REZIDOR HOTEL GROUP AB (publ)

FINANCIAL REPORT 1st JANUARY – 30th JUNE 2007

SECOND QUARTER 2007

- Revenue increased to MEUR 197.6 (185.7).
- EBITDA amounted to MEUR 27.7 (25.4), and EBITDA margin was 14.0% (13.7).
- Profit after tax of MEUR 15.0 (15.0).
- Basic Earnings Per Share amounted to EUR 0.10 (0.10)[1)]
- RevPAR Like-for-Like (for leased and managed hotels) up by 6.5% to EUR 83.5 (78.4), and occupancy was 72.6% (72.0).
- RevPAR total (for leased and managed hotels) up by 3.3% to EUR 80.7 (78.1), and occupancy was 72.1% (72.0).

SIX-MONTHS ENDING JUNE 2007

- Revenue increased to MEUR 371.0 (341.9).
- EBITDA amounted to MEUR 32.3 (25.0), and EBITDA margin was 8.7% (7.3).
- Profit after tax of MEUR 13.9 (10.3).
- Basic Earnings Per Share amounted to EUR 0.09 (0.07)[1)]
- RevPAR Like-for-Like (for leased and managed hotels) up by 7.8% to EUR 77.5 (71.9), and occupancy was 68.7% (67.5).
- RevPAR total (for leased and managed hotels) up by 3.9% to EUR 74.1 (71.3), and occupancy was 67.6% (67.3).

OTHER HIGHLIGHTS

- Rezidor's hotel portfolio reached 300. At the end of the quarter, the Group had 231 hotels in operation and 69 under development (total of 61,499 rooms).
- During Q2 07, Rezidor opened 1,166 rooms of which 210 rooms were extensions to existing hotels. 58% of these rooms were under management contracts. Year-to-date, 3,509 rooms were added to operations.
- In line with the strategy to search for small portfolio deals, Rezidor signed a contract to add 5 Park Inn hotels in Germany.
- As part of the expansion plans for South Africa, two contracts were signed for Radisson hotels in Port Elizabeth and Johannesburg, both to be opened in 2008.
- Park Inn is mounting its market presence in the United Kingdom; during the quarter, 5 additional contracts were signed, comprising of 752 rooms.
- On target of adding 20,000 new rooms to operation by the end of 2009, of which more than 75% have been secured by the end of June 07.

CEO STATEMENT

"We had a good momentum during the first quarter followed by a slow down in April-May and a pick up in June. We believe that our performance was in line with or better than the overall market, and expect RevPAR to continue to grow during the remainder of 2007. Rising contribution from hotels in their ramp up phase, rate driven RevPAR growth and a gradual shift in our business model are expected to improve the EBITDA margin.

During the first half of 2007, we opened over 3,500 rooms. Given these new openings and our contracted pipeline, we feel confident of adding 20,000 new rooms by the end of 2009." ***Kurt Ritter, President & CEO***

Note:

1) The calculation of Earnings Per Share is based on average number of ordinary shares outstanding during the period (please also refer to Consolidated Income Statement presented on page 12).

1. KEY FIGURES

	APR-JUN 2007	APR-JUN 2006	JAN-JUN 2007	JAN-JUN 2006	JAN-DEC 2006
SELECTED FINANCIAL DATA (TEUR, except indicated otherwise)					
Revenue	197,571	185,684	370,966	341,904	707,319
EBITDAR	75,546	67,519	128,844	111,182	238,777
EBITDA	27,719	25,424	32,252	24,998	60,981 (1)
EBIT	21,716	20,186	20,686	14,651	34,705
Financial income and expense, net	(1,077)	(637)	(1,669)	(1,522)	(2,248)
Profit after Tax	**15,005**	**14,963**	**13,885**	**10,345**	**28,969**
Total equity (2)	n/a	n/a	179,653	161,353	176,380
Balance sheet total	n/a	n/a	423,398	386,039	402,623
Total investments (only intangible and tangible assets)	14,859	7,903	27,563	14,047	32,617
Number of shares (3)	150,002,040	149,979,887	150,002,040	149,979,887	149,979,887
Earnings Per Share (EUR) (4)	0.10	0.10	0.09	0.07	0.19
Equity Per Share (EUR) (5)	n/a	n/a	1.20	1.08	1.18
SELECTED OPERATIONAL DATA					
RevPAR, EUR (6)	80.7	78.1	74.1	71.3	71.7
Occupancy % (6)	72.1%	72.0%	67.6%	67.3%	69.1%
Number of Hotels (7)	n/a	n/a	300	272	279
Available Rooms (000) (6)	3,300	2,896	6,454	5,669	11,855
Rooms sold (000) (6)	2,378	2,086	4,363	3,814	8,194
Number of countries present (8)	n/a	n/a	47	47	47
Number of employees (9)	6,098	6,013	5,907	5,845	5,919
SELECTED RATIOS					
EBITDAR Margin %	38.2%	36.4%	34.7%	32.5%	33.8%
EBITDA Margin %	14.0%	13.7%	8.7%	7.3%	8.6% (1)
EBIT Margin %	11.0%	10.9%	5.6%	4.3%	4.9%

Notes:

(1) *Before IPO related costs.*

(2) *Including minority interest.*

(3) *The number of shares represents weighted average number of ordinary shares outstanding during the period.*

(4) *The Earnings Per Share is calculated before allocation of minority interest and this calculation is based on weighted average number of ordinary shares outstanding during the period.*

(5) *The calculation of equity per share is based on number of ordinary shares at the end of the period.*

(6) *Including leased and managed properties.*

(7) *Of which 231 hotels were in operation at the end of Q2 07, and 227 were in operation at the end of Q2 06 (including franchised).*

(8) *Including hotels in operation and under development.*

(9) *For leased hotels and administration units, expressed in full time equivalents, as an average for the period.*

2. MARKET DEVELOPMENT[1]

Q2 07

RevPAR for first-class and mid-market hotels in **Europe** grew by 4.8% and 5.0% respectively (both driven by AHR). RevPAR in **the Middle East** noted similar growth rates, with first-class and mid-market hotels reporting increases of 6.5% (equally driven by AHR & Occupancy) and 5.5% (occupancy driven) respectively.

Most of the **key cities in Europe** and **Russia**, where Rezidor is present continued to report positive RevPAR growth – Moscow (23.1%), St. Petersburg (14.4%), Warsaw (14.2%), London (14.0%), Paris Central (12.1%), Stockholm (7.0%), Vienna (5.2%), Brussels (3.4%), Copenhagen (3.2%), Berlin (-3.0%), Amsterdam (-8.4%) and Frankfurt (-26.6%). In the Middle East – Muscat (40.5%), Manama (40.0%), Riyadh (25.7%), UAE Regional (15.4%), Sharm El-Sheikh (11.3%), Dubai City Centre (9.3%), Jeddah (7.6%) and Kuwait (-1.9%).

H1 07

RevPAR for first-class and mid-market hotels in **Europe** grew by 5.9% and 6.5% respectively (both primarily driven by AHR). RevPAR in **the Middle East** witnessed similar growth rates, with first-class and mid-market hotels marking increases of 5.1% (equally driven by AHR and occupancy) and 2.8% (occupancy driven) respectively.

RevPAR growth rates during the first half of 2007 were as follows: Moscow (21.3%), Warsaw (17.9%), London (15.1%), St. Petersburg (13.5%), Paris Central (7.7%), Stockholm (7.6%), Copenhagen (6.2%), Brussels (5.8%), Vienna (4.6%), Berlin (2.4%), Amsterdam (-1.6%) and Frankfurt (-9.0%). RevPAR in several Middle Eastern cities showed positive growth rates – Muscat (43.3%), Riyadh (31.7%), UAE Regional (16.1%), Dubai City Centre (9.3%), Sharm El-Sheikh (9.1%), Manama (8.3%), Jeddah (6.2%) and Kuwait (-4.6%).

