

**PRESS RELEASE****16 12 2015**

## **Kungsleden provisions based on the tax rulings announced today**

As reported earlier today, Kungsleden was notified of the Administrative Court of Appeal's rulings on tax cases that Kungsleden has been involved in. The Administrative Court of Appeal has concluded that the capital gain arising from divestments made by in 2006 by Kungsleden's affiliated companies in the Netherlands, is taxable in Sweden.

Kungsleden is contesting the Administrative Court of Appeal's decision and intends to apply for leave to appeal with the Supreme Administrative Court. A decision on the leave to appeal is expected sometime during the next six months.

Kungsleden has decided to, in the fourth quarter, make a provision of SEK 1,315 million based on these tax rulings. The reason for this is that the overall risk of a final negative outcome based on the Administrative Court of Appeal's rulings is assessed at higher than 50 per cent.

The size of the provision that Kungsleden is now making is somewhat less than the prior assessed maximum amount because higher deductions have been approved by that Swedish Tax Authority and granted by the Administrative Court of Appeal.

Based on the rulings, Kungsleden will soon be making a tax payment of approximately SEK 1,300 million.

Besides the impact on earnings for the year, the current provision also impacts Kungsleden's financial position and key ratios. The provision and the property transactions communicated, including the divestment of the remaining shares in Nordic Modular Group, result on a pro forma basis as per Q3, 2015, in an equity ratio of 31.2 (38.8) per cent and an LTV ratio of 63.4 (57.5) per cent.

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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 December 16, 2015 at 12:20 p.m.

Kungsleden's business concept is to own, actively manage, improve and develop 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.