

Kungsleden AB (publ) Interim Report January—June 2002



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JANUARY—JUNE 2002 IN SUMMARY

- Profit before tax amounted to SEK 261 (191) m, equivalent to SEK 13.7 (10.1) per share.
- Kungsleden's operating surplus increased by 31 per cent to SEK 401 (305) m.
- During the interim period, 33 properties were divested for SEK 467 m, generating a profit of SEK 64 (30) m; nine properties were acquired for SEK 344 m.

Kungsleden has a dual operational focus: property management and trading. Property management contributed SEK 401 (305) m, while property trading generated a profit of SEK 64 (30) m. The results of these two activities are illustrated below:

Acquisitions	Disposals	Property trading
9 properties SEK 344 m	33 properties SEK 467 m	Divestments
		profitable 27 properties SEK 77.9 m
		loss-making 6 properties SEK –5.4 m
11.0 % property yield	7.5 % property yield	Sales administration SEK –8.3 m
		Profit = SEK +64.2 m



Managing and developing the holding

– Operating surplus		SEK 401 m
– Increased property yield	8.6% → 8.7%	
Comprising:		
acquisitions and disposals		0.0%
management of properties owned for the full year		0.1%
– Fewer municipalities	129 → 123	

STANDING FIRM IN THE STORM

The conditions for lucrative property business were less than optimal in the first six months of the year.

But despite this, Kungsleden enjoys a solid position, generating first half-year profits of SEK 261 m in 2002, which can be viewed against SEK 191 m for the corresponding period of the previous year. This implies that we achieved 37 per cent profit gains in a period when the economic climate left much to be desired.

We are also now putting our business concept of high and stable property yields to its first serious test in a harsh business climate, and so far, we've fared very well—maintaining extensive property trading with healthy earnings; our property yield is at a favourable 8.7 per cent while vacancies are only 6.5 per cent. We've achieved this simultaneously with the share of retirement homes—which we regard as a very low risk segment—increasing to 14 per cent of total consolidated book values.

We also managed to grind out progress on the property management side, achieving results—our operating surplus is up 31 per cent year on year. Moreover, it's worth noting that we consider the quality of our holding to have improved in the period. In terms of acquisitions and disposals, market conditions were far from optimal, but we acquired nine properties for a total of SEK 344 m, and divested a total of 33 for a total price of SEK 467 m nevertheless. In aggregate terms, our property trading generated a SEK 64 m surplus.

Of course, though, we are continuing to work towards enabling new business. Research and negotiations are an everyday activity for Kungsleden, and we still see major opportunities for acquisitions and disposals. In the present market conditions, we have the capacity to make up to one billion Swedish kronor of property acquisitions this autumn.

We are also accounting our retirement homes business area separately for the first occasion, because it is now starting to become a significant part of our business. If the opportunity arises, we will effect further acquisitions here during the autumn, and our objective is to be the market leader in terms of size and know-how in this segment. In the first half-year, this business area generated a property yield of 8.3 per cent, which can be set in a context of these properties being rented on long-term contracts with municipal counterparties, while retirement homes is a property market segment in very firm growth.

The reporting period was also a success in non-financial terms. I'd like to highlight the organisational resources Kungsleden has accumulated, with its combination of a broad skills base, high commitment and a close-knit spirit. Only when a property company can combine its balance sheet and property portfolio with entrepreneurship and an unswerving will to succeed, can it start to generate really quality returns.

The first half-year demonstrated the advantage of our strategy, with its combination of high property yields and active trading, so even if the right prospects for extensive transactions aren't in place, we can still turn a healthy profit.

We also take an upbeat view of the future—with businesses and public service bodies generating a sizeable share of the rental revenues in our tenant base. Additionally, our holding is in locations enjoying the right prospects for growth. Our pro forma accounting reveals that looking ahead, our holding will generate a very solid operating surplus, and we're looking forward to being able to complement these revenues with one or more major transactions through the autumn.

The above summarises my main heading—that we are standing firm in the storm, and if I might be so bold, I'd like to state that we actually thrive on a little stormy weather, which brings out the best in us.

We reiterate our forecast of profit before tax of SEK 450 m or SEK 24 per share; with our dividend policy, this means a dividend of SEK 12 for the current year.



