

Interim Report, January – March 2009



This is Kungsleden

Kungsleden owns and manages properties, and views a property's returns as more important than its type or geographical location. Its business model focuses on continually enhancing its property portfolio, with the objective of improving portfolio risk-adjusted returns.

THE COMPANY

Kungsleden is a property company that is always open to new business opportunities – regardless of the type of property or its location. The deciding factor is high and stable sustainable returns, where diversifying risk is a key ingredient. The experience, skills and drive of Kungsleden's employees enables fast, secure and valuable solutions to customers' needs for property and premises.

Retirement Home, School and Care are property types with specific needs where Kungsleden is a leader. The objective is always to operate close to the market, be receptive and identify new patterns that can be transformed to benefit customers and shareholders. Simply put, Kungsleden sees opportunities where others do not in locations, buildings, premises and areas.

BUSINESS MODEL

Kungsleden owns and manages properties. It views a property's returns as more important than its type or geographical location. Its business model focuses on continually enhancing the composition and quality of the property portfolio, with the objective of improving portfolio risk-adjusted returns. In practice, this involves working actively on managing and enhancing properties, while simultaneously seeking out deal opportunities involving acquisitions and divestments.

Kungsleden's ambition is to always maintain high and stable cash flow from

operating activities. Operating risk is minimised, and revenues are stabilised, by diversifying property type and geographical location, through different types of tenants, and rental agreement maturities.

OPERATIONS

Operations are organised into three divisions, with each division responsible for the management and letting of its property portfolio.

Commercial properties concentrates mainly on the Office, Industrial/warehouse and Retail property types. Public properties are divided between the Retirement Home, School and Care types. The third division, Nordic Modular, primarily conducts lettings, but also the production and sale, of modular buildings.

Kungsleden has flexible organisational resources with strong local links and substantial expertise in property transactions. Its head office is in Stockholm, and the company has offices in another 15 or so locations in Sweden.

CUSTOMERS

Kungsleden's success is based on satisfied customers, new ideas and the company's ability to do good deals. Kungsleden's customers are a cross-section of the Swedish private and public sectors, with geographical diversity spanning some 130 municipalities across Sweden. Its tenants are small enterprises and large corporations, but school students and pensioners occupy

and live in Kungsleden properties. Over half of the total property portfolio is let to the public sector, or to tenants whose operations are publicly financed. The average remaining contract terms for customers in the Public division is some seven years, and for customers in the Commercial division, about six years.

VISION

Kungsleden's vision is that by means of skilled entrepreneurship and a high level of expertise, Kungsleden will become Sweden's most profitable and successful property company.

BUSINESS CONCEPT

Kungsleden owns and manages properties, generating high and stable long-term returns.

FINANCIAL TARGETS

- A minimum return on equity of 15 per cent.
- A minimum interest coverage ratio of 2.

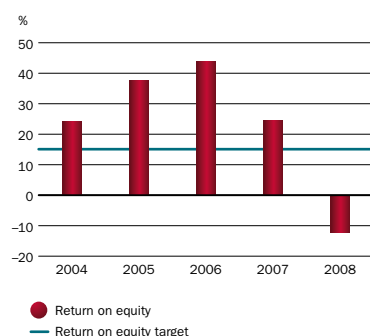
DIVIDEND POLICY

The Board of Directors' ambition is to maintain stable dividends, with a high pay-out ratio. This policy stipulates dividends of at least 50 per cent of profits for calculating dividends. This profit measure corresponds to the Cash Flow Statement item cash flow from operating activities.

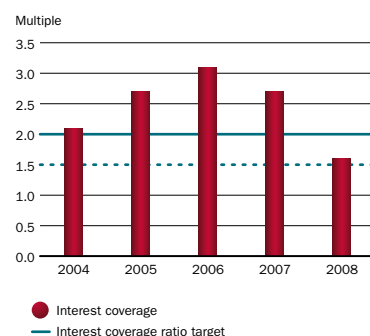
THE SHARE

Kungsleden has been listed on Nasdaq OMX Stockholm since 1999.

Return on equity



Interest coverage ratio



1 January – 31 March 2009

- Net sales increased by 3 per cent to SEK 771 (747) m and gross profit increased by 12 per cent to SEK 501 (447) m.
- Kungsleden posted a loss before tax of SEK –79 (113) m of which value changes were SEK –262 (–24) m. The interim period's loss after tax was SEK –67 (73) m, equivalent to SEK –0.50 (0.50) per share.
- As of 31 March 2009, the property portfolio comprised 596 (603) properties with a book value of SEK 28,589 (28,576) m.
- In the interim period, 2 (16) properties were acquired for SEK 158 (1,337) m; 6 (1) properties were also divested for SEK 222 (10) m, generating a profit of SEK 11 (0) m. These divestments affected profit for calculating dividends by SEK 61 (–2) m.
- Profit for calculating dividends for the interim period was SEK 223 (126) m, equivalent to SEK 1.60 (0.90) per share.
- After the end of the interim period, the sale to the Third Swedish National Pension Fund (AP3) of 50 per cent of the shares of the company that owns most of Kungsleden's public properties was finalised, after the terms of the transaction were met. This transaction affects Kungsleden's profit for calculating dividend for 2009 by some SEK 800 m.
- The forecast for the full year 2009 profit for calculating dividends is SEK 1,300 m, or SEK 9.50 per share.



CHIEF EXECUTIVE'S STATEMENT

The transaction market remained hesitant in the first quarter. Total transaction volumes fell by 75–80 per cent to SEK 4.5 bn against the corresponding quarter of 2007–2008, according to Newsec. Despite a harsh market, Kungsleden completed transactions worth nearly SEK 300 m, of which sales of residential and commercial properties represented the absolute majority.

