

A faint, light gray silhouette of a large, historic building with a prominent tower and spire, likely Kungshuset in Stockholm, serves as the background for the slide.

KUNGSLEDEN

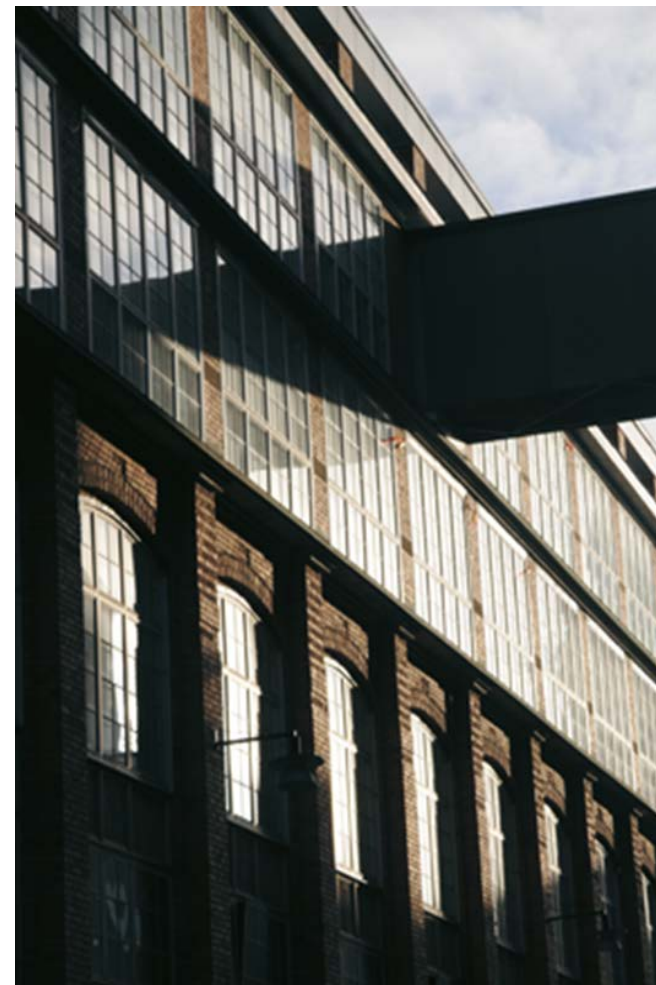
Welcome to Kungsleden Q3 2013

25 October, 2013

Biljana Pehrsson, CEO
Anders Kvist, Deputy CEO and CFO

Agenda

1. Q3 2013 – results
2. Kungsleden's new strategy and targets
3. Portfolio overview
 - Four growth regions
 - Nordic Modular
4. Financial position and key ratios
5. Property portfolio acquisition from GE Capital
6. Market snapshot and outlook Kungsleden

