

**Press Release
15 August 2007**

Interim Report, 1 January – 30 June 2007

A stronger property portfolio and management earnings

- Net sales increased by 3 per cent to SEK 1,277 (1,245) m.
- Profit before tax was SEK 1,229 (1,362) m. Net profit for the interim period was SEK 861 (1,526) m, equivalent to SEK 6.30 (11.20) per share. Of tax for the period of SEK –368 (164) m, SEK 20 m is tax paid.
- As of 30 June, the property holding comprised 606 (591) properties with a book value of SEK 25,441 (23,106) m.
- In the interim period, 40 properties were acquired for SEK 3,110 m; 20 properties were also divested for SEK 1,852 m, generating a profit of SEK 87 m. These divestments changed profit for calculating dividends by SEK 137 m.
- Profit for calculating dividends for the period was SEK 440 m. Kungsleden is reiterating its forecast profit for calculating dividends of SEK 1,200 m for the financial year 2007.
- After the end of the interim period, Kungsleden has acquired 36 properties for SEK 567 m and divested 97 properties for SEK 1,700 m. The divestments will affect profit for calculating dividends in the third quarter by SEK 300 m.

Second quarter (April-June)

- Net sales increased by 7 per cent to SEK 657 (615) m.
- Profit before tax was SEK 963 (928) m and net profit was SEK 685 (1,161) m, equivalent to SEK 5.00 (SEK 8.50) per share.

“The property market remains healthy, with high investor interest. Property prices have continued to increase, resulting in the value of Kungsleden’s existing property holding increasing by over SEK 700 m since 1 January. We remained active in terms of acquisitions and divestments in this market in the first half-year, albeit slightly less so than in the previous year. Based on our strategy of increasing risk-adjusted returns, we have divested properties with a property yield of 4.1 per cent, while acquired properties have an estimated property yield of 7.6 per cent. The positive progress of our new modular properties initiative, making a healthy profit contribution, is pleasing,” commented Kungsleden’s Chief Executive Thomas Erséus.

“Transaction processes take longer in Germany than Sweden, and while the supply of acquisition targets is plentiful, there are relatively few properties that satisfy our standards. Accordingly, signing contracts on properties under construction may also be considered.”

“The property market has not been notably affected by rising interest rates yet. However, our view is that the previously reducing differences in required property yields between attractive and less attractive properties and locations will increase somewhat through the autumn,” continued Mr. Erséus.

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Kungsleden's strategy is to ensure sustainable high and stable returns proceeding from its existing holding, and through acquisitions and divestments. As of 30 June 2007, the property portfolio comprised 606 properties with a book value of SEK 25.4 bn. The holding was located in a total of 128 municipalities, although concentrated on the Swedish provinces of Götaland and Svealand, and the Öresund region. Kungsleden has been quoted on Nordiska Börsen since 14 April 1999.