REZIDOR HOTEL GROUP AB (publ)

FINANCIAL REPORT 1st JANUARY – 30th SEPTEMBER 2008

THIRD QUARTER 2008

- RevPAR Like-for-Like (for leased and managed hotels at constant FX rates) decreased by 0.4% to EUR 81.4 (81.7). Like-for-Like Occupancy was 71.4% (76.2).
- Revenue decreased by 4.2% or MEUR 8.5 to MEUR 192.5 (201.0), 0.6% on a constant currency basis.
- EBITDA was MEUR 20.0 (25.9), and EBITDA margin was 10.4% (12.9). The decline was mainly due to soft performance in Rest of Western Europe.
- Profit after tax amounted to MEUR 10.1 (15.1).
- Earnings Per Share amounted to EUR 0.07 (0.10)

NINE-MONTHS ENDING SEPTEMBER 2008

- RevPAR Like-for-Like (for leased and managed hotels at constant FX rates) grew by 5.3% to EUR 80.9 (76.8). Like-for-Like Occupancy was 68.2% (70.7).
- Revenue increased by 3.4% or MEUR 19.4 to MEUR 591.3 (571.9), 6.2% on a constant currency basis.
- EBITDA was MEUR 57.3 (58.1), and EBITDA margin was 9.7% (10.2). The decline was due to soft performance in Rest of Western Europe.
- Profit after tax amounted to MEUR 24.9 (29.0).
- Earnings Per Share amounted to EUR 0.17 (0.19).

OTHER HIGHLIGHTS

- During the first nine months of 2008, Rezidor added 3,402 rooms into operations, of which ca 85% were managed or franchised.
- During the first nine months of 2008, Rezidor entered into 42 new contracts and 10 property extensions totalling 10,027 rooms, out of which ca 90% were managed or franchised.
- Launch of a cost reduction plan expected to result in annual cost savings of MEUR 20.

KEY FIGURES

SELECTED FINANCIAL DATA (TEUR)	Jul-Sep 08	Jul-Sep 07	Jan-Sep 08	Jan-Sep 07
Revenue	192,477	200,979	591,263	571,945
EBITDAR	70,766	74,867	211,600	203,711
EBITDA	19,958	25,861	57,272	58,113
EBIT	13,402	19,579	37,558	40,265
Profit after Tax	10,145	15,104	24,879	28,989
SELECTED RATIOS				
EBITDAR Margin %	36.8%	37.3%	35.8%	35.6%
EBITDA Margin %	10.4%	12.9%	9.7%	10.2%
EBIT Margin %	7.0%	9.7%	6.4%	7.0%

CEO STATEMENT

“The European hotel market in the third quarter was negatively impacted by the economic slowdown and the financial turmoil. Like-for-like RevPAR development for Rezidor was almost flat in the quarter, which witnessed an ongoing decrease in occupancy but an increase in average room rate.

To mitigate the effects from the economic slowdown a cost reduction plan comprising mainly a reduction in fixed costs and improved purchasing agreements is being implemented throughout Rezidor. The plan is expected to result in annual cost savings of MEUR 20, with full effect as of the second half of 2009.

Although some new openings are likely to witness delays as a result of the credit crunch, 2008 will be another record year in terms of new signings. Fee based management and franchise contracts continue to be at the forefront of our growth strategy. We have a contracted pipeline of close to 23,000 rooms out of which circa 85% are fee based and over 60% are in emerging markets.” ***Kurt Ritter, President & CEO***

MARKET DEVELOPMENT

RevPAR development during Q3 08 witnessed a decline across most markets on account of the continued economic slowdown. RevPAR in the UK and the Middle East, in particular, were further negatively impacted due to the weakening of the GBP and the US dollar versus the Euro.

RevPAR per region, in EUR	Jul-Sep 08	Jul-Sep 07	Var %	Jan-Sep 08	Jan-Sep 07	Var %
The Nordics First Class	89.6	90.5	(1.0)	85.2	81.9	4.0
The Nordics Mid Market	69.5	70.6	(1.6)	65.6	63.4	3.6
Europe First Class	88.9	93.4	(4.9)	86.3	87.9	(1.8)
Europe Mid market	63.5	66.2	(4.1)	60.4	60.9	(0.9)
Rest of Western Europe First Class	87.4	93.7	(6.7)	85.7	88.8	(3.5)
Rest of Western Europe Mid Market	63.8	67.3	(5.3)	60.6	62.3	(2.6)
Eastern Europe First Class	93.0	91.5	1.6	91.4	87.9	4.0
Eastern Europe Mid Market	47.1	50.5	(6.7)	43.9	44.2	(0.7)
Middle East First Class	68.9	61.9	11.3	75.1	68.4	9.9
Middle East Mid Market	44.2	39.5	11.7	46.9	43.3	8.2
UK First Class	103.1	118.2	(12.7)	99.1	111.8	(11.4)
UK Mid Market	68.5	78.1	(12.3)	65.7	74.0	(11.2)
Germany First Class	63.0	62.0	1.6	63.5	61.0	4.1
Germany Mid Market	48.4	46.3	4.4	47.0	44.6	5.5
Benelux First Class	82.0	87.4	(6.1)	87.5	86.8	0.8
Benelux Mid Market	67.9	68.5	(0.8)	70.8	67.5	4.9
Russia & CIS First Class	147.2	131.4	12.0	145.4	130.4	11.5

Source: STR Global. Numbers above are based on preliminary data. Growth rates are Euro based except stated otherwise. Market data for the mid-market segment in Russia and the other CIS are not available.

REZIDOR PERFORMANCE - REVPAR & OCCUPANCY (LEASED & MANAGED)

	Jul-Sep 08	Jul-Sep 07	Var	Jan-Sep 08	Jan-Sep 07	Var
REVPAR LIKE-FOR-LIKE (EUR) [1)]						
Radisson SAS	89.0	89.2	(0.2)%	89.6	84.8	5.7%
Park Inn	55.4	55.2	0.4%	50.1	47.7	5.0%
Rezidor	81.4	81.7	(0.4)%	80.9	76.8	5.3%
OCCUPANCY LIKE-FOR-LIKE						
Radisson SAS	73.1%	76.9%	(380) bps	70.6%	72.1%	(150) bps
Park Inn	66.4%	74.2%	(780) bps	60.4%	66.2%	(580) bps
Rezidor	71.4%	76.2%	(480) bps	68.2%	70.7%	(250) bps
REVPAR (EUR)						
Radisson SAS	83.7	88.6	(5.5)%	85.0	84.5	0.6%
Park Inn	50.3	55.2	(8.9)%	47.3	48.2	(1.9)%
Rezidor	75.7	81.3	(6.9)%	76.0	76.6	(0.8)%
OCCUPANCY						
Radisson SAS	71.1%	76.7%	(560) bps	69.4%	71.9%	(250) bps
Park Inn	63.4%	74.1%	(1070) bps	59.5%	65.9%	(640) bps
Rezidor	69.0%	76.0%	(700) bps	66.7%	70.5%	(380) bps

	Q.o.Q growth %
REVPAR LIKE-FOR-LIKE [1)]	
Nordics	0.5%
Rest of Western Europe	(2.3)%
Eastern Europe	(0.7)%
Middle East, Africa and Other	7.9%
REVPAR	
Nordics	(3.6)%
Rest of Western Europe	(7.4)%
Eastern Europe	(9.1)%
Middle East, Africa and Other	(4.9)%

Note 1) At constant exchange rates.

