

PRESS RELEASE, 10 NOVEMBER 2014

Pandox is establishing a hotel operating company

As a consequence of changes within the industry

Pandox is expanding its business within hotel operations by establishing its own operating company, Pandox Operations. Initially it will include the 16 hotels where Pandox already manages operations today.

– We can see the need for greater flexibility and for having the possibility to choose different strategies for different situations, both as an owner and as an operator, says Pandox CEO, Anders Nissen. By establishing a company 100 % focussed on hotel operations, we achieve exactly that.

The global hotel industry has gone through a major structural change over the last 15 years. A majority of international hotel companies have changed their business model and become pure "brand companies". Traditional hotel companies with a clear focus on operative issues have become fewer. Another trend is the fast consolidation taking place within hotel operations – the large have grown larger.

– However, today we can see that a number of players are turning back from the strategies to focus on either brand or operations, towards a broader business model where they can control a larger part of the value chain. This has also led to new commercial opportunities, says Anders Nissen. Blackstone, Westmont Hospitality Group, Nordic Choice Hotels and Thon Hotels are some of the larger players who have built a structure to handle operations as well as distribution in combination with property ownership.

The mission for Pandox Operations is obviously to run Pandox owned hotels, but also to enter into lease agreements with other property owners when the commercial conditions are in place. All the hotels will still be run under a well-known or independent brand. Initially, Pandox' sixteen established hotel operations are moving to Pandox Operations which creates a hotel portfolio encompassing 5 000 rooms across six countries. In 2014, the company is estimated to turn over SEK 1.6 billion.

Pandox Operations:

- Number of hotels: 16
- Countries: Belgium, Germany, Denmark, Finland, Canada and the Bahamas
- Total number of hotel rooms: 4,958
- Employees: App. 1,300
- RevPAR: SEK 607 (66 €)
- Turnover: SEK 1,634 million (178 m€)

The hotels:

- Hyatt Montreal, 605 rooms
- InterContinental Montreal, 357 rooms
- The Hotel Brussels, 422 rooms
- Crowne Plaza Brussels, 354 rooms
- Holiday Inn Brussels Airport, 310 rooms
- Hotel Bloom Brussels, 305 rooms
- Hilton Brussels City, 284 rooms
- Crowne Plaza Antwerp, 262 rooms
- Hotel Berlin, Berlin, 701 rooms
- Radisson Blu Bremen, 235 rooms
- Radisson Blu Dortmund, 190 rooms
- Holiday Inn Lübeck, 159 rooms
- First Hotel Copenhagen, 215 rooms
- Hotel Korpilampi, Helsinki, 151 rooms
- Pelican Bay at Lucaya, the Bahamas, 186 rooms
- Urban House Copenhagen, 970 beds

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