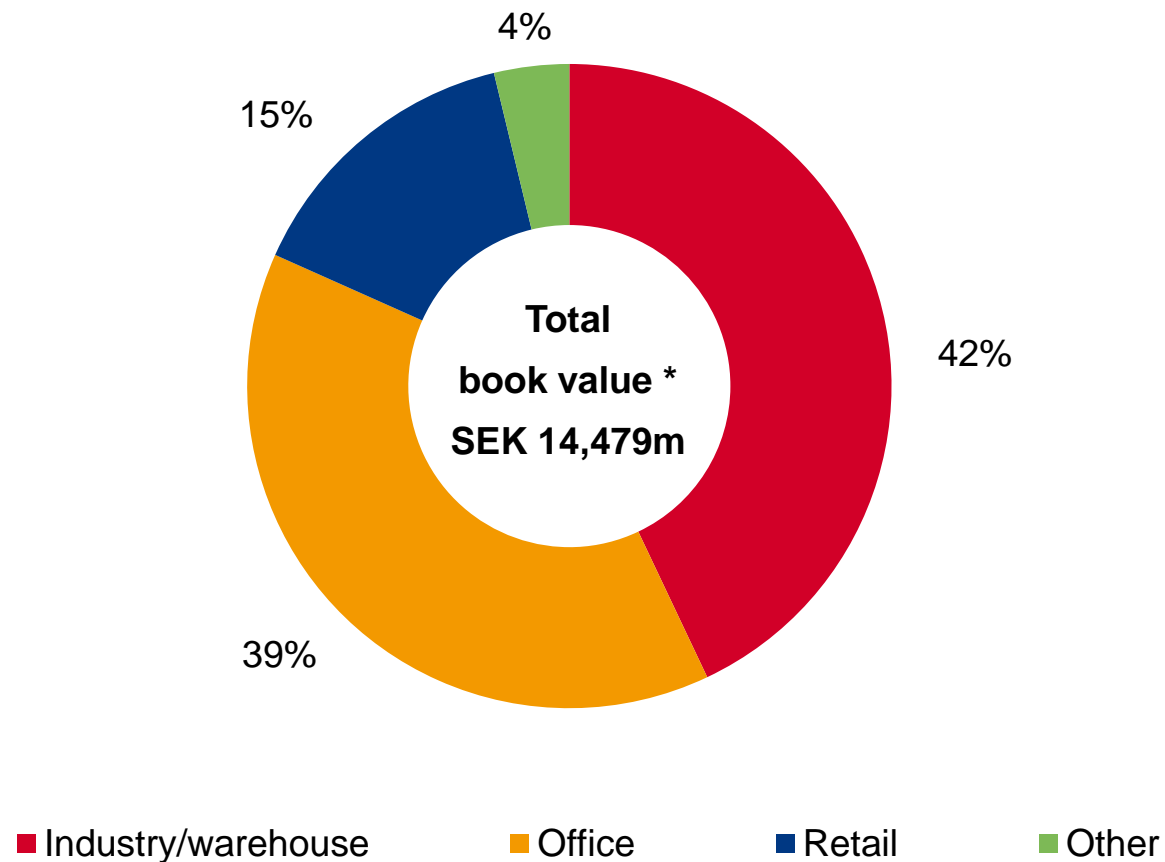


Q3 2013 in brief

- Net sales increased by 10% to SEK 550m (449)
- Gross profit increased by 10% to SEK 353m (322)
- Sales and administration costs came in at SEK 27m (38)
- Net financial position was improved to SEK -147m (-156)
- Profit from property management rose by 39% to SEK 179m (128)
- Value adjustment financial instruments: SEK +57m (-167)
- Profit before tax was SEK 231m (-29)
- Net profit was SEK 214m (-13)

Property portfolio

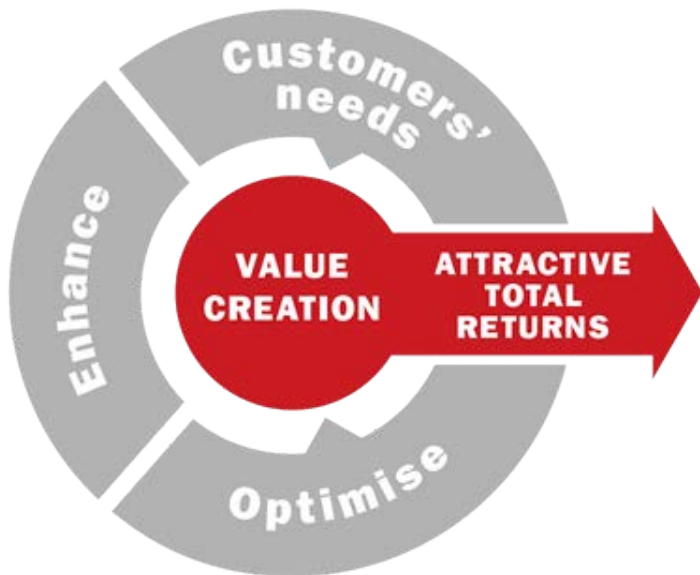
30 September, 2013



* Excluding Modular buildings

Strategy

- ***Kungsleden will create value by satisfying customer needs for premises, managing and improving properties, and optimising the company's property portfolio***



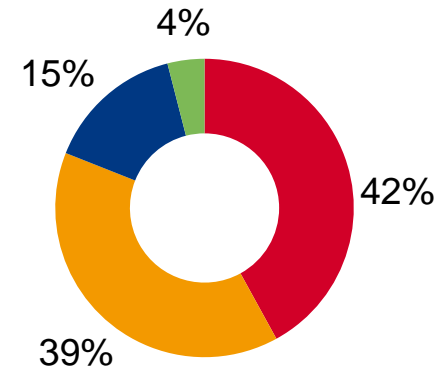
- **Customer-centric property rental**
 - Flexibility and local presence with a decentralised organisation
- **Development**
 - Current property portfolio and new projects
- **Optimisation**
 - Well-defined process for entry and exit of holdings

