

Kungsleden AB
Annual Report 2002





3	Kungsleden
4	2002 in summary
5	Questions about Kungsleden
6	A letter from the Chief Executive
8	The share and ownership
10	Organisational and human resources
	Organisational resources
	Human resources
	Senior executives
	Board of Directors and Auditors
14	High returns and low risk
16	The property holding and earnings capacity
19	Retirement Homes
20	Financial overview
	Property values
	Funding
	Forecast 2003
	Five-year overview
26	Financial reporting
	Report of the Directors
	Income Statement
	Balance Sheet
	Cash Flow Statement
	Supplementary disclosures
	Proposed appropriation of profits
35	Audit Report
36	Property
	Property 2002
	Acquired properties 2002
	Divested properties 2002
45	Definitions
46	Annual General Meeting
46	Addresses

Kungsleden is a Swedish property company that prioritises yield above property type or geographical location. At the beginning of 2003, Kungsleden's property holdings comprised 430 properties with a book value of approximately SEK 10.1 bn. These holdings are distributed over a total of 123 municipalities nationwide, although focused on the southern and central provinces of Götaland and Svealand.

At year-end 2002, the property yield was 8.6 per cent.

Kungsleden has been quoted on the Stockholm Stock Exchange O-list since 14 April 1999.

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.

Business concept

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

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.

Financial targets

Our objectives are to achieve:

- A minimum return on equity of 15 per cent;
- A minimum property yield net of property administration in our portfolio of 8.5 per cent.

Risk limits

We limit risk by:

- Sourcing a maximum of 30 per cent of rental revenue from industrial and warehouse properties;
- Sourcing a maximum of 30 per cent of rental revenue from properties located in municipalities with populations of less than 25,000;
- Maintaining a minimum long-term equity ratio of 25 per cent, with a minimum short-term level of 20 per cent.

2002 in summary

- Profit before tax amounted to SEK 452 (380) m, equivalent to earnings per share of SEK 23.80 (20.10).
- Proposed dividends are SEK 12.00 (10.50) per share, a 14 (17) per cent increase.
- Kungsleden's operating surplus grew by 28 (38) per cent to SEK 818 m.
- In 2002, Kungsleden disposed of 67 (103) properties for SEK 880 (1,057) m, generating profits of SEK 136 (100) m, and acquired 42 (98) properties for SEK 1,289 (3,877) m.
- The forecast for the financial year 2003 is for profit before tax of at least SEK 450 m.

Kungsleden has a dual focus: property trading and management. At year-end, its property yield was 8.6 (8.6) per cent net of property administration. Property trading in the year contributed to increasing the property portfolio's yield by 0.1 percentage points, while property management generated a negative 0.1 percentage point impact, this latter factor due to the weak progress of the economy in general, and the Stockholm region in particular.

Acquisitions	Disposals	Property trading
42 properties SEK 1,289 m	67 properties SEK 880 m	Disposals
9.1% property yield	6.5% property yield	profitable 50 properties SEK 163 m
		loss-making 17 properties SEK -11 m
		sales administration SEK -16 m
		profit = SEK +136 m

Management and developing the holding

- Operating surplus	SEK 638 m	→	SEK 818 m
- Property yield			8.6%
acquisitions and disposals			0.1%
management of properties owned for the full year			-0.1%
value adjustment			0.0%
- Fewer municipalities	129	→	123
- Value per property	SEK 20.8 m	→	SEK 23.6 m



**Record profits yet again—
how can you just keep on getting better?**

Of course, posting record figures is always exciting, but in this context, we should point out that in terms of return on equity, our profitability has been fairly stable over the last four to five years. In this period, we've generated earnings that have been re-invested into our business, which has resulted in robust volume expansion, implying that in absolute terms, profits have grown.

It doesn't seem as if the cyclical downturn has affected you. Is this true, and if so, why?

Our business concept is to own properties with stable returns, so profit fluctuations should be modest in good or bad times. The cyclical downturn we witnessed in 2002 was fairly focused on Stockholm. In terms of GDP, Sweden has grown, albeit slower than previously. And this growth influences Kungsleden, by virtue of our property portfolio diversification in terms of type, geography and tenant structure.

In 2001 and 2002 we invested over SEK 2 bn in Retirement Homes, which alongside other initiatives with public sector tenants, bodes well for stability.

Do you mean that Kungsleden is in the process of becoming a holding company for Retirement Homes? Are you starting to get sentimental about properties?

We've invested extensively in properties intended as Retirement Homes because we think they are the most attractive on the property market in terms of their risk/return relationship. Right from inception, our view has been that this type of property investment has been priced incorrectly compared to other property investments. We have built our Retirement Homes initiative, named Hemsö, during the year, into a market leader. Right from the start, we saw that this type of property was not suitable for trading, but has been put outside our regular business, in its own organisational entity. This doesn't mean that our ownership of Hemsö as such should necessarily be viewed as long term. Since we believe that this property type is priced incorrectly, we will examine various divestment alternatives on an ongoing basis.

You have previously stated your practice of buying wholesale and selling retail; do such deals still exist?

Although there have been fewer large, heterogeneous holdings for sale over the last 12–18 months, we are firmly convinced that a number of real estate market players need to make this kind of divestment soon. Indeed, many have expressed their intention to dispose of properties outside their core business, but have not yet done so. This, undoubtedly, will raise the pressure and question-marks as to why these deals haven't been done.

How much can you gain from intelligent funding?

That's a very difficult question. Consistently, our initial assumption is always to identify that funding solution that supports our business. There are a whole host of variables that are important to consider: price/margin, loan ratio, amortisation structure, collateral structure, advanced redemption costs, etc. The sector has an exaggerated focus on margins. Although they are obviously important, if you pursue clear-cut financial targets, weighing up various solutions against each other is fairly easy.

For example, for a player like Kungsleden with high property turnover, the ability to avoid issuing mortgage certificates as security is important, so that our costs for advance redemption remain low. However, an exclusive focus on margins is now becoming less prevalent on the market, with instead, players also using other parameters for their funding solutions.

Can you maintain your high dividends?

Our dividend policy stipulates the ambition of stable dividends, which we perceive good prospects of. At present we've got a favourable property holding, with a high earnings capacity, so looking ahead, we do have the right foundations for stable dividends.

RECORD PROFIT IN HARD TIMES

The prospects that our business, and the property market generally, faced in 2002 were less than optimal. Our business concept—owning and managing properties to generate a high and stable property yield—was put to severe tests. Thus, we are delighted to post record profits of SEK 452 m, a 19 per cent increase on 2001.

In fact, this is the sixth consecutive year that we have posted record profits. In 1997, our first as a private enterprise, Kungsleden had SEK 1.8 bn-worth of properties, and posted an operating surplus of SEK 100 m. Six years later, our property portfolio extends to over SEK 10 bn, and our operating surplus exceeds SEK 800 m.

In early 2001, our focus was on assuring our cash flows in anticipation of an improving economy, which most commentators expected after the mid-point of the year. During the first half-year we took a very cautious approach to acquisitions, apart from our investments in the Retirement Homes business area, and concentrated our efforts on disposals. During the summer, we concluded that we'd fared very well—our vacancies had stayed low, our cash flow was healthy, and we'd generated sales of nearly half a billion Swedish kronor, with good earnings.

When, in June, we were considering our strategy for the second half-year 2002, it was apparent that the upturn would be delayed, and indeed, that further deterioration was likely before any turnaround. The conclusions we drew from the extended downturn were to keep prioritising our cash flow and to work actively on our vacancies. We sustained our focus on the disposal of commercial properties and intensifying our activities associated with the acquisition of properties for our Retirement Homes business. This autumn, we were pleased—indeed delighted—that our disposals continued to do so well, particularly outside major city regions. In fact, the results were so positive that our profits from these divestments were higher in the second half-year than in the first. This offers unequivocal evidence for the common perception many people have in weak cyclical conditions, that properties are an investment subject to relatively modest risk.

Looking back on the intensive efforts on our holdings in 2002, the proportion of Retirement Homes has increased, with holdings of this type of property rising from SEK 1.2 bn to SEK 2.2 bn. Meanwhile, we consummated sales of commercial

properties of SEK 617 m net, and in terms of transaction volumes, we disposed of 67 properties for SEK 880 m and acquired 42 for SEK 1,289 m. In net terms, property trading generated profits of SEK 136 m. The intention of our trading was to assure profit stability—fully consistent with our business concept. Overall, the alterations in our holdings have meant that we maintained our returns, while reducing our risk.

But success necessitates more than just guessing correctly which way the market is heading. You have to do good business, both in your existing holding and in property trading. Kungsleden has prioritised developing good business practice throughout its organisational resources for many years. During the year we implemented a new vision for our business—to become Sweden's most profitable and successful property company through good entrepreneurship and high skills levels. This vision underscores our desire for Kungsleden to be, and be perceived, as a centre of excellence in the property sector.

Meanwhile, we want to maintain an unswerving focus on potential business, an idea that includes monitoring markets, building networks with potential buyers and sellers and continuously reviewing our holding. Promoting entrepreneurship throughout the organisation is one of my key tasks, and has proved successful. Quite simply, we enjoy doing business and are always on the look-out for opportunities to create value, measurable in our property trading net and the quality enhancement of our holding.

Funding is another vital, and I think occasionally overlooked, element of successful property ownership. Business opportunities are created by retaining flexibility in mortgaging and collateral. The ability to match high and stable property yields with relatively high mortgaging—the foundation of our interest in Retirement Home properties—implies an opportunity for healthy returns on equity.

In several senses, our commitment to Retirement Home properties—an initiative named Hemsö—sums up our whole business concept and strategy rather well: identifying properties that generate healthy returns in relation to their risk. Our acquisition of Bokbacken means that we now enjoy clear leadership in this segment in Sweden, and our objective is to develop Hemsö into the obvious counterpart for municipalities and care providers for existing or planned facilities. Here, our sector knowledge and long-term approach are success factors.

Hemsö's property ownership is long term, but how consistent is this with Kungsleden's idea of continuously reviewing its holding? The answer is actually simple: Hemsö is a long-term landlord, but Kungsleden's ownership of Hemsö is not 'holy'. We'd be delighted to expand this business with other owners, and at a suitable juncture, might also consider divesting Hemsö.

Overall, we left 2002 with a well-diversified and stable holding in terms of geographical location and property type. We think that the Swedish property market, with the possible exception of Stockholm, is still functioning relatively well. The market outside the Stockholm region is also sustaining its stability, and the same also applies to our ownership of Retirement Home properties with their high yields, long-term contracts and stable tenants. We're staying very stable in 'hard times'.

Our planning ahead of 2003 is subject to at least as much uncertainty as before 2002, and accordingly, the priority in the realignment of our property holding remains on the disposal of commercial premises and acquisitions of Retirement Homes. If the price of commercial properties declines so that returns rise, we will also make acquisitions, albeit subject to considerable caution. The earnings capacity of our holding as of 31 December 2002 indicates robust revenues, and once again, we hope to supplement progress with profitable property transactions.

Our forecast for 2003 is profit before tax of at least SEK 450 m, which when applying our dividend policy, would generate dividends of at least SEK 12 per share. Our ambition is to generate stable dividends in absolute terms.



Jens Engwall
Chief Executive



Kungsleden's share price rose by 23.9 per cent in 2002; the share generated a total yield of 32.9 per cent. In the same period the SIX (Scandinavian Information Exchange) Return Index produced total returns of -35.9 per cent.

Market capitalisation and turnover

Kungsleden's stock has been quoted on the Stockholm Stock Exchange since 14 April 1999. The closing price on 31 December 2002 was SEK 145, implying a market capitalisation of SEK 2,750 m. A total of 12.3 million shares were turned over, equivalent to 65 per cent of the total number of outstanding shares. The low and high for the year were SEK 109 and SEK 150 respectively. Compared to the closing price at year-end 2001 of SEK 117, therefore, the share price rose by 23.9 per cent. Dividends paid were SEK 10.50, implying a total yield of 32.9 per cent. In 2002 CREX (the Carnegie Real Estate Index) rose by 4.3 per cent, and the SAX (Stockholm All-share Index) declined by 37 per cent.

Share capital

At year-end, share capital was SEK 47,396,550 divided between 18,958,620 shares, with a nominal amount of SEK 2.50 per share. Each share confers one vote and equal rights to participation in the company's assets and profits.

Shareholders

Kungsleden had approximately 13,500 shareholders as of 31 December 2002, a 32 per cent increase year on year. Coincident with its initial public offering, Kungsleden had some 1,700 share-

holders. At year-end, Kungsleden's ten largest shareholders controlled 14.7 per cent of the capital and vote. Around 60 per cent of shareholders were private individuals; 13.4 per cent were foreign shareholders.

Dividend policy

The Board of Directors' ambition is to maintain stable dividends and a high pay-out ratio, a policy which stipulates that dividends should amount to a minimum of 50 per cent of profit after tax.

The Board of Directors proposes a dividend of SEK 12 per share for the financial year 2002, which translates to a dividend yield of 8.3 per cent in terms of the closing price at year-end 2002.

Analyst monitoring

The following analysts monitor Kungsleden's progress on an ongoing basis:

Lars-Åke Bokenberger/Christian Roos,
Alfred Berg, +46 (0)8 723 5800

Tobias Kaj,
Swedbank Markets, +46 (0)8 585 90000

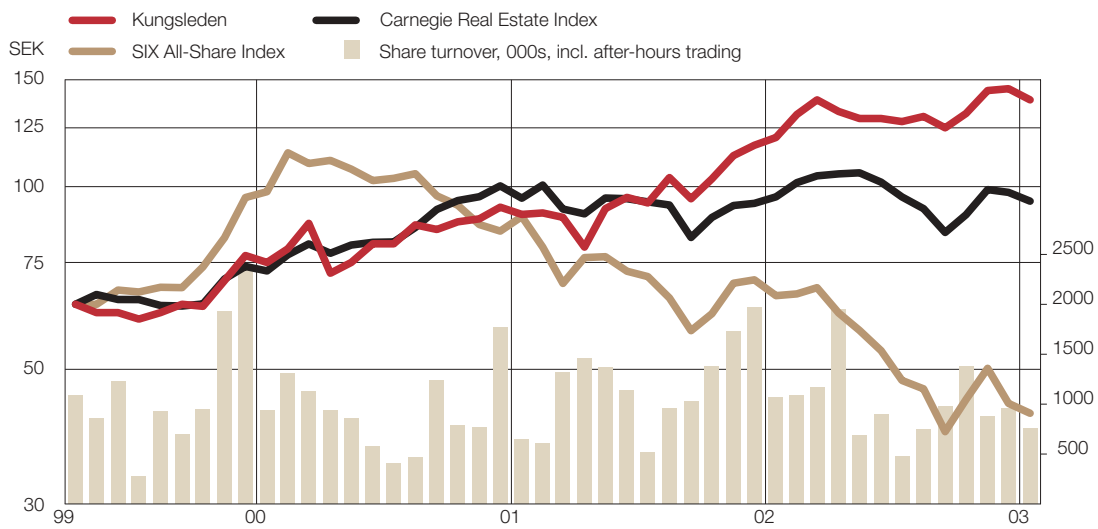
Thomas Ramsålv,
Crédit Agricole Indosuez Cheuvreux Nordic,
+46 (0)8 723 5100

Fredrik Skoglund/Johannes Grunselius
Carnegie, +46 (0)8 676 8800

Share capital history

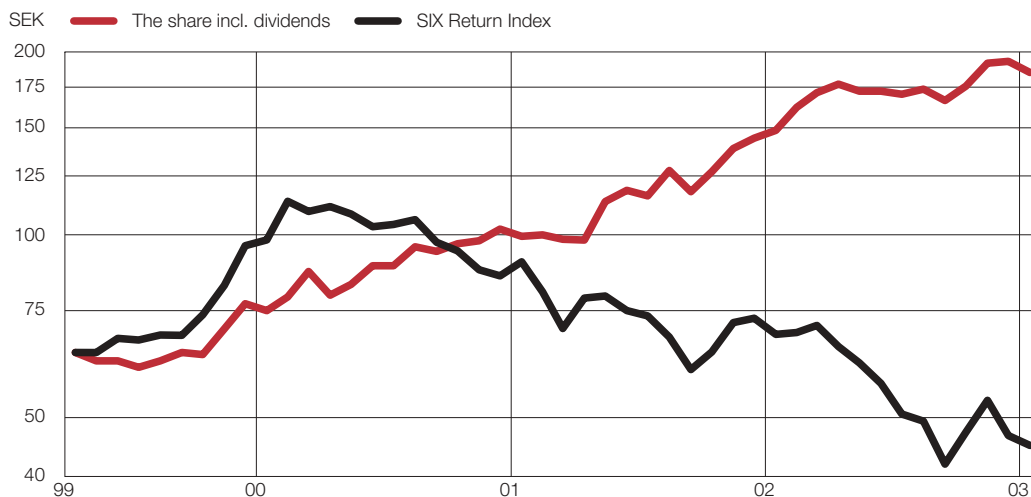
Timing	Action	No. of new shares	Aggregate no. of shares	Increase in share capital, SEK	Aggregate share capital	Nominal value per share
Aug 1997	Incorporation	1,000	1,000	100,000	100,000	100
Nov 1997	Split 20:1	19,000	20,000	-	100,000	5
Nov 1997	New issue	230,000	250,000	1,150,000	1,250,000	5
Nov 1997	Issue of debt instrument with options	-	-	-	-	-
Dec 1997	New issue	3,750,000	4,000,000	18,750,000	20,000,000	5
Jul 1998	New issue	2,400,000	6,400,000	12,000,000	32,000,000	5
Jul 1998	Issue of convertible subordinated debenture	-	-	-	-	2.50
Mar 1999	Split 2:1	6,400,000	12,800,000	-	32,000,000	2.50
Mar 1999	Conversion of subordinated debenture	2,758,620	15,558,620	6,896,550	38,896,550	2.50
Apr 1999	New issue	3,000,000	18,558,620	7,500,000	46,396,550	2.50
Dec 2000	New issue	400,000	18,958,620	1,000,000	47,396,550	2.50

The share



(c) SIX

Total yield



(c) SIX

Shareholders as of 31 December 2002

Shareholder	No. of shares	% of votes and capital
Olle Florén with companies	455,580	2.4
Crafoord Foundation	442,000	2.3
Management and Board	375,000	2.0
Swedish Red Cross	300,000	1.6
Agria	260,000	1.4
Baltic Foundation	260,000	1.4
SHB/SPP Mutual funds	240,000	1.3
Robur Swedish small-caps fund	201,800	1.1
Odey Asset Management	142,500	0.7
Elin Fastighets HB	115,200	0.5
Total, ten largest shareholders	2,792,080	14.7
Foreign shareholders, other	2,397,462	12.6
Other shareholders	13,769,078	72.7
Total	18,958,620	100.0



Kungsleden's capacity to realise its business concept, vision and strategy ultimately rests on the staff that constitute its organisational resources. This organisational capacity is vital to a corporation like Kungsleden. A transaction-intensive working environment necessitates staff that are adaptable to change, and whose guiding principles are professionalism and skills.

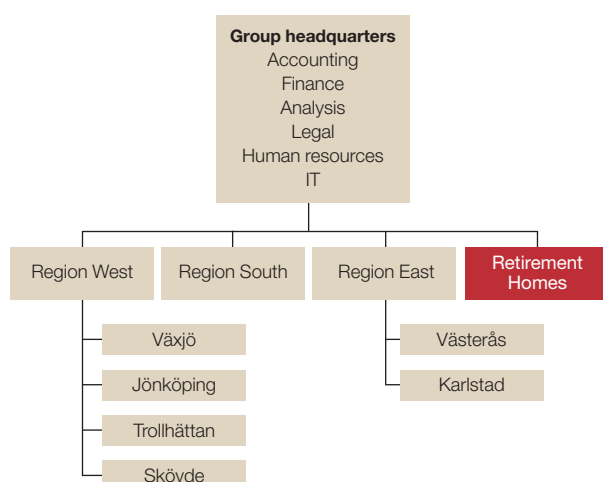
ORGANISATIONAL RESOURCES

Kungsleden's organisation comprises three regions, each with responsibility for its geographically divided property holding. The type-oriented business area Retirement Homes was added in 2001. Over-arching accounting, finance, business control, analysis, legal, human resources and IT issues are processed centrally. Each region is responsible for the management, letting and disposal of properties.

Kungsleden's South and West regions are managed from offices in Malmo and Gothenburg respectively, with West region including four local branches in Trollhättan, Jönköping, Växjö and Skövde. East region and the Retirement Homes business area are co-located with Kungsleden's head offices in Stockholm. East region also has local branches in Karlstad and Västerås.

The Stockholm headquarters houses the centrally organised Service Centre, which also has staff located at Gothenburg regional branch. Thus the Service Centre is independent of the geographical location of properties, and enjoys good prospects of attracting specialist staff.

Organisational schematic—operational structure



New business control model

In the latter part of their year, Kungsleden initiated a new business control model, which incorporates a goal-orientation program replacing the traditional budget process. In many corporate and academic contexts, the process of establishing budgets often tends to prove inefficient, partly because of the high consumption of resources, and because establishing objectives at the time of update is often not representative as a consequence of changing circumstances. Thus, Kungsleden has opted to pursue a more dynamic solution based on rolling forecasts and moving objectives. This allows financial information to be generated on an ongoing basis that allows for exogenous changes. The intention is to enhance the pre-conditions for Kungsleden's professionals to reach business decisions. The ambition is for staff at all levels to become more efficient at completing their respective assignments, thereby contributing to increase Kungsleden's profitability still further.

