

Press Release**1 July 2011**

Hemsö purchases property for SEK 180 m

Listed Swedish property company Kungsleden AB (publ) is purchasing a public property for a total purchase price of approximately SEK 180 m including transaction costs through Hemsö, which is 50:50 owned by Kungsleden and AP3 (the Swedish Third Pension Insurance Fund). The initial property yield is 6.4%.

The property is located in the Norra Hamnen waterfront area of Swedish resort town Lysekil and has leasable area of approximately 9,000 sq.m. The property is a high school under construction with the municipality of Lysekil as the future tenant in a 20-year agreement. Total rental value is approximately SEK 13,300,000.

Completion is scheduled for February 2012.

“It’s positive for Hemsö to expand our property holding in Lysekil where we already enjoy successful collaborations. The property is a good fit with existing holdings in terms of its risk-adjusted returns,” commented Kungsleden’s Chief Executive Thomas Erséus.

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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 1/7 2011 at 12:00 a.m.

Kungsleden’s strategy is to ensure sustainable high and stable returns proceeding from its existing holding, and through acquisitions and divestments. As of 31 March 2011, the property portfolio comprised 629 properties with a book value of SEK 25.5 bn. The holding was located in approximately 141 municipalities, concentrated in southern and central Sweden. Kungsleden has been quoted on the Nasdaq OMX Stockholm since 1999.