Strategy

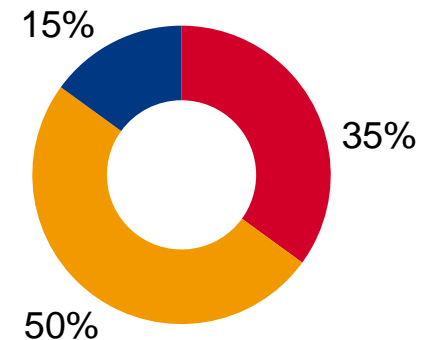
- Four growth regions
 - Stockholm
 - The Mälaren Valley and northern Sweden
 - Gothenburg
 - Malmö

- In three segments with target interval
 - Office 40–50%
 - Industry and warehouse 35–40%
 - Retail 15–20%

Breakdown by segment, today



Breakdown by segment, long-term objective



■ Industry/warehouse ■ Office ■ Retail ■ Other

Objectives

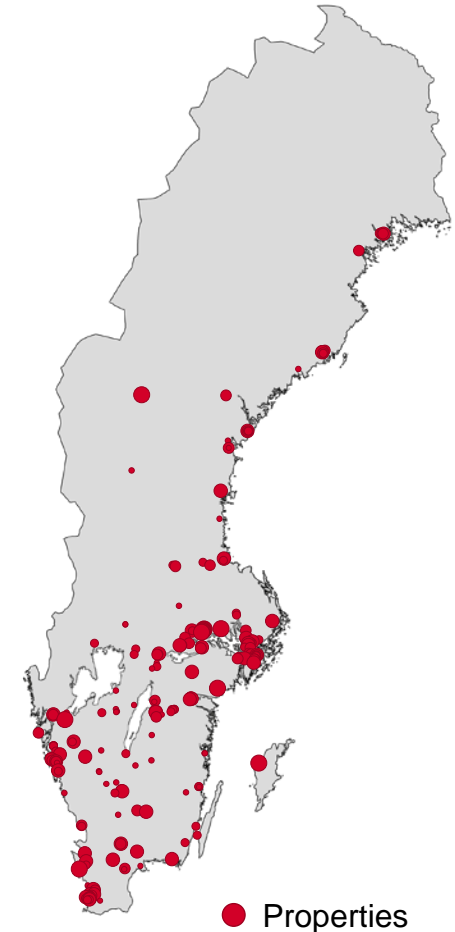
- Focus on property operating net growth
- Development potential in existing property portfolio
 - Unutilized construction rights
 - Unexploited land bank
 - Extension and rebuilding of existing property
- Profit from property management as financial target and senior management incentive

Financial targets

- To generate long term cashflow growth
- A sound balance sheet
 - Equity ratio above 30%
 - Loan-to-value of between 60–65% on new credits
 - Liquidity reserve with liquid assets and credit facilities (in anticipation of tax proceedings)
- Reduce administrative costs by 10% until 2014
- ROE of 10–12%
- A mid-term target of distributing 50% of property rental profits to shareholders

Portfolio overview

- Kungsleden's position
 - Good locations in respective local markets
 - Well diversified customer bases
- Growth drivers
 - Solid underlying demand
 - Development potential in current portfolio as well as in projects
- Quality
 - Modern and suitable property
 - Rental income stability



Region: Stockholm

- 48 properties
 - 354,000 sq.m.
 - Rental value: SEK 335m
 - Operating net: SEK 235m
 - Economic occupancy: 94.4%
 - Book value properties: SEK 3,001m
 - Property yield: 7.8%
- New lettings
 - Oxelberget 1:2 in Norrköping
 - Area 4,000 sq.m.
 - Tenant, Norrköping Municipality
 - Rental value SEK 6.4m



Region: The Mälaren Valley and northern Sweden

- 88 properties
 - 947,000 sq.m.
 - Rental value: SEK 741m
 - Operating net: SEK 486m
 - Economic occupancy: 92.8%
 - Book value properties: SEK 5,681m
 - Property yield: 8.5%
- Acquisition of logistics property in Örebro, area: 6,300 sq.m.
- Slightly positive rents development