The trend of rising gross profits continued in the quarter. Net sales increased by 3.2 per cent, rental revenues rose 11 per cent and gross profit was up by 12 per cent. This increase occurred despite reduced module sales.

Modular lettings remain stable, and because of progressive adaptation to market conditions last autumn, Nordic modular's profitability is largely unchanged. The negative value changes on financial instruments are reducing Kungsleden's profits but they do not affect cash flow.

Overall, our broad offering in commercial and public properties and modular buildings helped keep the group's operating net stable in the quarter.

Kungsleden's vacancy levels were stable in the quarter, although there are increasingly clear signs of the real economy starting to feed through into increased vacancies as a result of business insolvencies, which is affecting the whole lettings market. Net lettings are stable year to date, but risks have increased on the insolvency side, and we are monitoring progress closely, especially in commercial properties. While insolvencies affect operating net immediately, rental agreement cancellations are normally subject to nine months' notice.

Our transaction with the Third Swedish National Pension Fund was finalized after the end of the period. This deal involves the AP3 acquiring 50 per cent of the shares of the company that owns and manages most of Kungsleden's public properties in Sweden. Alongside

the AP3, we can enhance and advance Kungsleden's already-strong positioning on the market for public properties. Simultaneously, our financial position strengthens and we increase our prospects of exploiting business opportunities that may arise, in time, on the commercial and public property markets. From the second quarter onwards, Kungsleden will be reporting this joint venture using the proportional method.

Kungsleden expects the transaction market to remain hesitant for the rest of the year. Our forecast of profit for calculating dividend for 2009 is SEK 1.3 bn, including the profit for calculating dividends of SEK 800 m from the transaction with the AP3.

Thomas Erséus
Chief Executive

1 January – 31 March 2009

KUNGSLEDEN'S BUSINESS MODEL

Kungsleden is a listed Swedish property company that views a property's returns as more important than its type and geographical location. The business model focuses on continually enhancing the composition and quality of its property portfolio, with the objective of improving portfolio risk-adjusted returns. In practice, this involves multiple property transactions.

EARNINGS CAPACITY

The normally high transaction rate in Kungsleden's operations means that its Income Statement does not give the best view of the group's future earnings capacity. Earnings capacity indicates the situation as if the property portfolio as of 31 March 2009 had been held for the previous 12 months, and thus gives a more accurate view of the property portfolio and its earnings capacity. Property trading in the interim period exerted a positive impact on earnings capacity. In terms of sales price, divested properties' property yields were 6.3 per cent, while the estimated property yield of acquired properties was 8.0 per cent. At the end of the period, the average property yield was 6.6 (6.5) per cent in earnings capacity.

Transactions in the period, and progress of the existing portfolio, resulted in the operating net increasing by 1 per cent from SEK 1,867 m to SEK 1,879 m.

KUNGSLEDEN'S RESULTS FOR JANUARY – MARCH

The loss after tax for the period was SEK –67 (73) and total recognised gains and losses were SEK –62 (72) m after considering exchange rate fluctuations.

The lower figure is mainly due to negative unrealised value changes on interest derivatives.

The property yield for the period was 6.8 (6.5) per cent.

Net sales in the interim period were SEK 771 (747) m, divided between rental revenues of SEK 702 (634) m and sales revenues from modular buildings of SEK 69 (113) m.

Gross profit increased by 12 per cent to SEK 501 (447) m, due to a larger property portfolio, which was simultaneously enhanced to include somewhat higher-yielding properties.

Property trading generated a SEK 11 (0) m profit, which includes realised value changes of SEK 50 (–2) m.

Sales and administration costs reduced to SEK 80 (85) m. This reduction is attributable to transaction-related costs.

The net financial position was SEK 25 m lower at SEK –249 (–224) m, explained by a somewhat higher volume of borrowings in 2009 than in the corresponding period of 2008.

Value changes on properties and financial instruments in the period amounted to SEK –69 (8) m and SEK –193 (–32) m respectively, totalling SEK –262 (–24) m. The negative value change on properties is a net of new value appraisals and investments completed, corresponding to 0.2 per cent of book value. The value change is attributable to commercial properties. The valuation of financial instruments was negatively affected by a fall in long yields.

Tax on profit was SEK 12 (–40) m. This item has changed to a revenue in 2009 from a cost in the previous year mainly

because profit before tax is now negative.

Profit for calculating dividends for the interim period was SEK 223 (126) m.

THE PROPERTY PORTFOLIO

As of 31 March 2009, the portfolio comprised 596 (603) properties with area of 3,191,000 (3,185,000) sq.m. and book value of SEK 28,589 (25,576) m.

Kungsleden values its properties based on an internal valuation model, which is an integrated component of its business process, where every property has a business plan.

A combination of the reconciliation of location pricing and present value calculations of cash flows with a five-year forecast period plus subsequent residual values form the basis of valuations. Factors considered include rent levels, vacancies, operation and maintenance costs, property age, status and usage.

Of book value, 54 (54) per cent relates to Public properties in Sweden, 36 (37) per cent to Commercial properties, 5 (4) per cent to Retirement homes in Germany and 5 (5) per cent to modular buildings.

Of property book values, 42 per cent were located in the three major city regions of Greater Stockholm, Greater Gothenburg and the Öresund region. The properties were located in 132 municipalities, of which 52 per cent of book value was located in municipalities with populations of less than 100,000.

