



CASTELLUM

Annual Report 2008



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The audited legal Annual Report comprises pages 6-104. Comparisons shown in brackets are made with the corresponding amount previous year.

In the event of conflict in interpretation or differences between this report and the Swedish version, the latter will have priority.

Year Summary

- Rental income for 2008 amounted to SEKm 2,501 (SEKm 2,259 previous year).
- Income from property management improved by 5% to SEKm 973 (924), equivalent to SEK 5.93 (5.63) per share.
- Changes in value on properties amounted to SEKm – 1,262 (920) and on interest rate derivatives to SEKm – 1,010 (99).
- Net income after tax amounted to SEKm – 663 (1,487), equivalent to SEK – 4.04 (9.07) per share.
- The Board proposes a dividend of SEK 3.15 (3.00) per share, corresponding to an increase of 5%.
- The investments amounted to SEKm 2,738 (2,598) of which SEKm 1,212 (1,514) refer to acquisitions and SEKm 1,526 (1,084) to new construction, extensions and refurbishment.
- The total value of the properties amounted to SEKm 29,165 (27,717) with a loan to value ratio of 50% (45%). Unutilized credit in long term credit agreements amounted to SEKm 1,702 (1,375).

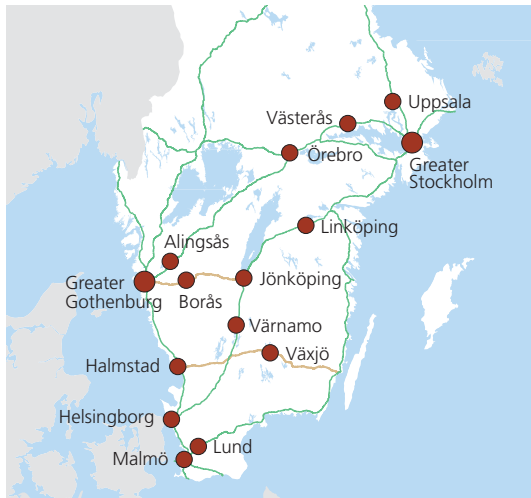
Data per Share

| SEK | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
|------------------------------|-------------|-------------|-------------|-------------|--------------|-------------|-------------|------|
| Income property management | 5.93 | 5.63 | 5.38 | 5.00 | 4.52 | 4.07 | 3.77 | 3.30 |
| Change | +5% | +5% | +8% | +11% | +11% | +8% | +14% | |
| Net income after tax | – 4.04 | 9.07 | 10.21 | 7.89 | 5.59 | 2.68 | 4.00 | 5.68 |
| Change | neg. | –11% | +29% | +41% | +108% | –33% | –30% | |
| Dividend (for 2008 proposed) | 3.15 | 3.00 | 2.85 | 2.62 | 2.38 | 2.13 | 1.88 | 1.63 |
| Change | +5% | +5% | +9% | +11% | +12% | +13% | +15% | |

Annual General Meeting

Castellum AB's Annual General Meeting will take place on Thursday March 26, 2009 at 5 pm in RunAn, Chalmers kårhus, Chalmersplatsen 1, Gothenburg.

Castellum – a short description



Business concept

Castellum's business concept is to develop and add value to its real estate portfolio, focusing on the best possible earnings and asset growth, by offering customized commercial properties, through a strong and clear presence in five Swedish growth regions - Greater Gothenburg, the Öresund Region, Greater Stockholm, Mälardalen and Eastern Götaland.

Focus on cash flow

The objective is to focus on cash flow growth, which along with a stable capital structure provide the preconditions for good growth in the company, while at the same time offering shareholders a competitive dividend. The objective is an annual growth in cash flow, i.e. income from property management per share, of at least 10%. In order to achieve this objective, investments of at least SEKm 1,000 per year will be made. All investments will contribute to the objective of growth in income from property management within 1-2 years and have a potential asset growth of at least 10%.

Real estate portfolio with commercial focus

Castellum is one of the major listed real estate companies in Sweden. The fair value of the real estate portfolio amounts to approx. SEK 29 billion and comprises premises for office, retail, warehouse, logistics and industrial purposes. Within each of the regions where Castellum is present focus is placed on market areas and sub-markets where sufficient volume can be found to provide the prerequisites for good business opportunities by rational management and strong presence.

Investments, i.e. enhancement and development of existing properties, acquisitions of new properties and new construction, are carried out in areas with high growth rates where opportunities are found for increased occupancy rates, increased rental levels and improved cash flows.

Customers

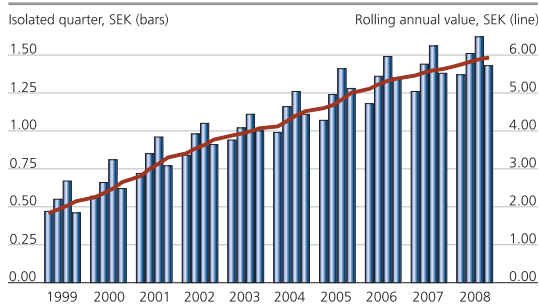
Good and long-term customer relations and hence satisfied customers is a prerequisite for creating long-term growth in Castellum. This is achieved by providing efficient and well situated premises meeting the customers' needs regarding both appropriate premises as well as service.

Castellum has just over 4,000 commercial contracts, with good risk exposure regarding geography, type of premises, length of contracts and fields of business of the customer.

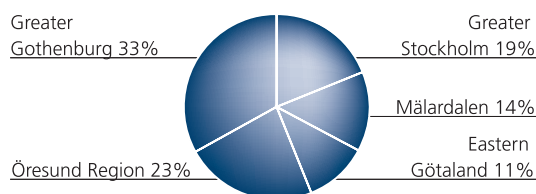
Decentralized and small scale organization

Castellum's operations are run in a small-scale organization comprising six subsidiaries which own and manage the properties under their own

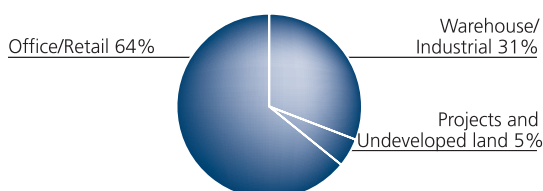
Income from property management per share



Real estate value by region



Real estate value by category



Örebro, Uppsala
and Västerås



Malmö, Lund and
Helsingborg



Greater Stockholm



Jönköping, Linköping,
Värnamo and Växjö



Central, Northern and Eastern
Greater Gothenburg



Southern Greater Gothenburg,
Borås, Halmstad and Alingsås

brands. By having local roots the subsidiaries have close relations with the customers, and good knowledge of the market situation and rental development within each market area. Property management is mainly carried out by own personnel.

Castellum have skilled and committed employees, which is achieved as the group shall be an attractive workplace with good development possibilities. At the turn of the year the Castellum group had 226 employees and each subsidiary has about 35 employees.

Castellum views a sustainable development with economic growth, social development and environmental concern a prerequisite for successful business operations.

Stable capital structure

Castellum's strategy is to have a stable capital structure, meaning a loan to value ratio not permanently exceeding 55% and an interest coverage ratio of at least 200%.

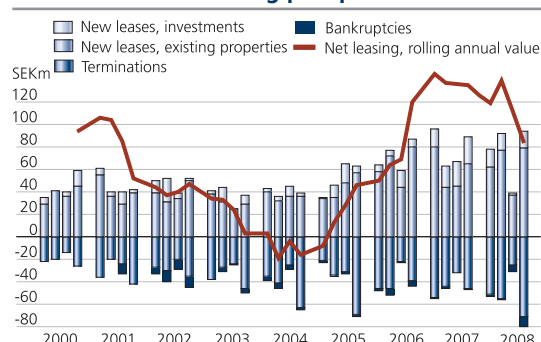
Castellum's dividend policy is that at least 60% of income from property management after full tax deduction will be distributed, however investment plans, consolidation needs, liquidity and financial position in general will be taken into account.

The Castellum share

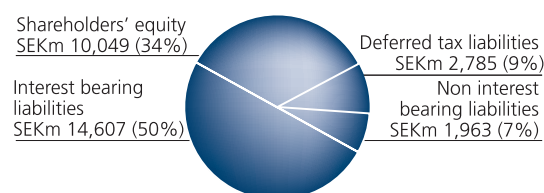
Castellum will work for a competitive total return in the company's share in relation to the risk and for a high liquidity. The company's actions will be made from a long term perspective.

The Castellum share is listed on NASDAQ OMX Stockholm AB Large Cap.

Net leasing per quarter



Financing 31-12-2008



Total yield (including dividend)

| | 2008 | 3 years average/ year | 10 years average/ year |
|-----------------------------------|-------|-----------------------|------------------------|
| Castellum | - 5% | - 1% | 14% |
| NASDAQ OMX Stockholm (SIX Return) | - 39% | - 6% | 5% |
| Real Estate Index Sweden (EPRA) | - 21% | - 3% | 15% |
| Real Estate Index Europe (EPRA) | - 49% | - 19% | 4% |

Financial

| Income Statement, SEKm | | | | Balance Sheet, SEKm | | | |
|---|--------------|--------------|--------------|---|---------------|---------------|---------------|
| | 2008 | 2007 | 2006 | | 31 dec 2008 | 31 dec 2007 | 31 dec 2006 |
| Rental income | 2,501 | 2,259 | 2,014 | Investment properties | 29,165 | 27,717 | 24,238 |
| Property costs | - 831 | - 771 | - 700 | Other assets | 239 | 174 | 208 |
| Central administration expenses | - 71 | - 69 | - 67 | Total assets | 29 404 | 27 891 | 24 446 |
| Net financial items | - 626 | - 495 | - 364 | Shareholders' equity | 10,049 | 11,204 | 10,184 |
| Income from prop. management | 973 | 924 | 883 | Interest-bearing liabilities | 14,607 | 12,582 | 10,837 |
| Changes in value on properties | - 1,262 | 920 | 1,145 | Deferred tax liabilities | 2,785 | 3,322 | 2,723 |
| Changes in value on interest rate derivatives | - 1,010 | 99 | 178 | Non interest-bearing liabilities | 1,963 | 783 | 702 |
| Tax | 636 | - 456 | - 532 | Total shareholders' equity and liabilities | 29,404 | 27,891 | 24,446 |
| Net income for the year | - 663 | 1,487 | 1,674 | | | | |
| Financial key ratios | | | | | | | |
| Growth in income from property management | 5% | 5% | 8% | | | | |
| Loan to value ratio | 50% | 45% | 45% | | | | |
| Investments in properties, SEKm | 2,738 | 2,598 | 2,283 | | | | |

CEO's Comments

Best result ever, but also the worst.

2008 was a turbulent year – it began so well that the Bank of Sweden tried to moderate the inflation and cool down the economy by several increases of the repo rate. After the financial crisis burst out during the last quarter, a sharp retardation in the economy was seen. Reduced interest levels that followed are only a poor consolation for the increased number of notices in the labour market.

The rental market was characterized by high demand for premises, slowly increasing rental levels and an ongoing new production. In spite of sharp retardation in the economy during the autumn, the demand for premises has continued to be good and the rental levels have been stable. New production however has ceased.

For Castellum, rental income 2008 increased by approx. SEKm 240, an effect of both increasing rental levels, lower number of vacancies and investments carried out. Property costs have increased by approx. SEKm 60, mainly because of a larger portfolio. Interest rate costs increased by approx. SEKm 130, of which SEKm 60 is due to higher interest rates. All together this results in an income from property management of SEKm 973 - best ever for Castellum!

The growth in income from property management by 5% did not reach the objective of 10%, but can still be considered satisfying for a turbulent year like 2008. The growth makes it possible to propose an increased dividend of SEK 3.15.

Property values rise and fall. After going up by SEKm 3,700 since 2004 they went down by SEKm 1,300 during 2008. It is obvious that the fluctuations have been boosted by the fact that it earlier was relatively easy to get funding, while currently, in the wake of the financial crisis, it is much more difficult.

Also market interest rates go up and down. Heavily falling long term rates during the last quarter meant that, at the turn of the year, the agreed rate was higher than the current market rate. As a consequence the value of the interest rate derivatives decreased by more than SEKm 1,000.

With the chosen strategy regarding the real estate portfolio and financial policy, Castellum's ability to affect these valuation items, not affecting cash flow, is extremely limited. Pricing of assets and interest rates is becoming more and more international. Since some years however these items shall influence the income statement, leading Castellum to report a net income after changes in value and tax of SEKm – 663 - the worst ever!

Castellum's balance sheet continues to be strong, which is even more important in the middle of a financial crisis and an upcoming recession. In spite of investments during the year of SEKm 2,700 and write downs of SEKm 1,300, the loan to value ratio is no more than 50%. Castellum's access to long term funding is good.

Total yield of the share was –5%. This is not satisfying, but still much better than the Stockholm Stock Exchange, which fell by 39% and the European Property Index, which went down by 49%.

What to think about 2009?

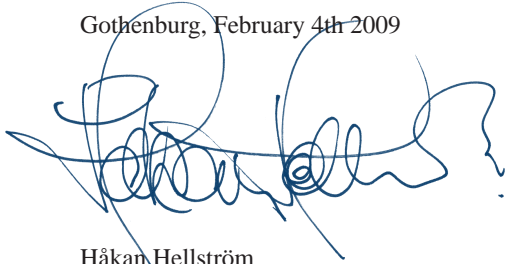
Castellum has committed and skilled employees always trying to meet the customers' expectations, but in the initial stages of a recession it cannot be ruled out that more leasing contracts will be terminated than signed. However, such a development will have limited influence on 2009, as notice normally must be given nine months before any change of rental agreements. Because of index adjustments, rental levels will initially rise during 2009. I can see no risk for a considerably deteriorated income during 2009, under the assumption that bankruptcies in the industry will not become too frequent.

There is a high probability that interest costs will go down during 2009. The common opinion is that The Bank of Sweden will further reduce the repo rate, but how this, together with an increased governmental funding need and the development of the financial crisis, will influence the price on money is not as easily judged. Most important for the industry in general and for the real estate industry in specific, is that the credit market starts functioning again.

In times of uncertainty regarding funding possibilities, there will also be uncertainty about underlying prices on assets. In a slightly longer perspective, I am not concerned about Castellum's current valuations at approx. SEK 9,000 per sq.m. This figure is well below new production prices and does not require high rental levels to be defended.

With a strong balance sheet and continued focus on the customer and cash flows, I foresee many interesting possibilities and challenges during the next few years.

Gothenburg, February 4th 2009



Håkan Hellström
Chief Executive Officer



Operations

Business Concept

Castellum's business concept is to develop and add value to its real estate portfolio, focusing on the best possible earnings and asset growth, by offering customized commercial properties, through a strong and clear presence in five Swedish growth regions.

Objectives

Castellum's operations are focused on cash flow growth, which along with a stable capital structure provide the preconditions for good growth in the company, while at the same time offering shareholders a competitive dividend.

The objective is an annual growth in cash flow, i.e. income from property management per share, of at least 10%. In order to achieve this objective, investments of at least SEKm 1,000 per year will be made. All investments will contribute to the objective of growth in income from property management within 1-2 years and have a potential asset growth of at least 10%. Sales of properties will take place when justified from a business standpoint and when an alternative investment with a higher yield can be found.

Strategy for Funding

Capital structure

Castellum will have a stable capital structure, meaning a loan to value ratio not permanently exceeding 55% and an interest coverage ratio of at least 200%.

Repurchase of own shares shall be available as a method to use for adjusting the company's capital structure to the company's capital needs. Transfer of own shares held by the company may be used at acquisitions but may not be traded for the sole purpose of capital gain.

Dividend

At least 60% of income from property management after full tax deduction will be distributed, however investment plans, consolidation needs, liquidity and financial position in general will be taken into account.

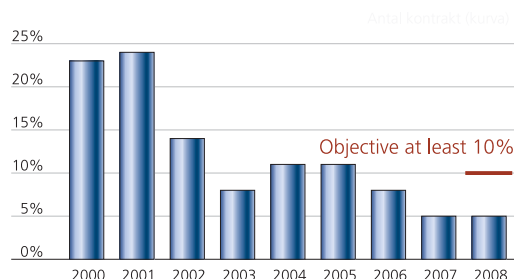
The stock and credit market

Castellum will work for a competitive total return in the company's share in relation to the risk and for a high liquidity.

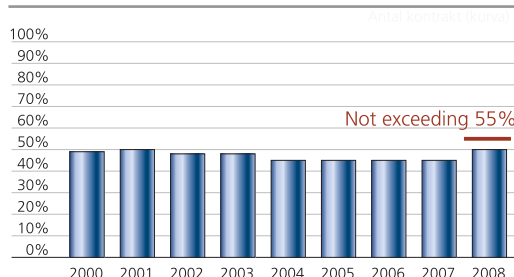
However, all actions will be made from a long term perspective and the company will have a frequent, open and fair reporting to shareholders, the capital and credit markets as well as media, yet without disclosing any individual business relation.

In the long term Castellum will be one of the largest listed real estate companies in Sweden.