REVPAR

RevPAR Q3 08 (for Rezidor as a whole): most markets reported soft performance resulting in a -0.4% change in like-for-like RevPAR versus +7.9% in the first half of the year.

A summary showing these effects and the underlying business growth is presented below:

RevPAR	H1 08	Q3 08	YTD 08
Like-for-like growth	7.9%	-0.4%	5.3%
FX Impact	-3.8%	-3.8%	-3.8%
New Openings	-1.3%	-2.7%	-2.3%
Reported growth	**2.8%**	**-6.9%**	**-0.8%**

RevPAR in the third quarter continued to be negatively affected due to changes in FX, mainly the depreciation of the GBP and the USD (also the USD linked currencies) versus the Euro by ca 17% and 8% respectively compared to Q3 07. The third quarter 2008 also noted a slight depreciation of the NOK and the SEK versus the Euro by ca 2% each.

RevPAR Q3 08 (by Rezidor's geographic segments): like-for-like RevPAR was almost flat (marginal increase) in the Nordics; modest decline in the Rest of Western Europe (ROWE); almost flat (marginal decrease) in Eastern Europe; and a high single digit increase in the Middle East, Africa and Other (MEAO). All geographic segments noted decrease in occupancy levels, the effects of which were fully or partly offset by increases in average room rates.

At constant exchange rates, RevPAR in Norway and France showed a growth of 2% each, while Russia marked a growth of 5%. Most other countries reported a decline in like-for-like RevPAR ranging from -1% (Germany) to -15% (the Baltics).

RevPAR YTD (for Rezidor as a whole): was also negatively affected due to changes in FX, mainly the depreciation of the GBP and the USD (also the USD linked currencies) versus the Euro by ca 16% and 14% respectively compared to YTD 07. During the nine-month period of 2008, while the SEK noted a slight depreciation of ca 2% versus the Euro, an opposite effect was seen with the NOK, which appreciated by ca 1% versus the Euro.

RevPAR YTD 08 (by Rezidor's geographic segments): like-for-like RevPAR grew in all geographic segments with MEAO having the strongest growth (low double digit) followed by Eastern Europe (high single digit), the Nordics (mid single digit) and ROWE (low single digit). All geographic segments noted decrease in occupancy levels, the effects of which were fully offset by increases in average room rates.

At constant exchange rates, and with the exception of Poland and the Baltics, RevPAR grew in almost all countries, ranging from 2% (the UK) to 16% (Russia), driven by higher average room rates.

COMMENTS TO STATEMENT OF OPERATIONS (page 11)

Q3 08

Total Revenue decreased by 4.2% or MEUR 8.5, of which MEUR 7.2 came from FX. The impact from operations (Ops.) and FX on the deviation in Total Revenue to same period last year is shown below:

In MEUR *(Devs. to Q3 07)*	Ops.	FX	Total Dev.
Rooms Rev	1.3	-4.3	-3.0
F&B Rev	-0.9	-2.0	-2.9
Other Hotel Rev	-0.1	-0.2	-0.3
Total Leased Rev	**0.3**	**-6.5**	**-6.2**
Fee Rev	-0.5	-0.7	-1.2
Other Rev	-1.1	0.0	-1.1
TOTAL REV	**-1.3**	**-7.2**	**-8.5**

Like-for-like Revenue decreased by 3.2% or MEUR 6.4. Room Revenue marked a decline due to a decrease in like-for-like RevPAR driven by drop in demand (occupancy) from leisure groups and business individuals, reduced use of corporate allotments like airlines' crew as well as the ongoing renovation works at the Park Inn portfolio in the UK and other selected hotels. However, the decline in Rooms Revenue was partly offset on account of three newly opened leased hotels since the end of Q3 07. F&B and Other Hotel Revenue (operations) also noted a declined due to the lower occupancy. The negative deviation in Fee Revenue (operations) was due to lower RevPAR (at constant FX) in several countries across all geographic segments. This negative deviation was partly offset by several newly opened managed hotels since Q3 07, which were in their ramp-up phase. Other Revenue went down due to the assignment of the loyalty program to its owner, Carlson, in Q4 07. For the leased hotel revenue, majority of the negative FX impact was due to the weakened GBP, and to some extent weakened NOK and SEK. For the fee revenue, the negative FX effect was primarily due to the depreciation of currencies, mainly in the Middle East and South Africa.

Personnel cost and contract labour as a percent of leased hotel revenue went up, mainly due to high inflation combined with lower leased hotel revenue.

The opening of three new leased hotels since the end of Q3 07 added to Other Operating Expenses and Insurance of properties and property tax. However, those cost lines were positively impacted due to positive effect of FX (mainly in the UK and Scandinavia).

In Q3 08, pre-opening costs associated with the opening of new leased hotels amounted to MEUR -2.1 (-0.6).

EBITDAR margin noted only a marginal decline despite a drop in Total Revenue, higher pre-opening costs versus Q3 07, and a high inflation. This was due to a group-wide focus on cost containment – both at property and corporate levels.

As a percent of leased hotel revenue, Fixed Rent marked an increase primarily due to the addition of three new leased hotels, higher indexation linked to inflation and lower revenue. Variable Rent noted a decline due to lower revenue from leased hotels (mainly in the Nordics).

Total Rent had a positive effect due to FX (the UK and Scandinavia).

Shortfall payments for management contracts with performance guarantees noted an increase on account of a few hotels in ROWE, some of which were newly opened and some undergoing renovation works. Share of Income from Associates and Joint Ventures was stable.

EBITDA and EBITDA margin was negatively affected due to market slowdown, high inflation and higher pre-opening costs versus Q3 07. Also, FX had a negative impact of ca MEUR 0.7 on EBITDA.

Depreciation and amortisation noted a small increase (partly offset by FX) on account of investments at several existing hotels, particularly in Norway and the UK.

Financial Income noted a slightly lower interest income due to lower average cash balance in Q3 08 vs Q3 07. However, it was positively impacted by exchange differences arising out of FX. In Q3 07, there was a large increase in Financial Income on account of the capital gain from the sale of shares in RDS Hotelli AS (the owning company of Radisson SAS Hotel Tallinn, Estonia), which amounted to MEUR 3.2.

Higher interest rates had limited impact on Financial Expense which marked a decline due to reduction in the use of overdraft facilities as well as partial repayment of an external loan during 2007.

A refund of corporate profit tax in the UK resulted in a lower tax rate in Q3 08. Excluding that effect, the tax rate would have noted a modest increase versus the same period last year. The increase in the higher effective tax rate is mainly due to application of a more conservative approach regarding tax losses carried forward, which were not capitalized as deferred tax assets in Q3 08.