The property portfolio in Germany amounts to SEK 1,345 (1,257) m of total book value. Additionally, Kungsleden signed agreements to acquire 4 retirement homes in Germany for a total of SEK 484 m. These are

Earnings capacity

	31 Mar 2009	31 Dec 2008
No. of properties	596	603
Leasable area, 000 sq. m.	3,191	3 185
Book value of properties, SEK m	28,589	28 576
Rental value, SEK m	2,933	2 902
Rental revenues, SEK m	2,763	2 736
Operating net, SEK m	1,879	1 867
Economic occupancy, %	95.0	95.0
Property yield, %	6.6	6.5
Operating surplus margin, %	68.0	68.2

Profit for calculating dividends

SEK m	2009 Jan–Mar	2008 Jan–Mar
Gross profit	501	447
Sales and administration costs	–80	–85
Net financial position	–249	–224
Sub-total	172	138
Property divestments		
Trading net on divestment	11	0
Realised value changes	50	–2
Sub-total	61	–2
Tax paid and other items not affecting cash flow	–10	–10
Profit for calculating dividends*	223	126

* Profit for calculating dividends also corresponds to the cash flow statement item cash flow from operating activities.

mainly properties under construction, which Kungsliden will take possession of progressively through 2009.

Property management in Germany differs from Sweden, with for example, tenants basically bearing all ongoing costs apart from tax and insurance, subject to what are termed triple net agreements. Accordingly, the operating surplus margin in the German operations is higher than in the Swedish.

Investments in existing properties amounted to SEK 130 (151) m.

PROPERTY TRADING

The property market remains hesitant in terms of the number and size of transactions completed.

In the interim period, 2 properties with area of 19,000 sq.m. were acquired for a value of SEK 158 m. Of these acquisitions, one was of the Industrial/warehouse type and the other was a Retirement Home. Acquisitions were effected at an estimated property yield of 8.0 per cent.

In the period, 6 properties with area of 21,000 sq.m. were divested for SEK 222 m. The book value of the divested properties was SEK 211 m and acquisition cost was SEK 161 m. The divestments were effected at a property yield of 6.3 per cent.

MODULAR BUILDINGS

Nordic Modular is a division of Kungsliden, alongside Commercial Properties and Public Properties. Flexible and cost-efficient modular buildings are a strong complement to Kungsliden's offering, mainly to the public sector.

As of 31 March, modular buildings had total area of approximately 226,000 (223,000) sq.m. and book value of SEK 1,439 (1,426) m.

In the interim period, rental revenues from modular buildings were SEK 64 (63) m with gross profits of SEK 59 (60) m.

The direct costs of modular lettings are significantly lower than those on static foundations. However, over time, the value impairment due to use is greater on modules in letting operations. The estimated lifespan is 15–20 years if the modules are relocated three times. After standard depreciation, property yield is 8.0 per cent.

Sales of modules including changes in stock were SEK 69 (113) m with gross profit of SEK 14 (17) m. Demand has reduced due to the recession. Production downsizing is being conducted to adapt operations to these new conditions.

FUNDING

Kungsliden's funding portfolio is based on agreements with banks and a syndicated credit facility. Loan agreements are usually signed with 5–7 year terms, which can be considered customary in the Swedish market for property credits. In its agreements, Kungsliden endeavours to secure short interest fixings, to obtain the greatest possible flexibility, and so it can manage interest risk at an overall group level. The desired risk level of interest fixing structures is achieved using instruments called interest swaps or caps. Currency swaps are used exclusively to hedge foreign borrowings.

The funding portfolio totalled a nominal SEK 20,331 (20,743) m at the end of

the period, and including the market values of financial instruments, was SEK 22,068 (22,288) m. Un-utilised credit facilities were SEK 1,810 (1,750) m.

Since the year-end quotation of 3-month Stibor of 2.25 per cent, interest rates have continued to fall. At the end of the first quarter, 3-month Stibor was at 1.1 per cent. In the period, the Riksbank reduced its benchmark rate by 1 percentage point from 2 per cent down to 1 per cent. In the period, 5-year yields reduced by 0.25 percentage points, while the 10-year yield rose marginally.

The average interest rate on Kungsliden's funding portfolio was 4.9 per cent as of 31 March, against 4.5 per cent as of 1 January. As of 31 March, the average interest fixing period was 2.9 years, against 2.7 years as of 1 January.

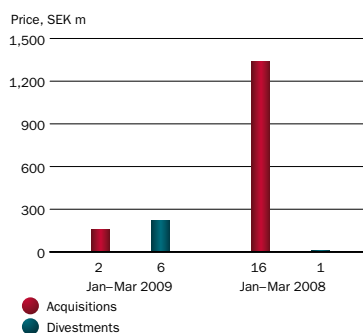
Kungsliden has a derivative portfolio of approximately SEK 24 bn, which is greater than the nominal value of the loan portfolio. This means that a fall in interest rates implies increased interest costs for the company due to this 'over-hedging' (previously reported in the sensitivity analysis in the Annual Report for 2008). Just over SEK 5 bn of derivatives mature in 2009, which means that the size of the loans will exceed the nominal amount of derivatives at the forthcoming year-end, ceteris paribus. In addition, derivatives can be closed by other parties. Kungsliden will work actively to reduce the size of its derivative portfolio in 2009.

The continued fall in interest rates in the first quarter of 2009 resulted in further negative value changes on Kungsliden's derivatives portfolio, increasing the value adjustment in the

Property portfolio changes

SEK m	2009	2008
Properties at the beginning of the period	28,576	25,737
Acquisitions	158	1,337
Investments	130	151
Divestments	-211	-10
Exchange rate fluctuations	5	0
Value changes	-69	8
Properties at the end of the period	28,589	27,223

Property trading



1 January – 31 March 2009

Statement of Financial Position (interest-bearing liabilities and non-interest-bearing liabilities respectively) by SEK 193 m to SEK 1,737 m at the end of March.