Source:

1. Hotel performance data included in this section have been provided by the HotelBenchmark™ Survey by Deloitte (growth rates are Euro based).

3. REVPAR, OCCUPANCY & OTHER FINANCIAL HIGHLIGHTS

	APR-JUN 2007	APR-JUN 2006	VARIANCE %	JAN-JUN 2007	JAN-JUN 2006	VARIANCE %
REVPAR LIKE-FOR-LIKE (EUR), Leased & Managed						
Radisson SAS	88.8	83.5	6.3%	82.3	76.3	7.9%
Park Inn	53.6	49.6	8.1%	48.0	45.0	6.7%
Rezidor	83.5	78.4	6.5%	77.5	71.9	7.8%
OCCUPANCY LIKE-FOR-LIKE, Leased & Managed						
Radisson SAS	74.0%	73.3%	1.0%	70.1%	68.8%	1.9%
Park Inn	65.5%	66.3%	(1.2)%	61.7%	61.9%	(0.3)%
Rezidor	72.6%	72.0%	0.8%	68.7%	67.5%	1.8%
REVPAR (EUR), Leased & Managed						
Radisson SAS	88.0	83.2	5.8%	81.8	76.2	7.3%
Park Inn	53.0	51.3	3.3%	45.2	45.9	(1.5)%
Rezidor	80.7	78.1	3.3%	74.1	71.3	3.9%
OCCUPANCY, Leased & Managed						
Radisson SAS	73.4%	73.2%	0.3%	69.5%	68.7%	1.2%
Park Inn	67.6%	67.5%	0.1%	61.5%	61.4%	0.2%
Rezidor	72.1%	72.0%	0.1%	67.6%	67.3%	0.4%
OTHER FINANCIAL HIGHLIGHTS (TEUR)						
Revenue	197,571	185,684	6.4%	370,966	341,904	8.5%
EBITDA	27,719	25,424	9.0%	32,252	24,998	29.0%
Profit after tax	15,005	14,963	0.3%	13,885	10,345	34.2%

REVPAR

Q2 07

All geographic segments noted growth in like-for-like RevPAR, ranging from 3% to 14%, with the Middle East showing the strongest growth. RevPAR for the group as a whole was negatively affected by the addition of two large Park Inns with over 2,000 rooms in St. Petersburg, which were in their ramp-up phase. The growth in group RevPAR was led by the Middle East where total RevPAR grew by over 20%.

H1 07

Like-for-like RevPAR continued to show growth for the first half of 2007. All of Rezidor's geographic segments marked an increase in like-for-like RevPAR by a high single digit. For the six months as well, total RevPAR for the group was negatively affected due to the addition of the two large Park Inns. With nearly 15% total RevPAR growth, the Middle East had the strongest improvement.

COMMENTS TO INCOME STATEMENT

Q2 07

During the second quarter, revenues were positively impacted by a new leased hotel that opened in mid-March 07. Share of rooms revenue as a percent of total hotel revenue increased to 64.4% (63.8). A great majority of the increase in leased hotel revenue came from the Nordics. The Rest of Western Europe marked only a small increase, primarily due to softer performance in the German and the UK markets. Particularly, the negative effect was noted in Germany in Q2 07 when comparing with the same period last year. This was due to the football World Cup last year, which boosted hotel revenues in most of Rezidor's key destinations. The fee revenue went up by 17.4%, with strong contribution from the addition of new hotels in Eastern Europe together with double digit RevPAR growth in the region.

EBITDAR margin increased to 38.2% (36.4). As a percent of total hotel revenue, rent expense (including any shortfall payments under management contracts with performance guarantees) went up to 28.3% (26.3). This relatively large increase was due to a combination of factors including the addition of two leased hotels since April 06 that have been in their ramp-up phase, increase in rent for a few hotels that were previously under renovation or extension, and increase in revenue related variable rent. Share of Income from Associates and Depreciation (as a percent of hotel revenue) were relatively stable during the period. Financial Net includes a loss of 0.4 MEUR on account of translation differences. Excluding that impact, Financial Net was rather stable despite ongoing increases in interest rates and enlarged capex investments in leased hotels. There was a change in the effective tax rate due to full utilization of tax losses carried forward in certain countries.

H1 07
Over 80% of the increase in leased hotel revenue was related to rooms revenue. As a result, share of rooms revenue as a percent of total hotel revenue increased to 63.4% (62.1). The increase in leased hotel revenue was equally split between the Nordics and the Rest of Western Europe. Given the addition of several managed hotels in the last couple of years, combined with good market conditions that benefited the existing portfolio, the fee revenue saw an increase of 22.4%. Eastern Europe was the largest contributor to the growth in fee revenue.

The incremental revenue during H1 07 resulted in an improved EBITDAR margin of 34.7% (32.5). As a percent of total hotel revenue, rent expense went up to 30.2% (28.9). This increase was attributable to the same factors that impacted the Q2 07 rent. Share of Income from Associates and Depreciation (as a percent of hotel revenue) were stable during the period. Excluding the impact of the aforementioned translation loss of 0.4 MEUR, Financial Net had a positive development. As in Q2 07, the effective tax rate changed on account of full utilization of tax losses carried forward in certain countries.

4. SEGMENTAL REVENUES, EBITDA & CENTRAL COSTS

OVERVIEW - REVENUE (in TEUR)

REGION	APR-JUN 2007	APR-JUN 2006	VARIANCE %	JAN-JUN 2007	JAN-JUN 2006	VARIANCE %
Nordics	87,105	79,409	9.7%	164,991	152,226	8.4%
Rest of Western Europe	101,304	98,785	2.5%	189,749	177,161	7.1%
Eastern Europe	6,717	4,551	47.6%	10,478	7,561	38.6%
Middle East, Africa & Others	2,445	2,939	(16.8)%	5,748	4,956	16.0%
TOTAL	**197,571**	**185,684**	**6.4%**	**370,966**	**341,904**	**8.5%**

OVERVIEW - EBITDA (in TEUR)

REGION	APR-JUN 2007	APR-JUN 2006	VARIANCE %	JAN-JUN 2007	JAN-JUN 2006	VARIANCE %
Nordics	16,397	11,132	47.3%	28,674	21,101	35.9%
Rest of Western Europe	10,947	15,976	(31.5)%	8,289	11,011	(24.7)%
Eastern Europe	5,298	3,223	64.4%	7,410	4,395	68.6%
Middle East, Africa & Others	2,763	3,344	(17.4)%	5,479	4,894	12.0%
Central Costs	(7,686)	(8,251)	n/m	(17,600)	(16,403)	n/m
EBITDA	**27,719**	**25,424**	**9.0%**	**32,252**	**24,998**	**29.0%**

THE NORDICS[1]

Q2 07

Driven by increased rates, RevPAR for the Nordic market grew by a high single digit for both the first class and the mid-market segments. Rezidor's performance in the region followed the same trend, with Denmark and Sweden noting above average growth rates.

Leased hotel revenue also benefited from the extensions at two existing hotels in Oslo and Tromsø by 150 rooms and 83 rooms respectively. Additionally, hotels that have been under renovation reached their final phases of completion, which started to have a positive impact on revenue. Favourable market conditions led to an increase in incentive based fee revenue by over MEUR 0.7. Combined, the result was higher EBITDA margin before central costs in the region, up from 14.0% to 18.8% during comparable periods. During the quarter, 2 franchised hotels (250 rooms) went offline but had only a marginal impact on the fee revenue. Overall, franchise fee went up on account of termination fees for 2 contracts, which amounted to circa MEUR 0.5. Other Revenue was stable, however, Other EBITDA marked a sharp increase due to cost savings at the Shared Service Centres, contribution from Share of Income in Associates and improved profitability at Rezidor's ancillary operations supporting the hotels.

