

Interim Report January-September 2009

Chief Executive Thomas Erséus

Deputy Chief Executive Johan Risberg

23 October 2009



KUNGSLEDEN

möjligheternas fastighetsbolag

Kungsleden in brief

- Kungsleden owns and manages properties generating high and stable long-term returns
 - Returns more important than property type and location
 - A property's yield cannot be judged without considering risk levels
- Properties had a book value of SEK 21 (28.6) bn as of 30 September
 - Commercial properties 48 (37)%
 - Public properties 39 (54)%
 - Modular buildings 7 (5)%
 - Retirement homes Germany 6 (4)%
- Approx. 25,900 shareholders, nearly half private individuals and nearly one-third foreign
 - Ten largest shareholders control 15.9% of equity and votes

The quarter in figures

From 4 May, half of Public properties is being reported according to the proportional method.

- Net sales: SEK 576 (765) m
- Reducing vacancy levels in like-for-like terms
- Increased property yield of 8.2 (7.3)%
- Gross profit: SEK 444 (531) m
- Profit before tax: SEK 145 (-9) m
- Net profit: SEK 103 (78) m
- Earnings per share: SEK 0.80 (0.60)
- Profit for calculating dividends: SEK 158 (213) m
- Profit for calculating dividends per share: SEK 1.20 (1.60)

Profit for calculating dividends

SEK m	2009 Jan-Sep	2008 Jan-Sep
Gross profit	1,398	1,483
Sales and administration costs	-210	-253
Net financial position	-650	-745
Sub-total	538	485
<i>Property divestments</i>		
Trading net at divestment	-126	50
Realised value changes, properties	1,171	60
Realised value changes, financial instruments	-167	0
Sub-total	878	110
Tax paid and other items not affecting cash flow	-400	-60
Profit for calculating dividends	1,016	535

Property transactions

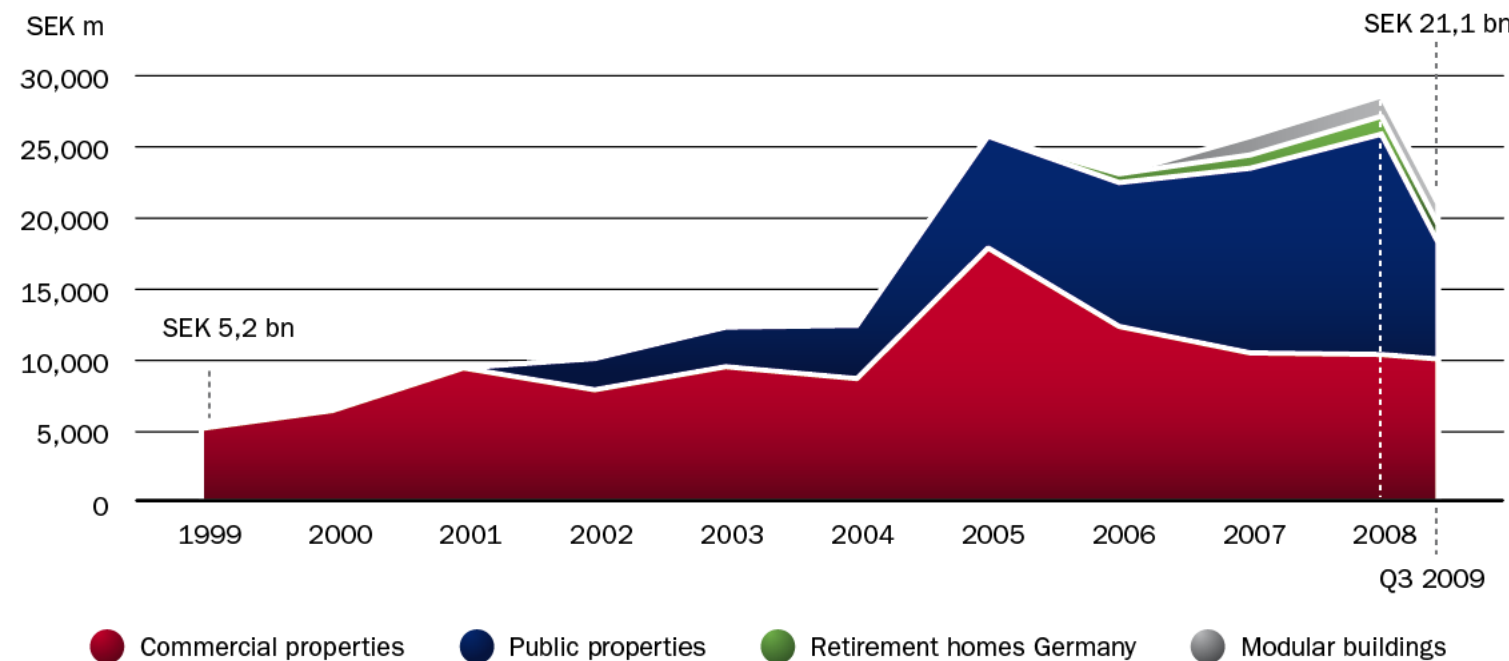
- Property transactions in Q3
 - Acquisition of one property for a value of SEK 11 m
 - Divestments of five properties for SEK 21 m
- Property transactions completed in Q4
 - Acquisition of five warehouse and logistics properties for a value of SEK 525 m
 - Divestment of four properties for SEK 104 m

