Interim Report
January-September 2010

Third quarter, 2010

- RevPAR Like-for-like increased by 12.6% to EUR 66.6 (59.2). Like-for-like Occupancy was 71.3% (65.2).
- Revenue increased by 24.1% or MEUR 39.9 to MEUR 205.3 (165.4). On a Like-for-like basis Revenue increased by 10.4%.
- EBITDA was MEUR 18.4 (3.1), and EBITDA margin was 9.0% (1.9).
- Profit after tax amounted to MEUR 4.6 (-6.1).
- Basic and diluted Earnings Per Share amounted to EUR 0.03 (-0.04).

Nine month ending September, 2010

- RevPAR Like-for-like increased by 5.0% to EUR 63.0 (60.1). Like-for-like Occupancy was 65.4% (61.1).
- Revenue increased by 16.9% or MEUR 82.8 to MEUR 574.0 (491.2). On a Like-for-like basis Revenue increased by 3.6%.
- EBITDA was MEUR 24.5 (-4.8), and EBITDA margin was 4.3% (-1.0).
- Profit after tax amounted to MEUR 4.1 (-27.9).
- Basic and diluted Earnings Per Share amounted to EUR 0.03 (-0.19).
- Cash flow from operating activities was 21.9 (-10.7). Total available cash at the end of the period, including unutilised credit facilities, amounted to MEUR 108.5 (MEUR 97.0 in Dec 09 and MEUR 92.7 in September 09).

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Other developments

- Circa 2,000 new rooms were added into operations in the third quarter and ca 6,700 during the first nine months.
- Circa 1,200 rooms were signed in the third quarter and ca 6,300 during the first nine months. All of the new rooms signed during the year were managed or franchised.

	Third quarter		Nine months		Rolling 12-months	
MEUR	**Jul-Sep 10**	**Jul-Sep 09**	**Jan-Sep 10**	**Jan-Sep 09**	**Oct 09-Sep 10**	**Oct 08-Sep 09**
Revenue	205.3	165.4	574.0	491.2	760.0	684.8
EBITDAR	75.1	54.2	190.9	148.8	252.2	212.9
EBITDA	18.4	3.1	24.5	-4.8	34.1	8.9
EBIT	9.4	-4.9	4.7	-27.0	6.6	-21.6
Profit/(loss) after Tax	4.6	-6.1	4.1	-27.9	3.8	-26.5
EBITDAR Margin %	36.6%	32.7%	33.3%	30.3%	33.2%	31.1%
EBITDA Margin %	9.0%	1.9%	4.3%	-1.0%	4.5%	1.3%
EBIT Margin %	4.6%	-3.0%	0.8%	-5.5%	0.9%	-3.3%

Comment from the CEO

- Strong rebound with improved margins

"Although fragile and coming from a low base, the recovery is now evident across all our geographic segments. A further strengthening of demand led to a solid RevPAR growth in our key markets, notably Sweden, Germany, France, Belgium and the Netherlands. For the first time in two years, room rates increased, which contributed to the acceleration in RevPAR growth.

The quarter showed a robust increase in margins driven by a combination of strong RevPAR development and our operational gearing. Our efforts were also focused on maintaining the existing cost base, which has benefitted from our cost savings programme.

The growth in Emerging Markets is paying off in terms of a significant EBITDA contribution from those markets in the third quarter.

We have maintained our growth pace throughout the downturn, opening over 18,000 rooms since the second quarter of 2008 as well as improving the overall quality of our contract mix."

Kurt Ritter, President & CEO

Market Development

Since the beginning of the year, the hotel industry has benefited from the ongoing improvement in the economic environment. The overall pattern in most countries points to a steady increase in RevPAR over the past nine months. During the first half of the year, the growth was primarily driven by occupancy. The third quarter, however, witnessed an increase in room rates which also contributed to the RevPAR growth.

Western Europe led the upturn - in particular Germany, France, the UK and Belgium. In the Nordics, Sweden was the only country that marked a solid improvement. Eastern Europe has noted healthy occupancy development since this summer but is still lagging behind on rate growth. The Middle East reported an overall weak result with mixed performances observed in different countries.

The emerging markets continue to present attractive development opportunities. This is fuelled by strong room demand combined with undersupply and low operating costs. However, compared to the mature markets in Western Europe, the emerging markets face greater uncertainties when it comes to financing and completion of hotels.

The RevPAR recovery in Europe is expected to benefit from the low growth in room supply which has suffered from tough financing conditions over the last couple of years. This is corroborated by supply estimates from MKG Hospitality that show a current growth rate of ca 1% – below what was observed during the last recession in 2003.

RevPAR

Third quarter, 2010

All four geographic segments reported a like-for-like RevPAR growth. The biggest growth was in ROWE with 14.9 % followed by MEAO with 14.3 %, EE had 10.5 % and the Nordics achieved 9.1 %

The significant increase in ROWE was driven by an occupancy increase of 9.4 % but also the rate increase of 5.8% was material. Except Ireland, all countries experienced strong growth in demand during the quarter.

For MEAO the RevPAR growth was primarily impacted by a 8.0 % increase in room rates. Occupancy was up 5.9 %. The most important factor influencing the RevPAR number in this geographic segment was the Soccer World Cup in South Africa.

Most of the markets in EE have struggled during the first 6 months of this year. The positive development in the 3rd quarter – with a RevPAR increase of 10.5 % - was mainly driven by positive demand development in Russia. Overall for this segment, occupancy went up by 15.5 % which was the highest of all our regions.

In the Nordics, financially one of our most important areas, the positive development was primarily driven by strong leisure demand during the summer period and substantial improvement in the Swedish market in general. With occupancy up 5.8% and a rate increase of 3.1 %, RevPAR was 9.1 % higher than the similar period in 2009.

The RevPAR development for the quarter, split into like-for-like growth, FX impact, and new openings is presented in the table below.

RevPAR	Jul-Sep
L/L growth	12.6%
FX impact	6.0%
New openings	-4.5%
Reported growth	14.1%

The positive FX impact was mainly attributable to the appreciation of the CHF (ca 14%), the NOK (ca 10%), the SEK (ca 11%), the USD linked currencies in the Middle East (ca 11%) and the GBP (ca 5%).

Nine month ending September, 2010

All customer segments noted an increase in volume compared to 2009. As a result, occupancy grew by 7.1%. However, AHR declined by 1.9% and like-for-like RevPAR came in at 5.0%. The strongest development was seen in ROWE.

The RevPAR development for the nine month period, split into like-for-like growth, FX impact, and new openings is presented in the table below.