H1 07

As during Q2 07, RevPAR for the market grew by a high single digit. For the half year as well, Rezidor's hotels in the Nordics achieved RevPAR growth similar to that of the market, with Denmark and Sweden outperforming the average.

The factors that positively impacted Q2 07 revenues had a similar effect on the six months' results. YTD EBITDA margin before central costs in the region went up from 13.9% to 17.4% for the comparable periods. During H1 07, 1 newly built hotel (172 rooms) joined the operations while 5 franchised hotels (ca 700 rooms) went offline with a marginal impact on the fee revenue.

REST OF WESTERN EUROPE[1]

Q2 07

Although RevPAR growth for the market was dampened by the World Cup effect in Germany compared to the same period last year, RevPAR still noted a low single digit growth – for both first class and mid-market segments. The growth was mainly driven by higher rates. The hotel markets in the UK and France continued to show strong RevPAR development, with London and Paris showing low double digit growth rates. The German market noted a negative RevPAR development with a y-o-y decline by approximately 9% in the first-class segment. Benelux had softer than expected market conditions during the quarter. Rezidor witnessed a similar pattern as the overall market in the Rest of Western Europe. In Germany, Rezidor had a softer performance compared to Q2 06 when the World Cup had a positive revenue and EBITDA effect on Rezidor of estimated MEUR 3.5 and MEUR 2.5 respectively.

There was a small increase in revenue, which was supported by the addition of 11 hotels (ca 1,600 rooms) after Q2 06, including 1 leased property (189 rooms). However, the EBITDA had a large decline mainly due to the drop in RevPAR in Germany where Rezidor has several newly built hotels that are in their ramp-up phase and which carry fixed rents. Another factor that led to the decline in EBITDA was soft performance of the Park Inn portfolio in the UK, where several leased hotels were undergoing renovation or in the planning phase of renovation. The addition of two new leased hotels in France added certain start-up costs and negatively affected EBITDA by MEUR 1.0. EBITDA related to management fees increased more than the change in fee revenue. This was due to considerably lower shortfall payments under contracts with performance guarantees. After Q2 06, 1 franchised hotel (82 rooms) went offline, and had only a small impact on the fee revenue. EBITDA margin before central costs in the region declined from 16.2% to 10.8% during comparable periods.

H1 07

Growth in RevPAR for the market was almost entirely driven by rate, and grew by mid-single digit for both first class and mid-market segments. As for Q2 07, the UK and France had the leading position with Germany showing a negative development. Rezidor noted slightly above the market RevPAR growth, led by France and to a certain extent by the UK. Even in Germany, Rezidor managed to show a small positive growth despite the foregoing reference to the World Cup effect.

YTD EBITDA from leased hotels had a sharp decline primarily due to the same factors that affected Q2 07. This was further impacted by the addition of two leased hotels since April 06 that were in their ramp-up phase, increase in rent for a few hotels that were previously under renovation or extension, and growth in revenue related variable rent. Improvement in EBITDA from management fees was related to growth in fee income as well as reduction in shortfall payments.

EBITDA margin before central costs in the region went down from 6.2% to 4.4% for the comparable periods. During H1 07, 9 hotels (ca 1,400 rooms) joined the operations, and ca 300 rooms were added to existing hotels.

EASTERN EUROPE[(1)]

Q2 07
Entirely fuelled by high rates, market RevPAR for the first class segment (including Russia & the other CIS) grew by a high single digit. RevPAR for the mid-market segment (excluding Russia & the other CIS) was unchanged compared to the same quarter last year. Overall, key cities such as Warsaw, St. Petersburg and Moscow noted rate driven RevPAR growth between 14% and 23%, indicating favourable market conditions for the hotel industry.

RevPAR for Rezidor dropped by a mid-single digit mainly due to the opening of 4 new hotels (over 2,400 rooms) including 3 Park Inns (ca 2,300 rooms) since mid-2006. Excluding the effect of these new openings, RevPAR like-for-like was in line with the market and grew by a high single digit.

The primary reason for the increase in management fees was the addition of new rooms supported by good market conditions in Poland, Russia and the other CIS. Fees from franchised hotels marginally declined as two hotels (ca 700 rooms) left Rezidor after H1 06. EBITDA margin before Central Costs went up to 78.9% (70.8).

H1 07
As during Q2 07, the region benefited from higher rates. For the first class segment (including Russia & the other CIS), RevPAR grew by a low double digit. RevPAR growth for the mid-market segment (excluding Russia & the other CIS) was rather modest at a low single digit compared to the same period last year. St. Petersburg, Warsaw and Moscow noted rate driven RevPAR growth also during H1 07 ranging from 14% to 21%.

For mainly the same reason as for Q2 07, that is the addition of new mid-market rooms, RevPAR for Rezidor dropped by a low double digit. However, if we were to exclude the impact of those new rooms, RevPAR like-for-like grew by a high single digit. EBITDA margin before Central Costs went up to 70.7% (58.1).

THE MIDDLE EAST, AFRICA & OTHER[(1)]

Q2 07
In the Middle East, both the first-class and the mid-market segments noted a mid-single digit RevPAR growth, with the former segment driven equally by rate and occupancy, and the latter entirely by occupancy. South Africa, where Rezidor is expanding its presence, showed favourable signs with rate driven RevPAR growth in the low twenties (Rand based) for the first-class segment and low double digit for the mid-market hotels. In this geographic segment as a whole, Rezidor had a very strong RevPAR growth in the low twenties.

Post H1 06, Rezidor added 2 new properties and extended 2 existing hotels, totalling over 800 rooms, which had a positive impact on the fee income. However, due to certain one-off retroactive contractual adjustments, the management fees show a temporary decline during the quarter. Fees from franchised hotels went down due to 2 hotels (ca 400 rooms) leaving Rezidor. EBITDA margin before Central Costs was stable at 113.0% (113.8). The reason for such high margin is the inclusion of Share of Income from Associates in EBITDA figures.

H1 07
The market noted a mid-single digit RevPAR growth in both the first class and the mid market segments, showing the same pattern as during Q2 07. Rezidor had a RevPAR growth in the mid-tenths, driven by higher rates. The changes in fee incomes were attributable to the foregoing factors. EBITDA margin before central costs in the region went down from 98.7% to 95.3% for the comparable periods.

CENTRAL COSTS

Q2 07
In absolute terms, Central Costs were down versus Q2 06. As a percent of System-wide Revenue, which is estimated at approximately MEUR 494 (464), Central Costs were 1.6% (1.8%).

H1 07
The increase in Central Costs for H1 07 was attributable to the first quarter of 2007 during which some one-off costs were incurred post-IPO to reinforce the organization structure and build-up the regional office in Moscow. As a percent of System-wide Revenue, which is estimated at approximately MEUR 945 (846), Central Costs were stable at 1.9% (1.9).

Note1: Hotel (market) performance data included in this section have been provided by the HotelBenchmark™ Survey by Deloitte (growth rates are Euro based). Market data for the mid-market segment in Russia and the other CIS are not available.

5. ADDITIONAL COMMENTS SIX MONTHS ENDING 2007

BALANCE SHEET

The increase in tangible assets was primarily due to investments in progress which mainly consist of maintenance and renovation works at several leased hotels in the Nordics and the Rest of Western Europe.

