In light of difficult market conditions, Rezidor maintains focus on cost reduction and cash flow

First quarter, 2009

- Like-for-like RevPAR (for leased and managed hotels at constant FX rates) decreased by 13.4% to EUR 57.6 (66.5). Like-for-Like Occupancy was 54.3% (59.5).
- Revenue decreased by 13.8% or MEUR 24.4 to MEUR 152.6 (177.0). On a Like-for-Like basis Revenue decreased by 9.8%.
- EBITDA was MEUR -14.9 (0.2), and EBITDA margin was -9.8% (0.1).
- It is estimated that revenue was positively impacted by MEUR 12-14 compared to last year, due to the timing of Easter. The corresponding effect on EBITDA is estimated to have been MEUR 5-6.
- Cash flow from operations amounted to MEUR -21.3 (2.9). Total cash and cash equivalents amounted to MEUR 8.4 (44.3) and unutilised credit facilities to MEUR 86.6 (97.2).
- Loss after tax amounted to MEUR -19.2 (-7.0).
- Basic and diluted Earnings Per Share amounted to EUR -0.13 (-0.05)

Other developments

- Rezidor added ca 680 rooms into operations, of which 98% were managed or franchised.
- Contracts for hotels with a total of 507 rooms were terminated during the period.
- Rezidor signed 14 hotel agreements. These represented a total of ca 2,350 rooms, of which 100% were managed or franchised.

Comment from the CEO

"The economic slowdown continues to strain the hotel market and the industry RevPAR in the first quarter 2009 as compared to the same period in 2008. To mitigate the impact of this economic slowdown, Rezidor maintains its focus on cost management and cash flow. Our cost cutting programme is well underway and is still targeting annual savings of around MEUR 30 with full effect as of the second half of 2009, and the company continues to look for and analyse the need for further cost reductions.

Despite the current financial crisis, we continue to seek profitable opportunities for Rezidor's asset-light growth strategy and strong multi-brand portfolio. *This quarter we have added more than 2,300 rooms to our pipeline, all of which were under management or franchise contracts, without financial commitments and almost 80% in emerging markets". **Kurt Ritter, President & CEO***

Selected financial data, MEUR (except stated otherwise)	Jan-Mar 2009	Jan-Mar 2008
Revenue	152.6	177.0
EBITDAR	37.7	51.6
EBITDA	(14.9)	0.2
EBIT	(21.2)	(6.3)
Loss after Tax	(19.2)	(7.0)
EBITDAR Margin %	24.7%	29.1%
EBITDA Margin %	(9.8)%	0.1%
EBIT Margin %	(13.9)%	(3.5)%

Market Development

The economic slowdown continues to strain the European hotel market and the industry RevPAR in the first quarter 2009 as compared to the same period in 2008. Adjusted for the timing of Easter there was no significant difference in RevPAR development between the first three months of 2009.

In Q1 2009, the RevPAR decline in Europe is attributed equally to a decline in occupancy and average room rates. As noted in previous downturns, the mid-market, economy and budget segments are losing less RevPAR than the up-market segments.

Rezidor continues to maintain its strong focus on cost management and cash flow protection. In February, the company announced an extension of an existing cost cutting programme to effectuate annual savings of MEUR 30. The programme is developing as planned, and its full effect will come to life in the second half of 2009. The company continues to look for and analyse the need for further cost reductions.

Growth opportunities

Rezidor maintains its strategy to grow with limited financial commitments. The company added 2,300 new rooms to its pipeline in the first quarter, all of which were without financial commitments.

Rezidor has further accelerated its dedication to grow presence in the emerging markets and take advantage of existing opportunities in other strategic locations. To further reduce the risks in the portfolio, growing the share of fee-based - managed and franchised – contracts, remain at the forefront of Rezidor's growth initiatives. All of the new rooms added to operations in Q1 2009 were under fee-based contracts.

Despite the financial crisis and lack of funding for hotel real estate, growth opportunities continue to exist. Research shows that distressed assets will change hands and there is a fundamental and structural need for internationally branded hotels in emerging markets like Russia/CIS and Africa.

Besides Moscow and St Petersburg, a significant number of big cities in Russia and CIS with a population of 500,000 inhabitants or above, have no or very limited supply of international standard hotels. Rezidor is further solidifying its position as the leading hotel operator in the region. In March, the company announced a strategic development agreement with Regional Hotel Chain LLC (RHC) for at least 20 Park Inn hotels across Russia. Rezidor will manage the hotels on behalf of the owners. Two of these hotels are already in advanced construction stage in the cities of Astrakhan (132 rooms) and Kazan (145 rooms) and scheduled to open in 2010.