YTD Sep 08

Total Revenue had a net increase of 3.4% or MEUR 19.5, and was negatively affected by FX, which amounted to MEUR 16.0. The impact of operations (Ops.) and FX on the deviation in Total Revenue is shown below:

In MEUR (Devs. to YTD 07)	**Ops.**	**FX**	**Total Dev.**
Rooms Rev	22.1	-8.8	13.3
F&B Rev	10.3	-4.4	5.9
Other Hotel Rev	-0.5	-0.6	-1.1
Total Leased Rev	**31.9**	**-13.8**	**18.1**
Fee Rev	6.3	-2.2	4.1
Other Rev	-2.7	0.0	-2.7
TOTAL REV	**35.5**	**-16.0**	**19.5**

Like-for-like Revenue increased by 4.2% or MEUR 23.7. YTD 08, pre-opening costs amounted to MEUR -3.3 (-1.1), which contributed to the increase in operating expenses.

Due to group-wide focus on cost containment, EBITDAR margin noted a marginal increase despite a high inflation and more pre-opening costs versus YTD 07.

EBITDA and EBITDA margin were negatively affected due to market slowdown, high inflation and the aforementioned pre-opening costs. FX also had a negative impact of ca MEUR 1.3 on EBITDA.

The increase in the higher effective tax rate is mainly due to application of a more conservative approach regarding tax losses carried forward, which were not capitalized as deferred tax assets YTD 08.

SEGMENTAL REVENUE, EBITDA & CENTRAL COSTS

OVERVIEW - REVENUE (IN TEUR)

REGION	Jul-Sep 08	Jul-Sep 07	Var %	Jan-Sep 08	Jan-Sep 07	Var %
Nordics	85,759	88,567	(3.2)%	270,019	253,558	6.5%
Rest of Western Europe	97,079	103,270	(6.0)%	292,748	293,019	(0.1)%
Eastern Europe	6,866	6,402	7.2%	18,945	16,880	12.2%
Middle East, Africa & Others	2,773	2,740	1.2%	9,551	8,488	12.5%
TOTAL REVENUE	**192,477**	**200,979**	**(4.2)%**	**591,263**	**571,945**	**3.4%**

OVERVIEW - EBITDA (IN TEUR)

REGION	Jul-Sep 08	Jul-Sep 07	Var %	Jan-Sep 08	Jan-Sep 07	Var %
Nordics	19,322	18,195	6.2%	54,019	50,590	6.8%
Rest of Western Europe	5,178	12,021	(56.9)%	17,259	19,917	(13.3)%
Eastern Europe	4,744	5,069	(6.4)%	13,459	12,479	7.9%
Middle East, Africa & Others	2,784	2,582	7.8%	8,689	8,061	7.8%
Central Costs	(12,070)	(12,006)	0.5%	(36,154)	(32,933)	9.8%
TOTAL EBITDA	**19,958**	**25,861**	**(22.8)%**	**57,272**	**58,114**	(1.4)%

Q3: COMMENTS BY REGION

THE NORDICS (Q3 08)

- Like-for-like RevPAR was almost flat (marginal increase), driven by growth in Norway, whereas Sweden and Denmark showed a small decrease. While the occupancy declined, the average room rate marked a mid-single digit growth.

- There was a positive impact on revenue due to new rooms added last year at existing hotels, and conversion of a franchised property to a lease. The growth was partly offset (MEUR -1.5) by the weakening of the NOK and the SEK to the EUR. Management fee was down due to softening of the markets and FX impact. Franchise fee revenue declined due to ca 900 rooms leaving the system during 2008. Other Revenue went down due to the transfer of goldpoints plus^{SM} loyalty programme to its owner, Carlson.

- EBITDA for leased hotels decreased due to a decline in reported RevPAR, high cost inflation (operating expenses), increased rent on account of a newly opened hotel and to some extent FX. Managed EBITDA declined mainly due to the softening of the markets, and to some extent FX. Franchised EBITDA noted an increase due to timing differences in the spending of marketing funds. Other EBITDA was positively impacted due to reversal of certain accrued expenses as well as Share of Income from Associates & Joint Ventures.

REST OF WESTERN EUROPE (Q3 08)

- Like-for-like RevPAR showed a decline. The biggest drop was noted in the Netherlands (-9%), followed by Belgium, the UK and Germany (-1% each), while France marked a slight increase (2%).

- Leased revenue was negatively impacted mainly due to FX (MEUR -5.0) and reduced F&B due to decline in occupancy (lower demand from leisure groups and business individuals, airlines' crew, and the ongoing renovations at several hotels). However, the decline in revenue was partly offset by the opening of two leased hotels. The market slowdown also had a negative effect on management fee revenue. Franchised fee marked an increase due to the addition of over 500 franchised rooms since the end of Q3 07.

- EBITDA for leased hotels declined due to a decrease in like-for-like RevPAR, decline in F&B demand, high cost inflation (COGS and operating expenses), pre-opening costs, rent on account of two newly opened hotels and a small effect of FX. The two new leased hotels contributed negatively to EBITDA by MEUR 2.5 (mainly due to pre-opening costs). As several leased hotels in ROWE are in ramp-up phase and mainly paying fixed rents, the drop in revenue did not result in any significant savings in Variable Rent. Managed EBITDA declined mainly due to drop in RevPAR as well as increased guarantee payments. Franchised EBITDA showed an increase due to higher fee revenue.

EASTERN EUROPE (Q3 08)

- Like-for-like RevPAR was almost flat (marginal decline). The net FX impact on reported RevPAR was almost zero. The Baltics and Poland reported decline of -15% and -6% respectively, while Russia noted a growth of 5%.

- The managed fee revenue had a positive impact from the ramping up of existing portfolio and the addition of ca 1,200 rooms since the end of Q3 07. However most of the growth was offset due to decline in RevPAR (particularly the Baltics and Poland). Franchised fees marked a modest growth due to the addition of ca 300 rooms since the end of Q3 07.

- EBITDA from managed fees noted a drop mainly due to guarantee payments for one hotel. EBITDA from franchised fees was positively impacted due to the increase in fee revenue.

THE MIDDLE EAST, AFRICA & OTHER (Q3 08)

- Like-for-like RevPAR showed a strong growth, however, reported RevPAR marked a decline due to negative FX effects and opening of new hotels.

- Managed fee revenue benefitted from strong underlying growth in RevPAR (like-for-like) as well as addition of ca 600 rooms since the end of Q3 07. However, the growth in fee revenue was almost entirely offset due to FX.

- EBITDA from managed fees was relatively stable.

CENTRAL COSTS

Central costs for Q3 08 were slightly lower than those for the same period last year. However, Q3 08 includes a positive effect of a cost reversal amounting to MEUR 1.0. Central costs YTD 08 marked a modest increase versus same period last year.

Given the general economic and hotel market slowdown, central cost containment continues to be a key focus area for Rezidor.

COMMENTS TO BALANCE SHEET (page 12)

Compared to 31st December 2007 there are few changes in intangible assets, with a minor increase in goodwill coming from the accrual for an amount of MEUR 0.6 and the net decrease in other intangible assets coming from amortisation and negative translation differences. Tangible fixed assets saw a net increase of MEUR 4.8, mainly related to investments in hotels in Norway and the UK. There was an increase in financial fixed assets due to share of income from associates and joint ventures and a capital increase in one of the associates. However, the increase was partly offset by dividend payment from one of the joint ventures, leaving the net amount relatively stable.

