

NEWS RELEASE

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Next step in European expansion – Scandic enters Poland

Scandic is taking over two existing hotels in Poland, one with 164 rooms in Wroclaw and one with 143 rooms in Gdansk. Both hotels will become part of Scandic in the New Year. These two will be Scandic's first venture in Poland and an important step in the company's continued growth strategy, which focuses in part on Eastern Europe.

With almost 40 million people, Poland offers the hotel chain huge potential for establishing its brand in the "mid-market" segment. Scandic has already declared its ambition to expand in Europe. These two new hotels will form a key element of that strategy in Eastern Europe.

"We have high expectations of our new hotels. Poland is the largest of the new EU member states and both cities, Gdansk and Wroclaw, have enjoyed good growth in recent years," comments Frank Fiskers, President & CEO of Scandic.

Currently part of the Holiday Inn hotel chain, each of the hotels enjoys a great city centre location. Wroclaw is the economic hub of south-west Poland, with many major international companies established there, while the port of Gdansk, in the north of Poland, is a vital centre of import and export, with a strong cultural tradition.

Both hotels are of an excellent standard and will fit well into Scandic's portfolio, after certain conceptual adjustments. On 1 January 2009, the hotels will be rebranded as Scandic Wroclaw and Scandic Gdansk. The hotels offer modern and comfortable rooms, a restaurant and bar, a gym and well-equipped and functional conference facilities. Scandic has signed a long-term lease with the property owner Invesco's European hotel real estate fund.

"We are investing not only in two hotels, but in a whole market – a market that we believe offers considerable potential for a hotel company such as ours. In recent years, hotel occupancy has been on the rise in Poland, and it is expected to increase even further. There is also a need for good hotels in the mid-market price range, and that is where we will be establishing ourselves," concludes Frank Fiskers.

At the end of 2007, Scandic announced its aggressive new growth strategy, aimed at advancing from the current 150 hotels to 200 in just five years.

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Scandic is a modern hotel chain where conscious people come for inspiration and renewed energy. With almost 150 hotels and 30,000 rooms, we are already one of the largest hotel operators in Europe. And we are continuing to grow – within a few years, there will be over 200 Scandic to choose from. Visit scandichotels.com.

Scandic