Current market conditions

- Kungsleden's lettings market
 - Lettings remain stable in all businesses
 - Underlying market performing well but insolvencies may increase
 - Falling vacancies in like-for-like terms
- Financial market
 - Several positive signals from the financial system but still hard to secure funding on reasonable terms
- Transaction market
 - Still difficult but somewhat more room to act
 - Increased activity but still no lasting rise in transaction volumes
 - Cool interest from foreign property players

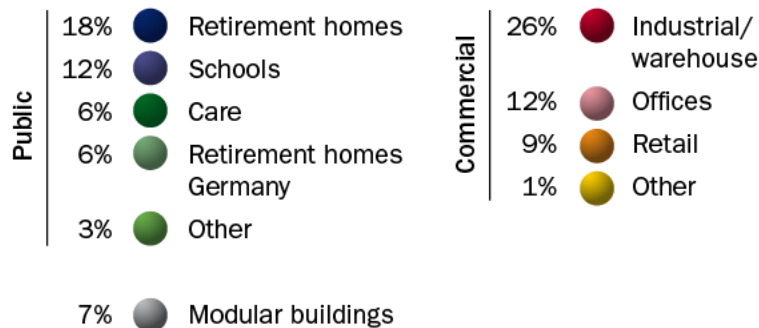
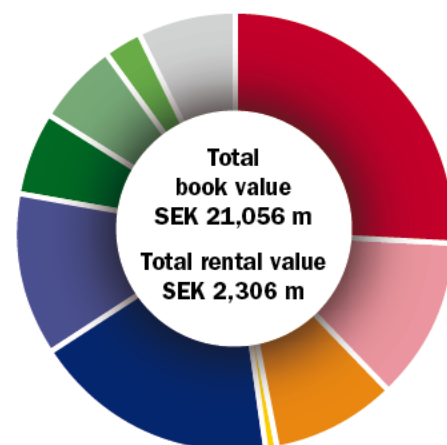
Property portfolio

Property portfolio, 1999 – Q3, 2009

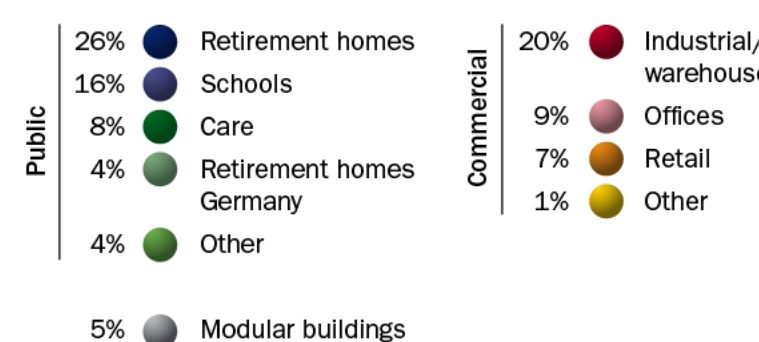
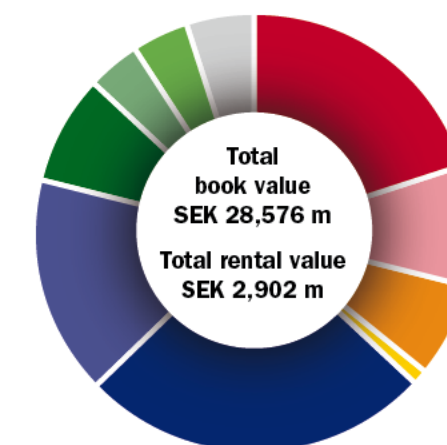