The decrease in financial non current assets was mainly due to dividends (MEUR 2.6) from Rezidor's associates and joint ventures and also due to reclassification of the carrying value of the shares held in one of Rezidor's joint ventures to long-term non-current receivables.

Net working capital, excluding cash and cash equivalent, at the end of the period was MEUR -19.8 (-32.5 as at 31st December 06). This change, which is primarily arising out of the movement in other accounts receivable, is mainly due to the first half year seasonality effect.

Following the decision at the AGM on 4th May 2007, the share capital was increased by MEUR 9.9 through a bonus issue (i.e., through other paid in capital). As a result, the new par value of one share is EUR 0.067.

The change in the retained earnings was mainly due to the distribution of dividends to the shareholders amounting to MEUR 9.0.

The net debt/cash (including pension assets and retirement benefit obligations) amounted to MEUR -1.9 (15.7 as at 31st December 06). This change was mainly related to the large investments and the payment of dividends made during H1 07.

CASH FLOW & LIQUIDITY

Compared to H1 06, the change in working capital was stable. Movement in cash flow from investing activities was mainly on account of renovation and expansion related investments, which amounted to MEUR 16.8 and MEUR 10.2 respectively. Cash flow from investing activities was positively affected due to partial repayment of loans by two of Rezidor's associates and joint ventures as well as a partial release of restricted accounts. Net cash flow from financing activities changed primarily due to the distribution of dividends to shareholders for a total amount of MEUR 9.0.

At the end of June 07, Rezidor had MEUR 33.9 in cash and cash equivalents. The total credit facilities available for use amounted to MEUR 135.3, of which MEUR 40.4 were used for bank guarantees, MEUR 51.0 were used as overdrafts, leaving MEUR 43.9 available for use.

INCENTIVE PROGRAMME

The Annual General Meeting approved on May 4, 2007 a long-term equity settled performance-based incentive programme ("the performance share programme") to be offered to approximately 25 executives within the Rezidor Group. The purpose of the programme is to offer a remuneration package to ensure that remuneration within the Group helps align executives with shareholder interests, that the proportion of remuneration linked to Company performance increases and that it encourages executive share ownership. In order to implement the performance share programme in a cost efficient and flexible manner, the Board of Directors was authorised by the AGM to decide on acquisitions of own shares on the stock exchange.

The programme was launched on 15th June 2007 with a vesting period up to 1st May 2010 and contains two different award elements, a bonus based award and a savings based award. As of 30th June 2007, 26 executives are enrolled in the programme.

The "bonus based award" entitles the participants to a certain number of shares equal in value to the participant's 2006 annual bonus payout. Shares are awarded at no cost for the participant and the maximum number of shares that may be awarded under the bonus based award after the full vesting period is 129,600.

The "savings based award" is a matching share award equal to that number of Rezidor shares a participant purchases and holds for a 3-year savings period, up to a value of 25% of the participant's 2007 salary. Shares are awarded at no cost for the participant and the maximum number of savings based shares that can be awarded after the full vesting period is 78,550 shares.

10 members of the Executive Committee participated in the programme entitling them to a maximum total of 140,304 shares. Included therein, the CEO of Rezidor is entitled to a maximum of 36,005 shares. The award is ultimately dependent on certain performance criteria including growth in earnings per share and total shareholder return relative to a defined peer group.

The expense for the above program for the quarter ended 30th June 2007 covering the vesting period 16th-30th June 2007 was insignificant.

POST BALANCE SHEET EVENTS

There is no post balance sheet event to report.

BUSINESS DEVELOPMENT

During Q2 07, Rezidor added 1,166 rooms into operations, out of which 54% were Radisson SAS and 38% were Park Inn. In line with Rezidor's strategy to focus on managed properties, 58% of the rooms added were under management agreements. Over the first six months of 2007, Rezidor added 3,509 rooms into operations, out of which 44% were Radisson SAS and 53% Park Inn. This new portfolio contains 73% rooms under management agreements.

During Q2 07, 532 rooms left the system and over H1 07, a total of 947 rooms left the system, all of which were franchised and had a marginal contribution to the bottom line. In Q2 07, Rezidor signed contracts for 16 hotels, representing a total of 2,464 rooms, of which 27% were under the Radisson brand and 68% under the Park Inn brand. Of all the rooms signed, 26% were leased, 47% were under management agreements and 27% were franchised. Only 33% of the rooms signed carried a financial guarantee. Out of the 2,464 rooms, 426 went into operations in Q2 07 and are included in the operations count above.

In H1 07, Rezidor signed contracts for 28 hotels, representing a total of 4,605 rooms, of which 34% were under the Radisson brand and 53% under the Park Inn brand. Of all the rooms signed, 24% were leased, 62% were under management agreements and 14% were franchised. Only 33% of the rooms signed carried a financial guarantee. Out of the 4,605 rooms, 851 went into operations in H1 07 and are included in the operations count above.

The geographic distribution of newly contracted rooms in H1 07 was as follows:

Nordics	3%
Rest of Western Europe	62%
Eastern Europe	10%
Africa, Middle East & Other	25%

OTHER GROUP DEVELOPMENTS

During the first half of 2007, the goldpointsplus℠ loyalty program grew by more than 30% and won a prestigious industry award for best member communication.

In May, Rezidor's former parent company SAS divested its remaining shareholding (6.7%) in the group to Carlson, which increased Carlson's stake up to 41.7%.

Rezidor reinforced the national sales structure to further support properties with predominantly domestic feeder markets to optimise revenue generation. In order to further strengthen the operational support to individual hotels, we also re-organised our structure with District Directors in Scandinavia, UK, Central Europe and the Middle East.

Amongst other awards won by Rezidor during the first half of 2007, the following are worth noting:

* Best Hotel Chain in Norway and Best International Hotel Chain by the magazine Travel News.

* Nordic Business Travel Award to Radisson SAS for best hotel chain, under the auspices of Nordic Business Travel Barometer 2007.

In May, we officially adopted World Childhood Foundation, a non-profit organisation dedicated to serving the most vulnerable children in the world, as our official charity organisation.

OUTLOOK
The market remains strong and RevPAR is projected to grow further. EBITDA margin is expected to improve. We reiterate our target to open 20,000 new rooms during 2007-09.

MATERIAL RISKS & UNCERTAINTIES
The general market conditions and the development of RevPAR in various countries where Rezidor operates will continue to be the most important factor influencing the company's earnings. Since no material changes have taken place during the period with respect to material risks and uncertainty factors, reference is made to the detailed description provided in the annual report for 2006.

STATEMENT FROM THE BOARD OF DIRECTORS AND THE CEO

The present condensed set of financial statements (i.e. for the Group and for the Parent Company) which has been prepared in accordance with the applicable set of accounting standards gives a true and fair view of the assets, liabilities, financial position and profit or loss of Rezidor and the undertakings included in the consolidation as a whole, and the interim financial report gives a fair view of the information required as presented.

This interim financial report is signed and issued on July 27th, 2007 by the members of the Board of Directors:

Urban Jansson
Chairman of the board

Dr. Harald Einsmann
Board Member

Marilyn Carlson Nelson
Vice Chairman of the board

Göte Dahlin
Board Member

Trudy Rautio
Board Member

Benny Zakrisson
Board Member

Jay Witzel
Board Member

Ulla Litzén
Board Member

Barry Wilson
Board Member

Kurt Ritter
President & CEO

UPCOMING FINANCIAL INFORMATION

October 29th, 2007
Interim Report for the period 1st January – 30th September 2007

March 3rd, 2008
Year-end Report for the period 1st January – 31st December 2007

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Registered office: Hemvärnsgatan 15, Box 6061, 171 06 Solna, Stockholm, Sweden
Corporate office: Avenue du Bourget 44, B-1130 Brussels, Belgium
www.rezidor.com
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This report has not been audited.

