

Press Release
25 April 2007

Strong earnings capacity, forecast retained

- Profit before tax was SEK 266 (435) m in the first quarter of 2007 and net profit was SEK 176 (365) m, equivalent to SEK 1.30 (2.70) per share.
- Net sales reduced by 2% to SEK 620 (630) m.
- In the interim period, nine properties were divested for SEK 1,053 m generating a deficit of SEK –34 m and profit-related cash flow of SEK –125 m; 16 properties were acquired for SEK 925 m. 156,000 sq.m. of modular properties were also acquired, valued at SEK 1,037 m, through the acquisition of Nordic Modular Group for SEK 918 m.
- The holding amounts to 598 properties (591) with a book value of SEK 24,333 (23,106) m.
- Profit for calculating dividends for the period was SEK 9 m. Kungsleden is reiterating its forecast profit for calculating dividends of SEK 1,200 m for the financial year 2007.

Commenting, Kungsleden's Chief Executive Thomas Erséus said: "We're experiencing a sustained healthy market for premises and properties, and in this market, the returns on our property portfolio increased from 6.5 per cent to 6.7 per cent in the quarter. The divestment of low-yielding properties, mainly in Belgium, contributed to the gains. Although the divestments reduced our trading net for the period, it was the right strategic decision to divest them now. The strong market and increased property yields enhance our prospects of continuing to post good profits."

"The first quarter featured our exciting new initiatives in modular properties and in Germany," continued Mr. Erséus, "early in the year, we acquired Nordic Modular Group, which alongside last year's acquisition of Flexihus Rent, has a strong, flexible offering in modular properties. We also kept building on our German retirement homes initiative, with a retirement home operation south of Berlin."

For more information, please contact:

Thomas Erséus, Kungsleden's Chief Executive, tel +46 (0)8 503 05204, mobile +46 (0)70 378 2024
Johan Risberg, Deputy Chief Executive, tel +46 (0)8 503 05206, mobile +46 (0)70 690 6565

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

Kungsleden's strategy is to ensure sustainable high and stable returns proceeding from its existing holding, and through acquisitions and divestments. As of 31 March 2007, the property portfolio comprised 598 properties with a book value of SEK 24.3 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.