RevPAR	Jan-Sep
L/L growth	5.0%
FX impact	4.9%
New openings	-2.4%
Reported growth	7.5%

Rezidor's performance

RevPAR Like-for-like, EUR[1]	Jul-Sep 10	Jul-Sep 09	Change	Jan-Sep 10	Jan-Sep 09	Change
Radisson Blu	75.3	67.4	11.8%	71.2	68.0	4.7%
Park Inn	40.4	35.5	13.7%	36.0	34.0	6.0%
Group	**66.6**	**59.2**	**12.6%**	**63.0**	**60.1**	**5.0%**
Occupancy Like-for-like						
Radisson Blu	72.3	67.5	480bps	67.2	63.7	350bps
Park Inn	68.3	59.0	930bps	60.3	53.7	660bps
Group	**71.3**	**65.2**	**610bps**	**65.4**	**61.1**	**430bps**
RevPAR, EUR						
Radisson Blu	76.1	66.7	14.1%	71.1	66.4	7.0%
Park Inn	42.7	36.1	18.0%	37.9	34.1	11.1%
Group	**67.4**	**59.0**	**14.1%**	**62.7**	**58.3**	**7.5%**
Occupancy						
Radisson Blu	70.1	67.0	310 bps	64.4	62.8	160 bps
Park Inn	66.8	58.9	790bps	59.0	52.9	610bps
Group	**69.2**	**64.6**	**460bps**	**62.9**	**60.0**	**290bps**

1) At constant exchange rates

Jul-Sep 10 Q/Q Change	Nordics	Rest of Western Europe	Eastern Europe	Middle East, Africa & Other	Group
RevPAR Like-for-like[1]	9.1%	14.9%	10.5%	14.3%	12.6%
Occupancy Like-for-like	5.8%	9.4%	15.5%	5.9%	9.3%
AHR Like-for-like[1]	3.1%	5.8%	-4.4%	8.0%	3.4%
Reported RevPAR	17.0%	13.8%	17.0%	22.6%	14.1%

Jan-Sep 10 Y/Y Change	Nordics	Rest of Western Europe	Eastern Europe	Middle East, Africa & Other	Group
RevPAR Like-for-like[1]	2.5%	7.9%	-0.4%	5.3%	5.0%
Occupancy Like-for-like	3.5%	7.4%	12.0%	5.6%	7.1%
AHR Like-for-like[1]	-0.9%	0.6%	-11.1%	-0.2%	-1.9%
Reported RevPAR	11.1%	9.2%	6.9%	6.1%	7.5%

1) At constant exchange rates

Comments to Statements of Operations (p.9)

Third quarter, 2010

Total Revenue, increased by 24.1% or MEUR 39.9. The change in Revenue from operations, split into Like-for-like hotels, new hotels, and FX as compared to the same period last year is presented below.

MEUR	L/L	New	FX	Chg
Rooms Revenue	12.4	6.5	6.8	25.7
F&B Revenue	1.6	2.4	2.5	6.5
Other Hotel Revenue	-0.4	0.4	0.5	0.5
Total Leased Revenue	**13.6**	**9.3**	**9.8**	**32.7**
Fee Revenue	1.7	3.3	1.2	6.2
Other Revenue	0.9	0.0	0.1	1.0
Total Revenue	**16.2**	**12.6**	**11.1**	**39.9**

A strong RevPAR increase in leased hotels in mainly ROWE accounted for the MEUR 12.4 like-for-like rooms revenue improvement in the quarter. In contrast, F&B revenue experienced slower growth as meetings and events business lags the improvement in the economic conditions, Like-for-like fee revenue developed slightly better than RevPAR due to increased incentive fees. One third of the increase in revenue came from new hotels and the weakening of the EUR continued to have a significant positive impact on the reported revenue.

In absolute numbers, operational costs increased in line with the increase in business volume as well as the new hotels in operation. However, as a per cent of revenue, operational costs went down compared to the same period last year, as a result of the lower fixed cost base established through the cost savings programme in 2008/2009, and partly also supported by the margin enhancing improvement in AHR during the period. Pre-opening expenses amounted to MEUR 1.0; only marginally higher than the same period last year. Despite a leaner organisation, central costs increased during the quarter due to higher variable salaries, a reclassification between marketing costs and central costs and certain one-off items. Overall, the EBITDAR margin increased by 390 bps to 36.6% thanks to the improved cost structure in the leased hotel operation, the increase in high margin fee based business and the increase in AHR. Together, the higher revenue and improved margins resulted in an EBITDAR performance of MEUR 20.9 better than last year. FX had a positive impact of MEUR 3.7.

Fixed rent was negatively impacted by the additional leased hotels opened since last year as well as by negative FX effects of MEUR 2.2. Variable rent was also higher, primarily in the Nordics, as a result of the positive revenue development. As a per cent of revenue however, rent went down by 240 bps to 30.7%, due to the fixed rent structure mainly in ROWE. A further MEUR 1.5 was recognised as an extra provision for shortfall payments for management contracts with performance guarantees. Despite this, the total shortfall payments decreased, due to better performance in the hotels and the fact that some hotels have reached their contractual cap on guarantees.

Share of income from associates and joint ventures increased compared to the same period last year, as one joint venture is no longer being classified as held for sale and the entire share of income during the first six months from that entity was recognised in this quarter.

The improved operational margins were supported at the EBITDA level by the fixed rent structure in ROWE and lower shortfall guarantees. The EBITDA margin increased by 710 bps to 9.0%. These increases in revenue and margins resulted in an EBITDA increase of MEUR 15.3 to MEUR 18.4.

Depreciation, amortisation and write-downs increased compared to the same period last year, mainly due to investments carried out last year. Write-downs of fixed assets amounting to MEUR 1.0 were recognised in the quarter as a result of impairment tests, compared to MEUR 1.2 during the same period last year.

The net financial expenses were slightly higher than last year due to exchange differences and higher commitment fees related to the renegotiated credit facilities.

The effective tax rate improved compared to last year due to better performance in countries where tax losses carry forward are not capitalised as deferred tax assets.

Nine month ending September, 2010

Total Revenue, increased by 16.9% or MEUR 82.8. The change in Revenue from operations, split into Like-for-like hotels, new hotels, and FX compared to the same period last year is presented below.

MEUR	L/L	New	FX	Chg
Rooms Revenue	16.4	18.7	17.6	52.7
F&B Revenue	1.0	8.0	7.6	16.5
Other Hotel Revenue	-0.6	0.8	1.0	1.2
Total Leased Revenue	**16.8**	**27.5**	**26.2**	**70.4**
Fee Revenue	0.7	10.0	2.6	13.3
Other Revenue	-1.0	0.0	0.1	-0.9
Total Revenue	**16.5**	**37.5**	**28.9**	**82.8**

Like-for-like rooms revenue benefitted from the stronger RevPAR development in countries with many leased hotels. The recovery is however not yet fully evident in the meetings and events business and therefore like-for-like F&B revenue had a softer growth. Due to the weaker RevPAR in Eastern Europe in the beginning of the year, like-for-like fee revenue also witnessed a somewhat slower development. The contribution from new hotels to total revenue was considerable, representing almost 42% of the revenue increase during the period. The weaker EUR also had a significant positive impact.

