positive RevPAR development (+18.1%). Norway had the biggest RevPAR drop (-10.6%), coming from lower corporate travel and business groups together with a decline in crew volumes. Sweden also declined (-4.8%), a result of lower corporate travel and crew volumes. In both Norway and Sweden increases in leisure individuals partially offset the losses in the other segments.

The negative market situation resulted in a MEUR 5.9 decline in leased revenue net of FX compared to Q4 08. The opening of a new property had a positive effect. The continued negative trend in demand for the Meeting & Events business made the drop in total leased revenue bigger than explained by the lower RevPAR. The strengthening of the currencies had a positive effect of MEUR 0.6.

Management and Franchise fees were not only affected by the downturn, but by hotels leaving the system and one-offs in Q4 08 and Q4 09.

The negative trend in revenue, accompanied by higher travel agent commission costs, higher pre-opening costs and increased energy costs, continued to have a negative impact on EBITDA and EBITDA margin. However, the effect on the quarter was relatively limited and the margin was only slightly below that of the same period last year. Lower revenue resulted in lower variable rent.

Managed and Franchised EBITDA declined mainly due to the softening of the markets and the reduced number of properties under franchise agreement.

Rest of Western Europe

The decline in like-for-like RevPAR (-8.8%) was slightly higher than in the Nordics, but as opposed to the Nordics the decline is entirely related to lower AHR, adversely affecting the margins. The biggest like-for-like RevPAR drops were noted in Ireland (-19.3%) and France (-14.5%). Corporate Travel, business groups and crew segments declined, and the increase in leisure individuals only partially off-set this decline.

The decrease in RevPAR resulted in a decline in revenue from leased hotels excluding FX of MEUR 0.9. FX had a negative impact of MEUR 2.0 on leased hotel revenue, mainly due to the depreciation of GBP, which was partly offset by the strengthening of the CHF. The opening of new leased properties and the ramping up of newly opened properties in 2008 had a positive effect on revenues. The Fee Income from like-for-like Managed and Franchised hotels declined in relation to the decline in RevPAR but was offset by the addition of new hotels.

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. Moreover, the high fixed lease commitments in Belgium, Germany and the UK as well as the addition of four new leases to the portfolio contributed to the negative EBITDA for leased hotels. Various cost cutting measures, however, largely offset these negative effects and the period came in as the best quarter in 09 in terms of EBITDA and EBITDA margin.

EBITDA for the Managed and Franchised business increased in line with revenues. The effect of increased guarantee payments (MEUR 0.2) was offset by a reduction in provisions for doubtful receivables and the margin improvement compared to the same period last year.

Eastern Europe

Like-for–like RevPAR noted a steep decline of 19.0%. The Baltics had the most significant RevPAR drop (-36.5%) followed by Russia (-27.3%). Overall, RevPAR in Eastern Europe remained under significant pressure with an entirely AHR driven decline. 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.

EBITDA margin from Franchise and Managed hotels was negatively impacted by the provision for doubtful accounts. The EBITDA for Managed properties was positively impacted by a reduction in guarantee payments.

Middle East, Africa and Others

Like-for-like RevPAR saw a decline of 15.2% with a significant portion coming from lower AHR (both from corporate and leisure segments). Saudi Arabia was the strongest performing market based on RevPAR development (+9.2%). UAE, which also had the most significant RevPAR decline in previous quarters, ended Q4 with -31.7%. South Africa also had a significant RevPAR decline (-25.3%) mainly due to renovation works at one of the South Africa properties.

The EBITDA margin followed the same trend as the revenues and the margins were stable.

Segmental Revenue, EBITDA and Central Costs

Revenue, MEUR	Oct-Dec 09	Oct-Dec 08	Change	Jan-Dec 09	Jan-Dec 08	Change
Nordics	83.0	87.3	(4.9)%	295.2	357.3	(17.4)%
Rest of Western Europe	93.5	95.6	(2.2)%	348.2	388.5	(10.4)%
Eastern Europe	5.0	6.2	(19.4)%	19.2	25.1	(23.5)%
Middle East, Africa & Others	4.5	4.4	2.3%	14.6	14.0	4.3%
Total Revenue	**186.0**	**193.6**	**(3.9)%**	**677.2**	**784.9**	**(13.7)%**

