


# | Welcome to Kungsleden





Chief Executive, Thomas Erséus  
Deputy Chief Executive, Johan Risberg  
26 April 2010

# Kungsleden in brief

- Kungsleden owns and manages properties generating high and stable returns
  - Returns more important than property type and location
  - A property's yield cannot be judged without considering risk levels
- 556 properties reported at SEK 21.2 bn as of 31 March (21.9)
  - Commercial properties 45 (46)%
  - Public properties 40 (39)%
  - Modular buildings 7 (7)%
  - Retirement homes Germany 8 (8)%
- Approx. 25,000 shareholders, 45% private individuals and one-third foreign
  - Ten largest shareholders control 17.9% of equity and votes

# Profit for calculating dividends

SEK m	2010 Jan-Mar	2009 Jan-Mar
Gross profit	355	501
Sales and administration costs	-66	-80
Net financial position	-176	-249
<b>Sub-total</b>	<b>113</b>	<b>172</b>
<i>Realised items</i>		
Trading net at divestment	3	11
Realised value changes, properties	25	50
<b>Sub-total</b>	<b>28</b>	<b>61</b>
Tax payable	-15	-10
<b>Profit for calculating dividends</b>	<b>126</b>	<b>223</b>



# First quarter in brief

- Profit in line with expectations and forecast
- Stable rental revenues with slightly increased vacancies
- Increased costs mainly for heating and property care
- Divestments of 30 properties for SEK 602 m and a property yield of 6.5%. The majority were sold to Corem Property Group
- Swedish Tax Agency initiates additional proceedings regarding property divestments completed
- Kungsleden's judgment is that these proceedings have a total liquidity effect not exceeding SEK 300 m
- Kungsleden still judges that it has complied with applicable laws and regulations
- Kungsleden recognised as one of Sweden's best workplaces





## Significant events second quarter

- Property acquisitions of three commercial properties in Norrköping, Linköping and Jönköping for a total purchase of SEK 74 m.
- Property acquisitions of two public properties in Lund for a total purchase price of SEK 263 m.
- Five-year bond loan issued on the Norwegian market