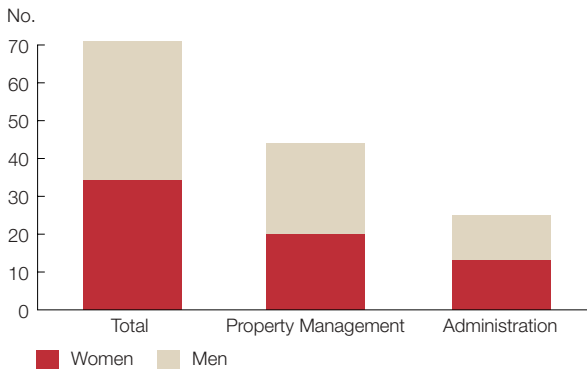
HUMAN RESOURCES

Kungsleden's staff work either on property management or administration. Those in property management work on local markets, and harbour sizeable know-how regarding property management and of the players on their local property and rental markets. They are also highly familiar with the conditions and development potential of such players and markets. A businesslike approach and flexibility are key concepts in the function of our property management activities, in enhancing Kungsleden's property holding and working methods.

Primarily, administration staff operate centrally within our organisational structure, and possess know-how with a specific orientation on various over-arching group issues. Service and specialist skills are the central concepts of the administration function's work in supporting property management, collaborating with this function to continuously improve Kungsleden's working methods and to bear responsibility for the observance of legal requirements.

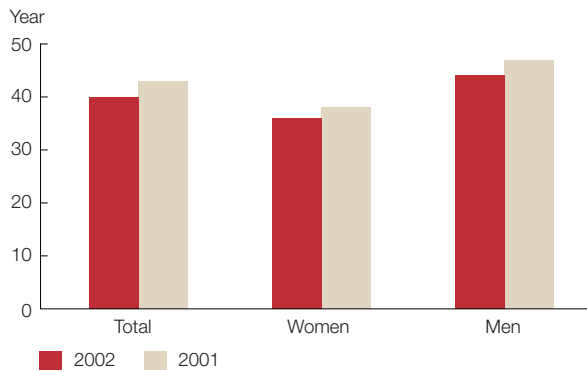
At year-end 2002, Kungsleden had 81 (83) employees of which 71 (65) were salaried employees. Apart from these salaried employees, 10 (18) janitors were also employed at this time. Wherever possible, Kungsleden outsources external property services, often on a local basis. The following figure illustrates the division of salaried employees between property management and administration, and the split between men and women. The staff headcount in property management has increased to 45 (42), and in administration, to 26 (23). The proportion of women is slightly higher than men within administration, while the reverse applies within property management. At year-end, 48 (47) per cent of all staff were women.

Appointments – salaried employees

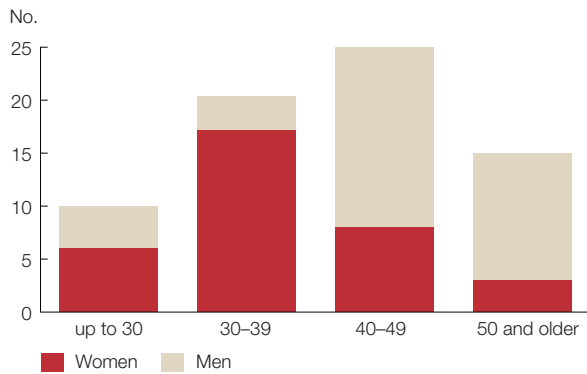


Kungsleden’s human resources are younger than in the previous year, with the average age of salaried employees declining to 40 (43), lower among women than men. A review of the age distribution reveals that women constitute the clear majority of salaried employees under 40, while consequently, men comprise the larger share aged over 40. Of all staff, 56 (57) per cent are 40 or older.

Average age – salaried staff

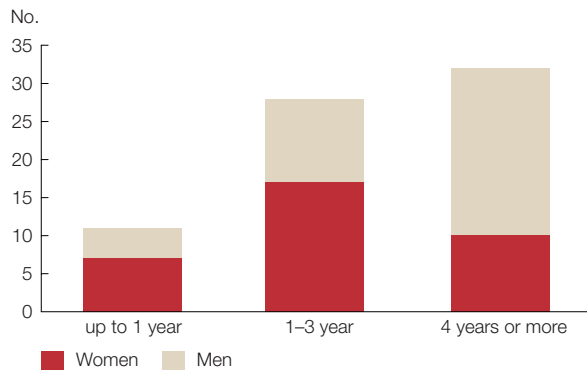


Age distribution – salaried employees



Overall, these age-related statistics indicate that the corporation has a healthy mix of younger and more mature staff. The following diagram illustrates the employment term of our salaried employees. Of our salaried employees, 32 (22) have worked within Kungsleden for four years or more, 28 (29) per cent between one and three years and the remaining 11 (14) per cent for less than one year.

Length of service – salaried employees





Jens Engwall



Johan Risberg



Benny Ivarsson



Eskil Lindnér



Lars Thagesson

SENIOR EXECUTIVES

Jens Engwall. Born in 1956.
Chief Executive. With Kungsleden since 1993.
Holding in Kungsleden: 150,000 shares.

Johan Risberg. Born in 1961.
Deputy Chief Executive, Chief Financial Officer. With Kungsleden since 1996.
Holding in Kungsleden: 100,000 shares.

Benny Ivarsson. Born in 1955.
Regional Director West, with Kungsleden since 1999.
Holding in Kungsleden: 5,400 shares

Eskil Lindnér. Born in 1959.
Regional Director South, with Kungsleden since 1999.
Holding in Kungsleden: 5,400 shares

Lars Thagesson. Born in 1959.
Regional Director East, with Kungsleden since 1993.
Holding in Kungsleden: 60,000 shares.



Bengt Kjell



Jockum Beck-Friis



Mats Israelsson



Jonas Nyrén



Ole Oftedal



Jens Engwall

BOARD OF DIRECTORS AND AUDITORS

Bengt Kjell. Born in 1954.

Chairman. Senior Vice President of AB Industrivärden. Board member since 1996. Other Board assignments: Hoist International AB, Pandox AB and Pukslagaren AB (HD/NSD). Holding in Kungsleden: 11,000 shares.

Jockum Beck-Friis. Born in 1950.

Active through his own consulting practice. Board member since 1998. Other Board assignments: Ryda Bruk AB, Hargs Bruk AB, S.P.A. Skäggetorp AB and Morgongåva Företagspark AB. Holding in Kungsleden: 0 shares.

Mats Israelsson. Born in 1940.

Active through his own consulting practice. Board member since 1993. Other Board assignments: Castellum AB, Akademiska Hus i Linköping AB, Atrium Fastigheter AB, Veidekke Bostad och Fastighet AB and Forsen Projekt AB. Holding in Kungsleden: 4,000 shares.

Jonas Nyrén. Born in 1951.

Deputy Chief Executive and Chief Financial Officer of Bonnier AB. Board member since 2001. Other Board assignments: TV4 AB, Frango AB, SkandiaBanken AB, Alma Media OY, Dagens Industri AB *et al.* Holding in Kungsleden: 3,000 shares.

Ole Oftedal. Born in 1954.

Industrial Partner of Pemira. Board member since 2001. Other Board assignments: Connecta AB, Klövern AB, Corus Technologies AB, CGEA Transport AB, the Stockholm Chamber of Commerce, Salus Ansvar AB and Stream VPN Ltd. Holding in Kungsleden: 1,600 shares.

Jens Engwall. Born in 1956.

Chief Executive, with Kungsleden since 1993. Other Board assignments: Fastighetspartner NF AB. Holding in Kungsleden: 150,000 shares.

Auditors

Auditor

Thomas Thiel. Born in 1947.
Authorised Public Accountant,
KPMG.

Deputy Auditor

Björn Flink. Born in 1959.
Authorised Public Accountant,
KPMG.

High returns and low risk

The objective of Kungsleden's operations and organisational resources is to optimise the risk/return relationship of its property holding, or in other words, to enhance the risk-adjusted returns of its portfolio.

To identify those measures that would improve the portfolio's risk-adjusted returns we utilise a business control model. Those opportunities for improvement we identify are effected through property trading and management, which together constitute the core components of Kungsleden's business. The following illustration reviews how Kungsleden works and organises its business to realise its business concept.



Theoretical support

Portfolio theory is a key foundation of Kungsleden's business control, a theory that is considered to suggest a relationship between returns and risk, so that the only possibility is to exchange returns for risk, or vice versa.

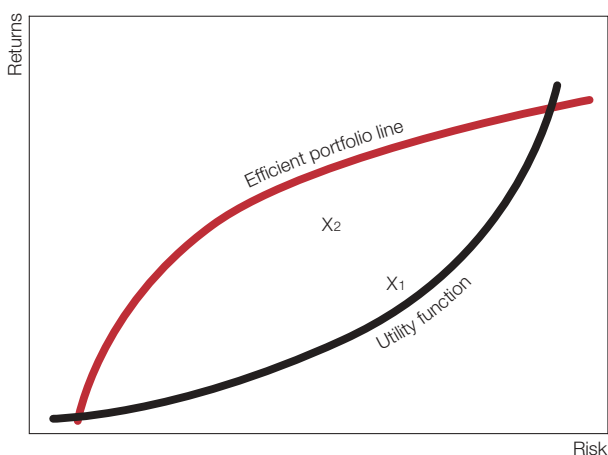
Kungsleden's standpoint is that this assertion is not entirely correct when applied to the property market, because in at least two respects, this market is not comparable to financial markets. Firstly, the property market is relatively un-transparent, implying that its players do not possess comprehensive information on returns and risk. Nor are properties fully comparable objects—they are not standardised—and accordingly, this impedes comparisons of returns and risk. The consequence is that,

probably, Kungsleden's portfolio is below what is termed the efficient portfolio line, from which it is only possible to exchange returns for risk.

The following diagram illustrates a hypothetical example where it is possible to achieve both higher returns *and* lower risk in such a portfolio (from X1 to X2). By introducing another function into the figure, usually called the utility function, predicting which portfolio amendments are perceived as positive becomes possible. All portfolio amendments in the area between the curves improve the risk/return relationship.

The conclusion is that scope for rationalisations always exists by means of systematic and methodical efforts on portfolio composition, and the risk and return of each property.

Portfolio theory



Risk-adjusted return

The term 'risk-adjusted return' implies that Kungsleden takes an overall view of returns—returns cannot be assessed without consideration to risk levels, and for Kungsleden, whose business concept is to own and manage properties generating sustainable high and stable returns, this is an important distinction.

Business control model

A new business control model was introduced in 2002, providing Kungsleden's organisational resources with supporting data for decisions regarding their standpoint on every individual property. Proceeding from market values, the model compares property yields with cost of capital, offering the best possible estimate of the portfolio's, and each property's, risk-adjusted returns. Properties are compared, and accordingly, how the portfolio's risk-adjusted return can be enhanced by altering its composition and management measures, becomes clear. The model can also be utilised to evaluate the risk-adjusted return for properties screened for acquisition, and how such an acquisition would influence the portfolio.



Property trading and management

Property trading and management are the working methods utilised to improve the portfolio's risk-adjusted returns.

Property trading is a matter of enhancing the portfolio by exchanging properties, i.e. by revising allocation. The objective is to consummate acquisitions that are positive *per se*, and that contribute to enhancing the portfolio's risk-adjusted returns. Until now, acquisitions have generally been of relatively heterogeneous property holdings, subject to the according pricing, and homogeneous holdings with pricing implying high risk-adjusted returns. Typically, disposals have been of low-performing properties, with the disposal implying an enhancement of the portfolio, while simultaneously, freeing up capital for acquiring properties with better risk-adjusted returns.

The purpose of property management is to influence the returns and risk level of each property through management measures, achieved by optimising each property's tenant structure and operating net. Efforts here are a matter of selecting the right tenant, rental level and maintaining the appropriate costs in the property.

These two measures are both important, complementary, and overall, decisive for Kungsleden achieving its objectives. Until the present, property trading has had the greatest impact on risk-adjusted returns, and Kungsleden expects this to remain the case in the future. However, the relative significance of property management is increasing, keeping pace with the portfolio's volume growth.



The property holding and earnings capacity

The property holding encompassed 430 (455) properties as of 31 December 2002, with a book value of SEK 10,130 (9,477) m. Total lettable floor-space was 1,838,000 (1,880,000) sq. m. with a total rental value of SEK 1,458 (1,326) m.

Property trading

The structure and composition of the property holding is a result of the trading that Kungsleden pursues. Despite the fact that trading in 2002 was not as extensive as in the previous years, key transactions were performed, contributing to increasing the stability of our property yields.

Acquisitions

In the year, 42 (98) properties were acquired for SEK 1,289 (3,877) m, with the majority being Retirement Home properties. Notable examples include the acquisition of Bokbacken. Including two units currently under production, the Bokbacken holding extends to 19 properties with a total property value of SEK 797 m and an estimated property yield of 7.8 per cent. Approximately two-thirds of these properties are located in Greater Stockholm while other properties are in Linköping, Gothenburg and Malmö. All properties are fully occupied. On average, their rental contracts have some six years remaining to maturity. The acquisition of 11 properties from Christer Jönsson is another notable case; their acquisition price amounted to SEK 192 m, and they generate an estimated property yield of 8 per cent. The average contract terms are eight years, while 88 per cent of floor-space is contracted to the Municipality of Malmö. Other Retirement Homes acquisitions include six properties from Southern Swedish care provider Skånevården, for SEK 55 m, at an estimated property yield of 8.1 per cent; the Municipality of Malmö is the tenant for 80 per cent of these properties.

Other types of acquisition have also been performed, including the individual acquisition of an industrial and warehousing property in Västerås, west of Stockholm. This property generates a high property yield and enjoys good prospects of progressing even more positively. Other acquisitions of properties in major regional cities, with high property yields, have also been made.

Disposals

The divestment of properties prioritised for sale contributed to enhancing the composition of Kungsleden's property holding. Such transactions were either a case of smaller, non-prioritised properties with low property yields, or properties whose market value had increased so their implicit property yield had fallen below Kungsleden's risk and return portfolio criteria. A total of 67 (103) properties were disposed of, generating

SEK 880 (1,057) m. These transactions generated profits of SEK 136 (100) m after sales overheads, with 12 (32) of these divested properties located in municipalities with populations of less than 25,000.

Property type

The structural realignment that the expansion of the Retirement Homes business area has implied is apparent from a review of the constituent types of Kungsleden's property holdings. Since the start-up of this business area, the distribution between properties has altered to the extent that Retirement Homes have been split off from the housing type, becoming an autonomous type. Other housing and the smaller types of hotels and land have been collated into the 'Other' type. Of total book values, Retirement Homes now constitute 21.6 per cent, or SEK 2,184 m, of total book values. The share of industrial and warehouse properties, plus retail properties, are now at a slightly lower level than last year. Office properties have retreated to 51.4 (58.0) per cent, or SEK 5,212 (5,498) m.

Geographical location

Geographically, the property holding has become less dispersed, with Kungsleden exiting from 8 (9) municipalities, and now present in 123 (129). The property values in our ten largest municipalities, measured as a share of book value, have increased to 57 (55) per cent of total property values. Of our total holding, 79 (78) per cent is located in municipalities with populations of over 50,000. Of total book values, 93 per cent is located in the 50 largest municipalities. The concentration of Kungsleden's property holding on the major city regions of Stockholm, Gothenburg and Öresund has increased to a level of 62.1 (60.3) per cent.

Earnings capacity as of 31 December 2002

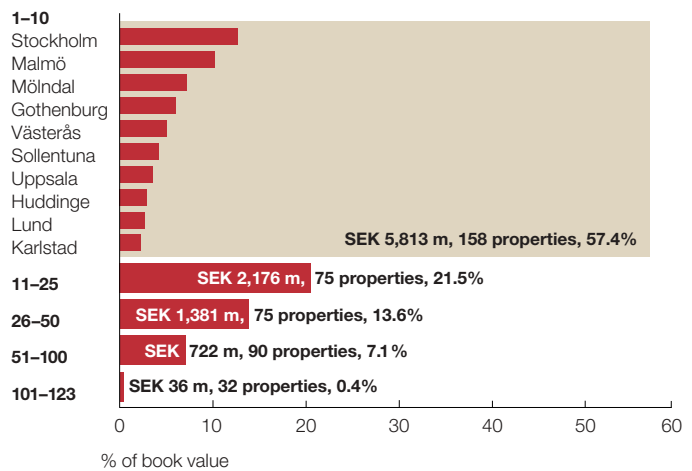
As of 31 December 2002, Kungsleden's property yield was 8.6 (8.6) per cent including property administration; vacancies reduced to 6.4 (6.6) per cent. The fact that yields are unchanged is a consequence of the weak performance of the economy generally, and the Stockholm region in particular. In some cases, this situation has meant Kungsleden accepting lower rents in favour of reduced risk that the combination of low vacancies with extended contracts implies. The fact that property yields are unchanged despite this is a sign of strength, and depends upon properties located in other parts of the country sustaining positive progress.

The year's efforts relating to Kungsleden's portfolio composition have largely been targeted on raising the quality of our property holding. These efforts have been fruitful and implied that the operational and value risk of our portfolio holding was far lower as of 31 December 2002 than at the previous year-end. Our increased orientation towards Retirement Homes is an

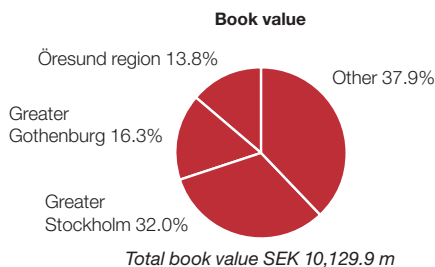
important explanation in this context; the Retirement Homes business area—accounting its first full year—has achieved performance fully commensurate with expectations upon acquisition. Its property yield was 8.0 per cent, and vacancies a modest 0.4 per cent. This combination of healthy returns with very low risk implies that the Retirement Homes business area has high risk-adjusted returns.

In order to reveal the earnings capacity of the property holding more representatively than the Income Statement, the table on page 18 illustrates the earnings capacity of the property holding divided by type and market region.

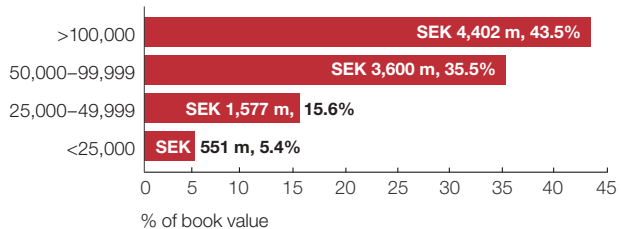
Municipalities in descending order of size



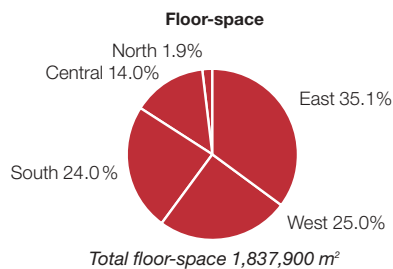
Geographical distribution



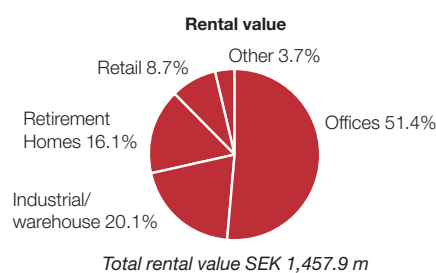
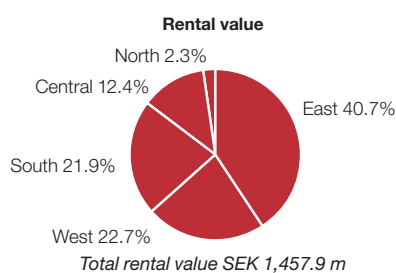
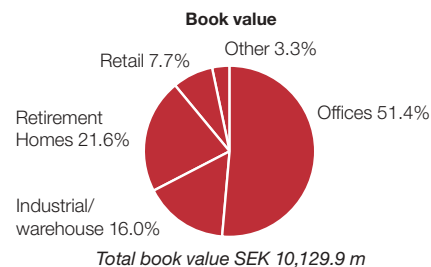
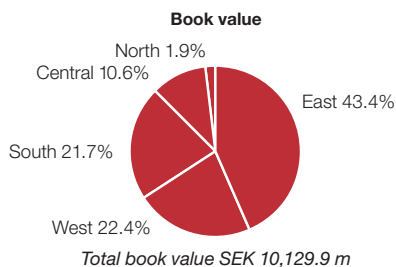
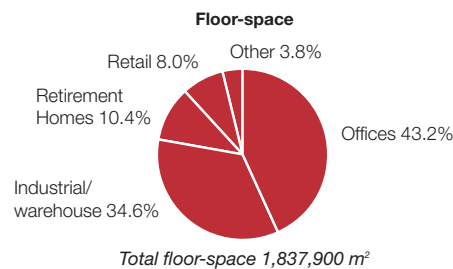
Municipal populations



Kungsleden's geographical presence in Sweden



Kungsleden's property categories



The property holding and earnings capacity

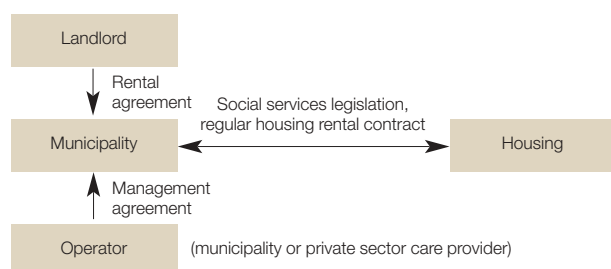
The earnings capacity of the property holding as of 31 december 2002

