

PRESS RELEASE

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PANDOX ACQUIRES THE REMAINING 50 PERCENT OF THE HOTEL PROPERTY SCANDIC HOTEL STAR IN STOCKHOLM

Pandox acquires the remaining 50 percent of the hotel property Scandic Star Hotel in Stockholm from JM AB.

The acquisition price, including acquisition costs, amounts to SEK 97,7 M. The yield is estimated to be 8,6 percent. Pandox profit after tax increases with SEK1,3 M, equalling 6 öre in profit per share. The cash flow is improved by 9 öre per share.

Pandox acquired 50 percent of the hotel property from Wasa Livförsäkring in November 1997 and is after the acquisition today the sole owner. The hotel is a part of the northern Stockholm hotel market, which presently has an occupancy of about 65 percent. The hotel has a central and strategic location adjacent to the Sollentuna trade fair. The hotel is large with its 269 rooms, of which 204 are suites, and has a well-developed conference department.

- "Pandox follows its strategy and, through the acquisition, increases its revenues from Stockholm which is one of Europe's strongest hotel markets. The acquisition contributes immediately to an increase in profit and cash flow per share", says Anders Nissen, Managing Director of Pandox AB.

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For more information:

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Pandox AB is quoted on the Stockholm Stock Exchange O-list since June 1997 and currently owns 47 hotel properties totalling 8500 rooms in northern Europe. More than 70 percent of the lease revenue is generated from strong international markets like Stockholm, Göteborg, Öresunds region, London and Brussels.