Loans and overdraft facilities of SEK 1,756 m mature in 2009, corresponding to 8 per cent of Kungsleden's complete funding portfolio. After the end of the first quarter, Kungsleden re-financed approximately SEK 1,000 m of these loans, which alongside existing un-utilised credits, secure the company's funding.

SHAREHOLDERS' EQUITY

Shareholders' equity was SEK 7,002 (7,065) m at the end of the period or SEK 51 (52) per share, equivalent to an equity ratio of 23 (23) per cent.

ORGANISATION AND HUMAN RESOURCES

The average number of employees was 350 (395) in the interim period; 216 (278) worked in Nordic Modular, 198 (254) of them on producing modules.

Redundancy notices were issued to a further 62 staff in modular production in the quarter. Of the total of 148 staff issued with redundancy notices since September, the number of staff finally given notice was 127.

The AGMs in 2007 and 2008 resolved on staff stock option plans (see the Annual Report for 2008 and Kungsleden's website), for which granting occurred for the 2007 plan but not

the 2008 plan. The AGM 2009 did not consider the matter of a potential third staff stock option plan.

PARENT COMPANY

The parent company generated a net loss of SEK -164 (-36) m in the period; its sales were SEK 0 (0) m. Full-year profits are expected to be positive because significant dividends from subsidiaries will be taken into account late in the year. Assets at the end of the period, mainly consisting of shares in subsidiaries, were SEK 6,683 (6,683) m.

Funding was mainly through shareholders' equity, which was SEK 5,469 (5,632) m at the end of the period, implying an equity ratio of 65 (54) per cent.

THE SHARE AND SHAREHOLDERS

The closing price on 31 March 2009 was SEK 31.60. Accordingly, compared to the year-end 2008 closing price of SEK 54, the share fell by 41 per cent. The OMX Stockholm Real Estate_PI fell by 13 per cent in the same period. As of 31 March, Kungsleden had 26,516 shareholders, an increase of 3 per cent on the previous year-end.

At the end of the period, there were 136,502,064 shares, the same as on 1 January.

RISKS AND UNCERTAINTY FACTORS

Kungsleden's operations, profit and financial position are affected by a

number of risk factors, which in some cases, particularly in terms of property valuations, are based on judgments.

Those risks affecting profits and cash flow relate mainly to changes in rent levels, occupancy, the general progress of costs, interest levels and property market liquidity. The Balance Sheet predominantly consists of properties and funding. The aggregate risk in property values depends on geographical diversity, property type, property size, contract term, tenant structure, technical standard, etc. Property values are assessed individually progressively through the year based on a series of judgments and estimates of future cash flows and required rates of return in a transaction. The methodology of internal valuations is reviewed on pages 22–23 and 67–68 of the Annual Report for 2008.

Financial risks are primarily liquidity risk, re-financing risk and interest risk and are managed on the basis of Kungsleden's finance policy. More information on managing financial risks is stated in 'Funding' on page 5 and on pages 34–35 of the Annual Report for 2008.

A more detailed review of Kungsleden's risks and uncertainty factors is provided on page 32–33 and 63 of the Annual Report for 2008.

The parent company's profit and financial position is significantly affected by group companies' situa-

Fixed interest terms

As of 31 March 2009 Interest maturity	Loan, SEK m	Proportion, %	Average interest, %
2009	8,738	42.9	5.6
2010	1,300	6.4	5.5
2011	1,200	5.9	4.8
2012	1,893	9.3	3.4
2013	1,700	8.4	4.5
2014	1,600	7.9	4.3
2015	1,800	8.9	4.3
2016	800	3.9	4.2
2017	300	1.5	4.5
2018	1,000	4.9	4.5
Total loans	20,331	100.0	4.9
Market value of loans and derivatives	1,737		
Total	22,068		

Maturity structure, credits (including un-utilised credit facilities)

As of 31 March 2009 Year	Credits, SEK m	Proportion, %	Average conversion term, years
2009	1,756	8.0	
2010	1,203	5.4	
2011	2,179	9.9	
2012	13,031	58.8	
2013	3,235	14.6	
2014	–	–	
2015	–	–	
2016	–	–	
2017	–	–	
2018	737	3.3	
Total credits	22,141	100.0	3.2
Un-utilised credit facilities	-1,810		
Total utilised credit facilities	20,331		

Sensitivity analysis, interest rate changes

As of 31 March 2009 SEK m	Effect on net financial position (12 mth.)
Average interest change on loan portfolio, +/-1 percentage point	-/+203
Short market interest rates (<6 months) changes, +/-1 percentage point	+/-39

tions, and accordingly, the above review also applies to the parent company.

ACCOUNTING PRINCIPLES

Kungsleden observes IFRS (International Financial Reporting Standards) as endorsed by the EU, and their IFRIC interpretations. This Interim Report has been prepared pursuant to IAS 34 Interim Financial Reporting. Applicable stipulations of the Swedish Annual Accounts Act and the Swedish Securities Markets Act have also been applied.

The updated standard IAS 1, Presentation of Financial Statements has been applied for the first time in this Interim Report, the nomenclature of statements in the accounts have been amended and the Statement of Total Recognised Gains and Losses is additional. Other recent developments in IFRS are a new standard, IFRS 8 Operating Segments, the new interpretation statement IFRIC 13 and amendments to the existing standards IFRS 2 Share-based Payment, IAS 23, Borrowing Costs, IAS 27, Consolidated and Separate Financial Statements and IAS 32, Financial Instruments have also been applied but without any significant effect on the results of operations and financial position or the presentation of reports.