Offices	East	West	South	Central	North	Total
Number	47	36	62	24	11	180
Lettable floor-space, 000m ²	285.1	242.4	150.8	86.0	28.9	793.1
Book value, SEK m	2,095.3	1,515.0	996.4	440.1	164.7	5,211.6
Rental value, SEK m	300.0	206.3	149.5	65.9	27.5	749.2
Rental revenues, SEK m	258.0	198.4	140.3	59.2	25.4	681.4
Operating surplus, SEK m	162.1	137.7	91.5	28.8	14.8	434.8
Economic occupancy, %	88.7	96.6	94.3	92.3	94.4	92.5
Property yield, %	7.7	9.1	9.2	6.5	9.0	8.3
Profit margin, %	62.8	69.4	65.2	48.6	58.3	63.8
Retirement Homes	East	West	South	Central	North	Total
Number	26	5	21	2	–	54
Lettable floor-space, 000m ²	135.6	16.4	29.8	9.9	–	191.8
Book value, SEK m	1,554.3	209.2	313.4	106.9	–	2,183.8
Rental value, SEK m	169.7	20.1	32.7	11.8	–	234.3
Rental revenues, SEK m	169.7	20.0	32.4	11.5	–	233.5
Operating surplus, SEK m	127.5	14.8	23.4	8.1	–	173.8
Economic occupancy, %	99.7	99.1	99.5	100.0	–	99.6
Property yield, %	8.2	7.1	7.5	7.6	–	8.0
Profit margin, %	75.1	74.1	72.3	71.0	–	74.4
Industrial/warehouse	East	West	South	Central	North	Total
Number	27	22	32	12	–	93
Lettable floor-space, 000m ²	186.2	129.0	210.1	110.3	–	635.6
Book value, SEK m	518.9	241.8	611.7	248.8	–	1,621.2
Rental value, SEK m	85.5	51.0	94.5	62.2	–	293.2
Rental revenues, SEK m	79.6	42.6	83.1	57.9	–	263.2
Operating surplus, SEK m	55.3	30.6	49.1	39.3	–	174.3
Economic occupancy, %	93.7	87.4	92.0	94.0	–	92.1
Property yield, %	10.7	12.7	8.0	15.8	–	10.8
Profit margin, %	69.5	71.9	59.1	67.9	–	66.2
Retail	East	West	South	Central	North	Total
Number	8	16	9	9	1	43
Lettable floor-space, 000m ²	35.6	46.1	30.6	33.3	2.3	147.9
Book value, SEK m	225.9	201.9	151.3	192.4	8.6	780.0
Rental value, SEK m	36.3	34.6	26.4	28.4	1.5	127.3
Rental revenues, SEK m	32.9	31.1	24.6	23.4	1.5	113.5
Operating surplus, SEK m	18.8	15.1	15.3	10.8	0.9	60.9
Economic occupancy, %	93.7	91.2	95.1	90.9	100.0	92.8
Property yield, %	8.3	7.5	10.1	5.6	11.0	7.8
Profit margin, %	57.1	48.5	62.1	46.3	61.4	53.7
Other	East	West	South	Central	North	Total
Number	5	25	13	15	2	60
Lettable floor-space, 000m ²	3.2	24.7	19.2	17.8	4.6	69.5
Book value, SEK m	14.8	100.7	122.7	80.6	14.5	333.3
Rental value, SEK m	2.2	18.7	16.0	13.2	3.8	53.8
Rental revenues, SEK m	1.9	17.2	15.3	11.3	3.2	48.9
Operating surplus, SEK m	1.0	10.3	9.1	5.6	1.3	27.2
Economic occupancy, %	92.2	93.2	95.3	94.2	83.5	93.3
Property yield, %	6.6	10.3	7.4	6.9	8.6	8.2
Profit margin, %	51.7	60.0	59.3	49.4	39.7	55.7
Total	East	West	South	Central	North	Total
Number	113	104	137	62	14	430
Lettable floor-space, 000m ²	645.7	458.6	440.6	257.2	35.8	1,837.9
Book value, SEK m	4,409.3	2,268.5	2,195.5	1,068.8	187.8	10,129.9
Rental value, SEK m	593.7	330.8	319.1	181.5	32.8	1,457.9
Rental revenues, SEK m	542.0	309.3	295.8	163.3	30.1	1,340.4
Operating surplus, SEK m	364.6	208.5	188.3	92.6	17.0	871.1
Economic occupancy, %	92.9	94.6	94.3	93.3	93.4	93.6
Property yield, %	8.3	9.2	8.6	8.7	9.1	8.6
Profit margin, %	67.3	67.4	63.7	56.7	56.5	65.0
Geographical distribution		Greater Stockholm	Greater Gothenburg	Öresund region	Other	Total
Number		81	39	67	243	430
Lettable floor-space, 000m ²		444.2	277.9	260.0	855.7	1,837.9
Book value, SEK m		3,247.6	1,650.5	1,395.1	3,836.8	10,129.9
Rental value, SEK m		424.1	223.5	187.5	622.8	1,457.9
Rental revenues, SEK m		388.4	215.8	175.3	561.0	1,340.4
Operating surplus, SEK m		256.9	149.0	122.0	343.2	871.1
Economic occupancy, %		93.2	96.7	95.2	92.3	93.6
Property yield, %		7.9	9.0	8.7	8.9	8.6
Profit margin, %		66.1	69.1	69.6	61.2	65.0

Kungsliden's Retirement Homes initiative is named Hemsö. With their long rental contracts, stable tenants and healthy mortgaging prospects, Retirement Home properties are fully consistent with Kungsliden's strategy of creating sustainable high and stable returns.

'Retirement Homes' is the collective term for housing classified in a reform of Swedish social services legislation obliging municipalities to offer adapted housing to elderly people with special needs. Such care is either offered by the municipalities themselves or private care providers assigned by municipalities. Thus Hemsö's tenants are largely various municipalities, which then rent the majority of their floor-space to various care providers and private individuals.

The various parties and their internal relationships in the typical case are illustrated in what follows.



Demand

The demand for Retirement Homes is a function of the elderly population. At present, approximately 126,000 pensioners live in special housing. Prevailing forecasts of future demographics indicate the elderly population increasing continuously over the next 40 years, and as a consequence, the need for special housing will also accentuate.

The Swedish population and age profile

	Total	65-79	>80	Special housing	Change
2002	8,940,000	1,064,000	471,000	126,000	
2010	9,183,000	1,234,000	489,000	135,000	+ 9,000
2020	9,505,000	1,522,000	520,000	150,000	+ 24,000
2030	9,749,000	1,523,000	752,000	196,000	+ 70,000
2040	9,842,000	1,619,000	801,000	208,000	+ 82,000

Source: *Befolkningsutveckling* (Population Development), Statistics Sweden. Numbers of people in special housing, proportions according to age, as at present.

Business opportunities

At present, the majority of retirement homes are owned by municipalities or their public housing corporations. Hemsö's SEK 2.2 bn holding represents some 2 per cent of the overall market, and thus, it is easily the largest private player.

Municipal intentions to divest existing retirement homes or to outsource new production offers opportunities for further major acquisitions in this sector. Hemsö intends to become a natural discussion partner for municipalities that are seeking the private ownership of retirement homes. At present, no nationwide property player specialising in retirement home exists, and accordingly, apart from the municipal corporations, Hemsö's competitors are smaller, private landlords and rentals enterprises. As a specialist retirement homes owner, Hemsö will also pursue collaborations with the major care providers.

Hemsö – Kungsliden's Retirement Homes initiative

Kungsliden's Retirement Home property efforts are pursued through a dedicated organisational entity, implying the accumulation of specialist know-how associated with the management and production of Retirement Home properties—vital for becoming an attractive counterparty for our tenants.

Kungsliden initiated its Retirement Homes property initiative with the acquisition of 15 properties for SEK 1.1 bn in late 2001. Another 39 properties were acquired in 2002, for a further SEK 1.1 bn, some through a joint venture with Catella, Hemsö Äldreboende AB. Kungsliden holds an option to acquire Catella's shares in this enterprise at a pre-determined price.

Thus overall, through Hemsö, Kungsliden is the owner of, or partner in, 54 properties intended as Retirement Homes, with a book value of SEK 2.2 bn. Including Catella's share of this holding, book values amount to SEK 2.4 bn. The number and value of these properties are divided by region as follows:

Region	Number	Book value, SEK m
Greater Stockholm	18	1,108
Malmö-Lund	21	313
Uppsala	4	193
Greater Gothenburg	5	209
Norrköping	1	198
Västerås	2	107
Linköping	2	56
Total	54	2,184

Hemsö's performance has fully satisfied expectations; its earnings capacity as of 31 December was 8.0 per cent. The operational risk in the segment is very low because rental contracts are indexed and have an average maturity of 7.8 years. In addition, some 75 per cent of revenues are sourced from municipalities. The low risk implies attractive funding opportunities, implying that the returns on equity fully satisfy Kungsliden's overall target of 15 per cent of shareholders' equity.

Last year

The conditions Kungsleden's business faced in 2002 were less than optimal, but the holding's rental and vacancy status progressed positively nevertheless. Although Greater Stockholm underwent a sharp slowdown, this basically, was the only region where progress was negative. Kungsleden did experience some influence from this phenomenon.

Results in 2002 were distinctly better than the previous year. The main explanation lies in Kungsleden's operating surplus, which rose 28 per cent to SEK 818 (638) m. Property trading also generated 36 per cent better profits, of SEK 136 (100) m. Otherwise, all items apart from financial expenses, which grew 53 per cent to SEK 423 (276), remained basically unchanged.

Earnings capacity

Kungsleden's business concept and strategy implies an orientation towards low operating risk, the intention being for cash flows, principally from property management, to remain high and stable regardless of general economic conditions. Kungsleden principally achieves lower operating risk by diversifying into various property types, geographical markets and tenants, and by spreading its rental contracts over time. Thereby, the impact from general and specific events is alleviated.

Kungsleden also reduces operating risk by avoiding property development, because such projects imply significant cash flow uncertainty. Kungsleden's experience is that property trading can be successful regardless of the business cycle.

Kungsleden's property holding is subject to continuous change of such an extent that at any given moment, its Income Statement does not reflect its earnings capacity most accurately. Instead, earnings capacity illustrates how the Income Statement would appear if those properties owned on 31 December 2002 were actually held for the whole year. The intention of the following table is to demonstrate the effects of changes in Kungsleden's property holding, and to offer the most accurate indication of Kungsleden's current earnings capacity.

Earnings capacity

SEK m	31 Dec '02	SEK/m ²	31 Dec '01	SEK/m ²
Rental revenue	1,340	729	1,280	681
Operation & maintenance costs	-351	-191	-350	-186
Property tax	-44	-24	-50	-27
Ground rent	-13	-7	-12	-6
Property administration	-61	-33	-55	-30
Operating surplus	871	474	813	432
Book value	10,130		9,477	
Property yield, %	8.6		8.6	
Economic occupancy, %	93.6		93.4	
Profit margin, %	65.0		63.5	
Floor-space, 000 sq. m.	1,838		1,880	

The biggest change in 2002 was the increase in the proportion of Retirement Homes from 12 to 22 per cent, i.e. from SEK 2,184 m to 10,130 m, which explains most of the change to Kungsleden's operating surplus and key figures. Despite a higher share of Retirement Homes, Kungsleden's property

yield remained unchanged at 8.6 per cent—a very positive level in the context of the far lower risk of Retirement Homes than commercial premises.

The status of the property holding at year-end 2002 indicates that looking ahead, property yields will continue to exceed Kungsleden's 8.5 per cent target. However, property trading will mean the holding continuing to change.

Rental revenue

Rental revenue amounted to SEK 729 per sq. m. Rental values were SEK 793 per sq. m., and measured as a proportion of rental values vacancies, were 6.4 per cent, while discounting and rental losses amounted to 1.3 and 0.6 per cent respectively. This indicates the robust state of the property holding as of 31 December 2002.

The following table illustrates the division of rental contracts between commercial, Retirement Homes, housing and other contracts and the contract values of commercial premises and Retirement Homes.

Contract value, SEK 000	Total value		No. of contracts	
	SEK m	%	SEK m	%
Commercial				
0–499	251.5	23	1,744	80
500–999	149.9	14	216	10
1,000–4,999	415.2	39	198	9
5,000–9,999	88.8	8	13	1
>10,000	167.9	16	9	0
Total commercial	1,073.3	100	79	44
Retirement Homes				
0–499	29.8	13	388	87
500–999	6.7	3	10	2
1,000–4,999	107.2	44	38	8
>5,000	90.6	40	13	3
Total Retirement Homes	234.3	100	17	9
Housing	45.6		3	843
Other	11.8		1	1,517
Total	1,365.0	100	4,989	100

Kungsleden's biggest tenants are LM Ericsson and Förenings-Sparbanken, representing 8 (9) and 7 (7) per cent of contract values respectively, divided between 19 (26) and 80 (114) contracts respectively. Kungsleden's 15 largest tenants represent 33 per cent of its contract values. Kungsleden's 15 largest tenants had 175 contracts. Otherwise, any dependence on individual tenants is modest.

The following table illustrates the distribution of contract maturities

Expiry	Value, SEK m	Prop., %
2003	282.0	20.7
2004	247.0	18.1
2005	216.0	15.8
2006	217.1	15.9
2007	108.0	7.9
2008	56.1	4.1
2009	43.4	3.2
2010	65.9	4.8
2011	39.6	2.9
> 2012	89.9	6.6
Total	1,365.0	100.0

Property costs

Kungsleden's property holding is extensive, and progressively, management issues have become more important.

Organisational resources have sustained their focus on increasing management efficiency, which includes continuous efforts to reduce property costs. The main means through which this is achieved is the centralised procurement of energy, and through enhanced control of property care.

Generally, Kungsleden's properties are well maintained. Basically, the demand for premises is firm, with the proportion of unoccupied floor-space in the property holding lower than previously, which suggests that the relative cost of tenant adaptations will not rise.

Overall, this indicates that Kungsleden does not anticipate property costs outgrowing inflation.

Operation and maintenance costs amounted to SEK 348 (293) m, with SEK 256 (197) m of this total being maintenance costs SEK 92 (96) m. An additional SEK 83 (105) m has been capitalised as investments in existing properties.

Usually, ground rents have a term of 10–20 years, and accordingly, re-negotiation is assessed to have a limited effect on costs from year to year.

Revenues received for the onward billing of property tax are accounted under rental revenue, and amounted to SEK 31 (33) m.

Property administration cost SEK 61 (55) m, equivalent to 0.6 per cent of book values; their 11 (6) per cent increase was far less than Kungsleden's operating surplus advanced. The term 'property administration' refers to the costs of ongoing property management including the costs of rent billing, negotiation, rent demands and statements. The depreciation of equipment has been divided between three usage-related administrative classes.

Property trading

During the year, 42 (98) properties with floor-space of 155,000 (546,000) sq. m. were acquired for SEK 1,289 (3,877) m. These acquisitions were effected at an estimated property yield of 9.1 (7.8) per cent. Meanwhile, 67 (103) properties were disposed of for a total of SEK 880 (1,057) m, generating profits of SEK 136 (100) m. These properties were divested at a property yield of 6.5 (6.8) per cent measured in terms of sales values and at SEK 103 m and 105 m above internal and external valuations effected as of 31 December 2002. The sales value of 51 of these properties was less than SEK 10 m. The following table illustrates the distribution between profitable and loss-making property divestments.

Profit effect of divested properties	Sales, SEK m	Profit, SEK m	No.
Positive	783.0	163.5	39
Zero	19.6	0.0	11
Negative	77.0	-10.8	17
Sales administration		-16.4	
Total	879.6	136.3	67

Sales administration also includes sales overheads, which are basically transaction related, principally comprising brokerage fees.

Central administration

Central administration includes costs for the company's management and centralised functions such as accounting, finance, legal services, analysis, information technology and costs associated with stock market quotation.

Value adjustments

Value adjustments in the year amounted to SEK 48.5 m net. Write-ups, i.e. the reversals of write-downs in previous years, stood at SEK 10.1 m, and write-downs, at SEK 58.6 m. The write-downs were on properties where the tenant situation or other circumstances on local markets implied a deteriorated outlook for properties.

Net financial position

There are three noteworthy variables that influenced Kungsleden's net financial position in 2002:

SEK m	2002	2001
Accounted net financial position	-423	-276
Freedom from interest coincident with property acquisitions	-21	-42
Costs associated with meeting loan agreement	10	7
Re-negotiated interest swap	17	
Adjusted net financial position	-417	-311

The increase in the adjusted net financial position is mainly dependent on a larger property holding. Average interest levels rose from 5.7 to 6.0 per cent, which exerted an estimated SEK 20 m influence. The aggregate interest fixing period increased from 2.71 to 3.14 years between the two respective year-ends, which is one reason for the increased interest level. Overall, interest costs increased by SEK 131 m.

Tax

Accounted tax costs of SEK 130 (114) m equate to a rate of 29 (30) per cent, with SEK 0 (2) m of this total being current tax. The discrepancy of SEK 130 (112) m comprises deferred tax and is the consequence of auditing practice regarding income taxes. Deferred tax does not imply any cash flow, unlike current tax. The residual deficit is SEK 753 m. Kungsleden considers that the cost for current tax will remain low for the next two years.

Cash flow

Cash flow from operations was SEK 455 (506) m. Operating cash flow amounted to SEK 795 (709) m. The cash flow from investment activity amounted to SEK -701 (-3,037) m; the cash flow from financing activity was SEK 220 (2,545) m. More information is available in the Cash Flow Statement, and in note 18.

Sensitivity analysis

The sensitivity analysis provided in the following table illustrates how operations are influenced by changes in the primary variables, and is based on the situation as of 31 December 2002.

	Change	Profit impact, SEK m
Rental revenue	+/-1%	13
Economic vacancy	+/-1 percentage point	14
Property costs	+/-1%	3
Funding costs, upon changed interest level	+/-1 percentage point	28
Average funding costs	+/-1 percentage point	74

PROPERTY VALUES

As of 31 December, the property holding had an internally estimated actual value of SEK 11,134 (10,301) m, and an externally estimated actual value of SEK 10,938 (10,495) m. The internally assessed market value exceeded book value by SEK 1,004 (824) m, while the discrepancy of externally assessed market value over book value was SEK 807 (1,019) m.

Internal valuations are more important to Kungsleden and are an integrated element of its business process. Each property always has a business plan, updated at least once annually, comprising an internal valuation, the most recent external valuation, a statement of standpoint and an action-plan specifying those measures considered to optimise the returns from the property. A present value calculation with a five-year forecast horizon and external valuations as a comparison form the foundation for the standpoint and internal valuation.

Kungsleden considers that ethical business considerations suggest that external parties would expect its internal valuations to be verified by external independent valuations, and consequently, comprehensive external valuations including property inspections are performed on a representative selection of its holding, in terms of type and geographical location (amounting to some 70 per cent of property values) every three years. In the intervening years, Kungsleden performs an update of previous valuations, i.e. what are termed desktop valuations, on the remaining properties. However, all new properties and those subject to special circumstances undergo a comprehensive valuation. In 2002, and effected as of 29 November 2002, Forum Fastighetsekonomi AB performed a comprehensive valuation of approximately 70 per cent of property values and a desktop valuation of the remaining properties. Some properties were also valued by Svefa AB. The higher valuation has been adopted for those properties with two valuations. In all cases, those properties acquired in the year have undergone a comprehensive valuation.

The nature of Kungsleden's business is such that constantly maintaining an accurate perception of precisely what each property is worth to the company, and of its saleable value, is vital, and therefore, the aforementioned business plans and internal valuations are highly significant. Kungsleden monitors how internal and external valuations match up to realised sales

prices as an ongoing element of quality initiatives; those prices achieved during the year exceeded the previous year's internal and external valuations by 13 and 14 per cent respectively. Experience indicates that prices attained tend to lie above both internal and external valuations, and generally, internal valuations are closer than external valuations. Experience indicating that internal valuations are of at least commensurable quality with external valuations could be explained by Kungsleden being constantly informed of other players' price assessments through its active involvement in the property market.

As in previous years, the property holding is accounted as current assets, with each property valued at the lower of cost or assessed market value. The assessed market value is an accounting term, which has the same implication as market value.

Property values in summary 2002

SEK m	Offices	Retirement Homes	Industrial/warehouse	Retail	Other	Total
Book value	5,212	2,184	1,621	780	333	10,130
Internal valuation	5,678	2,312	1,888	883	373	11,134
External valuation	5,536	2,268	1,825	910	399	10,938

SEK m	East	West	South	Central	North	Total
Book value	4,409	2,268	2,196	1,069	188	10,130
Internal valuation	4,816	2,553	2,367	1,181	217	11,134
External valuation	4,726	2,374	2,403	1,212	223	10,938

FUNDING

The bond market in 2002

In overall terms, 2002 can be divided into two phases—nascent optimism that subsequently transformed into growing uncertainty. In spring 2002, market perceptions were of a bottom being realised, and of an imminent economic turnaround. In the early months of the year, inflation was just over 3 per cent. Sweden's central bank, the Riksbank, considered that looking ahead, inflation would remain above its inflation target, and consequently increased its benchmark rate by 25 basis points in March, followed by a further 25 points in April.