EBITDA, MEUR	Oct-Dec 09	Oct-Dec 08	Change	Jan-Dec 09	Jan-Dec 08	Change
Nordics	12.9	16.6	(22.3)%	41.8	68.3	(38.8)%
Rest of Western Europe	(2.3)	(1.1)	109.1%	(22.6)	15.3	(247.7)%
Eastern Europe	3.4	4.2	(19.0)%	12.4	17.7	(29.9)%
Middle East, Africa & Others	3.5	3.5	0.0%	11.1	12.2	(9.0)%
Central Costs	(7.8)	(9.6)	(18.8)%	(37.9)	(42.6)	(11.0)%
Total EBITDA	**9.7**	**13.6**	**(28.7)%**	**4.9**	**70.9**	**(93.1)%**

Central costs

Central costs amounted to MEUR 7.8 and were MEUR 1.8 lower than in Q4 08. This was the result of tight control and cost-cutting measures together with the effects of some one-off items.

Comments to balance sheet (p 11)

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

Net working capital, excluding Cash and Cash Equivalents but including current tax assets and liabilities, at the end of the period was MEUR -46.7 (-55.8 at year-end 08). Cash and Cash Equivalents went down from MEUR 26.4 at year-end 08 to MEUR 5.1 and bank overdrafts increased from MEUR 8.2 at year-end 08 to MEUR 12.6.

Compared to year-end 08, Equity went down by MEUR 17.6, 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 9.8.

Following an increased focus on portfolio management, MEUR 7.4 of the assets and MEUR 0.6 of the liabilities were classified as held for sale.

Comments to cash flow and liquidity (p 13)

Cash flow from operating activities amounted to MEUR -6.1 during the year, which was MEUR 68.0 below that of last year. The negative development to last year is almost entirely a result of the operating loss incurred during the year.

Cash flow from change in working capital followed the seasonal pattern from previous years, but came in MEUR 5.8 below that of last year. A strong focus on working capital throughout the year, such as efforts to bring down accounts receivables and keeping operating liabilities at a stable level has yilded positive results, especially in Q2 and Q3. However, despite these efforts, cash flow from change in working capital was negative in Q4, both in real terms and compared to last year. This was mainly related to a decrease in liabilities. Compared to last year, accounts payables and accrued expenses went down in December due to lower renovation activities and less variable rent.

Cash flow from investing activities amounted to MEUR -23.5 (-36.4) and was primarily related to investments in leased hotels. Due to strong focus on cash management and cost control, the investments were considerably lower in 09 than in previous years. Cash flow from investing activities also includes a cash outflow of MEUR -2.9 related to the final settlement of the acquisition of shares in subsidiaries from prior years and a cash inflow of MEUR 2.5 from the sale of other shares and participations.

Cash flow from financing activities amounted to MEUR 7.9 and was mostly related to an increased utilisation of overdraft facilities, following the negative operational performance during the year. 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 12.6 was used as overdrafts, leaving MEUR 91.8 available for use. At the end of December 09, Rezidor had MEUR 5.2 in Cash and Cash Equivalents.

Net interest bearing assets (including pension assets and retirement benefit obligations) amounted to MEUR 9.6 (44.0 at year-end 08). Net debt/cash, defined as Cash & Cash Equivalents plus short-term interest-bearing assets minus interest-bearing financial liabilities (short-term & long-term), amounted to MEUR -7.5 (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. By the end of 2009 it was clear that the shares in the 2007 programme would not vest as the performance criteria were not met. The shares are not yet formally forfeited as the vesting period ends on May 1, 2010.

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 per share.

The cost for the incentive programmes in Q4 and YTD, calculated in accordance with IFRS 2, amounted to MEUR 0.3 (-0.2) and MEUR 0.8 (0.2) respectively. Costs for social security charges related to the programmes in Q4 and YTD amounted to MEUR 0.1 (-0.1) and MEUR 0.3 (-0.1) respectively.

Share buy-back

The number of treasury 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 Q4 and 09 YTD was 3,694,500 (3,694,500 and 2,499,787 in Q4 08 and twelve 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 with the purpose of giving the Board of Directors an increased capacity to act in respect of organising the capital structure of the Company. At the end of 2009, the authorisations had not been used and no shares were consequently bought back in 2009.