In Africa, there's an imminent need to modernise the hotel supply in many of the continent's capitals, and other business and leisure destinations. Rezidor added two new projects in the capital cities Lusaka (Zambia), Luanda (Angola) and another resort in Monastir (Tunisia), to the pipeline in the first quarter. The company currently features 20 hotels and close to 4,300 rooms in operation and under development in Africa.

RevPAR

First quarter, 2009

The ongoing economic crisis had a continued strong negative impact on RevPAR for Rezidor. Most markets reported weak performance resulting in circa -13% change in like-for-like RevPAR.

This showed a worsening of the trend that was witnessed in Q4 08, which marked a RevPAR drop of ca 5%. However, the negative development in Q1 09 was evenly distributed over the months, with like-for-like Occupancy declining by ca 9% and like-for-like AHR by ca 4%.

Due to the weak economic situation, all markets noted a drop in leisure, business and crew segments. The negative market development was partly offset by the Easter Holidays falling in the month of April this year compared to March in 2008.

The following table shows the RevPAR development during Q1 09:

RevPAR	Jan-Mar 2009
L/L growth/(decline)	(13.4)%
FX impact	(3.2)%
New openings	(1.7)%
Reported decline	(18.3)%

RevPAR in the first quarter continued to be negatively affected due to changes in FX, mainly the depreciation versus the EUR of the GBP (ca 17%), the SEK (ca 14%), and the NOK (ca 11%) compared to Q1 08. However, positive effects were noted due to the appreciation of the USD (and the USD linked currencies in the Middle East) and the CHF by ca 15% and ca 7% respectively.

All geographic segments noted a decline in Like-for-Like RevPAR development with Eastern Europe having the most significant decline followed by ROWE, MEAO and with the Nordics having the least decline. The key markets which noted the most significant declines were Russia (-40.5%), the Baltics (-40.0%), the Netherlands (-35.7) and the United Arab Emirates (-26.5%).

In terms of like-for-like AHR, it was relatively stable in the Nordics (-0.7%) and MEAO (-0.6%) with ROWE having a more significant decline (-6.5%) and Eastern Europe the most significant (-14.2%). The key markets that noted the most significant declines were Russia (-22.2%), the United Arab Emirates (-14.8%) and the Baltics (-12.3%). The strongest performing key market were South Africa (+18.3%) and Switzerland (+15.4%).

Like-for-like Occupancy decreased in all geographic segments. Eastern Europe had the most significant decrease (-15.3%) followed by MEAO (-8.1%) and the Nordics and ROWE declined at the same rate (-7.3%). The most severe Occupancy decreases were in the Baltics (-31.6%), the Netherlands (-30.6%) and Russia (-23.5%).

Rezidor's performance

Leased and managed hotels	Jan-Mar 2009	Jan-Mar 2008	Change
RevPAR Like-for-Like, EUR[1)]			
Radisson Blu	66.0	76.3	(13.5)%
Park Inn	30.4	35.3	(13.9)%
Rezidor	57.6	66.5	(13.4)%
Occupancy Like-for-Like			
Radisson Blu	57.6%	63.2%	(560)bps
Park Inn	44.9%	49.3%	(440)bps
Rezidor	54.3%	59.5%	(520)bps
RevPAR, EUR			
Radisson Blu	62.2	75.6	(17.7)%
Park Inn	28.9	36.5	(20.8)%
Rezidor	54.0	66.1	(18.3)%
Occupancy			
Radisson Blu	56.1%	63.0%	(690)bps
Park Inn	43.9%	49.6%	(570)bps
Rezidor	52.8%	59.4%	(660)bps

	Q/Q growth		Q/Q growth
RevPAR Like-for-Like		**RevPAR**	
Nordics	(7.9)%	Nordics	(18.1)%
Rest of Western Europe	(13.4)%	Rest of Western Europe	(18.3)%
Eastern Europe	(27.4)%	Eastern Europe	(28.6)%
Middle East, Africa and Other	(8.6)%	Middle East, Africa and Other	(8.8)%

1) At constant exchange rates

Comments to Statements of Operations (p. 9)

First quarter, 2009

Total Revenue decreased by 13.8% or MEUR 24.4, of which MEUR 12.1 came from FX. The impact from operations and FX on the change in revenue to same period last year is shown below.

MEUR	Operations	FX	Deviation
Rooms Revenue	(6.9)	(7.4)	(14.3)
F&B Revenue	(4.2)	(3.9)	(8.1)
Other Hotel Revenue	(0.2)	(0.4)	(0.6)
Total leased Revenue	**(11.3)**	**(11.7)**	**(23.0)**
Fee Revenue	(2.9)	(0.4)	(3.3)
Other Revenue	1.9	0	1.9
Total Revenue	**(12.3)**	**(12.1)**	**(24.4)**

Like-for-like Revenue decreased by 9.8% or MEUR 17.4. 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.