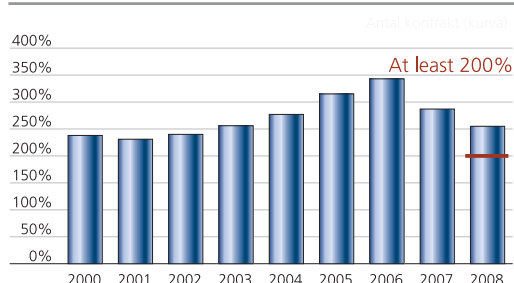
Growth in income from property management



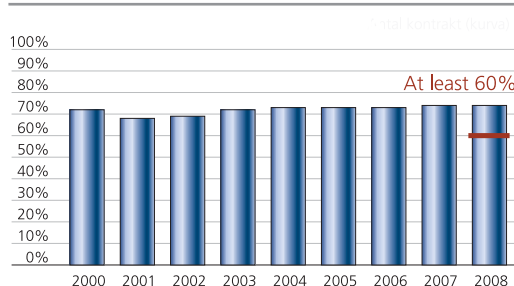
Loan to value ratio



Interest coverage ratio



Dividend ratio



Strategy for the Real Estate Portfolio and Property Management

Geography

Castellum's real estate portfolio is located in the five Swedish growth regions Greater Gothenburg, Öresund Region, Greater Stockholm, Mälardalen and Eastern Götaland. This together with rational property management and a strong presence in the market provide for good business opportunities.

The development of the real estate and rental markets are, both nationally as well as regionally, dependent on the long-term economic growth. Important prerequisites for economic growth are a young well educated work force, access to good infrastructure and entrepreneurship. To make sure that investments are concentrated to areas within the nation with expected high economic growth, Castellum is continuously analyzing the development on the different sub-markets.

Type of property

The real estate portfolio shall consist of commercial properties with general and flexible premises for office/retail and logistics/warehouse/industry. The distribution among the different categories is determined by business opportunities, cash flow, risk exposure and asset growth.

Development of the real estate portfolio

The real estate portfolio shall be continuously enhanced and developed in order to improve cash flow.

Castellum shall continue to grow with customers' demand, mainly through new construction, extensions and reconstruction which is expected to give high returns, but also through acquisition of buildings and land with building rights for future development.

Customers

Castellum shall be perceived as a service management company. This is achieved by having long-term relations and supplying premises and service meeting customer demands. In order to develop the customer relations the customers' level of satisfaction shall be measured regularly. The risk within the circle of customers shall be kept low by spreading over many fields of business, length of contracts and size of contracts.

Property management/employees

Castellum shall deliver service and manage properties by a decentralized and small-scale organization with wholly owned subsidiaries and strong presence on the sub-markets. Property management shall be carried out mainly by own personnel.

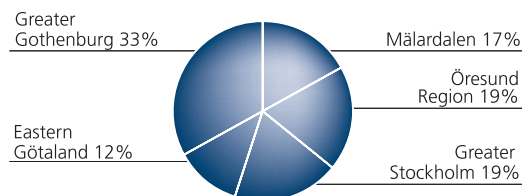
Castellum shall have skilled and committed employees on every position, which is achieved as the group shall be an attractive workplace with good development possibilities. In order to develop the group in being an attractive workplace the employees' level of satisfaction shall be measured regularly.



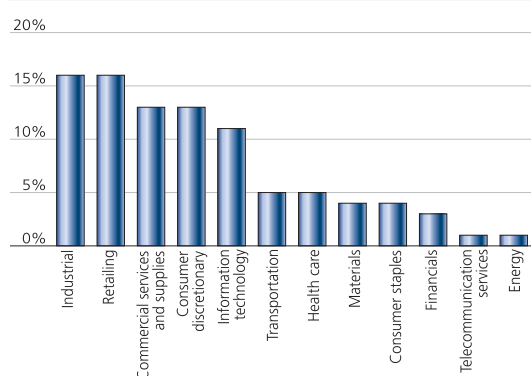
Kobbegården 6:362, Gothenburg

Customers

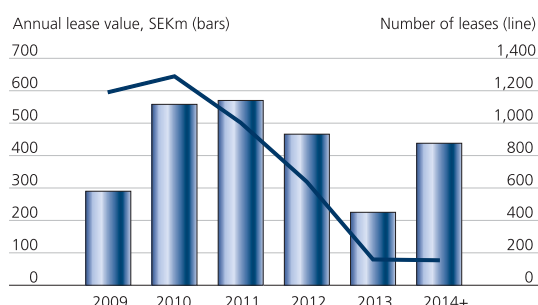
Lease value by region



Distribution of leases by industry



Lease maturity structure



The local subsidiaries shall offer appropriate premises and service satisfying the customer's needs. Therefore good and long-term customer relations are a prerequisite for creating growth in Castellum.

Being close to the customer

Castellum's organization with local subsidiaries provides close relations to the customers and short decision making processes. The employees of Castellum work near the market which gives a natural opportunity to receive information about the customers' current and future operations. Thereby the customers can be offered solutions with premises corresponding to their needs, good personal service and quick answers.

Castellum works with facility management services that can improve and facilitate the customer's day-to-day operations and improve the attractiveness of the area where the customer is operating. Examples of measures are coordination in order to improve security within an area and supporting procurement of services such as cleaning and furnishing.

As one of the largest real estate owners on each of the local markets Castellum co-operate with municipalities and are active in local networks, such as company associations.

The subsidiaries regularly distribute information through customer newspapers and the web.

Castellum's customers reflect Swedish economy

Castellum has just over 4,000 commercial contracts, with good risk exposure regarding both geography, type of premises, length of contracts and fields of industry of the customer. The single largest contract makes up for approx. 1% of Castellum's total rental income.

Commercial leases

The most common terms for a new lease is 3-5 years with a nine months notice and rents are paid quarterly in advance. The rental level can be changed when the lease in question is due for renegotiation. Lease contracts usually contain a so called base-rent, i.e. the rental level at the



time of signing, and an index clause which provides for a yearly upward adjustment by a certain percentage, of the inflation previous year or a minimum upward adjustment.

Lease contracts usually contain an addition for the tenant's share of the property's total cost for heating, cooling and property tax.

Satisfied customers

In order to measure how well Castellum meets the customers' expectations and to follow up and evaluate efforts made, an external customer survey is carried out annually. The survey shows both the customers' general opinion about Castellum in a Satisfied Customer Index and specifically for the areas loyalty, image, service, business relation, the premises, the property, facility management, environment and information.

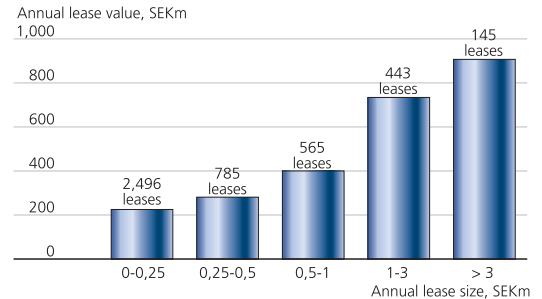
The survey, which from this year besides offices also includes warehouses, industry- and retail properties, measured a majority of Castellums' larger customers. The answering frequency were high, 64% of the approached customers answered. The survey shows a weighted index of 73 on a scale of 100.

A large portion of the surveyed customers replies willing to lease from Castellum again and gladly recommends Castellum as a landlord to others.

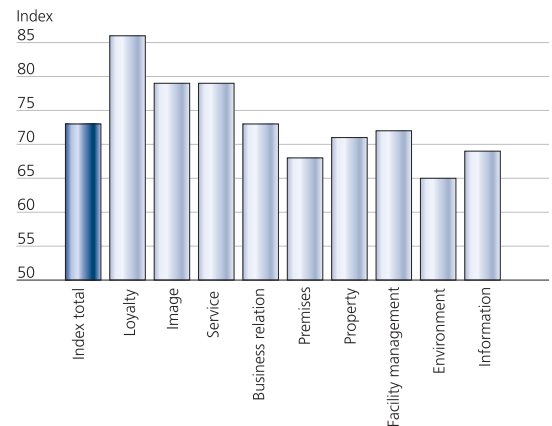
Leasing activity

Castellum has a high lease activity. During 2008, the organization signed 767 new contracts with a total annual value of SEKm 305. The leasing activity shows the importance of taking care of the customers and the networks. Of the new signed contracts 83% came from own networks, recommendations or existing customer expansions, while 12% came from web pages, and the remainder came through agents.

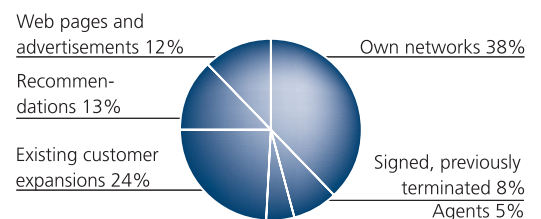
Lease size structure



Satisfied customer index 2008



Leasing activity



Organization

CASTELLUM



Örebro, Uppsala and Västerås



BRIGGEN

Malmö, Lund and Helsingborg

BROSTADEN

Greater Stockholm



Jönköping, Linköping, Värnamo and Växjö



Central, Northern and Eastern Greater Gothenburg

Harry Sjögren AB

Southern Greater Gothenburg, Borås,
Halmstad and Alingsås

Castellum's strategy is to manage its properties in a decentralized and small-scale organization with wholly owned subsidiaries and strong presence on the sub-markets. By having local roots the subsidiaries get close relations with the customers and knowledge of their operations and needs.

The companies also receive good knowledge of the local real estate and rental markets, market changes and business opportunities.

Subsidiaries with strong brands

Castellum has six wholly owned subsidiaries which each have about 35 employees. The subsidiaries organizations are not identical but are in principal made up of a Managing Director, 3-5 market areas, business developers and 3-5 employees within finance and administration. Each market area employs one property manager with one assistant, one person working with leasing and 2-4 facility managers, where everyone has customer contact. The flat organization gives short decision making processes and creates a customer oriented and active organization. Castellum's subsidiaries operate under their own names which are strong brands on each sub-market. Each subsidiary is larger then the smallest Swedish real estate companies listed on the stock exchange.

Property management is mainly carried out by own personnel.

Purchasing external services

In cases where external services are purchased, high demands are placed on suppliers in terms of quality, customer contact, service and environmental awareness. The company possesses decentralized purchasing expertise for negotiations of new construction, extension or refurbishment work. The group does not have its own organization for the actual construction.

Measuring, comparing and controlling

Castellum measures and compares the subsidiaries' management efficiency and asset value growth in the real estate portfolio. Within the group experiences are shared between the companies and specialist expertise can therefore be made available to the whole organization.

Castellum's operations are controlled by rules for decision making and work allocation, policies and instructions. Policies are in place for finance and financial work, information, information safety, environment, insurance, electricity and personnel.

Parent company

The parent company Castellum AB is responsible for matters concerning the stock market (such as consolidated reports and stock market information) and the credit market (such as funding and financial risk management) as well as overall IT/IS strategies and personnel matters. Castellum AB has 14 employees.

The parent company takes part in operations by involvement in the Board of the subsidiaries.

Support systems

The application of support systems such as IT/IS within the group shall enable a safe and effective reporting and monitoring of operations. The technical platform is made up of local networks integrated into a group wide network and is made up of standard products which provide high security and lower maintenance costs in the long term.

Employees

Castellum's objective is to offer an attractive workplace, with possibilities for personal development, providing good conditions for skilled and committed employees. In order to develop the group, the employees' attitudes are regularly measured. Satisfied employees lead to satisfied customers, a prerequisite for achieving Castellum's objectives.

Attractive workplace

Recruiting and keeping good employees is important and Castellum is active in a number of ways to improve motivation and participation among the employees.

The flat organization means that each employee has well defined areas of responsibility with high level of freedom, leading to professional as well as personal development. Internal recruitment is a way to improve the employees' opportunities for development. Employee evaluations are performed yearly with all employees and is an important tool for following up and setting objectives, as well as identifying the need for competence development.

Castellum works with preventive health care and offers good corporate health services and beneficial health insurance.

A bonus sharing program is applied, providing each employee with an opportunity to obtain a part of their respective company's improvement in the result.

Once a year all employees in the Castellum group meet in order to share experiences and strengthen the group spirit.

Castellum's employees

At the year end, the group had 226 employees (208), of which 35% were women (34%). Employee turnover during the year has been 6% (10%) and absence due to sickness 2% (2%).

Education and sharing experiences

Within Castellum, both internal and external education and training programs are provided. Several development programs, common for the group and adapted for different work tasks, have been held. Apart from joint development programs, individual competence development takes place, depending on personal need.

To create conditions for sharing of experiences between the companies, projects are run with participants from every company, covering topics such as valuation and marketing issues. Apart from the projects there are fixed groups, which regularly discuss issues within specific areas, such as finance, IT, environment and personnel.

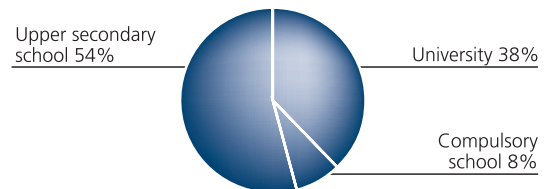
Satisfied employees

The employees' view on Castellum is measured in a survey showing their attitudes towards their own working situation, the company and its management.

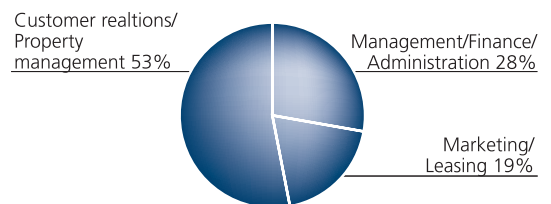
The survey carried out 2008 shows that Castellum employees show great faith in the company and are highly familiar with the organization's objectives and strategies. The response rate was 100%, demonstrating deep commitment. Nine out of ten coworkers responded that they are satisfied or very satisfied with their working situation and are proud of their own company.



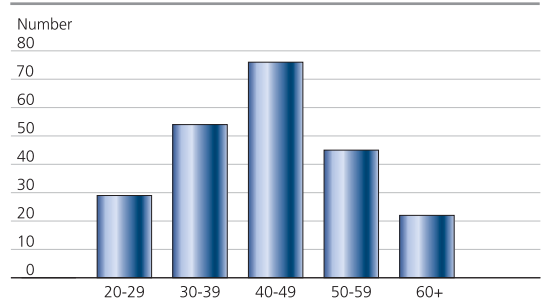
Level of education



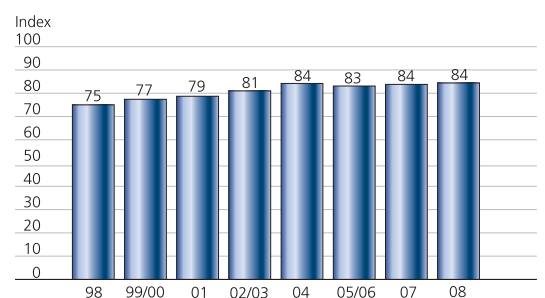
Distribution of work



Age distribution - number of employees



Satisfied employees index



Responsible Business



Employee in the Castellum group

*Castellum's environmental policy:
"Castellum's business shall be run with the least possible impact on the environment and shall use resources sparingly in order to contribute towards achieving a sustainable development. Castellum considers society's demands as defined in laws and ordinances to be minimum requirements. The Castellum Group shall strive to achieve continuous improvements to reduce any environmental impact and prevent pollution.*

The environmental policy includes all parts of Castellum's operations, not only management, improvement and acquisition but also new construction of properties. Environmental work must be an integrated, natural element of the company's operations."

Castellum is working for a sustainable development, with social responsibility and environmental concern. A sustainable development involves both acting ethically towards customers, employees and other parties and developing the operations with least possible influence on the environment. Such a work results in added value through more satisfied customers, strengthened brand and increased competitiveness.

Social responsibility

The social responsibility covers the employees and the environment or setting where the company is operating. Castellum has since the company was founded been working on creating a corporate culture with a good work environment, where the employees' skills and commitment are utilized and developed. The work is regularly followed up in employee and customer surveys.

Castellum, as one of the largest owners of real estate properties on the local markets, is through co-operation with municipalities, universities, colleges and local enterprises contributing to the development of the places where the local subsidiaries are operating.

Castellum works with common corporate values governing the daily work, such as commercial viability, quality and service, laws, discrimination, work environment, safety and social responsibility. The values Castellum applies with regards to human rights, labor conditions and environmental issues are largely in line with the UN's Global Compact code of conduct.

Castellum also has policies covering personnel issues like work environment, equal opportunities, salaries, pensions, company cars and drugs. Castellum is a company which operates only in Sweden and hence is governed by Swedish laws.

Environmental responsibility

To contribute to a long term sustainable development, Castellum's strategy is to develop its real estate portfolio in a resource-effective way and with least possible impact on the environment.