Swedish yields rose during the first five months of the year, on the basis of rising inflation expectations, and the spread between short and long yields increased. The upturn was most palpable on medium-term, one to three year, swap rates. Between January and May, one-year interest swaps rose by 100 basis points, while ten-year interest swaps rose by some 60 basis points in the same period.

However, thoughts of an international global cyclical upturn were revised in the summer after a number of high-profile accounting scandals, which triggered declining share prices. Stock market performance and reduced expected earnings reduced growth and inflation pressure throughout the OECD. Progress on the financial markets contributed to the progressive delay of the recovery, reduced consumption and investments, in Sweden and the surrounding world.

As in 2001, the bond market was subject to sizeable fluctuations, with the spread between the highs and lows of long and medium-term yields being some 120 basis points, while three-month yields fluctuated some 40 basis points. The Riksbank opted to end the year with two interest rate cuts, one in November and one in December, each of 25 basis points. Deteriorated stock market conditions and accentuating uncertainty resulted in swap rates ending the year at what, in historical terms, were low levels, the lowest since spring 1999.

Financial Policy

Kungsleden's Financial Policy establishes guidelines and regulations for conducting its funding activities. The Finance function is a group-wide activity responsible for group funding, liquidity planning and managing interest risk. Kungsleden's Board formulates the Financial Policy and stipulates how the various risks in the funding operation are to be limited. Moreover, the Board determines the division of responsibility and administrative regulations, which mean that the Financial Policy offers guidance to the efforts of Kungsleden's Finance function.

The Financial Policy stipulates that the overall objectives of Kungsleden's Finance function are:

- To ensure the company's long and short-term access to capital;
- To adapt Kungsleden's funding strategy according to the company's operations in order for a stable long-term capital structure to be achieved and maintained;
- To achieve the optimal net financial position within the established risk limits.

Loan financing

During 2002, the volume of Kungsleden's loan portfolio increased from SEK 5,966 m to SEK 7,436 m. The volume expansion in 2002 primarily occurred through new funding agreements with German banks, with the majority attributable to Retirement Home properties.

The syndicated loan facility totalling SEK 4,850 m had SEK 3,350 m drawn down as of year-end. Two major loan agreements totalling SEK 1,024 m were reached in 2002.

Kungsleden's bond issue of 2002, quoted on the Stockholm Fixed-income Exchange, has a volume of SEK 500 m and has been fully drawn down. This facility is divided into one tranche of SEK 200 m with a three-year maturity, and a five-year tranche of SEK 300 m. The two tranches have coupons of 8.75 per cent and 9.75 per cent respectively. The three-year tranche matures in July 2003.

Liquidity

In 2002, Kungsleden arranged a SEK 150 m committed credit facility, and as of 31 December 2002, available liquidity, including the un-utilised committed credit facility, was SEK 221 m.

Interest fixing strategy and risk management

Kungsleden realigned its interest fixing strategy in 2002 to be able to exploit its improved prospects for fixing in the five to nine-year interval. This strategy is based on the view that Kungsleden will be able to retain a low risk level, even with a relatively large portion of short interest fixings in its funding portfolio, achieved through a high share of the remaining fixed portion of its fixings being extended with realisable long-maturity interest swaps. This strategy was complemented with interest swaps in the two to seven-year interval in 2001 and 2002, and through funding with long interest fixings on its Retirement Homes portfolio. Kungsleden has retained its sharp focus on the financial markets, and high state of readiness to limit its interest risk still further, through means including derivative instruments. Its interest fixing strategy is the subject of constant review and is also intimately associated with the company's capital structure. Increased loan ratios may elicit adjustment of the portion of floating interest in its funding portfolio. At year-end 2002, the average interest fixing period was 3.14 (2.71) years.

Financial structure

As of 31 December 2002, Kungsleden's total assets were SEK 10,412 m, of which SEK 10,130 m comprised properties. Kungsleden's funding as of 31 December 2002 is apparent in the following tables.

Interest fixing period as of 31 December 2002

Interest maturity	Loan, SEK m	Prop, %	Ave. int., %
2003	3,594	48.3	5.59
2004	200	2.7	5.26
2005	350	4.7	7.45
2006	450	6.1	5.96
2007	475	6.4	6.56
2008	465	6.2	6.16
2009	327	4.4	6.51
2010	1,275	17.1	6.70
2011	300	4.1	6.60
Total	7,436	100.0	6.06

Loan maturity structure as of 31 December 2002

Maturity	Total, SEK m	Prop., %
2003	740	8.3
2005	5,150	57.6
2008	1,124	12.6
2009	891	10.0
2010	1,031	11.5
Total	8,936	100.0

FORECAST 2003

The Board's estimate is that profit before tax for 2003 will be a minimum of SEK 450 m.

FIVE-YEAR OVERVIEW

Summary Income Statement

SEK m						
Property management	1998	1999	2000	2001	2002	Earnings capacity
Rental revenue	458	718	785	1,039	1,291	1,340
Operating and maintenance costs	-176	-237	-236	-294	-349	-351
Property tax	-20	-32	-31	-45	-49	-44
Ground rent	-5	-6	-8	-10	-13	-13
Property administration	-31	-39	-49	-52	-62	-61
Operating surplus	226	404	461	638	818	871
Property trading						
Sales revenue, properties	428	1,021	390	1,057	880	
Sales administration, incl. overheads	-11	-19	-7	-16	-16	
Book value	-349	-875	-321	-941	-727	
Profit, property trading	68	127	62	100	137	
Gross profit	294	531	523	738	955	
Central administrative costs	-21	-26	-21	-30	-32	
Value adjustments on properties	-22	-39	-47	-51	-48	
Operating profit	251	466	455	657	875	
Interest subsidies	4	6	2	1	0	
Financial income	10	9	83	19	4	
Financial costs	-117	-189	-223	-297	-427	
Profit after financial items	148	292	316	380	452	
Tax costs	-39	-87	-88	-114	-130	
Net profit	109	205	228	266	322	

Summary Balance Sheet

SEK m					
Assets	1998	1999	2000	2001	2002
Fixed assets	320	281	176	56	15
Current property assets	4,367	5,272	6,487	9,477	10,130
Other current assets	161	115	154	260	140
Liquid funds	101	70	140	154	127
Total assets	4,949	5,738	6,957	9,947	10,412
Liabilities and shareholder's equity					
Shareholders' equity	1,370	1,983	2,092	2,188	2,310
Interest-bearing liabilities	3,171	3,519	4,115	5,966	7,461
Non-interest bearing liabilities	408	236	750	1,793	641
Total liabilities and shareholders' equity	4,949	5,738	6,957	9,947	10,412



Key figures**Property-related**

<i>Earnings capacity</i>	1998	1999	2000	2001	2002
Property yield, %	7.9	8.3	8.3	8.6	8.6
Economic occupancy, %	89.0	90.0	91.0	93.4	93.6
Profit margin, %	–	–	–	63.5	65.0
<i>Actuals</i>					
Property yield, %	7.3	8.4	7.8	8.0	8.3
Economic occupancy, %	–	90.2	90.6	92.2	93.1
Profit margin, %	49.3	56.2	58.6	61.5	63.4

Financial

Return on total capital, %	7.0	8.9	8.5	8.0	8.6
Return on equity, %	8.8	12.2	11.2	12.4	14.3
Interest cover, multiple	2.4	2.7	3.3	2.4	2.1
Equity ratio, %	31.7	34.6	30.1	22.0	22.2
Gearing, multiple	2.3	1.8	2.0	2.7	3.2
Mortgage ratio, %	72.6	66.7	63.4	63.0	73.7

Data per share

Share price, SEK	–	77	92	117	145
Beta value	–	–	0.05	0.04	0.43
Dividend, SEK ¹	5.00	8.00	9.00	10.50	12.00
Total yield, %	–	24.2	29.9	37.0	32.9
Dividend yield, %	–	7.6	10.4	9.8	9.0
P/E ratio, multiple	–	6.4	6.6	6.9	8.5
P/CE ratio, multiple	–	3.1	2.9	3.4	4.9
Operating surplus, SEK	17.70	21.70	24.30	33.70	43.20
Profit, SEK	8.50	11.00	12.00	14.00	17.00
Cash flow from operations, SEK	–	21.20	26.80	26.70	24.00
Shareholders' equity, SEK	79.00	91.90	102.30	115.40	121.90
Property book value, SEK	337.80	281.80	342.20	499.90	534.30
Number of shares, closing balance	12,800,000	18,558,620	18,958,620	18,958,620	18,958,620
Average number of shares in the year	10,400,000	16,920,000	18,596,000	18,958,620	18,958,620

¹The Board of Directors' proposed appropriation of profits for 2002.

REPORT OF THE DIRECTORS

Summary

Despite the conditions for doing good property business being less than optimal in the year, Kungsleden succeeded in increasing profit before tax by 19 per cent. The corporation's business concept was put to its first real test in a strained economic climate. Property trading is a central and fundamental component of Kungsleden's business model, and despite low activity, property dealings in the year generated robust profits. The year's property trading helped to improve risk-adjusted returns on the property holding still further, achieved primarily through an increasing share of Retirement Homes reducing portfolio risk levels, while Kungsleden was able to sustain a property yield of 8.6 per cent. Overall, this implies that our business model has passed the test with flying colours, corroborating our perception that doing good business is possible even in hard times.

Property management, the second component of Kungsleden's business model, also progressed favourably. The operating surplus grew by 28 (38) per cent; rental revenue climbed 24 per cent. On the costs side, Kungsleden has bright prospects of sustaining low property costs, while the efficiency of its property administration activities continues to increase through economies of scale.

Thus 2002 was yet another successful year for Kungsleden, and we're looking ahead to the future with confidence. Our forecast for the financial year is profit before tax of at least SEK 450 m.

Significant events in the financial year

The December acquisition of Bokbacken Fastigheter AB meant Kungsleden becoming the only significant player on the Swedish Retirement Homes market, a segment expected to attain very robust growth over the next 30 years, particularly considering the demand that will arise because of an ageing population.

Profit overview

Profit, SEK m

	2002	2001
<i>Property management</i>		
Rental revenue	1,291	1,039
Operation and maintenance costs	-349	-294
Property tax	-49	-45
Ground rent	-13	-10
Property administration	-62	-52
Operating surplus	818	638
<i>Property trading</i>		
Sales revenues from properties	880	1,057
Sales administration, incl. overheads	-16	-16
Book value	-727	-941
Profit from property trading	137	100
Gross profit	955	738
Central administration costs	-32	-30
Value adjustments on properties	-48	-51
Operating profit	875	657
Interest subsidies	0	1
Financial income	4	19
Financial costs	-427	-297
Profit after financial items	452	380
Tax cost	-130	-114
Net profit	322	266

Cash flow, SEK m

	2002	2001
Operations	455	506
Investment activity	-701	-3,037
Financing activity	220	2,545
Cash flow for the year	-26	14
Cash flow, opening balance	154	140
Cash flow, closing balance	128	154

As of 31 December 2002, Kungsleden's equity ratio was 22.2 per cent, and its un-utilised credit facilities stood at SEK 1,625 m.

For more information, please refer to the financial overview on pages 20 to 25.

Board actions

The Board of Kungsleden AB (publ) comprises six Directors and has been composed to support the management in its corporate development process actively and effectively. Moreover, the Board is intended to monitor and direct activities. In a listed corporation like Kungsleden, skills and experience in the following are significant:

- The property sector;
- Funding;
- Business development;
- Stock exchange questions.



Board actions follow the approved agenda and instructions stipulating the division of responsibility between the Board of Directors and Chief Executive, and the forms for financial reporting to the Board. The Board considered issues such as Kungsleden's external reporting, overall strategy, its business plan, property acquisitions and disposals, investments in existing properties, raising loans and other funding issues, preparing sales mandates and incentives agreements. Kungsleden's Board had seven scheduled meetings in the financial year 2002; additional Board meetings were convened to consider property acquisitions and funding issues. The Board met on a total of 13 occasions.

The Deputy Chief Executive and company lawyer, who is also the Board Secretary, are present at Board meetings.

The company's Auditors submit a personal report on their audit observations and their assessment of internal controls on an annual basis.

The AGM appointed a Nomination Committee comprising Kungsleden's Chairman Bengt Kjell, as well as Ramsey Brufer of Alecta and Olle Florén. The Nomination Committee met on three occasions.

Appropriation of profits

The Board of Directors' proposed appropriation of profits is stated on page 34.

Expected future progress

Please refer to our forecast for 2003 on page 23.

Parent company

Parent company profits were SEK 297 (422) m; liquid funds were SEK 0 (0) m.

Significant events after the end of the financial year

Through partly owned subsidiary Hemsö Äldreboende AB, Kungsleden acquired the property designated Jakobsberg 34:6 in Järfälla, near Stockholm. This property is used as Retirement Homes and is rented by the Municipality of Järfälla, with a contract term of 20 years. The property was converted and extended in 2002 and comprises over 7,000 sq. m. of contemporary Retirement Homes with rent of SEK 11.8 m including interest subsidies. The acquisition price of the property was SEK 130 m.

As of 13 February 2003, Kungsleden had disposed of seven properties for SEK 113 m, generating profits of SEK 15 m.



INCOME STATEMENT

SEK m		Group		Parent company	
Property management	Note	2002	2001	2002	2001
Rental revenue		1,290.6	1,038.7	-	-
Operation and maintenance costs		-348.5	-293.5	-	-
Property tax		-48.6	-44.7	-	-
Ground rent		-13.1	-10.3	-	-
Property administration	1-3	-61.9	-51.8	-	-
Operating surplus, property management		818.5	638.4	-	-
Property trading					
Sales proceeds, properties		879.6	1,057.1	-	-
Sales administration, incl. overheads	1-3	-16.4	-16.3	-	-
Book value of divested properties		-726.9	-940.6	-	-
Profit, property trading		136.3	100.2	-	-
Gross profit		954.8	738.6	-	-
Central administration costs	1-3	-31.5	-30.5	-5.7	-4.7
Value adjustments	4	-48.5	-51.3	-	-
Operating profit		874.8	656.8	-5.7	-4.7
Profit from financial items					
Profit from shares in group companies	5	-	-	300.0	420.0
Interest income, etc.		4.4	18.5	51.8	47.1
Interest subsidies		-	1.2	-	-
Interest costs, etc.		-427.3	-296.2	-50.4	-40.2
Profit before tax		451.9	380.3	295.7	422.2
Tax	6				
Current tax		-0.2	-2.0	-	-
Deferred tax		-130.0	-112.5	1.2	-0.6
Net profit		321.7	265.8	296.9	421.6
Average number of shares		18,958,620	18,958,620		
Profit before tax per share, SEK		23.80	20.10		
Profit after tax per share, SEK		17.00	14.00		



BALANCE SHEET

SEK m		Group		Parent company	
Assets	Note	31 Dec 2002	31 Dec 2001	31 Dec 2002	31 Dec 2001
Fixed assets					
Tangible fixed assets					
Equipment, fixtures and fittings	7	7.7	5.8	–	–
		7.7	5.8	–	–
<i>Financial fixed assets</i>					
Shares in group companies	8	–	–	1,230.5	1,115.4
Shares in joint ventures	9	–	–	25.0	–
Deferred tax receivables	10	–	38.2	90.3	74.6
Other long-term receivables		7.1	12.1	0.2	–
		7.1	50.3	1,346.0	1,190.0
Total fixed assets		14.8	56.1	1,346.0	1,190.0
Current assets					
Current property assets	11	10,129.9	9,476.9	–	–
		10,129.9	9,476.9	–	–
<i>Current receivables</i>					
Accounts receivable		32.7	11.8	–	–
Receivables, group companies		–	–	1,100.5	1,210.8
Tax receivables		1.1	–	–	–
Other receivables	12	80.5	219.2	2.5	–
Pre-paid costs and accrued income		25.8	29.2	3.6	–
		140.1	260.2	1,106.6	1,210.8
<i>Liquid funds</i>					
Cash and bank balances		127.6	153.7	–	0.3
Total current assets		10,397.6	9,890.8	1,106.6	1,211.1
Total assets		10,412.4	9,946.9	2,452.6	2,401.1
Liabilities and shareholders' equity					
Shareholders' equity¹					
<i>Restricted equity</i>					
	13				
Share capital (18,958,620 shares with a nominal value of SEK 2.50)		47.4	47.4	47.4	47.4
Restricted/statutory reserves		1,086.3	1,086.1	1,086.1	1,086.1
		1,133.7	1,133.5	1,133.5	1,133.5
<i>Non-restricted equity</i>					
Non-restricted reserves/retained profit/loss		854.9	788.3	443.6	260.0
Net profit		321.7	265.8	298.5	421.6
		1,176.5	1,054.0	742.1	681.6
Total shareholders' equity		2,310.2	2,187.6	1,875.6	1,815.1
Provisions					
Tax provisions	10	136.0	–	–	–
Other provisions		–	2.2	–	–
Total provisions		136.0	2.2	–	–
Long-term liabilities					
	15				
Loans	14	7,415.2	5,847.0	500.0	500.0
Total long-term liabilities		7,415.2	5,847.0	500.0	500.0
Current liabilities					
	15				
Loans		20.0	119.2	45.1	60.0
Accounts payable		62.8	64.4	0.2	0.7
Tax liabilities		–	2.0	–	–
Other liabilities		241.6	1,428.5	6.0	0.2
Accrued costs and deferred income		226.6	296.0	25.7	25.1
Total current liabilities		551.0	1,910.1	77.0	86.0
Total liabilities and shareholders' equity		10,412.4	9,946.9	2,452.6	2,401.1
Assets pledged and contingent liabilities					
Assets pledged	16	3,698.7	1,884.7	Inga	Inga
Contingent liabilities	17	Inga	Inga	3,530.0	3,774.2
'Change in shareholders' equity					
Opening balance		2,187.6	2,092.4	1,815.1	1,647.0
Dividends		–199.1	–170.6	–199.1	–170.6
Group contribution		–	–	–37.3	–82.9
Net profit		321.7	265.8	296.9	421.6
Closing balance		2,310.2	2,187.6	1,875.6	1,815.1

CASH FLOW STATEMENT

SEK m	Note	Group		Parent company	
		2002	2001	2002	2001
Ongoing operations	18				
Operating profit		874.8	656.8	-5.7	-4.7
Net financial position		-422.9	-276.5	301.4	426.9
Value adjustments		48.5	51.3	-	-
Adjustments for items not included in cash flow from operations		0.5	-1.2	-	-
		500.9	430.4	295.7	422.2
Tax paid		-0.9	-7.1	-	-
Cash flow from operations before change in working capital		500.0	423.3	295.7	422.2
<i>Cash flow from change in working capital</i>					
Increase (-)/decrease (+) in operating receivables		-37.0	-52.9	-6.1	-429.3
Increase (+)/decrease(-) in operating liabilities		-8.1	135.4	6.0	51.3
Cash flow from operations		454.9	505.8	295.6	44.2
Investment activity					
Acquisitions of current property assets		-1,428.4	-3,982.0	-	-
Divestments of current property assets		726.9	940.6	-	-
Net investments in tangible fixed assets		-4.5	-1.4	-29.1	-
Net investments in financial fixed assets		5.0	5.5	-	-143.9
Cash flow from investment activity		-701.0	-3,037.3	-29.1	-143.9
Financing activity					
Loans drawn down		419.0	2,715.6	-67.7	270.0
Dividend paid		-199.1	-170.6	-199.1	-170.6
Cash flow from financing activity		220.0	2 545.0	-266.8	99.4
Cash flow for the year		-26.1	13.5	-0.3	-0.3
Liquid funds, opening balance		153.7	140.2	0.3	0.6
Liquid funds, closing balance		127.6	153.7	0.0	0.3



SUPPLEMENTARY DISCLOSURES

All amounts in SEK 000 unless otherwise stated

General accounting principles

The Annual Report has been prepared in accordance with the Swedish Annual Accounts Act, the Swedish Financial Accounting Standards Council's recommendations and Task Force statements and the Industry and Commerce Stock Exchange Committee's recommendations. The accounting principles are unchanged since the previous year.

Consolidated accounts

The consolidated accounts have been prepared in accordance with the Swedish Financial Accounting Standards Council's recommendation RR1 and encompass the parent company and subsidiaries of which the parent company holds more than 50 per cent of the voting power of shares directly or indirectly. The consolidated accounts have been prepared in accordance with acquisition accounting. Companies that are 50 per cent jointly owned are accounted according to proportional consolidation (please also refer to note 8).

Valuation principles, etc.

Assets, provisions and liabilities have been valued at acquisition value unless otherwise indicated below. However, receivables have been included at the amount at which they are expected to be received.

Property

Since the intention of ownership is to pursue trading, the group's property holding is accounted as current assets. Accordingly, property has been valued at the lower of cost or market value. In cases where discrepancies between the book value and estimated actual value of the property appear, the requisite write-downs and write-ups have been effected. This means that the book value of property has a maximum corresponding to acquisition value. Estimated actual values are based on external and internal valuations conducted in accordance with generally accepted valuation principles.

Fixed assets

Equipment is depreciated linearly according to plan over five years. Financial fixed assets have been included at the amount at which they are expected to be received.

Financial costs

Interest and other financial expenditure coincident with property construction, extension and conversion is written off on an ongoing basis, with derivative instruments utilised to achieve the desired interest profile. Revenues and costs associated with such instruments are accounted on an ongoing basis, with the revenues and costs for redemption and re-negotiation of derivatives, as well as prepayment penalty interest, accounted as they arise. Costs associated with funding facilities are allocated during the term of the facility.