Jens Engwall
Chief Executive
Stockholm, Sweden,
August 2002



INTERIM REPORT, 1 JANUARY—30 JUNE 2002

- Profit before tax amounted to SEK 261 (191) m, equivalent to SEK 13.7 (10.1) per share.
- Kungsleden's operating surplus increased by 31 per cent to SEK 401 (305) m.
- During the interim period, 33 properties were divested for SEK 467 m, generating a profit of SEK 64 (30) m; nine properties were acquired for SEK 344 m.

Kungsleden's business concept

Kungsleden owns and manages properties, generating high and stable long-term returns.

Kungsleden's vision

Kungsleden's vision is that by means of skilled entrepreneurship and a high level of expertise, Kungsleden will become Sweden's most profitable and successful property company.

Kungsleden's strategy

We intend to achieve our objectives by:

- Enhancing our skilled and businesslike organisation;
- Pursuing customer satisfaction through the active management and enhancement of our property holding;
- Proceeding from our existing holding, and through acquisitions and disposals, assuring high long-term returns.

Profits

For the first half-year, profit before tax stood at SEK 261 (191) m, equivalent to SEK 13.7 (10.1) per share.

Our operating surplus amounted to SEK 401 (305) m; this 31 per cent increase is primarily due to the property holding's expanding volume in turn the result of major acquisitions effected in 2001.

The calculated earnings capacity of our property holding as of 30 June 2002 indicated that the snap-shot property yield was 8.7 per cent. The profit margin was SEK 61.6 (61.2) per cent.

Primarily, the relative sluggishness of economic activity resulted in low interest costs in the period. The cyclical components of the operating surplus—such as rental levels, vacancies and rental losses—are sustaining their positive progress. Kungsleden's diversification, with its spread into various property categories and locations, alleviates the impact of universal and specific events. Our rental contracts are well diversified over time. In 2002, SEK 119 m of commercial rental contracts will be renegotiated, equivalent to 10 per cent of the commercial contract base.

Our property trading resulted in 33 (49) properties being divested for SEK 467 (447) m, generating a profit SEK 64 (30) m. The net financial position was SEK –188 (–130) m; interest cover was a multiple of 2.4 (2.5).

Our accounted tax cost was SEK 74 (53) m, or 28 (28) per cent. This item comprises deferred tax.

Cash flow from operations was 266 (296) m, or SEK 14.0 (15.6) per share.

Property holding and earnings capacity

As of 30 June 2002, the holding encompassed 431 properties with floor-space of 1,837,000 sq. m. and a book value of SEK 9,479 m. These properties are located in 123 municipalities. Properties in the major conurbations of Greater Stockholm, Greater Gothenburg and the Öresund region accounted for 60 (56) per cent of property book values. Property with a value of SEK 344 (1,937) m was acquired in the interim period; investments in existing properties stood at SEK 54 (50) m. Properties with a book value of SEK 395 (406) m were divested.

Progress in the retirement homes business area—now accounting its first half-year interim period—fully reflected expectations upon acquisition. The snap-shot property yield as of 30 June stood at 8.3 per cent, while book value subsequent to acquisitions in the period was SEK 1,290 m.

Kungsleden is focused on generating high and stable returns, and as a consequence of property trading and enhanced management efficiency, the property holding's risk-adjusted returns are in continuous improvement. We present the calculated snap-shot property yield in the section 'property holding and earnings capacity' on page 9. Our calculation is based on the following assumptions:

- Properties divested up to and including the balance sheet date are excluded;
- Properties acquired by the balance sheet date are included as if owned for 12 months.

Our calculation principles have been amended so the actuals of constituent properties for the most recent 12 months form the foundation for earnings capacity in each report. We use a combination of actuals and acquisition calculations for those properties owned for a shorter period, whereas previously, the actuals for constituent properties were only updated after the completion of full financial years. This revision implies that changing portfolio composition and rising management efficiency feed through more consistently and faster, while additionally, the calculated earnings capacity becomes more representative.

The start-up of the retirement homes business area has rendered our previous property classification redundant, and therefore, the figures on page 9 have been revised by separating retirement homes from the residential category. Other residential properties, and our smaller hotel and land categories, have been combined in 'Other'.