Our properties—by type

Property portfolio by type as of 30 September 2009



Property portfolio by type as of 31 December 2008



Income Statement

SEK m	Jan-Sep 2009	Jan-Sep 2008
Rental revenues	1,840.7	2,004.0
Sales revenues, modular buildings	173.8	272.0
Net sales	2,014.5	2,276.0
Gross profit	1,398.4	1,483.1
Trading net	-125.6	50.0
Sales and administration costs	-210.1	-252.7
Net financial position	-650.3	-745.1
Unrealised value changes	-103.1	-257.9
Profit before tax	309.3	277.4
Tax	29.8	72.4
Profit after tax for the period	339.1	349.8

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- Sustained positive underlying operations. Rental revenues +6% in like-for-like terms

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- Despite 36% sales downturn, Nordic Modular's gross profit was down only 14%

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- +9% in like-for-like terms

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- Due to transaction costs relating to the sale to AP3

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- Lower transaction volumes, cost-cutting in Germany and Nordic Modular

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- Lower loan volumes in 2009 after sale to AP3

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- Negative change of 1% of book value
- Value increase on financial instruments resulting from rising long yields

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- Net of tax effect of sale to AP3 and provisioning for tax risk after test case rulings

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Balance Sheet

SEK m	2009	2008	2008
Assets	30 Sep	31 Dec	30 Sep
Properties	21,056.4	28,575.8	28,513.1
Receivables, etc.	1,946.2	1,504.1	1,776.2
Cash and cash equivalents	653.7	641.6	575.0
Total assets	23,656.3	30,721.5	30,864.3
Equity and liabilities			
Equity	7,142.5	7,064.8	8,298.6
Interest-bearing liabilities	13,483.8	20,742.7	20,604.5
Non-interest bearing liabilities	3,030.0	2,914.0	1,961.2
Total liabilities and equity	23,656.3	30,721.5	30,864.3

Interest fixings

As of 30 September 2009

Interest maturity	Loan, SEK m	Interest derivatives, SEK m	Proportion, %	Ave. interest, %
2009	13,463	8,050	35.41	8.3
2010				
2011		1,100	8.2	4.7
2012		1,000	7.4	4.5
2013		1,600	11.9	4.5
2014		1,500	11.1	4.4
2015		1,800	13.4	4.3
2016		400	3	4.4
2017		300	2.2	4.5
2018		1,000	7.4	4.5
Total	13,463	16,750	100	5.8
Market value of loans and derivatives	1,265			
Total	14,728			