NOTE 1 EMPLOYEES AND PERSONNEL COSTS

Average no. of employees	2002	of which men	2001	of which men
Sweden				
Group	73	–%	71	66%
Parent company	–	–%	–	–%

Salary, other remuneration and social security costs

	Group 2002		Group 2001	
	Salary and remuneration	Social security costs	Salary and remuneration	Social security costs
The Board, Chief Executive and Deputy Chief Executive (of which pension costs)	6,104	2,847 (622)	4,287	2,256 (659)
Other employees (of which pension costs)	30,155	13,234 (3,351)	25,578	10,804 (2,266)
Total	36,259	16,081	29,865	13,060
(of which pension costs)		(3,973)		(2,925)

	Parent company 2002		Parent company 2001	
	Salary and remuneration	Social security costs	Salary and remuneration	Social security costs
The Board	600	197	525	173
(of which pension costs)		(–)		(–)

The group's joint venture has no employees, obviating any need for specific reporting.

Auditors Remuneration of 1,700 for auditing work and 500 for other assignments was paid to Kungsliden's auditors, KPMG. Of this total, remuneration for auditing the parent company amounted to 500, and for other assignments, 500.

NOTE 2 REMUNERATION TO SENIOR EXECUTIVES

Principles Remuneration is payable to the Board, pursuant to AGM approval. No fees are payable to Board members employed by the company.

Remuneration to the Chief Executive and other senior executives comprises basic salary, performance-related pay, other benefits and pension. The term 'other senior executives' means the four people that are active in the corporate management in addition to the Chief Executive. For information on the composition of the corporate management, please refer to page 13. The performance-related pay is intended to comprise a significant portion of possible remuneration, subject to a maximum of 12 months' salary. The performance-related portion is based on actual performance in relation to individual targets.

Remuneration and other benefits 2002

SEK 000	Basic salary/ Director's fee	Performance- related pay	Other benefits	Pension cost	Total
Chairman	200				200
Chief Executive	2,135	2,100	62	366	4,663
Other senior executives	3,161	2,645	190	692	6,688
Summa	5,496	4,745	252	1,058	11,551

Comments on the above table:

- Performance-related pay comprises the bonus for 2002, of which SEK 3,157,000 has been posted to 2002;
- Other benefits comprise company car and subsistence allowance;
- The group operates fee-based pension plans exclusively. The stated pension cost is that cost burdening net profit. For more information on pensions, see below.

Bonus (performance-related pay) For the Chief Executive and Deputy Chief Executive, the bonus in 2002 reflects the total yield on the share and return on equity. The bonus for 2002 was equivalent to 100 per cent of basic salary.

For the three other senior executives, the bonus in 2002 was based on the outcome of each individual business area's property trading and the group's return on equity. The bonus for these executives in 2002 varied between 50 and 100 per cent of basic salary.

Pensions The Chief Executive's pensionable age is 65, with pension premiums amounting to the lower of 35 per cent of pension-entitled salary or ten basic amounts, which for 2002, is SEK 379,000. Pension-entitled salary means basic salary.

The pensionable age for other senior executives is 65; pension premiums may amount to a maximum premium according to the ITP plan (supplementary pensions for salaried employees).

Redundancy payments The company and Chief Executive are subject to a mutual notice period of six months. The Chief Executive receives redundancy pay of 18 months' salary coincident with termination initiated by the company, an amount that is not deducted from other income, and is included in pension entitlements. No redundancy pay is due for termination initiated by the Chief Executive.

Other senior executives' notice periods vary between three and six months, although six months' notice applies to all other senior executives for termination initiated by the company. Redundancy pay of 12 months' salary is due upon termination initiated by the company. Redundancy pay is not offset against other income, nor is any redundancy pay due upon termination initiated by senior executives.

Preparatory and decision processes The Chairman has submitted a proposal to the Board of Directors regarding the Chief Executive's remuneration, and upon a proposal from the Chief Executive, the remuneration of other senior executives. The Board of Directors has discussed the Chairman's proposal and reached a decision thereupon.

NOTE 3 DEPRECIATION

Group	2002	2001
Equipment, fixtures and fittings	-2,695	-1,492
	-2,695	-1,492
Depreciation according to plan by function		
Property management	-1,663	-866
Sales administration	-264	-113
Central administration costs	-768	-513
	-2,695	-1,492

NOTE 4 VALUE ADJUSTMENTS

Group	2002	2001
Current property assets	-48,527	-51,251
	-48,527	-51,251

NOTE 5 PROFIT FROM SHARES IN GROUP COMPANIES

Parent company	2002	2001
Dividend	343,143	420,000
Write-downs	-43,143	-
	300,000	420,000

NOTE 6 TAX

Group	2002	2001
Current tax cost (-)/revenue (+)		
Tax cost/revenue for the period	-7	-943
Adjustment of tax attributable to previous years	-236	-1,032
	-243	-1,975
Deferred tax cost (-)/revenue (+)		
Deferred tax on temporary differences	-41,354	-5,797
Deferred tax resulting from utilisation of previously capitalised fiscal values of loss carry-forwards	-88,647	-106,675
	-130,001	-112,472
Total accounted tax cost, consolidated	-130,244	-114,447

Parent company

Deferred tax cost (-)/revenue (+)		
Deferred tax revenue in the fiscal value of loss carry-forwards capitalised in the year	1,197	-
Deferred tax cost resulting from the utilisation of the previously capitalised fiscal value of loss carry-forwards	-	-603
Total accounted tax cost, parent company	1,197	-603

Reconciliation of effective tax, group

Profit before tax	451,938	380,282
Standard rate tax, parent company	-126,543	-106,479
Other non-deductible costs	-3,465	-6,936
Tax attributable to previous years	-236	-1,032
Accounted effective tax	-130,244	-114,447

Reconciliation of effective tax, parent company

Profit before tax	295,722	422,151
Standard rate tax, parent company	-82,802	-118,202
Non-taxable revenue	83,999	117,599
Accounted effective tax	1,197	-603

NOTE 7 EQUIPMENT, FIXTURES AND FITTINGS

Group	31 Dec 02	31 Dec 01
Accumulated acquisition value		
Opening balance	10,967	9,766
Acquisitions	5,643	1,502
Disposals and obsolescence	-1,405	-301
Re-classification	1,227	-
	16,432	10,967
Accumulated depreciation according to plan		
Opening balance	-5,124	-3,632
Disposals and obsolescence	751	-
Re-classification	-1,686	-
Depreciation of acquisition values according to plan for the year	-2,695	-1,492
	-8,754	-5,124
Residual value according to plan, closing balance	7,678	5,843

NOTE 8 SHARES IN GROUP COMPANIES

Parent company	31 Dec 02	31 Dec 01
Accumulated acquisition value		
Opening balance	1,115,374	1,008,146
Acquisitions	158,263	3,228
Shareholders' contribution	-	104,000
Write-downs	-43,143	-
Book value, closing balance	1,230,494	1,115,374

Specification of parent company's holdings of shares in group companies

Subsidiary/corp. id. no./registered office	Number of shares	Prop., % ¹	Book value
Kungsleden Fastighets AB, 556459-8612, Stockholm	200	100	856,000
Hemsö Fastighets AB, 556481-1429, Stockholm	1,000	100	107,872
Kungsleden Syd AB, 556480-0109, Stockholm	10,000	100	144,274
Bokbacken Fastighets AB, 556340-5538, Stockholm		100	104,208
Kungsleden Öst G AB, 556598-3177, Stockholm		100	100
Kungsleden Öst C AB, 556610-9095, Stockholm		100	2,100
Kungsleden Service AB, 556610-9087, Stockholm		100	2,100
Kungsleden Öst B AB, 556610-9103, Stockholm		100	100
Kungsleden Öst E AB, 556549-9810, Stockholm		100	2,828
Dormant companies			10,912
			1,230,494

¹ Refers to the ownership holding of capital, which also corresponds to the votes held for the total number of shares. This section only includes directly owned subsidiaries; the group's other constituent enterprises are apparent from the relevant subsidiaries' annual reports.

NOTE 9 SHARES IN JOINT VENTURES

Parent company	31 Dec 02	31 Dec 01
Accumulated acquisition value		
Opening balance	-	-
Acquisitions	50	-
Shareholders' contribution	25,000	-
Book value, closing balance	25,050	-

Specification of parent company's and group's holdings of shares in joint ventures

Subsidiary/corp. id. no./ registered office	Number of shares	Prop., % ¹	Book value, parent company
Directly owned			
Hemsö Äldreboende AB, 556623-1337, Stockholm	500	50.0%	25,050
			25,050

¹The proportional method has been applied because it implies that the portion of the joint venture's profits and assets held are consolidated into the group. Thus, accounting comparable with the situation as if half of the joint venture's properties were instead held directly is achieved.

NOTE 10 DEFERRED TAX RECEIVABLES AND TAX PROVISIONS

Deferred tax in temporary differences and loss carry-forwards

Group	Opening balance	Income Statement	Other changes	Closing balance
Properties	-260,303	-41,354	-52,234	-353,891
Interest-bearing liabilities			7,178	7,178
Loss carry-forwards	298,466	-88,647	917	210,736
	38,163	-130,001	-44,139	-135,977

Other changes apply to deferred taxes resulting from the acquisition of Bokbacken Fastigheter AB.

Parent company	Opening balance	Income Statement	Other changes	Closing balance
Loss carry-forward	74,573	1,197	14,536	90,306
	74,573	1,197	14,536	90,306

Holdings

Deferred tax attributable to shareholdings is not indicated. The parent company retains control over the timing of the realisation of the tax debt, which will not occur in the foreseeable future, while additionally, dividends received in Sweden are not taxable income.

NOTE 11 CURRENT PROPERTY ASSETS

Group	31 Dec 02	31 Dec 01
Accumulated acquisition value		
Opening balance	9,594,711	6,578,591
Acquisitions and investments	1,428,445	3,981,585
Disposals	-743,659	-965,465
	10,279,497	9,594,711
Accumulated write-downs		
Opening balance	-117,810	-91,882
Disposals	16,766	25,323
Reversals of write-downs in the year	10,079	3,804
Write-downs in the year	-58,606	-55,055
	-149,571	-117,810
Book value, closing balance	10,129,926	9,476,901
Residual value for tax purposes	8,866,030	8,544,471

NOTE 12 OTHER RECEIVABLES

Group	31 Dec 02	31 Dec 01
Receivables, proceeds from property disposals	-	158,225
Other current receivables	80,421	60,976
	80,421	219,201
Parent company		
Other current receivables	2,531	-
	2,531	-

NOTE 13 SHAREHOLDERS' EQUITY

Group	Share capital	Restricted reserves	Non-restricted equity
Opening balance	47,397	1,086,119	1,054,059
Dividend			-199,066
Transfer between restricted and non-restricted equity		140	-140
Net profit			321,694
Closing balance	47,397	1,086,259	1,176,547

Parent company	Share capital	Statutory reserves	Earnings brought/ carried forward
Opening balance	47,397	1,086,079	681,632
Group contribution paid incl. deferred tax			-37,378
Dividend			-199,066
Net profit			296,919
Closing	47,397	1,086,079	742,107

NOTE 14 BORROWING

Group	31 Dec 02	31 Dec 01
Maturing 1-5 years from the balance sheet date	4,390,000	3,624,190
Maturing later than 5 years from the balance sheet date	3,045,189	2,342,000
	7,435,189	5,966,190

NOTE 15 LIABILITIES

Group	31 Dec 02	31 Dec 01
Non-interest bearing	530,980	1,830,935
Interest-bearing	7,435,189	5,926,190
	7,966,169	7,757,125

Parent company

Non-interest bearing	32,011	66,011
Interest-bearing	545,081	520,000
	577,092	586,011

NOTE 16 ASSETS PLEDGED

Group	31 Dec 02	31 Dec 01
For Kungsleden's own liabilities and provisions		
Property mortgages	3,698,701	1,884,715

Kungsleden Fastighets AB and subsidiaries have provided an undertaking to the syndicate banks for its syndicated loan to refrain from raising further loans or creating or depositing security from its asset mass without approval of the banks. Existing mortgages are maintained in a dedicated custody account with the syndicate's agent bank.

NOTE 17 CONTINGENT LIABILITIES

Parent company	31 Dec 02	31 Dec 01
Surety in favour of group companies	3,530,000	3,774,190
	3,530,000	3,774,190

The parent company has provided surety for the syndicated loan, and for two other smaller-scale property-related credits.

NOTE 18 ADDITIONAL INFORMATION, CASH FLOW STATEMENT

Group	2002	2001
Adjustment for items not included in cash flow, etc.		
Depreciation and write-downs of assets	51,222	52,916
Capital gains on disposals of fixed assets	-	-89
Other provisions	-2,240	-2,764
	48,982	50,063
Liquid funds		
Components included in liquid funds:		
Cash and bank balances	127,607	153,743

Credit facilities Approved credit facilities amounted to 9,086,000 divided between credit limits for property acquisitions of 4,850,000, a secured loan of 3,586,000, 500,000 of bond facilities and committed credit facility of 150,000. The unutilised proportion of credit facilities amounted to 1,625,000.

Investments Investments made in existing property amounted to 83,285 (80,276). Acquisitions of property amounted to SEK 1,289,423 (3,901,763).

Operating cash flow

Operating profit	874,800	656,729
Adjustment for items not included in cash flow	48,982	50,063
Change in working capital	-45,140	82,580
Investments	-83,285	-80,276
Operating cash flow	795,357	709,096

PROPOSED APPROPRIATION OF PROFITS

Consolidated shareholders' equity, as stated in the Consolidated Balance Sheet, is SEK 2,310 m. No provisions to restricted reserves are proposed.

The following amounts in the parent company are at the disposal of the Annual General Meeting:

Profit brought forward	430,652,084
Net profit	296,918,734
Total	727,570,818

The Board of Directors and Chief Executive propose that profits are appropriated as follows:

Dividends of SEK 12.00 per share to shareholders, in total:	227,503,440
Carried forward	500,067,378
Total	727,570,818

Stockholm, Sweden, 3 March 2003



Bengt Kjell
Chairman



Jockum Beck-Friis



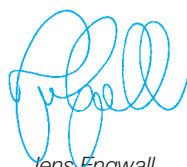
Mats Israelsson



Ole Oftedal



Jonas Nyrén



Jens Engwall
Chief Executive

My Audit Report was presented on 3 March 2003

Thomas Thiel
Authorised Public Accountant
KPMG

To Kungsleden AB's (publ) Annual General Meeting
Corporate identity number 556545-1217

I have examined Kungsleden AB's (publ) Annual Report, consolidated financial statements, accounts and the Board's and Chief Executive's administration for the year 2002. The Board and Chief Executive assume responsibility for the accounts and the management. My responsibility is to comment on the Annual Report, the consolidated financial statements and the management on the basis of my audit.

The audit has been completed in accordance with generally accepted accounting practice in Sweden. This means that I have planned and completed the audit in order to ensure reasonably that the Annual Report and consolidated financial statements do not contain any significant errors. An audit comprises the examination of a selection of the documentation relating to amounts and other information contained in the accounts.

An audit also includes examining the accounting principles and the Board's and Chief Executive's application thereof, as well as evaluating the overall information contained in the Annual Report and the consolidated financial statements. As the basis for my statement regarding discharge from liability, I have examined significant decisions, measures and circumstances in the company in order to assess whether any Board member or the Chief Executive is liable for compensation to the company. I have also examined whether any Board member or the Chief Executive has otherwise contravened the Companies Act, the Annual Accounts Act or the Articles of Association. I consider that my audit provides me with a reasonable foundation for the following statements.

The Annual Report and consolidated financial statements have been prepared in accordance with the Annual Accounts Act and thereby provide an accurate impression of the company's and the group's profit and financial position in accordance with generally accepted accounting practice in Sweden.

I recommend that the Annual General Meeting approve the Income Statement and Balance Sheet for the parent company and the group, allocate profit in the parent company in accordance with the proposal in the Report of the Directors and discharge the Board members and Chief Executive from liability for the financial year.

Stockholm, Sweden, 3 March 2003

Thomas Thiel
Authorized Public Accountant
KPMG



PROPERTY 2002

Name	Municipality	Locality	Address	Year of construction/ conversion	Lettable floor space m ²						Total floor-space	Rental revenue	Rental value	Vacancy, %
					Offices	Industrial/ warehouse	Retail	Residential	Hotel	Other				
Market Area East														
Office properties														
Bulten 7	Danderyd	Danderyd	Rinkebyv 7	1992	1,189	434	216				1,839	1,404	1,902	25.9
Valpen 1	Eskilstuna	Eskilstuna	Kungsg 68	1929	4,386	90					4,476	2,431	2,432	0.0
Hällsta 6:13, 15, 18, 19	Eskilstuna	Eskilstuna	Hällsta	1972/1981	24,280						24,280	11,777	11,777	0.0
Viljan 2	Eskilstuna	Eskilstuna	Kungsg 13	1976/1995	7,865	148	456				8,469	3,564	6,044	39.8
Växlaren 4	Eskilstuna	Eskilstuna	Kungsg 17	1930	2,243	289	52	526			3,110	2,997	3,170	5.0
Köpmannen 2	Finspång	Finspång	Bergslagsv 4	1929	950		470	531			1,951	1,513	1,544	2.0
Södertull 33:1	Gävle	Gävle	S:a Kungsg 59	1940/1960	7,647	733	3,425				11,805	4,002	6,798	40.1
Norr 12:5	Gävle	Gävle	N Skepparg 11-13	1978	10,327	1,330	4,190				15,847	10,729	13,360	8.5
Rektangeln 1	Huddinge	Huddinge	Månskärsv 9	1988	8,200						8,200	7,092	10,968	34.3
Diametern 1	Huddinge	Huddinge	Diameterv 1	1978	43,410	232					43,642	38,349	41,817	7.0
Fjällräven 1	Lidingö	Lidingö	Karins Allé 3-7	1963	4,300			2,561			6,861	7,150	7,154	0.0
Mekanikern 23	Linköping	Linköping	G:a Tanneforsv 17	1926/1986	12,010	1,976					13,986	6,018	8,627	30.2
Domaren 1	Mjölby	Mjölby	Kungsv 54	1961	1,690		260	1,672			3,622	2,316	2,542	7.6
Bagaren 4	Motala	Motala	Bispmotalag 9	1972	3,195		182				3,377	3,572	4,004	6.2
Sicklaön 37:45	Nacka	Nacka	Kvarnholmsv 52	1987	1,845	807					2,652	2,413	2,413	0.0
Sicklaön 37:13	Nacka	Nacka	Finnbodav 13	1967	2,669						2,669	2,810	2,894	0.0
Sigtuna 2:169	Sigtuna	Sigtuna	Rektor Cullbergsv 8	1935	702						702		351	100.0
Sigtuna 2:171	Sigtuna	Sigtuna	Väringav 11	1965/1994	1,265			90			1,355	1,313	1,313	0.0
Sigtuna 2:227	Sigtuna	Sigtuna	Skolbacken 61	2001	1,629						1,629	2,886	2,886	0.0
Fitmallen 1	Sollentuna	Rotebro	Kung Hans v 4, 12	1990	3,034	263	1,358				4,655	4,405	5,101	10.1
Centrum 13	Sollentuna	Sollentuna	Allfarv 1, 3	1986	3,610	269	755				4,634	7,778	7,848	0.0
Träkolet 16	Sollentuna	Sollentuna	Tellusv 13	1982/1988	11,637	607					12,244	12,880	15,765	16.2
Ekplantan 2	Sollentuna	Sollentuna	Djupdalsv 13-15	1988	4,388	8					4,396	4,162	4,162	0.0
Nattvakten 3	Sollentuna	Sollentuna	Sjöängsv 15-21	1990	4,440	174	430				5,044	5,530	6,545	14.0
Nattvakten 5	Sollentuna	Sollentuna	Sjöängsv 9	1988	1,352						1,352	1,857	2,069	10.2
Nattvakten 6	Sollentuna	Sollentuna	Sjöängsv 5-7	1987	2,517						2,517	2,799	3,342	11.0
Nattvakten 7	Sollentuna	Sollentuna	Sjöängsv 1, 3	1985	1,157						1,157	1,629	1,655	1.5
Nattvakten 8	Sollentuna	Sollentuna	Sjöängsv 2, 4	1986	489	468					957	810	1,047	0.3
Nattvakten 9	Sollentuna	Sollentuna	Sjöängsv 6, 8	1986	1,244						1,244	843	1,598	47.3
Nattvakten 10	Sollentuna	Sollentuna	Sjöängsv 10, 12	1988	825	801					1,626	1,820	1,819	0.0
Järva 4:12	Solna	Solna	Signalstg 9	1940/1994	2,000						2,000	3,321	3,321	0.0
Borg 6	Stockholm	Kista	Strömgög 6	1980	6,372						6,372	5,475	6,142	11.7
Albano 18	Stockholm	Stockholm	Björnäs v 12	1964	2,000						2,000	1,544	1,544	0.0
Albano 19	Stockholm	Stockholm	Björnäs v 10	1944/1981	402	662					1,064	415	616	32.6
Göta Ark 18	Stockholm	Stockholm	Medborgarpl 21-25	1984	17,991	668					18,659	37,885	46,116	11.7
Rosteriet 5	Stockholm	Stockholm	Lövholmsv 9	1956	3,225						3,225	3,783	3,996	0.5
Gunnebo 15	Stockholm	Stockholm	Salag 12, 42	1992	4,135						4,135	3,916	3,916	0.0
Stenskarven 8	Stockholm	Vinsta	Siktg 2	1980/1987	7,946	1,746					9,692	3,972	7,500	39.9
Degeln 2	Täby	Täby	Nytorpsv 2-34	1983	12,355	601					12,956	15,697	16,108	0.5
Sävjan 56:1	Uppsala	Sävja	Västgötaresan 60	1990	3,017		159				3,176	4,630	4,640	0.0
Fjärdingen 28:4	Uppsala	Uppsala	Västra Åg 16	1914/1955	6,131	132	1,590				7,853	8,982	9,465	0.5
Årsta 78:1	Uppsala	Uppsala	Fyrislundsg 73	1982	2,922						2,922	2,076	2,457	15.5
Runö 7:84	Österåker	Åkersberga	Sågv 2	1980	3,432	395	417		102		4,346	4,539	4,936	8.9
Husby 4:25	Österåker	Åkersberga	Företagsallén	1988	1,379						1,379	1,169	1,199	0.0
Husby 4:27	Österåker	Åkersberga	Företagsallén 10	1988	926	4					930	680	1,186	41.4
Husby 4:28	Österåker	Åkersberga	Företagsallén 8	1988	1,385	10					1,395	704	1,352	43.6
Husby 4:32	Österåker	Åkersberga	Företagsallén 14	1992	2,699						2,699	2,334	2,569	5.5
Industrial/warehouse properties														
Kumla Hage 7	Botkyrka	Botkyrka	Segersbyv 5			1,950					1,950	1,354	1,477	0.0
Segersby 1	Botkyrka	Botkyrka	Kumla Gårdsv 10	1976		12,019					12,019	6,611	6,711	0.0
Kumla Ång 2	Botkyrka	Botkyrka	Kumla Gårdsv 31	1988		1,420					1,420	804	834	0.0
Ekhagen 4	Botkyrka	Botkyrka	Kumla Gårdsv 9	1989		3,428					3,428	1,435	1,517	2.2
Hantverkaren 1	Botkyrka	Botkyrka	Segersbyv 4-6	1974	2,409	7,049				54	9,512	5,158	5,279	1.7
S:t Ilian 9:1	Enköping	Enköping	Vårfrug 2	1961	1,489		1,848				3,337	2,816	2,898	2.4
Valhalla 2:21	Eskilstuna	Eskilstuna	Fraktg 7	1970	712						712	552	552	0.0
Sörby Urjäll 36:3	Gävle	Gävle	Skolg 17	1979/1995	2,155	10,391					12,546	2,913	5,469	46.7
Hemsta 9:6	Gävle	Gävle	Ryningssg 2	1984/1997		3,500					3,500	2,800	2,800	0.0
Jordbromalm 6:60	Haninge	Haninge	Rörv 4-8	1982	1,534	4,543	470				6,547	3,538	4,291	17.4
Veddesta 2:39	Järfälla	Järfälla	Bruttov 4	1972	1,638	1,791					3,429	1,910	1,969	2.5
Jakobsberg 22:14	Järfälla	Järfälla	Brantv 2	1962/1997		18,665					18,665	1,908	1,908	0.0
Generalen 7	Linköping	Linköping	Generalsg 7	1959/1976	1,529	2,812					4,341	1,349	1,946	30.6
Rosersberg 11:37	Rosersberg	Rosersberg	Tällbacksg 23	1989/1999		11,394					11,394	9,904	9,904	0.0
Märsta 24:18	Sigtuna	Sigtuna	Turbing 2	1990	1,895						1,895	1,276	1,276	0.0
Borg 3	Stockholm	Kista	Strömgög 5	1978	1,800						1,800	1,658	1,696	0.0
Gullfoss 1	Stockholm	Kista	Viderög 4	1978		2,016					2,016	1,153	1,499	27.3
Albano SvD	Stockholm	Stockholm	Björnäs v 21	1929		612					612		0	0.0
Albano Aftonbladet	Stockholm	Stockholm	Björnäs v 33	1940		1,074					1,074	372	407	0.0
Albano Carnemyr	Stockholm	Stockholm	Björnäs v 25	1940		840					840	52	52	0.0
Albano 64	Stockholm	Stockholm	Roslagsv 54-56	1959	356	5,125	207				5,688	2,353	2,749	17.4
Kolsva 1	Stockholm	Stockholm	Fagerstag 26	1975/1986		5,590					5,590	3,364	3,778	0.0
Magasinet 1	Södertälje	Järna	Tuna Industriv 31-35	1970		21,375					21,375	6,628	6,618	0.0
Isbrytaren 1	Södertälje	Södertälje	Hansav 6-10,	1970		17,202					17,202	7,032	6,553	3.8
Kryssaren 8	Södertälje	Södertälje	Hansav 5,7	1942	1,693	26,405					28,098	7,999	8,704	1.0
Stansen 1	Täby	Täby	Maskinv 1	1979/1994	5,100						5,100	3,687	3,690	0.0
Viby 19:13	UpplandsBro	Kungsängen	Energiv 3	1981		2,080					2,080	941	941	0.0