Property trading

In the interim period, nine (44) properties with floor-space of 86,000 (262,000) sq. m. were acquired for SEK 344 (1,937) m. These transactions were consummated at an estimated property yield of 11.0 (7.6) per cent.

We divested 33 (49) properties for a total of SEK 467 (447) m in the period, generating a profit of SEK 64 (30) m: these properties were divested at an estimated property yield of 7.5 (5.7) per cent, with the transactions effected at SEK 7 m and 27 m above external and internal valuations (effected as of 31 December 2001) respectively.

The sales price of 25 of these properties being less than SEK 10 m. The following table illustrates the distribution between profitable and loss-making property disposals:

Properties divested	Sales, SEK m	Profit, SEK m	No.
Profitable	396.0	77.9	22
Break-even	19.2	0.0	5
Loss-making	52.0	-5.4	6
Sales administration	-	-8.3	-
Total	467.2	64.2	33

In the reporting period, six properties in the retirement homes segment were acquired from private owners, transactions effected through a 50 per cent-owned joint venture. Kungsleden accounted these properties at a book value of SEK 134 m. Five of the aforementioned properties are located in Malmö and Lund in southern Sweden, with one in Uppsala, north of Stockholm. Their estimated property yield is 8.2 per cent.

Other acquisitions are complements to existing sub-holdings. We acquired a large industrial property in Västerås, west of Stockholm, for SEK 154 m from Ahlstrom, at an estimated property yield of 14.8 per cent. We also acquired an office and hotel property in Malmö from Pandox for SEK 50 m, at an estimated property yield of 7.7 per cent.

A total of 18 properties were disposed of in the period, generating a profit of SEK 34 m from revenues of SEK 227 m.

Funding

Our net financial position stood at SEK -188 (-130) m, with interest subsidies comprising SEK 0.1 (0.2) m. Interest cover was a multiple of 2.4 (2.5). Payment for the acquisition of retirement homes was submitted in the second quarter of 2002, and the interest moratorium was worth an estimated SEK 21 m. Costs for financing fees amounted to SEK 6 (2) m.

Our funding portfolio expanded from SEK 5,966 to 6,993 m, with the average interest rate rising slightly to SEK 6.08 per cent as of 30 June. The average interest fixing period extended to 3.2 years. Our interest maturity structure is primarily achieved by extending those loans with short interest fixing periods using interest swaps.

Kungsleden owns no foreign properties and has no foreign currency-denominated borrowings.

Interest fixing period as of 30 June 2002

Maturity	Nom. amt., SEK m	Prop., %	Ave. interest, %
2002	3,373	48.3	5.68
2003	220	3.1	6.91
2004	100	1.4	5.19
2005	250	3.6	8.25
2006	450	6.4	5.96
2007	475	6.8	6.52
2008	450	6.4	6.15
2009	100	1.4	6.12
2010	1,275	18.3	6.91
2011	300	4.3	6.60
Total	6,993	100.0	6.08

Shareholders' equity

The closing balance of shareholders' equity was SEK 2,175 (2,060) m or SEK 114.7 (108.7) per share, equivalent to an equity ratio of 22.0 (24.1) per cent.

The share and ownership structure

Our share price has maintained positive progress in 2002. On 31 December 2001, our share price was SEK 117; and on 28 June 2002, SEK 129.50. Dividends paid were SEK 10.50 per share, and consequently, total returns in the period were 19.7 per cent. Kungsleden had approximately 12,300 shareholders as of 28 June 2002, a 21 per cent increase since year-end 2001.

Shareholders as of 31 March 2002

	No. of shares	% of capital and vote
Olle Florén with companies	458,300	2.4
Crafoord Foundation	442,000	2.3
Board and management	419,200	2.2
Second AP (National Pension insurance) Fund	334,555	1.8
Swedish Red Cross	300,000	1.6
SHB Liv Försäkring (life assurance)	291,200	1.5
Agria	260,000	1.4
Baltic Foundation	260,000	1.4
Wasa Fastighetsfond	150,800	0.8
Bengt Holmberg	119,800	0.6
Total, ten largest shareholders	3,035,855	16.0
Foreign shareholders	2,400,000	12.7
Other shareholders	13,522,765	71.3
Total	18,958,620	100.0

Human resources

The average number of employees was 79 (77) in the period.