Occupancy declined most heavily in Eastern Europe mainly due to lower business individual and leisure group volumes with a similar trend in MEAO. The Nordics and ROWE experienced lowest occupancy decreases. The Nordics was impacted by lower business group and crew volumes and ROWE by business individual and group (business and leisure) volumes.

In addition to the drop in RevPAR, ROWE was negatively impacted due to the ongoing renovation works at some of the Park Inn hotels in the UK. However, this was partly offset by improved performance in the UK hotels where renovation works were completed. While the two newly opened leased hotels (since the end of Q1 08) led to an increase in Rooms Revenue, the overall figures marked a decline due to poor market conditions.

F&B and Other Hotel Revenue (at constant FX) also noted a declined due to continued drop in occupancy and lower demand for F&B and meetings & events in most countries.

The negative deviation in Fee Revenue (at constant FX) was due to lower RevPAR in several countries, particularly Russia, the Baltics 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 Q1 2008.

Other Revenue increased due to compensation received from the Carlson Group in connection with an agreement where Carlson acquired the rights to use certain intellectual property developed by Rezidor for the Radisson brand.

For the leased hotel revenue, a majority of the negative FX impact was due to the weakening of the GBP, the SEK and the NOK. However, this was partly offset due to the strengthening of the CHF versus the EUR. For the fee revenue, the negative FX effect was primarily due to depreciation of the ZAR and the PLN. However, this was partly offset on account of the appreciation of the USD and most currencies in the Middle East.

Personnel cost and contract labour decreased in absolute terms, but these costs as a percent of leased hotel revenue increased by 370 bps. The increase was due to one-off redundancy costs of ca MEUR 1.0 related to the cost savings plan, incremental pension cost in the Nordics of MEUR 0.3, the addition of two new leased hotels since Q1 08 and the substantial decline in the revenue base.

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

Lower pre-opening cost in Q1 09 compared to same period last year had a positive effect of MEUR 0.2.

The cost cutting programme gave rise to savings of MEUR 5.5 during the quarter, which together with redundancy costs had a net positive impact on EBITDAR of MEUR 4.5.

The cost savings initiatives had a positive impact on central costs, but due to redundancy costs of ca MEUR 0.9 in the first quarter, central costs came in at the same level as that of last year.

EBITDAR margin noted a decline due to a drop in Total Revenue, and was also negatively affected by FX of MEUR -3.5.

Fixed rent was relatively stable. Variable Rent noted a decline due to lower revenues (mainly in the Nordics). FX had a positive effect of ca MEUR 3.7 on total rent.

Shortfall payments for management contracts with performance guarantees increased due to soft performance in several hotels in ROWE and in a few hotels in Eastern Europe and amounted to MEUR 7.2 (4.2).

The drop in Share of Income from Associates and Joint Ventures was mainly due to overall decline in market conditions.

EBITDA and EBITDA margin was negatively affected mainly on account of the sharp market downturn. FX had a minor positive impact of ca MEUR 0.3.

Depreciation and amortisation noted a small decrease due to FX.

The Financial Net was relatively stable despite a substantial drop in cash flow from operations, and some small one-off positive effects in Q1 08. This was due to the new cash pool structure and improved terms and conditions.

The change in income tax is due to capitalisation of tax losses carry forward in certain countries (mainly due to business seasonality).

Comments by Region

Nordics

Like-for-like RevPAR dropped by 7.9% mainly a result of lower occupancy.

Denmark reported the biggest RevPAR drop (-17.7%); a result of lower business individual and group and crew volumes. Sweden also had a double digit RevPAR decline (-10.2%) based on lower business individual and crew volumes (note, business group volume increased in Sweden). Norway was the most resilient of the key Nordic markets (RevPAR -5.1%) with the business group segment the most under pressure.

Leased revenue was affected due to overall negative market performances (MEUR -5.8) excluding FX. The weakening of the NOK and the SEK had a negative effect of MEUR 7.7. Management and Franchise fees were equally affected by the downturn. Franchise fees were also negatively impacted due to 10 hotels leaving the Rezidor system since after Q1 08. Other Revenue increased mainly due to the compensation received from the Carlson Group for their purchase of rights for certain intellectual property developed by Rezidor for the Radisson brand.

The drop in EBITDA for leased hotels was linked to the negative trend in revenues, mainly driven by lower occupancy. However, lower revenues and weaker currencies 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, provisions for doubtful accounts and to some extent FX. Other EBITDA was increased due to the aforementioned compensation from Carlson, and timing differences in marketing costs in Q1 08. FX had a negative effect of ca MEUR 0.5 on EBITDA from the Nordics.

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 13.4% based on almost equal decreases in AHR and Occupancy. The biggest Like-for-like RevPAR drops were in Ireland (-25.9%), the Benelux (-22.0%) and France (-14.0%). All three markets were impacted by lower business individual and group volumes which was an overall trend in ROWE.