ABB's head office, Ottar 6

Region: Gothenburg

- 82 properties
 - 481,000 sq.m.
 - Rental value: SEK 298m
 - Operating net: SEK 209m
 - Economic occupancy: 90.8%
 - Book value properties: SEK 2,996m
 - Property yield: 7.0%
- New lettings
 - Osdal 1:2 in Borås
 - Area 1,093 sq.m.
 - Tenant, Kunskapsskolan
 - Rental value SEK 2.1m



Region: Malmö

- 61 properties
 - 443,000 sq.m.
 - Rental value: SEK 267m
 - Operating net: SEK 207m
 - Economic occupancy: 88.6%
 - Book value properties: SEK 2,801m
 - Property yield: 7.4%
- New lettings
 - Dockan 9 in Växjö
 - Area 2,062 sq.m.
 - Tenant, Swedish Social Insurance Agency
 - Rental value SEK 3.2m



Nordic Modular

- Nordic Modular
 - EBITDA (9 months): SEK 146m (143)

- Rental of modular building
 - 232,000 sq.m.
 - Rental revenues: SEK 261m
 - Operating net: SEK 167m
 - Economic occupancy: 79.7%
 - Book value modules: SEK 1,515m

- Module production and sales
 - Net sales (9 months): SEK 196m
 - Gross profit (9 months): SEK 18m

Income statement

1 January – 30 September, 2013

<i>SEKm</i>	2013 Jan–Sep	2012 Jan–Sep	Change
Rental revenues - properties	1,209	1,209	0%
Rental revenues - modular buildings	196	191	3%
Sales revenues, module manufacture	196	216	-9%
Net sales	1,601	1,616	-1%
Gross profit	947	935	1%
Sales and administration costs	-111	-131	-15%
Net financial position	-436	-449	-3%
Profit from property management	400	355	13%
Value changes investment properties	-19	49	
Unrealized value changes financial instruments	418	-51	
Profit before tax	799	353	126%
Tax	-140	-1,059	-87%
Net profit/loss from continuing operations	659	-706	
Discontinued operation - Hemsö holding	24	135	
Net profit for the period	683	-571	