6. CONSOLIDATED INCOME STATEMENT

(THOUSAND EURO)	APR-JUN 2007	APR-JUN 2006	JAN-JUN 2007	JAN-JUN 2006	JAN-DEC 2006
Revenue	197,571	185,684	370,966	341,904	707,319
F&B and other related expenses	(14,111)	(13,601)	(27,075)	(26,384)	(54,806)
Personnel cost	(65,331)	(62,741)	(127,695)	(120,552)	(246,714)
Other Operating expenses	(40,162)	(39,274)	(81,571)	(78,468)	(154,646)
Insurance of properties and property tax	(2,421)	(2,549)	(5,781)	(5,318)	(12,376)
Operating profit before rental expense and share of income in associates and depreciation and amortization and gain on sale of fixed assets (EBITDAR)	**75,546**	**67,519**	**128,844**	**111,182**	**238,777**
Rental expense	(49,313)	(43,546)	(99,102)	(88,605)	(183,092)
Shares of income in associates	1,486	1,451	2,510	2,421	5,296
IPO related expenses	-	-	-	-	(4,392)
Operating profit before depreciation and amortization and gain on sale of fixed assets (EBITDA)	**27,719**	**25,424**	**32,252**	**24,998**	**56,589**
Depreciation and amortization expense	(6,003)	(5,238)	(11,566)	(10,347)	(21,884)
Operating profit	**21,716**	**20,186**	**20,686**	**14,651**	**34,705**
Financial income	508	595	1,196	902	2,111
Financial expense	(1,585)	(1,232)	(2,865)	(2,424)	(4,359)
Profit before tax	**20,639**	**19,549**	**19,017**	**13,129**	**32,457**
Income Tax	(5,634)	(4,586)	(5,132)	(2,784)	(3,488)
Profit for the period	**15,005**	**14,963**	**13,885**	**10,345**	**28,969**
Attributable to:					
Equity holders of the parent	15,005	12,213	13,885	4,845	20,719
Minority interest	-	2,750	-	5,500	8,250
	15,005	**14,963**	**13,885**	**10,345**	**28,969**
Average number of ordinary shares outstanding during the period	150,002,040	149,979,887	150,002,040	149,979,887	149,979,887
Earnings per share (EUR)					
Basic and diluted before allocation to minority interest	0.10	0.10[(1)]	0.09	0.07[(1)]	0.19[(1)]

(1) In relation to the exchange of the preference shares, the minority interest earned in 2006, have been subsequently acquired by the parent company and therefore eliminated in equity. In order to present a representative view of the earnings per share for the comparable numbers 2006, we present earnings per share before allocation to minority interest.

7. CONSOLIDATED STATEMENT BALANCE SHEET

(THOUSAND EURO)

ASSETS	30-JUN-2007	31-DEC-2006
NON-CURRENT ASSETS		
Intangible assets		
Goodwill	13,913	12,625
Other intangible assets	62,297	64,557
	76,210	**77,182**
Tangible assets		
Fixed installations in leased properties	29,851	27,638
Machinery and equipment	52,619	52,261
Investments in progress	22,502	7,684
	104,972	**87,583**
Financial assets		
Investments in associated companies and joint ventures	7,399	12,317
Other shares and participations	15,328	15,088
Pension funds, net	12,924	12,553
Other long-term receivables	14,093	14,082
	49,744	**54,040**
Deferred tax assets	30,406	26,964
CURRENT ASSETS		
Inventory	5,609	5,297
Other current receivables	119,479	97,064
Other short term investments	3,051	3,518
	128,139	**105,879**
Cash and cash equivalents	33,927	50,975
Total current assets	**162,066**	**156,854**
TOTAL ASSETS	**423,398**	**402,623**

LIABILITIES AND EQUITY	30-JUN-2007	31-DEC-2006
Share capital	10,000	127
Translation reserves	19,065	20,578
Other paid in capital	143,984	153,978
Retained earnings including net profit for the period	6,389	1,482
Equity attributable to equity holders of the parent	**179,438**	**176,165**
Minority interest	215	215
Total equity	**179,653**	**176,380**
Non current liabilities		
Deferred tax liabilities	17,595	15,749
Retirement benefit obligations	1,366	1,325
Other long-term liabilities	727	387
	19,688	**17,461**
Current liabilities		
Accounts payable	39,636	35,858
Current tax liabilities	14,578	10,054
Liabilities to financial institutions	50,963	47,603
Other current liabilities	118,880	115,267
	224,057	**208,782**
Total liabilities	**243,745**	**226,243**
TOTAL LIABILITIES AND EQUITY	**423,398**	**402,623**

Number of ordinary shares at the end of the period	150,002,040	150,002,040
Equity per share	1.20	1.18

8. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(THOUSAND EURO)

	SHARE CAPITAL	TRANSLATION RESERVES	OTHER PAID IN CAPITAL	RETAINED EARNINGS	NET INCOME FOR THE PERIOD	**ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT**	MINORITY INTEREST	**TOTAL EQUITY**
Ending balance as of 31st December 2005	**100**	**19,392**	**87,978**	**(36,317)**	**17,719**	**88,872**	**60,715**	**149,587**
Allocation of net income of previous period	-	-	-	17,719	(17,719)	**-**	-	**-**
Net profit for the period	-	-	-	-	4,845	**4,845**	5,500	**10,345**
Change in translation differences	-	279	120	1,022	-	**1,421**	-	**1,421**
Ending balance as of 30th June 2006	**100**	**19,671**	**88,098**	**(17.576)**	**4,845**	**95,138**	**66,215**	**161,353**
Change of treatment for the pensions (from defined benefit to contribution benefit plan)	-	-	-	(1,745)	-	**(1,745)**	-	**(1,745)**
Other adjustments	-	-	-	(1,644)	-	**(1,644)**	-	**(1,644)**
Net profit for the period	-	-	-	-	15,874	**15,874**	2,750	**18,624**
Change in translation differences	-	907	(120)	(1,022)	-	**(235)**	-	**(235)**
New share issue and exchange of preference shares	27	-	66,000	2,750	-	**68,777**	(68,750)	**27**
Ending balance as of 31st December 2006	**127**	**20,578**	**153,978**	**(19,237)**	**20,719**	**176,165**	**215**	**176,380**
Allocation of net income of previous period	-	182	-	20,537	(20,719)	**-**	-	**-**
Net profit for the period	-	-	-	-	13,885	**13,885**	-	**13,885**
Increase of capital	9,873	-	(9,873)	-	-	**-**	-	**-**
Dividends paid to shareholders				(9,000)		**(9,000)**		**(9,000)**
Change in translation differences	-	(1,695)	(121)	204	-	**(1,612)**	-	**(1,612)**
Ending balance as of 30th June 2007	**10,000**	**19,065**	**143,984**	**(7,496)**	**13,885**	**179,438**	**215**	**179,653**