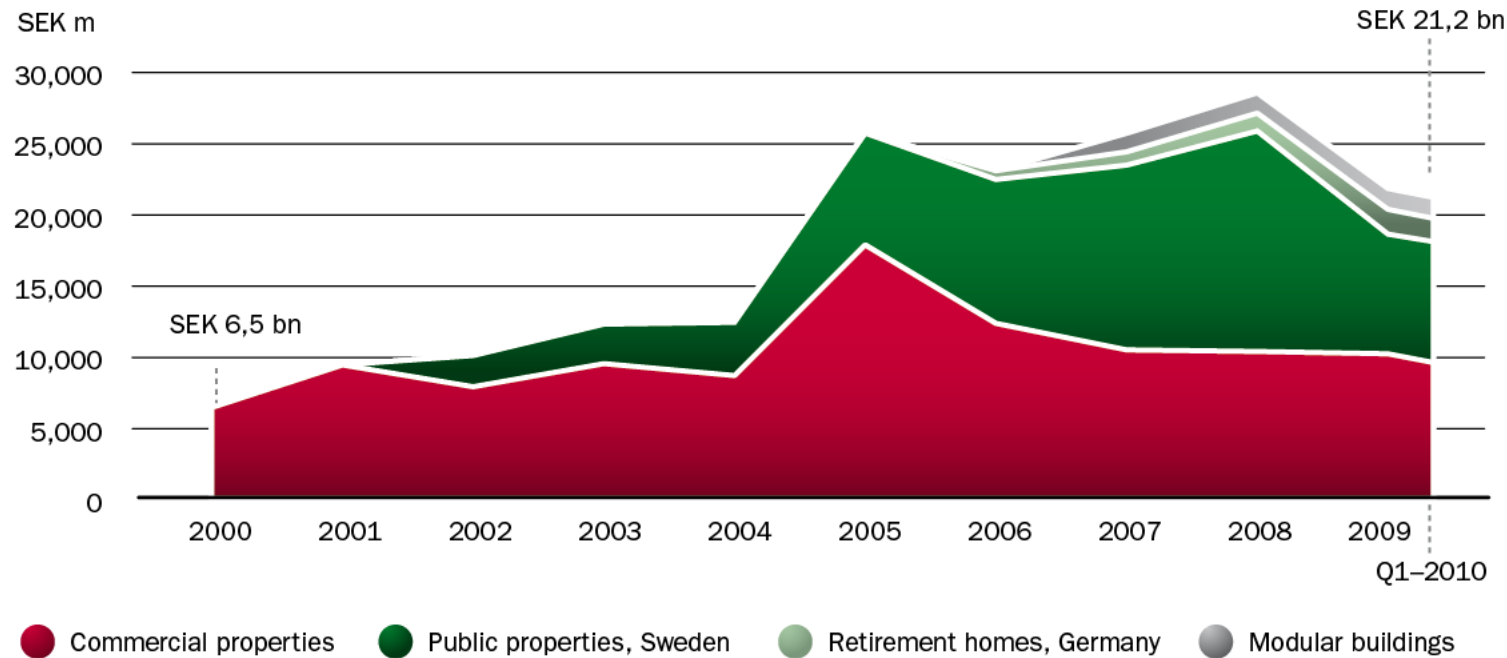
# Current market conditions

- Kungsleden's lettings market
  - Lettings remain stable
  - Some increase in vacancies from low levels
- Financial market
  - Easier to arrange short-term credits
  - Long-term funding remains more difficult
- Transaction market
  - Clearly increased activity
  - Signs of some increased interest from foreign property players



# Property portfolio

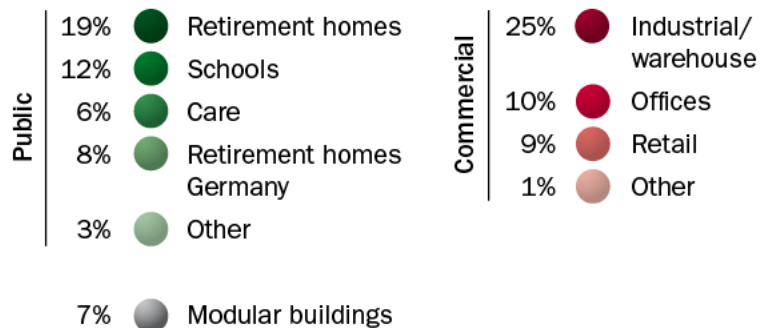
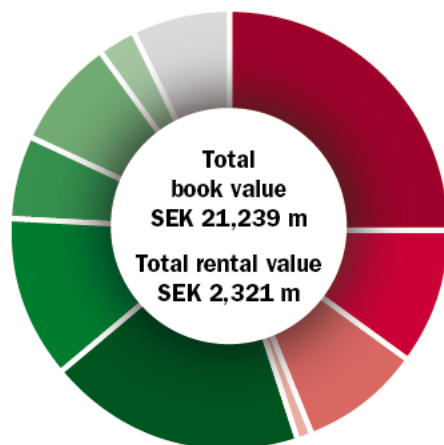
## Property portfolio 2000 – Q1-2010



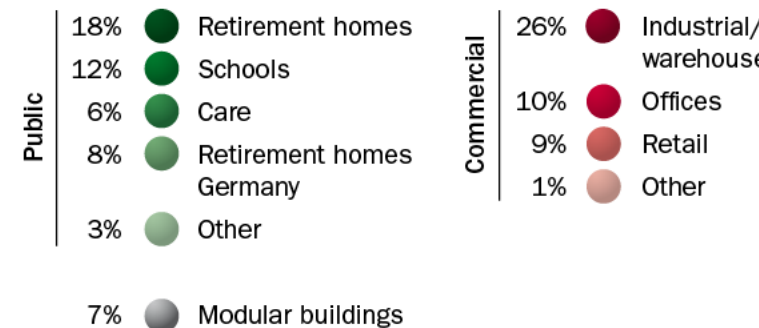
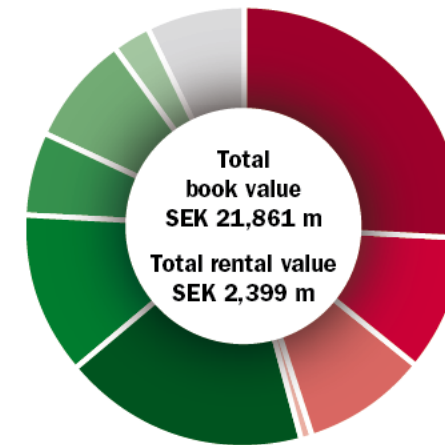


# Our properties—by type

**Property portfolio by type as of 31 March 2010**



**Property portfolio by type as of 31 December 2009**



# | Kungsleden Q1 2010 in figures

# Income Statement

SEK m	2010 Jan-Mar	2009 Jan-Mar
Rental revenues	537	702
Sales revenues, modular buildings	34	69
Net sales	571	771
Gross profit	355	501
Trading net	3	11
Sales and administration costs	-66	-80
Net financial position	-176	-249
Unrealised value changes	-80	-262
<b>Profit before tax</b>	<b>36</b>	<b>-79</b>
Tax	22	12
<b>Profit after tax for the period</b>	<b>58</b>	<b>-67</b>

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- Rental revenues in line with previous year in like-for-like terms. Reduction due to Hemsö transaction.

