

Press Release

29 March 2012

Kungsleden publishes Annual Report for 2011 and an update on tax proceedings

The Annual Report of listed Swedish property company Kungsleden AB (publ) for 2011 is now available on the company's website kungsleden.se. The Annual Report presents new information updating its tax proceedings, on page 43. Kungsleden will be reporting potential tax rulings in press releases, and other tax-related information in tandem with its quarterly reports.

In February 2012, the Swedish Tax Agency contended that the Administrative Court in Stockholm should consider whether the Swedish Tax Evasion Act is applicable to one transaction Kungsleden conducted in the fiscal year 2008. The transaction involves the impairment of *lagerandelar* (defined in Swedish law as a construction company's shareholding in a property management company), which according to Kungsleden's opinion, was conducted in accordance with applicable practice from the Supreme Administrative Court. If the Swedish Tax Agency's claim prevails, this would mean an additional tax claim of SEK 340 m against Kungsleden. Kungsleden considers that the Swedish Tax Agency's claim is erroneous and the company's firm opinion is that it complied with the laws and practice applicable when submitting its tax return. Accordingly, there will be no provisioning.

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Detta pressmeddelande finns tillgängligt på svenska på www.kungsleden.se/press

Kungsleden AB (publ) discloses the information in this press release according to the Swedish Securities Markets Act and/or the Swedish Financial Trading Act. The information was provided for public release on 17 February 2012 at 8:00 a.m.

Kungsleden's strategy is to ensure sustainable high and stable returns proceeding from its existing holding, and through purchases and sales. As of 31 December 2011, the property portfolio comprised 636 properties with a book value of SEK 26.1 bn. The holding was located in a total of 143 municipalities, mainly in southern and central Sweden. Kungsleden has been quoted on OMX Nordic Exchange since 1999.