Positive net letting
during Q3

Substantially lower
cost level

Primarily depending
on higher bond
yields

No tax provisions
in 2013

Income statement, by segment

1 January – 30 September, 2013

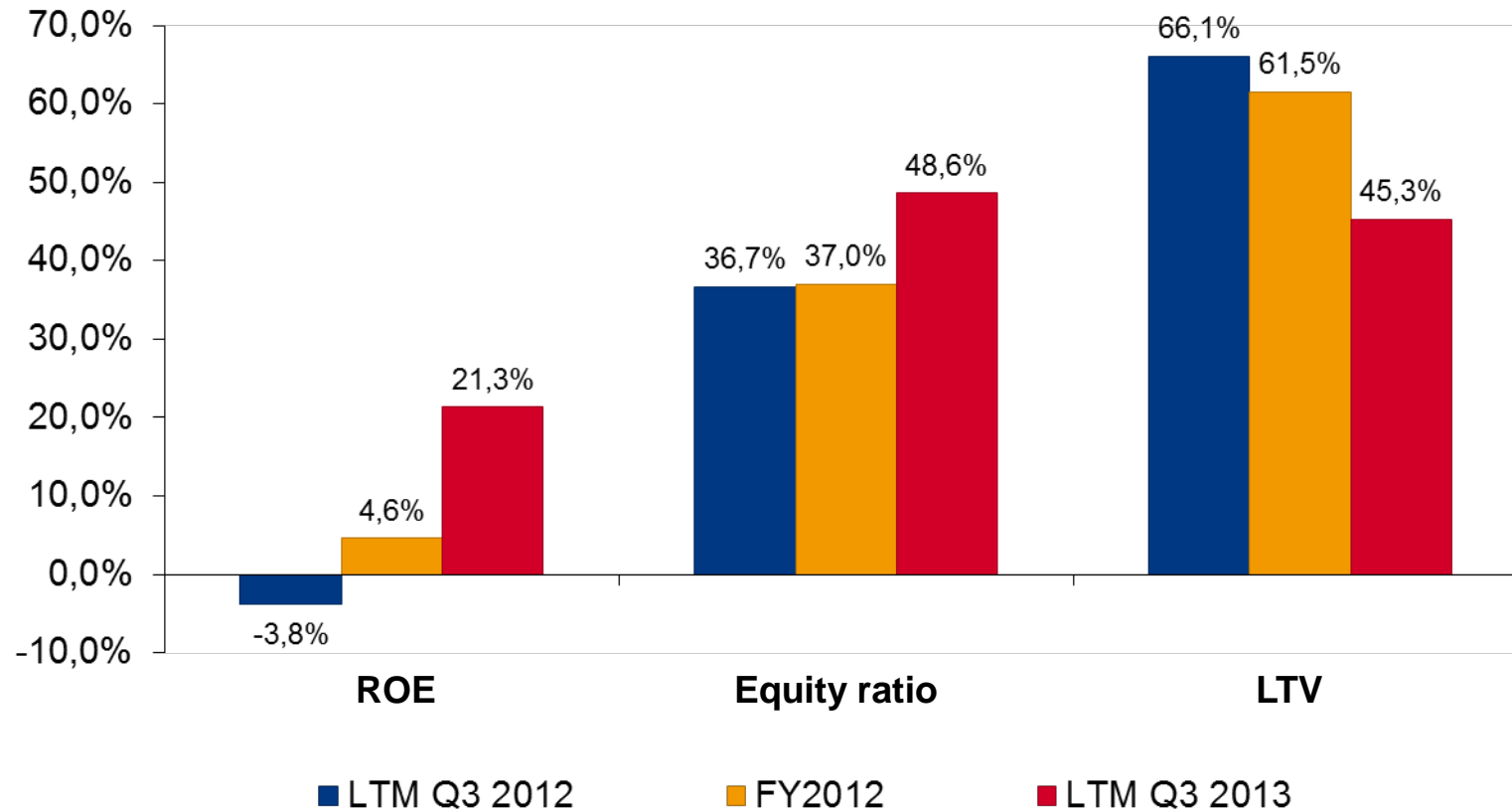
<i>SEKm</i>	Properties		Nordic Modular		Other/group-wide		Total Kungsleden	
	2013 Jan-Sep	2012 Jan-Sep	2013 Jan-Sep	2012 Jan-Sep	2013 Jan-Sep	2012 Jan-Sep	2013 Jan-Sep	2012 Jan-Sep
Rental revenues	1,209	1,209	196	191			1,405	1,400
Sales revenues, module manufacture			196	216			196	216
Net sales	1,209	1,209	392	407			1,601	1,616
Property costs	-394	-405	-82	-72			-476	-477
Costs for manufacturing modules			-178	-204			-178	-204
Gross profit	815	804	132	131			947	935
Sales and administration costs	-82	-103	-29	-28			-111	-131
Net financial position	-420	-427	-16	-22			-436	-449
Profit from property management	313	274	87	81			400	355
Value changes, properties								
Profit/loss from property sales	4	17	-	-			4	17
Unrealised value changes	-23	47	-	-15			-23	32
Unrealised value changes, financial instruments	418	-51	-	-			418	-51
Profit/loss before tax	712	287	87	66			799	353
Tax	-155	-59	-19	-15	34	-985	-140	-1,059
Profit/loss from continuing operations	557	228	68	51	34	-985	659	-706
Discontinued operations - Hemsö holding	-	-	-	-	24	135	24	135
Net profit/loss	557	228	68	51	58	-850	683	-571

Financial position

30 September, 2013

<i>SEKm</i>	30 Sep 2013	31 Dec 2012
ASSETS		
Investment properties – properties	14,479	14,247
Investment properties – modular buildings	1,515	1,509
Properties used in business operations	21	21
Other long-term assets	514	666
Receivable from AP3	-	3,363
Current receivables	195	373
Cash and bank balances	298	721
Total assets	17,022	20,900
EQUITY AND LIABILITIES		
Equity	8,273	7,726
Interest-bearing liabilities	7,255	9,704
Derivatives	707	1,125
Other non-interest-bearing liabilities	787	2,345
Total equity and liabilities	17,022	20,900