Proposed dividend and Annual General Meeting

The Board of Directors recommends the Annual General Meeting no dividend for the financial year 2009.

The Annual General Meeting 2010 of the Rezidor Hotel Group AB will take place on 16 April 2010 in Stockholm.

Post balance sheet events

There are no post balance sheet events to report.

Business development

Rooms added into operation	Oct-Dec 09	Jan-Dec 09
By brand		
Radisson Blu	1,633	4,845
Park Inn	591	2,114
Other	0	136
Total	**2,224**	**7,095**
By contract type		
Managed	1,873	5,538
Leased	325	918
Franchised	26	639
Total	**2,224**	**7,095**

Rooms contracts signed	Oct-Dec 09	Jan-Dec 09
By brand		
Radisson Blu	750	3,602
Park Inn	1,130	3,687
Other	0	527
Total	**1,880**	**7,816**
By contract type		
Managed	1,317	6,496
Leased	326	356
Franchised	237	964
Total	**1,880**	**7,816**
By geography		
Nordics	106	246
Rest of Western Europe	779	1,538
Eastern Europe	637	2,125
Middle East, Africa & Others	358	3,907
Total	**1,880**	**7,816**

In Q4 09, Rezidor signed 9 contracts for new hotels (1,880 rooms). Out of these rooms, 83% are without any performance guarantees.

In Q4 09, 8 asset management projects were signed, adding to a total of 36 asset management projects signed in 2009.

In Q4 09, 2,224 rooms opened and 3 hotels (373 rooms) left the system, resulting in a net opening of 1,851 rooms.

In 2009 a total of 39 contracts (7,816 rooms) have been signed and 36 hotels (7,095 rooms) opened.

Material risks and uncertainties

In 2009, the general market, economic and financial conditions as well as the development of RevPAR in various countries where Rezidor operates continued to be the most important factors influencing the company's earnings. A prolonged 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. Apart from that, 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 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	Oct-Dec 09	Oct-Dec 08	Jan-Dec 09	Jan-Dec 08
Revenue	186.0	193.6	677.2	784.9
F&B and other related expenses	(15.3)	(16.5)	(52.3)	(60.5)
Personnel cost and contract labour[1)]	(64.3)	(66.9)	(246.4)	(267.8)
Other Operating expenses[1)]	(41.8)	(44.5)	(156.0)	(169.8)
Insurance of properties and property tax	(3.2)	(1.6)	(12.4)	(11.1)
Operating profit before rental expense and share of income in associates and depreciation and amortisation and gain on sale of fixed assets (EBITDAR)	**61.4**	**64.1**	**210.1**	**275.7**
Rental expense	(52.3)	(51.5)	(207.3)	(209.0)
Shares of income in associates and Joint Ventures	0.6	1.0	2.1	4.1
Operating profit/(loss) before depreciation and amortisation and gain on sale of fixed assets (EBITDA)	**9.7**	**13.6**	**4.9**	**70.9**
Depreciation, amortisation and write-downs	(7.7)	(8.8)	(29.9)	(28.5)
Gain on sale of shares and tangible assets	0	0.5	0	0.5
Operating profit/(loss)	**2.0**	**5.3**	**(25.0)**	**42.9**
Financial income	0.9	0.3	1.2	3.2
Financial expense	(0.7)	(0.5)	(1.9)	(2.5)
Profit/(loss) before tax	**2.2**	**5.1**	**(25.7)**	**43.6**
Income tax	(2.5)	(3.9)	(2.5)	(17.5)
Profit/(loss) for the period	**(0.3)**	**1.2**	**(28.2)**	**26.1**
Attributable to:				
Equity holders of the parent	(0.3)	1.2	(28.2)	26.1
Minority interest	-	-	-	-
Profit/(loss) for the period	**(0.3)**	**1.2**	**(28.2)**	**26.1**
Average no. of shares outstanding	146,307,540	146,307,540	146,307,540	147,502,253
Earnings per share, in EUR				
Basic and diluted	(0.00)	0.01	(0.19)	0.18