Already 1995, when Castellum began its environmental work, areas where the company has environmental impact were identified. Since then, defined areas have been systematically addressed. Over the last ten years, major work has been carried out, in particular within the areas energy, material usage and waste. Today Castellum's environmental work is focused on achieving more effective use of energy, aiming for renewable energy sources and improving the environmental status of the properties, thus reducing the company's environmental impact.

General measurable environmental targets are:

- Energy consumption shall be reduced by at least 1% per square meter and year, i.e. at least 10% during a ten-year period.
- Carbon dioxide emissions shall be reduced by at least 2.5% per square meter and year, i.e. at least 25% during a ten-year period.
- All properties owned for more than one year, shall be environmentally evaluated.

Castellum's environmental work is managed through an environmental management system consisting of a common environmental policy, guidelines and overall targets. The environmental work is performed locally by each subsidiary and is followed up every year and regularly reported to the executive management. The environmental work covers all activities and operations and the work is regularly audited by an external party.

Within the Castellum group there is an environmental task group consisting of each subsidiary's environmental coordinator, which meets regularly in order to share experiences and to monitor and learn from development taking place in the world at large.

Education and training within the environmental field is continuous, with the aim to improve skills and commitment. All employees have

received basic education and training in environmental matters and new employees are offered a basic course within one year from employment. Most employees have completed training in specific areas, such as energy matters.

As a confirmation that the work is making progress, Castellum has for many years been rated as one of the most environmentally progressive listed companies, selected by both Swedish and foreign investors.

More efficient energy use

To minimize the company's impact on the environment, Castellum is working to reduce energy consumption and to turn to renewable energy sources. Examples of measures implemented are adaptation of heating and ventilation according to the users' needs, extension of computerized control systems for heating and ventilation and motion controlled lighting. Castellum follows up and analyzes all energy consumption in a common follow-up system.

Work on replacing heating by oil and gas to heating by renewable energy sources is an ongoing process. Ground heating/cooling is installed in 15 premises for a total of 88,000 square meters. When using district heating as heating source, Castellum is dependent on the district heating plant's fuel mix, when it comes to emissions of carbon dioxide. Castellum today makes use of 22 district heating facilities. Out of the Castellum group's total carbon dioxide emissions 99% came from heating, of which district heating facilities were responsible for 74%.

In 2008, work has started to virtualize most of the group's servers, by which the servers' energy consumption is expected to be reduced by at least 50%.

Since 2001, only electricity labeled "environmental friendly" is used by the Castellum group.

Known and continuously improved environmental status of the properties

An environmental inventory has been completed for 91% of all properties owned for at least one year. The inventory cover environmental and health risks such as hazardous substances, ground pollution, moist/mould and operations requiring special permits. During 2008, environmental inventories have been carried out for 112,000 square meters, partly by using the method "Miljöstatus byggnader".

Castellum's work on monitoring the energy consumption and its environmental inventories make the company well prepared for the upcoming EU directive regarding energy declaration of buildings.

Castellum has no ongoing environmental disputes. The operation which requires special permit is transportation of fluorescent lamps.

Requirements on suppliers

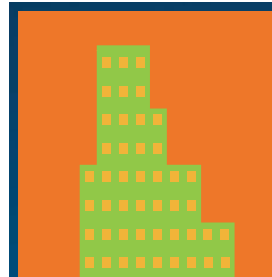
For larger purchases and procurements, Castellum is placing demands on the contractor's environmental and quality work. External experts are partly used to control that placed demands are followed.

Communication and co-operation

Communication about environmental progress being made and co-operation on environmental issues is important, in order to push the work forward. Information is submitted to customers and other interested parties, at for instance information meetings, customer visits, in customer newsletters and on web pages.

Co-operation with customers, suppliers, municipalities, universities and colleges is carried out to gain knowledge about new technologies and to share experiences. Castellum is for instance active in "Beställargruppen för lokaler" and in the Ecocycle Council, an association within the Swedish building and real estate sector.

Fastighets AB Brostaden was in 2008, as the first company in Europe, appointed Green Building Corporate Partner, meaning that the energy consumption has been reduced by at least 25% in at least 30% of the real estate portfolio.



GREENBUILDING
CORPORATE PARTNER

Castellum's subsidiary Fastighets AB Brostaden has, as the first company in Europe, been assigned by the EU to become a Green Building Corporate Partner.

In order to become a Green Building Corporate Partner the energy consumption has to be reduced with at least 25% in

at least 30% of the real estate portfolio.

The property showed below, Karis 3 in Stockholm, is an example of a Green Building-classified property.



More efficient energy use**Outcome 2008**

- Energy consumption shall be reduced by at least 1% per square meter and year, i.e. by at least 10% during the next ten-year period.
- Carbon dioxide emission shall be reduced by at least 2,5% per square meter and year, i.e. at least 25% during the next ten-year period.

- 3%

- 15%

By;

| | |
|---|--|
| - optimize operation of existing equipment and gradually make the technical installations in the properties more efficient, | Constantly ongoing work |
| - give priority to environmentally adapted and environmentally friendly energy sources, | Conversion of 68 thous. sq.m. from oil and gas to district heating. |
| - replace remaining oil fired boilers in investment properties by other heating sources, no later than December 31st 2009, | Conversion of 10 investment properties using oil-heating during 2008 and 12 remains. |
| - phase out all use of gas produced from non-renewable sources, | Conversion of 5 investment properties using gas during 2008 and 29 remains. |
| - influence our district heating power suppliers to minimize their carbon dioxide emissions, | Ongoing work |
| - minimize travel and transportation in the business, | Ongoing work |
| - being a partner in co-operations like EU's Green Building. | Fastighets AB Brostaden has become a Green Building Corporate Partner during 2008. |

Known and continuous improvement of the environmental status of the properties**Outcome 2008**

- All properties owned for more than one year, shall be environmentally evaluated.

91%

By;

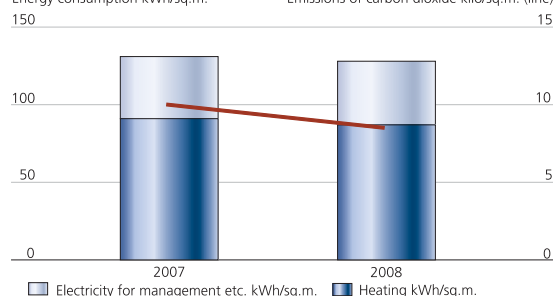
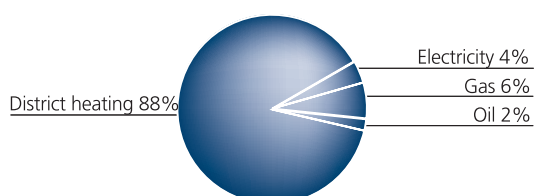
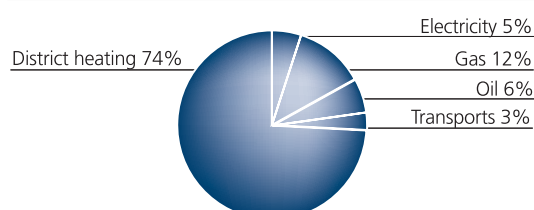
| | |
|--|--|
| - all new construction, conversion, extension and maintenance shall be carried out from a sustainable development point of view, valid for planning, projecting, production, management and recycling or demolishing | Ongoing work, for example during new construction. |
| - substances, ecologically harmful or hazardous, shall be identified and gradually phased out | Ongoing work |
| - together with the tenants reduce their influence on the environment and follow up on those tenants which for environmental reasons need authorization to carry out their activities | Ongoing work |
| - all tenants shall be offered on site waste separation, adapted after their activities, in order to reduce the amount of waste for landfill | Approx. 70% has access to waste separation |
| - optimize water consumption and minimize discharge of environmental disturbing agents in the drainages. | Ongoing work |

| Consumption | 2008 | 2007 | 2006 |
|---|----------------|----------------|----------------|
| <i>Energy consumption, not adjusted for degree day statistics</i> | | | |
| District heating, MWh | | | |
| Electricity, MWh | 117,794 | 113,711 | 111,979 |
| Oil, MWh | 4,290 | 7,260 | 7,757 |
| Gas, MWh | 10,860 | 13,667 | 13,932 |
| Total, MWh | 301,263 | 290,726 | 289,807 |
| Emission of carbon dioxide, tons (2008 is preliminary) | 18,546 | 20,110 | 20,760 |
| Water, m3 | 856,896 | 747,754 | 754,759 |

Consumption and emission of carbon dioxide per sq.m. and year

The energy consumption and emissions of carbon dioxide per sq.m. has been calculated on the consumption adjusted for degree day statistics, vacancy and cooling needs.

Energy consumption kWh/sq.m. Emissions of carbon dioxide kilo/sq.m. (line)

**Distribution of energy consumption for heating****Distribution of emissions of carbon dioxide**

The Real Estate Portfolio

The real estate market, i.e. the market for sales and purchasing of real estate properties, and the rental market, i.e. the market for rental of premises (and rental levels) are both in a long term perspective depending on the development in the domestic economy.

Swedish economy

Sweden, situated in northern Europe, with more than 9 million inhabitants, is a country with an open and strong economy, owing to among other things a stable and transparent business climate, high level of education, healthy state finances and high productivity in the industry. Sweden has, during the last few years, shown a positive trade balance. Today, Sweden's export amounts to roughly 40% of GDP, of which three fourth is export to Europe. Sweden has a long and broad experience from international trade and international relations, which becomes evident from its relatively large share of world leading corporations, such as Astra-Zeneca, Ericsson, H&M, IKEA, SCA and Volvo. The high export dependency contributes to the fact that Sweden historically has shown good ability to adjust and restructure the economy to market changes.

During the last years Sweden has shown strong growth, partly as a result of global growth and increasing export. Like the rest of the world, Sweden is facing a recession, where the rapid credit squeeze has contributed to deteriorated order intake in the Swedish industry, leading to an increasing amount of advance notice of layoffs. In comparison with the EU, Sweden has a good starting-point with stable state finances, a national debt in relation to GNP of 38% and an unemployment rate of approx. 6%.

The real estate portfolio

In Sweden there are almost three million properties with a total tax assessment value of SEK 4,900 billion, of which the majority are residential properties. Out of the commercial properties in Sweden, Castellum, one of the major real estate owners in the country, is estimated to own roughly 1-2% while all of the listed Swedish real estate companies together are estimated to own roughly 10%.

Apart from the listed companies, the largest real estate owners in Sweden are publicly owned companies, as well as Swedish and foreign institutional investors. In addition, there are a large number of smaller real estate owners, such as smaller real estate and construction companies, users and private persons. Due to the scattered ownership without any dominating real estate owner, the competitors differ between different local markets.

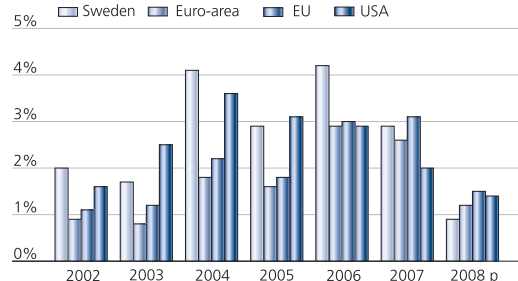
The rental market

The rental market is mainly depending on the growth in Swedish economy, but is also affected by the amount of new construction. Economic growth normally leads to increased demand for premises and hence decreasing number of vacancies, with a potential for increasing market rents, which in turn facilitates new construction. A stagnation in growth leads to a reversed case.

The rental market in 2008 was characterized by a relatively high demand for premises, but also by increasing number of notice of termination. There are in general relatively few vacancies in Castellum's sub-markets and therefore the rental level, apart from index adjustments made in the beginning of 2009, is assessed to remain stable. As notice of termination normally is nine months for rental agreements, any changes in market rents in a short term perspective have relatively small effect on total rental income.

GDP growth

Percentage change in GDP, annually, constant prices



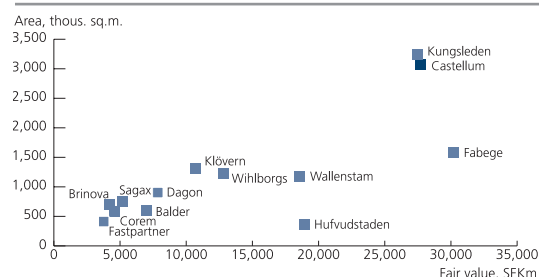
Source: Konjunkturinstitutet / Evidens BLW

The five largest trading partners of Sweden

| Export | Import |
|------------------|--------------------|
| 1. Germany | 1. Germany |
| 2. Norway | 2. Denmark |
| 3. Great Britain | 3. Norway |
| 4. Denmark | 4. Great Britain |
| 5. USA | 5. The Netherlands |

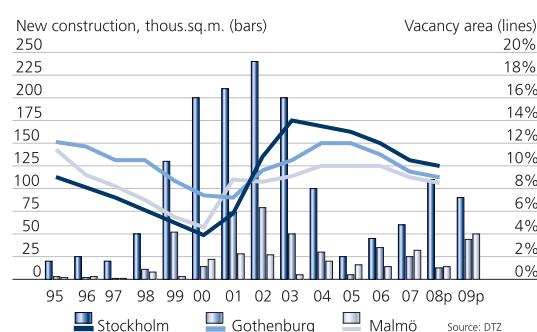
Source: SCB, import relates to sending countries

Listed real estate companies



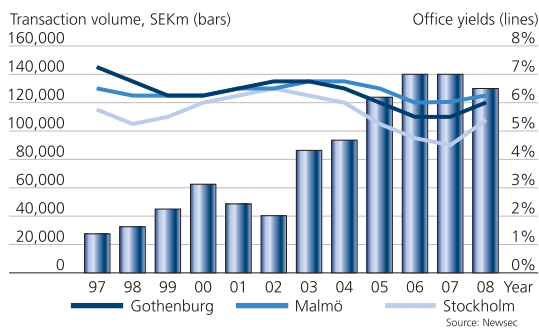
Source: Each company's interim report Q3 2008.
Companies with a real estate value > SEKm 3,000.

New construction and vacancy rates



Source: DTZ

Real estate transactions Sweden



The real estate market

The transaction volume in the Swedish real estate market during the year was slightly more than SEK 130 billion, compared to approx. SEK 140 billion in 2007. Adjusted for specific transactions, like Vasakronan and structural transactions, the volume has been reduced to less than half. The reason for the reduced volume is mainly the credit squeeze, which occurred as a result of the turbulence on the international credit market.

Even if an increasing number of international investors have entered the Swedish real estate market over the last years, the investments in 2008 were to a large extent carried out by domestic investors. The latter were responsible for 75% of the market, which can be compared to roughly 40% in 2007. Yet, the Swedish market is still distinguished by being highly international and transparent.

During a number of years the required yields in Sweden have dropped, but the opinion is that they have been relatively stable since mid 2007. Until the beginning of 2008 when they have started to gradually increase. The earlier imbalance in the market between high demand and limited offers has been corrected and even been reversed during 2008.

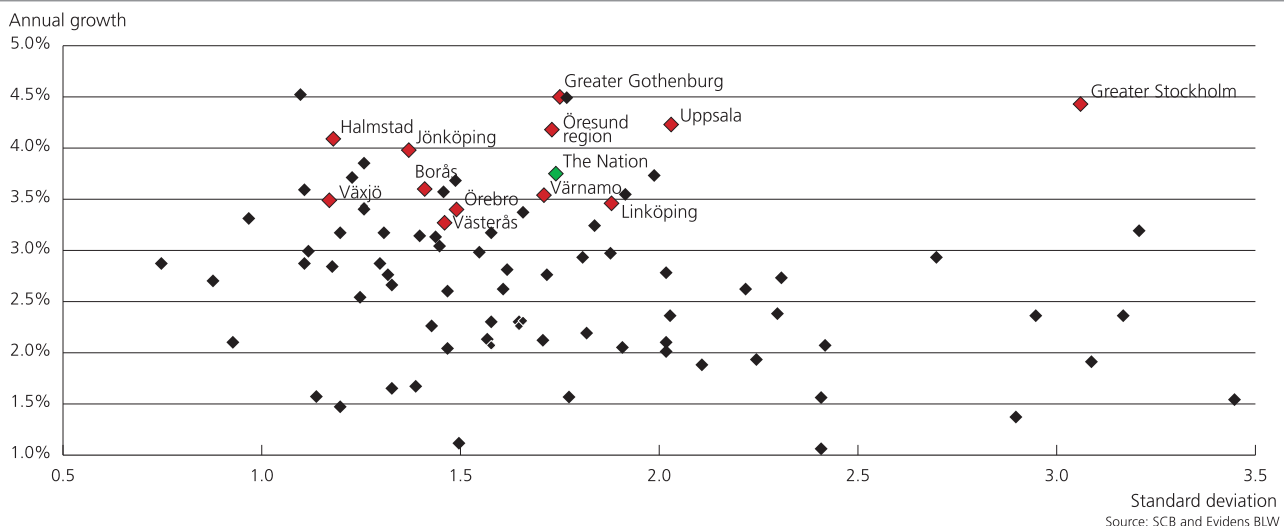
Castellum's geographical markets

Castellum is present on the nation's major growth regions and approx. 60% of Sweden's 9.2 million inhabitants live within Castellum's regional market areas.

