

## **PRESS RELEASE**

Stockholm June 23 1999

### **PANDOX ACQUIRES THE HOTEL PROPERTY, GRAND HOTEL BORÅS**

Pandox Hotellfastigheter AB (publ) acquires the hotel property Grand Hotel Borås. The hotel has 158 rooms and extensive restaurant- and conference operations. Hotel operations is owned and run by Svenska Stadshotell AB and distributed by First Hotels through a franchise agreement.

The acquisition price, including deferred taxes is approximately 70 MSEK. The operating net, on a yearly basis is estimated to be 5,6 MSEK, corresponding to a yield of 8,1 percent. Pandox income, after tax, will increase by 1,0 MSEK. Income per share will increase by SEK 0,07 and cash flow per share will improve by SEK 0,14.

In Borås the hotel market consists of 6 hotels with an average of 86 rooms per hotel. The largest is the Grand Hotel Borås with its 158 rooms, followed by Scandic Hotel Plaza with 135 rooms and Hotell Vävaren with 97 rooms.

- "Borås is included in Pandox' priority cities and Grand Hotel Borås is its largest and best known business hotel. The hotel is situated in an excellent location in the center of Borås. This acquisition constitutes the fourth hotel property transaction made by Pandox in 1999 and we continue to consistently implement our strategy, says Anders Nissen, Managing Director, Pandox Hotellfastigheter AB.

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Pandox Hotellfastigheter AB has been noted on the O-list of the Stockholm Stock Exchange since June 23, 1997 and owns 30 hotel properties in Sweden after the acquisition of the hotel property Grand Hotel Borås. 60 percent of rental revenues are from the three largest hotel markets in Sweden, Stockholm, Gothenburg and Malmö. Result- and revenuebased leases account for over 65 percent of rental revenues.