Revenues from leased hotels declined by MEUR 5.5 due to poor market conditions. FX (mainly GBP) had a net negative impact of MEUR 3.9 on leased revenues, which was partly offset by the strengthening of the CHF versus the Euro. The opening of two new leased properties had a positive effect on revenues by MEUR 5.0. The incremental revenues from the newly renovated hotels were offset by the ongoing renovation works at some other hotels as well as poor market conditions. Fees from Managed and Franchised hotels declined due to lower RevPAR, but benefited from the addition of several new properties.

The drop in leased EBITDA was mainly due to the drop in the revenue base. Increased energy costs in the UK as well as the opening of new leased hotels (higher lease cost) also had a negative effect on EBITDA. Managed EBITDA declined due to lower fees and increased guarantee payments.

FX had a positive effect of ca MEUR 0.6 on EBITDA in ROWE.

Eastern Europe

Like-for–like RevPAR noted a steep decline of -27.4%. Russia experienced a drop of -40.5%, a result of lower business individual and leisure group volumes coupled with significant Average House Rate reductions. The Baltics, -40.0%, also had more significant decreases in business individual volume plus crew volumes but a lesser decline in AHR.

The decline in fees from managed hotels followed the negative RevPAR trend in the market. However, the addition of new rooms had a positive effect on both managed and franchised fees.

EBITDA from Managed hotels noted a drop not only due to a lower fee base but also on account of increased guarantee payments.

Middle East, Africa and Others

Like-for-like RevPAR showed a decline of 8.6% and was in addition positively affected by FX.

The UAE was the key market in this region with the most significant RevPAR decline, -26.5%, a result of lower leisure individual and group volumes. The lower leisure business levels also occurred elsewhere in MEAO (e.g. Egypt).

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.

EBITDA was quite stable, and was in line with that of same period last year.

Segmental Revenue, EBITDA and Central Costs

Revenue, MEUR	**Jan-Mar 2009**	**Jan-Mar 2008**	**Change in %**
Nordics	68.9	81.1	(15.0)
Rest of Western Europe	76.8	87.7	(12.2)
Eastern Europe	3.3	4.7	(29.8)
Middle East, Africa & Others	3.7	3.5	5.7
Total Revenue	**152.6**	**177.0**	**(13.8)**

EBITDA, MEUR	**Jan-Mar 2009**	**Jan-Mar 2008**	**Change in %**
Nordics	7.9	9.5	(16.8)
Rest of Western Europe	(14.9)	(4.1)	(263.4)
Eastern Europe	0.7	2.9	(75.9)
Middle East, Africa & Others	2.4	2.9	(17.2)
Central Costs	(11.0)	(10.9)	(0.9)
Total EBITDA	**(14.9)**	**0.2**	**(755)**

Central costs

The reduction in central costs due to tight control and cost-cutting was offset by redundancy costs of ca MEUR 0.9 in the quarter and reported central costs were therefore in line with that of the same period last year.

Comments to balance sheet (p. 10)

Compared to year-end 08, non-current assets have noted a small increase, despite lower investment activities in the hotels. This was mainly due to 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 losses carry forward.

Net working capital, excluding cash and cash equivalents, at the end of the period was MEUR -43.2 (-55.8 at year-end 08). Cash and cash equivalents went down from MEUR 26.4 at year-end 08 to MEUR 8.4 and bank overdrafts increased from MEUR 8.2 at year-end 08 to MEUR 19.1.

Compared to year-end 08, equity went down by MEUR 14.3, mainly as a result of the loss for the period. Exchange differences from translation of foreign operations however had a positive effect on equity of MEUR 3.0, net of taxes.

Comments to cash flow and liquidity (p. 12)

Cash flow from operating activities amounted to MEUR -21.2 in Q1 09, which was MEUR 24.1 below that of last year. The negative development compared to last year was coming from a higher operating loss following the weak market and a negative cash flow from change in working capital.

The negative cash flow effect from change in working capital was mainly related to the lower business volume and followed the normal seasonal pattern. Cash flow from working capital was also negatively affected by the settlement of certain accruals. Compared to the same period last year, the cash flow is MEUR 11.6 worse. Apart from the effect of the lower business volume on working capital, this deviation is primarily explained by the substantial drop in accounts receivables in Q1 08 due to Easter, the reversal in Q1 09 of some one-off accruals and prepaid income from year-end and the timing of certain rent payments.

Cash flow from investing activities amounted to MEUR -8.1 and is as in Q1 08 mainly related to leased hotels in Norway and the UK. Due to a more restrictive cash management, the hotels investments are lower this year. 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 amounted to MEUR 11.1 and was attributable to utilisation of overdraft facilities. Compared to the same period last year, there was an increased utilisation of these overdraft facilities due to the poor operational performance.

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 19.1 was used as overdrafts, leaving MEUR 86.6 available for use. At the end of March 09, Rezidor had MEUR 8.4 in cash and cash equivalents.

