

KUNGSLEDEN

Press Release

15 November 2001

Acquisitions of SEK 1.1 bn lift EPS by SEK 2.0

Kungsleden has acquired a portfolio of retirement homes concentrated on the Swedish cities of Stockholm, Norrköping and Uppsala, its tenants being the municipalities in these locations. This acquisition will generate estimated EPS gains of SEK 2.0 from 2002 onwards.

Kungsleden has reached an agreement regarding the acquisition of 15 properties from construction group JM for a total purchase price of SEK 1,119 m. The properties are retirement homes situated in the Swedish cities of Stockholm, Norrköping, Uppsala, Västerås and Gothenburg. Of the total value, 70% of the properties are located in Stockholm and Uppsala. The average remaining term of their rental contracts is ten years, with the primary tenants being the municipalities in these locations. Ownership will be transferred on 7 December 2001.

This acquisition is being effected at an estimated property yield of 8.0%, with the expected effect on earnings per share at SEK 2.0 from 1 January 2002 onwards.

The properties are classified under the umbrella of a reform of Swedish social services legislation obliging municipalities to offer adapted housing to senior citizens with special needs. The municipalities are Kungsleden's tenants, and in turn, the municipalities reach rental agreements with the residents themselves. Some 70% of the floor-space of these acquired premises comprise housing, with the remainder being common parts and premises for care-related activities.

Jens Engwall, Kungsleden's Chief Executive, commented on the transaction: "Creating high and stable property yield is inherent in our business concept, and today's acquisition means us increasing our earnings per share by SEK 2.0 from next year, the result of long-term rental agreements, with the majority of tenants being municipalities. We also assess that these properties can be financed on attractive terms because they imply low risk. We're receptive to additional acquisitions of this type of property."

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Kungsleden's business concept is to own and manage properties with a high and stable long-term property yield. Kungsleden is an active participant in the change processes on the Swedish property market, by utilizing and enhancing its competencies in structuring heterogeneous property holdings. This implies Kungsleden's property holding frequently changing through acquisitions and disposals. Kungsleden's property portfolio comprises 426 properties with a book value of nearly SEK 8.0 bn. The holding is located in a total of 132 municipalities, and is concentrated on the Swedish provinces of Götaland and Svealand. Kungsleden has been quoted on the Stockholm Stock Exchange O-list

since 14 April 1999.