

# KUNGSLEDEN

**Press Release  
9 January 2007**

## **Kungsleden extends its offering — acquires Nordic Modular Group**

Swedish listed property company Kungsleden AB (publ) is acquiring Nordic Modular Group (NMG) from private equity firm 3i for a purchase price of SEK 918 m. NMG lets over SEK 150,000 sq.m. of temporary premises in modular buildings, in nearly 4,500 modules. NMG has over 220 employees, with estimated sales of SEK 560 m in 2006.

The majority of NMG's customers are in the public sector and its vacancies are very low. Its rental contract terms are 1-5 years. The estimated operating net of the letting business is some SEK 68 m, equating to a property yield of some 7.4%.

“This acquisition means us extending our offering further, particularly towards the public sector,” commented Kungsleden's Chief Executive, Thomas Erséus, “we see substantial opportunities to enhance this offering using our sales channels and existing organizational resources, while simultaneously being able to create synergies with modular letting within Flexihus Rent, which was acquired last year.”

Kungsleden anticipates the demand for cost-efficient, flexible accommodation for schools, daycare centres and offices continuing to increase as more customers start to realize the cost benefits of renting modular buildings instead of buying or building.

“We are noting an increased need in the public sector to satisfy short-term demand for premises quickly to bridge demographic peaks and obtain more accommodation in specific and often limited spaces,” continued Mr. Erséus.

NMG has a highly skilled management that has successfully built its business into one of Scandinavia's largest lessors of temporary accommodation. The change of ownership is not expected to result in any staff changes. Kungsleden is scheduled to take possession of NMG on 17 January 2007.

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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 September 2006, the property portfolio comprised 652 properties with a book value of SEK 24.3 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 Stockholm Exchange O-list since 14 April 1999.*

## **About Nordic modular**

Nordic Modular is the market leader in the production and letting of modular buildings, through its Temporent and Flexator business areas. Temporent started in 1995 and is now one of the biggest lessors of temporary accommodation in Scandinavia. Temporent has customers in Sweden, Norway and Denmark, with its modules used as office, schools, daycare centres and other accommodation. More information at: [www.temporent.se](http://www.temporent.se)

Flexator has been a Swedish market leader in the production of prefabricated premises such as offices, schools and hotels for 50 years. It has customers in the private and public sectors. Its head office is in Anneberg, in the southern Swedish province of Småland, with a sales office in Stockholm. Its production is at Anneberg and Gråbo. More information at [www.flexator.se](http://www.flexator.se)