Net interest bearing assets (including pension assets and retirement benefit obligations) amounted to MEUR 12.1 (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 liabilities (short-term & long-term), amounted to MEUR -10.7 (18.2 at year-end 08 and 10.9 at Q1 08).

Incentive programmes

On May 4, 2007 the Annual General Meeting approved a long-term equity settled performance-based incentive programme to be offered to approximately 25 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 program 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 to approximately 30 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 during the financial years 2008-2010, the participants of the programme may at the end of the vesting period be awarded a certain number of so called performance shares in the Company. With the exception of the CEO, the CFO, and three other senior executives, the participants, in addition, are entitled to receive a certain number of so called matching shares relative to their number of savings shares, conditional on continuous employment during the vesting period. Allotments of performance shares and matching 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.

The cost for the incentive programmes in Q1, calculated in accordance with IFRS 2, amounted to MEUR 0.1 (0.1). Costs for social security charges related to the programmes during the period were immaterial (also in Q1 08). The two incentive programs 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 the period and the average number of own shares held by the Company during Q1 was 3,694,500 (1,230,451). 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.

Post balance sheet events

There are no post balance sheet events to report.

Business development

Rooms added into operation	Jan-Mar 2009
By brand	
Radisson Blu	40
Park Inn	641
Other	-
Total	**681**
By contract type	
Managed	573
Leased	14
Franchised	94
Total	**681**

Rooms contracts signed	Jan-Mar 2009
By brand	
Radisson Blu	1,181
Park Inn	798
Other	370
Total	**2,349**
By contract type	
Managed	1,867
Leased	-
Franchised	482
Total	**2,349**
By geography	
Nordics	-
Rest of Western Europe	482
Eastern Europe	737
Middle East, Africa & Others	1,130
Total	**2,349**

In Q1 09, Rezidor signed 14 contracts for new hotels (2,349 rooms), none of which carried any financial commitments.

In Q1 09, 10 asset management projects were signed, including the addition of 78 rooms to the pipeline.

In Q1 09, 681 rooms were opened. However, due to rooms leaving the system (5 hotels with 507 rooms) the net increase was 174 rooms.

Material risks and uncertainties

As regards the material risks and uncertainties, a reference is 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.

Auditor's review

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

Consolidates statement of operations

MEUR	Jan-Mar 2009	Jan-Mar 2008
Revenue	152.6	177.0
F&B and other related expenses	(12.1)	(13.9)
Personnel cost and contract labour	(61.6)	(66.2)
Other Operating expenses	(38.2)	(42.3)
Insurance of properties and property tax	(3.0)	(3.0)
Operating profit before rental expense and share of income in associates and depreciation and amortisation and gain on sale of fixed assets (EBITDAR)	**37.7**	**51.6**
Rental expense	(53.0)	(52.3)
Shares of income in associates and Joint Ventures	0.4	1.0
Operating profit/loss before depreciation and amortisation and gain on sale of fixed assets (EBITDA)	**(14.9)**	**0.2**
Depreciation and amortisation expense	(6.3)	(6.5)
Operating loss	**(21.2)**	**(6.3)**
Financial income	0.2	0.9
Financial expense	(0.4)	(0.9)
Loss before tax	**(21.4)**	**(6.3)**
Income Tax	2.2	(0.7)
Loss for the period	**(19.2)**	**(7.0)**
Attributable to:		
Equity holders of the parent	**(19.2)**	(7.0)
Minority interest	**-**	-
Loss for the period	**(19.2)**	**(7.0)**
Average no. of shares outstanding during the period	146,307,540	148,771,589
Earnings per share, in EUR		
Basic and diluted	(0.13)	(0.05)

Statement of comprehensive income

Loss for the period	**(19.2)**	**(7.0)**
Other comprehensive income:		
Exchange differences on translation of foreign operations	3.9	(5.1)
Tax on exchange differences recognised directly in equity	0.9	(1.5)
Other comprehensive income for the period, net of tax	**4.8**	**(6.6)**
Total comprehensive income for the period	**(14.4)**	**(13.6)**
Attributable to:		
Equity holders of the parent	(14.4)	(13.6)
Minority interest	-	-
	(14.4)	(13.6)

