

NEWS RELEASE

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Scandic's European expansion continues with a new hotel in Hamburg

Scandic is to build a new hotel in Hamburg, Germany's second city. The 325-room hotel, which will be part of a high-profile new development area, containing also apartments and office space, is a key element in the hotel chain's strategy of growth in Europe.

Scandic has signed a long-term lease with Union Investment Real Estate AG, one of Germany's largest property investors, on a new hotel in central Hamburg. The new Scandic Hamburg – with 325 rooms – is expected to open in 2011. The hotel is situated only a few minutes' walk from Gänsemarkt – the centre of Hamburg – and close to the Laiszhalle concert hall.

"It's incredibly exciting to drive Scandic's international expansion. We're receiving more and more enquiries about new hotel projects and after Eastern Europe and the Nordic region, Germany is a priority market. Hamburg is particularly interesting, with its location and positive development in recent years. It's a city that many Scandinavians and Eastern Europeans visit, not least thanks to popular trade fairs, a major port and unbeatable shopping," comments Frank Fiskers, President & CEO of Scandic.

In Hamburg, the "Unilever tower" is a well-known landmark being the highest office tower on the Wallring, the landscaped strip that encircles Hamburg's city centre. The refurbished tower, together with a new building housing offices, apartments and the new Scandic hotel, will form a whole new block in central Hamburg with total investment of around EUR 270 million.

The hotel will benefit from excellent access to public transport, being located a short walk from the Dammtor train station and with the subway stopping right outside the property. In addition to guest rooms, the hotel will offer 500 m² of conference space, a restaurant and bar, gym and parking.

The new hotel is the latest evidence of Scandic's aggressive growth strategy, aimed at advancing from the current 150 hotels to 200 in just five years. Since October last year alone, Scandic has expanded by 19 new hotels, 11 of which are newbuilds, including one hotel in Berlin.

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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 companies in Europe. And we are continuing to grow – within a few years, there will be over 200 Scandic to choose from. Visit scandichotels.com.

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