Parent company

Parent company profit after financial items was SEK –9 (–10) m; as of 30 June 2002, liquid funds stood at SEK 0 (0) m.

Accounting principles

Kungleden's accounting principles are unchanged since the previous year. The company observes RR's (the Swedish Financial Accounting Standards Council) recommendations and statements by the Council's task force.

Forecast 2002

Kungleden is reiterating its forecast of profit before tax of SEK 450 m for 2002, equivalent to SEK 23.7 per share.

Stockholm, Sweden, 15 August 2002

Jens Engwall
Chief Executive
Kungleden AB (publ)

Forthcoming reports

- Interim Report, January – September, 23 October.
- Financial Statement, February 2003.
- Annual Report for the financial year 2002, March 2003.

Audit Report, Kungsleden AB

I have subjected this Interim Report to a summary view consistent with the recommendation issued by FAR (the Institute for the Accounting Profession in Sweden). A summary review is significantly more limited than a full audit. Nothing has arisen to suggest that this Interim Report does not satisfy the stipulations of Swedish stock exchange or annual accounts legislation.

Stockholm, Sweden, 15 August 2002

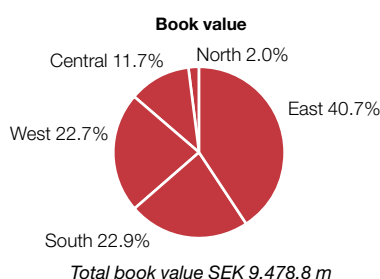
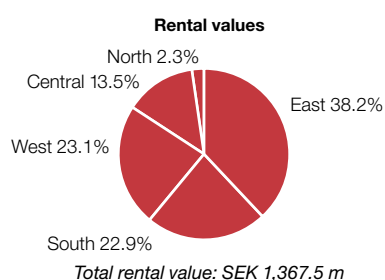
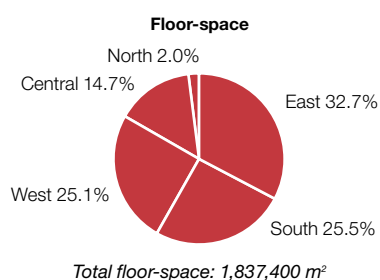
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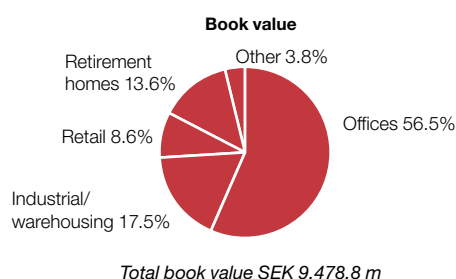
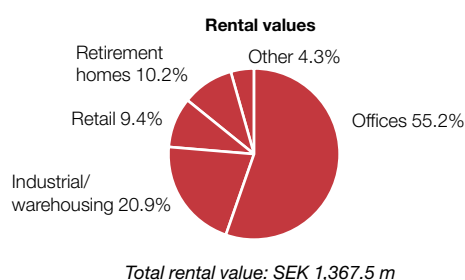
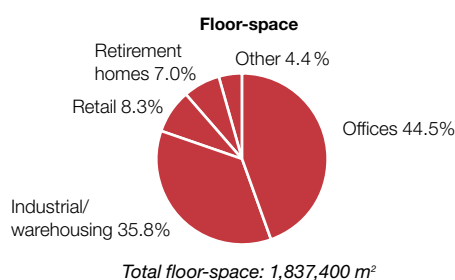
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PROPERTY HOLDING AND EARNINGS CAPACITY

Kungsleden's geographical presence in Sweden



Kungsleden's property categories



Total	East	South	West	Central	North	Total
Number	101	135	113	68	14	431
Letttable floor-space, 000 m ²	601.0	467.7	461.9	270.9	35.9	1,837.5
Book value, SEK m	3,855.8	2,173.7	2,151.4	1,110.5	187.4	9,478.8
Rental value, SEK m	522.2	312.9	315.9	184.9	31.5	1,367.5
Rental revenues, SEK m	480.4	293.7	292.7	162.4	29.5	1,258.6
Operating surplus, SEK m	330.4	190.5	202.2	88.3	16.8	828.2
Economic occupancy, %	93.3	94.8	93.5	91.4	93.8	93.5
Property yield, %	8.6	8.8	9.4	8.0	9.0	8.7
Profit margin, %	68.8	64.9	69.1	54.4	56.9	65.8

