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Positive six months for Scandic

The Scandic Hotels Group maintains its leading position in the Nordic hotel market and continues to show strong growth despite the difficulties in the hotel market caused by the unstable economic situation in Europe. During the first half of 2012, revenues increased by 10% and operating profits increased by 30% compared to last year.

In the first six months of the year, revenues increased by 10.3%. Of this percentage, the like-for-like portfolio grew by 3.1% and new hotel openings added 6.9%. In June 2012, Scandic opened its third hotel in Aarhus, Denmark, and its third hotel in Tampere, Finland. The flagship hotels that opened in 2011 – Scandic Victoria Tower and Scandic Grand Central in Stockholm and Scandic Forus in Stavanger, Norway – have contributed significantly to the growth in revenue and profit. The total room capacity is currently 29,314 rooms and there are several new openings and construction projects in the pipeline which will result in an additional 1,811 rooms offered in Norway, Finland and Germany.

Conferences and restaurants

Two of Scandic's focus areas in 2012 are its meeting and conference business and the development of restaurants, which account for 31% of Scandic's total revenue. The Group's conference and restaurant business grew by 11.8% compared to 2011. The hotels serve as meeting places for overnight, restaurant and conference guests. Scandic is also developing various concepts based on our guests' requests.

- Our core business rests on three pillars: accommodation, conferences and restaurants', says Anders Ehrling, CEO of Scandic Hotels. 'We're developing our offers within these areas. Our latest customer surveys show that we've a clear improvement to our level of service. It's all about creating comfort and make guests feel at home.

Efficiency gains

The continuing instability in the Euro area has weakened the hotel market in Europe. In the first six months, the Nordic countries have shown a slight but positive growth driven by higher average prices, but increased room capacity in many of Scandic's main destinations has lowered occupancy rates. Scandic has continually worked to exploit economies of scale in areas such as procurement, streamlining support functions and establishing centres of excellence, which have also contributed to higher operating margins.

Results for January-June 2012 for Scandic Hotels Holding Group

	H1 2012	H1 2011
Revenue, MEUR	443,6	402,2
Gross profit, MEUR	163,3	144,1
EBITDA, MEUR	32,6	25,0
EBITDA margin, %	7,4	6,2
Revenue per available room (RevPAR), Euro	62,82	60,69

Every day, Scandic's 6,600 team members work with one single goal in mind – to make you feel welcome.

As the Nordic region's most eco-friendly hotel chain we're always focused on the environment, social responsibility and accessibility. With 160 hotels in nine countries, 29,910 hotel rooms and a turnover of EUR 842 million, Scandic is the largest hotel chain in the Nordic countries. We want to be more than just a hotel – Scandic is a place where people meet, work and get inspired.

	H1 2012	H1 2011
Occupancy rate, %	59,5	59,6
Number of hotels in operation at end of period 1)	155	151
Number of rooms available at end of period 1)	29 314	27 793
Number of employees 2)	7 435	7 073

1) Applies to hotels with accommodation, management and franchise contracts

2) Calculated as total number of hours worked

Growth RevPAR and revenues H1 2012 compared to H1 2011

Growth H1 2012 compared to H1 2011	RevPar (EUR)	RevPar (%)	Revenue (MEUR)	Revenue (%)
Like-for-like growth	0,47	0,8	12,5	3,1
Exchange-rate effects	0,45	0,7	3,3	0,8
Hotels left	0,28	0,5	-2,1	-0,5
New hotels	0,92	1,5	27,7	6,9
Reported growth	2,13	3,5	41,4	10,3

Results for January-June 2012

- Revenues increased by 10,3% to 443,6 (402,2) MEUR. For comparable hotels and at constant exchange rates, revenue increased by 3,1%.
- Revenues per available room (RevPAR) rose by 3,5%. For comparable hotels and at constant exchange rates RevPAR rose by 0,8%.
- The operating profit (EBITDA) rose by 30,4% to 32,6 (25,0) MEUR, corresponding to an operating margin of 7,4 (6,2)%. However, profits were affected by the cost of opening new hotels, which amounted to 3,9 (3,4) MEUR.
- So far this year two new hotels have opened, with a total of 428 rooms.

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