

Press Release**5 June 2012**

Kungsleden—update on tax rulings

The Administrative Court in Stockholm has reported rulings on two cases to which Kungsleden is party. The Administrative Court has ruled that the Swedish Tax Evasion Act is applicable to transactions conducted in the tax years 2004 and 2006. In addition to the provisioning made in 2009, the company is provisioning an additional SEK 48 m as a consequence of these rulings. Accordingly, in addition to previously reported provisioning for tax proceedings, the company's total provisioning amounts to SEK 963 m, of which SEK 638 m will be charged to the second quarter. These amounts include interest and potential tax surcharges.

Kungsleden's opinion remains that the company has fully complied with the laws and practice in place when submitting each tax return. In addition, Kungsleden considers that the Administrative Court did not consider the arguments and circumstances the company submitted in both cases, and accordingly, the company intends to appeal these proceedings at the Administrative Court of Appeal.

Due to the rulings reported in spring 2012 and the altered practice the courts are now following, the company has conducted a new analysis of the liquidity effect and impact on equity of the ongoing tax proceedings. This analysis consists of factors including new evaluations of the prospects of utilising loss carry-forwards and new interest computations. If all cases to which Kungsleden is party are found against Kungsleden, the adjusted total liquidity effect would be SEK 1,390 m. This amount also includes the proceedings reported in this and previous press releases in spring 2012, of SEK 240 m. Correspondingly, consolidated equity would decrease by SEK 1,110 m over and above the provisioned amount.

The timing of the effects depends on when Kungsleden's tax cases are definitively ruled by the courts.

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Detta pressmeddelande finns tillgängligt på svenska på www.kungsleden.se/press

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 5 June 2012 at 10:00 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 March 2012, the property portfolio comprised 317 properties with a book value of SEK 15.5 bn. The holding was located in a total of 100 municipalities, mainly in southern and central Sweden. Kungsleden has been quoted on OMX Nordic Exchange since 1999.