

# NEWS RELEASE

Stockholm, 16<sup>th</sup> January, 2008

## Scandic enters Russia!

*In partnership with IKEA, Scandic is planning to build a new 300-room hotel in Khimki Business Park in Moscow. The hotel, which is scheduled for completion in 2010, is the first step in Scandic's Russian expansion.*

The Scandic hotel chain is putting into reality its plans to expand into Russia. In 2008, works gets underway on a new business hotel, strategically located in Khimki Business Park, next to Moscow's largest ring road, near Sheremetyevo Airport and only 35 kilometres to the Kremlin. The hotel, which will have 300 rooms, conference facilities, restaurants and a fitness centre, is scheduled to open in 2010.

The hotel has been made possible by IKEA, who run Khimki Business Park where one of their largest stores is located, and Russia's largest shopping centre, MEGA, boasting 250 shops and restaurants on the other side of the through road. IKEA will build and own the new hotel and Scandic will operate it.

"A vital intermediate goal in our growth strategy was the day we could say we have begun our expansion in Russia. We are now there, and it is extremely satisfying," says Frank Fiskers, Scandic CEO. "Being part of building a new hotel strategically located in Moscow with a professional and prominent partner like IKEA is an excellent starting shot. The possibilities are endless and we are preparing for continued expansion," he concludes.

There are a number of international hotel players on the Russian market at present, but most target the luxury segment. There are few national hotel chains, and few chains overall with the mid-market segment as a target. The Scandic hotel chain sees a great need and with this the first hotel is looking to take a grip on that market.

"Scandic is a strong brand and with its leading position in the Nordics it is not a newcomer for the Russian market," says Per Kaufmann, General Director IKEA Russia & CIS. "In choosing a hotel operator we have looked at the business opportunities that Scandic could contribute with in its capacity as a professional hotel operator. In addition, we have looked at the overall picture of economical, ecological and ethical corporate responsibility where we feel that Scandic has the advantage compared to other operators," he continues.

### **For further details please contact:**

*Frank Fiskers, President & CEO, Scandic, phone: +46 709 73 52 03*

*Per Kaufmann, General Director, IKEA Russia & CIS, phone: +7 495 737 53 04*

*Nevio Sagberg, SVP Business Development, Scandic, phone: +46 709 73 51 64*

*Martina Tengvall, Media Relations Manager at Scandic, phone +46 709 73 50 70*

Scandic is the leading hotel chain in the Nordics and with more than 139 hotels in operation and under development, consequently one of the largest hotel operators in Europe. With a keen focus on growth, we are actively pursuing opportunities to expand our network. A stay at Scandic is a step towards a more sustainable future – for our society and our environment. Nordic common sense. [www.scandic-hotels.com](http://www.scandic-hotels.com)

There is a grand total of 270 IKEA stores in 36 countries/territories. The IKEA Group itself owns 239 stores in 24 countries. The first IKEA store in Russia opened on March 22, 2000 in Khimki. Today there are 10 stores and 10 family shopping centers, MEGA, located in Moscow (3), St. Petersburg (2), Kazan, Ekaterinburg, Nizhniy Novgorod, Novosibirsk and Rostov-on-Don. The total volume of investments in Russia until now is close to \$3 billion USD.