Economic growth is best measured as the development in a market area's total sum of wages. Average growth per year in total employment rates as well as growth in the sum of wages was during the period 1995-2007 within Castellum's market areas, 1.4% and 4.2% respectively. This may be compared with 1.0% and 3.7% for the nation.

In order to analyze the regional markets' growth and risk, the average annual growth in the sum of wages for each market may be studied while the risk (standard deviation in growth) is measured over time. Some markets are due to their size and business structure less dependent on changes in the world around than others and have their own inherent power to grow. The most favourable are those with high growth and low risk. The following figure shows Sweden's regional markets where Castellum's markets are shown in red.

Growth and risk in the long term



Castellum's real estate portfolio

Castellum's real estate portfolio is concentrated to a few selected sub-markets where the local subsidiaries have a strong position. Castellum's geographical sub-markets can be characterised as stable, with good prospects for long-term positive growth. The real estate portfolio which consists entirely of Swedish properties in 34 (34) of the 290 municipalities in the country as a whole, is located in five growth regions: Greater Gothenburg, the Öresund region, Greater Stockholm, Mälardalen and Eastern Götaland. The main focus with 75% of the portfolio is in the three major urban regions.

The commercial portfolio consists of 64% office and retail properties as well as 31% warehouse and industrial properties. The properties are located from inner city sites (except in Greater Stockholm from inner suburbs) to well-situated working-areas with good means of communication and services. Castellum owns 876,000 sq.m. unutilized building rights.

On December 31, 2008 Castellum's real estate portfolio comprised 587 properties (549) with a total rental value of SEKm 2,912 (2,654) and a total lettable area of 3,172,000 sq.m. (3,003,000). The properties fair value at the year-end amounted to SEKm 29,165 (27,717), with a normalized yield of 7.4% (7.0%). For properties owned at the year-end the net operating income was SEKm 1,746 (1,542).

Investments

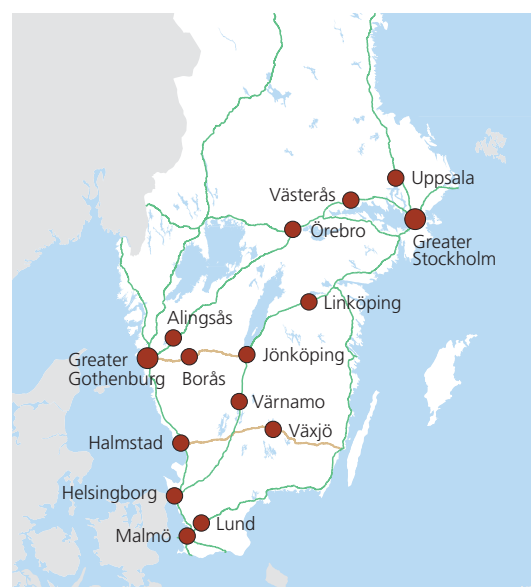
During the year investments totalling SEKm 2,738 (2,598) were made, of which SEKm 1,212 (1,514) were acquisitions and SEKm 1,526 (1,084) new construction, extensions and refurbishment. During the year one property has been sold for SEKm 28 (39).

Of the total investments, SEKm 1,086 related to Mälardalen, SEKm 685 to Greater Gothenburg, SEKm 379 to Eastern Götaland, SEKm 296 to Greater Stockholm and SEKm 292 to the Öresund Region.

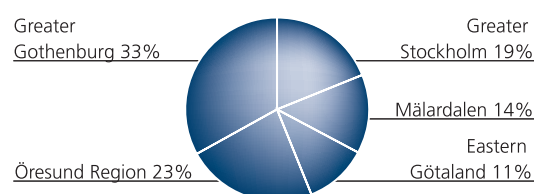
Castellum has ongoing projects with remaining investments of approx. SEKm 800.

Property value

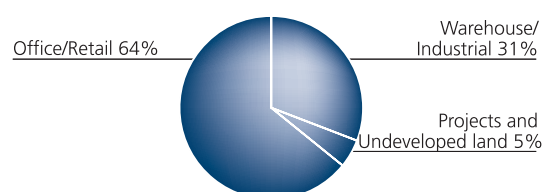
The fair value of the properties at the year-end amounted to SEKm 29,165 (27,717), corresponding to SEK 8,984 per sq.m (9,098). Castellum assesses the value of the properties through internal valuations. The valuations are based on a 10-year cash flow-based model with an individual assessment for each property of both its future earnings capacity and the required yield. In assessing a property's future earnings capacity has, besides an assumed level of inflation of 1.5%, consideration been taken to potential changes in rental levels from each contract's rent and expiry date compared with the estimated current market rent, as well as changes in occupancy rate and property costs. Projects in progress have been valued using the same principle, but with deductions for remaining investments. Sites with building rights have been valued on the basis of an estimated market value per square metre, on average approx. SEK 950 per sq.m. (1,000).



Fair value by region



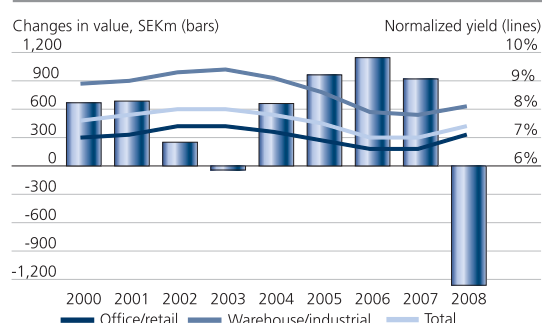
Fair value by property type



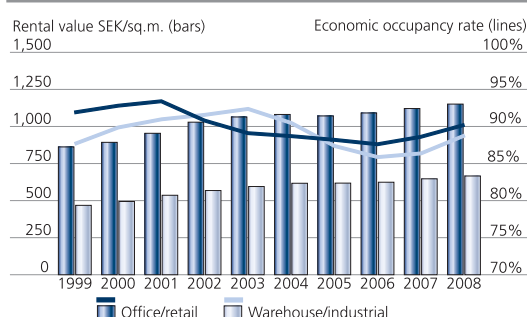
Changes in the real estate portfolio

| | Value, SEKm | Number |
|--|-------------|--------|
| Real estate portfolio on 1 Jan., 2008 | 27,717 | 549 |
| + Acquisitions | 1,212 | 39 |
| + New constructions, extensions and refurbishments | 1,526 | – |
| – Sales | – 28 | – 1 |
| +/- Unrealized changes in value | – 1,262 | – |
| Real estate portfolio on 31 Dec., 2008 | 29,165 | 587 |

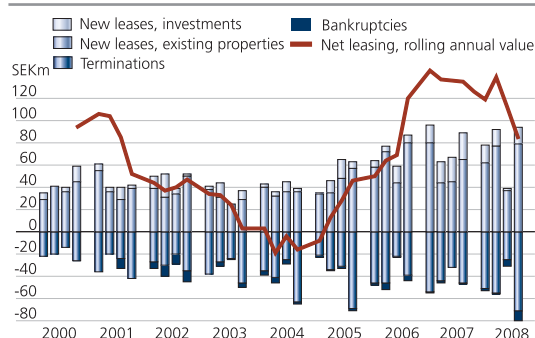
Changes in value on properties



Rental value and occupancy rate



Net leasing



Property costs, SEK/sq.m.

| | Office/ Retail | Warehouse/ Industrial | Total |
|---|-------------------|--------------------------|------------|
| Operating expenses | 187 | 100 | 146 |
| Maintenance | 40 | 21 | 31 |
| Ground rent | 8 | 5 | 7 |
| Real estate tax | 57 | 16 | 37 |
| Direct property costs | 292 | 142 | 221 |
| Leasing and property administration (indirect) | – | – | 47 |
| Total | 292 | 142 | 268 |
| <i>Previous year</i> | <i>284</i> | <i>142</i> | <i>262</i> |

The normalized yield for Castellum's real estate portfolio, excluding development projects and undeveloped land, can be calculated to 7.4% (7.0%).

In order to provide further assurance and validation of the valuation, 51% of the value of the portfolio has been valued by NAI Svefa. Castellum's valuation of the same properties was 1% higher.

Changes in value

The total change in value of Castellum's portfolio during the year amounted to SEKm –1,262 (920). Out of this figure approx. SEKm –1,400 can be referred to an increase in the required yield by 0.4 %-units during the year. The rest can be referred to investments made and slightly improved estimated future cash flow.

This year's depreciation in value of Castellum's portfolio has been approx. 4%, where the largest depreciations in value have been seen for central retail properties and in the Öresund Region. The net appreciation in value, including this year's change, during the last five year period has been about 2% per year, which roughly corresponds to the inflation rate.

It should be noted that, since property valuations include an uncertainty range of normally 5-10%, also the changes in value include a not insignificant uncertainty.

Rental income

Castellum's average rental level is SEK 1,151 per sq.m. (1,121) for office/retail and SEK 666 per sq.m. (647) for warehouse/industrial premises. Rental levels have increased by 3% compared with previous year.

The average economic occupancy rate was 89.7%, which is 1.8%-units higher than previous year. The total annual rental value for vacant premises during the year amounted to approx. SEKm 323.

The gross leasing (i.e. the annual value of total leasing) during the year was SEKm 305 (315), of which SEKm 48 (81) was leasing in connection to new constructions, extensions and refurbishments. Terminations amounted to SEKm 221 (180), of which bankruptcies was SEKm 20 (5), hence net leasing for the year were SEKm 84 (135). The share of terminations for renegotiation has been limited. The time difference between reported net leasing and the effect in income thereof is estimated to between 9-18 months.

Reports on the development in the local markets may be found in each regional summary.

Property costs

Property costs amounted to SEKm 831 (771) corresponding to SEK 268 per sq.m. (262). The increase is chiefly an effect of higher energy prices.

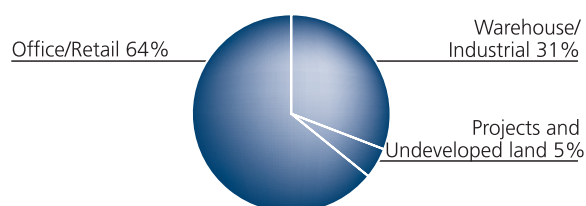
Energy consumption for heating during the period has been calculated to 85% (84%) of a normal year according to degree day statistics. The distribution by type of cost and property category are shown in the adjacent chart.

Castellum's real estate portfolio 31-12-2008

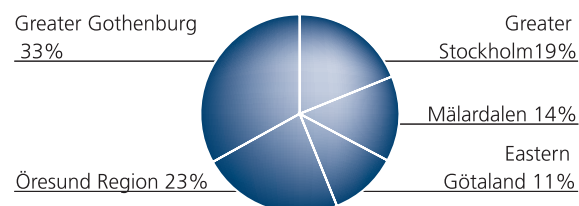
| | 31-12-2008 | | | | January-December 2008 | | | | | | |
|--|-------------------|-------------------|-----------------|----------------------|-----------------------|------------------------|-------------------------|--------------------|---------------------|--------------------------|---------------------------|
| | No. of properties | Area thous. sq.m. | Fair value SEKm | Fair value SEK/sq.m. | Rental value SEKm | Rental value SEK/sq.m. | Economic occupancy rate | Rental income SEKm | Property costs SEKm | Property costs SEK/sq.m. | Net operating income SEKm |
| Office/retail | | | | | | | | | | | |
| Greater Gothenburg | 79 | 405 | 5,253 | 12,953 | 487 | 1,202 | 94.9% | 463 | 115 | 285 | 348 |
| Öresund Region | 51 | 314 | 4,397 | 13,980 | 411 | 1,306 | 89.4% | 367 | 99 | 315 | 268 |
| Greater Stockholm | 45 | 304 | 3,712 | 12,208 | 403 | 1,324 | 82.4% | 332 | 97 | 318 | 235 |
| Mälardalen | 67 | 306 | 2,907 | 9,512 | 297 | 973 | 92.6% | 275 | 76 | 250 | 199 |
| Eastern Götaland | 49 | 295 | 2,419 | 8,209 | 272 | 922 | 91.8% | 249 | 87 | 295 | 162 |
| Total office/retail | 291 | 1,624 | 18,688 | 11,505 | 1,870 | 1,151 | 90.2% | 1,686 | 474 | 292 | 1,212 |
| Warehouse/industrial | | | | | | | | | | | |
| Greater Gothenburg | 96 | 612 | 4,251 | 6,950 | 413 | 675 | 89.8% | 371 | 75 | 123 | 296 |
| Öresund Region | 42 | 295 | 1,661 | 5,619 | 193 | 652 | 85.2% | 164 | 41 | 139 | 123 |
| Greater Stockholm | 36 | 193 | 1,424 | 7,376 | 166 | 859 | 88.0% | 146 | 42 | 218 | 104 |
| Mälardalen | 42 | 177 | 976 | 5,524 | 117 | 662 | 94.1% | 110 | 29 | 162 | 81 |
| Eastern Götaland | 35 | 185 | 730 | 3,945 | 85 | 463 | 87.9% | 75 | 21 | 114 | 54 |
| Total warehouse/industrial | 251 | 1,462 | 9,042 | 6,185 | 974 | 666 | 88.9% | 866 | 208 | 142 | 658 |
| Total | 542 | 3,086 | 27,730 | 8,984 | 2,844 | 921 | 89.7% | 2,552 | 682 | 221 | 1,870 |
| Leasing and property administration | | | | | | | | | 144 | 47 | - 144 |
| Total after leasing and property administration | | | | | | | | | 826 | 268 | 1,726 |
| Development projects | 14 | 86 | 1,059 | - | 68 | - | - | 37 | 17 | - | 20 |
| Undeveloped land | 31 | - | 376 | - | - | - | - | - | - | - | - |
| Total | 587 | 3,172 | 29,165 | - | 2,912 | - | - | 2,589 | 843 | - | 1,746 |

The table above relates to the properties owned by Castellum at the end of the year and reflects the income and costs of the properties as if they had been owned during the whole year. The discrepancy between the net operating income of SEKm 1,746 accounted for above and the net operating income of SEKm 1,670 in the income statement is explained by the deduction of the net operating income of SEKm 1 on properties sold during the year, as well as the adjustment of the net operating income of SEKm 77 on properties acquired/completed during the year, which are recalculated as if they had been owned or completed during the whole year.

Fair value by property type



Fair value by region



Property related key ratios

| | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 |
|---------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Rental value, SEK/sq.m. | 921 | 896 | 864 | 851 | 859 | 829 | 799 | 747 | 694 |
| Economic occupancy rate | 89.7% | 87.9% | 87.1% | 88.1% | 89.6% | 90.7% | 91.5% | 93.0% | 92.4% |
| Property costs, SEK/sq.m. | 268 | 262 | 259 | 247 | 255 | 246 | 237 | 239 | 228 |
| Net operating income, SEK/sq.m. | 559 | 527 | 494 | 502 | 514 | 506 | 494 | 455 | 413 |
| Fair value, SEK/sq.m. | 8,984 | 9,098 | 8,466 | 7,930 | 7,706 | 7,296 | 7,132 | 6,681 | 6,150 |
| Number of properties | 587 | 549 | 515 | 494 | 492 | 500 | 508 | 526 | 547 |
| Lettable area, thousand sq.m. | 3,172 | 3,003 | 2,787 | 2,651 | 2,505 | 2,437 | 2,381 | 2,338 | 2,309 |

Greater Gothenburg

The real estate portfolio in Greater Gothenburg accounts for 33% of Castellum's portfolio.



Castellum's real estate portfolio in Greater Gothenburg comprises the regions Greater Gothenburg including Alingsås plus Borås and Halmstad. These regions combined have approx. 1.2 million inhabitants, which corresponds to approx. 13% of Sweden's total population.

Greater Gothenburg is Sweden's second largest region after the capital region Greater Stockholm.

Greater Gothenburg including Alingsås

Greater Gothenburg consists of thirteen municipalities, of which Gothenburg, Kungälv, Mölndal and Kungälv are the largest. The region forms a local labor market, mainly through communication and commuting possibilities.

The population growth has during several years been positive and amounts to 0.7% per year during 1995-2007, to be compared to 0.3% for the country as a whole.

Greater Gothenburg is centrally located with a well developed infrastructure, comprising Gothenburg harbor, the airports and the European highways E6 and E20, all contributing to the notion that the region is the best logistical centre in Scandinavia.

