

PRESS RELEASE

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Kungsleden has reached its 2016-2017 goal to sell non-strategic properties for SEK 2 billion

In a sale and purchase agreement with the European property fund Kildare Partners, Kungsleden is selling 18 industrial and warehouse properties in 13 municipalities at a total sales price of SEK 882 million before deduction for deferred tax. Through this transaction, Kungsleden will reach its goal to sell non-strategic properties for a value of 2 billion over the two-year period 2016-2017. As result of the transaction, Kungsleden's property portfolio will be concentrated to 19 municipalities, in addition to the four priority markets of Stockholm, Gothenburg, Malmö and Västerås.

In total, the sales prices in the divestments of non-strategic properties over the two-year period 2016-2017 have been roughly in line with book values.

With today's divestment, Kungsleden is completing the transformation of its property portfolio. The company will be exiting 9 municipalities and will from now on be focusing its geographical spread to 23 markets including the priority markets of Greater Stockholm, Greater Gothenburg, Greater Malmö and Västerås.

The 18 properties divested have a gross leasable area of just over 277,000 square meters and a rental value of SEK 110 million. The legal ownership will be transferred in July of 2017 resulting in Kungsleden foregoing net operating income from the properties for half of 2017.

Biljana Pehrsson, Chief Executive Officer of Kungsleden comments: "We have continued to optimize our property portfolio through intensive and dedicated efforts. With the current transaction, the restructuring of Kungsleden's property holdings is completed. Our focus from now on will be to extract value and invest in our core portfolio of investment and development properties."

Photo: Staffanstorp Borggård 1:357



Photo: Osby Snöflingan 3



The following properties are divested in the transaction: Trollhättan Propellern 2, Karlstad Östanvinden 4, Växjö Gravören 5, Bjuv Bjuv 23:3, Staffanstorp Kronoslätt 1:3, Hallsberg Backa 2:26, Hallsberg Sköllersta-Kärr 1:34, Osby Regnbågen 4, Osby Snöflingan 3, Mjölby Målaren 7, Mjölby Målaren 5, Mjölby Lagmannen 6, Gävle Fredriksskans 15:16, Staffanstorp Borggård 1:357, Värnamo Forsheda 5:119, Värnamo Slätvaren 1, Värnamo Stenfalken 1 and Motala Björkelund 1.

Photo: Mjölby Lagmannen 6



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

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Kungsleden is a long term property-owner that provides attractive, functional premises that enrich people's working days. We create value by owning, managing and developing offices and other commercial properties in Stockholm and Sweden's other growth regions. A large portion of our properties belong to attractively located clusters where we also engage in the development of the whole area. Kungsleden's goal is to deliver an attractive total return on our properties and for our shareholders. Kungsleden is listed on NASDAQ Nordic Large Cap.