The positive effects on margins from the lower fixed cost base established through the cost savings programme in 2008/2009 reduced the negative impact from new leased hotels in their ramp-up phase, higher pre-opening expenses and higher variable salaries in both operations and in central functions. Operational costs as a per cent of revenue went down compared to last year and central costs were slightly lower than last year. As a result, EBITDAR margin increased by 300 bps to 33.3%. Following the higher revenue and the improved margins, EBITDAR increased by MEUR 42.1 compared to the same period last year.

Rental expenses, including shortfall guarantees went up by MEUR 16.1 of which MEUR 7.4 was explained by FX. The newly opened leased hotels had a negative impact of MEUR 8.7 and variable rent, mainly in the Nordics, increased in line with the positive revenue trend. Shortfall guarantees for managed contracts with performance guarantees, on the other hand, decreased as the performance of these hotels improved and several hotels have reached their contractual cap.

EBITDA improved compared to last year by MEUR 29.2. FX had a positive effect of MEUR 3.4, whereas new leased hotels had a MEUR 4.4 negative effect. The margin improvement of 530 bps to 4.2% was due to the increased EBITDAR margin, lower shortfall guarantees and the fixed rent structure in ROWE

Write-downs of fixed assets amounting to MEUR 2.7 were recognised during the period as a result of impairment tests. However, MEUR 2.2 of write-downs from prior years, of which MEUR 1.8 was related to Regent, was reversed during the period. The sale of Regent resulted in a capital gain of MEUR 3.9.

The net financial expenses were higher than last year due to exchange differences and commitment fees related to the renegotiated credit facilities.

The effective tax rate improved substantially, which was almost entirely related to a net increase in deferred tax assets in Q2, in which MEUR 13.4 was capitalised as deferred tax assets and MEUR 5.2 was written-down. This followed a review of the likelihood to utilise the tax losses incurred within the group.

Q3 Comments by Region

Nordics

Like-for-like RevPAR grew by 9.1% as a result of increased Occupancy (+5.8%) and AHR (+3.1%). Sweden was the strongest performing country with a RevPAR growth of 21.5%, driven by both AHR (+15.2) and Occupancy (+5.4%), following an increased volumes in business groups and leisure individuals. Unlike the first six months, Denmark, witnessed a RevPAR increase (+4.8%) during the quarter despite the negative impact from increased competition. This was driven by occupancy, which grew by 11.2% as a result of increased leisure individuals and groups together with higher business individual volumes. AHR however declined with 5.8%.

The trend in RevPAR combined with a positive impact from FX (MEUR 6.9) and the addition of new leased hotels (MEUR 3.5) resulted in a combined increase of MEUR 17.1 in leased revenue compared to Q3 09.

Management and Franchise fees were also positively impacted by the increase in RevPAR and increased incentive fees from profit sharing but negatively affected by properties that went off-line since Q3 last year.

Pre-opening costs, as well as newly opened properties and accruals for variable salaries, had a negative impact on the profit for the quarter. Despite this, EBITDA from leased operations benefitted from a continued focus on cost control and EBITDA and EBITDA margin improved as a result of this.

EBITDA and EBITDA margin from managed hotels decreased as higher incentive fees could not totally compensate for reduced fee revenue from hotels that went off-line since Q3 last year. EBITDA and EBITDA margin from franchised hotels increased in line with the revenue trend, but were also positively impacted by lower accruals for doubtful accounts.

Rest of Western Europe

Like-for-like RevPAR witnessed a growth of 14.9%, coming from both Occupancy (+9.4%) and AHR (+5.8%), driven by a growth in all key business segments. All markets had RevPAR reported increases, with Switzerland (+22.5%), France (+18.6%), the Benelux (+17.3%) and Germany (+16.1%) having the most significant.

Excluding the impact of FX (MEUR 2.9), leased hotel revenue grew by MEUR 12, despite the loss of revenue from sale of the Regent business. This was on account of the RevPAR increase and the new leased properties taken into operation since last year.

Fee income from managed hotels increased more than RevPAR for ROWE, due to newly added hotels and increased incentive fees. Also the fee income from franchised hotels increased more than the overall RevPAR increase in ROWE, mainly as a result of newly added hotels.

Lower pre-opening costs and the effects from the cost savings programme had a positive impact on EBITDA and EBITDA margin, despite the negative impact from newly opened leased hotels and additional accruals for variable salaries. The fixed rent structure as well as the fact that Regent business has been sold, also contributed to an improved EBITDA margin.

EBITDA and EBITDA margin for managed hotels increased as a result of the overall positive revenue trend, reduced costs for shortfall guarantees and lower provisions for doubtful accounts. EBITDA for the franchised business was in line with last year.

Eastern Europe

Like-for–like RevPAR increased by 10.5% based on strong Occupancy performance (+15.5%) which off-set the AHR loss (-4.4%). Russia reported a like-for-like RevPAR increase of 14.9% and Poland, which was the only key market with a RevPAR drop in Q2, rebounded in Q3 with 3.5% growth. The growth in Occupancy came from all key business segments.

Fee income from managed and franchised hotels grew more than RevPAR due to a strong contribution from new hotels.

EBITDA from franchised and managed hotels increased in line with the revenue development and a minor reduction in shortfall guarantees compared to Q3 2009.

Middle East, Africa and Others

Like-for-like RevPAR increased by 14.3% in the quarter driven by both AHR (+8.0%) and by Occupancy (+5.9%). The positive development was a result of increased leisure individuals and groups as well as business individual volumes. South Africa was the strongest performing market based on RevPAR development (+34.7%) due to the World Cup.

The income from managed properties increased because of hotels opened since Q3 last year, the World Cup event in South Africa and the RevPAR increase. EBITDA increased substantially, following the stronger revenue base and a margin increase due to lower provisions for doubtful accounts.

Segmental Revenue, EBITDA and Central Costs

Revenue, MEUR	Jul-Sep 10	Jul-Sep 09	Change	Jan-Sep 10	Jan-Sep 09	Change
Nordics	86.3	68.8	25.4%	245.0	212.3	15.4%
Rest of Western Europe	106.2	88.6	19.9%	295.2	254.6	15.9%
Eastern Europe	8.0	5.3	50.9%	18.5	14.2	30.3%
Middle East, Africa & Others	4.8	2.7	77.8%	15.3	10.1	51.5%
Total Revenue	**205.3**	**165.4**	**24.1%**	**574.0**	**491.2**	**16.9%**

EBITDA, MEUR	Jul-Sep 10	Jul-Sep 09	Change	Jan-Sep 10	Jan-Sep 09	Change
Nordics	14.4	9.6	50.0%	34.1	28.9	18.0%
Rest of Western Europe	3.8	-3.9	200.0%	-6.1	-20.3	70.0%
Eastern Europe	6.7	3.9	71.8%	13.5	9.0	50.0%
Middle East, Africa & Others	4.5	2.2	104.5%	12.3	7.6	61.8%
Central Costs	-11.0	-8.8	-25.0%	-29.4	-30.0	2.0%
Total EBITDA	**18.4**	**3.1**	**493.5%**	**24.5**	**-4.8**	**610.4%**

Central costs

Despite a leaner organisation established through the cost saving measures in 2008/2009, central costs increased by MEUR 2.2 during the quarter due to higher variable salaries, a reclassification between marketing costs and central costs and certain one-off items. YTD, central costs were still below that of last year.