Reclassification of supplementary invoicing has been conducted in the Income Statement, which in certain situations, was previously reported net mainly among property costs, but also

sales and administration costs. From 1 January 2009, all supplementary invoicing is being reported as rental revenue in net sales. Comparative figures and key figures for previous periods have been re-stated on the basis of the new classification.

Otherwise, the accounting principles and calculation methods are unchanged since the Annual Report for the financial year 2008.

FORECAST FOR 2009

The Board of Directors estimates that profit for calculating dividends will amount to SEK 1,300 m, equivalent to SEK 9.50 per share.

Profit for calculating dividends corresponds to the Cash Flow Statement item cash flow from operating activities.

SIGNIFICANT EVENTS AFTER THE END OF THE INTERIM PERIOD

After the end of the interim period, the sale to the AP3 of 50 per cent of the shares of the company that owns and manages most of the public properties in Sweden was finalised. This transaction was agreed on 22 December but was conditional on retained financing and approval from the Swedish Competition Authority, which has now been forthcoming.

The sales price, which covers somewhat fewer properties than previously, is based on a property value of SEK 14.6 bn, against the previously reported SEK

15.4 bn. The sales price exceeds acquisition cost by SEK 2.1 bn and corresponds to book value. The transaction affects Kungsleden's profit for calculating dividends for 2009 by approximately SEK 800 m, and increases the company's liquidity by SEK 2.3 bn, which is unchanged from the previous estimate.

The property portfolio includes 239 properties with area of 1,191,000 sq.m., against the previously reported 277 properties with area of 1,326,000 sq.m. The property yield on sales price is 6.3 per cent based on year 2008 operating net pro forma. Total rental value is approximately SEK 1.3 bn.

From the Second-quarter Interim Report 2009 onwards, Kungsleden will report the jointly owned company for public properties as a joint venture using the proportional method.

FORTHCOMING REPORTS

Interim Report, January–June, 19 August 2009.

Interim Report, January–September, 22 October 2009.

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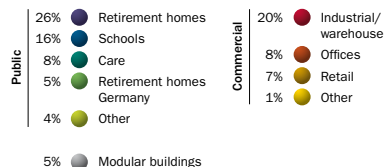
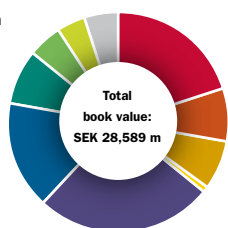
Shareholders

As of 31 March 2009	No. of shares	% of vote and share capital
Swedbank Robur Funds	6,034,333	4.4
Second AP-Fund	5,005,260	3.7
Florén Olle and companies	3,000,800	2.2
Nordea Funds	2,470,302	1.8
SHB Funds	2,273,994	1.7
Länsförsäkringar Funds	1,682,168	1.2
SEB Funds	1,462,776	1.1
First AP-Fund	1,373,414	1.0
Avanza Pension Försäkring AB	1,291,922	0.9
Pensioenfonds Metaal en Techniek	1,233,433	0.9
Total, 10 largest shareholders	25,828,402	18.9
Board and Management	421,590	0.3
Foreign shareholders, other	31,173,800	22.8
Other shareholders	79,078,272	58.0
Total	136,502,064	100.0

1 January – 31 March 2009

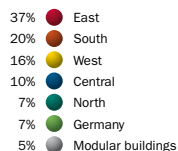
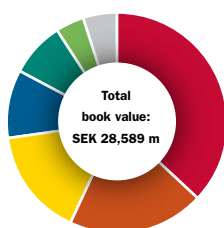
Property portfolio by type

31 March 2009



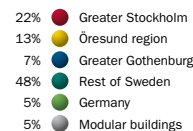
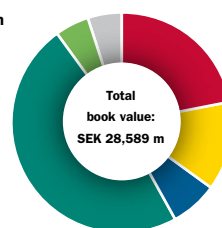
Property portfolio by market area

31 March 2009

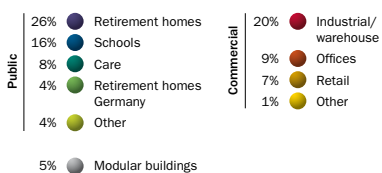
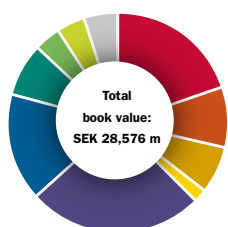


Property portfolio by city region

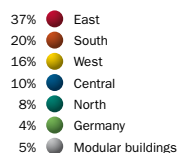
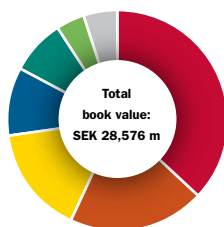
31 March 2009



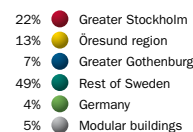
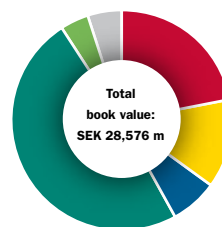
31 Dec 2008



31 Dec 2008



31 Dec 2008



Earnings capacity¹ by type

	Commercial properties				Public properties					Nordic Modular	Total
	Industrial/warehouse	Office	Retail	Other	Retirement homes	Schools	Care	Retirement homes Germany	Other	Modular buildings	
No. of properties	135	86	63	17	111	85	75	15	9	0	596
Leasable area, 000 sq.m.	991	314	252	28	506	454	269	70	81	226	3,191
Book value, SEK m	5,695	2,448	1,885	311	7,488	4,552	2,352	1,345	1,074	1,439	28,589
Rental value, SEK m	572	312	200	26	595	464	270	102	99	293	2,933
Rental revenues, SEK m	544	268	176	25	594	444	257	102	98	255	2,763
Operating net, SEK m	450	139	108	17	422	305	158	90	75	115 ²	1,879
Economic occupancy, %	95.5	87.2	91.4	95.9	99.5	96.8	95.5	100.0	97.8	89.9 ²	95.0
Property yield, %	7.9	5.7	5.7	5.5	5.6	6.7	6.7	6.7	7.0	8.0	6.6
Operating surplus margin, %	82.6	51.7	61.5	68.3	71.1	68.6	61.4	88.4	77.0	45.2 ²	68.0

