Rezidor continues to focus on value enhancing growth and cash protection

The global recession continues to impact the hotel market and industry RevPAR in Europe fell more than 20% in the first six months of the year compared to the same period in 2008. During the second quarter, the market showed signs of stabilisation in occupancy decline, while room rates continued to drop further. Rezidor has seen a less adverse impact in Norway, Sweden, the UK and South Africa than in the rest of the EMEA, says Kurt Ritter, President and CEO of The Rezidor Hotel Group.

Visibility is still very limited and Rezidor maintains its focus on cost management and cash flow. Our aggressive cost cutting programme is proceeding with expected annual savings of around MEUR 30. So far this year, we have managed to achieve total savings of MEUR 12.5. In addition, we expect to reduce central costs by 10% on an annual basis, Ritter continues.

Rezidor will maintain its strategy of further reducing risks in the portfolio by growing with fee−based managed and franchised rooms.

Despite the downturn, we seek profitable opportunities and continue to reduce risks by adding fee−based managed and franchised rooms to our portfolio. In the first six months of the year, we added more than 3,100 new rooms to operation, 87% of which were fee−based. In addition, we added close to 5,000 new rooms to our pipeline, that currently features over 23,000 rooms, of which 90% are fee−based .

Even considering the recent declines in RevPAR, emerging markets remain strong performers, and we continue to believe that there is a fundamental and structural need for internationally branded hotels such as those in the Rezidor portfolio. 84% of the new rooms contracted this year are in Eastern Europe, the Middle East and Africa. A major part of our total pipeline, close to 75%, is also in these emerging markets, Kurt Ritter concludes.

The full interim report is available on www.investor.rezidor.com

This press release comprises information which Rezidor Hotel Group AB (publ) is required to disclose under the Securities Markets Act and/or the Financial Instruments Trading Act. It was released for publication at 08h30 CET on 22 July 2009.

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About the Rezidor Hotel Group:
The Rezidor Hotel Group is one of the fastest growing hotel companies in the world. The group features a portfolio of close to 380 hotels in operation and under development with ca 80,000 rooms in 59 countries.

Rezidor operates the brands Radisson Blu Hotels & Resorts, Regent Hotels & Resorts, Park Inn and Country Inns & Suites in Europe, the Middle East and Africa, along with the goldpoints plusSM loyalty programme for frequent hotel guests. Rezidor has signed a worldwide license agreement

with the Italian fashion house Missoni, in order to develop and operate a lifestyle hotel brand of the same name: Hotel Missoni.

In November 2006, Rezidor was listed on the Stockholm Stock Exchange. Carlson Companies is the main shareholder.

The Corporate Office of The Rezidor Hotel Group is based in Brussels, Belgium.

For more information on Rezidor, visit www.rezidor.com.