Comments to balance sheet (p 10)

Compared to year-end 2009, Non-Current Assets have decreased, mainly as a result of depreciations and write-downs of fixed assets, offsetting the investments during the year and the effect from the increase in deferred tax assets. Net working capital, excluding Cash and Cash Equivalents but including current tax assets and liabilities, at the end of the period was MEUR -51.3 (-46.7 at year-end 2009).

Cash and Cash Equivalents went up from MEUR 5.2 at year-end 09 to MEUR 11.4 and bank overdrafts decreased from MEUR 12.6 at year-end 2009 to MEUR 4.3 mostly due to better performance by operations compared to last year.

Compared to year-end 2009, Equity including non-controlling interests went up by MEUR 12.0, mainly due to the profit for the period and exchange differences from translation of foreign operations.

Following the continued focus on portfolio management, MEUR 19.4 of the assets and MEUR 2.3 of the liabilities related to one hotel and certain non-core assets were classified as held for sale. One joint venture that was classified as held for sale in H1, is no longer classified as held for sale in Q3 as it is no longer deemed likely that the sale will occur. The book value of this joint venture as at 30 September 2010 was MEUR 1.3. The entire share of income during the first six months from that entity (MEUR 0.7) was recognised in Q3.

Comments to cash flow and liquidity (p 11)

Cash flow from operating activities amounted to MEUR 21.9 during the first nine months of 2010, which was MEUR 32.6 better than that of last year. The improvement to last year is almost entirely coming from better performance by operations.

Cash flow from change in working capital came in on MEUR 1.8, which was MEUR 1.3 better than that of last year. Increased business volume led to higher net liabilities, as the rise in accounts receivables was offset by an increase in operating liabilities, supported by the effects from the timing of rent payments.

Cash flow from investing activities amounted to MEUR -6.8 (-20.8). The investments in leased hotels were primarily related to hotels in Norway and the UK. During Q1 and Q2 2010 investments have been pushed forward. However, at the end of September 2010 investments are in line with 2009. The cash flow from investing activities was positively impacted by the proceeds from the sale of Regent which amounted to MEUR 10.6

The total credit facilities available for use by the end of the quarter amounted to MEUR 106.8. MEUR 5.4 was used for bank guarantees and MEUR 4.3 was used as overdrafts, leaving MEUR 97.1 available for use. At the end of September 2010, Rezidor had MEUR 11.4 in Cash and Cash Equivalents. In 2010, Rezidor renegotiated its long-term credit facilities, by extending the tenor of its committed credit lines to now range between one and three years combined with customary covenants.

Net interest bearing assets (including pension assets and retirement benefit obligations) amounted to MEUR 22.1 (9.6 at year-end 2009). Net debt/cash, defined as Cash & Cash Equivalents plus short-term interest-bearing assets minus interest-bearing financial liabilities (short-term & long-term), amounted to MEUR 7.1 (-7.5 at year-end 2009).

Incentive programmes

The Annual General Meetings of 2008 and 2009 have approved two long-term equity settled performance-based incentive programmes to be offered executives within the Rezidor Group. Based on the outcome of certain performance criteria, defined as growth in earnings per share and total shareholder return relative to a defined peer group, the participants of the programmes may be awarded shares in the Company at the end of the vesting periods (in 2011 and 2012 respectively). In addition, the participants of the 2008 programme are entitled to receive shares conditional on continuous employment during the vesting period. The maximum number of shares that can be awarded in the 2008 and 2009 programmes is 661,146 and 1,131,108 respectively.

On April 16, 2010 the Annual General Meeting approved a new long-term equity settled performance-based incentive programme to be offered to no more than 30 executives within the Rezidor Group. Based on the outcome of certain performance criteria, defined as total shareholder return relative to a defined peer group and growth in earnings per share during the financial years 2010-2012, the participants of the programme may be awarded a certain number of shares in the Company at the end of the vesting period. Allotments of shares will take place in conjunction with the release of the Q1 report in 2013. The maximum number of shares that can be awarded is 960,535. At grant date (July 23, 2010), the fair value of the portion linked to total shareholder return (75% of the shares that can be awarded) was SEK 17.63 per share and the fair value of the portion linked to earnings per share (25% of the shares that can be awarded) was SEK 37.50 per share.

The cost for the incentive programmes in Q3 and the nine month period, calculated in accordance with IFRS 2, amounted to MEUR 0.0 (0.2) and MEUR 0.5 (0.5) respectively. Costs for social security charges related to the programmes amounted to MEUR 0.2 (0.2) in the nine month period, whereas an income of MEUR 0.1 was reported for the quarter (a cost of MEUR 0.1 in Q3 09). The reason for the low IFRS 2 costs in the quarter and the income related to social security costs during the same period was the reversal of accruals related to the 2008 programme as it is deemed unlikely that most of the performance criteria in that programme will be met.

Share buy-back

The number of treasury shares held by the Company at the end of quarter was 3,694,500, corresponding to 2.5% of all registered shares. No shares have been bought back during the period and the average number of own shares held by the Company during the quarter was 3,694,500 (3,694,500). 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. All shares bought back are held to secure delivery of shares in the incentive programmes and the related social security costs.

On April 16, 2010 the Annual General Meeting authorised the Board of Directors to decide on the acquisition and transfer of the company's own shares. The purpose of the authorisation is to give the Board of Directors an increased capacity to act in respect of organising the capital structure of the company. Shares may be acquired to the extent that the company's holding of its own shares following the acquisition at the most reaches one tenth of all shares in the company. No shares have been acquired during the year.

Post balance sheet events

There are no significant post balance sheet events to report.