Total	Offices	Industrial/ warehousing	Retail	Retirement homes	Other	Total
Number	189	99	45	22	76	431
Letttable floor-space, 000 m ²	818.6	657.5	152.5	127.9	81.0	1,837.5
Book value, SEK m	5,363.4	1,656.0	814.2	1,289.5	355.7	9,478.8
Rental value, SEK m	753.6	285.8	129.1	139.8	59.2	1,367.5
Rental revenues, SEK m	693.3	256.8	117.2	138.9	52.3	1,258.6
Operating surplus, SEK m	459.8	167.9	65.1	107.6	27.7	828.2
Economic occupancy, %	93.1	92.1	93.7	99.5	90.6	93.5
Property yield, %	8.6	10.1	8.0	8.3	7.8	8.7
Profit margin, %	66.3	65.4	55.6	77.5	53.1	65.8

INCOME STATEMENT

SEK m	Interim period		Reporting period		2001 Jan—Dec
	2002 Jan—June	2001 Jan—June	2002 April—June	2001 April—June	
Property management					
Rental revenues	650.7	497.6	328.2	258.2	1,038.7
Operating and maintenance costs	-183.2	-140.1	-83.9	-71.9	-293.5
Property tax	-24.8	-21.2	-13.7	-11.0	-44.7
Ground rent	-6.3	-5.5	-2.2	-3.2	-10.3
Property administration	-35.6	-26.1	-17.1	-11.1	-51.8
Operating surplus, property management	400.8	304.7	211.3	161.0	638.4
Property trading					
Sales revenues from property	467.2	447.1	226.7	203.8	1,057.1
Sales administration, including costs	-8.3	-11.0	-5.6	-10.2	-16.3
Book value, divested properties	-394.7	-405.8	-192.9	-165.5	-940.6
Profit from property trading	64.2	30.3	28.2	28.1	100.2
Gross profit	465.0	335.0	239.5	189.1	738.6
Central administration costs	-16.0	-13.6	-7.6	-7.1	-30.5
Value adjustments	0.0	0.0	0.0	0.0	-51.3
Operating profit	449.0	321.4	231.9	182.0	656.8
Profit from financial items					
Interest income, etc.	3.1	3.8	1.8	2.5	18.5
Interest subsidies	0.1	0.2	-1.5	0.1	1.2
Interest costs, etc.	-191.6	-134.2	-100.8	-67.8	-296.2
Profit before tax	260.6	191.2	131.4	116.8	380.3
Tax					
Current tax	0.2	0.0	0.2	0.0	-2.0
Deferred tax	-74.0	-52.8	-37.8	-32.0	-112.5
Net profit	186.8	138.4	93.8	84.8	265.8
Average no. of shares	18,958,620	18,958,620	18,958,620	18,958,620	18,958,620
Profit before tax per average number of shares, SEK	13.7	10.1	6.9	6.2	20.1
Profit after tax per average number of shares, SEK	9.9	7.3	4.9	4.5	14.0

BALANCE SHEET

SEK m	30 June 2002	30 June 2001	31 Dec 2001
Assets			
Fixed assets	14.3	127.4	56.1
Current property assets	9,478.8	8,068.2	9,476.9
Other current assets	254.0	128.9	260.2
Cash and bank balances	138.1	213.5	153.7
Total assets	9,885.2	8,538.0	9,946.9
Liabilities and shareholders' equity			
Shareholders' equity ¹	2,175.3	2,060.0	2,187.5
Provisions	36.9	3.6	2.2
Interest-bearing liabilities	6,992.5	5,240.0	5,926.2
Non-interest bearing liabilities	680.5	1,234.4	1,831.0
Total liabilities and shareholders' equity	9,885.2	8,538.0	9,946.9
¹ Change in shareholders' equity			
Opening balance	2,187.6	2,092.2	2,092.3
Dividend	-199.1	-170.6	-170.6
Net profit	186.8	138.4	265.8
Closing balance	2,175.3	2,060.0	2,187.5