Net working capital, excluding cash and cash equivalents, at the end of the period was MEUR -47.0 (-45.8 as at 31st December 07). The changes in working capital followed the seasonal pattern, resulting in an increase in accounts receivables and prepayments, although this increase was not as significant compared to the same period last year. Cash and cash equivalents went down from MEUR 51.4 to MEUR 27.4 and bank overdrafts from MEUR 31.6 to MEUR 8.2.

Compared to 31st December 2007, equity was reduced by the dividend paid, which amounted to MEUR 14.8, and the share buy-backs, which amounted to MEUR 8.4. Translation differences, including tax effects, also impacted equity negatively by MEUR 5.3 whereas the accounting for the long term incentive plan had a small positive effect of MEUR 0.4 on retained earnings.

COMMENTS TO CASH FLOW & LIQUIDITY (page 14)

Cash flow from operating activities amounted to MEUR 49.1 YTD 08, which was MEUR 14.8 better than the same period last year. This was mainly explained by the positive effect from changes in working capital. YTD 07 witnessed a negative cash flow impact from working capital due to strong growth in business, which resulted in a higher increase in accounts receivables compared to YTD 08. Some positive effects from working capital were also seen due to better terms for rent payments (later due dates) related to a few hotels.

Cash flow from investing activities of MEUR -26.3 was mainly related to investments in leased hotels in Norway and the UK. The difference between YTD 08 and YTD 07 was primarily due to investments made during 07 in the same countries. Cash flow from investing activities was also negatively affected by minor investments in other intangible assets and financial assets. Cash flow from other investments/divestments of MEUR 1.2 for YTD 2008 was substantially lower than that for YTD 2007. This was on account of YTD 2007 having a positive effect from the sale of the shares in RDS Hotelli AS in Estonia as well as the repayment of certain loans given by Rezidor to associates and joint ventures.

Cash flow from financing activities of MEUR -46.5 was negatively impacted by a reduction in the use of overdraft facilities by MEUR 23.4, the share buy-backs amounting to MEUR 8.4 and the dividend payment in accordance with the AGM resolution in April amounting to MEUR 14.8.

The total credit facilities available for use amounted to MEUR 134.1, of which MEUR 6.6 was used for bank guarantees. MEUR 8.1 was used as overdrafts, leaving MEUR 119.4 available for use. At the end of September 08, Rezidor had MEUR 27.4 in cash and cash equivalents, which together with unutilised facilities gave a total available liquidity of MEUR 146.8.

Net cash (including pension assets and retirement benefit obligations) amounted to MEUR 46.8 (47.7 as at 31st December 07).

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 222,801. The total cost, calculated in accordance with IFRS 2, recognised for the performance share programme from grant date until 30th September 2008 is MEUR 0.5. Above that, costs for social security charges related to the programme amounting to MEUR 0.1 have been recognised.

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 amount of their annual gross salary, the participants are allowed to invest in a certain number of savings shares. 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 relative to their number of savings shares. 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 total cost, calculated in accordance with IFRS 2, recognised for the performance share programme from grant date 30th June 2008 until 30th September 2008 is MEUR 0.1. The costs for social security charges are immaterial. The two incentive programs have not yet given rise to any dilution.

SHARE BUY BACK

Following the authorisation at the Annual General Meeting 2007, the Company bought back 945,200 shares during Q1 08 at an average price of SEK 33.51 per share, representing an investment of MEUR 3.4. On April 23, 2008 the Annual General Meeting gave the Board of Directors a renewed authorisation to decide on the acquisition of the Company's own shares on the Stockholm Stock Exchange until the next Annual General Meeting. Following this new authorisation, the Company bought back 1,724,300 shares in Q3 08 at an average price of SEK 27.36 representing an investment of MEUR 5.0. The number of shares held by the Company at the end of Q3 08 was 3,694,500, representing 2.5% of total number of shares. The weighted number of own shares held by the Company in Q3 08 and the nine months period 08 was 3,084,443 and 2,098,642 respectively. The authorisations at these two Annual General Meetings 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 1,084,843 shares has been bought back to secure delivery of shares in the incentive programmes and the related social security costs

DIVIDEND

On April 23, 2008 the Annual General Meeting resolved to approve the dividend proposal and pay a dividend of EUR 0.10 per share, equalling EUR 14,803,184.

POST BALANCE SHEET EVENTS

As part of Rezidor's efforts to streamline its banking structure and secure appropriate committed overdraft/credit facilities as financial reserves, long term agreements were signed with a leading European Bank, with latest available credit ratings of A+ (Standard & Poor's), Aa2 (Moody's) and A+ (Fitch).

The new structure will help concentrate a majority of the cash flows into a group cash pool. This in turn is expected to generate savings in Financial Net and further facilitate other financial activities and synergies going forward.

BUSINESS DEVELOPMENT

ROOMS ADDED INTO OPERATIONS	Jul-Sep 08	Jan-Sep 08
Radisson SAS	1,025	1,738
Park Inn	539	1,451
Other	0	213
Total	**1,564**	**3,402**
BY CONTRACT TYPE		
Managed	922	2,327
Leased	481	482
Franchised	161	593
Total	**1,564**	**3,402**

ROOMS CONTRACTS SIGNED	Jul-Sep 08	Jan-Sep 08
Radisson SAS	1,886	6,096
Park Inn	998	3,368
Other	0	563
Total	**2,884**	**10,027**
BY CONTRACT TYPE		
Managed	1,999	7,722
Leased	150	1,081
Franchised	735	1,224
Total	**2,884**	**10,027**

ROOMS CONTRACTED BY GEOGRAPHY	Jul-Sep 08	Jan-Sep 08
Nordics	**0**	**704**
Rest of Western Europe	**1,455**	**3,035**
Eastern Europe	**1,130**	**2,435**
Middle East, Africa & Others	**299**	**3,853**
Total	**2,884**	**10,027**

In Q3 08, Rezidor signed 11 contracts for new hotels and one property extension (2,884 rooms in total). Out of these 2,464 rooms or 85% carried no financial commitments. During the same period, 1,564 rooms entered into operations, and no hotel left the system.

OTHER DEVELOPMENTS

Rezidor Hotel Group has announced that Kurt Ritter will continue to head the company as President & CEO until February 2012. Mr. Ritter's current employment contract was due to expire in February 2009.

Radisson was the 'Most Improved Hotel Brand in Europe' (brand awareness) in 2008, according to the BDRC Pan European Hotel Business Guest Survey: The first-class and full-service brand is the "Most Improved Brand of the Year", and shows in 2008 a particularly good performance in Britain and Germany. In the Nordics, BDRC business traveler research recognises Radisson as "No. 1 Hotel Brand Nordic" and "Leading Choice Hotel Brand Nordic"; a position it has maintained for the last seven years in succession. Rezidor was also the winner in Russia. BDRC's study presents Radisson as "No. 1 Hotel Brand Russia" together with Hilton, and as "Leading Choice Hotel Brand Russia".