Business development

Rooms added into operation[1)]

By brand	Jul-Sep 10	Jan-Sep 10
Radisson Blu	688	3,746
Park Inn	1,304	2,920
Other	-	-
Total	**1,992**	**6,666**

By contract type	Jul-Sep 10	Jan-Sep 10
Leased	509	1,076
Managed	1,225	4,921
Franchised	258	669
Total	**1,992**	**6,666**

By geography	Jul-Sep 10	Jan-Sep 10
Nordics	301	615
Rest of Western Europe	650	1,469
Eastern Europe	762	4,087
Middle East, Africa & Others	279	495
Total	**1,992**	**6,666**

1) Including Asset Management and inventory adjustments
* 2 hotels (468 rooms) went offline in Q3

Rooms signed

By brand	Jul-Sep 10	Jan-Sep 10
Radisson Blu	614	4,594
Park Inn	633	1,734
Other	-	-
Total	**1,247**	**6,328**

By contract type	Jul-Sep 10	Jan-Sep 10
Leased	-	-
Managed	1,031	5,160
Franchised	216	1,168
Total	**1,247**	**6,328**

By geography	Jul-Sep 10	Jan-Sep 10
Nordics	168	344
Rest of Western Europe	216	1,518
Eastern Europe	728	3,819
Middle East, Africa & Others	135	647
Total	**1,247**	**6,328**

Material risks and uncertainties

No material changes have taken place during the period and reference is therefore made to the detailed description provided in the annual report for 2009. The general market, economic and financial conditions as well as the development of RevPAR in various countries where Rezidor operates, continued to be the most important factors influencing the company’s earnings. An increased focus on portfolio management or a setback in the economic recovery, 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.

Condensed consolidated statement of operations

MEUR	Jul-Sep 10	Jul-Sep 09	Jan-Sep 10	Jan-Sep 09
Revenue	205.3	165.4	574.0	491.2
F&B and other related expenses	-15.2	-12.0	-42.0	-36.9
Personnel cost and contract labour[1)]	-68.9	-56.7	-203.1	-175.8
Other Operating expenses[1)]	-42.6	-39.3	-128.5	-120.5
Insurance of properties and property tax	-3.5	-3.2	-9.5	-9.2
Operating profit before rental expense and share of income in associates and depreciation and amortisation and gain on sale of fixed assets (EBITDAR)	**75.1**	**54.2**	**190.9**	**148.8**
Rental expense	-58.0	-51.8	-168.0	-155.1
Shares of income in associates and Joint Ventures	1.3	0.7	1.6	1.5
Operating profit/(loss) before depreciation and amortisation and gain on sale of fixed assets (EBITDA)	**18.4**	**3.1**	**24.5**	**-4.8**
Depreciation, amortisation and write-downs	-9.0	-8.0	-23.7	-22.2
Gain on sale of shares and tangible fixed assets	-	-	3.9	-
Operating profit/(loss)	**9.4**	**-4.9**	**4.7**	**-27.0**
Financial income	0.3	0.2	0.7	0.6
Financial expense	-1.9	-1.3	-3.4	-1.5
Profit/(loss) before tax	**7.8**	**-6.0**	**2.0**	**-27.9**
Income tax	-3.2	-0.1	2.1	-0.0
Profit/(loss) for the period	**4.6**	**-6.1**	**4.1**	**-27.9**
Attributable to:				
Owners of the company	4.6	-6.1	4.1	-27.9
Non-controlling interests	-	-	-	-
Profit/(loss) for the period	**4.6**	**-6.1**	**4.1**	**-27.9**
Basic average no. of shares outstanding	146,307,540	146,307,540	146,307,540	146,307,540
Diluted average no. of shares outstanding	147,783,634	146,419,239	147,314,574	146,345,182
Earnings per share, in EUR				
Basic	0.03	-0.04	0.03	-0.19
Diluted	0.03	-0.04	0.03	-0.19

Consolidated statement of comprehensive income

Profit/(loss) for the period	**4.6**	**-6.1**	**4.1**	**-27.9**
Other comprehensive income:				
Exchange differences on translation of foreign operations	-2.3	-0.1	8.0	6.2
Available-for-sale financial assets	-1.7	-	-1.7	-
Tax on exchange differences recognised directly in equity	-0.3	-0.1	0.2	1.3
Other comprehensive income for the period, net of tax	**-4.3**	**-0.2**	**6.5**	**7.5**
Total comprehensive income for the period	**0.3**	**-6.3**	**10.6**	**-20.4**
Attributable to:				
Owners of the Company	0.3	-6.3	10.6	-20.4
Non-controlling interests	-	-	-	-

1) A reclassification from Personnel costs and contract labour to Other operating expenses has been done for 2009. The reclassification amounted to MEUR 2.0 for the quarter and MEUR 6.3 for the nine month period.

Condensed consolidated balance sheet statements

MEUR	30-Sep 10	31-Dec 09
ASSETS		
Intangible assets[1)]	80.1	82.7
Tangible assets	94.5	108.6
Investments in associated companies and joint ventures	4.6	4.1
Other shares and participations	6.7	8.4
Pension funds, net	10.3	10.9
Other long-term receivables	12.4	12.2
Deferred tax assets	37.3	25.2
Total non-current assets	**245.9**	**252.1**
Inventories	4.1	4.4
Other current receivables	110.1	84.7
Other short term investments	2.2	3.3
Cash and cash equivalents	11.4	5.2
Current assets	**127.8**	**97.6**
Assets classified as held for sale	19.4	7.4
Total current assets	**147.2**	**105.0**
TOTAL ASSETS	**393.1**	**357.1**
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent	177.6	166.5
Non-controlling interests	1.1	0.2
Total equity	**178.7**	**166.7**
Deferred tax liabilities	28.1	27.5
Retirement benefit obligations	1.7	1.7
Other long-term liabilities	11.7	10.8
Total non-current liabilities	**41.5**	**40.0**
Liabilities to financial institutions	4.3	12.6
Other current interest bearing liabilities	-	1.3
Other current liabilities	166.3	135.9
Current liabilities	**170.6**	**149.8**
Liabilities directly associated with assets classified as held for sale	2.3	0.6
Total current liabilities	**172.9**	**150.4**
TOTAL EQUITY AND LIABILITIES	**393.1**	**357.1**
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

1) Goodwill has been reclassified to other intangible assets and is now being amortised. MEUR 13.6 of other intangible assets was reported as goodwill on 31 Dec 2009.

Consolidated statement of changes in equity

MEUR	Share capital	Other paid in capital	Translation reserves	Retained earnings incl. net profit/loss for the period	**Attributable to equity holders of the parent**	Non-controlling interests	**Total equity**
Ending balance as of Dec 31, 2008	**10.0**	**120.3**	**-6.7**	**60.5**	**184.1**	**0.2**	**184.3**
Long term incentive plan	-	-	-	0.5	**0.5**	-	**0.5**
Total comprehensive income for the period	-	-	7.5	-27.9	**-20.4**	-	**-20.4**
Ending balance as of Sep 30, 2009	**10.0**	**120.3**	**0.8**	**33.1**	**164.2**	**0.2**	**164.4**
Long term incentive plan	-	-	-	0.3	**0.3**	-	**0.3**
Total comprehensive income for the period	-	-	2.3	-0.3	**2.0**	-	**2.0**
Ending balance as of Dec 31, 2009	**10.0**	**120.3**	**3.1**	**33.1**	**166.5**	**0.2**	**166.7**
Long term incentive plan	-	-	-	**0.5**	**0.5**	-	**0.5**
Additional non-controlling interests arising from full consolidation	-	-	-	-	-	0.9	**0.9**
Total comprehensive income for the period	-	-	6.5	4.1	**10.6**	-	**10.6**
Ending balance as of Sep 30, 2010	**10.0**	**120.3**	**9.6**	**37.7**	**177.6**	**1.1**	**178.7**

