

NEWS RELEASE

Stockholm, 12 June 2008

Scandic fills in a blank on its map of Sweden with a new-build in Karlskrona

Starting in autumn 2008, the Scandic hotel chain will be building yet another new hotel in Sweden – Scandic Karlskrona. On its completion, scheduled for spring 2010, the hotel will have 180 rooms and enjoy a central location on Fisktorget on the main island of Trossö in Karlskrona.

For the second time in recent months, Scandic is announcing another new hotel in Sweden. This time it is Karlskrona in the south of Sweden. The Scandic hotel chain has signed a long-term lease agreement with NCC, the property developer, and with Dagon, who will own the property. Work on the new hotel will start in autumn 2008, and should be completed by spring 2010.

"We are going through an incredibly exciting period right now, with eight new hotel projects underway," comments Frank Fiskers, President and CEO of Scandic. "Until now, Karlskrona has been a blank on our map and we have long been looking for a suitable hotel in the city. There is potential for development of the hotel market there. Karlskrona is a forward-looking city and we believe that we can make a positive contribution to the current cityscape," he concludes.

The new hotel will be centrally located by the waterside on the largest island Trossö, which is the very centre of Karlskrona, close to the sports arena, Fisktorget and the shopping district. The new Scandic Karlskrona will have 180 rooms, conference facilities, a fitness centre, a restaurant and a bar, spread over three floors. By using plenty of natural materials such as dark grey slate in its design and architecture, the hotel will reflect its proximity to the Baltic Sea and thus making a great addition to the skyline.

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Scandic is a leading European mid-market hotel company with 146 leased, managed and franchised hotels in operation and under development, with a total of over 26,000 rooms in ten countries. The aim is to grow the number of hotels to 200 over the next years, focusing on the Nordic region, Northern and Eastern Europe and Russia. Since 1994, sustainability has been an integrated part of the business and Scandic is proud of being a recognised industry leader today. From the start in 1963 the business concept has been to offer trouble-free and accessible hotel services for all - today delivered by 6,400 enthusiastic team members. Visit scandichotels.com

The Scandic logo, featuring the word "Scandic" in a bold, red, sans-serif font.