

**PRESS RELEASE**

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**PANDOX ACQUIRES HOTEL BERLIN WITH 701 ROOMS**

Pandox acquires the hotel property Hotel Berlin including the operation and will take over the business on 1 June 2006. Pandox' strategy is to run the hotel under Pandox' management under a well-known brand or an independent distribution channel.

The acquisition of Hotel Berlin fulfils Pandox' all acquisition criteria. The hotel is located in one of Europe's largest and most interesting markets. It is a pure hotel property with a central location within walking distance of the famous Kurfürstendamm. The hotel is large, Berlin's third largest, and has 701 rooms, 18 conference rooms, as well as several restaurants and bars.

Pandox' main strategy will be to try to reposition the hotel towards the more profitable meeting and event segment, and through the company's active ownership support the local management with the implementation of effective and modern procedures and standards. The development programme is estimated to last for 2 – 3 years and includes an investment programme of MEUR 7-8.

Berlin's hotel market consists of 45,000 rooms. The market is well-developed and most of the international operators and brands are represented. The last couple of years the hotel market has suffered from a high capacity increase with falling prices that now are expected to move into a steadier phase with better profitability. The acquisition is Pandox' first in Berlin. The company owns since earlier three hotels in Germany, i e Hilton Bremen, Hilton Dortmund and Scandic Lübeck. With this acquisition Pandox now strengthens its position as one of the leading hotel property owners in Europe.

"Pandox follows its strategy and makes acquisitions of hotels in interesting markets where we can raise the profitability and add value through our active ownership," says Anders Nissen.

The seller, Azure Property Investments SA, is an UK-based investment and management company that acquired the hotel in 2005.



For further information, please contact:

Anders Nissen, CEO Pandox AB, +46 8 506 205 50

*Pandox is one of the leading players in the hotel property market in Europe. The portfolio consists of 37 hotels with a total of approximately 8,500 rooms located in Sweden, Denmark, Germany, Belgium, Great Britain, Switzerland and the Bahamas. Pandox' hotels are operated in different forms under well-known brand names such as Scandic, Hilton, Radisson SAS, Crowne Plaza and Choice.*