Key figures

	30 June 2002	30 June 2001	31 Dec 2001
Financial key figures			
Property yield, earnings capacity, %	8.7	8.3	8.6
Economic occupancy, earnings capacity, %	93.5	91.4	93.4
Profit margin, %	61.6	61.2	61.5
Interest cover, multiple	2.4	2.5	2.4
Return on equity, profit before tax, %	11.9	9.2	17.8
Return on equity, profit after tax, %	8.6	6.7	12.4
Return on total capital, %	4.6	4.2	8.0
Gearing, multiple	3.2	2.5	2.7
Property mortgage ratio, %	73.8	64.9	63.0
Equity ratio, %	22.0	24.1	22.0
Per share data			
Number of shares outstanding	18,958,620	18,958,620	18,958,620
Average number of shares	18,958,620	18,958,620	18,958,620
Operating surplus per share, SEK	21.1	16.1	33.7
Book value of property per share, SEK	500.0	425.6	499.9
Shareholders' equity per share, SEK	114.7	108.7	115.4
Cash flow from operations per share, SEK	14.0	15.6	26.7

CASH FLOW STATEMENT

SEK m	Interim period		Reporting period		2001 Jan—Dec
	2002 Jan—June	2001 Jan—June	2002 April—June	2001 April—June	
Operations					
Operating profit	449.0	321.4	231.9	182.0	656.7
Net financial position	–188.4	–130.2	–100.5	–65.3	–276.4
Value adjustments	0.0	0.0	0.0	0.0	51.3
Adjustments for items not included in cash flow, etc.	0.4	–0.7	0.1	0.1	–1.2
	261.0	190.5	131.5	116.8	430.4
Tax paid	0.2	–7.1	0.2	0.0	–7.1
Cash flow from operations before change in working capital	261.2	183.4	131.7	116.8	423.3
Cash flow from change in working capital					
Increase (–) / decrease (+) in operating receivables	–52.0	–39.9	–22.5	11.6	–52.9
Increase (+) / decrease (–) in operating liabilities	57.0	152.1	51.3	92.0	135.4
Cash flow from operations	266.2	295.6	160.5	220.4	505.8
Investment activity					
Acquisitions of properties classified as current assets	–396.6	–1,987.3	–368.3	–1,016.7	–3,982.0
Divestments of properties classified as current assets	394.7	405.8	192.9	165.5	940.6
Investments in tangible fixed assets, net	–2.3	–1.0	–1.4	–1.2	–1.4
Investments in financial fixed assets, net	4.4	0.7	8.2	0.1	5.5
Cash flow from investment activity	0.2	–1,581.8	–168.6	–852.3	–3,037.3
Financing activity					
Borrowing/amortisation	–82.9	1,530.1	205.7	725.0	2,715.6
Dividend paid	–199.1	–170.6	–199.1	–170.6	–170.6
Cash flow from financing activity	–282.0	1,359.5	6.6	554.4	2,545.0
Cash flow for the period	–15.6	73.3	–1.5	–77.5	13.5
Liquid funds, opening balance	153.7	140.2	139.6	291.0	140.2
Liquid funds, closing balance	138.1	213.5	138.1	213.5	153.7