Condensed consolidated statement of cash flow

MEUR	Jan-Sep 10	Jan-Sep 09
Operating profit/(loss)	**4.7**	**-27.0**
Non cash items	24.3	19.9
Interest, taxes paid and other cash items	-8.9	-4.1
Change in working capital	1.8	0.5
Cash flow from operating activities	**21.9**	**-10.7**
Purchase of intangible assets	-0.4	-1.1
Purchase of tangible assets	-18.1	-17.7
Other investments/divestments	11.7	-2.0
Cash flow from investing activities	**-6.8**	**-20.8**
External financing, net	-9.2	14.7
Cash flow from financing activities	**-9.2**	**14.7**
Cash flow for the period	**5.9**	**-16.8**
Effects of exchange rate changes on cash and cash equivalents	0.3	0.4
Cash and cash equivalents at beginning of the period	**5.2**	**26.4**
Cash and cash equivalents at end of the period	**11.4**	**10.0**

Parent Company, condensed statement of operations

MEUR	Jul-Sep 10	Jul-Sep 09	Jan-Sep 10	Jan-Sep 09
Revenue	0.7	0.8	2.2	2.3
Personnel cost	-0.8	-0.7	-2.3	-1.9
Other Operating expenses	-4.1	-2.0	-10.0	-6.9
Operating loss before depreciation and amortization	**-4.2**	**-1.9**	**-10.1**	**-6.5**
Depreciation and amortization expense	0.0	0.0	-0.1	-0.1
Operating loss	**-4.2**	**-1.9**	**-10.2**	**-6.6**
Financial income	0.0	0.0	0.0	0.1
Financial expense	-1.4	-1.5	-3.5	-1.9
Loss before tax	**-5.6**	**-3.4**	**-13.7**	**-8.4**
Income Tax	1.5	0.9	3.6	2.2
Profit/(loss) for the period	**-4.1**	**-2.5**	**-10.1**	**-6.2**

Parent Company, statement of comprehensive income

Profit/(loss) for the period	**-4.1**	**-2.5**	**-10.1**	**-6.2**
Other comprehensive income:	-	-	-	-
Total comprehensive income for the period	-4.1	**-2.5**	**-10.1**	**-6.2**

Parent Company, condensed balance sheet statement

MEUR	30-Sep 10	31-Dec 09
ASSETS		
Tangible assets	0.2	0.2
Shares in subsidiaries	232.8	232.4
Deferred tax assets	6.0	2.7
Total non-current assets	**239.0**	**235.3**
Inventories	0.0	0.0
Current receivables	4.8	0.6
Cash and cash equivalents	0.0	0.0
Total current assets	**4.8**	**0.6**
TOTAL ASSETS	**243.8**	**235.9**
EQUITY AND LIABILITIES		
Equity	**178.4**	**187.1**
Current liabilities	65.4	48.8
Total current liabilities	**65.4**	**48.8**
TOTAL EQUITY AND LIABILITIES	**243.8**	**235.9**

Parent Company, statement of changes in equity

MEUR	Share capital	Share premium reserve	Retained earnings incl. net profit/loss for the period	Total equity
Balance as of Dec. 31, 2008	**10.0**	**197.3**	**-13.0**	**194.3**
Long term incentive plan	-	-	0.5	**0.5**
Total comprehensive income for the period	-	-	-8.3	**-8.3**
Balance as of Sep. 30, 2009	**10.0**	**197.3**	**-20.8**	**186.5**
Long term incentive plan	-	-	0.3	**0.3**
Total comprehensive income for the period	-	-	0.3	**0.3**
Balance as of Dec. 31, 2009	**10.0**	**197.3**	**-20.2**	**187.1**
Long term incentive plan	-	-	0.5	**0.5**
Group contribution			1.3	**1.3**
Tax effect on group contribution			-0.4	**-0.4**
Total comprehensive income for the period	-	-	-10.1	**-10.1**
Balance as of Sep. 30, 2010	**10.0**	**197.3**	**-28.9**	**178.4**

Comments to income statement

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

The main revenue of the Company is internal fees charged to the hotels in Sweden for the related administrative services provided by the Shared Service Centre. In Q3 10 and YTD 10 the inter-company revenue of the Parent Company amounted to MEUR 0.8 (0.7) and MEUR 2.1 (2.1) respectively. The inter-company costs in Q3 10 and YTD 10 amounted to MEUR 3.4 (1.3) and MEUR 8.0 (4.4) respectively.

In Q3 10 and YTD 10 inter-company interest income amounted to MEUR 0.0 (0.0) and MEUR 0.0 (0.0) respectively and intercompany interest expenses to MEUR 0.1 (0.4) and MEUR 0.2 (0.5) respectively.

Comments to balance sheet

At the end of the quarter the inter-company receivables amounted to MEUR 0.0 (0.1 at year-end 09) and the inter-company liabilities to MEUR 59.8 (47.0 at year-end 09). The changes in the balance sheet since year-end are mainly related to changes in short-term inter-company borrowing and lending.

Notes to condensed consolidated financial statements

Basis of preparation

The interim report has been prepared in accordance with the Swedish Annual Accounts Act and International Accounting Standard (IAS) 34 Interim Financial Reporting. The interim report has been prepared using accounting principles consistent with International Financial Reporting Standards (IFRS).

The interim report for the parent company has been prepared in accordance with Swedish Annual Accounts Act and Recommendation RFR 2.3, Accounting for Legal Entities, issued by Swedish Financial Accounting Standards Council.

Goodwill has been reclassified to other intangible assets. The comparative numbers have been changed accordingly. Apart from that, 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 2009, except for the impact of the adoption of the standards and interpretations described below.

Revised standards are the *Improvements to IFRSs 2009, IFRS 3 Business Combinations, IAS 27 Consolidated Separate Financial Statements, IAS 39 Financial Instruments: Recognition and measurement (clarification of what constitutes a hedge item) and IFRS 2 Share Based Payment (Group cash-settled share-based payment transactions).* New interpretation effective for Rezidor as from January 1st, 2010 is *IFRIC 12 Service Concession Agreements, IFRIC 15 Agreement for Construction of Real Estate, IFRIC 16 Hedges of a Net Investment in a Foreign Operation, IFRIC 17 Distributions of non-cash assets to owners* and *IFRIC 18 Transfers of Assets from Customers.* New interpretation effective for Rezidor as from July 1st, 2010 is *IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments*. All 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 51.3% of the shares. Rezidor also has some joint ventures and associated companies. On the 30th of September 2010 Rezidor had ordinary current receivables related to Carlson of MEUR 0.1 (0.2 as at 31st December 2009) and ordinary current liabilities of MEUR 1.4 (0.9 as at 31st December 2009). The business relationship with Carlson mainly consisted of operating costs related to the use of the brands and the use of the Carlson reservation system. During the first nine months of 2010, Rezidor had operating costs towards Carlson of MEUR 7.3 (6.4). Moreover, Rezidor paid commissions towards the travel agencies' network of Carlson amounting to MEUR 0.4 (0.9). For these specific commissions Rezidor had current liabilities of MEUR 0.0 (0.0 as at 31st December 2009).