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- Reduced demand due to the recession.



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- Reduced to due to Hemsö transaction, higher costs for a severe winter and indexation.

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- Including realised value changes of SEK 25 m.

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- Reduction partly due to 50% of Hemsö's costs now being charged to AP3.

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- Due mainly to a lower loan volume in 2010 than last year.

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- Positive net of new value appraisals of properties and investments conducted.
- Falling long yields negatively affected the valuation of financial instruments.



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- Positive effect because reported reserve for deferred tax was greater than the deduction at the sale.

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- Lower negative unrealised value changes on properties and financial instruments.

# Statement of Financial Position

SEK m	2010	2009
Assets	31 Mar	31 Dec
Goodwill	193	193
Properties	21,239	21,860
Receivables, etc.	1,318	1,466
Cash and cash equivalents	1,267	689
<b>Total assets</b>	<b>24,016</b>	<b>24,208</b>
<b>Equity and liabilities</b>		
Equity	7,102	7,079
Interest-bearing liabilities	14,040	14,437
Non interest-bearing liabilities	2,874	2,692
<b>Total liabilities and equity</b>	<b>24,016</b>	<b>24,208</b>

# Interest fixings

As of 31 March 2010

Interest maturity	Loan, SEK m	Interest derivatives, SEK m	Proportion, %	Ave. interest, %
2010	14,023	8,250	53.7	5.7
2011		–	–	–
2012		400	2.9	4.4
2013		1,100	7.8	4.5
2014		1,500	10.7	4.2
2015		1,800	12.8	4.3
2016		400	2.9	4.4
2017		300	2.1	4.5
2018		1,000	7.1	4.5
<b>Total</b>	<b>14,023</b>	<b>14,750</b>	<b>100.0</b>	<b>5.1</b>
Market value of loans and derivatives	1,245			
<b>Total</b>	<b>15,268</b>			