Name	Municipality	Locality	Address	Year of construction/ conversion	Lettable floor space m ²						Total floor-space	Rental revenue	Rental value	Vacancy, %
					Offices	Industrial/ warehouse	Retail	Residential	Hotel	Other				
Retail properties														
Forbonden 4	Botkyrka	Botkyrka	Fittja Centrum, Fittjav 3	1972	5,059	1,118	4,445				10,622	10,274	10,870	3.6
Vårsta 1:58	Botkyrka	Vårsta	Pingv 1	1984	801	105	934				1,840	1,892	1,960	3.5
Nollplanet 12	Eskilstuna	Kloster	Mått Johanssons 30	1990			2,038				2,038	1,170	1,170	0.0
Norr 30:4	Gävle	Gävle	Drottningg 12	1965	1,324	60	2,491				3,875	4,872	4,873	0.0
Reglaget 1	Sollentuna	Sollentuna	Bergkällav 24	1987/1990	573	2,549	180				3,302	2,982	2,982	0.0
Midas 5 Brf	Stockholm	Stockholm	Mälartorget 15	1929/1979		420	766				1,186	2,196	2,529	4.5
Fogden 6	Täby	Täby	Fogdev 4	1987	4,849	861	5,270			149	11,129	6,567	8,766	19.4
Fjärdlingen 35:1	Uppsala	Uppsala	S:t Eriks Torg 8	1929/1983	36	528	1,058				1,622	2,926	3,111	0.0
Retirement Homes														
Jakobsberg 2:2719	Järfälla	Jakobsberg	Vibblabyv 97-99	2000			4,341				4,341	6,336	6,217	0.0
Sandbyhov 5,30	Norrköping	Norrköping	Hagag 72	1920-70/2000	9,629	30	2,700	15,354			27,713	27,294	27,253	0.0
Sjöstövlein 1,3	Stockholm	Stockholm	Folkparks 150	1977/1997	325		7,445				7,770	9,600	9,615	0.0
Långbro Sjukhus 2	Stockholm	Stockholm	Vantörs 216	1967/2000	13,667		3,208			5	16,880	19,519	19,477	0.0
Glaven 10	Stockholm	Stockholm	Stadshags 5	••••/1996	141		3,442				3,583	6,100	6,004	0.0
Koppam 11	Stockholm	Stockholm	Erstag 32-34	1929/1995	2,844		144	298			3,286	4,592	4,584	0.0
Kulltorp 3	Stockholm	Stockholm	Tantog 21	1966/1997			5,098				5,098	9,117	9,117	0.0
Sågverket 2	Södertälje	Södertälje	Korpuddsv 9-11,13	1985/1989	8,113						8,113	8,882	8,698	0.8
Dragarbrunn 9:4	Uppsala	Uppsala	S:t Olofsg 44b	2000			4,020				4,020	5,502	5,502	0.0
Rickomberga 9:14	Uppsala	Uppsala	Geijersg 61	2001			3,200				3,200	5,243	5,243	0.0
Kvarngärdet 14:5	Uppsala	Uppsala	Torkelsg 42	2000			3,585				3,585	5,043	5,043	0.0
Other														
Lagmanstinget 6	Botkyrka	Botkyrka	Segersbyv 20										0	0.0
Centrum 13:1	Enköping	Enköping	Kungsg 26	1977/1995	584		557		1,910	122	3,173	1,885	2,201	7.8
Jordbromalm 4:7	Haninge	Haninge	Lillsjöv										0	0.0
Åby 1:169	Haninge	Haninge	Rörv 55										0	0.0
Sigtuna 2:164	Sigtuna	Sigtuna	Rektor Cullbergsg 9	1943/1992	249			520			769	1,331	1,369	2.8
Husby 4:23	Österåker	Åkersberga	Svinningev 15, 17									7	0	0.0
Market Area South														
Office properties														
Löttorp 1:16	Borgholm	Löttorp	Löttorpsv 57	1957	485		275	85			845	264	410	33.6
Släggan 9 & 10	Bromölla	Bromölla	Segerv 2	1960	2,023	792					2,815	375	930	59.7
Apoteket 2	Eksjö	Eksjö	Nybrog 4	1929/1963	797		206	749			1,752	1,304	1,409	6.9
Läkaren 1	Eksjö	Marrianelund	Torget	1960	616		114				730	478	478	0.0
Klövern 1	Emmaboda	Emmaboda	Nyg 16	1990	419		354				773	653	687	2.9
Ölmestad 19:2	Gislaved	Reftele	Torget	1980	354		163				517	389	389	0.0
Hillerstorp 4:18	Gnosjö	Hillerstorp	Storg 5	1976	266						266	362	362	0.0
Danmark 29	Helsingborg	Helsingborg	Söderg 39	1972	7,925	221	1,048	1,912			11,106	11,252	11,469	1.8
Baggån 3	Helsingborg	Ödåkra	Centralg 10	1968	689					12	701	267	352	7.7
Arkitekten 3	Hultsfred	Hultsfred	Bryggerig 7	1982	290		87				377	331	331	0.0
Hägelåkra 3:48	Hultsfred	Mällila	Vetlands 2a	1967	190						190	195	195	0.0
Mörlunda 1:103	Hultsfred	Mörlunda	Stations 1	1967	230		97	258			585	351	400	9.8
Kopparslagaren 6	Hässleholm	Hässleholm	Frykholm 4	1980	2,670		465				3,135	3,235	3,238	0.1
Ädelmetallen 14	Jönköping	Jönköping	Grossistg 5	1987	654	861					1,515	709	709	0.0
Äldermannen 24	Kalmar	Kalmar	Storg 25	1970	4,300		227				4,527	4,927	4,927	0.0
Erik Dahlberg 16	Landskrona	Landskrona	Järnsv 9	1953	1,665		1,363				3,028	1,984	2,090	0.0
Vega 21	Lessebo	Hovmanstorp	Centralplan	1960	233		135				368	310	310	0.0
Företaget 8	Lund	Lund	Företags 28	1984	2,193						2,193	2,439	2,489	0.0
Jöns Petter Borg 13	Lund	Lund	Landerigr 19	1992	660	500					1,160	1,030	1,030	0.0
Verkstaden 5	Lund	Lund	Annedalsv 7-9	1973/1989	5,268	1,725					6,993	6,486	6,698	3.8
Kullen 5	Malmö	Malmö	Sturkög 5	1962/1981	4,870						4,870	6,351	6,351	0.0
Svavlet 4	Malmö	Malmö	Emilistorps 24	1975	1,203						1,203	830	830	0.0
Söderhavet 5	Malmö	Malmö	Elbeg 5	1992	1,472	20					1,492	1,809	1,808	0.0
Söderhavet 6	Malmö	Malmö	Elbeg 7	1938/1998	1,406						1,406	2,014	2,010	0.0
Brudbuketten 10	Malmö	Malmö	Russg 6	1988/1997	750						750	450	450	100.0
Nejljebuketten 6	Malmö	Malmö	Derby 4	1987	1,765						1,765	1,576	1,576	0.0
Rosenbuketten 4	Malmö	Malmö	Höjag 1	1987/1990	5,420						5,420	11,172	11,172	0.0
Brudbuketten 13	Malmö	Malmö	Derby 20	1988	1,056						1,056	1,091	1,167	0.0
Grönsakshandlaren 5	Malmö	Malmö	Jägersrov 80	1989-1991	2,871	100					2,971	2,338	2,894	16.6
Revolversvararen 12	Malmö	Malmö	Jägershillg 18	1987	9,974						9,974	9,191	10,230	9.7
Fältsippan 8	Malmö	Malmö	Regnvatteng 2	1986/2000	3,625						3,625	5,107	5,107	0.0
Pledal 27	Malmö	Malmö	Klägerupsv 259	1963/1978	362						362	617	617	0.0
Venus 16	Nybro	Nybro	Nya Stationsg 2-16	1929/1955	2,473		861	493			3,827	2,887	3,184	8.4
Köpmannen 3	Nybro	Nybro	Storg 2	1992	1,075		2,123				3,198	1,771	2,692	34.2
Apollo 6	Nybro	Nybro	Storg 5	1955	474		251	731			1,456	1,000	1,038	3.1
Banken 3	Nässjö	Nässjö	Nyg 3	1970	3,370		515	415			4,300	3,599	3,766	4.2
Holje 6:191	Olofström	Olofström	Bredg 20	1958	1,103		250	420			1,773	1,450	1,509	3.9
Malghult 2:305	Oskarshamn	Kristdala	Hagg 2	1967	415						415	267	267	0.0
Lejonet 15	Oskarshamn	Oskarshamn	Flanaden 8	1967	4,094	44					4,138	2,798	3,350	14.8
Lejonet 16	Oskarshamn	Oskarshamn	Flanaden 8, 12, 14	1969	1,409		1,002				2,411	2,406	2,626	8.5
Ävehult 1:195	Oskarshamn	Påskallavik	Kustv 53, 55	1963	190						190	182	182	0.0
Hoby 1:5	Ronneby	Bräkne Hoby	Härads 18	1979	390						390	303	303	0.0
Västra Hallen 1:41	Ronneby	Hallabro	Ronnebyv 41, 43	1970	210			115			325	126	178	29.4
Nils 9	Ronneby	Ronneby	Strandg 8	1990	2,873						2,873	3,069	3,340	8.1
Frans 6	Ronneby	Ronneby	Kungsg 9	1978	1,653	9	61				1,723	1,444	1,466	1.5

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Kräftan 7	Sävsjö	Sävsjö	Storg 1	1939/1972	1,483		98	743			2,324	1,598	1,786	6.5
Vrigstad 3:12	Sävsjö	Vrigstad	Jönköpingsv 2, 4	1929/1960	1,132			485			1,617	866	900	0.7
Falken 7 & 8	Sölvesborg	Sölvesborg	Stortorget 11	1929	906			419			1,325	864	864	0.0
Örjan 19	Tingsryd	Tingsryd	Dackeg 18	1971/1989	1,780		488	986			3,254	2,885	3,018	4.3
Oden 11	Tranås	Tranås	Nyg 14	1979	2,795			318			3,113	2,137	2,742	21.9
Herkules 34	Trelleborg	Trelleborg	C B Friisg 4	1970	4,041	30		341			4,412	3,416	3,888	12.0
Lenhovda 5:27	Uppvidinge	Lenhovda	Storg 30	1973	240						240	251	251	0.0
Rådhuset 7	Uppvidinge	Åseda	Olofsg 6	1966	298						298	308	308	0.0
Gästgivaren 2	Vaggersyd	Skillingaryd	Storg 6	1953	811			251			1,062	1,083	1,083	0.0
Kärnan 4	Vaggersyd	Vaggersyd	Järnsvg 1	1974	833						833	862	862	0.0
Broby 52:2	Vetlanda	Landsbro	Sävsjöv 3, 5	1950/1966	396		105	372			873	561	529	8.2
Banken 14	Vetlanda	Vetlanda	Storg 2, 4	1929	2,272		321	1,484			4,076	2,867	2,981	3.6
Bredaryd 10:4	Värnamo	Bredaryd	Storg 14	1964	296		104	189			589	324	322	0.1
Ljungsåsa 16:7	Växjö	Lammhult	Köpmannag 5	1969	337			419			756	511	513	0.0
Elefanten 1	Växjö	Växjö	Rådjursv 2	1975	1,554	545	814				2,913	1,763	1,835	3.2
Nunnan 7	Växjö	Växjö	Bäckg 17, 19	1979	7,424	163	3,872	150			11,609	12,192	12,870	4.4
Industrial/warehouse properties														
Töllstorp 1:380	Gnosjö	Gnosjö	Industrig	1968/1978		6,081					6,081		1,075	49.3
Övergången 8	Jönköping	Jönköping	Syrgasv 4	1950/1960		4,309					4,309	1,103	1,103	0.0
Överstycket 25	Jönköping	Jönköping	Masking 5	1981	466	7,375					7,841	1,387	2,025	31.1
Vågskålen 3	Jönköping	Jönköping	Huskvarnav 40	1949/1983	9,020	6,890	387				16,297	8,765	9,340	6.0
Strömma 1:1	Karlskrona	Karlskrona	Strömmav 3, 28	1929/1950	5,082	11,747					16,829	6,125	7,800	14.3
Plattan 4	Kristianstad	Kristianstad	Isolatorv 5	1991		1,328					1,328	511	511	0.0
Cementen 4	Kristianstad	Kristianstad	Industrig 11	1989/1991		900					900	373	373	0.0
Ventilen 10	Kristianstad	Kristianstad	Mossv 6	1980		900					900	456	456	0.0
Kvartsen 6	Lund	Lund	Skifferv 25	1988		4,217					4,217	3,585	3,585	0.0
Oket 1	Lund	Lund	Norra Nöbbelöv	1991	126	3,113					3,239	1,804	2,257	20.1
Bjurö 11	Malmö	Malmö	Bjurög 35	1970		5,836					5,836	1,557	1,579	0.0
Böttö 5	Malmö	Malmö	Kosterög 5	1964/1993	5,047	6,396					11,443	5,652	6,349	9.5
Holmögadd 3	Malmö	Malmö	Bjurög 26	1969		11,482					11,482	4,579	4,579	0.0
Holmögadd 4	Malmö	Malmö	Bjurög 28	1969		14,165					14,165	6,310	6,310	0.0
Kajan 37	Malmö	Malmö	Limhamnsv 106–110	1929/1990	3,154	11,538			100		14,792	6,763	6,912	2.4
Smörbollen 12	Malmö	Malmö	Cypressv 12	1970		3,905					3,905	1,717	1,917	0.0
Smörbollen 52	Malmö	Malmö	Pinjeg 5	1977		2,629					2,629	1,056	1,158	3.0
Storbådan 2	Malmö	Malmö	Hemsög 22	1973	246	2,902				100	3,248	1,231	1,270	3.1
Storbådan 4	Malmö	Malmö	Hemsög 18	1973		2,590					2,590	1,209	1,209	0.0
Storbådan 5	Malmö	Malmö	Hemsög 14, 16	1973	580	12,224					12,804	5,589	5,933	4.4
Svinbådan 4	Malmö	Malmö	Brännög 9	1961	50	1,516					1,566	737	737	0.0
Svinbådan 5	Malmö	Malmö	Tärnög 3	1963		2,639					2,639	901	901	0.0
Eggegrund 7	Malmö	Malmö	Hemsög 12	1968/1970		14,679					14,679	2,846	5,294	16.8
Sidorodret 3	Malmö	Malmö	Höjdroderg 2	1976/1987		1,057					1,057	502	502	0.0
Lerkäret 3	Malmö	Malmö	Flintyxeg 2	1984/1987		1,070					1,070	639	639	0.0
Krukskärvan 3	Malmö	Malmö	Flintyxeg 10	1979		7,585					7,585	1,824	3,359	44.9
Skjutstallslyckan 23	Malmö	Malmö	Lundav 56	1946	1,097	7,924					9,021	3,486	4,168	16.0
Haken 6	Malmö	Malmö	Vinkelg 15	1970		8,620					8,620	2,945	2,945	0.0
Cementen 4	Malmö	Malmö	Barlastg 2	1982	1,673	1,414	650				3,737	1,771	1,986	0.0
Speditionen 1	Malmö	Malmö	Lodg 19–23	1992	757	4,253					5,010	2,816	3,171	0.0
Eggegrund 6	Malmö	Malmö	Hemsög 10	1983	241	7,673					7,914	3,803	3,948	3.7
Sturup 1:160	Svedala	Svedala	Bramtorpsv 173,138,180	1972	2,365						2,365	1,097	1,097	0.0
Retail properties														
Ryttaren 13	Hässleholm	Hässleholm	Första Avenyn 5	1972/1995	230		3,204	1,227		30	4,691	3,815	3,899	3.2
Vakten 1	Jönköping	Jönköping	Bataljonsg 4	1996			4,964				4,964	5,739	5,777	0.7
Bjurred 14:11	Lomma	Bjurred	Vikingav 1	1971/1991	1,706		3,003			407	5,116	5,648	6,556	10.5
Lönnen 12	Nybro	Nybro	Salutorget 9	1975	690	72	5,429				6,191	3,687	4,413	9.2
Köpmannen 2	Nybro	Nybro	Jutarnas v 1	1964	300	786	1,858				2,944	1,889	1,899	0.5
Nederled 2:63	Värnamo	Kloster	Lindv 2	1934/1976			775				775	530	531	0.0
Forsheda 3:31	Värnamo	Värnamo	Brog 4	1984	205		449				654	490	491	0.0
Ljungadal 5	Växjö	Växjö	Mörners v 112	1966/1971			3,082				3,082	1,003	1,003	0.0
Ljungadahl 2	Växjö	Växjö	Ljungadalsg 6	1966/1978	432		1,750				2,182	1,841	1,875	1.8
Other														
Blåsinge 5:232	Borgholm	Borgholm	Borgholm									(1)	0	0.0
Bokhandeln 2	Eksjö	Eksjö	Södra Storg 11	1929			809	683			1,492	1,052	1,135	3.0
Gårö 1:541	Gnosjö	Gnosjö											0	0.0
Ryttaren 8	Hässleholm	Hässleholm	Godtemplareg 1	1972/1995		27	3,318	4,569			7,914	6,941	7,140	3.7
Släggen 5	Jönköping	Huskvarna	Drottningg 14	1954	497		268	1,036			1,801	1,434	1,442	0.0
Flahult 2:348	Jönköping	Jönköping	Örnabergsv 13										0	0.0
Ljung 1:28 m.fl	Klippan	Klippan	Skärålid										0	0.0
Krukskärvan 6	Malmö	Malmö	Flintyxeg 6										0	0.0
Påskbuketten 7	Malmö	Malmö	Hästv 4 b										0	0.0
Malmback 2:118,115	Nässjö	Nässjö	Malmback 2:118, 115										0	0.0
Sjöafall 1:85,1:80	Nässjö	Nässjö	Cirkelv 30										0	0.0
Gyllebo 1:288	Simrishamn	Simrishamn	Liavångsv 8										0	0.0

