

## **PRESS RELEASE**

Stockholm, February 24, 1999

### **PANDOX ACQUIRES THE HOTEL PROPERTY, SCANDIC HOTEL HALLANDIA**

Padox Hotellfastigheter AB (publ), acquires the hotel property, Scandic Hotel Hallandia in Halmstad, from GEMS Sweden B.V. The hotel has 133 rooms and is operated by Scandic Hotels on a revenue-based lease agreement.

The acquisition price is SEK 49 M. The operating net is estimated to be SEK 4,1 M on a yearly basis, resulting in a yield of 8,5 percent. Padox income will increase by SEK 1,0 M. Income per share will increase by SEK 0,07, cash flow per share improves by SEK 0,11.

The hotel market in Halmstad consists of 15 hotels with an average of 68 rooms per hotel. The largest one is Hotel Tylösand, with 230 rooms, followed by Scandic Hotel Hallandia with 133 rooms and Provobis Grand Hotel with 118 rooms. 165.000 room nights were sold in Halmstad in 1998, corresponding to an occupancy of 41 percent.

-” Padox continues to expand according to its strategy. Halmstad is one of Padox’ priority communities and Scandic Hotel Hallandia is its largest and leading business hotel. The hotel is well located in the centre of Halmstad ”, says Anders Nissen, Managing Director Padox Hotellfastigheter AB.

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Padox Hotellfastigheter AB has been noted on the O-list on the Stockholm Stock Exchange since June 23, 1997. After the acquisition of the Scandic Hotel Hallandia Padox owns 30 hotel properties in Sweden. 64 percent of rental revenues are from the three largest hotel markets in Sweden, Stockholm, Gothenburg and Malmö. Result- and revenuebased leases account for just over 60 percent of rental revenues.