The industry is extensive and distributed over many fields of business. Manufacturing industry, trade and logistics have historically been



| | Greater Gothenburg incl. Alingsås | Borås | Halmstad |
|--|-----------------------------------|---------|----------|
| Population | 965,000 | 143,000 | 113,000 |
| Full-time students at university / college | 50,000 | 10,000 | 8,000 |
| Growth in employment 1995-2007 / year (the nation 1.0%) | 1.7% | 0.8% | 1.3% |
| Growth in gross wages 1995-2007 / year (the nation 3.7%) | 4.5% | 3.6% | 4.1% |

The five largest real estate owners

| Greater Gothenburg | Premises thous. sq.m. | Borås | Premises thous. sq.m. | Halmstad | Premises thous. sq.m. |
|---|-----------------------|------------------------------|-----------------------|---------------------------|-----------------------|
| Castellum (Eklandia Fastighets AB and Harry Sjögren AB) | 895 | SveaReal AB | 123 | Akelius Fastigheter | 71 |
| Wallenstam | 442 | Castellum (Harry Sjögren AB) | 92 | Fragerus Fastigheter | 56 |
| Vasakronan | 410 | Klövern | 74 | Försäkringsbolaget Alecta | 54 |
| Diligentia / Skandia Liv | 293 | CA Fastigheter AB | 58 | Förvaltnings AB Aranea | 44 |
| Platzer | 278 | Kungsleden | 56 | Dagon | 39 |

Number of commercial premises (excl. residential) owned at 31-12-2008. Municipal and State-owned companies and government institutions have been excluded apart from Vasakronan AB.

Source: Byggstatistik and Castellum

important. The business structure has widened and created growth in knowledge-intensive and hi-tech companies as well as in traditional businesses. The service sector accounts for 47% of total gross wages, compared to slightly more than 20% for manufacturing. Growth in both employment and total gross wages has been strong during the last decade.

The level of education in Greater Gothenburg is higher than the national average and the universities and colleges in Gothenburg hold approx. 50,000 students.

Borås

Borås municipality together with Svenljunga, Herrljunga and Ulricehamn form a common region with approx. 143,000 inhabitants, located about 60 kilometers east of Gothenburg.

Commerce has a strong position together with textile and clothing industry and create an intensive international trading, supported by the proximity to Landvetter airport and the harbor of Gothenburg.

Halmstad

The Halmstad region, including the municipalities Laholm and Halmstad, has had a constant population growth during the last few decades.

The local economy in the region is multifaceted and is dominated by small and medium-sized companies within manufacturing, service, commerce and tourism, where roughly 75% of the companies have less than ten employees.

The region has a well developed infrastructure with road, train, air and sea connections.

Rental market

The rental market in the region has during 2008 continued to show a stable development, with maintained rental levels and low vacancies. This is valid both for offices as well as for suitable warehouse and logistics premises. For retail premises the vacancy rate has, like in previous years, been insignificant.

General vacancy rate in the region is estimated to 5-10% for both offices and industrial and warehouse premises.

Real estate market

In 2008, the volume of transactions in Gothenburg diminished, mainly due to the credit squeeze caused by the turbulence on the international credit market. As a result, in spite of a stable rental market, the required yield increased, leading to reduced real estate prices.

Real estate transactions of approx. SEK 5 billion were closed in the region during 2008, which can be compared to SEK 8 billion during 2007.

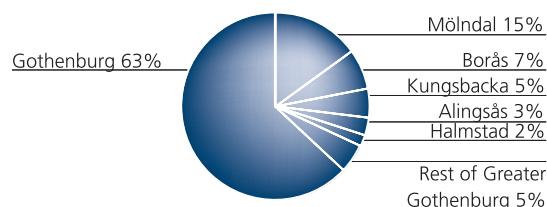
Of the total commercial transaction volume, office/retail make up approx. 60% and industry/warehouse approx. 40%.



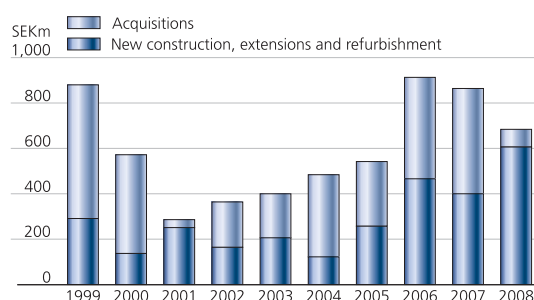
Market rents (incl. heating)

| | Gothenburg | Borås | Halmstad |
|----------------------|-------------|-------------|-------------|
| Office | | | |
| Central | 1,400–2,300 | 800–1,000 | 900–1,500 |
| Employment area | 650–1,250 | 400–800 | 700–1,100 |
| Retail | | | |
| Central | 3,000–7,200 | 1 500–2,500 | 1,500–2,800 |
| Employment area | 800–3,600 | 600–1,200 | 800–1,300 |
| Warehouse/industrial | | | |
| Well situated | 450–850 | 350–700 | 450–800 |

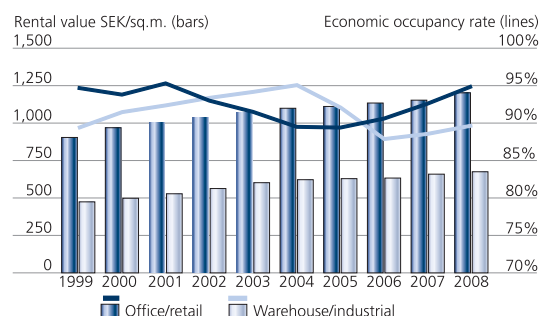
Real estate portfolio by area



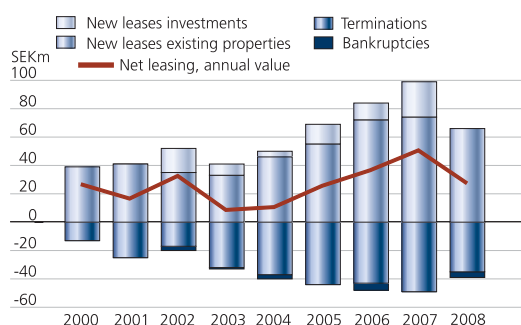
Investments



Rental value and occupancy rate



Net leasing



E Eklandia
Fastighets AB

Harry Sjögren AB

Castellum's real estate portfolio

Castellum's real estate portfolio in Greater Gothenburg comprises 187 properties (182) with a total area of 1,017,000 sq.m (1,000,000) and a fair value of SEKm 9,603 (9,293). For properties owned at the year-end the rental value amounted to SEKm 900 (839) on an annual basis and net operating income to SEKm 603 (539).

In central and eastern Gothenburg, there are mainly office and retail properties. On Hisingen and in Högsbo/Sisjön there are office properties as well as warehouse and industrial properties.

In Mölndal, Castellum's real estate portfolio mainly consists of warehouse and industrial properties and offices in Åbro and Lackarebäck.

In Borås, Castellum owns mainly office and retail properties in central Borås, but also a smaller share of warehouse and industrial properties.

There are also mixed property holdings in Alingsås, Halmstad, Partille, Kungälv, Kungsbacka, Lerum and Härryda.

See also the section Castellum's Real Estate Schedule 2008, with real estate schedule, maps and financial information.

Summary of the real estate portfolio

| | Area thous.sq.m. | Fair value SEKm | Investments, SEKm | | Rental value SEKm | Percentage of value |
|--|---------------------|--------------------|-------------------------------|-------------------|----------------------|------------------------|
| | | | New constr., ext., refurb. | Acquisi- tions | | |
| Office/retail | 405 | 5,253 | 311 | 21 | 487 | 55% |
| Warehouse/industrial | 612 | 4,251 | 296 | 52 | 413 | 44% |
| Total | 1,017 | 9,504 | 607 | 73 | 900 | 99% |
| Development projects and undeveloped land | — | 99 | — | 5 | — | 1% |
| Total | 1,017 | 9,603 | 607 | 78 | 900 | 100% |

Rental development

Castellum's average rental level is SEK 1,202 per sq.m. for office/retail and SEK 675 per sq.m. for warehouse/industrial premises. Rental levels have increased by approx. 3% compared with previous year.

The average economic occupancy rate was 92.6%, which is 1.8%-units higher than previous year.

The gross leasing (i.e. the annual value of total leasing) during the year was SEKm 66 (98), of which all related to leasing in existing properties. Terminations amounted to SEKm 39 (48), of which bankruptcies was SEKm 4 (0), hence net leasing for the year was SEKm 27 (50).

Subsidiaries

Castellum's properties in Greater Gothenburg are owned and managed by the wholly owned subsidiaries Eklandia Fastighets AB, with its head office in Gothenburg, and Harry Sjögren AB with its head office in Mölndal. Eklandia's real estate portfolio is mainly concentrated to central and eastern Gothenburg and Hisingen while Harry Sjögren's properties are located mainly in Högsbo/Sisjön in southern Gothenburg, Mölndal, Borås, Halmstad, Kungsbacka, Lerum, Partille, Alingsås and Härryda. At the year-end Eklandia had 38 employees and Harry Sjögren had 30 employees.



Arendal 1:13 in Gothenburg is a modern logistics property in the port of Gothenburg.

The Öresund Region

The real estate portfolio in the Öresund region accounts for 23% of Castellum's portfolio.



Malmö, Lund and Helsingborg, together with 22 other municipalities, form the Malmö region. Approx. one million people live in the region, or about 11% of Sweden's population. Another 2.7 million people are living on the Danish side.

Castellum's real estate portfolio in the Öresund region is located in Malmö, Lund and Helsingborg.

Malmö region

The Malmö region has had a positive growth and is one of Sweden's fastest growing regions. The population has during 1995-2008 been growing by 0.8% per year – only the Stockholm region has had a faster growth rate.

The region has a diversified business structure with industry, public sector and retail being the three largest. The service sector accounts for 45% of total gross wages, compared to slightly less than 20% for manufacturing.

Malmö, Lund and Helsingborg

Malmö has had a high population growth, which during the last three years has increased further. Malmö holds a university and the level of education in the region is relatively high.



| | Malmö region | of which Lund | of which Helsingborg |
|--|--------------|---------------|----------------------|
| Population | 995,000 | 105,000 | 125,000 |
| Full-time students at university / college | 51,000 | 34,000 | – |
| Growth in employment 1995-2007 / year (the nation 1.0%) | 2.0% | 1.4% | 1.6% |
| Growth in gross wages 1995-2007 / year (the nation 3.7%) | 4.7% | 4.2% | 4.5% |

The five largest real estate owners

| Malmö region | Premises thous. sq.m | of which Lund | Premises thous. sq.m | of which Helsingborg | Premises thous. sq.m |
|--------------------------------------|----------------------|--------------------------------------|----------------------|--------------------------------------|----------------------|
| Wihlborgs Fastigheter AB | 1 096 | Castellum AB (Fastighets AB Briggen) | 119 | Wihlborgs Fastigheter AB | 450 |
| Castellum AB (Fastighets AB Briggen) | 609 | Wihlborgs Fastigheter AB | 110 | Castellum AB (Fastighets AB Briggen) | 149 |
| Kungsleden AB | 338 | Kungsleden AB | 98 | Brinova Fastigheter AB | 133 |
| Vasakronan AB | 324 | Vasakronan AB | 85 | NS Holding AB / Norrporten | 93 |
| Diligentia AB / Skandia Liv | 185 | North Bridge Capital Partners | 74 | Northern Logistics Properties ASA | 75 |

Number of commercial premises (excl. residential) owned at 31-12-2008. Municipal and State-owned companies and government institutions have been excluded apart from Vasakronan AB.

Source: Byggstatistik and Castellum

The infrastructure is highly developed with the Öresund Bridge, a number of European highways, Sturup airport and the proximity to Kastrup airport, a modern harbor and good railroad connections.

Malmö is in the midst of a structural transformation from industrial centre to a knowledge city. The business, which earlier consisted of a few large industrial companies, has shifted and is now made up of many small businesses in a number of sectors. Apart from private service companies, logistics, retail and wholesale trade, construction and real estate are large sectors. More knowledge-based companies are found within biotechnology, pharmaceutical and medical technology, environmental technology, IT and digital media.

Lund has a steady population growth, which has increased slightly during the last three years. The fact that Lund holds one of Sweden's oldest universities is clearly seen among the population, where the level of education is very high. Lund has a highly developed infrastructure with European highway E22 crossing the city, E6 passing west of the city and the airports Sturup and Kastrup close by.

Lund's economy is characterized by a knowledge based profile with many smaller companies, often knowledge and research based and with connections to the university and established companies. Several of those have grown out of Ideon, Sweden's first and largest science park.

Helsingborg has a strategic location, steady population growth and a good infrastructure, with the European highways E4 and E6 and Sweden's third largest harbor for goods, all of which have transformed the city into a centre for sea and land transport. The city is a trade and logistics centre, but also food, pharmaceutical and manufacturing industry are important businesses.

Rental market

During the first six months of 2008 both rental levels and vacancies have maintained their levels from 2007. Also the last six months of 2008 showed a relatively high activity in the rental market, in spite of depression and financial crisis. However, it can be noted that the customer's decisionmaking process takes longer time.

In 2007 and 2008 new construction projects were started for both office, retail and logistics premises, which may affect vacancy rates and hence rental levels in the future.

General vacancy rates in Malmö, Lund and Helsingborg are estimated to 7-11% for offices, 8-12% for industrial and warehouse premises and 1-5% for retail premises.

Real estate market

The number of properties for sale has been high during the year, but sellers and buyers have had different views on the required yield, leading to fewer closed deals. Despite a stable rental market, the banks' credit squeeze and the negative economical development lead to decreasing real estate prices in 2008. The total transaction volume during 2008 was slightly higher than 2007 and amounted to SEK 6 billion, to be compared with SEK 5 billion previous year.

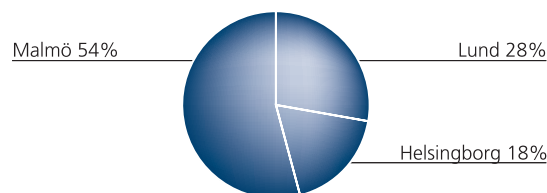
Of total commercial transaction volume, offices/retail amounted to approx. 75% and industry/warehouse to approx. 25%.



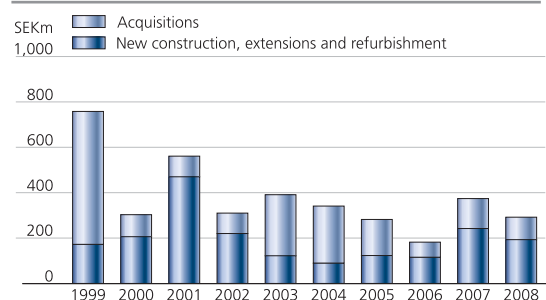
Market rents (incl. heating)

| | Malmö | Lund | Helsingborg |
|----------------------|-------------|-------------|-------------|
| Office | | | |
| Central | 1,300-2,100 | 1,000-2,100 | 1,000-1,900 |
| Employment area | 800-1,300 | 800-1,200 | 750-1,350 |
| Retail | | | |
| Central | 2,000-6,000 | 2,500-4,000 | 2,000-4,000 |
| Employment area | 800-1,500 | 800-1,500 | 750-1,500 |
| Warehouse/industrial | | | |
| Well situated | 500-750 | 450-750 | 450-750 |

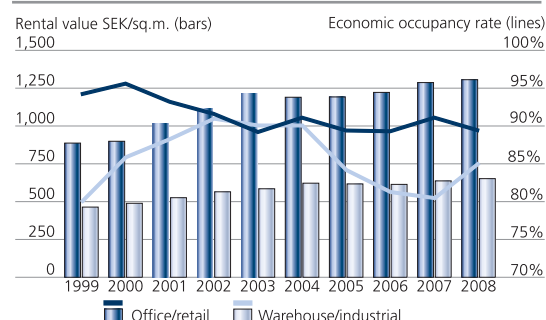
Real estate portfolio by area



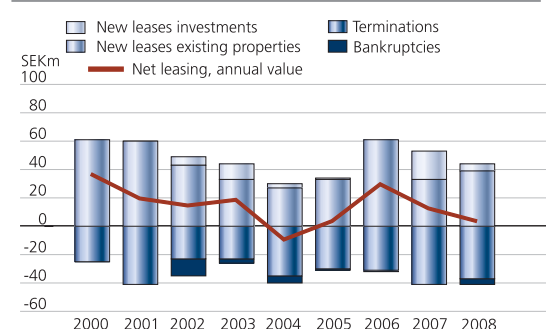
Investments



Rental value and occupancy rate



Net leasing



Castellum's real estate portfolio

Castellum's real estate portfolio in the Öresund region comprises 100 properties (97) with a total area of 621,000 sq.m. (602,000) and a fair value of SEKm 6,536 (6,906). For properties owned at the year-end the rental value amounted to SEKm 632 (583) on an annual basis and net operating income to SEKm 372 (345).

Castellum's portfolio in Malmö comprises mainly a mix of commercial properties in the established market areas Jägersro, Fosie, Bulltofta and Norra Hamnen. In central Malmö there is also a portfolio of larger office and retail properties.

In Lund, Castellum's real estate portfolio comprises mainly office-, and warehouse and industrial properties in the industrial estates Råbyholm, Gunnesbo and office properties close to the Ideon science park. There is also a smaller portfolio of office and retail properties located in central Lund.

The portfolio in Helsingborg comprises mainly office-, and warehouse and industrial properties situated primarily in Berga industrial estate and in central Helsingborg.

See also the section Castellum's Real Estate Schedule 2008 with real estate schedule, maps and economic information.

