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Rezidor initiates a MEUR 13-15 optimisation and cost savings programme

The Rezidor Hotel Group initiates an optimisation and cost savings programme estimated at MEUR 13-15 to support our Route 2015 targets of increased profitability

In December 2011, Rezidor launched "Route 2015", a number of key initiatives aimed at improving the EBITDA margin by 6-8 percentage points by 2015, assuming market RevPAR growth covers cost inflation. The margin target remains unchanged and good progress has been made during the year in implementing various key elements of this plan.

However, given the current uncertain economic outlook and reduced GDP projections in Europe, management is taking a cautious view in terms of expected market RevPAR growth the coming years. To give further support to our Route 2015 strategy, Rezidor has therefore initiated a separate plan to optimise the cost base.

The total savings are estimated at MEUR 13-15 and will come from a wide range of optimisation initiatives covering all areas of the organisation. Most of the savings are expected to be realised in 2014 and 2015.

The savings will come from reduced central and regional cost following an in-depth review of key processes and associated costs across the group with the purpose of optimising the organisation into a more decentralised operating model. Additional savings will come from a restructured procurement process.

"Route 2015 is all about improving our profitability and we remain optimistic about our ability to grow RevPAR by increasing market share. As the trading environment softens, we have to hedge our margin improvement targets through additional initiatives. The in-depth review of our processes will make our operating platform more productive and will generate meaningful benefits to all our hotel owners", says Wolfgang M. Neumann, Executive Vice President and Chief Operating Officer at Rezidor (incoming President & CEO of Rezidor).

The information here is that which Rezidor Hotel Group AB has willingly chosen to make public or that which it is obliged to make public according to the Swedish Securities Market Act and/or the Financial Instruments Trading Act.

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About the Rezidor Hotel Group

The Rezidor Hotel Group is one of the fastest growing hotel companies worldwide and a member of the Carlson Rezidor Hotel Group, one of the world's ten largest hotel groups. Rezidor features a portfolio of more than 435 hotels in operation and under development with over 95,000 rooms in 71 countries. Rezidor operates the brands **Radisson Blu** and **Park Inn by Radisson** in Europe, the Middle East and Africa, along with the Club CarlsonSM loyalty programme for frequent hotel guests. Under a worldwide licence agreement with the iconic Italian fashion house Missoni, Rezidor also operates and develops the luxury lifestyle brand **Hotel Missoni**. In September 2012, Rezidor signed a strategic alliance agreement with **Regent Hotels & Resorts** to develop and operate Regent properties in Europe, the Middle East & Africa.

Since November 2006, Rezidor is listed on the Stockholm Stock Exchange (REZT).
Carlson, a privately held, global hospitality and travel company, based in Minneapolis (USA), is the majority shareholder.

The Corporate office of The Rezidor Hotel Group is based in Brussels, Belgium.
For more information, visit www.rezidor.com.