Consolidated statement of comprehensive income

Profit/(loss) for the period	**(0.3)**	**1.2**	**(28.2)**	**26.1**
Other comprehensive income:				
Exchange differences on translation of foreign operations	2.0	(13.0)	8.2	(17.1)
Tax on exchange differences recognised directly in equity	0.3	(2.0)	1.6	(3.2)
Other comprehensive income for the period, net of tax	**2.3**	**(15.0)**	**9.8**	**(20.3)**
Total comprehensive income for the period	**2.0**	**(13.8)**	**(18.4)**	**5.8**
Attributable to:				
Equity holders of the parent	2.0	(13.8)	(18.4)	5.8
Minority interest	-	-	-	-

1) A reclassification from Personnel costs and contract labour to Other operating expenses has been done for 2008. The reclassification amounted to MEUR 2.5 for the quarter and MEUR 8.8 for the 12 months period.

Condensed consolidated balance sheet statements

MEUR	31-Dec 09	31-Dec 08
ASSETS		
Goodwill	13.6	13.2
Licences and related rights and other intangible assets	69.1	66.0
Tangible assets	108.6	103.7
Investments in associated companies and joint ventures	4.1	8.0
Other shares and participations	8.4	10.5
Pension funds, net	10.9	10.3
Other long-term receivables	12.2	12.2
Deferred tax assets	25.2	20.2
Total non-current assets	**252.1**	**244.1**
Inventories	4.4	5.3
Other current receivables	84.7	105.2
Other short term investments	3.3	3.0
Cash and cash equivalents	5.2	26.4
Current assets	**97.6**	**139.9**
Assets classified as held for sale	7.4	-
Total current assets	**105.0**	**139.9**
TOTAL ASSETS	**357.1**	**384.0**
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent	166.5	184.1
Minority interest	0.2	0.2
Total equity	**166.7**	**184.3**
Deferred tax liabilities	27.5	25.8
Retirement benefit obligations	1.7	1.5
Other long-term liabilities	10.8	3.2
Total non-current liabilities	**40.0**	**30.5**
Liabilities to financial institutions	12.6	8.2
Other current interest bearing liabilities	1.3	-
Other current liabilities	135.9	161.0
Current liabilities	**149.8**	**169.2**
Liabilities directly associated with assets classified as held for sale	0.6	-
Total current liabilities	**150.4**	**169.2**
TOTAL EQUITY AND LIABILITIES	**357.1**	**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	-	-	-	0.2	**0.2**	**-**	**0.2**
Total comprehensive income for the period	-	-	(20.3)	26.1	**5.8**	**-**	**5.8**
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	-	-	-	0.8	**0.8**	**-**	**0.8**
Total comprehensive income for the period	-	-	9.8	(28.2)	**(18.4)**	**-**	**(18.4)**
Ending balance as of Dec 31, 2009	**10.0**	**120.3**	**3.1**	**33.1**	**166.5**	**0.2**	**166.7**

Condensed consolidated statement of cash flow

MEUR	Jan-Dec 09	Jan-Dec 08
Operating profit/(loss)	**(25.0)**	**42.9**
Non cash items	27.5	26.4
Interest, taxes paid and other cash items	(7.9)	(12.5)
Change in working capital	(0.7)	5.1
Cash flow from operating activities	**(6.1)**	**61.9**
Purchase of intangible assets	(1.8)	(0.8)
Purchase of tangible assets	(21.3)	(34.6)
Other investments/divestments	(0.4)	(1.0)
Cash flow from investing activities	**(23.5)**	**(36.4)**
External financing, net	7.9	(23.0)
Dividends paid	-	(14.8)
Share buy back	-	(8.4)
Cash flow from financing activities	**7.9**	**(46.2)**
Cash flow for the period	**(21.7)**	**(20.7)**
Effects of exchange rate changes on cash and cash equivalents	0.5	(4.3)
Cash and cash equivalents at beginning of the period	**26.4**	**51.4**
Cash and cash equivalents at end of the period	**5.2**	**26.4**