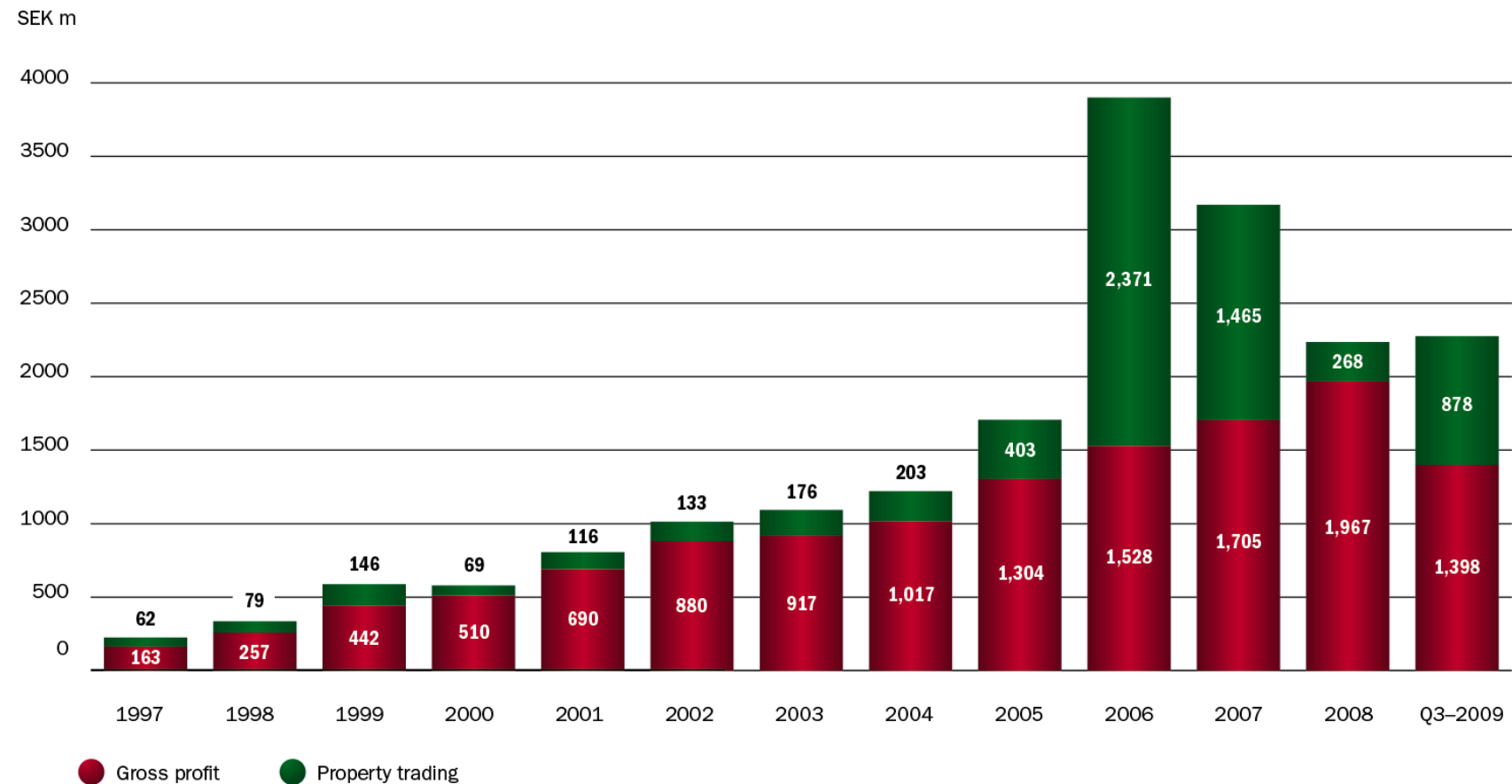
Cancellable derivatives are included in the amounts for 2009 and stand at approx. SEK 8 bn, have terms of 4-8 years and interest of 2.9-4.1%.

Funding

As of 30 September 2009

Year	Credits, SEK m	Proportion, %	Average conversion term, years
2009	670	4.0	
2010	1,033	6.1	
2011	1,156	6.9	
2012	11,691	69.5	
2013	1,567	9.3	
2014			
2015			
2016			
2017			
2018	706	4.2	
Total credits	16,823	100.0	2.8
Un-utilised credit facilities	-3,360		
Total utilised credit facilities	13,463		
	30 Jun 09	31 Dec 08	30 Jun 08
Equity ratio	30%	23%	27%
Mortgage ratio	65	73	71

Underlying profits, '97-'09 Q3



10 largest shareholders (% of votes & equity)

■ Swedbank Robur fonder	2.4
■ Florén Olle and companies	2.2
■ SHB fonder	2.0
■ Länsförsäkringar fonder	1.8
■ SEB fonder	1.6
■ Nordea fonder	1.5
■ Norwegian Government	1.3
■ DFA fonder	1.1
■ AP1	1.0
■ Cogent fonder	1.0