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Market Area West														
Office properties														
Utby 3:61	Ale	Älvängen	Tingsv 2	1979/1993	462			288			750	696	701	0.0
Utby 1:20	Ale	Älvängen	Göteborgsv 93	1929	237			200			437	327	327	0.0
Pomona 9	Borås	Borås	Allég 46	1962	2,646			692			3,338	3,854	3,917	1.3
Klockaren 11	Falköping	Falköping	Storg 7-9	1929	2,081		247	627			2,954	2,468	2,541	2.8
Rådmannen 1,2,3	Falköping	Falköping	Landboag 1-5	1973/1986	2,276	236	2,622	973		745	6,852	4,059	4,946	17.3
Gästgivaren 8	Falköping	Falköping	S:t Olofsg 5	1929	399		504	623			1,526	821	1,062	12.1
Färgelanda Prästg 1:349	Färgelanda	Färgelanda	Centrumv 6	1977	286						286	300	300	0.0
Gårdsten 4 1:1	Göteborg	Göteborg	Ramnebacken	1935/1960	288		31				319	229	229	0.0
Angered 100:1	Göteborg	Göteborg	Rävebergsv	1982/1989	26,126						26,126	19,019	19,019	0.0
Gamelestaden 740:130	Göteborg	Göteborg	Gert Tommessonsg 1-7	1947/1985	170	2,981					3,151	2,065	2,065	0.0
Gamelestaden 2:8	Göteborg	Göteborg	Hornsg 1	1929/1966	20,882						20,882	16,221	16,221	0.0
Gamelestaden 2:5	Göteborg	Göteborg	Artillerig 17	1910-talet	23,503	699	90			108	24,400	18,208	19,608	6.9
Bagaregården 16:9	Göteborg	Göteborg	Byfogdeg 6	1949/1977	3,992						3,992	3,290	3,646	15.3
Landvetter 4:36	Härnäs	Härnäs	Brattåsv 5b-f, 7, 6, 8a-b	1978/1988	2,020	386	1,098				3,504	3,468	3,468	0.0
Kindbogården 1:111	Härnäs	Mölnlycke	Metalv 5	1985	2,983	196					3,179	1,637	1,637	0.0
Södra Hamnen 13:3	Lysekil	Lysekil	Posviksg 5	1959/1983	1,201			658			1,859	1,633	1,731	4.1
Staren 8	Mariestad	Mariestad	Nyg 14	1957/1972	2,006			86			2,092	1,837	1,837	0.0
Hunden 3	Mariestad	Mariestad	Nya Torget 3	1988	333	167	3,139				3,639	1,895	2,501	17.9
Mekanikern 1	Mark	Kinna	Boråsv 50	1957/1975	2,150		164				2,314	2,367	2,367	0.0
Köpmannen 15,16	Mark	Kinna	Boråsv 32	1943/1968	732		324	206			1,262	1,035	996	2.8
Krokstad Sandåker 1:46	Munkedal	Hedekas	Centrum	1973	309		118	288			715	325	384	11.7
Vässe 1:108	Munkedal	Hällevadsho	Norra Bohusv 2a	1975	230		128				358	166	230	27.8
Annestorp 24:4 del av	Mölnådal	Mölnådal	Almåsängsv 5, 4, 6	1974/1991	2,506		325				2,831	1,844	1,844	0.0
Tulpanen 3	Mölnådal	Mölnådal	Bergfotsg 7,9	1960	52,717	1,716					54,433	51,448	51,804	0.5
Snödroppen 2	Mölnådal	Mölnådal	Fjölbergsg 1	1962/1967	28,797						28,797	29,207	29,207	0.0
Fältskären 2	Skövde	Skövde	Södra Trångallén 1	1990	466						466	305	306	0.0
Vidar 1	Skövde	Skövde	Kungsg 18-22	1980	8,361	110	804				9,275	7,468	7,980	6.1
Munkeröd 1:61	Stenungsund	Stenungsund	Munkeröds v 4	1990	2,047	750					2,797	1,285	1,531	15.5
Merkurius 4 o 9	Trollhättan	Trollhättan	Polhemsg 2	1958/1987	4,993			790			5,783	4,607	4,728	2.2
Advokaten 1	Töreboda	Töreboda	Norra Torgg 7	1985	1,026		260	839			2,125	1,803	1,819	0.0
Bastionen 28	Uddevalla	Uddevalla	Bastionsg 40	1960/1989	7,006						7,006	4,984	5,392	2.2
Bilde 12	Uddevalla	Uddevalla	Kilbäcksg 13,15	1965	3,520		504				4,024	2,916	3,369	12.8
Solbacken 10	Uddevalla	Uddevalla	Silentz v 4b	1990	1,732						1,732	745	1,406	47.0
Barken 6	Uddevalla	Uddevalla	Junog 9	1990	3,674						3,674	2,234	2,569	3.5
Misteln 24	Vänersborg	Vänersborg	Drottningg 10	1929	3,081						3,081	2,516	2,916	13.7
Resedan 16	Vänersborg	Vänersborg	Kungsg 7	1965	1,136	90	1,189				2,415	1,094	1,693	33.6
Industrial/warehouse properties														
Strandbygget 1	Falkenberg	Falkenberg	Kvekatörsv	1970		4,720					4,720	1,159	1,159	0.0
Reparatören 6	Falkenberg	Falkenberg	Oktarv 3	1979/1989		488	468				956	312	311	0.0
Ågri 32	Falköping	Falköping	Bang 2-4	1929/1988	1,129	3,007					4,136	206	1,050	80.4
Sävenäs 170:9	Göteborg	Göteborg	von Utfallsg 12	1929/1955	650	7,846					8,496	2,715	2,985	9.0
Majorna 164:2	Göteborg	Göteborg	Banehagsg 6-10	1992	1,935	4,137					6,072	3,820	4,671	16.5
Kärna 11:110	Göteborg	Göteborg	Ellesbov 101	1968		7,822					7,822	2,481	2,482	0.0
Försäljaren 9	Kungälv	Kungälv	Filareg 17-19	1974	288	7,900	337				8,525	4,017	4,161	3.5
Ulserröd 1:212	Lysekil	Lysekil	Lysekils Industrihotell	1975		9,526					9,526	2,067	2,265	8.7
Hylsan 3	Mariestad	Mariestad	Förrådsg 34	1980		4,210					4,210	1,389	1,542	0.0
Lexby 11:14	Partille	Partille	Laxfiskev 4	1956/1981	4,312	15,052					19,364	3,562	5,945	40.4
Skövde 4:160	Skövde	Skövde	Mariestadv 98-100	1976/1989	599	2,090	1 276				3,965	1,638	1,949	5.1
Stenung 16:6	Stenungsund	Stenungsund	Ångsv 7	1976/1983	1,695	1,720					3,415	2,252	2,352	3.7
Tanumshede 2:39,2:57, Tanum Ry	Tanum	Tanum	Storemyrsv	1972/1987		19,016					19,016	7,051	8,277	0.0
Stolen 1	Tibro	Tibro	Fabriksg 4	1987		7,247					7,247	1,209	1,653	8.1
Hörnstenen 5	Trollhättan	Trollhättan	Installatörv 1-3	1978/1989		1,664					1,664	777	777	0.0
Drivhjulet 3	Trollhättan	Trollhättan	Kardanv 65	1989		1,680					1,680	756	756	0.0
Kugghjulet 2	Trollhättan	Trollhättan	Kardanv 66	1991		1,500					1,500	624	624	0.0
Kuröd 4:86	Uddevalla	Uddevalla	Brunnemyrsv 4	1976/1990		3,415					3,415	2,789	2,789	0.0
Svanebergsglyckan 4	Uddevalla	Uddevalla	Svanebergsv 4	1988		1,989					1,989	108	769	86.0
Tofta 10:18	Varberg	Varberg	Riksv 845	1968	625	2,283					2,908	726	1,551	51.9
Fregatten 21	Vänersborg	Vänersborg	Industrig 8	1945/1967		6,677					6,677	2,108	2,108	0.0
Retail properties														
Askim 243:19	Göteborg	Göteborg	Askims Torg 1, 2, 3	1967	1,022		1,117				2,139	1,416	1,782	20.5
Hulebäck 1:520	Härnäs	Härnäs	Råda Torg 1-2	1970/1987	1,481	200	2,119	1,894			5,694	5,289	5,332	0.3
Landvetter 4:37	Härnäs	Härnäs	Brattåsv 9-13, 10-14	1977/1999	430		268	563			1,261	1,431	1,469	0.0
Hindås 1:450	Härnäs	Härnäs	Hindås Stationsv 41-47	1978/1996	783		840				1,623	1,454	1,509	0.0
Floda 3:833	Lerum	Lerum	Rurik Holms V 1, 4-10	1960/1991	3,464		3,821	3,847			11,132	9,066	9,884	7.7
Annestorp 24:2	Mölnådal	Mölnådal	Almåsängsv 2	1974/1987		19	3,447				3,466	2,830	2,833	0.0
Lindome 2:43	Mölnådal	Mölnådal	Almåsängsv 1	1974	814		653				1,467	1,619	1,636	0.5
Ladan 3	Skara	Skara	Storsvängen 2	1987/1989			4,609				4,609	1,613	1,613	0.0
Köpmannen 30	Tibro	Tibro	Centrumg 6	1973	580	24	1,491				2,095	752	1,468	48.8
Ekoxen 1	Trollhättan	Trollhättan	Sylte Center	1970	1,119	160	2,278				3,557	2,232	2,673	16.4
Ekoxen 2	Trollhättan	Trollhättan	Sylte Center	1973	456		257				713	76	376	76.2
Gulliset 2 o 3	Trollhättan	Trollhättan	Göteborgsv 31	1955		1,051					1,051	80	488	25.3
Linkärven 4	Uddevalla	Uddevalla	Ling 4	1987		3,100					3,100	1,193	1,193	0.0
Kuröds Tegar 2	Uddevalla	Uddevalla	Kuröds v 27	1978			1,878				1,878	649	676	0.0
Källeberg 7:18	Vänersborg	Brålanda	Storg 21	1965	386		660				1,046	333	414	19.3
Timjan 4	Vänersborg	Vänersborg	Edsg 18	1965	135		1,165				1,300	1,041	1,272	20.1

Name	Municipality	Locality	Address	Year of construction/ conversion	Lettable floor space m ²						Total floor-space	Rental revenue	Rental value	Vacancy, %
					Offices	Industrial/ warehouse	Retail	Residential	Hotel	Other				
Retirement Homes														
Krokslätt 147:2	Göteborg	Göteborg	Frickullag 18g	1996	150			3,124			3,274	5,076	5,076	0.0
Fallström 14	Mölnådal	Mölnådal	Fallströmsg 1–5	1997				1,389			1,389	2,231	2,207	0.0
Other														
Kroken 6	Alingsås	Alingsås	Krang 13										0	0.0
Tummarp 1:66	Borås	Dalsjöfors	Storg 25	1952	210		259	568			1,037	722	721	0.1
Gårdsten 41:3	Göteborg	Göteborg	Angered										0	0.0
Angered 80:2	Göteborg	Göteborg	Transformatorstation									8	8	0.0
Angered 80:1	Göteborg	Göteborg	St Holmen 2										0	0.0
Gårdsten 53:2	Göteborg	Göteborg	Kumming 7										0	0.0
Gårdsten 53:3	Göteborg	Göteborg	Kumming 5										0	0.0
Baggatomten 6:1	Härryda	Härryda	Hotellv	1937					4,079		4,079	3,829	3,839	0.0
Hulebäck 1:604	Härryda	Härryda	Centralv 13	1951	121		570	691			1,382	1,132	1,198	5.3
Gästgivaren 3	Lidköping	Lidköping	Gamla Stadens Torg 1	1929	155					4,120	4,275	2,602	2,602	0.0
Fritsla 7:7	Mark	Fritsla	Klevliden 12										0	0.0
Torrey 3:54	Munkedal	Munkedal	Munkedal										0	0.0
Nösund 1:176	Orust	Orust	Jakträttsavtal									1	1	0.0
Lerdala 2:23	Skövde	Lerdala	Sjöv 3a–b, 5a–b, 9a–b, 11	1992				1,880			1,880	1,203	1,256	2.4
Köpmannen 26	Tibro	Tibro	Stora Torget 8	1986	1,034	147	742	1,346			3,268	2,774	2,792	0.3
Alfhem 11	Tidaholm	Tidaholm	Telefong 4	1960	268		192	594			1,054	579	670	9.9
Idun 5	Tidaholm	Tidaholm	Norra Kungsv 5	1984	1,051			1,402			2,453	1,818	1,924	5.5
Tranemo 1:29	Tranemo	Tranemo	Tranemo										0	0.0
Ekoxen 4	Trollhättan	Trollhättan	Lextorp										0	0.0
Ekoxen 3	Trollhättan	Trollhättan	Lextorp										0	0.0
Plåtslagaren 9	Töreboda	Töreboda	Friggag 5, 7	1947/1992				1,849			1,849	1,043	1,287	13.8
Rönnen 11	Töreboda	Töreboda	St Bergsg 20a–b	1957	177	40		821			1,038	484	580	15.8
Byggmästaren 5	Töreboda	Töreboda	Norra Torgg 10, 12	1990	44		270				1,410	562	881	32.2
Sotaren 12	Töreboda	Töreboda	Vadsbog 10a–b, 12a–b	1990				972			972	325	729	55.3
Bilde 2	Uddevalla	Uddevalla	Lagerbergsg 2, 12	1965								151	186	19.1
Market Area Central														
Office properties														
Verdandi 9	Borlänge	Borlänge	Borgansvä 42–44	1929/1987	1,374	182	1,282	195			3,032	1,431	1,940	17.1
Rolf 2	Borlänge	Borlänge	Borgansvä 43	1970	5,626	116	960				6,702	5,097	5,277	3.0
Frigga 7	Borlänge	Borlänge	Mälareg 1	1983	2,197	9	1,276				3,482	3,407	3,490	2.4
Sigrid 11	Borlänge	Borlänge	Walling 25	1971	2,519						2,519	2,311	2,402	2.4
Västra Falun 1, 2, 8, 11, 7:32	Falun	Falun	Engelbrektsg 24	1929	2,564	20	720	43			3,347	2,129	2,331	4.5
Yttre Åsen 12	Falun	Falun	Holmg 20, 22, 26	1973/1994	6,461	481	4,202				11,143	10,706	11,391	6.0
Smedjan 5	Forshaga	Forshaga	Tryckerig 7	1990	788	350					1,138	492	509	2.3
Hagfors 2:174	Hagfors	Hagfors	Uddeholmsv, Stationshus	1929/1950	826	58	67				950	695	796	12.8
SköllerstaKärr 1:34	Hallsberg	Pålsboda	Köpmang 3	1978	635	230					865	235	397	40.9
Tången 15	Karlstad	Karlstad	Gjuterig 28	1991/1995	984		990				1,974	1,028	1,028	0.0
Fjäders 16	Karlstad	Karlstad	Bromsg 4	1991	2,816	334	1,202				4,352	3,004	3,160	5.0
Brisen 4	Karlstad	Karlstad	Sunnanvindsg 8	1973	852						852	421	547	23.0
Kulingen 4	Karlstad	Karlstad	Östanvindsg 17	1976		8,425	450				8,875	1,577	2,917	38.4
Sågen 7	Karlstad	Karlstad	Lantvärnsg 12	1940/1975	3,184	1,021					4,205	1,037	1,767	41.6
Väktaren 7	Karlstad	Karlstad	Västra Kyrkog 1	1929/1971	5,970			53			6,023	5,540	6,110	0.6
Kvasta 2:4	Lindesberg	Fellingsbro	Bergsv 35	1929	245		90	285			620	234	236	0.0
Svanen 17	Ludvika	Ludvika	Carlav 21	1988	2,735				416		3,151	1,961	2,389	6.8
Stranden 20:4	Mora	Mora	Hantverkarg 14	1989	2,599						2,599	1,698	1,855	8.5
Mercurius 2	Nora	Nora	Rådmanng 15	1898	714			142			856	572	584	2.1
Östsura 2:76	Surahammar	Surahammar	Köpmang 16	1933/1990	388			182			570	396	419	1.1
Kryssen 1	Västerås	Västerås	Regattag 33–53	1929–1962	4,920	1,487					6,407	3,282	3,749	12.4
Klio 10	Västerås	Västerås	Norra Källg 17	1984/1998	2,454	77	264				2,795	2,603	2,669	0.7
Klas 11	Västerås	Västerås	Hantverkarg 5	1955/1987	5,363	844	2,927				9,134	9,086	9,605	4.2
Talby 2:75	Örebro	Odensbacken	Örebrov 11	1984	360						360	292	292	0.0
Industrial/warehouse properties														
Kolven 8	Borlänge	Borlänge	Svetsgr	1957/1986		756					756	262	262	0.0
Smedjan 1	Forshaga	Forshaga	Framgårdsv 2	1973	303	508					811	588	590	0.0
Fjäders 14	Karlstad	Karlstad	Kolvig 1	1971	982	2,716	347				4,045	2,635	2,708	0.1
Sågen 9	Karlstad	Karlstad	Lantvärnsg 8	1950/1973	1,198	1,357					2,555	823	836	1.3
Blåsten 4	Karlstad	Karlstad	Stormg 8	1975/1979	2,407						2,407	1,605	1,546	0.0
Klubban 5	Karlstad	Karlstad	Sågverksg 26	1977		1,816					1,816	383	416	0.0
Hällabrottet 2:4, 9	Kumla	Kumla	Yxhultsv 16	1939		5,169					5,169	1,664	1,746	1.3
Oxen 17	Kumla	Kumla	Västra Drottningg 38			6,645					6,645	1,276	1,276	0.0
Bonaren 5	Säffle	Säffle	Industrig 16	1950/1988		9,186					9,186	1,191	2,779	35.6
Kryssen 2	Västerås	Västerås	Regattag 7–31	1929–1963	1,614	11,566	215				13,395	6,721	7,076	1.6
Regattan 1	Västerås	Västerås	Regattag 8–28	1929–1964	769	11,819	105				12,693	5,025	6,005	13.8

