

Press Release**22 October 2009****Interim Report**

Convincing profits from property management

- As a result of the transaction with AP3, net sales reduced by 11 per cent to SEK 2,015 (2,276) m and gross profit decreased by 6 per cent to SEK 1,398 (1,483) m.
- Profit before tax was SEK 309 (277) m. The profit after tax for the interim period was SEK 339 (350) m, equivalent to SEK 2.50 (2.60) per share.
- As of 30 September 2009, the property portfolio comprised 580 (603) properties with a book value of SEK 21,056 (28,576) m.
- In the interim period, 3 (46) properties were acquired for SEK 169 (3,057) m; 20 (15) properties and half the ownership of 242 properties was also divested for a total of SEK 7,538 (867) m, generating a loss of SEK –126 (50) m. These divestments affected profit for calculating dividends by SEK 878 (110) m.
- Profit for calculating dividends for the interim period was SEK 1,016 (535) m, equivalent to SEK 7.40 (3.90) per share.
- The forecast (unchanged) for the full year 2009 profit for calculating dividends is SEK 975 m, or SEK 7.10 per share.

Third quarter (July – September)

- As a result of the transaction with AP3, net sales reduced by 25 per cent to SEK 576 (765) m.
- Profit before tax was SEK 145 (–9) m. Profit after tax for the period was SEK 103 (78) m, equivalent to SEK 0.80 (0.60) per share.

“In the third quarter, Kungsleden achieved its best underlying operating net ever. In the period, we continued to work actively on customer relations, lettings and enhancing the holding, contributing to increased revenue in like-for-like terms. Meanwhile, we have continued to reduce administration and sales costs by 17 per cent to SEK 210 m year on year.

Vacancies measured as earnings capacity decreased quarter on quarter. Property yield in the income statement was 8.2 (7.3) per cent for the third quarter, and increased to 7.3 (7.1) per cent for the nine-month period. Underlying earnings were strong in all operations, including modular buildings and in Germany. Insolvencies remain low, while the lettings market has been relatively healthy.

The difficult conditions on the credit market persist. Although we have seen several positive signs from the financial system, they have not yet really transformed into better prospects for doing deals. In the third quarter, we made only a number of smaller divestments. After the end of the period, Kungsleden acquired five commercial properties with high and stable returns for SEK 525 m from NLP of Norway. The property company we own jointly with AP3 (the Swedish Third Pension Insurance Fund) also divested one public property for SEK 70 m.

The Board of Directors of the joint venture for public properties was appointed after the end of the quarter, and I'm pleased that we succeeded in attracting an experienced and skilled Board chaired by the former CEO of Vasakronan, Håkan Bryngelson.

Kungsleden is continuing to evaluate opportunities to further enhance its property portfolio. For the rest of the year, we see some scope to divest properties. We regard these deal opportunities as attractive, even if they may be done below acquisition cost, with the aim of optimising Kungsleden's overall portfolio composition. We may also make further expenditure to modify our loan portfolio since our need for financial instruments has reduced. Against the above background, the Board of Directors' estimate of profit for calculating dividends is SEK 975 m, which is unchanged from the previous estimate."

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Kungsleden 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 22 October 2009 at 01:00 p.m.

This press release is available in Swedish at 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 30 September 2009, the property portfolio comprised 580 properties with a book value of SEK 21.1 bn. The holding was located in a total of 130 municipalities, although concentrated on the Swedish provinces of Götaland and Svealand, and the Öresund region. Kungsleden has been listed on Nasdaq OMX Stockholm since 1999.