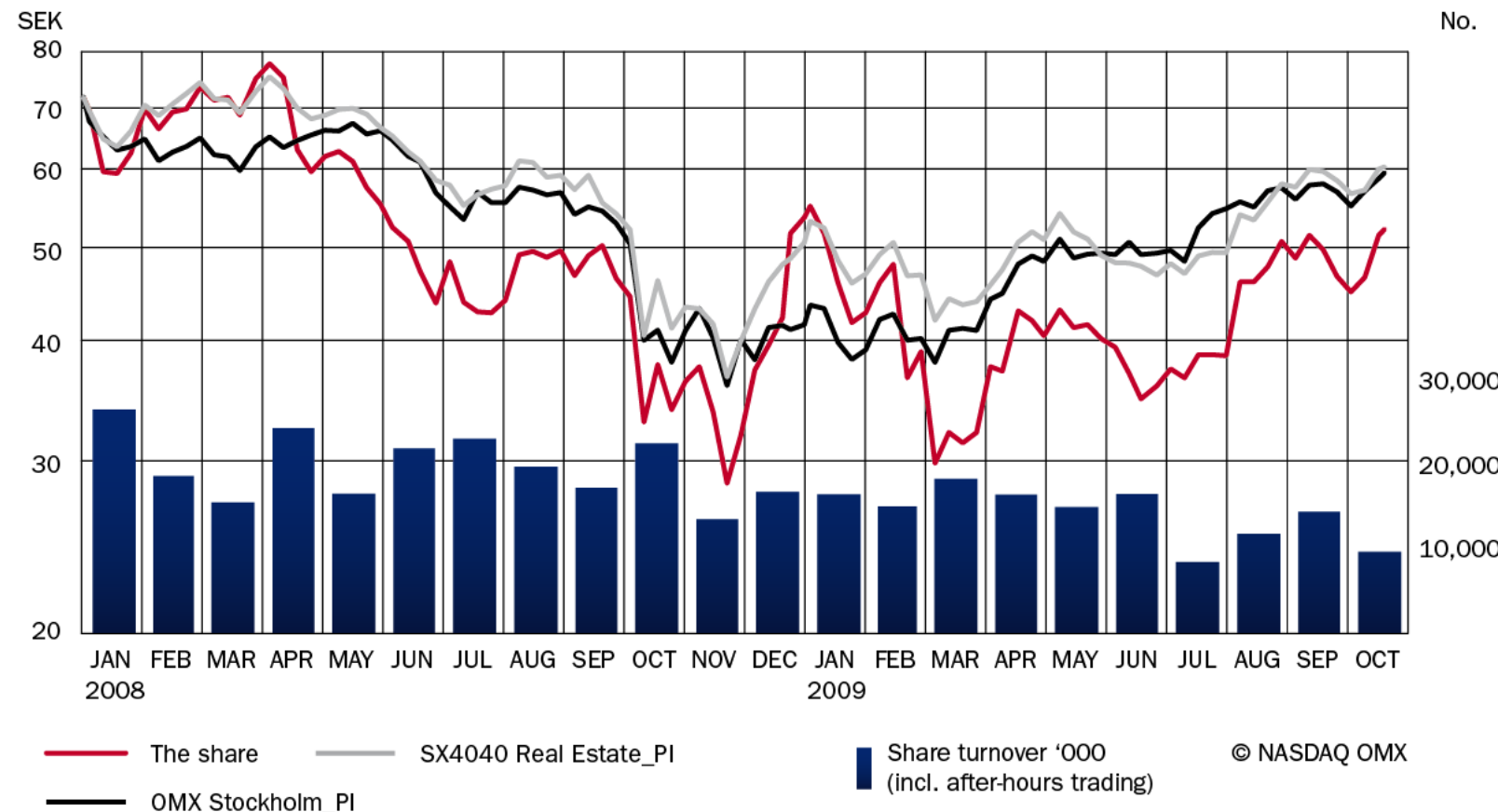
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Outlook for the rest of 2009

- Continued focus on cash flow, enhancing the portfolio and long agreements
- Active and close dialogue with our customers
- Sharp focus on improved risk-adjusted returns
- Enhance the potential in Public Properties alongside AP3
- Continue to look for good deal opportunities
- Some scope to divest properties—even below acquisition cost
- Work on tailoring the derivative portfolio
- Unchanged estimate of profit for calculating dividends for 2009 of SEK 975 m

The share to mid-October 2009

The share



Any questions?