Condensed consolidated balance sheet statements

MEUR	31. Mar 2009	31. Dec 2008
ASSETS		
Goodwill	13.7	13.2
Licences and related rights and other intangible assets	67.4	66.0
Tangible assets	107.5	103.7
Investments in associated companies and joint ventures	7.7	8.0
Other shares and participations	10.5	10.5
Pension funds, net	11.1	10.3
Other long-term receivables	12.7	12.2
Deferred tax assets	23.7	20.2
Total non-current assets	**254.3**	**244.1**
Inventories	4.9	5.3
Other current receivables	113.2	105.2
Other short term investments	2.2	3.0
Cash and cash equivalents	8.4	26.4
Total current assets	**128.7**	**139.9**
TOTAL ASSETS	**383.0**	**384.0**
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent	169.8	184.1
Minority interest	0.2	0.2
Total equity	**170.0**	**184.3**
Deferred tax liabilities	29.6	25.8
Retirement benefit obligations	1.5	1.5
Other long-term liabilities	4.9	3.2
Total non-current liabilities	**36.0**	**30.5**
Liabilities to financial institutions	19.1	8.2
Other current liabilities	157.9	160.9
Total current liabilities	**177.0**	**169.1**
TOTAL EQUITY AND LIABILITIES	**383.0**	**384.0**
Number of ordinary shares outstanding at the end of the period	146,307,540	146,307,540
Number of ordinary shares held by the company	3,694,500	3,694,500
Number of registered ordinary shares at the end of the period	150,002,040	150,002,040

Consolidates 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**
Balance at Jan. 1, 2008	**10.0**	**135.1**	**13.6**	**42.5**	**201.3**	**0.2**	**201.5**
Share buy-back	-	-	-	(3.4)	**(3.4)**	-	**(3.4)**
Long term incentive plan	-	-	-	0.1	**0.1**	**-**	**0.1**
Total comprehensive income for the period	-	-	(6.6)	(7.0)	**(13.6)**	**-**	**(13.6)**
Balance at Mar. 31, 2008	**10.0**	**135.1**	**7.1**	**32.3**	**184.5**	**0.2**	**184.7**
Dividends paid to shareholders	-	(14.8)	-	-	**(14.8)**	**-**	**(14.8)**
Share buy-back	-	-	-	(5.0)	**(5.0)**	**-**	**(5.0)**
Long term incentive plan	**-**	**-**	**-**	0.1	**0.1**	**-**	**0.1**
Total comprehensive income for the period	-	-	(13.8)	33.1	**19.3**	**-**	**19.3**
Balance at Dec. 31, 2008	**10.0**	**120.3**	**(6.7)**	**60.5**	**184.1**	**0.2**	**184.3**
Long term incentive plan	-	-	-	0.1	**0.1**	-	**0.1**
Total comprehensive income for the period	-	-	4.8	(19.2)	**(14.4)**	-	**(14.4)**
Balance at Mar. 31, 2009	**10.0**	**120.3**	**(1.9)**	**41.4**	**169.8**	**0.2**	**170.0**

Condensed consolidated statement of cash flow

MEUR	Jan-Mar 2009	Jan-Mar 2008
Operating loss	**(21.2)**	**(6.3)**
Non cash items	5.2	2.9
Interest, taxes paid and other cash items	(0.7)	(0.8)
Change in working capital	(4.6)	7.0
Cash flow from operating activities	**(21.3)**	**2.9**
Purchase of intangible assets	(0.1)	(0.3)
Purchase of tangible assets	(6.0)	(8.8)
Other investments/divestments	(2.0)	1.0
Cash flow from investing activities	**(8.1)**	**(8.0)**
External financing, net	11.1	1.8
Share buy back	-	(3.4)
Cash flow from financing activities	**11.1**	**(1.5)**
Cash flow for the period	**(18.3)**	**(6.7)**
Effects of exchange rate changes on cash and cash equivalents	0.3	(0.4)
Cash and cash equivalents at beginning of the period	**26.4**	**51.4**
Cash and cash equivalents at end of the period	**8.4**	**44.3**

Parent Company, statement of operations

MEUR	Jan-Mar 2009	Jan-Mar 2008
Revenue	0.9	1.0
Personnel cost	(0.6)	(0.7)
Other Operating expenses	(2.2)	(2.8)
Operating loss before depreciation and amortization	**(1.9)**	**(2.5)**
Depreciation and amortization expense	0	0
Operating loss	**(1.9)**	**(2.5)**
Financial income	0.2	0.3
Financial expense	(0.3)	(0.5)
Loss before tax	**(2.0)**	**(2.7)**
Income Tax	0.5	0.8
Loss for the period	**(1.5)**	**(2.0)**

