

**PRESS RELEASE****11 06 2015**

## **Kungsleden terminates old interest swaps and restructures its interest risk**

**To improve forthcoming cash flows and increase transparency in the future property management earnings, Kungsleden has terminated old and expensive interest swaps with a high fixed interest rate for a face value of SEK 2.8 bn.**

At the same time Kungsleden has, with current interest rates, entered into new interest swaps with a notional of SEK 3.9 bn with the aim to extend its fixed interest term.

As a result, Kungsleden's average interest rate (the cost for loans and interest swaps in relation to the loan volume) will decrease to 3.2 percent<sup>1</sup>. At the end of the first quarter of 2015 the average interest rate amounted to 5.1 percent.

As of 30 June 2015, it is expected that Kungsleden will have an average fixed interest term, including interest rate swap portfolios, of 2.5 years. The hedging level (the percentage of the loan which has a fixed interest rate of more than one year, including interest swaps) will amount to approximately 50 per cent of the actual loan volume of SEK 13 bn.

Kungsleden's plan to expand the property portfolio will not be affected. After discharging the old interest swaps Kungsleden will have a remaining ability to acquire properties for a value of SEK 4.5 bn.

- 1) As of the current situation with consideration taken to the expiration of old swaps with a notional value of SEK 1.4 bn during Q2 and Q3, 2015.

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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 11 June 2015 at 8:00 a.m.

Kungsleden's business concept is to own, manage and improve commercial properties in growth regions in Sweden and to deliver attractive total returns. Kungsleden's strategies to create value are based on meeting the

premises requirements of customers by managing, improving and developing properties and planning consents and by optimising the company's property portfolio. Kungsleden has been quoted on NASDAQ Stockholm since 1999.