Parent Company, Condensed statement of operations

MEUR	Oct-Dec 09	Oct-Dec 08	Jan-Dec 09	Jan-Dec 08
Revenue	0.7	0.9	3.0	3.7
Personnel cost	(0.7)	(0.7)	(2.6)	(2.9)
Other Operating expenses	(2.2)	(1.3)	(9.1)	(9.5)
Operating loss before depreciation and amortization	**(2.2)**	**(1.1)**	**(8.7)**	**(8.7)**
Depreciation and amortization expense	0	0	(0.1)	(0.1)
Operating loss	**(2.2)**	**(1.1)**	**(8.8)**	**(8.8)**
Financial income	0	2.4	0	3.5
Financial expense	(0.1)	(0.5)	(1.8)	(1.6)
Loss before tax	**(2.3)**	**0.8**	**(10.6)**	**(6.9)**
Income Tax	0.4	(0.2)	2.6	1.9
Profi/(loss) for the period	**(1.9)**	**0.6**	**(8.0)**	**(5.0)**

Parent Company, condensed balance sheet statement

MEUR	31-Dec 09	31-Dec 08
ASSETS		
Tangible assets	0.2	0.2
Shares in subsidiaries	232.4	231.6
Deferred tax assets	2.7	-
Total non-current assets	**235.3**	**231.8**
Inventories	0	0
Current receivables	0.6	16.5
Cash and cash equivalents	0	0
Total current assets	**0.6**	**16.5**
TOTAL ASSETS	**235.9**	**248.3**
EQUITY AND LIABILITIES		
Equity	**187.1**	**194.3**
Current liabilities	48.8	54.0
Total current liabilities	**48.8**	**54.0**
TOTAL EQUITY AND LIABILITIES	**235.9**	**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	-	-	0.2	**0.2**
Group contribution	-	-	9.6	**9.6**
Tax effect on group contribution	-	-	(2.7)	**(2.7)**
Net loss for the period	-	-	(5.0)	**(5.0)**
Balance as of Dec 31, 2008	**10.0**	**197.3**	**(13.0)**	**194.3**
Long term incentive plan	-	-	0.8	**0.8**
Net profit for the period	-	-	(8.0)	**(8.0)**
Balance as of Dec. 31, 2009	**10.0**	**197.3**	**(20.2)**	**187.1**

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 Q4 09 and YTD 09 the inter-company revenue of the Parent Company amounted to MEUR 0.7 (1.0) and MEUR 2.8 (3.4) respectively. The inter-company costs in Q4 09 and YTD 09 amounted to MEUR 1.9 (1.4) and MEUR 6.3 (7.3) respectively. In Q4 09 and YTD 09 inter-company interest income amounted to MEUR 0.1 (0.1) and MEUR 0.1 (0.5) respectively and intercompany interest expenses to MEUR 0.1 (0.5) and 0.5 (2.1) respectively.

Comments to balance sheet

At the end of the quarter the inter-company receivables amounted to MEUR 0.1 (16.2 at year-end 08) and the inter-company liabilities to MEUR 47.0 (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 31th of Dec 2009 Rezidor had ordinary current receivables related to Carlson of MEUR 0.2 (0.8) and ordinary current liabilities of MEUR 0.9 (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 2009, Rezidor had operating costs towards Carlson of MEUR 8.6 (8.0). Moreover, Rezidor paid commissions towards the travel agencies' network of Carlson amounting to MEUR 0.5 (0.7). 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 and October 09, similar agreements were entered into between Rezidor and Carlson regarding an F&B concept (for which Carlson paid MUER 0.2) and graphic standards and an operating equipment list for the Park Inn Brand (for which Carlson paid total MEUR 0.2).

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

Pledged assets and contingent liabilities

Asset pledged, MEUR	31-Dec 2009	31-Dec 2008
Securities on deposits (restricted accounts)	3.3	3.0

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

Revenue per area of operation

MEUR	Oct-Dec 09	Oct-Dec 08	Change %	Jan-Dec 09	Jan-Dec 08	Change %
Revenue						
Rooms revenue	96.5	100.2	(3.7)%	374.8	439.5	(14.7)%
F&B revenue	60.7	63.6	(4.6)%	197.4	230.6	(14.4)%
Other hotel revenue	5.4	5.3	3.8%	19.7	20.7	(4.8)%
Total hotel revenue	**162.6**	**169.1**	**(3.8)%**	**591.9**	**690.8**	**(14.3)%**
Fee revenue	19.8	21.4	(7.5)%	71.4	83.3	(14.3)%
Other revenue	3.6	3.1	16.1%	13.9	10.8	28.7%
Total revenue	**186.0**	**193.6**	**(3.9)%**	**677.2**	**784.9**	**(13.7)%**

