

Press Release**17 December 2010**

Kungsleden makes SEK 177 m property acquisition

Listed Swedish property company Kungsleden AB (publ) is acquiring two commercial properties for a total purchase price of SEK 177 m at a property yield of 7.4%.

These are retail properties with gross leasable area of approximately 12,000 sq.m. Total rental value is around SEK 16 m.

The first property is in Tumba, south west of Stockholm. It has a leasable area of about 7,000 sq.m. The largest tenant is nationwide discount food retailer Willys, which is leasing 55% of the area on a contract extending until 2020. Other tenants include McDonald's, HiSport and Kom&Lek. These tenants also have new ten-year agreements. A project of around SEK 50 m has been initiated to adapt the premises to tenant needs. Conversion will be conducted and funded by the vendor before completion.

The second property, of some 5000 sq.m., is in an attractive trading estate on the main route into the southern Swedish city of Kristianstad. Willys is the largest tenant, and has signed a ten-year agreement on 87% of the area. Skopunkten is in a current three-year agreement on the remaining 13%.

The vendor is Danish company, NewCap Holding A/S, and completion is scheduled for 1 September 2011 for the property in Kristianstad and 1 November 2011 for Tumba.

“These properties are a good fit in Kungsleden’s portfolio with their high and stable returns. They are in very good locations for retailing and, upon completion, will be in the optimum condition,” commented Kungsleden’s Chief Executive Thomas Erséus.

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Kungsleden AB (publ) 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 17 December 2010 at 2:30 p.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 30 September 2010, the property portfolio comprised 559 properties with a book value of SEK 21.8 bn. The holding was located in approximately 130 municipalities, although concentrated on the Swedish provinces of Gotaland and Svealand, and the Oresund region. Kungsleden has been quoted on the Nasdaq OMX Stockholm since 1999.