MATERIAL RISKS & UNCERTAINTIES

In addition to the references made in the annual report for 2007 with respect to material risks and uncertainty factors, it is important to note that 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. 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.

FINANCIAL CALENDAR

11th February 2009
Interim report January –December 2008
23rd April 2009
Interim report January –March 2009
22d July 2009
Interim report January –June 2009

This interim 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 CET on 3rd November 2008.

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WEBCAST FOR FINANCIAL ANALYSTS & INVESTORS

Kurt Ritter, President & CEO**, Knut Kleiven**, Deputy President & CFO and **Puneet Chhatwal,** CDO, will present the report and answer questions on 3rd November 2008 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#.

CONSOLIDATED STATEMENT OF OPERATIONS

TEUR	Jul-Sep 08	Jul-Sep 07	Jan-Sep 08	Jan-Sep 07
Revenue	192,477	200,979	591,263	571,945
F&B and other related expenses	(14,117)	(16,071)	(44,063)	(43,146)
Personnel cost and contract labour	(68,198)	(65,715)	(207,209)	(193,410)
Other Operating expenses	(36,058)	(40,965)	(118,977)	(122,536)
Insurance of properties and property tax	(3,338)	(3,361)	(9,414)	(9,142)
Operating profit before rental expense and share of income in associates and depreciation and amortisation and gain on sale of fixed assets (EBITDAR)	**70,766**	**74,867**	**211,600**	**203,711**
Rental expense	(51,844)	(50,065)	(157,454)	(149,167)
Shares of income in associates and Joint Ventures	1,036	1,059	3,126	3,569
Operating profit before depreciation and amortisation and gain on sale of fixed assets (EBITDA)	**19,958**	**25,861**	**57,272**	**58,113**
Depreciation and amortisation expense	(6,556)	(6,282)	(19,714)	(17,848)
Operating profit	**13,402**	**19,579**	**37,558**	**40,265**
Financial income	1,726	4,230	2,902	5,426
Financial expense	(666)	(1,556)	(2,053)	(4,421)
Profit before tax	**14,461**	**22,253**	**38,406**	**41,270**
Income Tax	(4,316)	(7,149)	(13,527)	(12,281)
Profit for the period	**10,145**	**15,104**	**24,879**	**28,989**
Attributable to:				
Equity holders of the parent	10,145	15,104	24,879	28,989
Minority interest	-	-	-	-
Profit for the period	**10,145**	**15,104**	**24,879**	**28,989**
Average no. shares outstanding during the period	146,917,597	150,097,762	147,903,398	150,047,826
Earnings per share (EUR)				
Basic and diluted before allocation to minority interest	0.07	0.10	0.17	0.19

CONDENSED CONSOLIDATED BALANCE SHEET STATEMENTS

TEUR	30-Sep 08	31-Dec 07
ASSETS		
Goodwill	13,235	12,629
Licences and related rights and other intangible assets	64,331	65,152
Tangible assets	112,715	107,865
Investments in associated companies and joint ventures	7,969	7,823
Other shares and participations	10,538	10,411
Pension funds, net	12,790	13,679
Other long-term receivables	13,073	11,872
Deferred tax assets	20,518	21,758
Total non-current assets	**255,170**	**251,189**
Inventories	5,822	5,724
Other current receivables	110,246	100,875
Other short term investments	2,194	3,421
Cash and cash equivalents	27,394	51,389
Total current assets	**145,656**	**161,409**
TOTAL ASSETS	**400,826**	**412,598**
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent	198,115	201,262
Minority interest	215	215
Total equity	**198,330**	**201,477**
Deferred tax liabilities	29,343	25,447
Retirement benefit obligations	1,760	1,388
Other long-term liabilities	1,195	1,005
Total non-current liabilities	**32,298**	**27,840**
Liabilities to financial institutions	8,142	31,573
Other current liabilities	162,056	151,708
Total current liabilities	**170,198**	**183,281**
TOTAL EQUITY AND LIABILITIES	**400,826**	**412,598**
Number of ordinary shares outstanding at the end of the period	146,307,540	148,977,040
Number of ordinary shares held by the company	3,694,500	1,025,000
Number of registered ordinary shares at the end of the period	150,002,040	150,002,040

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

TEUR	SHARE CAPITAL	OTHER PAID IN CAPITAL	TRANSLATION RESERVES	RETAINED EARNINGS	NET INCOME FOR THE PERIOD	**ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT**	MINORITY INTEREST	**TOTAL EQUITY**
Ending balance as of 31st December 2006	**127**	**153,978**	**20,578**	**(19,237)**	**20,719**	**176,165**	**215**	**176,380**
Allocation of net income of previous period	-	-	-	20,719	(20,719)	**-**	**-**	**-**
Net Profit for the period	-	-	-	-	28,988	**28,988**	-	**28,988**
Bonus issue	9,873	(9,873)	-	-	-	**-**	-	**-**
Dividends paid to shareholders	-	(9,000)	-	-	-	**(9,000)**	-	**(9,000)**
Share buy-back	-	-	-	(1,913)		**(1,913)**		**(1,913)**
Long term incentive plan	-	-	-	178	-	**178**	-	**178**
Change in translation differences	-	-	1,068	-	-	**1,068**	-	**1,068**
Ending balance as of 30st Sep 2007	**10,000**	**135,105**	**21,646**	**(253)**	**28,988**	**195,486**	**215**	**195,701**
Share buy-back	-	-	-	(2,998)	-	**(2,998)**	-	**(2,998)**
Long term incentive plan	-	-	-	57	-	**57**	-	**57**
Net profit for the period	-	-	-	-	16.727	**16,727**	-	**16,727**
Change in translation differences	-	-	(7,584)	-	-	**(7,584)**	-	**(7,584)**
Tax on exchange differences recognised directly in equity	-	-	(427)	-	-	**(427)**	-	**(427)**
Ending balance as of 31st December 2007	**10,000**	**135,105**	**13,635**	**(3,194)**	**45,716**	**201,262**	**215**	**201,477**
Allocation of net income of previous period	-	-	-	45,716	(45,716)	**-**	-	**-**
Dividends paid to shareholders	-	(14,803)	-	-	-	**(14,803)**	-	**(14,803)**
Share buy-back	-	-	-	(8,381)		**(8,381)**	-	**(8,381)**
Long term incentive plan	-	-	-	425		**425**	-	**425**
Net profit for the period	-	-	-	-	24,879	**24,879**	-	**24,877**
Change in translation differences	-	-	(4,118)	-	-	**(4,118)**	-	**(4,118)**
Tax on exchange differences recognised directly in equity	-	-	(1,149)	-	-	**(1,149)**	-	**(1,149)**
Ending balance as of 30th Sep 2008	**10,000**	**120,302**	**8,368**	**34,566**	**24,879**	**198,115**	**215**	**198,330**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

TEUR	Jan-Sep 08	Jan-Sep 07
Operating profit	**37,559**	**40,265**
Non cash items	15,938	14,955
Interest, taxes paid and other cash items[1)]	(4,943)	(7,495)
Change in working capital	513	(13,421)
Cash flow from operating activities	**49,067**	**34,304**
Purchase of intangible assets	(1,035)	(1,167)
Purchase of tangible assets	(26,427)	(33,515)
Other investments/divestments[1)]	1,156	16,125
Cash flow from investing activities	**(26,306)**	**(18,557)**
External financing, net	(23,320)	(19,563)
Dividends paid	(14,803)	(9,000)
Share buy back	(8,361)	(1,913)
Cash flow from financing activities	**(46,484)**	**(30,476)**
Cash flow for the period	**(23,723)**	**(14,729)**
Effects of exchange rate changes on cash and cash equivalents	(272)	(1,094)
Cash and cash equivalents at beginning of the period	**51,389**	**52,069**
Cash and cash equivalents at end of the period	**27,394**	**36,246**

Note 1) Interest received, amounting to TEUR 1,740 (2,058), is as from Q4 2007 reclassified from investing activities to operating activities. The comparative numbers have been changed accordingly.