PROPERTY DISPOSALS, JANUARY—JUNE 2002

Name	Address	Location	Municipality	Year built/ renov.	Lettable floor-space, 000 m²						Total floor-space
					Office	Industrial/ warehousing	Residential	Retail	Hotel	Other	
Market Area East											
Office											
Standard 8	Bagareg 23	Nyköping	Nyköping	1975/1989	1,155	0	235	0	0	0	1,390
Gripen 2	V:a Storg 23	Nyköping	Nyköping	1929	1,299	77	923	301	0	0	2,600
Sörmlandsbanken 10	Slottsg 25	Nyköping	Nyköping	1992	3,120	120	75	419	0	0	3,734
Luna 4	S:t Ragnhildsg 1	Södertälje	Södertälje	1929	2,033	66	455	410	0	0	2,964
Industrial/warehousing											
Vita Liljan 3	Bredängsv 205–209	Stockholm	Stockholm	1971	0	2 060	0	40	0	0	2,100
Retail											
Diagonalen 1	Geometriv 3–7	Huddinge	Huddinge	1989	3,061	154	0	3,467	0	0	6,682
Tackjärnet 3	Karlsbodav 12	Stockholm	Stockholm	1988	0	750	0	1,010	0	0	1,760
Other											
Dikartorp 3:7	Slammertorpsv	Järfälla	Järfälla	–	0	0	0	0	0	0	0
Magasinet 2	Tuna Industriv 31	Järna	Södertälje	–	0	0	180	0	0	0	180
Magasinet 3	Tuna Industriv 33	Järna	Södertälje	–	0	0	180	0	0	0	180
Market Area South											
Office											
Uttern 12	Storg 12	Alvesta	Alvesta	1930	789	0	230	0	0	0	1,019
Sösdala 73:9	Bankg 1	Sösdala	Hässleholm	1929	463	0	303	145	0	0	911
Hästveda 96:2	Ö Järnsvg 2	Hästveda	Hässleholm	1969	284	0	0	0	0	0	284
Torstensson 9,10	Eriks 124, 126	Landskrona	Landskrona	1929/1979	840	0	0	0	0	0	840
Linneryd 5:2	Kyrkv 22	Linneryd	Tingsryd	1970	302	0	0	0	0	0	302
Trasten 2	Sevdeg 34	Vimmerby	Vimmerby	1978	1,560	0	0	40	0	0	1,600
Industrial/warehousing											
Lyckebacken 1	Åkerlund & Rausing v 20	Lund	Lund	1939/1976	2,440	74,402	0	0	0	905	77,747
Other											
Köpmannen 9	Braheg 51	Gränna	Jönköping	1955	235	0	421	225	0	0	881
Market Area West											
Office											
Lerum 32:1	Hedlunds Backe 1	Lerum	Lerum	1991	1,042	0	0	0	0	0	1,042
Planeten 5	Skaraborgsgg 34 a–e	Skara	Skara	1978	2,139	0	2,388	0	0	1,741	6,268
Börsen 2 o 3	Kungsg 12–14	Ämål	Ämål	1940/1961	1,588	0	232	699	0	0	2,519
Retail											
Hallsås 2:133	Kring-Aller V 52	Lerum	Lerum	1988	0	0	0	600	0	0	600
Other											
Aratorp 3:17;20;85	Krusagårdsv 12	Kinna	Mark	–	0	0	0	0	0	0	0
Planeten 7	Skaraborgsg 34 f	Skara	Skara	1929/1983	193	0	1,348	0	0	0	1,541
Market Area Central											
Office											
Vägverket 9	Zettergrens v 14	Falun	Falun	1979	424	329	0	0	0	0	753
Smedjan 3	Sundsg 23	Säffle	Säffle	1936	815	0	207	0	0	0	1,022
Färgeriet 3	Åg 4–8	Örebro	Örebro	1989	1,860	0	0	0	0	0	1,860
Industrial/warehousing											
Braxen 11	Norra Åg 21	Arboga	Arboga	1958/1962	164	3,390	0	0	0	0	3,554
Other											
Tjädem 12	Tegnér 8 a–b	Filipstad	Filipstad	1955	0	0	998	586	0	0	1,584
Västra Sälen 5:279	Transtrand	Malung	Malung	–	0	0	0	0	0	0	0
Market Area North											
Office											
Berlin 8	Stora Torget 2	Örnsköldsvik	Örnsköldsvik	1929	2,229	0	0	0	0	0	2,229
Norrgrissjö 3:45, 3:68	Skollärv 17	Gideå	Örnsköldsvik	1962	131	0	80	0	0	0	211
Other											
Petersburg 4	Nya 9	Örnsköldsvik	Örnsköldsvik	1940	201	0	0	0	0	0	201