Earnings capacity¹ by market area

	East	South	West	Central	North	Germany	Nordic Modular	Total
No. of properties	193	141	115	48	84	15	0	596
Leasable area, 000 sq.m.	904	689	572	404	326	70	226	3,191
Book value, SEK m	10,458	5,710	4,571	2,953	2,113	1,345	1,439	28,589
Rental value, SEK m	950	566	478	291	253	102	293	2,933
Rental revenues, SEK m	907	521	451	283	244	102	255	2,763
Operating net, SEK m	636	357	305	230	146	90	115 ²	1,879
Economic occupancy, %	95.4	93.1	96.2	97.0	97.2	100.0	89.9 ²	95.0
Property yield, %	6.1	6.2	6.7	7.8	6.9	6.7	8.0	6.6
Operating surplus margin, %	70.2	68.5	67.5	81.3	59.9	88.4	45.2 ²	68.0

¹ Earnings capacity indicates the appearance of the Income Statement as if the properties owned as of 31 March 2009 had been owned for the previous 12 months.

² Operating surplus has been reduced by standard depreciation/value changes of SEK 121 m.

Financial Reporting 1 January – 31 March 2009

Income Statement

SEK m	Interim period/Reporting period		12 months	
	2009 Jan–Mar	2008 Jan–Mar	2008/2009 Apr–Mar	2008 Jan–Dec
Rental revenues	702.4	634.5	2,759.6	2,691.6
Sales revenues, modular buildings	68.5	112.5	324.1	368.1
Net sales	770.9	747.0	3,083.7	3,059.7
Property costs	-215.8	-203.8	-780.7	-768.6
Production costs, modular buildings	-54.3	-95.8	-267.4	-308.9
Gross profit	500.8	447.4	2,035.6	1,982.2
Property trading				
Sales revenues, net	221.7	9.8	1,525.1	1,313.1
Book value				
Acquisition cost	-161.3	-11.6	-1,194.4	-1,044.7
Realised value changes	-49.9	1.5	-307.5	-256.0
Trading net	10.5	-0.3	23.2	12.4
Sales and administration costs	-79.7	-85.5	-383.6	-389.6
Net financial position	-249.2	-224.4	-1,010.8	-986.1
Unrealised value changes				
Investment properties	-68.6	7.8	-289.8	-213.0
Financial instruments	-193.0	-31.7	-1,751.7	-1,590.4
	-261.6	-23.9	-2,041.5	-1,803.4
Profit/loss before tax	-79.2	113.3	-1,377.1	-1,184.5
Tax	12.3	-40.1	275.4	223.0
Profit/loss after tax¹	-66.9	73.2	-1,101.7	-961.5

Statement of Total Recognised Gains and Losses

SEK m	Interim period/Reporting period		12 months	
	2009 Jan–Mar	2008 Jan–Mar	2008/2009 Apr–Mar	2008 Jan–Dec
Profit/loss after tax for the period	-66.9	73.2	-1,101.7	-961.5
Exchange rate differences	4.5	-1.4	84.1	78.2
Total recognised gains and losses for the period¹	-62.4	71.8	-1,017.6	-883.3

¹ All the profit/loss after tax for the period is attributable to the parent company's shareholders.

Statement of Financial Position

SEK m	31 Mar 2009	31 Dec 2008	31 Mar 2008
ASSETS			
Properties	28,589.0	28,575.8	27,223.2
Receivables, etc.	1,733.2	1,504.1	1,531.0
Liquid assets	499.8	641.6	730.2
TOTAL ASSETS	30,822.0	30,721.5	29,484.4
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity	7,002.4	7,064.8	9,111.9
Interest-bearing liabilities	20,364.2	20,742.7	18,514.5
Non interest-bearing liabilities	3,455.4	2,914.0	1,858.0
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	30,822.0	30,721.5	29,484.4

Financial Reporting 1 January – 31 March 2009

Statement of Changes in Equity

SEK m	31 Mar 2009	31 Dec 2008	31 Mar 2008
At the beginning of the period	7,064.8	9,040.1	9,040.1
Dividend		-1,092.0	
Total recognised gains and losses for the period	-62.4	-883.3	71.8
At end of the period	7,002.4	7,064.8	9,111.9

Statement of Cash Flows

SEK m	Interim period/Reporting period		12 months	
	2009 Jan-Mar	2008 Jan-Mar	2008/2009 Apr-Mar	2008 Jan-Dec
Operating activities				
Profit before tax	-79.2	113.4	-1,377.1	-1,184.5
Realised value changes, properties	49.9	-1.5	307.5	256.0
Unrealised value changes	261.6	23.9	2,041.5	1,803.4
Adjustment for items not included in cash flow from operating activities	0.2	1.7	1.2	2.6
Tax paid	-9.7	-11.7	-36.1	-37.6
Cash flow from operating activities	222.8	125.8	937.0	839.9
Change in working capital	122.6	392.5	-273.2	-3.4
Cash flow from operating activities after change in working capital	345.4	518.2	663.8	835.5
Cash flow from investment activity	-107.7	2,162.8	-1,728.1	542.5
Cash flow from financing activity	-379.5	-2,584.7	833.9	-1,371.3
Cash flow for the period	-141.8	96.3	-230.4	7.7
Cash and cash equivalents at beginning of period	641.6	633.9	730.2	633.9
Cash and cash equivalents at end of period	499.8	730.2	499.8	641.6