PARENT COMPANY, STATEMENT OF OPERATIONS

TEUR	Jul-Sep 08	Jul-Sep 07	Jan-Sep 08	Jan-Sep 07
Revenue	873	874	2,826	2,719
Personnel cost	(656)	(657)	(2,144)	(2,101)
Other Operating expenses	(2,376)	(822)	(8,223)	(1,992)
Operating loss before depreciation and amortization	**(2,160)**	**(605)**	**(7,541)**	**(1,374)**
Depreciation and amortization expense	(17)	(14)	(48)	(41)
Operating loss	**(2,177)**	**(619)**	**(7,589)**	**(1,415)**
Financial income	899	312	621	1,231
Financial expense	(618)	(448)	(729)	(1,179)
Loss before tax	**(1,896)**	**(755)**	**(7,697)**	**(1,363)**
Income Tax	531	481	2,155	377
Loss for the period	**(1,365)**	**(274)**	**(5,542)**	**(986)**

PARENT COMPANY, CONDENSED BALANCE SHEET STATEMENTS

TEUR	30-Sep 08	31-Dec 07
ASSETS		
Tangible assets	256	262
Shares in subsidiaries	231,760	231,335
Deferred tax assets	1,300	778
Total non-current assets	**233,316**	**232,375**
Inventories	1	1
Current receivables	11,119	16,840
Cash and cash equivalents	2,877	5,778
Total current assets	**13,997**	**22,619**
TOTAL ASSETS	**247,313**	**254,994**
EQUITY AND LIABILITIES		
Equity	**191,218**	**215,320**
Current liabilities	56,095	39,674
Total current liabilities	**56,095**	**39,674**
TOTAL EQUITY AND LIABILITIES	**247,313**	**254,994**

PARENT COMPANY, STATEMENT OF CHANGES IN EQUITY

TEUR	Share capital	Share premium reserve	Retained earnings	Net loss for the year	Total equity
Ending balance as of 31st December 2006	**127**	**230,973**	**-**	**(3,299)**	**227,801**
Allocation of last year's result	-	-	(3,299)	3,299	**-**
Dividends paid	-	(9,000)	-	-	**(9,000)**
Increase of share capital (trough a bonus issue)	9,873	(9,873)	-	-	**-**
Share buy back	-	-	(1,913)	-	**(1,913)**
Long term incentive plan	-	-	178	-	**176**
Group contribution	-	-	3,067	-	**3,067**
Tax effect on group contribution	-	-	(859)	-	**(859)**
Net loss for the period	-	-	-	(986)	**(986)**
Ending balance as of 30th Sep 2007	**10,000**	**212,100**	**(2,826)**	**(986)**	**218,288**
Share buy back	-	-	(2,998)	-	**(2,998)**
Long term incentive plan	-	**-**	57	-	**57**
Group contribution	-	-	1,214	-	**1,214**
Tax effect on group contribution	-	-	(340)	-	**(340)**
Net loss for the period	-	-	-	(901)	**(901)**
Ending balance as of 31stDecember 2007	**10,000**	**212,100**	**(4,893)**	**(1,887)**	**215,320**
Allocation of last year's result	-	-	(1,887)	1,887	**-**
Dividends paid	-	(14,803)	-	-	**(14,803)**
Share buy back	-	-	(8,381)	-	**(8,381)**
Long term incentive plan	-	**-**	425	-	**425**
Group contribution	-	-	5,833	-	**5,833**
Tax effect on group contribution	-	-	(1,633)	-	**(1,633)**
Net loss for the period	-	-	-	(5,543)	**(5,543)**
Ending balance as of 30th Sep 2008	**10,000**	**197,297**	**(10,536)**	**(5,543)**	**191,218**

COMMENTS TO INCOME STATEMENT

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

The main revenue of the Company is internal fees charged to the hotels in Sweden for the related administrative services provided by the Shared Service Centre. In Q3 08 and YTD 08 the inter-company revenue of the Parent Company amounted to MEUR 0.8 (0.8) and MEUR 2.4 (2.3) respectively. The inter-company costs in Q3 08 and YTD 08 amounted to MEUR 1.6 (0.2) and MEUR 5.9 (0.7) respectively. Inter-company costs have increased since last year as the Company as from this year bears a bigger part of corporate costs. In Q3 08 and YTD 08 inter-company interest income amounted to MEUR 0.1 (0.3) and MEUR 0.4 (1.0) respectively and intercompany interest expenses to MEUR 0.6 (0.2) and MEUR 1.6 (0.6).

Apart from the related personnel activity costs and the rent of the premises, the parent company also bears other listing and corporate related costs.

COMMENTS TO BALANCE SHEET

Compared to 31st December 2007, the major changes in the balance sheet of the Parent Company are the reductions of retained earnings of MEUR 14.8 from the dividend declared and the share-buy-back of MEUR 8.4, the net increase after tax in retained earnings of MEUR 4.2 due to group contribution and the corresponding changes cash and cash equivalents as well as in short-term inter-company receivables and liabilities related to the financing of these transactions. At the end of the quarter the inter-company receivables amounted to MEUR 10.8 (16.6 as at 31st December 2007) and the inter-company liabilities to MEUR 53.9 (37.4 as at 31st December 2007).

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.

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 are followed in this interim report as were applied in the company's annual report for the year ended 31 December 2007. There are no new Standards or Interpretations issued by the International Accounting Standards Board (IASB) or the International Financial Reporting Interpretations Committee (IFRIC) and endorsed by the European Commission, affecting the Company as from 1 January 2008.

The interim report as defined by Swedish Corporate Governance Code is included on pages 11-21.

RELATED PARTY TRANSACTIONS

Related parties with significant influence are: Carlson owning 42% of the shares. Rezidor also has some joint ventures and associated companies. On 30th September 2008 Rezidor had ordinary current receivable related to Carlson of MEUR 0.6 (1.3) and ordinary current liabilities of MEUR 1.2 (2.3). 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. As at 30th September 2008, Rezidor had operating costs towards Carlson of MEUR 6.1 (6.3). Moreover, Rezidor paid commissions towards the travel agencies' network of Carlson amounting to MEUR 0.4 (0.3). For these specific commissions Rezidor had current liabilities of MEUR 0.1 (0.1 as at 31st December 2007).