PROPERTY ACQUISITIONS, JANUARY—JUNE 2002

Name	Address	Location	Municipality	Year built/ renov.	Lettable floor-space, 000 m²							Rental value	Vacancy, %	Rental revenue
					Office	Industrial/ warehousing	Residential	Retail	Hotel	Other	Total floor-space			
Market Area East														
Retirement homes														
Luthagen 81:1	Norrländsgatan 2	Uppsala	Uppsala	2001	0	0	2,740	0	0	0	2,740	2,135	0,0%	2,135
Market Area South														
Retirement homes														
Norra Sjukhuset 1	N Gränsv 1; Skjutbanev 3	Lund	Lund	1975/1991	0	0	14,166	0	0	0	14,166	6,666	6,0%	6,266
Nicktisteln 2	Ernst Jakobssons gata 7	Malmö	Malmö	1993	0	0	2,250	0	0	0	2,250	1,445	0,0%	1,445
Bardisanen 14	N Bulltoftav 61–63	Malmö	Malmö	1993	0	0	822	0	0	0	822	720	0,0%	720
Storskarven 9	Brunandav 32, N v 7, N v 1–5	Malmö	Malmö	1993	0	0	4,655	0	0	0	4,655	3,009	0,0%	3,009
Tväråken 16–17	Marieholmsvägen 3	Malmö	Malmö	1996	255	0	417	0	0	0	672	399	0,0%	399
Other														
Hamnen 22:2	Jörgen Kocksgatan 3	Malmö	Malmö	1952/1964	3,411	265	0	0	4,361	0	8,037	7,215	11,1%	6,415
Market Area West														
Industrial/warehousing														
Hjulet 6	Kardarv 12B	Trollhättan	Trollhättan	1980/1984	0	1,710	0	0	0	0	1,710	866	0,0%	866
Market Area Central														
Industrial/warehousing														
Finnslätten 3	Bnr 340, Finnslätten	Västerås	Västerås	1959/1976–77	0	50,727	0	0	0	0	50,727	35,510	13,7%	29,665

DEFINITIONS

Property terminology

Property yield: annual operating surplus from properties at the end of the period in relation to the properties' book value at the end of the period.

Operating surplus: rental revenue less operation and maintenance costs, ground rent, property tax and property administration. Interest subsidies not included.

Operation costs: costs for electricity, heating, water, property care, cleaning, insurance and ongoing maintenance.

Property type: the properties' primary usage (see "Distribution of floor-space").

Rental revenues: rent invoiced, plus supplementary items such as remuneration for heating, property tax, insurance claims and other revenues, less rental losses and rental discounts.

Rental value: rental revenues plus assessed market rent for un-let floor-space, rental discounts and rental losses.

Economic occupancy: rental revenue, rental discounts and rental losses in relation to rental value.

Economic vacancy: assessed market rent for un-let floor-space in relation to rental value.

Accommodation type: floor-space distributed by usage.

Maintenance: measures intended to maintain a property and its technical systems. Relates to planned measures entailing the replacement or renovation of parts of a building or technical systems. Also includes tenant adaptations.

Distribution of floor-space: distribution by accommodation type implies that the floor-space in a property is distributed by usage. The distribution is made between office, residential, retail, hotel, development, industrial and warehousing. Distribution by property type means the property is defined by that type of floor-space that represents the majority of total. Accordingly, a property with 51 per cent of its floor-space used as offices is considered an office property.

Area-based occupancy: let floor-space in relation to total lettable floor-space at the end of the period.

Area-based vacancy: vacant floor-space in relation to total lettable floor-space at the end of the period.

Financial terminology

Return on equity: profit in relation to average shareholders' equity. Stated for profit before and after tax. Average shareholders' equity is calculated as the total of opening and closing balances divided by two.

Return on total capital: profit after financial items plus interest costs less interest subsidies in relation to average assets. Average assets are calculated as the total of opening and closing balances divided by two.

Mortgage ratio: interest-bearing liabilities in relation to property book value at year-end.

Shareholders' equity per share: shareholders' equity in relation to the number of shares at year-end.

Book value of property per share: book value of property in relation to the number of shares at year-end.

Cash flow from operations: operating profit less net financial items adjusted for items not included in cash flow from operations, and for changes in working capital.

Interest cover: profit before net financial items in relation to net financial position.

Gearing: interest-bearing liabilities at year-end in relation to shareholders' equity.

Equity ratio: shareholders' equity including minority shares at year-end in relation to total assets.

Earnings per share: profit after tax at year-end divided by the number of shares at year-end.

Profit margin: operating surplus in relation to total rental revenue.

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