Summary of the real estate portfolio

| | Area thous.sq.m. | Investments, SEKm | | | | Percentage of value |
|--|---------------------|--------------------|-------------------------------|-------------------|----------------------|------------------------|
| | | Fair value SEKm | New constr., ext., refurb. | Acquisi- tions | Rental value SEKm | |
| Office/retail | 314 | 4,397 | 86 | 75 | 411 | 67% |
| Warehouse/industrial | 295 | 1,661 | 47 | 25 | 193 | 26% |
| Total | 609 | 6,058 | 133 | 100 | 604 | 93% |
| Development projects and undeveloped land | 12 | 478 | 59 | – | 28 | 7% |
| Total | 621 | 6,536 | 192 | 100 | 632 | 100% |

Rental development

Castellum's average rental level is SEK 1,306 per sq.m. for office/retail and SEK 652 per sq.m. for warehouse/industrial premises. Rental levels have increased by approx. 2% compared with previous year.

The average economic occupancy rate was 88.1%, which is 0.4%-units higher than previous year.

The gross leasing (i.e. the annual value of total leasing) during the year was SEKm 44 (53), of which SEKm 5 (20) was leasing in connection to new constructions, extensions and refurbishments. Terminations amounted to SEKm 41 (41), of which bankruptcies was SEKm 4 (0), hence net leasing for the year was SEKm 3 (12).

Subsidiary

Castellum's properties in the Öresund region are owned and managed by the wholly owned subsidiary Fastighets AB Briggen, with its head office in Malmö and a local office in Helsingborg and Lund. At the year-end Briggen had 37 employees.



Stadt Hamburg 14 is a shopping centre in central Malmö.

Greater Stockholm

The real estate portfolio in Greater Stockholm accounts for 19% of Castellum's portfolio.



The Stockholm region is Sweden's largest employment area with more than two million inhabitants, or 22% of the nation's total population. Castellum's region Greater Stockholm includes the municipalities of Stockholm, Botkyrka, Huddinge, Järfälla, Nacka, Sigtuna, Sollentuna and Upplands-Väsby.

Stockholm is characterized by being the nation's capital, where the Swedish Parliament, most major political institutions as well as a large number of Swedish companies are residing. The region has Sweden's largest service sector spread over many business areas, making up for approx. 60% of total gross wages. The last decade employment growth has been strong, mainly in service sectors like IT, telecommunication and financial business. The yearly population growth during 1995-2007 has been 1.0%, highest in the country.

Greater Stockholm can be divided into the inner city and the areas north and south of the city centre. In the northern area there are mainly service-based companies, while there is a larger share of companies dedicated to manufacturing and distribution in the south. Both in the north and the south, growth in number of workplaces has gradually been concentrated to larger business districts.

North

Infrastructure in the northern part of the Greater Stockholm region is well developed with European highways E4 and E18, as well as two airports Arlanda and Bromma. There are also several harbors, which to a large extent are used for passenger transportation. New businesses and growth



Stockholm

| | |
|--|-----------|
| Population | 2,021,000 |
| Full-time students at university / college | 45,000 |
| Growth in employment 1995-2007 / year (the nation 1.0%) | 1.5% |
| Growth in gross wages 1995-2007 / year (the nation 3.7%) | 4.4% |

The five largest real estate owners

Greater Stockholm

Premises thous. sq.m.

(Municipalities Botkyrka, Huddinge, Järfälla, Nacka, Sigtuna, Sollentuna, Solna, Stockholm, Upplands-Väsby)

| | |
|--|-------|
| Vasakronan AB | 1,864 |
| Fabege AB | 1,288 |
| Castellum AB (Fastighets AB Brostaden) | 497 |
| Kungsleden AB | 494 |
| Diligentia AB / Skandia Liv | 484 |

Number of commercial premises (excl. residential) owned at 31-12-2008. Municipal and State-owned companies and government institutions have been excluded apart from Vasakronan AB.
Source: Byggstatistik and Castellum

in the northern areas have to a large extent been concentrated to the stretch between Stockholm and Arlanda, where a number of large business areas have been established such as Kista, parts of Sollentuna and parts of Upplands-Väsby.

The municipality of Sollentuna, with a strategic location between Stockholm city and Arlanda airport, consists of a number of submarkets and has expanded particularly within retail and service.

The municipalities Solna and Sundbyberg northeast of Stockholm city and the districts Mariehäll and Ulvsunda in Bromma are geographically concentrated with proximity to Stockholm city and a well developed infrastructure. The total market for offices in the area is, next after the inner city, the largest within the entire Stockholm region and has shown strong growth in the number of employees in office type businesses.

Kista Science City, located in Kista, is one of northern Europe's most dynamic business parks and one of the Stockholm region's largest business areas, where approx. 63,000 people work. Kista is dominated by companies operating mainly in the fields of information technology and telecommunication. Also the retail sector has grown strongly.

South

In southern Stockholm there are a number of office and industrial areas such as Johanneshov, Marievik/Liljeholmen, Årsta, Eriksberg, Södra Hammar-byhamnen, Nacka Strand and Västberga. Johanneshov's business structure, including the Globen area, is dominated by service companies, retail and communication. The area has good means of communication. Marievik/Liljeholmen is a more typical office area just outside Stockholm's inner city and Södermalm. Västberga, with proximity to the European highway E4 and the trunk line, is dominated by transportation and logistics companies, warehouses, manufacturing and construction companies.

Skärholmen is located in the southernmost part of Stockholm and next to Skärholmen is Kungens kurva in the municipality of Huddinge. Skärholmen is dominated by trade and Kungens Kurva is one of the largest shopping areas in the Nordic countries. Close to Kungens kurva along the E4 is the area Smista Allé, an area under development, particularly towards car retailers.

Rental market

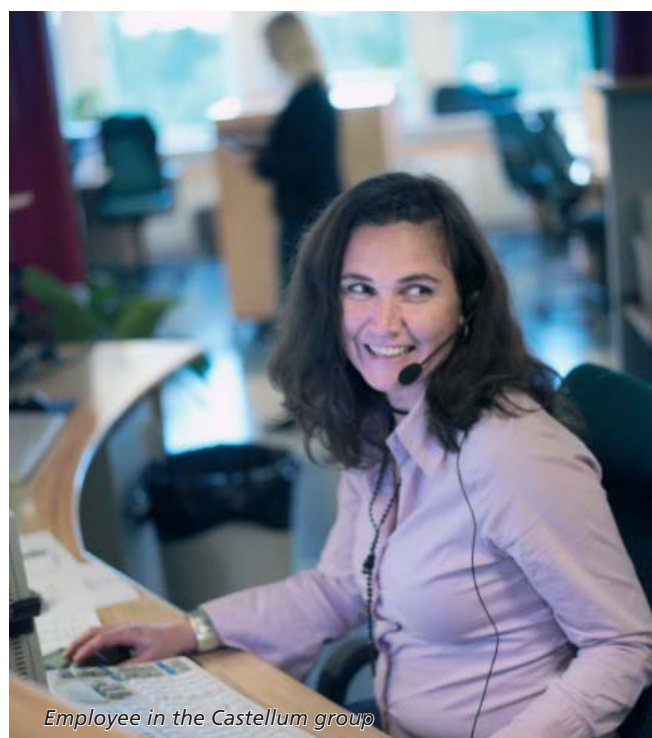
The rental market was strong in Greater Stockholm during the first six months of 2008, while the second half has shown a lower activity. Market rents were stable or slightly increasing in many market areas and categories.

The recession coupled with new construction of several large projects going on in central Stockholm will probably affect both vacancies and rental levels. The general vacancy rates are estimated to 6-16% for offices, 5-10% for industrial and warehouse premises, while insignificant for retail.

Real estate market

The interest in the real estate market in the Stockholm region remained during 2008, but the credit squeeze together with financial turbulence affected property prices which fell during the year. This is true, for both central locations as well as for the suburbs. Adjusted for specific transactions, like Vasakronan and some structural transactions, 2008 showed a lower transaction volume than 2007 – SEK 22 billion compared to SEK 33 billion.

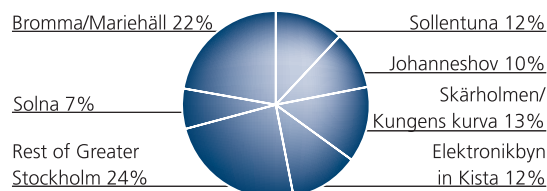
The largest transactions were localized to Stockholm's inner city and Solna. Of the total commercial transaction volume, office and retail amounted to approx. 77% and industry/warehouse to approx. 23%.



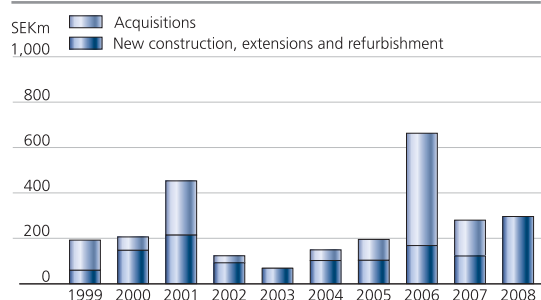
Employee in the Castellum group

| Market rents (incl. heating) | Greater Stockholm (inner suburbs) |
|------------------------------|--------------------------------------|
| Office | |
| Central | 1,300–2,500 |
| Employment area | 800–1,900 |
| Retail | |
| Central | 1,500–4,500 |
| Employment area | 600–2,000 |
| Warehouse/industrial | |
| Well situated | 600–1,000 |

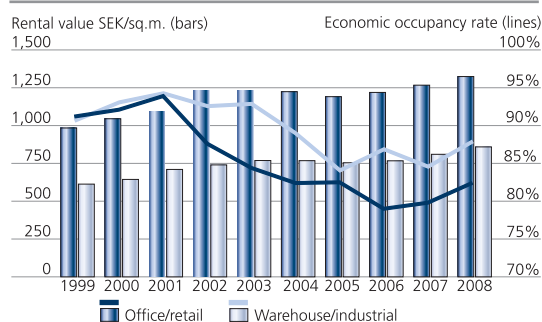
Real estate portfolio by area



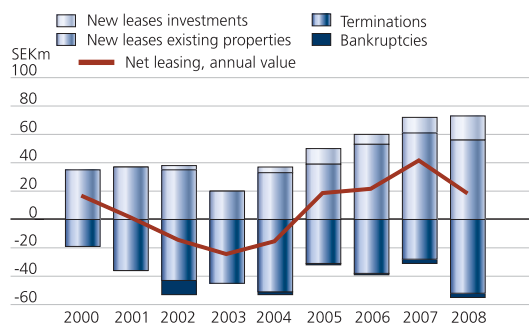
Investments



Rental value and occupancy rate



Net leasing



BROSTADEN

Castellum's real estate portfolio

Castellum's real estate portfolio in Greater Stockholm comprises 90 properties (87) with a total area of 535,000 sq.m. (517,000) and a fair value of SEKm 5,672 (5,266). For properties owned at the year-end the rental value amounted to SEKm 583 (555) on an annual basis and net operating income to SEKm 306 (278).

In the northern suburbs, Castellum's real estate portfolio is mainly made up of larger office and retail properties in Mariehäll in Bromma, Kista, Sollentuna, Solna and Upplands-Väsby. In the areas Veddesta/Lunda and Rosersberg there are mainly warehouse and industrial properties.

In the southern suburbs, Castellum's real estate portfolio is located in areas such as Johanneshov, Skärholmen/Kungens kurva and Nacka. In these areas there are mainly larger office and retail properties. In Botkyrka there are also warehouse and industrial properties.

See also the section Castellum's Real Estate Schedule 2008 with real estate schedule, maps and economic information.

Summary of the real estate portfolio

| | Area | Fair value thous.sq.m. | Fair value SEKm | Investments, SEKm | | Rental value SEKm | Percentage of value |
|--|------------|---------------------------|--------------------|-------------------------------|-------------------|----------------------|------------------------|
| | | | | New constr., ext., refurb. | Acquisi- tions | | |
| Office/retail | 304 | 3,712 | 95 | – | – | 403 | 66% |
| Warehouse/industrial | 193 | 1,424 | 63 | – | – | 166 | 25% |
| Total | 497 | 5,136 | 158 | – | – | 569 | 91% |
| Development projects and undeveloped land | 38 | 536 | 138 | – | – | 14 | 9% |
| Total | 535 | 5,672 | 296 | – | – | 583 | 100% |

Rental development

Castellum's average rental level is SEK 1,324 per sq.m. for office/retail and SEK 859 per sq.m. for warehouse/industrial premises. Rental levels have increased by approx. 5% compared with previous year.

The average economic occupancy rate was 84.0%, which is 2.8%-units higher than previous year.

The gross leasing (i.e. the annual value of total leasing) during the year was SEKm 74 (72), of which SEKm 17 (11) was to leasing in connection new constructions, extensions and refurbishments. Terminations amounted SEKm 56 (31), of which bankruptcies were SEKm 3 (3), hence net leasing for the year was SEKm 18 (41).

Subsidiary

Castellum's properties in Greater Stockholm are owned and managed by the wholly owned subsidiary Fastighets AB Brostaden, with its head office in Stockholm. Brostaden's operations are divided into five market areas. At the year-end Brostaden had 40 employees.



Hammarby-Smedby 1:454, Stockholm

The property is included in the real estate portfolio which were classified as Green Building during 2008.

Mälardalen

The real estate portfolio in Mälardalen accounts for 14% of Castellum's portfolio.



Castellum's region Mälardalen comprises the areas of Örebro, Uppsala and Västerås, with a combined population of approx. 750,000 inhabitants, or 8% of Sweden's population. The region has had a positive population growth and has a good business structure.

The two railroads Mälar Line and Svealand Line have improved commuting between Stockholm and Örebro, via Västerås and Eskilstuna respectively.

Örebro

Örebro together with eight other municipalities make up the nation's seventh largest region. Population growth has been high and has increased further during the last three years.

The strategic location at the intersection of several roads, good railroad connections and an airport close by, has transformed Örebro into a centre for logistics.

Business in Örebro is diversified, without any dominating employer. Companies are found in commerce, service, administration, a variety of manufacturing industries and several governmental and municipal administrative bodies.

Örebro has a university and hence a high educational level.



| | Örebro | Uppsala | Västerås |
|--|---------|---------|----------|
| Population | 224,000 | 295,000 | 227,000 |
| Full-time students at university / college | 12,000 | 33,000 | 12,000 |
| Growth in employment 1995-2007 / year (the nation 1.0%) | 0.9% | 1.4% | 0.8% |
| Growth in gross wages 1995-2007 / year (the nation 3.7%) | 3.4% | 4.2% | 3.3% |

The five largest real estate owners

| Örebro | Premises thous. sq.m | Uppsala | Premises thous. sq.m | Västerås | Premises thous. sq.m |
|--------------------------------------|----------------------|--------------------------------------|----------------------|--------------------------------------|----------------------|
| Castellum (Aspholmen Fastigheter AB) | 205 | Vasakronan AB | 293 | NR Nordic & Russia Properties Ltd | 475 |
| Alecta Pensionsförsäkring | 97 | Uppsala Akademiförvaltning | 149 | Klövern AB | 203 |
| Brinova Fastigheter AB | 96 | Castellum (Aspholmen Fastigheter AB) | 106 | Castellum (Aspholmen Fastigheter AB) | 155 |
| NS Holding AB / Norrporten | 73 | Klövern AB | 65 | Kungsleden AB | 136 |
| Klövern AB | 60 | Atrium Ljungberg AB | 49 | Landic Property | 132 |

Number of commercial premises (excl. residential) owned at 31-12-2008. Municipal and State-owned companies and government institutions have been excluded apart from Vasakronan AB.

Source: Byggstatistik and Castellum

Uppsala

The Uppsala region, consisting of six municipalities, has approximately 295,000 inhabitants and forms the nation's fourth largest regional labor market. By having Sweden's oldest university, Uppsala is largely characterized by the students and the population has a high level of education. The region enjoys a positive population growth, both short term and long term and is one of the nation's most expansive regions.

The region has a dynamic industry based on knowledge, creativity and entrepreneurship. The economy is characterized by relatively small and hi-tech oriented service and industrial companies. The public sector is the largest employer and is, together with the university and the city's proximity to Stockholm, an explanation for the fact that Uppsala has had a continuous growth.

The employment rate in the region has grown and for natural reasons strongly correlates with the one of the Stockholm region.

Västerås

Together with seven other municipalities, Västerås forms the nation's sixth largest region with 227,000 inhabitants. The population growth in the region is concentrated to Västerås, which has a university and thus a high level of education.

Västerås has a strategic location by the European highway E18, good railroad connections, an airport and the largest inland port of the Nordic countries. Good means of transportation coupled with its central location has nourished many small companies. In the region both medium-sized and large companies are found, specializing in electronics, IT, energy and environmental engineering. An expanding business segment is industrial information technology and automation, where the university together with local businesses form a national and international knowledge centre.