Total fee revenue

MEUR	Oct-Dec 09	Oct-Dec 08	Change %	Jan-Dec 09	Jan-Dec 08	Change %
Management Fees	6.4	6.3	1.6%	22.9	26.9	(14.9)%
Incentive Fees	5.7	7.8	(26.9)%	18.5	25.7	(28.0)%
Franchise Fees	1.2	1.2	0%	5.6	5.3	5.7%
Other Fees (incl. marketing, reservation fee etc.)	6.5	6.1	6.6%	24.4	25.4	(3.9)%
Total fee revenue	**19.8**	**21.4**	**(7.5)%**	**71.4**	**83.3**	**(14.3)%**

Revenue per region

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Total	
Oct-Dec	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Leased	77.8	81.1	84.8	87.9	-	-	-	-	162.6	169.0
Managed	1.2	2.3	6.7	6.2	4.8	5.9	4.5	4.4	17.2	18.9
Franchised	1.0	1.2	1.4	1.1	0.2	0.3	-	-	2.6	2.6
Other	3.0	2.7	0.6	0.4	-	-	-	-	3.6	3.1
Total	**83.0**	**87.3**	**93.5**	**95.6**	**5.0**	**6.2**	**4.5**	**4.4**	**186.0**	**193.6**

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Total	
Jan-Dec	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Leased	275.8	335.3	316.0	355.6	-	-	-	-	591.9	690.9
Managed	4.0	7.5	22.7	26.8	18.5	24.2	14.6	14.0	59.8	72.5
Franchised	4.4	5.3	6.6	4.6	0.7	0.9	-	-	11.7	10.7
Other	11.0	9.3	2.8	1.5	-	-	-	-	13.8	10.8
Total	**295.2**	**357.3**	**348.2**	**388.5**	**19.2**	**25.1**	**14.6**	**14.0**	**677.2**	**784.9**

Rental expenses

MEUR	Oct-Dec 09	Oct-Dec 08	Change %	Jan-Dec 09	Jan-Dec 08	Change %
Fixed rent	41.9	40.4	3.7%	166.7	164.5	1.3%
Variable rent	6.7	7.3	(8.2)%	21.2	33.7	(37.1)%
Rent	**48.6**	**47.7**	**1.9%**	**187.9**	**198.2**	**(5.2)%**
Rent as a % of leased hotel revenue	29.9%	28.2%	170bps	31.7%	28.7%	300bps
Guarantees	3.7	3.8	(2.6)%	19.4	10.7	81.3%
Rental expense	**52.3**	**51.5**	**1.6%**	**207.3**	**209.0**	**(0.8)%**

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	
Oct-Dec	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Leased	11.1	12.5	(4.5)	(2.4)	-	-	-	(0.3)	-	-	6.6	9.8
Managed	0.7	2.0	1.6	1.0	3.3	4.1	3.3	3.2	-	-	8.9	10.3
Franchised	0.4	0.7	0.6	0.3	0.1	0.2	-	-	-	-	1.1	1.2
Other[1)]	0.7	1.4	0	0	0	(0.1)	0.2	0.6	-	-	0.9	1.9
Central costs	-	-	-	-	-	-	-	-	(7.8)	(9.6)	(7.8)	(9.6)
Total	**12.9**	**16.6**	**(2.3)**	**(1.1)**	**3.4**	**4.2**	**3.5**	**3.5**	**(7.8)**	**(9.6)**	**9.7**	**13.6**

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Central costs		Total	
Jan-Dec	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Leased	32.3	54.4	(25.4)	1.5	-	-	-	(0.6)	-	-	6.9	55.3
Managed	2.5	6.1	(0.9)	12.4	12.0	17.1	10.4	10.5	-	-	24.1	46.2
Franchised	2.2	3.1	3.9	1.7	0.4	0.6	-	-	-	-	6.5	5.4
Other[1)]	4.8	4.7	(0.2)	(0.3)	0	0	0.7	2.2	-	-	5.3	6.6
Central costs	-	-	-	-	-	-	-	-	(37.9)	(42.6)	(37.9)	(42.6)
Total	**41.8**	**68.3**	**(22.6)**	**15.3**	**12.4**	**17.7**	**11.1**	**12.2**	**(37.9)**	**(42.6)**	**4.9**	**70.9**

