

PRESS RELEASE

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PANDOX ACQUIRES THE HOTEL PROPERTY FOGG'S HOTEL IN STOCKHOLM

Pandox Hotellfastigheter AB (publ) acquires the hotel property Fogg's Hotel in Stockholm from AMF Pension.

Pandox has simultaneously acquired the operations of Fogg's Hotel. Negotiations to sell the operations and to sign a new lease, with a nation-wide international hotel chain, are in the final stages.

The acquisition price, including the acquisition cost is 122 MSEK. The operating net, after the signing of the new lease, is estimated to be 10,1 MSEK. On a yearly basis this will correspond to a yield of 8,3 percent. Pandox income, after tax, will increase by 1,2 MSEK. Income per share will increase by SEK 0,08 and cash flow per share will improve by SEK 0,18.

Fogg's Hotel is a four star hotel with 146 rooms, two restaurants, extensive conference facilities, bar, and relaxation area. It is centrally located in the rapidly expanding Nacka/Sickla area of Stockholm, a fact that will benefit the hotel.

- "The acquisition is a good example of the active ownership of Pandox and where the Pandoxmodel creates profitable business opportunities. The acquisition is the fifth transaction by Pandox in 1999 and will immediately improve income and cash flow per share", 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 31 hotel properties in Sweden after the acquisition of the hotel property Fogg's Hotel. 60 percent of

rental revenues is derived from the three largest hotel markets in Sweden, Stockholm, Gothenburg and Malmö. Result- and revenuebased leases account for over 65 percent of rental revenues.