Key ratios



Key ratios

	Interim period		12 months		Full year
	2013 Jan–Sep	2012 Jan–Sep	2012/2013 Oct–Sep	2011/2012 Oct–Sep	2012 Jan–Dec
Financial					
Return on equity, %	11.4	-10.5	21.3	-3.8	4.6
Equity ratio, %			48.6	36.7	37.0
Loan-to-value, %			45.3	66.1	61.5
Interest coverage ratio, multiple	1.9	1.9	2.9	1.6	2.7
Share					
Equity per share, SEK			60.61	49.63	56.60
Net profit/loss per share, SEK	5.00	-4.18	11.76	-1.97	2.58

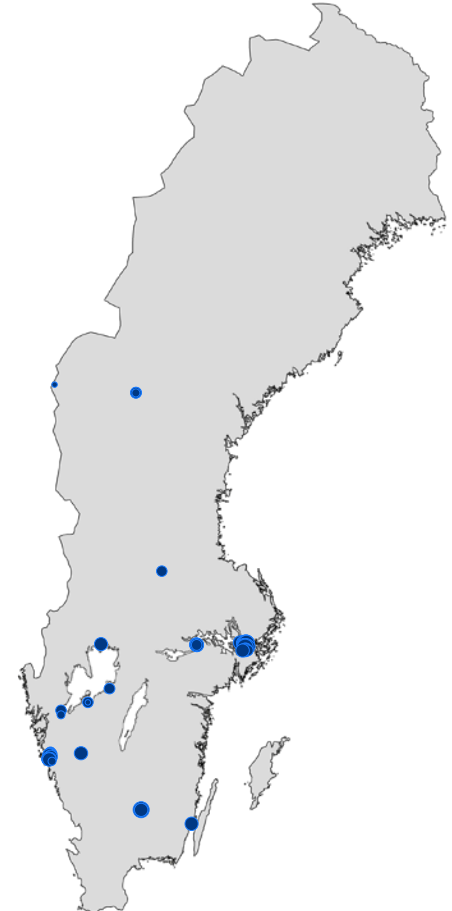
Interest costs

<i>Loans, derivatives and fees on the reporting date</i>	Annual cost, SEKm		Average interest rate ¹ , %	
	30 Sep 2013	31 Dec 2012	30 Sep 2013	31 Dec 2012
Interest on bank borrowings and bond issues (Stibor 3 months, interest margin and arrangement fees)	-285	-402	3.9	4.1
Difference between Stibor 3 months and fixed interest on interest rate derivatives	-262	-242	3.6	2.5
Commitment fee for additional liquidity reserve due to tax risks	-29	-	0.4	-
Commitment fee other liquidity reserve	-12	-11	0.2	0.1
Interest costs and average interest rate	-588	-655	8.1	6.8

¹ The average interest rate is calculated by setting interest costs on loans and interest swaps, arrangement fees and costs for un-utilized credit facilities in relation to outstanding loan volume on the reporting date.