9. CONSOLIDATED STATEMENT OF CASH FLOW

(THOUSAND EURO)	JAN-JUN 2007	JAN-JUN 2006
Operating profit	**20,686**	**14,651**
Non cash items	6,863	6,056
Interest, taxes paid and other cash items	(1,174)	(3,538)
Change in working capital	(12,726)	(13,168)
Cash flow used in operating activities	**13,649**	**4,001**
Purchase of other intangible assets	(519)	182
Purchase of tangible assets	(27,044)	(14,229)
Purchase of shares and participations	-	(1,881)
Interest received	1,008	901
Other investments	5,131	3,200
Cash flow from investing activities	**(21,424)**	**(11,827)**
External financing, net	(273)	9,439
Dividends paid	(9,000)	-
Cash flow from financing activities	**(9,273)**	**9,439**
Effects of exchange rate changes on cash and cash equivalents	(676)	68
Cash flow for the period	**(17,724)**	**1,681**
Cash and cash equivalents at beginning of the period	51,651	23,316
Cash and cash equivalents at end of the period	33,927	24,997

10. PARENT COMPANY, CONDENSED STATEMENT OF OPERATIONS

(THOUSAND EURO)	APR-JUN 2007	APR-JUN 2006	JAN-JUN 2007	JAN-JUN 2006	JAN-DEC 2006
Revenue	922	-	1,845	-	1,187
Personnel cost	(757)	-	(1,444)	-	(770)
Other Operating expenses	(443)	(5)	(1,170)	(11)	(1,528)
IPO related expenses	-	-	-	-	(3,562)
Operating loss before depreciation and amortization	**(278)**	**(5)**	**(769)**	**(11)**	**(4,673)**
Depreciation and amortization expense	(16)	**-**	(27)	-	(13)
Operating loss	**(294)**	**(5)**	**(796)**	**(11)**	**(4,686)**
Financial income	438	-	918	-	289
Financial expense	(383)	(1)	(730)	(1)	(180)
Loss before tax	**(239)**	**(6)**	**(608)**	**(12)**	**(4,577)**
Income Tax	(99)	-	(99)	-	1,278
Loss for the period	**(338)**	**(6)**	**(707)**	**(12)**	**(3,299)**

11. PARENT COMPANY, CONDENSED BALANCE SHEET STATEMENTS

ASSETS	30-JUN-2007	31-DEC-2006
FIXED ASSETS		
Machinery and equipment	158	172
Shares in subsidiaries	231,100	231,100
Deferred tax assets	1,179	1,278
	232,437	**232,550**
CURRENT ASSETS		
Inventories	1	1
Accounts receivable	10	150
Receivables group companies	25,604	36,594
Income tax receivable	21	10
Other receivables	146	108
Prepaid expenses and accrued income	266	259
Cash and cash equivalents	8,060	10,209
	34,108	**47,331**
TOTAL ASSETS	**266,545**	**279,881**

LIABILITIES AND EQUITY	30-JUN-2007	31-DEC-2006
Equity		
Share capital	10,000	127
Share premium reserve	221,100	230,973
Profit/Loss brought forward	(12,299)	-
Net loss for the year	(707)	(3,299)
Total equity of parent company shareholders	**218,094**	**227,801**
Liabilities		
Current liabilities		
Accounts payable	127	930
Liabilities group companies	33,563	30,869
Interest-bearing liabilities to credit institutions	12,600	16,800
Accrued expenses and prepaid income	2,075	3,419
Other liabilities	86	62
	48,451	**52,080**
TOTAL LIABILITIES AND EQUITY	**266,545**	**279,881**

12. PARENT COMPANY, CONDENSED STATEMENT OF CHANGES IN EQUITY

(THOUSAND EURO)	Share capital	Share premium reserve	Profit/loss brought forward	Net loss for the year	Total equity
Equity as of 31st December 2005	**100**	**-**	**-**	**-**	**100**
Net loss for the period	-	-	-	(12)	(12)
Equity as of 30th June 2006	**100**	**-**	-	**(12)**	**88**
Increase of Share Capital	27	230,973	-	-	231,000
Net loss for the period	-	-	-	(3,287)	(3,287)
Equity 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 (through a bonus issue)	9,873	(9,873)	-	-	-
Net loss for the period	-	-	-	(707)	(707)
Equity as of 30th June 2007	**10,000**	**221,100**	**(12,299)**	**(707)**	**218,094**

Comments to Income Statements

The Parent Company was registered with the Swedish Companies Registration Office on January 5, 2005 and the primary purpose of that Company is to act as a holding company for the company'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. This secondary activity only started in October 2006. This late start in 2006, is the reason for the variances between the periods compared.

The main revenues of that Company are internal fees charged to the hotels in Sweden for the related administrative services provided by that Shared Service Centre. In Q2 07 and H1 07, the inter-company revenues of the Parent Company amounted to MEUR 0.8 and MEUR 1.5 respectively. The inter-company costs in Q2 07 and H1 07 amounted to MEUR 0.3 and MEUR 0.5 respectively.

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 2006, the three major movements in the balance sheet of the parent company are as follows:

- the decrease of 'Receivables group companies' (i.e. mainly the cash pool) which is due to the payment of dividends to the shareholders for MEUR 9.0;

- the changes in the 'Share capital' and the 'Share premium reserve' which are due to the share capital increase amounting to MEUR 9.9 achieved through a bonus issue (i.e. through share premium reserve); and

- the decrease of the 'Interest-bearing liabilities to credit institutions' which is due to the partial repayment of an external loan with a financial institution for an amount of MEUR 4.2.

13. NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2007

BASIS OF PREPARATION

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting and the Swedish Annual Accounts Act. The interim financial statements have also been prepared applying the Swedish Accounting Standards Council recommendation RR 31.

The condensed financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU.

The formal condensed financial reports as defined by the Swedish Corporate Governance Code are included on pages 12-22 and 24.

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31st December 2006 except as disclosed below.

ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

According to IFRS 2 - Share-based Payment, equity settled share-based payment transactions with employees, including executives, are measured at grant date by reference to the fair value of the equity instruments granted. Market vesting conditions are considered in the measurement of the fair value which is expensed against equity over the vesting period, based on the Group's estimate of the equity instruments that will finally vest considering the effect of non market-based vesting conditions, such as service conditions.

The Group has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (IFRIC) that are relevant to its operations and effective for accounting periods beginning on 1 January 2007 and which were endorsed by the European Commission prior to the release of these financial statements.

IASB has issued the following amendments and accounting pronouncements which will be effective for annual periods beginning on or after 1 January 2007:

* IFRS 7 Financial Instruments: Disclosures which adds certain new disclosure requirements about financial instruments and puts all financial instruments disclosures together in one standard. Effective for annual periods beginning on or after 1 January 2007.

* Amendment (August 2005) to IAS 1 Presentation of Financial Statements which adds new disclosure requirements for capital. Effective for annual periods beginning on or after 1 January 2007.

In addition to the above, IFRIC 7, 8, 9, 10 and 11 is applicable for the Group from 1 January 2007.

The adoption of these new Standards and Interpretations have no material impact on the financial statements for the Group in 2007 and onwards, except that additional disclosures will be required for annual reporting purposes.

PARENT COMPANY

The Parent Company reports in accordance with RR 32 "Reporting in separate financial statements". RR 32 requires the Parent Company to use similar accounting principles as for the Group, i.e. IFRS to the extent allowed by RR 32.