Rental market

The development of the rental market continued to be good during 2008, with unchanged or improved vacancy rates and rental levels within all market segments. Ahead, vacancies are expected to maintain stable or slightly decreasing, an indication of stable rental levels. An explanation is that there are generally very few new construction projects based on speculation in this region.

General vacancy rates in the region are estimated to 5-10% for offices, 6-12% for warehouses and industrial premises, while insignificant for retail.

Real estate market

The real estate market in Mälardalen showed a transaction volume almost as high during 2008 as in 2007. The financial turbulence combined with some insecurity and hesitation among the investors in the real estate market led to increasing required yields during the year. The effect was, in spite of a positive rental market, reduced prices for properties during 2008.

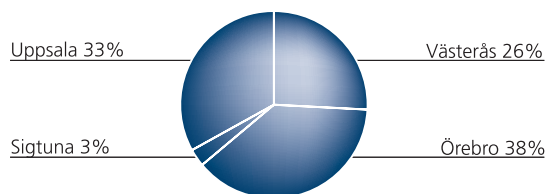
Of total commercial transaction volume, offices/retail amounted to approx. 60% and industrial premises and warehouses to approx. 40%.



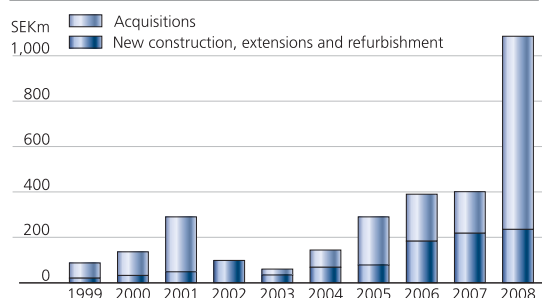
Market rents (incl. heating)

| | Örebro | Uppsala | Västerås |
|----------------------|-------------|-------------|-------------|
| Office | | | |
| Central | 900-1,400 | 1,200-2,000 | 900-1,400 |
| Employment area | 700-1,200 | 800-1,200 | 700-1,000 |
| Retail | | | |
| Central | 1,500-4,000 | 2,000-5,000 | 1,500-4,000 |
| Employment area | 700-1,200 | 700-2,000 | 700-1,500 |
| Warehouse/industrial | | | |
| Well situated | 450-700 | 500-700 | 450-700 |

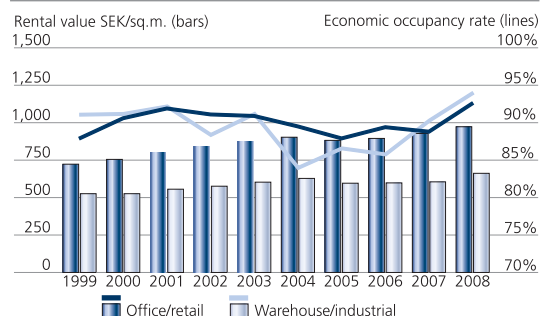
Real estate portfolio by area



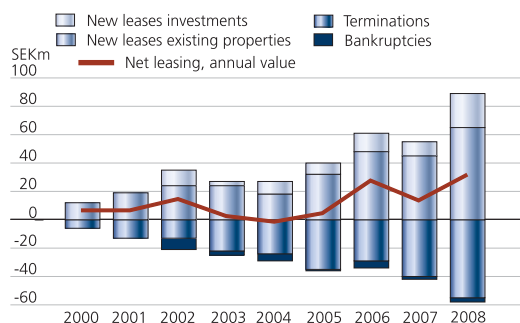
Investments



Rental value and occupancy rate



Net leasing



Castellum's real estate portfolio

Castellum's real estate portfolio in Mälardalen comprises 117 properties (101) with a total area of 519,000 sq.m. (432,000) and a fair value of SEKm 4,185 (3,278). For properties owned at the year-end the rental value amounted to SEKm 440 (346) on an annual basis and net operating income to SEKm 266 (202). Castellum's real estate portfolio is concentrated to Örebro, Uppsala and Västerås, from central office properties to warehouse and industrial properties in well-situated employment areas.

Castellum's real estate portfolio in Örebro consists of a mix of office and retail properties and warehouse and industrial properties concentrated to the area Aspholmen and central Örebro.

In Uppsala, mainly office and retail properties are found, but also warehouse and industrial properties. The properties have attractive sites in Fyrislund, Boländerna and along Kungsgatan.

In Västerås, there is a mix of office and retail properties and warehouse and industrial properties. The real estate portfolio is situated in the established market areas Kopparlunden, Tunbytorp, Bäckby and Hälla.

Castellum also owns a minor real estate portfolio in Märsta, in the municipality of Sigtuna.

See also the section Castellum's Real Estate Schedule 2008 with real estate schedule, maps and economic information.

Summary of the real estate portfolio

| | Area thous.sq.m. | Fair value SEKm | Investments, SEKm | | Rental value SEKm | Percentage of value |
|--|---------------------|--------------------|-------------------------------|-------------------|----------------------|------------------------|
| | | | New constr., ext., refurb. | Acquisi- tions | | |
| Office/retail | 306 | 2,907 | 160 | 686 | 297 | 70% |
| Warehouse/industrial | 177 | 976 | 21 | 165 | 117 | 23% |
| Total | 483 | 3,883 | 181 | 851 | 414 | 93% |
| Development projects and undeveloped land | 36 | 302 | 54 | — | 26 | 7% |
| Total | 519 | 4,185 | 235 | 851 | 440 | 100% |

Rental development

Castellum's average rental level is SEK 973 per sq.m. for office/retail and SEK 662 per sq.m. for warehouse/industrial premises. Rental levels have increased by approx. 3% compared with previous year.

The average economic occupancy rate was 93.0%, which is 3.7%-units higher than previous year.

The gross leasing (i.e. the annual value of total leasing) during the year was SEKm 89 (55), of which SEKm 24 (10) was to leasing in connection to new constructions, extensions and refurbishments. Terminations amounted to SEKm 58 (42), of which bankruptcies were SEKm 3 (0), hence net leasing for the year was SEKm 31 (13).

Subsidiary

Castellum's properties in Mälardalen are owned and managed by the wholly owned subsidiary Aspholmen Fastigheter AB with its head office in Örebro. The company has local management offices in Västerås and Uppsala. At the year-end Aspholmen had 37 employees.



The property Ölstången 11 was included in Aspholmen Fastigheter AB's acquisition in central Örebro during the summer 2008.

Eastern Götaland

The real estate portfolio in Eastern Götaland accounts for 11% of Castellum's portfolio.



Castellum's real estate portfolio in Eastern Götaland comprise Värnamo, Jönköping, Växjö, and Linköping, which together form a region with approx. 600,000 inhabitants, or slightly less than 7% of Sweden's population.

The province of Småland is well known for its entrepreneurial spirit and is one of Sweden's most attractive and successful regions, in terms of small scale enterprises.

Värnamo

The municipality of Värnamo is a small employment region with close to 33,000 people. However, the reception area for the city's commerce is approx. 100,000 inhabitants.

The infrastructure in Värnamo, with European highway E4 passing through and good railroad connections, provide for good accessibility and a successful industry.

Historically, Värnamo has been an important marketplace and is today a centre for commerce and services. The strong tradition of running small scale enterprises has given birth to many companies, in businesses such as metal, machinery, plastics, rubber and wood processing. The industry is to a large degree export orientated.



| | Värnamo | Jönköping | Växjö | Linköping |
|--|---------|-----------|---------|-----------|
| Population | 33,000 | 206,000 | 128,000 | 248,000 |
| Full-time students at university / college | – | 13,000 | 13,000 | 22,000 |
| Growth in employment 1995-2007 / year (the nation 1.0%) | 0.7% | 1.3% | 0.8% | 0.7% |
| Growth in gross wages 1995-2007 / year (the nation 3.7%) | 3.5% | 4.0% | 3.5% | 3.5% |

The five largest real estate owners

| Värnamo | Premises thous. sq.m | Jönköping | Premises thous. sq.m | Växjö | Premises thous. sq.m | Linköping | Premises thous. sq.m |
|------------------------------------|----------------------|------------------------------------|----------------------|------------------------------------|----------------------|----------------------------|----------------------|
| Castellum (Fastighets AB Corallen) | 144 | Castellum (Fastighets AB Corallen) | 137 | Castellum (Fastighets AB Corallen) | 127 | Klövern AB | 176 |
| Remnes i Värnamo AB | 12 | NS Holding AB / Norrporten | 91 | NS Holding AB / Norrporten | 76 | Valad Property Group | 144 |
| Landic Property | 9 | Alecta Pensionsförsäkring | 64 | Valad Property Group | 72 | Acta | 138 |
| Värnabo Fastigheter AB | 7 | Tosito Invest AB | 59 | Northern Logistic Property ASA | 69 | Botrygg Bygg AB | 71 |
| HLM Fastighets AB | 6 | Fastighets AB Eric Ekblad | 57 | KF Fastigheter AB | 58 | NS Holding AB / Norrporten | 65 |

Number of commercial premises (excl. residential) owned at 31-12-2008. Municipal and State-owned companies and government institutions have been excluded apart from Vasakronan AB.

Source: Byggstatistik and Castellum

Jönköping

The Jönköping region, consisting of seven municipalities, is in terms of population the nation's eighth largest region. An International Business School is located in Jönköping and the level of education is relatively high in the region. The strategic location, with several major highways and access to airport and railroad, has developed Jönköping into a logistics centre.

Local business is diversified and expansive and consists mainly of small and medium-sized companies.

Växjö

Växjö, together with five adjacent municipalities, form a region which for many years has had a steady population growth. The level of education is high and Växjö University has around 13,000 students.

Good access to means of communication, a variety of educations and a positive business climate have turned Växjö into an attractive city and contributed to the high growth. There is a good mix of companies in basic industries, such as forest and manufacturing, and companies with a hi-tech profile.

Linköping

The Linköping region is Sweden's fifth largest region and comprises eight municipalities. There is a university in Linköping and the level of education is high.

Linköping has a strategic location in the middle of Östergötland, and good means of communication with roads, railroad and an airport close to the city centre.

Traditional business is clearly diversified, but consists mainly of companies within the technical field. Some business segments are very strong, such as traditional knowledge-based hi-tech companies, food and graphic industries.

The region has a close co-operation between the local businesses and the University, for instance in Mjärdevi Science Park, with more than 5,000 employees.

Rental market

The development of the rental market continued to be strong during the first six months of 2008, while the last six months showed signs of weakening, a slower decision-making process for the customers and a slightly increased number of bankruptcies. The rental levels however have been stable in all areas and categories.

The general vacancy rates in the region are estimated to 5-10% for offices, 6-12% for industry and warehouse premises, while insignificant for retail.

Real estate market

In 2008, the transaction volume in the real estate market in Eastern Götaland amounted to SEK 4 billion, which can be compared to the all-time high of SEK 5 billion in 2007. During the year a large number of properties have been for sale, but as sellers and buyers have had different views on the required yield, fewer transactions have been closed. Despite a stable rental market, the credit squeeze combined with the depression led to higher required yield, and hence falling real estate prices.

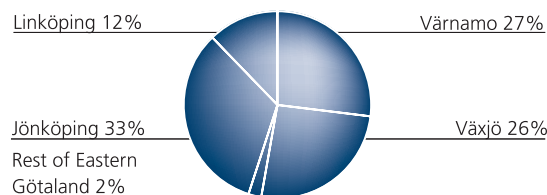
Of the total commercial transaction volume, office and retail amounted to approx. 50%, while the rest being industry and warehouse.



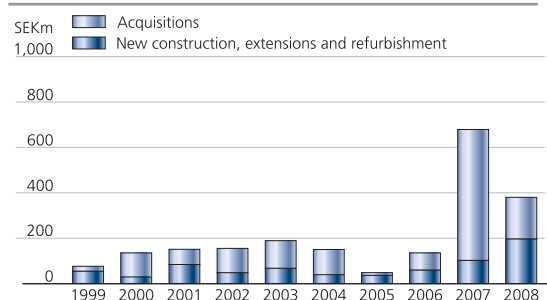
Market rents (incl. heating)

| | Värnamo | Jönköping | Växjö | Linköping |
|-----------------------------|-----------|-------------|-------------|-------------|
| Office | | | | |
| Central | 700–1,300 | 800–1,400 | 800–1,400 | 800–1,400 |
| Employment area | 550–850 | 600–1,100 | 500–1,000 | 700–1,250 |
| Retail | | | | |
| Central | 900–1,800 | 1,000–3,300 | 1,000–2,000 | 1,000–3,300 |
| Employment area | 500–1,000 | 600–1 200 | 550–1,000 | 650–2,000 |
| Warehouse/industrial | | | | |
| Well situated | 350–550 | 400–700 | 400–600 | 550–800 |

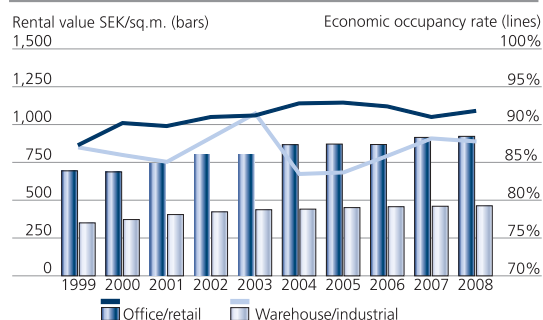
Real estate portfolio by area



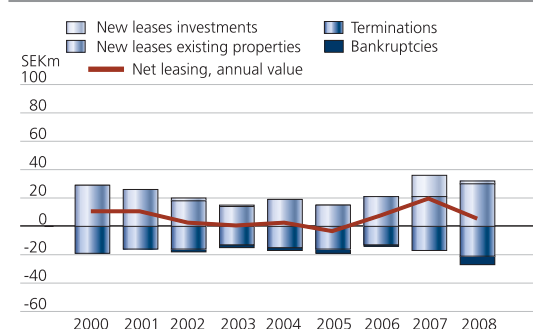
Investments



Rental value and occupancy rate



Net leasing



Castellum's real estate portfolio

Castellum's real estate portfolio in Eastern Götaland comprises 93 properties (82) with a total area of 480,000 sq.m. (452,000) and a fair value of SEKm 3,169 (2,974). For properties owned at the year-end the rental value amounted to SEKm 357 (331) on an annual basis and net operating income to SEKm 199 (178). Castellum's real estate portfolio is located in Värnamo, Jönköping, Växjö and Linköping.

In Värnamo, Castellum's real estate portfolio is mainly concentrated to central office and retail properties as well as warehouse and industrial properties in expansive industrial estates.

In Jönköping, there are mainly office and retail properties situated in attractive areas such as Rosenlund, central Jönköping and A6.

In Växjö, Castellum owns mainly office and retail properties in the central parts and within the expansive area Västra Mark where also warehouse and industrial properties are found.

In Linköping, the real estate portfolio is concentrated to office properties in the area of Mjärdevi Science Park.

See also the section Castellum's Real Estate Schedule 2008 with real estate schedule, maps and economic information.

Summary of the real estate portfolio

| | Area thous.sq.m. | Fair value SEKm | Investments, SEKm | | Rental value SEKm | Percentage of value |
|--|---------------------|--------------------|-------------------------------|-------------------|----------------------|------------------------|
| | | | New constr., ext., refurb. | Acquisi- tions | | |
| Office/retail | 295 | 2,419 | 142 | 33 | 272 | 76% |
| Warehouse/industrial | 185 | 730 | 46 | 141 | 85 | 23% |
| Total | 480 | 3,149 | 188 | 174 | 357 | 99% |
| Development projects and undeveloped land | – | 20 | 8 | 9 | – | 1% |
| Total | 480 | 3,169 | 196 | 183 | 357 | 100% |

Rental development

Castellum's average rental level is SEK 922 per sq.m. for office/retail and SEK 463 per sq.m. for warehouse/industrial premises. Rental levels have increased by approx. 2% compared with previous year.

The average economic occupancy rate was 90.8%, which is 0.4%-units higher than previous year.

The gross leasing (i.e. the annual value of total leasing) during the year was SEKm 32 (37), of which SEKm 2 (15) was leasing in connection to new constructions, extensions and refurbishments. Terminations amounted to SEKm 27 (18), of which bankruptcies were SEKm 6 (0), hence net leasing for the year was SEKm 5 (19).

Subsidiary

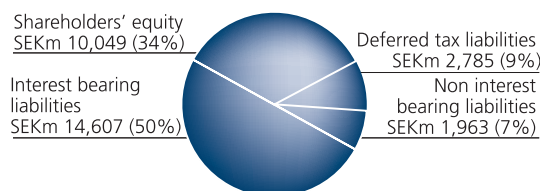
Castellum's properties in Eastern Götaland are owned and managed by the wholly owned subsidiary Fastighets AB Corallen, with its head office in Värnamo. The company also has local management offices in Jönköping, Linköping and Växjö. At the year-end Corallen had 30 employees.



