

Press release**12 September 2014**

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Terms for Kungsleden's rights issue set

Summary

- Shareholders in Kungsleden have preferential right to subscribe for one (1) new share per three (3) existing shares, i.e. an issue ratio of 1:3
- The subscription price is SEK 35 per share
- The total issue proceeds amounts to approximately SEK 1,593 million before issue costs
- The rights issue is subject to approval by an Extraordinary General Meeting that will take place on 16 September 2014

“We see that there are good acquisition opportunities in the market which fit Kungsleden's long term strategy. The new issue gives us the opportunity to increase the growth rate where the mid-term goal is to reach a profit before tax of SEK 1.0-1.2 billion no later than 2017. Focus will be on clustered real estate portfolios and the 18 defined micro locations where we see growth potential for rents as well as returns”, says Biljana Pehrsson, CEO of Kungsleden.

Background and reasons

In early 2013, Kungsleden launched a new strategy with the goal to become the most profitable and successful real estate company on the market. One part of the new strategy is to create a larger, geographically more concentrated, high quality property portfolio within selected property segments and geographical regions which are characterised by good economic growth and demand for premises. The company's goal is to generate an attractive total return and the ambition is to grow the property portfolio to a value of approximately SEK 30 billion.

Throughout 2013 and 2014 a number of large successful property acquisitions have been carried out in accordance with the new strategy, while properties deemed non-strategic have gradually been divested. In Kungsleden's view, there are currently attractive acquisition opportunities that would fit the company's long term strategy. Consequently, the Board of Directors has resolved to, subject to the approval by an Extraordinary General Meeting, launch a rights issue of approximately SEK 1.5 billion before issue costs in order to increase Kungsleden's financial flexibility and facilitate the company's ability to realise its growth plans and thereby create additional shareholder value.

Terms and conditions for the rights issue

On 15 August 2014, Kungsleden announced the decision of the Board of Directors on a new share issue with preferential rights for the company's shareholders. The Board of Directors has now set the final terms for the issue.

A holding of three (3) existing shares on the record date entitles to subscription for one (1) new share. The record date at Euroclear Sweden AB for the right to receive subscription rights is 19 September 2014. The subscription price is SEK 35 per share.

The subscription period (subscription through payment) will run from 23 September up to and including 8 October 2014, or such later date as decided by the Board of Directors. Trading in subscription rights is expected to take place from 23 September up to and including 3 October 2014.

Not more than 45,500,688 new shares shall be issued. Assuming full subscription, the number of shares in the Company will increase from 136,502,064 shares to 182,002,752 shares and the share capital from SEK 56,875,860.00 to SEK 75,834,480.00, representing an increase of approximately 33 per cent. Assuming full subscription, the total issue proceeds amounts to approximately SEK 1,593 million before issue costs. For existing shareholders who do not participate in the new issue, a dilution effect arises corresponding to 25 per cent of the total number of shares and votes in the company after the issue. Shareholders who choose not to participate in the rights issue are able to compensate for this dilution by selling their subscription rights.

The decision to launch the rights issue is subject to approval by an Extraordinary General Meeting that will take place on Tuesday 16 September 2014 at 2:00 p.m. CET at Summit, Grev Turegatan 30, Stockholm.

Shareholder support

Shareholders representing approximately 17 per cent of the shares in Kungsleden, comprising Gösta Welandson (and related company) and Olle Florén (and related company), both represented on the Board of Directors, as well as the Second Swedish National Pension Fund have indicated that they are positive towards the rights issue and have expressed their intention to vote in favour of it at the Extraordinary General Meeting as well as subscribe for their pro rata shares of the issue.

Indicative timetable for the rights issue

16 September 2014	Extraordinary General Meeting to decide on the rights issue resolved by the Board of Directors
16 September 2014	Last day of trading in the shares including right to participate in the rights issue
17 September 2014	First day of trading in the shares excluding right to participate in the rights issue
19 September 2014	Record date for participation in the rights issue, i.e. shareholders who are registered in the share register as of this day will receive subscription rights for

	participation in the rights issue
19 September 2014	Estimated date for the publication of the prospectus
23 September – 3 October 2014	Trading in subscription rights
23 September – 8 October 2014	Subscription period
13 October 2014	Announcement of preliminary results of the rights issue

Financial and legal advisors

Kungsleden has engaged ABG Sundal Collier and SEB Corporate Finance as financial advisors and Mannheimer Swartling Advokatbyrå as legal advisor in connection with the rights issue.

For more information, please contact:

Biljana Pehrsson, Chief Executive of Kungsleden | +46 (0)8 503 052 04 |
biljana.pehrsson@kungsleden.se

Anders Kvist, Deputy CEO and CFO of Kungsleden | +46 (0)8 503 052 11
anders.kvist@kungsleden.se

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

Kungsleden AB (publ) discloses the information in this press release pursuant to the Swedish Securities Markets Act. The information was provided for public release on 12 September 2014 at 7:30 a.m.

Kungsleden's business concept is to own, manage and improve commercial properties in growth regions in Sweden and to deliver attractive total returns. Kungsleden's strategies to create value are based on meeting the premises requirements of customers by managing, improving and developing properties and planning consents and by optimising the company's property portfolio. Kungsleden has been quoted on NASDAQ OMX Stockholm since 1999.

Important information

The information in this press release does not contain or constitute an offer to acquire, subscribe or otherwise trade in shares, subscription rights or other securities in Kungsleden. Any invitation to the persons concerned to subscribe for shares in Kungsleden will only be made through the prospectus that Kungsleden estimates to publish on or around 19 September 2014.

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