

Press Release**6 July 2009**

Supreme Administrative Court tax rulings alter Kungsleden's profit estimate

Against the background of the press releases of 2 and 3 June 2009 stating how Kungsleden could be affected by the Swedish Supreme Administrative Court's tax rulings of 29 May 2009, the following information is provided.

To avoid misunderstanding, it is important to emphasise that Kungsleden is not a party in the cases resolved in the aforementioned rulings. However, after the tax rulings were announced, Kungsleden conducted an analysis of those transactions the company was involved in, and that resemble those that have been subject to trial in the aforementioned rulings. These transactions are small in number and were completed in the years 2004-2006.

Kungsleden applies International Financial Reporting Standards (IFRS) in its external financial reporting, with standard 'IAS 12 Income Taxes' formalising the reporting of income taxes. Current tax is the company's judgment of those payments the company should make to settle its tax liability. The transactions that Kungsleden judges may be affected by the Supreme Administrative Court's rulings have been analysed on an individual basis and separately from ongoing tax computations. Kungsleden's best judgment is that current tax for 2009 may be charged with an amount of SEK 325 m due to the rulings. This amount will be reported as a tax cost in the Interim Report for January-June 2009, which will be published on 19 August 2009.

In addition to the above analysis, Kungsleden has received a decision from the Swedish Tax Agency regarding transactions conducted in a similar way to the one dealt with by what is termed the 'Cyprus ruling', which the Supreme Administrative Court remitted to the Council for Advance Tax Rulings for reassessment. The Tax Agency's decision based on the 'Cyprus ruling' implies additional tax claims on Kungsleden of approximately SEK 200 m including tax surcharges. However, Kungsleden will not be provisioning for these tax claims in its interim financial statements, because it considers that the Tax Agency's demand is erroneous.

The regulations are complex, and court interpretations of applicable sections of law have changed significantly over the years. Kungsleden's judgment is that we have fully observed the laws and established practice in place at the time of these transactions, in the form of a number of advance rulings and rulings by the Administrative Court of Appeal, the Council for Advance Tax Rulings and the Supreme Administrative Court. And this view is shared by external experts.

Kungsleden's computations will be reviewed at the end of each reporting period and adjusted so they reflect the company's best estimate. Actual outcomes may be higher and lower than the current judgment.

The overall effect of the above circumstances mean that the Board of Directors' estimate of Kungsleden's profit for calculating dividends for the full year 2009 will be reduced by SEK 325 m, to amount to SEK 975 m.

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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 6 July 2009 at 10:30 a.m.

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 2009, the property portfolio comprised 596 properties with a book value of SEK 28.6 bn. The holding was located in a total of 132 municipalities, although concentrated on the Swedish provinces of Götaland and Svealand, and the Öresund region. Kungsleden has been quoted on the OMX Nordic Exchange Stockholm since 1999.