Parent Company, condensed balance sheet statement

MEUR	Mar. 31 2009	Dec.31 2008
ASSETS		
Tangible assets	0.2	0.2
Shares in subsidiaries	231.7	231.6
Deferred tax assets	0.4	-
Total non-current assets	**232.3**	**231.8**
Inventories	0	0
Current receivables	17.6	16.5
Cash and cash equivalents	0	0
Total current assets	**17.6**	**16.5**
TOTAL ASSETS	**249.9**	**248.3**
EQUITY AND LIABILITIES		
Equity	**192.9**	**194.3**
Current liabilities	57.0	54.0
Total current liabilities	**57.0**	**54.0**
TOTAL EQUITY AND LIABILITIES	**249.9**	**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 at Jan. 1, 2008	**10.0**	**212.1**	**(6.8)**	**215.3**
Share buy-back	-	-	(3.4)	**(3.4)**
Long term incentive plan	-	-	0.1	**0.1**
Group contribution	-	-	1.1	**1.1**
Tax effect on group contribution	-	-	(0.3)	**(0.3)**
Net loss for the period	-	-	(2.0)	**(2.0)**
Balance at Mar. 31, 2008	**10.0**	**212.1**	**(11.3)**	**210.9**
Dividends paid	-	(14.8)	-	**(14.8)**
Share buy-back	-	-	(5.0)	**(5.0)**
Long term incentive plan	-	-	0.1	**0.1**
Group contribution	-	-	8.5	**8.5**
Tax effect on group contribution	-	-	(2.4)	**(2.4)**
Net loss for the period	-	-	(3.0)	**(3.0)**
Balance at Dec. 31, 2008	**10.0**	**197.3**	**(13.0)**	**194.3**
Long term incentive plan	-	-	0.1	0.1
Net loss for the period	-	-	(1.5)	(1.5)
Balance at Mar. 31, 2009	**10.0**	**197.3**	**(14.4)**	**192.9**

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 Q1 09 the inter-company revenue of the Parent Company amounted to MEUR 0.8 (0.8). The inter-company costs in Q1 09 amounted to MEUR 1.4 (2.0). In Q1 09 inter-company interest income amounted to MEUR 0 (0.2) and intercompany interest expenses to MEUR 0.2 (0.4).

Comments to balance sheet

At the end of the quarter the inter-company receivables amounted to MEUR 17.2 (16.2 at year-end 08) and the inter-company liabilities to MEUR 55.1 (52.4 at year-end 08).

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 2.1, 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. By the end of Q1 09 Rezidor had ordinary current receivables related to Carlson of MEUR 0.6 (1.1) and ordinary current liabilities of MEUR 1.2 (2.9). 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. By the end of Q1 09, Rezidor had operating costs towards Carlson of MEUR 2.2 (2.9). Moreover, Rezidor paid commissions towards the travel agencies' network of Carlson amounting to MEUR 0.1 (0.7). For these specific commissions Rezidor had current liabilities of MEUR 0.1 (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 light of the current market conditions a further amendment to the CEO's contract was made in March 09 pursuant to which the CEO agreed to forego his entitlement to the variable salary for 2008 and further delay the payment of the amount owed to him. The details of this amendment and the other terms and conditions of the CEO's employment contract are presented in note 10 to the annual report for 2008.

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	Mar. 31, 2009	Dec. 31 2008
Securities on deposits (restricted accounts)	2.1	3.0

Asset pledged, MEUR	Mar. 31, 2009	Dec. 31, 2008
Miscellaneous guarantees provided	1.1	1.1
Total guarantees provided	**1.1**	**1.1**

Revenue per area of operation

MEUR	Jan-Mar 2009	Jan-Mar 2008	Change in %
Revenue			
Rooms revenue	83.7	98.0	(14.6)
F&B revenue	46.1	54.2	(14.9)
Other hotel revenue	4.3	4.8	(10.4)
Total hotel revenue	**134.1**	**157.0**	**(14.6)**
Fee revenue	14.2	17.6	(19.3)
Other revenue	4.3	2.4	79.2
Total revenue	**152.6**	**177.0**	**(13.8)**

Total fee revenue

MEUR	Jan-Mar 2009	Jan-Mar 2008	Change in %
Management Fees	4.8	6.0	(20.0)
Incentive Fees	3.2	4.7	(31.9)
Franchise Fees	1.1	1.3	(15.4)
Other Fees (incl. marketing, reservation fee etc.)	5.1	5.6	(8.9)
Total fee revenue	**14.2**	**17.6**	**(19.3)**

Revenue per region

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Total	
Jan-Mar	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Leased	63.1	76.6	71.0	80.4	-	-	-	-	134.1	157.0
Managed	0.7	1.1	4.3	5.7	3.1	4.6	3.6	3.5	11.7	15.0
Franchised	1.1	1.4	1.2	1.2	0.2	0.1	-	-	2.5	2.6
Other	4.0	2.0	0.3	0.4	-	-	-	-	4.3	2.4
Total	**68.9**	**81.1**	**76.8**	**87.7**	**3.3**	**4.7**	**3.6**	**3.5**	**152.6**	**177.0**

Rental expenses

MEUR	Jan-Mar 2009	Jan-Mar 2008	Change in %
Fixed rent	41.5	41.5	0.0
Variable rent	2.9	5.9	(50.8)
Rent	**44.4**	**47.4**	**(6.3)**
Rent as a % of leased hotel revenue	33.2%	30.2%	300 bps
Guarantees	8.6	5.0	72.0
Rental expense	**53.0**	**52.3**	**1.3**