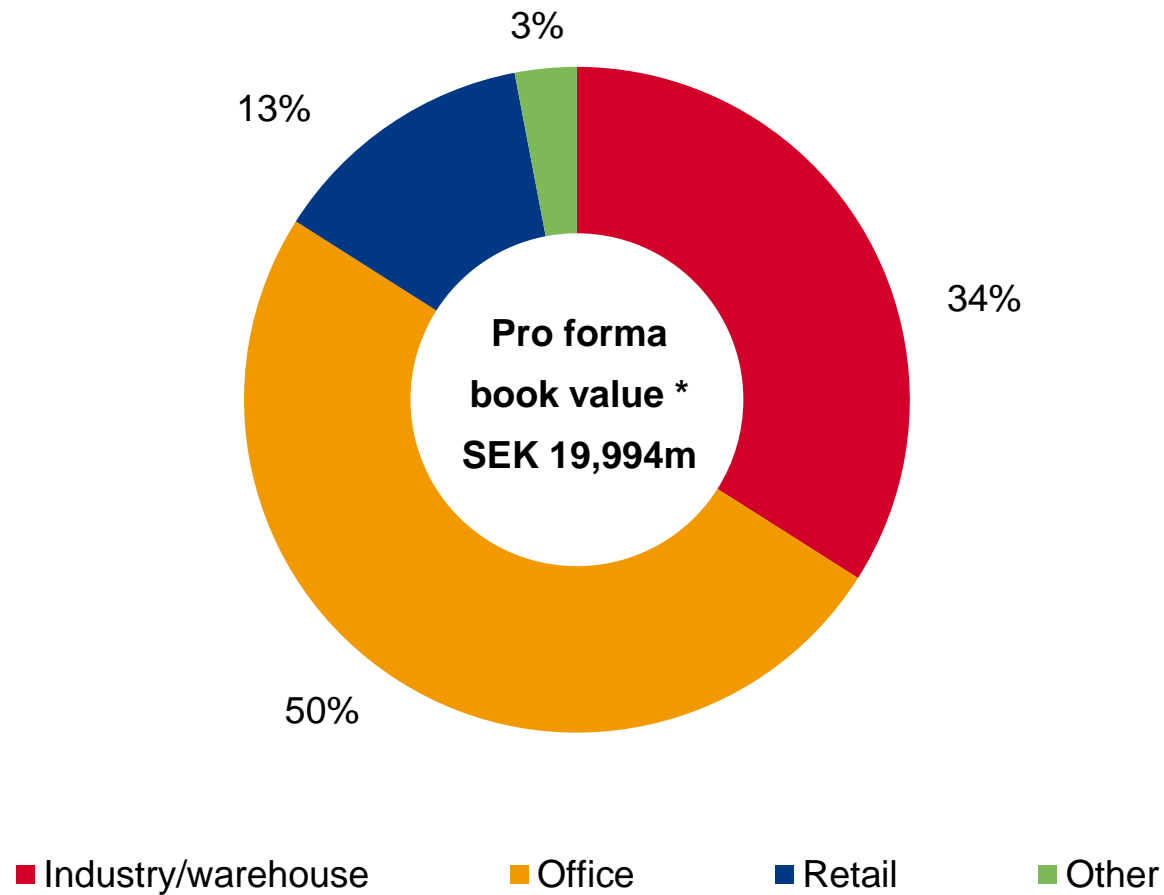
Acquisition of GE properties

- 84 properties, largely situated in Stockholm and Gothenburg
- Book value properties SEK ~5.5bn, 567 000 sq.m.
- Rental value approx. SEK 700m, Operating net approx. SEK 380m
- Complementary property portfolio
- No equity issuance required
 - Equity ratio 35% (pro forma)
 - LTV 60% (pro forma)
- Syndicated loan arrangement of SEK 3.6bn through SEB, Swedbank, Nordea och Handelsbanken
- Borrowing of SEK 1.9bn within current credit facility



Kungsleden including GE properties (pro forma)

