

**Press Release****12 April 2012**

## **Kungsleden — update on tax rulings and downgraded estimate**

In April 2012, listed Swedish property company Kungsleden received rulings from the Administrative Court of Appeal in Stockholm regarding the fiscal year 2005. These rulings relate to two companies in the Kungsleden group, which claimed tax relief for losses on the liquidation of partnerships. These losses on liquidation arose as a part of internal restructuring, and against this background, the Administrative Court of Appeal shared the Administrative Court's view that the losses were not actual from a group perspective. The Administrative Court of Appeal's rulings imply a negative liquidity effect of SEK 80 m, which will affect profit for calculating dividends for the first quarter. The tax cost for the year will increase by SEK 260 m, which as an effect of the rulings, will also be charged to the first quarter. These amounts include interest and potential tax surcharges. Kungsleden intends to appeal against these rulings at the Supreme Administrative Court.

If the outcome of all remaining tax proceedings is negative, the company judges that consolidated equity would decrease by approximately SEK 1,400 m, against the previously reported SEK 1,660 m.

In terms of management, the year started positively, the company has also succeeded in doing good transactions.

The overall effect of the circumstances reviewed above is that the Board of Directors' estimate of Kungsleden's profit for calculating dividends for the full year 2012 will reduce by SEK 50 m to SEK 550 m from the previously reported SEK 600 m.

"The outcome of both these rulings is unexpected and it's very surprising that the Administrative Court of Appeal has chosen not to provide any explanation. The fact that it takes so long to obtain a ruling is also a problem; the transactions in question were conducted back in the financial year 2004. In the past year, different administrative courts of appeal have issued several rulings that Kungsleden is not party to, but which are on the same legal issue, and the outcomes have differed. Accordingly, we intend to have this matter considered at the highest level," commented Thomas Erséus, Kungsleden's Chief Executive.

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*Detta pressmeddelande finns tillgängligt på svenska på [www.kungsleden.se/press](http://www.kungsleden.se/press)*

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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 12 April 2012 at 9:30 a.m.

Kungsleden's strategy is to ensure sustainable high and stable returns proceeding from its existing holding, and through purchases and sales. As of 31 December 2011, the property portfolio comprised 636 properties with a book value of SEK 26.1 bn. The holding was located in a total of 143 municipalities, mainly in southern and central Sweden. Kungsleden has been quoted on OMX Nordic Exchange since 1999.