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 pages 7-8.

PLEDGED ASSETS AND CONTINGENT LIABILITIES

ASSETS PLEDGED (TEUR)	**30-Sep-08**	**31-Dec-07**
Securities on deposits (restricted accounts)	2,205	3,423

CONTINGENT LIABILITIES (TEUR)	**30-Sep-08**	**31-Dec-07**
Guarantees provided for management contracts	5,431	5,817
Guarantees provided for renovation works	-	1,663
Miscellaneous guarantees provided	1,197	1,201
TOTAL GUARANTEES PROVIDED	**6,629**	**8,681**

As at the 30th September 2008, the committed expansion investments amounted to MEUR 2.5 (2.7 as at 31st December 2007). Investments related to ongoing renovations at the leased hotels are expected to be approximately 4-5% of leased hotel revenue.

REVENUE PER AREA OF OPERATION

TEUR	Jul-Sep 08	Jul-Sep 07	Var%	Jan-Sep 08	Jan-Sep 07	Var%
Revenue						
Rooms revenue	115,121	118,143	(2.6)%	339,293	326,040	4.1%
F&B revenue	49,097	52,024	(5.6)%	167,029	161,076	3.7%
Other hotel revenue	5,310	5,577	(4.8)%	15,488	16,591	(6.6)%
TOTAL HOTEL REVENUE	**169,528**	**175,744**	**(3.5)%**	**521,810**	**503,707**	**3.6%**
Fee revenue	20,678	21,896	(5.6)%	61,795	57,717	7.1%
Other revenue	2,272	3,339	(32.0)%	7,659	10,521	(27.2)%
TOTAL REVENUE	**192,478**	**200,979**	**(4.2)%**	**591,264**	**571,945**	**3.4%**

TOTAL FEE REVENUE

TEUR	Jul-Sep 08	Jul-Sep 07	Var%	Jan-Sep 08	Jan-Sep 07	Var%
Management Fees	6,926	7,632	(9.2)%	20,649	21,413	(3.6)%
Incentive Fees	5,388	6,691	(19.5)%	17,823	17,215	3.5%
Franchise Fees	1,219	1,038	17.4%	4,086	3,150	29.7%
Other Fees (incl. marketing, reservation fee etc.)	7,144	6,535	9.3%	19,237	15,939	20.7%
TOTAL FEE REVENUE	20,678	21,896	(5.6)%	61,795	57,717	7.1%

REVENUE PER REGION

TEUR	NORDICS		REST OF WESTERN EUROPE		EASTERN EUROPE		MIDDLE EAST, AFRICA & OTHERS		TOTAL	
	Jul-Sep 08	Jul-Sep 07	Jul-Sep 08	Jul-Sep 07	Jul-Sep 08	Jul-Sep 07	Jul-Sep 08	Jul-Sep 07	Jul-Sep 08	Jul-Sep 07
Leased	80,629	81,959	88,898	93,786	-	-	-	-	169,527	175,745
Managed	1,786	2,040	6,853	8,368	6,580	6,288	2,773	2,740	17,992	19,436
Franchised	1,259	1,426	1,141	919	286	114	-	-	2,686	2,459
Other	2,085	3,142	187	197	-	-	-	-	2,272	3,339
TOTAL	**85,759**	**88,567**	**97,079**	**103,270**	**6,866**	**6,402**	**2,773**	**2,740**	**192,477**	**200,979**

TEUR	NORDICS		REST OF WESTERN EUROPE		EASTERN EUROPE		MIDDLE EAST, AFRICA & OTHERS		TOTAL	
	Jan-Sep 08	Jan-Sep 07	Jan-Sep 08	Jan-Sep 07	Jan-Sep 08	Jan-Sep 07	Jan-Sep 08	Jan-Sep 07	Jan-Sep 08	Jan-Sep 07
Leased	254,167	234,092	267,642	269,616	-	-	-	-	521,809	503,708
Managed	5,185	5,037	20,565	19,803	18,313	16,546	9,551	8,456	53,614	49,842
Franchised	4,071	4,827	3,478	2,681	632	334	-	32	8,181	7,874
Other	6,596	9,602	1,063	919	-	-	-	-	7,659	10,521
TOTAL	**270,019**	**253,558**	**292,748**	**293,019**	**18,945**	**16,880**	**9,551**	**8,488**	**591,263**	**571,945**

RENTAL EXPENSES

TEUR	Jul-Sep 08	Jul-Sep 07	Var %	Jan-Sep 08	Jan-Sep 07	Var %
Fixed rent	41,969	39,818	5.4%	124,060	120,180	3.2%
Variable rent	8,127	9,252	(12.2)%	26,445	23,024	14.9%
Rent	50,096	49,070	2.1%	150,505	143,204	5.1%
Rent as a % of leased hotel revenue	29.6%	27.9%	170 bps	28.8%	28.4%	40 bps
Guarantees	1,748	995	75.7%	6,949	5,963	16.5%
Rental expense	51,844	50,065	3.6%	157,454	149,167	5.6%

OPERATING PROFIT BEFORE DEPRECIATION AND AMORTIZATION AND GAIN ON SALE OF FIXED ASSETS (EBITDA)

TEUR	NORDICS		REST OF WESTERN EUROPE		EASTERN EUROPE		MIDDLE EAST, AFRICA & OTHERS		CENTRAL COSTS		TOTAL	
	Jul-Sep 08	Jul-Sep 07	Jul-Sep 08	Jul-Sep 07	Jul-Sep 08	Jul-Sep 07	Jul-Sep 08	Jul-Sep 07	Jul-Sep 08	Jul-Sep 07	Jul-Sep 08	Jul-Sep 07
Leased	13,619	15,729	(752)	3,762	-	-	(132)	-	-	-	12,735	19,491
Managed	1,500	1,634	4,695	7,372	4,544	5,090	2,316	2,208	-	-	13,055	16,304
Franchised	899	425	618	393	153	2	-	1	-	-	1,670	821
Other (*) (**)	2,391	(41)	481	384	47	(23)	600	373	-	-	3,519	693
Central Costs (**)	-	-	-	-	-	-	-	-	(11,021)	(11,448)	(11,021)	(11,448)
TOTAL	**18,409**	**17,747**	**5,042**	**11,911**	**4,744**	**5,069**	**2,784**	**2,582**	**(11,021)**	**(11,448)**	**19,958**	**25,861**

TEUR	NORDICS		REST OF WESTERN EUROPE		EASTERN EUROPE		MIDDLE EAST, AFRICA & OTHERS		CENTRAL COSTS		TOTAL	
	Jan-Sep 08	Jan-Sep 07	Jan-Sep 08	Jan-Sep 07	Jan-Sep 08	Jan-Sep 07	Jan-Sep 08	Jan-Sep 07	Jan-Sep 08	Jan-Sep 07	Jan-Sep 08	Jan-Sep 07
Leased	41,873	37,787	3,887	5,822	-	-	(293)	-	-	-	45,467	43,609
Managed	4,128	3,914	11,358	12,699	12,981	12,479	7,390	6,403	-	-	35,857	35,495
Franchised	2,400	3,091	1,456	1,059	381	106	-	18	-	-	4,237	4,274
Other (*) (**)	3,254	4,850	(256)	(389)	97	(106)	1,592	1,640	-	-	4,687	5,995
Central Costs (**)	-	-	-	-	-	-	-	-	(32,976)	(31,259)	(32,976)	(31,259)
TOTAL	**51,655**	**49,642**	**16,445**	**19,191**	**13,459**	**12,479**	**8,689**	**8,061**	**(32,976)**	**(31,259)**	**57,272**	**58,114**

(*) Other also include share of income from associates
(**) Reclassification of certain costs was made between Other EBITDA and central costs for 2007 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 2007.