Parent Company Income Statement

SEK m	Interim period/Reporting period	
	2009 Jan-Mar	2008 Jan-Mar
Administration costs	-2.7	-9.8
Net financial position	-219.4	24.2
Profit before tax	-222.1	14.4
Tax on profit for the period	58.4	-49.9
Net profit	-163.7	-35.5

Parent Company Balance Sheet

SEK m	31 Mar 2009	31 Dec 2008	31 Mar 2008
ASSETS			
Shares in group companies	6,682.7	6,682.7	6,781.0
Receivables from group companies	245.0	2,194.7	188.6
External receivables, etc.	1,255.7	1,217.4	639.6
Cash and cash equivalents	175.0	362.3	426.8
TOTAL ASSETS	8,358.4	10,457.1	8,036.0
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders equity	5,468.6	5,632.3	4,858.5
Interest-bearing liabilities	496.0	496.0	496.0
Liabilities to group companies	1,214.3	3,335.6	2,594.4
Other liabilities	1,179.5	993.2	87.1
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	8,358.4	10,457.1	8,036.0

Segment reporting

SEK m	Commercial properties		Public properties		Retirement homes		Nordic Modular		Other/group-wide ¹		Total Kungsleden	
	2009 Jan-Mar	2008 Jan-Mar	2009 Jan-Mar	2008 Jan-Mar	2009 Jan-Mar	2008 Jan-Mar	2009 Jan-Mar	2008 Jan-Mar	2009 Jan-Mar	2008 Jan-Mar	2009 Jan-Mar	2008 Jan-Mar
Net sales	257.9	256.0	358.3	298.5	22.2	16.5	132.5	176.0			770.9	747.0
Gross profit	173.8	162.3	232.3	193.6	21.5	14.4	73.2	77.1			500.8	447.4
Profit before tax	-58.6	37.2	-39.9	52.7	-3.1	5.8	31.4	26.7	-9.0	-9.0	-79.2	113.3
Properties	10,338.7	10,809.1	15,466.2	14,147.2	1,345.2	932.9	1,438.9	1,334.0			28,589.0	27,223.2
Acquisitions and investments	103.5	275.4	88.3	1,184.7	83.8		12.2	28.0			287.8	1,488.1
Sales price, net	121.8	9.8	100.0								221.8	9.8

1 Other/group-wide is Transaction & Analysis and Central Administration functions.

Key figures

	Interim period/Reporting period		12 months	
	2009 Jan-Mar	2008 Jan-Mar	2008/2009 Apr-Mar	2008 Jan-Dec
Property-related				
<i>Earnings capacity</i>				
Property yield, %			6.6	6.5
Economic occupancy, %			95.0	95.0
Operating surplus margin, %			68.0	68.2
<i>Actuals</i>				
Property yield, %	6.8	6.5	7.1	7.1
Economic occupancy, %	94.5	94.6	94.6	94.6
Operating surplus margin, %	69.3	67.9	71.7	71.4
Financial				
Net profit, SEK m	-67	73	-1,101	-962
Profit for calculating dividends, SEK m	223	126	937	840
Return on total capital, %	5.6	4.6	5.6	5.1
Return on equity, %	-3.8	3.2	-13.7	-11.9
Return on capital employed, %	6.3	5.0	6.2	5.6
Interest coverage ratio	1.8	1.6	1.7	1.6
Equity ratio, %			22.7	23.0
Gearing, multiple			2.9	2.9
Mortgage ratio, %			71.2	72.6
Cash flow from operating activities, SEK m	223	126	937	840
Data per share				
Share price, SEK			31.60	54.00
Resolved dividend/share redemption, SEK			1.50	1.50
Total yield, %			26.7	-13.9
Dividend yield, %			4.7	-11.1
P/E ratio, multiple ¹			-3.9	-7.7
P/CE ratio, multiple ²			7.9	4.9
Gross profit, SEK	3.70	3.30	14.90	14.50
Net profit, SEK	-0.50	0.50	-8.10	-7.00
Profit for calculating dividends, SEK m	1.60	0.90	6.90	6.20
Property book value, SEK			209.40	209.30
Shareholders' equity, SEK			51.30	51.80
Cash flow from operating activities, SEK m	1.60	0.90	6.90	6.20
Outstanding shares/free float ³	136,502,064	136,502,064	136,502,064	136,502,064
Average number of shares ³	136,502,064	136,502,064	136,502,064	136,502,064

1 New definition of P/E ratio: closing share price in the period in relation to net profit/loss per share for the period.

2 New definition of P/CE ratio: closing share price in the period in relation to profit for calculating dividends per share for the period.

3 There is no dilution effect because there are no potential shares.

Financial Reporting 1 January – 31 March 2009

Income Statement, pro forma after transaction with the AP3

SEK m	Pro forma ¹	
	Jan–Mar 2009	Jan–Mar 2009
Rental revenue	537.1	702.4
Sales revenue, modular buildings	68.5	68.5
Net sales	605.6	770.9
Property costs	-160.9	-215.8
Production costs, modular buildings	-54.3	-54.3
Gross profit	390.4	500.8
Trading net	10.5	10.5
Sales and administration costs	-69.0	-79.7
Net financial position	-186.8	-249.2
Unrealised value changes		
- Properties	-63.8	-68.6
- Financial instruments	-144.8	-193.0
Profit/loss before tax	-63.4	-79.2

¹ The Income Statement pro forma has been prepared on the basis of January – March 2009, with a restatement for 50 per cent of the outcome of the divested properties/shares.