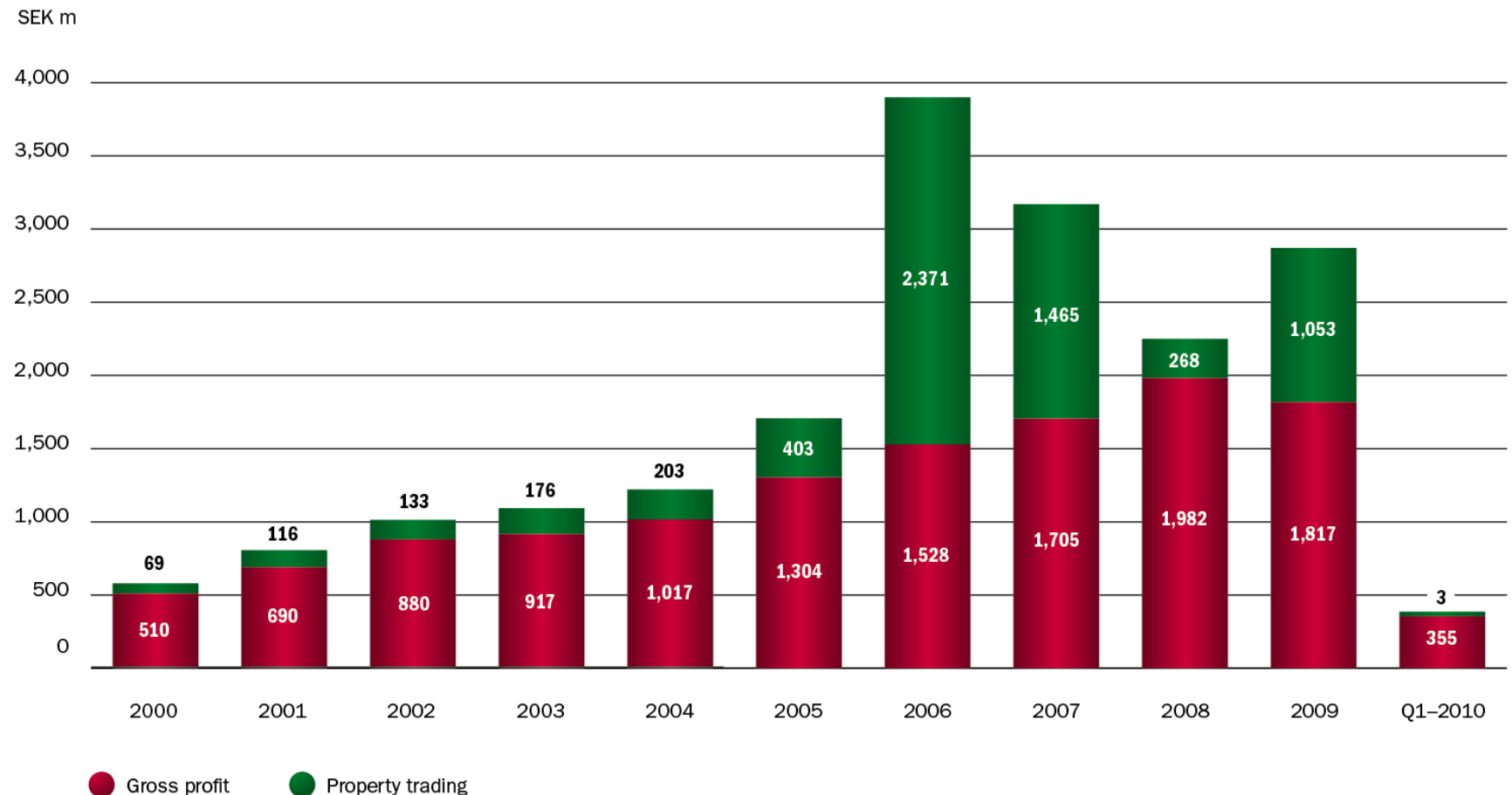
# Funding

As of 31 March 2010

Year	Credits, SEK m	Proportion, %	Average conversion term, years
2010	1,504	8.7	
2011	1,394	8.1	
2012	11,912	69.1	
2013	1,751	10.2	
2014–2017	–	–	
2018	672	3.9	
<b>Total credits</b>	<b>17,233</b>	<b>100</b>	<b>2.4</b>
Un-utilised credit facilities	-3,210		
<b>Total utilised credit facilities</b>	<b>14,023</b>		<b>2.5</b>
	<b>31 Mar 10</b>	<b>31 Mar 09</b>	<b>31 Dec 09</b>
Equity ratio	30%	23%	29%
Mortgage ratio	66	71	66



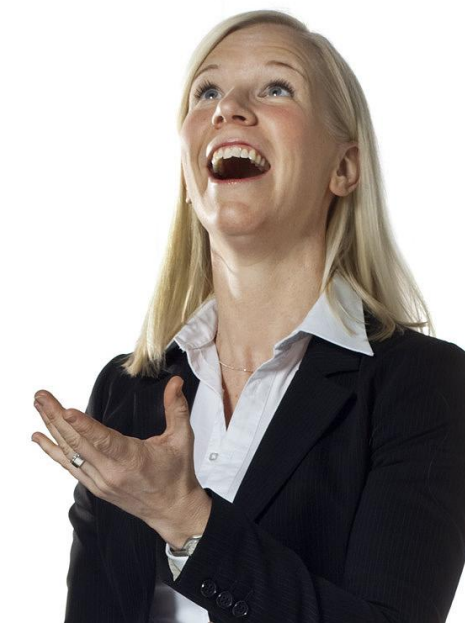
# Underlying profits, 2000 - Q1 2010



# 10 largest shareholders (% of votes & equity)

■ Florén Olle and companies	2.2
■ Länsförsäkringar fonder	2.2
■ SEB fonder	2.1
■ Danske Invest fonder (Sweden)	2.0
■ Norwegian Government	1.9
■ SHB fonder	1.9
■ Nordea fonder	1.6
■ AP4	1.5
■ AP2	1.3
■ Swedbank Robur fonder	1.2
	<hr/>
	17.9

Source: SIS Ägarservice



# Outlook for 2010

- Continued focus on cash flow, enhancing the portfolio and long agreements
- Prepare Hemsö as stand-alone company
- Continue to look for good deal opportunities in divestments and acquisitions
- Safeguard financial room to act
- More acceleration of environmental work, focusing on energy consumption



| Any questions?