14. SEGMENT INFORMATION

REVENUE – PER AREA OF OPERATION

TEUR	SIX MONTHS ENDING		
Revenue	**JAN-JUN 2007**	**JAN-JUN 2006**	**VAR%**
Rooms revenue	207,897	190,403	9.2%
F&B revenue	109,052	103,764	5.1%
Other hotel revenue	11,014	12,350	(10.8)%
TOTAL HOTEL REVENUE	**327,963**	**306,517**	**7.0%**
Fee revenue	35,821	29,273	22.4%
Other revenue	7,182	6,114	17.5%
TOTAL REVENUE	**370,966**	**341,904**	**8.5%**

TEUR	THREE MONTHS ENDING		
Revenue	**APR-JUN 2007**	**APR-JUN 2006**	**VAR%**
Rooms revenue	112,128	105,542	6.2%
F&B revenue	56,355	53,191	5.9%
Other hotel revenue	5,545	6,683	(17.0)%
TOTAL HOTEL REVENUE	**174,028**	**165,416**	**5.2%**
Fee revenue	20,746	17,668	17.4%
Other revenue	2,797	2,600	7.6%
TOTAL REVENUE	**197,571**	**185,684**	**6.4%**

TOTAL FEE REVENUE

TEUR	SIX MONTHS ENDING		
	JAN-JUN 2007	**JAN-JUN 2006**	**VAR%**
Management Fees	13,781	11,702	17.8%
Incentive Fees	10,524	6,856	53.5%
Franchise Fees	2,112	2,403	(12.1)%
Other Fees (incl. marketing, reservation fee etc.)	9,404	8,312	13.1%
TOTAL FEE REVENUE	35,821	29,273	22.4%

TEUR	THREE MONTHS ENDING		
	APR-JUN 2007	**APR-JUN 2006**	**VAR%**
Management Fees	7,749	7,263	6.7%
Incentive Fees	6,447	4,689	37.5%
Franchise Fees	1,224	1,433	(14.6)%
Other Fees (incl. marketing, reservation fee etc.)	5,326	4,283	24.4%
TOTAL FEE REVENUE	20,746	17,668	17.4%

REVENUE – PER REGION

TEUR	NORDICS		REST OF WESTERN EUROPE		EASTERN EUROPE		MIDDLE EAST, AFRICA & OTHERS		TOTAL	
	JAN-JUN 2007	JAN-JUN 2006	JAN-JUN 2007	JAN-JUN 2006	JAN-JUN 2007	JAN-JUN 2006	JAN-JUN 2007	JAN-JUN 2006	JAN-JUN 2007	JAN-JUN 2006
Leased	152,133	141,562	175,830	164,955	-	-	-	-	327,963	306,517
Managed	2,997	1,976	11,435	10,027	10,258	7,189	5,716	4,824	30,406	24,016
Franchised	3,401	3,118	1,762	1,634	220	372	32	132	5,415	5,256
Other	6,460	5,570	722	545	-	-	-	-	7,182	6,115
TOTAL	**164,991**	**152,226**	**189,749**	**177,161**	**10,478**	**7,561**	**5,748**	**4,956**	**370,966**	**341,904**

TEUR	NORDICS		REST OF WESTERN EUROPE		EASTERN EUROPE		MIDDLE EAST, AFRICA & OTHERS		TOTAL	
	APR-JUN 2007	APR-JUN 2006	APR-JUN 2007	APR-JUN 2006	APR-JUN 2007	APR-JUN 2006	APR-JUN 2007	APR-JUN 2006	APR-JUN 2007	APR-JUN 2006
Leased	80,834	74,127	93,194	91,288	-	-	-	-	174,028	165,415
Managed	1,784	1,091	6,683	6,399	6,574	4,302	2,414	2,870	17,455	14,662
Franchised	2,150	1,671	967	1,015	143	249	31	69	3,291	3,004
Other	2,337	2,520	460	83	-	-	-	-	2,797	2,603
TOTAL	**87,105**	**79,409**	**101,304**	**98,785**	**6,717**	**4,551**	**2,445**	**2,939**	**197,571**	**185,684**

OPERATING PROFIT BEFORE DEPRECIATION (EBITDA)

TEUR	NORDICS		REST OF WESTERN EUROPE		EASTERN EUROPE		MIDDLE EAST, AFRICA & OTHERS		CENTRAL COSTS		TOTAL	
	JAN-JUN 2007	JAN-JUN 2006	JAN-JUN 2007	JAN-JUN 2006	JAN-JUN 2007	JAN-JUN 2006	JAN-JUN 2007	JAN-JUN 2006	JAN-JUN 2007	JAN-JUN 2006	JAN-JUN 2007	JAN-JUN 2006
Leased	22,058	18,675	2,060	6,518	-	-	-	-	-	-	24,118	25,193
Managed	2,280	1,213	5,327	3,615	7,389	4,474	4,195	3,634	-	-	19,191	12,936
Franchised	2,666	1,626	666	539	104	5	17	46	-	-	3,453	2,216
Other (*)	1,670	(413)	236	339	(83)	(84)	1,267	1,214	-	-	3,090	1,056
Central Costs	-	-	-	-	-	-	-	-	(17,600)	(16,403)	(17,600)	(16,403)
TOTAL	**28,674**	**21,101**	**8,289**	**11,011**	**7,410**	**4,395**	**5,479**	**4,894**	**(17,600)**	**(16,403)**	**32,252**	**24,998**

TEUR	NORDICS		REST OF WESTERN EUROPE		EASTERN EUROPE		MIDDLE EAST, AFRICA & OTHERS		CENTRAL COSTS		TOTAL	
	APR-JUN 2007	APR-JUN 2006	APR-JUN 2007	APR-JUN 2006	APR-JUN 2007	APR-JUN 2006	APR-JUN 2007	APR-JUN 2006	APR-JUN 2007	APR-JUN 2006	APR-JUN 2007	APR-JUN 2006
Leased	12,931	11,037	4,232	10,184	-	-	-	-	-	-	17,163	21,221
Managed	1,431	667	5,911	4,995	5,274	3,301	1,816	2,383	-	-	14,432	11,346
Franchised	2,119	846	478	406	100	(43)	16	91	-	-	2,713	1,300
Other (*)	(84)	(1,418)	326	391	(76)	(35)	931	870	-	-	1,097	(192)
Central Costs	-	-	-	-	-	-	-	-	(7,686)	(8,251)	(7,686)	(8,251)
TOTAL	**16,397**	**11,132**	**10,947**	**15,976**	**5,298**	**3,223**	**2,763**	**3,344**	**(7,686)**	**(8,251)**	**27,719**	**25,424**

(*) Other also include share of income from associates

OPERATING PROFIT (EBIT)

TEUR	NORDICS		REST OF WESTERN EUROPE		EASTERN EUROPE		MIDDLE EAST, AFRICA & OTHERS		CENTRAL COSTS		TOTAL	
	JAN-JUN 2007	JAN-JUN 2006	JAN-JUN 2007	JAN-JUN 2006	JAN-JUN 2007	JAN-JUN 2006	JAN-JUN 2007	JAN-JUN 2006	JAN-JUN 2007	JAN-JUN 2006	JAN-JUN 2007	JAN-JUN 2006
Leased	16,053	12,561	(2,116)	3,264	-	-	-	-	-	-	13,937	15,825
Managed	2,255	1,178	5,258	3,524	7,324	4,402	4,151	3,587	-	-	18,988	12,691
Franchised	2,627	1,565	634	496	100	(10)	17	43	-	-	3,378	2,094
Other (*)	1,083	(677)	(285)	(8)	(82)	(84)	1,267	1,213	-	-	1,983	444
Central Costs	-	-	-	-	-	-	-	-	(17,600)	(16,403)	(17,600)	(16,403)
TOTAL	**22,018**	**14,627**	**3,491**	**7,276**	**7,342**	**4,308**	**5,435**	**4,843**	**(17,600)**	**(16,403)**	**20,686**	**14,651**