Name	Municipality	Locality	Address	Year of construction/ conversion	Lettable floor space m ²						Total floor-space	Rental revenue	Rental value	Vacancy, %
					Offices	Industrial/ warehouse	Retail	Residential	Hotel	Other				
Retail properties														
Kyrkåkern 8	Borlänge	Borlänge	Häradsv 20	1920/1977		820	1,172	239			2,231	1,162	1,168	0.0
Bromsen 1	Karlstad	Karlstad	Blockg 6	1967/1991	1,218	710	1,972				3,900	1,405	1,425	1.4
Härden 3	Karlstad	Karlstad	Sågverksg 5	1952		519	501				1,020	411	434	5.0
Stolpen 6	Karlstad	Karlstad	Ventilig 1	1991		50	510				560	639	646	0.0
Mercurius 15	Karlstad	Karlstad	Ö.a Torgg 9, 11	1992	1,469	8	4,430	1,111			7,018	6,625	8,339	11.5
Gräsröten 1	Karlstad	Karlstad	Gräsdalsg 1	1987			4,961				4,961	2,147	2,147	0.0
Kettil 7	Västerås	Västerås	Torgg 1,3,5	1966/1990	1,207	411	9,021				10,639	9,183	12,379	12.1
Glanshammar 2:17	Örebro	Glanshammar	Eldvallsg 2	1958/1972			846	323			1,169	756	758	0.3
Östra Via 1:62	Örebro	Vintrosa	Skolg 4	1950/1985	240		1,403	130			1,773	1,033	1,118	7.6
Retirement Homes														
Vedbo 60	Västerås	Västerås	Erikslundsg	1977/1999				7,200			7,200	7,926	8,266	0.0
Hanen 4	Västerås	Västerås	Hagalidsv 2	1964/1996				2,740			2,740	3,551	3,551	0.0
Other														
Harneskmakaren 3, 10	Arboga	Arboga	Järntorgsg 4a-b	1953/1972	458	36	462	702			1,658	876	1,131	21.9
Mejeriet 17	Filipstad	Filipstad	Tingshusg 10b										0	0.0
Mejeriet 18	Filipstad	Filipstad	Tingshusg 10a										0	0.0
Kometen 4	Kristinehamn	Kristinehamn	Kungsg 36	1929/1991	85	80	182	1,388			1,735	1,247	1,282	3.6
Driksnåppan 2	Kristinehamn	Kristinehamn	Södra Ringv 11	1990	901	65	143	1,312			2,421	2,300	2,384	3.4
Staren 19	Kumla	Kumla	Stationsg 2-4	1972/1989	26		432	2,217	2,422		5,097	2,001	3,368	9.6
Mejeristen 1	Kumla	Kumla	S Kungsv 27, 29a-h, 31	1992				3,123			3,123	2,592	2,660	2.2
Fjolng 5	Köping	Köping	Stora G 4a-b	1945/1974	657		156	1,001			1,814	1,251	1,276	0.0
Turisten 1	Torsby	Torsby	Kyrkog 2	1929			350		1,541		1,891	1,015	1,027	0.5
Turisten 4	Torsby	Torsby	Fryksände										0	0.0
Gasten 1	Västerås	Västerås	Regattag	1929-1960								9	9	0.0
Gasten 2	Västerås	Västerås	Björnövd 20	1929-1961				40			40	33	33	0.0
Energin 6	Västerås	Västerås	Ornformarg 22										0	0.0
Törsjö 3:66	Örebro	Örebro	Mosjö										0	0.0
Törsjö 3:89	Örebro	Örebro	Mosjö										0	0.0
Market Area North														
Office properties														
Gnistan 7	Bollnäs	Bollnäs	Långg 7	1972	1,745		303				2,048	1,035	1,475	29.8
Knuten 4	Härjedalen	Sveg	Fjällv 4	1991	350		285	298			933	670	824	18.8
Knuten 6	Härjedalen	Sveg	Kyrkog 20	1920	576			103			679	269	454	40.7
Braxen 1	Luleå	Luleå	Smedjeg 12-16	1987	7,776	174	243				8,193	8,216	9,207	5.5
Rösta 13:1	Nordanstig	Harmånger	Strömbuksv 2	1962	306		59				365	267	267	0.0
Nordanbro 2:83	Nordanstig	Hassela	Nordanbrov 2	1991	558						558	314	389	19.3
Hästen 2	Ockelbo	Ockelbo	Södra Åsg 42	1963	42		271	393			706	303	375	15.9
Rostbrännaren 4	Sandviken	Sandviken	Hyttg 21	1963/1988	1,551						1,551	1,480	1,480	0.0
Loke 7	Skellefteå	Skellefteå	Torget 2	1975	2,644	36	1,232		4,968	60	8,940	8,168	8,211	0.1
Källaren 3	Sollefteå	Sollefteå	Storg 55	1962	1,062		132	639			1,833	1,592	1,602	0.5
Olympen 3	Sundsvall	Sundsvall	Storg 20b-c	1972	2,997		56			35	3,088	3,131	3,240	3.4
Retail property														
Rostbrännaren 6	Sandviken	Sandviken	Hyttg 19	1966/1988	272		997	1 010			2,279	1,537	1,546	0.0
Other														
Hälsan 1	Haparanda	Haparanda	Torget 4	1929	380	145	542	1,785			2,852	2,042	2,260	9.7
Färgaren 3	Sollefteå	Sollefteå	Storg 35a-b	1968	516			1,220		60	1,796	1,111	1,509	26.6



ACQUIRED PROPERTIES 2002

Name	Municipality	Locality	Address	Year of construction/ conversion	Lettable floor space m ²						Total floor-space	Rental revenue	Rental value	Vacancy, %
					Offices	Industrial/ warehouse	Retail	Residential	Hotel	Other				
Market Area East														
Retirement Homes														
Elefanten 6	Linköping	Linköping	Barnhemsg 4	1998				1,414			1,414	1,142	1,142	
Lilgårdsskolan 11	Linköping	Linköping	Ridhusg 2a	1996				1,667			1,667	2,028	2,093	3.1
Valbyrån 5	Linköping	Linköping	Kärnav 3-11	1996				2,751			2,751	3,068	3,153	2.7
Linet 1	Norrköping	Norrköping	Torpv 5a	1992				4,314			4,314	4,256	4,256	
Hallen 4	Solna	Solna	Lövg 39	1990				5,572			5,572	6,972	6,972	
Plommonträdet 5	Stockholm	Hägersten	Valborgsmässov 16	1964				6,675			6,675	8,154	8,254	1.2
Flyghöjden 2	Stockholm	Skarpnäck	Skarpnäcks Torg 1	2003								4,300	4,300	
Tempelriddarorden 5	Stockholm	Skärholmen	Vita Liljans v 53	1999				5,000			5,000	5,991	5,991	
Blåvalen 1	Södertälje	Södertälje	Tällhöjds v 3	1927/1986				7,178			7,178	8,847	8,847	
Bylegård 37	Täby	Täby	Jarlabankes v 48	1903/1993				1,957			1,957	4,015	4,015	
Luthagen 81:1	Uppsala	Uppsala	Norrlandsg 2	2001				1,370			1,370	2,189	2,189	
Vallentuna-Ekeby 2:275	Vallentuna	Vallentuna	Ekeby v 40	1992				2,930			2,930	3,082	3,082	
Rickeby 1:97	Vallentuna	Vallentuna	Stendösv 5	2003										
Tuna 3:30, 3:182	Österåker	Åkersberga	Österskärs v 3	1994				6,455			6,455	7,094	7,311	3.0
Market Area South														
Office property														
Mården 7	Hässleholm	Hässleholm	Första Avenyn 14a-d		1,935	140	3,975				6,050	7,119	7,739	8.0
Retirement Homes														
Norra Sjukhuset 1	Lund	Lund	N Gråns v 1; Skjutbanev 3	1975/1991	656			6,427			7,083	6,157	6,348	
Sädesårlan 6	Malmö	Limhamn	Linnég 18	1929/60/2000	153			236			389	343	343	
Nattskärnan 7	Malmö	Limhamn	Järnvägsv 29	1993				959			959	1,283	1,283	
Slätvaren 40 och 51	Malmö	Limhamn	Sarvgr 2C	1910/1998				225			225	364	364	
Koljan 10	Malmö	Limhamn	Tegnérsg 68	1995				178			178	338	338	
Anten 3	Malmö	Malmö	Eddag 1	1989				3,040			3,040	3,376	3,376	
Torsten 12	Malmö	Malmö	Major Nilssonsg 13	1942				2,400			2,400	2,572	2,572	
Nicktisteln 2	Malmö	Malmö	Ernst Jakobssonsg 7	1993				1,125			1,125	1,338	1,338	
Bardisanen 14	Malmö	Malmö	Norra Bulltoftav 61-63	1993				411			411	732	732	
Storskarven 9	Malmö	Malmö	Brunandav 32	1993				221			221	258	253	
Storskarven 12	Malmö	Malmö	Norra vä 7	1998				950			950	1,273	1,272	
Storskarven 13	Malmö	Malmö	Norra v 1-5	1996				1,157			1,157	1,410	1,374	
Tväråkern 16-17	Malmö	Malmö	Marieholmsv 3	1996				336			336	439	439	
Sånekulla 16	Malmö	Malmö	Limhamns v 74	1990/1995				1,115			1,115	1,802	1,802	
Rosenbuketten 8	Malmö	Malmö	Höjag 21	1989/1997				823			823	1,129	1,129	
Idrotten 12	Malmö	Malmö	Hasselg 24	1993				270			270	209	209	
Cykeln 12	Malmö	Malmö	Palmg 17	2000				1,163			1,163	1,721	1,721	
Vannagården 2	Malmö	Malmö	Husie Kyrkov 1	1992				384			384	492	492	
Limhamn 152:371	Malmö	Malmö												
Solskiftet	Malmö	Oxie	Oshögav 2	1976				6,465			6,465	5,860	6,010	2.5
Stengodsset 1	Malmö	Oxie	Stengods v 4	1999				1,125			1,125	1,258	1,258	
Other														
Hamnen 22:2	Malmö	Malmö	Jörgen Kocksg 3	1952/1964	3,411	265			4,361		8,037	5,856	6,315	7.3
Market Area West														
Industrial/warehouse properties														
Hjulet 6	Trollhättan	Trollhättan	Kardarv 12b	1980/1984				1,710			1,710	866	866	
Retirement Homes														
Heden 28:2	Göteborg	Göteborg	Berzellig 11	1993				1,840			1,840	3,500	3,500	
Fiskebäck 8:8	Göteborg	Västra Frölunda	Hällefundreg 18	1976			1,717				1,717	8,068	8,068	
Fiskebäck 8:7	Göteborg	Västra Frölunda	Hällefundreg 20	1999				8,180			8,180	1,087	1,270	14.4
Market Area Central														
Industrial/warehouse property														
Finnslätten 3	Västerås	Västerås	Bnr 340, Finnslätten	1959/1976-77	1,052	49,750					50,802	35,697	36,958	4.8



DIVESTED PROPERTIES 2002

Name	Municipality	Locality	Address	Year of construction/ conversion	Lettable floor-space m ²						Total floor-space
					Offices	Industrial/ warehouse	Retail	Residential	Hotel	Other	
Market Area East											
<i>Office properties</i>											
Standard 8	Nyköping	Nyköping	Bagareg 23	1975/1989	1,155			235			1,390
Gripen 2	Nyköping	Nyköping	V:a Storg 23	1929	1,299	77	301	923			2,600
Sörmlandsbanken 10	Nyköping	Nyköping	Slotsg 25	1992	3,120	120	419	75			3,734
Luna 4	Södertälje	Södertälje	S:t Ragnhildsg 1	1929	2,033	66	410	455			2,964
<i>Industrial/warehouse properties</i>											
Vita Liljan 3	Stockholm	Stockholm	Bredängsv 205-209	1971		2,060	40				2,100
Albano 12-17, 24	Stockholm	Stockholm	Björnäs 30	1944/1981	1,058						1,058
<i>Retail properties</i>											
Diagonalen 1	Huddinge	Huddinge	Geometriv 3-7	1989	3,061	154	3,467				6,682
Tackjärnet 3	Stockholm	Stockholm	Karlsbodav 12	1988		750	1,010				1,760
<i>Other</i>											
Dikartorp 3:7	Järfälla	Järfälla	Slammertorpsv								
Magasinet 2	Södertälje	Järna	Tuna Industriv 31					180			180
Magasinet 3	Södertälje	Järna	Tuna Industriv 33					180			180
Market Area South											
<i>Office properties</i>											
Uttern 12	Alvesta	Alvesta	Storg 12	1930	789			230			1,019
Kalvamo 1:77	Emmaboda	Broakulla	Bruksg 11	1961	180						180
Bankmannen 6	Eslöv	Eslöv	Stora Torg 15	1959	706			135			841
Värjan 3	Helsingborg	Helsingborg	Garnisonsg 9	1969/1976		5,564					4,832
Kolonien 27	Helsingborg	Helsingborg	Carl Krooks g 30,36b-c	1986	3,049		3,274	2,153			8,476
Hästveda 96:2	Hässleholm	Hästveda	Ö Järnsv 2	1969	284						284
Sösåla 73:9	Hässleholm	Sösåla	Bankg 1	1929	463		145	303			911
Rosengård 7	Jönköping	Gränna	Kungsg 37	1970	1,250						1,250
Guldsmeden 8	Kalmar	Kalmar	Storg 15,18	1973	1,311	0					1,311
Krokodilen 5	Kalmar	Kalmar	Scheeleg 8	1969	2,410	512					2,922
Törstensson 9,10	Landskrona	Landskrona	Eriks g 124, 126	1929/1979	840	0					840
Vildanden 7	Malmö	Malmö	Geijersg 6, 8	1967/1970	5,137	0					5,137
Vildanden 8	Malmö	Malmö	Geijersg 4	1967/1970	3,422	32					3,454
Linneryd 5:2	Tingsryd	Linneryd	Kyrkv 22	1970	302						302
Trasten 2	Vimmerby	Vimmerby	Sevdeg 34	1978	1,560		40	0			1,600
<i>Industrial/warehouse properties</i>											
Kulan 1	Helsingborg	Helsingborg	Garnisonsg 51	1984/1985		9,414					9,414
Skruben 9	Kalmar	Kalmar	Franska v 19	1988		1,142	200				1,342
Skruben 7	Kalmar	Kalmar	Franska v 15	1981/1986		970					970
Lyckebacken 1	Lund	Lund	Åkerlund & Rausing v 20	1939/1976	2,440	74,402				905	77,747
<i>Other</i>											
Kolonien 28	Helsingborg	Helsingborg	Carl Krooks g 32	1988			252	534			786
Köpmanen 9	Jönköping	Gränna	Braheg 51	1955	235		225	421			881
Hotellet 2	Vetlanda	Vetlanda	Stortorget 5	1935					2,863		2,863
Helmershus 6:5	Värnamo	Värnamo	Bankforman, Åminne								
Market Area West											
<i>Office properties</i>											
Lerum 32:1	Lerum	Lerum	Hedlunds Backe 1	1991	1,042						1,042
Krabbetornet 1 o 35	Kungälv	Kungälv	Västra G 84, 86, 92	1938/1984	1,053			430			1,483
Planeten 5	Skara	Skara	Skaraborgsg 34a-e	1978	2,139			2,388		1,741	6,268
Börsen 2 o 3	Åmål	Åmål	Kungsg 12-14	1940/1961	1,588		699	232			2,519
<i>Industrial/warehouse property</i>											
Öslanda 10:68,10:82	Lerum	Stenkullen	Snickarev 1	1960/1983	168	8,317					8,485
<i>Retail properties</i>											
Hovmästaren 8	Falköping	Floby	Storg 52	1960	170			290			460
Hallsås 2:133	Lerum	Lerum	Kring-Alles v 52	1988				600			600
<i>Other</i>											
Torrevalle 1:8 m.fl	Falköping	Falköping	Torrevalle								
Svalörten 6	Falköping	Falköping	Villag 13								
Linden 12	Falköping	Floby	Centralg 1a-d	1957		77	233	1,869			2,179
Linden 17	Falköping	Floby	Norra Kungsg 1a-c	1960		40		1,474			1,514
Svalörten 5	Falköping	Floby	Smältebacksv 3	1946				123			123
Kläppa 1:77,79,90,91	Kungsbacka	Åsa	G Alberts v 50,54,35,37								
Kläppa 1:75	Kungsbacka	Åsa	Gustav Alberts v 46								
Kläppa 1:76	Kungsbacka	Åsa	Gustav Alberts v 48								
Öslanda 10:84	Lerum	Lerum	Stenkullen								
Aratorp 3:17,20:85	Mark	Kinna	Krusagårdsv 12								
Planeten 7	Skara	Skara	Skaraborgsg 34f	1929/1983	193			1,348			1,541

Property

Name	Municipality	Locality	Address	Year of construction/ conversion	Lettable floor-space m ²						Total floor-space
					Offices	Industrial/ warehouse	Retail	Residential	Hotel	Other	
Market Area Central											
<i>Office properties</i>											
Vägverket 9	Falun	Falun	Zettergrens v 14	1979	424	329					753
Smedjan 3	Säffle	Säffle	Sundsg 23	1936	815			207			1,022
Färgeriet 3	Örebro	Örebro	Åg 4-8	1989	1,860						1,860
<i>Industrial/warehouse properties</i>											
Braxen 10	Arboga	Arboga	Norra Åg 17	1954/1963	116	7,438					7,554
Braxen 11	Arboga	Arboga	Norra Åg 21	1958/1962	164	3,390					3,554
<i>Retail property</i>											
Köpmannen 7	Västerås	Västerås	Hällag 14	1985				4,397			4,397
<i>Other</i>											
Larsarvet 4:14	Falun	Falun	Grycksbo								
Larsarvet 4:16	Falun	Falun	Grycksbo								
Bengtsarvet 1:17	Falun	Falun	Grycksbo								
Tjädem 12	Filipstad	Filipstad	Tegnérsg 8a-b	1955				586	998		1,584
Stolpen 5	Karlstad	Karlstad	Ventilg 1	1965		747		423		2,484	3,654
Västra Sälen 5:279	Malung	Malung	Transtrand								
Market Area North											
<i>Office properties</i>											
Norrgrissjö 3:45, 3:68	Örnsköldsvik	Gideå	Skollärv 17	1962	131	0	0	80	0	0	211
Berlin 8	Örnsköldsvik	Örnsköldsvik	Stora Torget 2	1929	2,229	0	0	0	0	0	2,229
<i>Other</i>											
Petersburg 4	Örnsköldsvik	Örnsköldsvik	Nyg 9	1940	201	0	0	0	0	0	201



Earnings capacity: properties disposed of as of the balance sheet date are excluded, and properties acquired by no later than the same date are included as if they had been owned for 12 months. Otherwise, the calculation is based on the following assumptions:

- For those properties where 12 months have passed since Kungsleden took possession, actuals for the last 12 months are included;
- For those properties where more than six months but less than 12 months have passed since Kungsleden took possession, actuals are recalculated to 12-month equivalents;
- For properties where less than six months have passed since Kungsleden took possession, data from acquisition calculations are used.

Property terminology

Property yield: the operating surplus for the year in relation to the average book value of properties. However, the property yield for the earnings capacity is calculated as earnings capacity in relation to the book value of properties at year-end.

Operating surplus: rental revenue less operation and maintenance costs, ground rent, property tax and property administration.

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

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

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

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.

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. There is a division between office, housing, 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.

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

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.

Beta value: the share's correlation with the market's average performance. A beta value of less than one implies that a share price has fluctuated less than the SAX (Stockholm All-share Index). Beta value is a key component of the CAPM (Capital Asset Pricing Model) used to calculate the market's required rate of return on the share. The CAPM indicates that a low beta value implies a low required rate of return. Beta values relate to a period of 12 months.

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

Dividend yield: dividends paid in the year in relation to the share price 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 and tax paid.

P/E ratio: share price at the end of the period in relation to earnings per share, in accordance with prevailing forecasts. Year-end share prices in relation to the following year's EPS are used for historical values.

P/CE ratio: share prices at the beginning of the year in relation to cash flow from operations.

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

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.

Total yield: the total of the share's price gains and dividends paid in the year in relation to the share price at the beginning of the year.

Annual General Meeting

The Annual General Meeting will be held on 10 April 2003 at 2:00 p.m. at Folkets Hus, Barnhusgatan 12–14, Stockholm, Sweden.

Application

Shareholders wishing to participate in the Annual General Meeting must be registered in their own name (i.e. not nominee-registered) in the share register maintained by VPC AB by no later than 31 March 2003 and must notify their intention to attend by no later than 3 April 2003, using the attached application form or by writing to the company at the following address:

Kungsleden AB
FAO: Sinikka Mukka
P.O. Box 70414,
107 25 Stockholm, Sweden
E-mail: sinikka.mukka@kungsleden.se
Telephone: +46 8 503 052 00
Fax: +46 8 503 052 02

Shareholders whose holdings are nominee-registered with a bank custodian account service or other fund manager must temporarily have the shares registered in their own name in the share register maintained by VPC in order to be entitled to participate in the Annual General Meeting. Shareholders must notify their fund managers of this in good time before 30 March 2002.

Dividend

The Board and Chief Executive propose that SEK 10.50 per share be distributed to shareholders. The record day for dividends has been proposed as 15 April 2002. If the Annual General Meeting approves the proposal, VPC is expected to distribute the dividends on 22 April 2002.

Forthcoming reports and Annual General Meeting

- The Annual Report for the financial year 2002 will be presented in March 2003
- The Interim Report for the period January—March 2003 will be presented on 23 April 2003
- The Interim Report for the period January—June 2003 will be presented on 15 August 2003
- The Interim Report for the period January—September 2003 will be presented on 24 October 2003

Kungsleden AB (publ)

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The Aniara Building, illustrated in this Annual Report, was completed in 1987 and was designed by Euvind Balslev of architecture practice Höjer & Ljungqvist. This firm secured the assignment after winning a competition to design the Municipal Centre at Sollentuna, near Stockholm, Sweden, where shoppers park on the roof, taking elevators and escalators down to retail units. The library, adjacent to the Aniara Building, attracted the most architectural plaudits when the Centre was completed. Architects Jon Höjer and Sture Ljungqvist, now retired, had a large architecture practice with some twenty staff. Their other projects included a residential estate in Kista, north of Stockholm, with 2,500 apartments. The Johannelund estate in Linköping, southern Sweden, an integrated centre with religious centres, schools and retail premises all within five minutes' walk, was another major project. Artist Erik Höglund decorated the buildings, executing major installations at Johannelund and the Sollentuna Municipal Centre.

Kungsleden is a Swedish property company that prioritises yield above property type or geographical location. Kungsleden develops its holdings by actively participating in the change processes on the Swedish property market.

At year-end 2002, Kungsleden's property holdings comprised 430 properties with a book value of approximately SEK 10.1 bn. These holdings are distributed over a total of 123 municipalities nationwide, although focused on the southern and central provinces of Götaland and Svealand. Kungsleden's property is also very diverse in terms of category and size.

Kungsleden has regional branches in Stockholm, Gothenburg and Malmö as well as local offices in the cities of Växjö, Skövde, Jönköping, Trollhättan, Västerås and Karlstad.

KUNGSLEDEN

www.kungsleden.se