

Press release

29 August 2014

Kungsleden gives an update on tax issues

Kungsleden AB was today informed that the Supreme Administrative Court in Sweden has rejected the company's application for leave to appeal concerning those tax rulings from the Administrative Court of Appeals received on April 1st, 2014. Since leave to appeal has been rejected, the rulings have now taken legal effect.

In the rulings, the court found that Kungsleden is not to be permitted deductions for the impairment of lagerandelar (defined in Swedish law as a construction company's shareholding in a property management company) in relation to external acquisitions made in the taxation years 2006–2008. The court also found that Kungsleden is not to be permitted deductions for the impairment of lagerandelar in relation to restructurings conducted by Kungsleden in the taxation years 2004–2006. Most of the transactions were similar to the so called "Steen & Ström" case of 2011.

Kungsleden made a provision of SEK 1,640 m in the Q2, 2014 book closing to cover the combined risk of loss in the cases in question. No additional financial effect will occur as a result of the rulings now having taken legal effect.

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

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 29 August 2014 at 1:30 p.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 OMX Stockholm since 1999.