TEUR	NORDICS		REST OF WESTERN EUROPE		EASTERN EUROPE		MIDDLE EAST, AFRICA & OTHERS		CENTRAL COSTS		TOTAL	
	APR-JUN 2007	APR-JUN 2006	APR-JUN 2007	APR-JUN 2006	APR-JUN 2007	APR-JUN 2006	APR-JUN 2007	APR-JUN 2006	APR-JUN 2007	APR-JUN 2006	APR-JUN 2007	APR-JUN 2006
Leased	9,904	7,988	2,009	8,470	-	-	-	-	-	-	11,913	16,458
Managed	1,421	649	5,887	4,948	5,246	3,262	1,805	2,365	-	-	14,359	11,224
Franchised	2,108	815	469	384	99	(54)	16	93	-	-	2,692	1,238
Other (*)	(484)	(1,545)	65	228	(74)	(35)	931	869	-	-	438	(483)
Central Costs	-	-	-	-	-	-	-	-	(7,686)	(8,251)	(7,686)	(8,251)
TOTAL	**12,949**	**7,907**	**8,430**	**14,030**	**5,271**	**3,173**	**2,752**	**3,327**	**(7,686)**	**(8,251)**	**21,716**	**20,186**

(*) *Other also includes share of income from associates and income from sale of assets*

BALANCE SHEET & INVESTMENTS

TEUR	NORDICS		REST OF WESTERN EUROPE		EASTERN EUROPE		MIDDLE EAST, AFRICA & OTHERS		TOTAL	
	30-JUN-2007	31-DEC-2006	30-JUN-2007	31-DEC-2006	30-JUN-2007	31-DEC-2006	30-JUN-2007	31-DEC-2006	30-JUN-2007	31-DEC 2006
Total assets	195,877	195,048	179,288	159,587	21,007	19,239	27,226	28,749	423,398	402,623
Investments	16,237	11,493	11,326	21,124	-	-	-	-	27,563	32,617

HOTELS IN OPERATION

CONTRACT TYPE	NORDICS		REST OF WESTERN EUROPE		EASTERN EUROPE		MIDDLE EAST, AFRICA & OTHERS		TOTAL	
	30-JUN 2007	30-JUN 2006	30-JUN 2007	30-JUN 2006	30-JUN 2007	30-JUN 2006	30-JUN 2007	30-JUN 2006	30-JUN 2007	30-JUN 2006
Leased	22	22	42	41	-	-	-	-	64	63
Managed	8	8	47	40	26	24	19	17	100	89
Franchised	36	42	27	26	4	6	-	1	67	75
TOTAL REZIDOR	**66**	**72**	**116**	**107**	**30**	**30**	**19**	**18**	**231**	**227**

ROOMS IN OPERATION

CONTRACT TYPE	NORDICS		REST OF WESTERN EUROPE		EASTERN EUROPE		MIDDLE EAST, AFRICA & OTHERS		TOTAL	
	30-JUN 2007	30-JUN 2006	30-JUN 2007	30-JUN 2006	30-JUN 2007	30-JUN 2006	30-JUN 2007	30-JUN 2006	30-JUN 2007	30-JUN 2006
Leased	6,038	5,812	8,678	8,415	-	-	-	-	14,716	14,227
Managed	2,209	2,108	7,896	6,941	7,179	5,722	4,667	3,968	21,951	18,739
Franchised	5,371	6,179	5,249	4,879	778	1,448	-	282	11,398	12,788
TOTAL REZIDOR	**13,618**	**14,099**	**21,823**	**20,235**	**7,957**	**7,170**	**4,667**	**4,250**	**48,065**	**45,754**

HOTELS & ROOMS IN DEVELOPMENT

AS AT 30th JUNE 2007

	NORDICS		REST OF WESTERN EUROPE		EASTERN EUROPE		MIDDLE EAST, AFRICA & OTHERS		TOTAL	
	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS
Radisson SAS	2	344	10	1,940	14	3,414	11	2,552	37	8,250
Park Inn	3	716	19	2,546	2	361	3	571	27	4,194
Missoni/ Lifestyle	-	-	2	222	-	-	1	205	3	427
Regent	-	-	-	-	1	130	1	433	2	563
TOTAL Rezidor	**5**	**1,060**	**31**	**4,708**	**17**	**3,905**	**16**	**3,761**	**69**	**13,434**

RELATED PARTY TRANSACTIONS

Related parties with significant influence are: Carlson owning 41.7% of the shares. Other related parties are the management of Rezidor. Rezidor also has some joint ventures and associated companies. On 30th June 2007 Rezidor had ordinary current receivable related to Carlson of MEUR 1.5 (1.0 as at 31st December 2006) and ordinary current liabilities of MEUR 2.5 (2.2 as at 31st December 2006). The business relationship with Carlson mainly consisted of operating costs related to the use of the brands and for the use of the Carlson reservation system. During first half of 2007, Rezidor had operating costs towards Carlson of MEUR 4.0 (3.2). Moreover, Rezidor paid commissions towards the travel agencies' network of Carlson amounting to MEUR 0.1 (0.2). For these specific commissions Rezidor had current liabilities of MEUR 0.1 (0.1 as at 31st December 2006).

DEFERRED TAXES

The Group accounts for deferred taxes in accordance with its accounting policies that tax losses can be used against future profits.

SHARE CAPITAL

During Rezidor's last AGM held on May 4, 2007, it was decided to increase the share capital up to MEUR 10.0 through a bonus issue. As at the end of H1 07, 150,002,040 shares were issued and outstanding. No convertible debentures exist within Rezidor.

PENSION FUNDS, NET

Defined Benefit Pension

Most pension plans within the Rezidor Group are defined benefit arrangements. These mainly cover retirement pensions and widow pensions where the employer has an obligation to pay a lifelong pension corresponding to a certain guaranteed percentage of wages or a certain annual sum. Retirements pensions are based on the number of years a person is employed. The employee must be registered in the plan for a certain number of years in order to receive full retirement pension. For each year at work the employee earns an increasing right to pension, which is recorded as pension earned during the period as well as an increase in pension obligations. Rezidor pension plans for salaried employees in Sweden, Norway and Belgium are secured through defined benefit pensions plans with insurance companies.

Defined contribution pension plans

These plans mainly cover retirement, sick and family pensions. The premiums are paid regularly during the year by group companies to different insurance companies. The size of the premium is based on wages. Pension costs for the period are included in the income statement.

PLEDGED ASSETS AND CONTINGENT LIABILITIES

ASSETS PLEDGED (TEUR)	30-JUN-2007	31-DEC-2006
Securities on deposits (restricted accounts)	3,051	3,521
CONTINGENT LIABILITIES (TEUR)	**30-JUN-2007**	**31-DEC-2006**
Guarantees provided for management contracts	24,559	26,441
Guarantees provided for renovation works	14,598	11,911
Miscellaneous guarantees provided	1,205	1,533
TOTAL GUARANTEES PROVIDED	**40,362**	**39,885**

As at the end of H1 07, the committed expansion investments amounted to MEUR 6.0 (16.2 as at 31st December 2006). Investments related to ongoing renovations at the leased hotels are expected to be approximately 4-5% of leased hotel revenue.

Certain lease and management agreements entered into by members of the group contain change of control clauses in relation to such members or their parents leading to possible changes in commercial terms and/or early termination.

15. 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.

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.

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
Denmark, Finland, Iceland, Norway and Sweden.

Rest of Western Europe
Austria, the Benelux countries, France, Germany, Italy, Ireland, Malta, Portugal, Spain, Switzerland and the United Kingdom.

Eastern Europe (incl. CIS countries)
Azerbaijan, the Baltic region, Bulgaria, Croatia, the Czech Republic, Georgia, Hungary, Kazakhstan, Macedonia, Poland, Romania, Russia, Slovakia, Turkey, Ukraine and Uzbekistan.

Middle East, Africa and Other
Bahrain, Egypt, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, South Africa, Tunisia and the United Arab Emirates.