OPERATING PROFIT (EBIT)

TEUR	NORDICS		REST OF WESTERN EUROPE		EASTERN EUROPE		MIDDLE EAST, AFRICA & OTHERS		CENTRAL COSTS		TOTAL	
	Jul-Sep 08	Jul-Sep 07	Jul-Sep 08	Jul-Sep 07	Jul-Sep 08	Jul-Sep 07	Jul-Sep 08	Jul-Sep 07	Jul-Sep 08	Jul-Sep 07	Jul-Sep 08	Jul-Sep 07
Leased	10,550	12,532	(3,540)	1,340	-	-	(132)	-	-	-	6,878	13,872
Managed	1,484	1,606	4,640	7,297	4,269	5,023	2,293	2,171	-	-	12,686	16,097
Franchised	877	389	593	359	94	(3)	-	1	-	-	1,564	746
Other (*)(**)	2,391	(156)	255	119	47	(24)	600	373	-	-	3,293	312
Central Costs (**)	-	-	-	-	-	-	-	-	(11,020)	(11,448)	(11,020)	(11,448)
TOTAL	**15,302**	**14,371**	**1,948**	**9,115**	**4,410**	**4,996**	**2,761**	**2,545**	**(11,020)**	**(11,448)**	**13,402**	**19,579**

TEUR	NORDICS		REST OF WESTERN EUROPE		EASTERN EUROPE		MIDDLE EAST, AFRICA & OTHERS		CENTRAL COSTS		TOTAL	
	Jan-Sep 08	Jan-Sep 07	Jan-Sep 08	Jan-Sep 07	Jan-Sep 08	Jan-Sep 07	Jan-Sep 08	Jan-Sep 07	Jan-Sep 08	Jan-Sep 07	Jan-Sep 08	Jan-Sep 07
Leased	32,315	28,585	(4,101)	(776)	-	-	(293)	-	-	-	27,921	27,809
Managed	4,080	3,861	11,200	12,555	12,619	12,347	7,311	6,322	-	-	35,210	35,085
Franchised	2,331	3,016	1,380	993	317	97	-	18	-	-	4,028	4,124
Other (*)(**)	2,676	4,161	(990)	(1,175)	97	(106)	1,592	1,640	-	-	3,375	4,520
Central Costs (**)	-	-	-	-	-	-	-	-	(32,976)	(31,259)	(32,976)	(31,259)
TOTAL	**41,402**	**39,623**	**7,489**	**11,597**	**13,033**	**12,338**	**8,610**	**7,980**	**(32,976)**	**(31,259)**	**37,558**	**40,279**

(*) Other also includes share of income from associates and income from sale of assets
(**) Reclassification of certain costs was made between Other EBITDA and central costs for 2007 to align the cost allocation approach for the two comparable periods. The adjustment led to a change in central costs and a corresponding change in Other EBITDA for 2007, which also impacted the numbers at the EBIT level.

BALANCE SHEET & INVESTMENTS

TEUR	NORDICS		REST OF WESTERN EUROPE		EASTERN EUROPE		MIDDLE EAST, AFRICA & OTHERS		TOTAL	
	30-Sep-08	31-Dec-07	30-Sep-08	31-Dec-07	30-Sep-08	31-Dec-07	30-Sep-08	31-Dec-07	30-Sep-08	31-Dec 07
Total assets	190,059	193,478	178,462	174,782	13,688	20,082	18,618	24,256	400,826	412,598
Investments (tangible and intangible assets)	6,653	22,681	15,921	23, 144	-	-	20	-	22,593	45,825

HOTELS IN OPERATION

CONTRACT TYPE	NORDICS		REST OF WESTERN EUROPE		EASTERN EUROPE		MIDDLE EAST, AFRICA & OTHERS		TOTAL	
	30-Sep-08	30-Sep-07	30-Sep-08	30-Sep-07	30-Sep-08	30-Sep-07	30-Sep-08	30-Sep-07	30-Sep-08	30-Sep-07
Leased	23	22	44	42	-	-	-	-	67	64
Managed	8	8	55	49	31	26	23	19	117	102
Franchised	23	35	33	29	7	4	-	-	63	68
TOTAL	**54**	**65**	**132**	**120**	**38**	**30**	**23**	**19**	**247**	**234**

ROOMS IN OPERATION

CONTRACT TYPE	NORDICS		REST OF WESTERN EUROPE		EASTERN EUROPE		MIDDLE EAST, AFRICA & OTHERS		TOTAL	
	30-Sep-08	30-Sep-07	30-Sep-08	30-Sep-07	30-Sep-08	30-Sep-07	30-Sep-08	30-Sep-07	30-Sep-08	30-Sep-07
Leased	6,128	6,038	9,161	8,678	-	-	-	-	15,289	14,716
Managed	2,106	2,209	9,198	8,201	8,119	7,179	5,542	4,667	24,965	22,256
Franchised	4,063	5,211	6,047	5,488	1,258	778	-	-	11,368	11,477
TOTAL	**12,297**	**13,458**	**24,406**	**22,367**	**9,377**	**7,957**	**5,542**	**4,667**	**51,622**	**48,449**

HOTELS & ROOMS IN DEVELOPMENT

30th SEPTEMBER 2008

	NORDICS		REST OF WESTERN EUROPE		EASTERN EUROPE		MIDDLE EAST, AFRICA & OTHERS		TOTAL	
	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS
Radisson SAS	3	679	11	2,432	20	5,289	20	5,309	54	13,709
Park Inn	6	1,448	25	3,698	8	1,589	6	1,090	45	7,825
Missoni/ Lifestyle	-	-	1	136	-	-	3	700	4	836
Regent	-	-	-	-	1	130	1	433	2	563
TOTAL	**9**	**2,127**	**37**	**6,266**	**29**	**7,008**	**30**	**7,532**	**105**	**22,933**

DEFINITIONS

AHR
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 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

NORDIC REGION (NO)
Denmark, Finland, Iceland, Norway and Sweden.

REST OF WESTERN EUROPE (ROWE)
Austria, Belgium, France, Germany, Ireland, Italy, Malta, 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, Poland, Romania, Russia, Slovakia, Turkey, Ukraine and Uzbekistan.

MIDDLE EAST, AFRICA AND OTHER (MEAO)
Bahrain, China, Egypt, Ethiopia, Jordan, Kenya, Kuwait, Lebanon, Libya, Mali, Morocco, Nigeria, Oman, Saudi Arabia, Senegal, South Africa, Tunisia and the United Arab Emirates.