

NEWS RELEASE

Stockholm, 3 September 2008

Continued profitable growth for Scandic Interim report for the period January – June 2008

- Revenues up 11% to EUR 383.2 million
- Operating profit up 22% to EUR 55.8 million
- The key ratios for sustainable development continue to improve
- During this period four new hotels, with a total of 579 rooms, have opened and five new hotel projects have been launched.

Interim report January – June 2008 for Scandic Hotels Holding AB

€m	H1 2008	H1 2007
Revenues	383.2	344.1
Gross profit	154.6	127.0
EBITDA	55.8	45.8
EBITDA margin	14.6%	13.3%
Revenue per available room, EUR	64.74	59.75
Occupancy, %	63.3%	62.4%
No. of hotels in operation (30 June)*	137	131
No. of rooms available (30 June)*	24,612	23,536
No. of employees (full-time equivalents)	6,611	6,304
Unsorted waste (kg per guest night)	0.53	0.59
Energy consumption (kWh per guest night)	45.64	47.8
Water consumption (l per guest night)	216.17	235.21
Fossil carbon dioxide emissions (kg per guest night)	3.26	3.49

**includes leased, managed and franchised hotels*

Frank Fiskers, Scandic's President and CEO, comments on the results for the first half of 2008:

"Scandic continues to enjoy positive development, with results showing improvements on last year in terms of revenues, profit and sustainability ratios. Demand has been good, particularly in the major cities, with occupancy and room prices up. The aggressive growth strategy presented last year has continued. In spring 2008, Scandic opened new hotels in three locations in Sweden and one in Denmark. We have also launched new hotel projects in Moscow, Århus (DK), Oslo Gardermoen, Haugesund (NO) and Karlskrona (SE). This means that we have added a total of 15 hotels to the Scandic chain since October 2007.

"I know that many people are wondering whether Scandic has been affected by the current economic downturn. Let me say this: we are certainly noticing many companies taking stock and preparing themselves for tougher times, introducing strict travel policies for instance. But this also creates opportunities for us. The combination of Scandic's strong brand and our focus on mid-market hotels is often an advantage when corporate customers cut back on extravagant journeys and expensive events. Many business travellers are finding it hard to submit bills from a luxury hotel, but staying at Scandic is usually popular with your finance manager."

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Scandic is a leading European mid-market hotel company with 147 leased, managed and franchised hotels in operation and under development, with a total of over 27,000 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.

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Scandic