

Press Release**29 December 2010**

Kungsleden selling public properties in Germany for SEK 1.3 bn

Listed Swedish property company Kungsleden AB (publ) is divesting 17 properties in Germany for a total purchase price of approx. SEK 1.3 bn at a property yield of just over 7%. The buyer is Hemsö Fastighets AB, in which Kungsleden is a joint venture partner. The sales price is about SEK 20 m below book value and some SEK 35 m less than acquisition cost. This latter amount will be posted to Kungsleden's profit for calculating dividends for 2010.

"Kungsleden acquired this property portfolio in Germany in 2006 and 2007. Through the formation of Hemsö, the retirement homes portfolio in Germany is no longer such a natural component of Kungsleden, but fits better in Hemsö. This portfolio has stable returns, and with Hemsö as its owner, we will benefit from ongoing earnings, while also freeing up funds for property acquisitions that suit Kungsleden's portfolio better," commented Kungsleden's Chief Executive Thomas Erséus.

These properties consist of retirement homes, the majority located in the Rohr region and in Frankfurt. Gross leasable area is around 75,400 sq.m. and total rental value is EUR 10,873,000.

Completion is scheduled for the first quarter of 2011.

Divestment is conditional on funding and a concluded due diligence process.

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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 29 December 2010 at 9:00 a.m.

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

Kungsleden's strategy is to ensure sustainable high and stable returns proceeding from its existing holding, and through acquisitions and divestments. As of 30 September 2010, the property portfolio comprised 559 properties with a book value of SEK 21.8 bn. The holding was located in approximately 130 municipalities, although concentrated on the Swedish provinces of Götaland and Svealand, and the Öresund region. Kungsleden has been quoted on the Nasdaq OMX Stockholm since 1999.