

Press release from Pandox AB (publ)

22 February, 2001

Year-end report January - December 2000

- **Income after tax for the year 2000 amounted, excluding non recurring revenue, to 181,8 Mkr (78,1), corresponding to 8,10 kronor (5,21) earnings per share.**
- **The cash flow from operating activities increased to 228,2 Mkr (119,1), or 10,18 kronor per share (7,94).**
- **Hotellus International AB has been acquired and consolidated from the second quarter 2000.**
- **The Board proposes a dividend of 3,50 kronor (2,75) per share.**

Total property revenue for 2000 reached 497,7 Mkr (272.0). The operating net increased by 191,0 Mkr to 408,8 Mkr (217.8). The increase is mainly attributable to the acquisition of Hotellus, full year effects from hotel properties acquired in 1999, increased lease revenue from a healthy hotel market which favours Pandox through turnover and income-based lease agreements in combination with an active ownership in the existing hotel property portfolio. Direct yield, adjusted for acquired and divested properties, for the period was 9.6% (9.6). Net financial items amounted to -150,7 Mkr (-77.5).

Consolidated income after tax improved by 100,3 Mkr to 183,7 Mkr (83.4).

Hotellus International AB was acquired and taken over on 1 April 2000. The acquisition, which created one of northern Europe's largest hotel property owners, consisted of 16 hotel properties, whereof 8 are located outside Sweden. Payment was made through 104 Mkr in cash and 9 900 000 newly issued Pandox shares. Other changes in the hotel portfolio include an acquisition of the remaining 50 percent in the hotel property Scandic Star Hotel Sollentuna which was taken over 1 November 2000 as well as the disposal of Good Morning Hotel Boden with 51 rooms. As of 31 December 2000 Pandox is the owner of 46 hotel properties with a total of 8 458 rooms at a book value, including hotel inventory, of 4 784,5 Mkr.

“The year 2000 was another good year for Pandox. Net Income per share increased with 55 % and cash flow increased by 28 %. The acquisition of Hotellus has increased the company's potential for the future as we can now use the hotel business cycle for profitable transactions. The risk is simultaneously decreased as the revenue is no longer dependent on one singular country and economy”, says Anders Nissen, CEO Pandox AB.

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Attachment: Full Year-end Report.