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

Pledged assets and contingent liabilities

Asset pledged, MEUR	**30-Sep 2010**	**31-Dec 2009**
Securities on deposits (restricted accounts)	2.2	3.3

Contingent liabilities, MEUR	**30-Sep 2010**	**31-Dec 2009**
Miscellaneous guarantees provided	5.4	2.4
Total guarantees provided	**5.4**	**2.4**

Revenue per area of operation

MEUR	Jul-Sep 10	Jul-Sep 09	Change %	Jan-Sep 10	Jan-Sep 09	Change %
Rooms revenue	123.1	97.4	26.4%	330.9	278.2	18.9%
F&B revenue	47.7	41.3	15.5%	153.2	136.7	12.1%
Other hotel revenue	5.9	5.4	9.3%	15.5	14.3	8.4%
Total hotel revenue	**176.7**	**144.1**	**22.6%**	**499.7**	**429.2**	**16.4%**
Fee revenue	24.7	18.4	34.2%	65.0	51.7	25.7%
Other revenue	3.9	2.9	34.5%	9.4	10.3	-8.9%
Total revenue	**205.3**	**165.4**	**24.1%**	**574.0**	**491.2**	**16.9%**

Total fee revenue

MEUR	Jul-Sep 10	Jul-Sep 09	Change %	Jan-Sep 10	Jan-Sep 09	Change %
Management Fees	7.7	5.7	35.1%	20.7	16.5	25.4%
Incentive Fees	6.3	4.7	34.0%	17.6	12.9	36.4%
Franchise Fees	1.6	1.4	14.3%	4.4	4.4	0.0%
Other Fees (incl. marketing, reservation fee etc.)	9.0	6.6	36.4%	22.3	17.9	24.6%
Total fee revenue	**24.7**	**18.4**	**34.2%**	**65.0**	**51.7**	**25.7%**

Revenue per region

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Other		Total	
Jul-Sep	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Leased	81.3	64.2	95.4	79.9	-	-	-	-	176.7	144.1
Managed	1.1	1.5	7.5	6.3	7.8	5.1	4.7	2.7	21.1	15.6
Franchised	1.3	1.1	2.1	1.5	0.2	0.2	-	-	3.6	2.8
Other	2.7	2.0	1.2	0.9	-	-	0.1	-	3.9	2.9
Total	**86.3**	**68.8**	**106.2**	**88.6**	**8.0**	**5.3**	**4.8**	**2.7**	**205.3**	**165.4**

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Other		Total	
Jan-Sep	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Leased	231.3	198.0	268.4	231.2	-	-	-	-	499.7	429.2
Managed	3.3	2.8	18.9	16.1	17.9	13.6	15.2	10.1	55.3	42.6
Franchised	3.5	3.4	5.5	5.1	0.6	0.6	-	-	9.6	9.1
Other	6.9	8.1	2.4	2.2	-	-	0.1	-	9.4	10.3
Total	**245.0**	**212.3**	**295.2**	**254.6**	**18.5**	**14.2**	**15.3**	**10.1**	**574.0**	**491.2**

Rental expenses

MEUR	Jul-Sep 10	Jul-Sep 09	Change %	Jan-Sep 10	Jan-Sep 09	Change %
Fixed rent	46.5	43.0	8.1%	137.3	124.9	9.9%
Variable rent	7.8	4.7	66.0%	18.2	14.5	25.5%
Rent	**54.3**	**47.7**	**13.8%**	**155.5**	**139.4**	**11.5%**
Rent as a % of leased hotel revenue	30.7%	33.1%	-240bps	31.1%	32.5%	-140bps
Shortfall guarantees	3.7	4.1	-9.8%	12.5	15.7	-20.4%
Rental expense	**58.0**	**51.8**	**12.0%**	**168.0**	**155.1**	**8.3%**

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	
Jul-Sep	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Leased	10.1	6.6	0.0	-5.1	-	-	-	-	-	-	10.1	1.5
Managed	0.8	1.3	3.4	0.2	6.6	3.9	4.1	1.9	-	-	14.9	7.3
Franchised	0.9	0.5	1.4	1.0	0.1	0.0	-	-	-	-	2.4	1.5
Other[1)]	2.6	1.3	-1.0	0.0	-	-	0.4	0.3	-	-	2.0	1.6
Central costs	-	-	-	-	-	-	-	-	-11.0	-8.8	-11.0	-8.8
Total	**14.4**	**9.7**	**3.8**	**-3.9**	**6.7**	**3.9**	**4.5**	**2.2**	**-11.0**	**-8.8**	**18.4**	**3.1**

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Central costs		Total	
Jan-Sep	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Leased	25.0	21.2	-11.3	-20.9	-	-	-	-	-	-	13.7	0.3
Managed	2.2	1.8	3.4	-2.5	13.2	8.7	11.6	7.2	-	-	30.4	15.2
Franchised	2.0	1.8	2.8	3.3	0.3	0.3	-	-	-	-	5.1	5.4
Other[1)]	4.9	4.1	-1.0	-0.2	-0.0	-0.0	0.7	0.4	-	-	4.6	4.3
Central costs	-	-	-	-	-	-	-	-	-29.4	-30.0	-29.4	-30.0
Total	**34.1**	**28.9**	**-6.1**	**-20.2**	**13.5**	**8.9**	**12.3**	**7.6**	**-29.4**	**-30.0**	**24.5**	**-4.8**

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

Operating profit (EBIT)

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Central costs		Total	
Jul-Sep	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Leased	7.0	3.9	-4.7	-9.5	-	-	-	-	-	-	2.3	-5.6
Managed	0.7	1.3	2.4	0.2	6.2	3.8	3.7	1.9	-	-	13.0	7.2
Franchised	0.8	0.5	1.1	1.0	0.1	-0.0	-	-	-	-	2.0	1.5
Other[1)]	4.0	0.9	-1.2	-0.3	-	-	0.3	0.3	-	-	3.1	0.9
Central costs	-	-	-	-	-	-	-	-	-11.0	-8.8	-11.0	-8.8
Total	**12.5**	**6.5**	**-2.4**	**-8.6**	**6.3**	**3.8**	**4.1**	**2.2**	**-11.0**	**-8.8**	**9.4**	**-4.9**