Operating profit (EBIT)

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Central costs		Total	
Oct-Dec	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Leased	7.9	10.9	(7.9)	(7.6)	-	-	-	(0.3)	-	-	0	3.0
Managed	0.7	2.0	1.6	1.0	3.4	4.3	3.2	3.1	-	-	8.9	10.4
Franchised	0.4	0.6	0.6	0.3	0.1	0.3	-	-	-	-	1.1	1.2
Other[1)]	-	(0.4)	(0.4)	(0.4)	0	(0.1)	0.2	1.2	-	-	(0.2)	0.3
Central costs	-	-	-	-	-	-	-	-	(7.8)	(9.6)	(7.8)	(9.6)
Total	**9.0**	**13.2**	**(6.1)**	**(6.7)**	**3.5**	**4.5**	**3.4**	**4.0**	**(7.8)**	**(9.6)**	**2.0**	**5.3**

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Central costs		Total	
Jan-Dec	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Leased	20.9	43.2	(40.0)	(11.7)	-	-	-	(0.6)	-	-	(19.1)	30.9
Managed	2.5	6.1	(1.1)	12.2	12.0	16.9	10.3	10.4	-	-	23.7	45.6
Franchised	2.1	3.0	3.8	1.6	0.4	0.6	-	-	-	-	6.3	5.2
Other[1)]	2.8	2.3	(1.4)	(1.4)	0	0	0.6	2.8	-	-	2.0	3.7
Central costs	-	-	-	-	-	-	-	-	(37.9)	(42.6)	(37.9)	(42.6)
Total	**28.3**	**54.6**	**(38.7)**	**0.8**	**12.4**	**17.5**	**10.9**	**12.6**	**(37.9)**	**(42.6)**	**(25.0)**	**42.9**

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

Reconciliation of profit/(loss) for the period

MEUR	Oct-Dec 09	Oct-Dec 08	Jan-Dec 09	Jan-Dec 08
Total operating profit/(loss) (EBIT) for reportable segments	**2.0**	**5.3**	**(25.0)**	**42.9**
Financial income	0.9	0.3	1.2	3.2
Financial expense	(0.7)	(0.5)	(1.9)	(2.5)
Group's total profit/(loss) before tax	**2.2**	**5.1**	**(25.7)**	**43.6**

Balance sheet and investments

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Total	
	31-Dec 2009	31-Dec 2008	31-Dec 2009	31-Dec 2008	31-Dec 2009	31-Dec 2008	31-Dec 2009	31-Dec 2008	31-Dec 2009	31-Dec 2008
Assets	136.0	109.6	161.4	209.1	24.3	30.0	35.4	35.3	357.1	384.0
Investments (tangible & intangible assets)	6.3	9.7	25.0	27.5	0	-	0	0	31.3	37.2

Hotels in operation

Contract type	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Total	
31-Dec,	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Leased	24	23	48	44	-	-	-	-	72	67
Managed	7	8	61	61	37	32	35	24	140	125
Franchised	23	24	44	37	7	7	-	-	74	68
Total	**54**	**55**	**153**	**142**	**44**	**39**	**35**	**24**	**286**	**260**

Rooms in operation

Contract type	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Total	
31-Dec,	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Leased	6,319	6,129	9,889	9,161	-	-	-	-	16,208	15,290
Managed	1,934	2,106	10,217	10,106	9,720	8,386	8,829	5,832	30,700	26,430
Franchised	4,172	4,272	8,308	7,450	1,258	1,258	-	-	13,738	12,980
Total	**12,425**	**12,507**	**28,414**	**26,717**	**10,978**	**9,644**	**8,829**	**5,832**	**60,646**	**54,700**

Hotels and rooms in development

	Nordics		Rest of Western Europe		Eastern Europe		Middle East Africa & Others		Total	
31-Dec, 2009	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**
Radisson Blu	1	381	5	1,299	17	4,695	22	5,146	45	11,521
Park Inn	7	1,558	18	2,724	16	3,035	10	2,091	51	9,408
Missoni	-	-	-	-	-	-	4	696	4	696
Regent	-	-	-	-	1	130	2	798	3	928
Total	**8**	**1,939**	**23**	**4,023**	**34**	**7,860**	**38**	**8,731**	**103**	**22,553**