Financial position, pro forma after transaction with the AP3

Mkr	Pro forma ¹	
	31 Mar 2009	31 Mar 2009
ASSETS		
Properties	20,840.3	28,589.0
Receivables, etc.	2,410.6	1,733.2
Liquid assets	641.6	499.8
TOTAL ASSETS	23,892.5	30,822.0
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity	7,531.3	7,002.4
Interest-bearing liabilities	13,289.0	20,364.2
Non interest-bearing liabilities	3,072.2	3,455.4
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	23,892.5	30,822.0

¹ The pro forma Statement of Financial Position has been prepared as if the transaction had been completed on 31 March 2009, considering the effect the transaction would have had on profits and finance, and with half of the assets and liabilities in the public segment no longer being reported in Kungsleden's Statement of Financial Position.

For definitions, see Kungsleden's website, www.kungsleden.se

This Financial Statement has not been subject to review by the company's auditors.

Stockholm, Sweden, 24 April 2009.

Bengt Kjell
Chairman

Leif Garph
Board member

Magnus Meyer
Board member

Jan Nygren
Board member

Jonas Nyrén
Board member

Per-Anders Ovin
Board member

Charlotta Wikström
Board member

Thomas Erséus
Board member and Chief Executive

Five-year summary

Summary Income Statement

SEK m	2008	2007	2006	2005	2004
Net sales	3,060	2,612	2,349	1,845	1,429
Gross profit	1,982	1,705	1,528	1,304	1,017
Trading net	12	580	853	318	67
Sales and administration costs	-390	-316	-246,	-152	-139
Net financial position	-986	-720	-681	-546	-456
Unrealised value changes	-1,803	1,372	2,120	1,191	10
Profit/loss before tax	-1,185	2,621	3,575	2,116	499
Tax	223	-221	-1	-129	377
Profit/loss after tax	-962	2,400	3,574	1,987	876

Summary Statement of Financial Position

SEK m	2008	2007	2006	2005	2004
ASSETS					
Properties	28,576	25,737	23,106	25,750	13,452
Receivables, etc.	1,504	6,410	1,049	1,556	994
Liquid assets	642	634	107	164	68
TOTAL ASSETS	30,722	32,781	24,262	27,470	14,514
LIABILITIES AND SHAREHOLDERS' EQUITY					
Shareholders' equity	7,065	9,040	9,700	6,649	3,954
Interest-bearing liabilities	20,743	21,068	12,781	18,004	9,832
Non-interest-bearing liabilities	2,914	2,673	1,781	2,817	728
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	30,722	32,781	24,262	27,470	14,514

Key figures

	2008	2007	2006	2005	2004
Property-related					
Property yield, %	6.5	6.4	6.5	7.2	7.8
Economic occupancy, %	95.0	94.4	90.2	90.0	93.7
Book value of properties, SEK m	28,576	25,737	23,106	25,750	13,452
Financial					
Profit/loss after tax, SEK m	-962	2,400	3,574	1,987	877
Profit for calculating dividends, SEK m	840	2,019	2,913	1,001	587
Return on total capital, %	5.1	6.9	8.3	7.0	6.7
Return on equity, %	-11.9	25.6	43.7	37.5	24.1
Return on capital employed, %	5.6	7.6	9.1	11.0	3.8
Interest cover, multiple	1.6	2.7	3.1	2.7	2.1
Equity ratio, %	23.0	27.6	40.0	24.2	27.2
Mortgage ratio, %	72.6	81.9	55.3	69.9	73.1
Data per share					
Profit/loss after tax, SEK ¹	-7.00	17.60	26.20	16.00	7.70
Profit for calculating dividends, SEK ¹	6.20	14.80	21.30	8.10	5.20
Resolved dividend/share redemption, SEK ¹	1.50	19.50	11.00	4.00	2.50

¹ These key figures have been adjusted for to the 3:1 split conducted in May 2006, the 2:1 split conducted in May 2005, and the bonus issue element of the new share issue conducted in October 2005.

Property register 1 January – 31 March 2009

ACQUIRED PROPERTIES

Name	Municipality	Location	Address	Year of construction/ conversion	Gross leasable area sq.m.							Total area	Rental revenue	Rental value	Vacancy, %
					Retail	Industr./ ware- house	Offices	School	Care	Retire- ment homes	Other				
Market Area East															
Industrial/warehouse properties															
Mälaren 7	Mjölby	Skänninge	Borgmästaregatan	2009		15,000						15,000	7,500	7,500	-
Market Area Foreign															
Retirement homes															
Wetter	Nordrhein- Westfalen	Wetter	Steinstr. 3	2008						4,004		4,004	5,628	5,628	-

DIVESTED PROPERTIES

Name	Municipality	Location	Address	Year of construction/ conversion	Gross leasable area sq.m.							Total area		
					Retail	Industr./ ware- house	Offices	School	Care	Retire- ment homes	Other			
Market Area North														
Retail properties														
Singeln 12	Umeå	Umeå	Formvägen 8 D	1992	1,425									1,425
Market Area South														
Retail properties														
Nordanvinden 3	Lund	Lund	Nordanväg 5-9	1966	1,665		1,374							3,039
Industrial/warehouse properties														
Kvartsen 6	Lund	Lund	Skiffervägen 25	1988		4,650								4,650
Office properties														
Fältsippan 8	Malmö	Malmö	Rimfrostgatan 1	1986/2000		3,625								3,625
Brudbuketten 11	Malmö	Malmö	Russgatan 8	1988			1,344							1,344
Market Area East														
Retirement homes														
Tuna 3:30, 3:182	Österåker	Åkersberga	Österskärsvägen 3	1994								1,394	5,028	6,422

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