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Central costs		Total	
Jan-Sep	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Leased	16.0	12.9	-18.9	-32.2	-	-	-	-	-	-	-2.9	-19.3
Managed	2.1	1.8	3.4	-2.6	13.4	8.6	11.5	7.1	-	-	30.4	14.9
Franchised	2.0	1.7	2.7	3.2	0.3	0.2	-	-	-	-	5.0	5.2
Other[1)]	2.7	2.8	-1.8	-1.0	-0.0	0.0	0.7	0.4	-	-	1.6	2.2
Central costs	-	-	-	-	-	-	-	-	-29.4	-30.0	-29.4	-30.0
Total	**22.8**	**19.3**	**-14.6**	**-32.6**	**13.7**	**8.8**	**12.2**	**7.5**	**-29.4**	**-30.0**	**4.7**	**-27.0**

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

Reconciliation of profit/(loss) for the period

MEUR	Jul-Sep 10	Jul-Sep 09	Jan-Sep 10	Jan-Sep 09
Total operating profit/(loss) (EBIT) for reportable segments	**9.4**	**-4.9**	**4.7**	**-27.0**
Financial income	0.3	0.2	0.7	0.6
Financial expense	-1.9	-1.3	-3.4	-1.5
Group's total profit/(loss) before tax	**7.8**	**-6.0**	**2.0**	**-27.9**

Balance sheet and investments

MEUR	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Total	
	30-Sep 2010	31-Dec 2009	30-Sep 2010	31-Dec 2009	30-Sep 2010	31-Dec 2009	30-Sep 2010	31-Dec 2009	30-Sep 2010	31-Dec 2009
Assets	161.4	136.0	171.6	161.4	22.9	24.3	37.2	35.4	393.1	357.1
Investments (tangible & intangible assets)	10.1	6.3	8.7	25.0	0.0	0.0	0.2	0.0	19.0	31.3

Hotels in operation

Contract type	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Total	
30-Sep,	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Leased	27	24	50	46	-	-	-	-	77	70
Managed	7	8	63	59	53	37	36	31	159	135
Franchised	22	23	47	45	6	7	-	-	75	75
Total	**56**	**55**	**160**	**150**	**59**	**44**	**36**	**31**	**311**	**280**

Rooms in operation

Contract type	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Total	
30-Sep,	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Leased	6,936	6,319	10,348	9,564	-	-	-	-	17,284	15,883
Managed	1,934	2,106	10,304	9,911	13,825	9,720	8,952	7,427	35,015	29,164
Franchised	4,075	4,137	8,720	8,353	1,038	1,258	-	-	13,833	13,748
Total	**12,945**	**12,562**	**29,372**	**27,828**	**14,863**	**10,978**	**8,952**	**7,427**	**66,132**	**58,795**

Hotels and rooms in development

	Nordics		Rest of Western Europe		Eastern Europe		Middle East, Africa & Others		Total	
30-Sep, 2010	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Leased	2	711	1	331	-	-	-	-	3	1,042
Managed	2	530	15	2,626	32	7,002	35	7,841	84	17,999
Franchised	2	286	4	800	-	-	-	-	6	1,086
Total	**6**	**1,527**	**20**	**3,757**	**32**	**7,002**	**35**	**7,841**	**93**	**20,127**

Historic quarterly data

	2010			2009				2008	
MEUR	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
RevPAR	64.7	68.4	51.6	56.5	59.0	61.5	54.0	67.8	75.8
Revenue	205.3	203.0	165.7	186.0	165.4	173.2	152.6	193.6	192.5
EBITDAR	75.1	70.6	45.1	61.4	54.2	56.9	37.7	64.1	70.8
EBITDA	18.4	17.5	-11.5	9.7	3.1	7.1	-14.9	13.6	20.0
EBIT	9.4	14.2	-19.0	2.0	-4.9	-0.8	-21.2	5.3	13.4
Profit/(loss) after Tax	4.6	17.2	-17.7	-0.3	-6.1	-2.5	-19.2	1.3	10.1
EBITDAR Margin %	36.6%	34.8%	27.2%	33.0%	32.7%	32.8%	24.7%	33.1%	36.8%
EBITDA Margin %	9.0%	8.6%	-6.9%	5.2%	1.9%	4.1%	-9.8%	7.0%	10.4%
EBIT Margin %	4.6%	7.0%	-11.5%	1.1%	-3.0%	-0.5%	-13.9%	2.7%	7.0%

Definitions

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

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

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

EBIT
Operating profit before net financial items and tax.

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

EBITDA margin
EBITDA as a percentage of Revenue.

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

FF&E
Furniture, Fittings and Equipment.

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

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

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

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

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

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

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

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

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

Geographic regions/segments

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

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

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

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

Financial calendar

Year-end Report January-December 2010: 22 February 2011
Interim Report January-March 2011: 13 April 2011
Annual General Meeting 2011: 13 April 2011
Interim Report January-June 2011: 21 July 2011

This quarterly 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 08:30 Central European Time on 29th October 2010.

Stockholm 29th October, 2010

Kurt Ritter
President & CEO
Rezidor Hotel Group AB

Webcast

29th October 2010 at 15:30 (Central European Time).

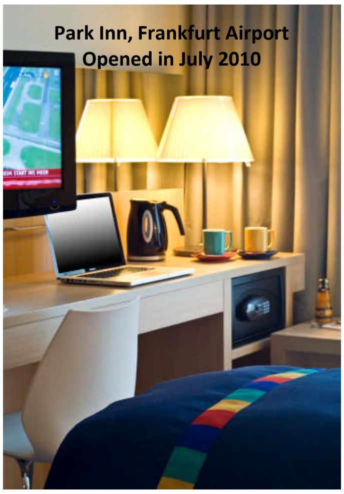
Kurt Ritter, President & CEO, Knut Kleiven, Deputy President & CFO and Puneet Chhatwal, Chief Development Officer, will present the report and answer questions.

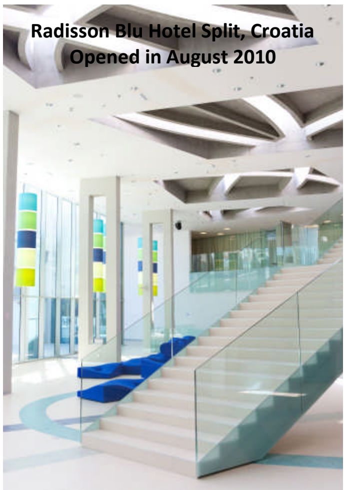
To participate in the teleconference, please dial:

Sweden:	+46 (0)8 5066 2770
Sweden toll-free:	0200 897 065
UK:	+44 (0)20 7784 1036
UK toll-free:	0800 279 9640
US:	+1 718 354 1358
US toll-free:	1866 850 2201

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 +46 (0)8 5051 3897 (Sweden), +44 (0)20 7111 1244 (UK) and +1 347 366 9565 (US), access code 4688341#.





In Q3 2010 Rezidor opened nine new hotels

For further information, please contact:
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