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	
Jan-Mar	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Leased	4.7	8.5	(10.8)	(4.3)	-	-	-	0	-	-	(6.1)	4.2
Managed	0.3	0.7	(4.2)	0.2	0.6	2.9	2.3	2.5	-	-	(1.0)	6.3
Franchised	0.5	0.7	0.5	0.4	0.1	0	-	-	-	-	1.1	1.1
Other[1)2)]	2.4	(0.4)	(0.4)	(0.4)	0	0	0.1	0.4	-	-	2.1	(0.4)
Central costs[2)]	-	-	-	-	-	-	-	-	(11.0)	(10.9)	(11.0)	(10.9)
Total	**7.9**	**9.5**	**(14.9)**	**(4.1)**	**0.7**	**2.9**	**2.4**	**2.9**	**(11.0)**	**(10.9)**	**(14.9)**	**0.2**

Operating profit (EBIT)

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Central costs		Total	
Jan-Mar	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Leased	2.0	5.5	(13.6)	(6.8)	-	-	-	0	-	-	(11.6)	(1.3)
Managed	0.3	0.7	(4.2)	0.1	0.6	2.8	2.3	2.4	-	-	(1.0)	6.0
Franchised	0.4	0.7	0.4	0.4	0.1	0	-	-	-	-	0.9	1.1
Other[1)2)]	2.1	(0.9)	(0.6)	(0.6)	0	0	0.1	0.4	-	-	1.5	(1.1)
Central costs[2)]	-	-	-	-	-	-	-	-	(11.0)	(10.9)	(11.0)	(10.9)
Total	**4.8**	**6.0**	**(18.0)**	**(7.0)**	**0.7**	**2.8**	**2.4**	**2.8**	**(11.0)**	**(10.9)**	**(21.2)**	**(6.3)**

1) *Other also include share of income from associates*
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 loss for the period

MEUR		
Jan-Mar	**2009**	**2008**
Total operating profit/(loss) (EBIT) for reportable segments	**(21.2)**	**(6.3)**
Financial income	0.2	0.9
Financial expense	(0.4)	(0.9)
Group's total loss before tax	**(21.4)**	**(6.3)**

Balance sheet and investments

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Total	
	Mar. 31 2009	**Dec. 31 2008**	**Mar. 31 2009**	**Dec. 31 2008**	**Mar. 31 2009**	**Dec. 31 2008**	**Mar. 31 2009**	**Dec. 31 2008**	**Mar. 31 2009**	**Dec. 31 2008**
Assets	119.0	109.6	198.0	209.1	28.2	30.0	37.8	35.3	383.0	384.0
Investments (tangible and intangible assets)	2.5	9.7	5.7	27.5	0.1	-	0.1	0	8.4	37.2

Hotels in operation

Contract type	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Total	
Mar. 31,	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Leased	23	23	44	42	-	-	-	-	67	65
Managed	8	7	60	53	32	29	26	19	126	108
Franchised	23	32	37	34	7	4	-	-	67	70
Total	**54**	**62**	**141**	**129**	**39**	**33**	**26**	**19**	**260**	**243**

Rooms in operation

Contract type	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Total	
Mar. 31,	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Leased	6,129	6,129	9,175	8,678	-	-	-	-	15,304	14,807
Managed	2,106	2,064	9,967	8,852	8,465	7,641	6,154	4,870	26,692	23,427
Franchised	4,135	4,963	7,485	6,152	1,258	778	-	-	12,878	11,893
Total	**12,370**	**13,156**	**26,627**	**23,682**	**9,723**	**8,419**	**6,154**	**4,870**	**54,874**	**50,127**

Hotels and rooms in development

Contract type	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Total	
Mar. 31, 2009	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**
Radisson Blu	2	470	10	1,817	20	5,249	25	6,369	57	13,905
Park Inn	6	1,448	21	3,119	13	2,344	4	776	44	7,687
Missoni	-	-	1	136	-	-	4	839	5	975
Regent	-	-	-	-	1	130	2	798	3	928
Total	**8**	**1,918**	**32**	**5,072**	**34**	**7,723**	**35**	**8,782**	**109**	**23,495**

Definitions

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

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

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

EBIT
Operating profit before net financial items and tax.

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

EBITDA margin
EBITDA as a percentage of Revenue.

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

FF&E
Furniture, Fittings and Equipment.

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

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

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

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

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

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

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

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

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

Geographic regions/segments

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

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

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

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

Financial calendar

Interim Report January-June: 22 July 2009
Interim Report January-September: 30 October 2009
Year-end Report January-December: 10 February 2010

Stockholm 23rd April, 2009

Kurt Ritter
President & CEO
Rezidor Hotel Group AB

Webcast

23rd April 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 23th April 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#.

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