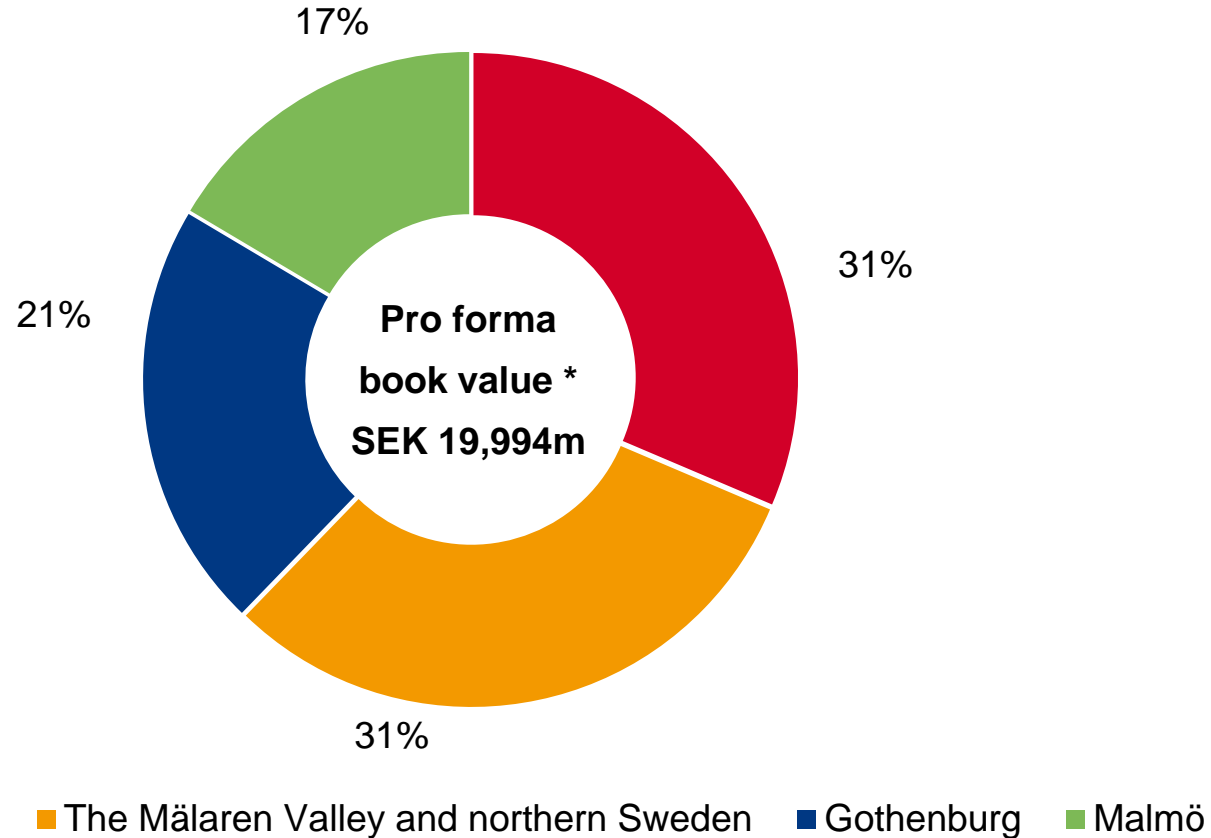
Breakdown by segment



* Excluding Modular buildings

Kungsleden including GE properties (pro forma)

Breakdown by geography



* Excluding Modular buildings

Maturity structure credits and interest swaps incl. GE

30 Sep 2013, pro forma after GE, SEKm	Utilised credits	Un-utilised credits	Total credits	Interest swaps, SEKm ¹	Average interest, swaps, %	Average fixed interest period, years
2013		260	260			
2014	1,483		1,483	800	3.9	
2015	5,527	1,870	7,397	1,400	4.2	
2016	3,087	75	3,162	500	3.9	
2017				500	4.1	
2018	2,673		2,673	3,650	4.2	
2019				800	3.5	
2020				800	3.7	
2021				400	3.8	
2022				500	3.8	
Total	12,770	2,205	14,975	9,350		3.5
Average conversion term	2.5		2.3			
Utilised credits	12,770					
Market valuation derivatives	706					
Total	13,476					

¹ Kungsleden's interest derivatives involve the company receiving variable interest and paying fixed interest on longer maturities.

Interest costs incl. the GE acquisition

<i>Loans, derivatives and fees on the reporting date</i>	Annual cost, SEKm		Average interest rate ¹ , %	
	30 Sep 2013 prof forma incl. GE	30 Sep 2013	30 Sep 2013 prof forma incl. GE	30 Sep 2013
Interest on bank borrowings and bond issues ² (Stibor 3 months, interest margin and arrangement fees)	-462	-285	3.6	3.9
Difference between Stibor 3 months and fixed interest on interest rate derivatives	-262	-262	2.0	3.6
Commitment fee for additional liquidity reserve due to tax risks	-19	-29	0.1	0.4
Commitment fee other liquidity reserve	-3	-12	0.0	0.2
Interest costs and average interest rate	-746	-588	5.8	8.1

1) The average interest rate is calculated by setting interest costs on loans and interest swaps, arrangement fees and costs for un-utilized credit facilities in relation to outstanding loan volume on the reporting date.

2) Interest-bearing liabilities were SEK 7,255m (incl. GE 12,770m pro forma) as of 30 September

Property market

- Stable demand for commercial premises
 - Somewhat higher rents
 - Slightly lower vacancies
- Total transaction volume was approximately SEK 21bn (+50%) in Q3
- Favorable financing environment

Outlook Kungsleden

- Region and segmental mix within strategic target interval including GE properties
- GE acquisition integration
- Good visibility and long term potential in current property portfolio
 - Enhance
 - Rents progression
- Continued cost control