Historic quarterly data

	2009				2008				2007			
MEUR	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
RevPAR	56.5	59.0	61.5	54.0	67.8	75.8	86.1	66.1	76.4	81.3	80.7	67.3
Revenue	186.0	165.4	173.2	152.6	193.6	192.5	221.8	177.0	213.3	201.0	197.6	173.4
EBITDAR	61.4	54.2	56.9	37.7	64.1	70.8	89.3	51.6	76.8	74.9	75.5	53.3
EBITDA	9.7	3.1	7.1	(14.9)	13.6	20.0	37.1	0.2	28.4	25.9	27.7	4.5
EBIT	2.0	(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	(0.3)	(6.1)	(2.5)	(19.2)	1.3	10.1	21.7	(7.0)	16.7	15.1	15.0	(1.1)
EBITDAR Margin %	33.0%	32.7%	32.8%	24.7%	33.1%	36.8%	40.3%	29.1%	36.0%	37.3%	38.2%	30.7%
EBITDA Margin %	5.2%	1.9%	4.1%	(9.8)%	7.0%	10.4%	16.7%	0.1%	13.3%	12.9%	14.0%	2.6%
EBIT Margin %	1.1%	(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, Luxemburg, 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

Interim Report January-March 2010: 16 April 2010
Interim Report January-June 2010: 23 July 2010
Interim Report January-September 2010: 29 October 2010

This quartely report comprises information which Rezidor Hotel Group AB (publ) is required to disclose under the Securities Markets Act and/or the Financial Instruments Trading Act. It was released for publication at 08h30 Central European Time on 11th February 2010.

Stockholm 11th February, 2010

Kurt Ritter
President & CEO
Rezidor Hotel Group AB

Webcast

11th February 2010 at 15:30

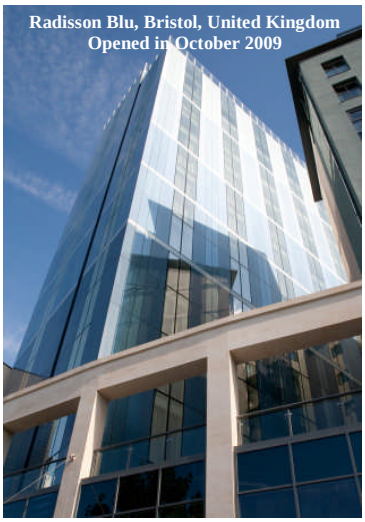
Kurt Ritter, President & CEO, Knut Kleiven, Deputy President & CFO and Puneet Chhatwal, Chief Development Officer, will present the report and answer questions on 11th February 2010 at 15:30 (Central European Time).

To participate in the teleconference, please dial:

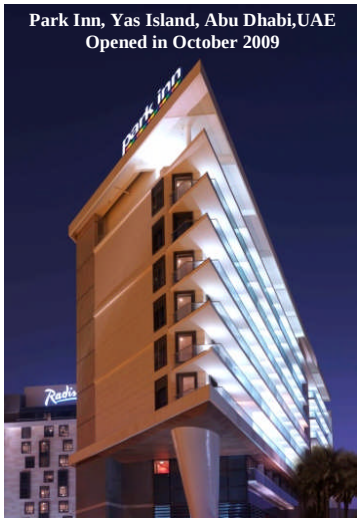
Sweden:	+46 8 505 204 24
Sweden toll-free:	0200 896 377
UK:	+44 203 023 4416
US:	+1 646 843 4608
US toll-free:	1 866 966 5335

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, Bristol, United Kingdom
Opened in October 2009

Radisson Blu, Madrid, Spain
Opened in December 2009


Park Inn, Yas Island, Abu Dhabi,UAE
Opened in October 2009

In 2009 Rezidor opened 36 new hotels

For further information, please contact:

Knut Kleiven, *Deputy President and Chief Financial Officer*

The Rezidor Hotel Group
Avenue du Bourget 44
B-1130 Brussels, Belgium
Tel: + 32 2 702 9200
www.rezidor.com