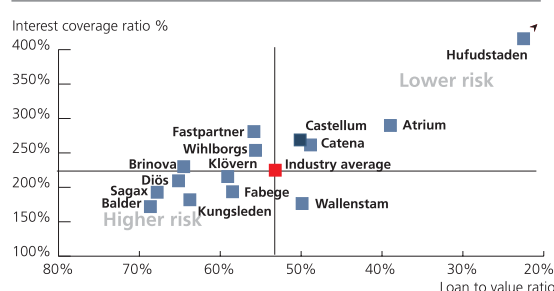
Droskan 12, Jönköping

Financing

Financing 31-12-2008



Listed real estate companies



| Policy | Objective | Outcome |
|---------------------------------------|---|--|
| Loan to value ratio | Not permanently exceeding 55% | 50% |
| Interest coverage ratio | At least 200% | 255% |
| Interest rate risk | | |
| – average fixed interest term | 0.5-3 years | 2.9 years |
| – share with maturity within 6 months | Maximum 50% | 38% |
| Currency risk | Not allowed | No exposure |
| Funding risk | Minimum 50% credit agreements with a duration of at least 2 years | 100% |
| Counterparty risk | Credit institutes with high ratings at least "investment grade" | Fulfilled |
| Liquidity risk | Liquidity reserve in order to fulfil payments due | SEKm 2,272 in unutilized credit agreements |

Property ownership requires financing in the form of equity and interest bearing debts. The level of equity in relation to interest bearing debts is based partly upon the chosen level of financial risk and partly by the amount of equity required to obtain loans from eg. the banks. By setting objectives for the capital structure, the allocation of equity and interest bearing debts is defined as well as the level of financial risk is determined in order to meet the required return on equity, secure room for investments and to obtain necessary funding. Castellum has chosen a strategy with a lower financial risk than the real estate business in general.

Financial policy

The financial management in Castellum is pursued according to the framework outlined by the Board in the financial policy. The risk mandates in the financial policy are:

- Capital structure with a loan to value ratio not exceeding 55% long term and an interest coverage ratio of at least 200%.
- Secure the need for liquidity and long-term funding.
- Achieve a low and stable net interest income/costs within the risk mandates.

The financial policy outlines the given mandates and limitations for the management of financial risks, overall assignment of responsibility and how reporting and follow-up of financial risks shall be carried out. The financial risks defined in the financial policy are interest rate risk, currency risk, funding risk, counterparty risk and liquidity risk. The financial risks are followed up and reported quarterly to the Board of Directors. The interest rate risk and the funding risk is reported weekly to the Finance Director. In order to improve and adjust the financial risk management, the Board of Directors makes a yearly review of the financial policy.

Capital structure

The value of Castellum's assets amounts to SEKm 29,404 (27,891). These are financed partly through equity of SEKm 10,049 (11,204) and partly through liabilities of SEKm 19,355 (16,687), of which SEKm 14,607 (12,582) are interest bearing debts.

Organization

Castellum acts as the group's treasury department and all financial risk management is centralized to the parent company. The treasury department's responsibilities include the group's funding, interest rate risk management, financing of the subsidiaries and cash management. The treasury department consists of two persons. The parent company also holds a function, separated from the treasury department, for accounting and independent control of the financial management and the financial risks.

Risk management

The operational and financial risk together constitute Castellum's overall business risk. Financial management is carried out in order to adjust the financial risk level to meet changes in the operational risk within the given risk mandates. Increases in the market interest rate is generally considered to be an effect of economic growth and increasing inflation, which in turn

is considered to lead to improved demand for commercial properties and hence increasing rents and/or reduced vacancies. Falling interest rates are assumed to have the opposite effect.

Thus increased or decreased financial costs will over time be met by increased or decreased rental income. In this way the overall business risk can be kept at a stable level. Significant economic events can occur from time to time and may need shorter or longer adjustment periods, i.e. the time needed in order to restore an economic equilibrium, which may cause disturbances in the relation above.

To be short of necessary funding is the single largest financial risk. Therefore, a diversified and long-term funding is desirable in order to utilize the competitive advantages in each market or to limit the effects of potential disturbances. Castellum gets funding from both the credit market through bilateral credit agreements with banks and the capital market through commercial papers and to a lesser degree bonds. Regular reviews and renegotiations of existing credit agreements are carried out and new credit agreements are entered into when needed.

Interest cost is the single greatest cost item and the market conditions i.e. both the market interest rate and the creditors' margins asked in return, can change rapidly. To ensure a low and stable net interest income/costs, in terms of cash flow, Castellum has chosen a relatively long fixed interest term. Since year 2000, the average fixed interest term has been in the range of 2.0 - 3.5 years and the average interest rate between 3.5% and 5.9%. Castellum has also chosen to work with interest rate derivatives, which is a cost effective and flexible way of extending loans with short-term interest rates, compared to fixed interest rate loans, to achieve the desired fixed interest term. From a cash flow perspective the outcome is the same; however there is a difference in the accounting standards, leading to interest rate derivatives being valued market to market, which is normally not the case for fixed interest rate loans.

Castellum works with a netting account system in banks to manage the group's liquidity flows and hence to reduce the need for liquidity.

Loan maturity structure

Funding is provided by draw downs of short-term debts under long-term credit agreements with the banks, issuing of bonds or commercial papers. Castellum can increase or decrease outstanding debts under the long-term credit agreements. The amount of interest-bearing liabilities may therefore be minimized from time to time.

After deduction of liquidity of SEKm 9 (7), net interest bearing liabilities as of December 31, 2008, were SEKm 14,598 (12,575). At the same date Castellum had long-term credit agreements totalling SEKm 15,800 (13,300), long-term bonds totalling SEKm 650 (650), short-term credit agreements in bank totalling SEKm 770 (776) and a commercial paper program of SEKm 4,000 (4,000). At the turn of the year, the average duration of Castellum's long-term credit agreements was 5.5 years (5.2). Margins and fees in long-term credit agreements had an average duration of 3.2 years. During the year Castellum has signed new credit agreements totalling SEKm 2,500 and extended credit agreements totalling SEKm 9,000. Loans in banks are secured by pledged mortgages



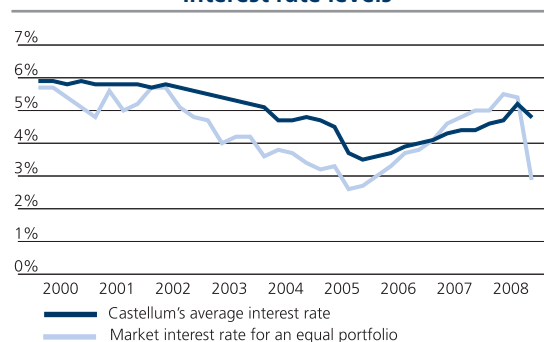
Debt maturity structure

| Long term, SEKm | Credit agreements | Utilized |
|--|-------------------|---------------|
| 1 - 2 years | 1,100 | 1,100 |
| 2 - 3 years | 700 | 200 |
| 3 - 4 years | – | – |
| 4 - 5 years | 5,000 | 5,000 |
| 5 - 10 years | 9,500 | 8,150 |
| Total long term credit agreements | 16,300 | 14,450 |
| Total short term credit agreements (0-1 year) | 920 | 148 |
| Total credit agreements | 17,220 | 14,598 |
| Unutilized credit in long term credit agreements | | 1,702 |

Interest rate maturity structure

| | Amount, SEKm | Average interest rate |
|--------------|---------------|-----------------------|
| 0 - 1 year | 5,596 | 5.0% |
| 1 - 2 years | 1,350 | 4.3% |
| 2 - 3 years | 602 | 4.3% |
| 3 - 4 years | 600 | 4.7% |
| 4 - 5 years | 3,250 | 4.7% |
| 5 - 10 years | 3,200 | 4.9% |
| Total | 14,598 | 4.8% |

Interest rate levels



and/or financial covenants. The financial covenants states a loan to value ratio not exceeding 65% and an interest coverage ratio of at least 150%. Utilized credits secured by pledged mortgages were SEKm 13,696 at the end of the year.

Interest rate maturity structure

The average effective interest rate as of 31 December, 2008 was 4.8% (4.4%), while the market interest rate of an equal portfolio was 2.9% (5.0%). The average fixed interest term on the same date was 2.9 years (2.2). To secure a stable and low net cash flow of interest income/costs over time, Castellum has chosen a relatively long fixed interest term. The result is that Castellum's average interest rate normally will be higher than the market interest rate of an equal interest rate portfolio in a market with falling interest rates and lower than the market interest rate in a market with increasing interest rates. Castellum has chosen to work with interest rate derivatives, which is a cost effective and flexible way of extending loans with short term interest rates to achieve the desired fixed interest term. Castellum's interest costs consist of the market interest rate at the time of the loan and a credit margin to the lender, consisting of both a margin for utilized credits and a facility fee or commitment fee for the granted credit volume.

Interests due within 12 months consist of short fixed interests, long fixed interests with a short remaining duration, in some cases derivatives containing options, and fees, such as facility fees and commitment fees.

Interest rate derivatives

According to the accounting standard IAS39, interest rate derivatives are subject to market valuation, which means that there is a theoretical surplus or negative value if the stipulated interest rate varies from the current market rate, where the change in value, in Castellum's case, should be accounted for in the income statement. By fixing the interest rates for a longer period of time, the interest risk on the cash flow is limited, while the risk for changes in value due to the accounting standards increases. Make note that loans with fixed long-term interest rates, which are less flexible, but from a risk and interest rate point of view equals extending the interest rate term by interest rate derivatives, are not subject to market valuation according to present accounting standards.

As of December 31, 2008, the market value of the interest rate derivative portfolio amounted to SEKm –966 as an effect of that the market interest rate for obtaining an interest rate portfolio equal to Castellum's interest rate maturity structure was 2.9%, compared to Castellum's average interest rate of 4.8%.

Opportunities and Risks

Opportunities and risks may roughly be divided into two sections – changes in the cash flow and changes in value.

Opportunities and risks in cash flow

Rental income

Both rental levels as well as vacancies for commercial contracts are mainly depending on the growth in Swedish economy, but are also affected by the level of new construction. Economic growth is considered to lead to increased demand for premises and hence decreasing vacancies, with the potential for increasing market rents, which also provide opportunities for new construction. Stagnation in the economy has the opposite relation. Since the commercial contracts are signed for a certain period of time, a change in the market interest rates does not give an immediate effect on the rental income. The most common term of a new lease is currently 3-5 years with a nine months notice and an index clause linked to the inflation. The average remaining lease duration in Castellum's portfolio is 3.2 years. Castellum's lease portfolio is presently considered to be in line with or below market rents.

The turbulence on the international credit market together with the current economic downturn, mean increased risk for bankruptcies, which may have an immediate effect on rental income. The risk for large changes in vacancies increases with few and large tenants. Castellum has over 4,000 commercial contracts of which the single largest contract accounts for 1% of the total rental income. Castellum's current lease maturity structure together with the lease portfolio's make up of geography, type of premises, sizes and sectors provide a good risk exposure. Vacancies during 2008 amounted to approx. SEKm 323 and make up a potential for possible new leases.

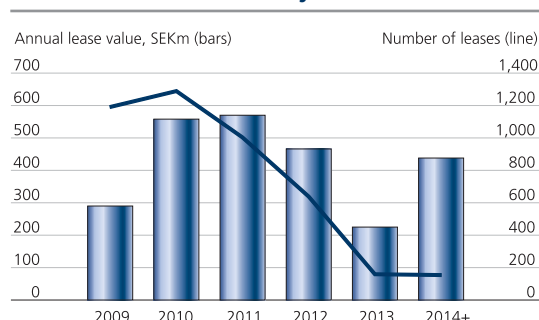
Property costs

Operating costs are largely made up of costs for electricity, cleaning, heating and water, where electricity and heating costs have the largest effect on income. The price of electricity is controlled by supply and demand on the open market for electricity. Castellum limits the risk by hedging a certain amount of electricity. Most of the costs are passed on to the tenants why Castellum's exposure to changes in the costs is relatively limited. Castellum's properties have a good standard and maintenance situation.

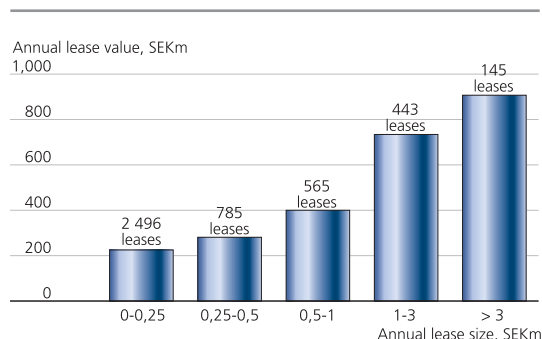
Castellum holds around 50 properties by site leasehold. The ground rent for these is currently calculated in a way that the municipality receives a fair real interest rate based on the estimated market value of the site. The site leasehold is typically renegotiated with 10 to 20 years intervals. It can not be ruled out that the ground rent levels or the basis for the calculation may change in the future.

The real estate tax is a federal tax based on the properties' tax assessment value and completely dependent on political decisions such as tax rate and tax assessment value, which Castellum cannot control. The real estate tax is also passed on to the tenants provided that the premises are not vacant. Since 2008 the owner of the property has to carry the real estate tax cost for vacant premises.

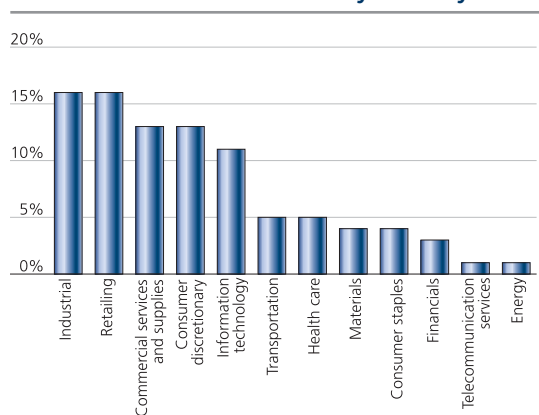
Lease maturity structure



Lease size structure



Distribution of leases by industry



Sensitivity analysis - cash flow

| | Effect on income, SEKm | Probable scenario | |
|---------------|------------------------|-------------------|-----------|
| | +/- 1% (units) | Boom | Recession |
| Rental level | +26/-26 | + | - |
| Vacancies | +28/-28 | + | - |
| Property cost | -8/+8 | - | 0 |
| Interest cost | -29/+29 | - | + |

Sensitivity analysis - change in value

| Properties | -20% | -10% | 0 | +10% | +20% |
|-----------------------|--------|--------|-----|--------|--------|
| Change in value, SEKm | -5,833 | -2,917 | - | +2,917 | +5,833 |
| Borrowing ratio | 63% | 56% | 50% | 46% | 42% |

Value range - simplified example

| | | Net operating income | |
|-------|-------|--|-----------------------------|
| | | - 5% | +5% |
| Yield | +0.5% | $\frac{95}{7.5\%} = 1,267$ | $\frac{105}{7.5\%} = 1,400$ |
| | -11% | <div style="border: 1px solid black; padding: 5px; display: inline-block;"> Net op. inc. $\frac{100}{7.0\%} = 1,429$ Value Yield </div> | |
| | +2% | | |
| | -0.5% | $\frac{95}{6.5\%} = 1,462$ | $\frac{105}{6.5\%} = 1,615$ |

Interest costs

Interest costs is the single largest cost item for Castellum and consists of the market interest rate and a credit margin that the lenders demand in return for their loans.

The conditions on the interest rate market can change quickly. The market interest rate is affected by Riksbanken's monetary policy, the expectations of economic development both internationally as well as nationally and of unexpected events such as the recent credit squeeze. In order to limit this effect the interest rate maturity structure has been spread over different terms and Castellum aims to sign long term credit agreements with fixed margins and fees. The average fixed interest term was 2.9 years and margins and fees in long term credit agreements are fixed with an average duration of 3.2 years. A change in the market interest rate of +/- 1%-unit will affect cash flow by SEKm -29/+29 for 2009.

Taxes

Castellum is affected by political decisions such as changes in the corporate tax rate, real estate tax, the fiscal legislation or interpretations of it. Future income tax reforms or interpretations of these may have both positive as well as negative effects on Castellum's fiscal position.

Summary of opportunities and risks in cash flow

Increasing market interest rates is generally an effect of economic growth and increasing inflation, which is thought to give higher rental income. This is in part due to that the demand for premises is thought to increase leading to reduced vacancies and hence the potential for increasing market rents and in part due to that the index clause in the commercial contracts is compensating the increasing inflation. An economic boom therefore means higher interest costs but also higher rental income, while the opposite relationship is true during a recession. The change in rental income and interest costs does not take place at the exact same time, why the effect on income in the short term may occur at different points in time. Significant economic events can occur from time to time and may need shorter or longer adjustment periods, i.e. the time needed in order to restore an economic equilibrium, which may cause disturbances in the relation above.

Opportunities and risks in values**The value of the properties**

Castellum reports its properties at fair value with changes in value in the income statement. This means that the result in particular but also the financial position may be volatile. Assuming a normal capital market, the value of the properties is determined by supply and demand, where the prices are mainly depending on the properties' expected net operating income and the buyer's required yield. An increasing demand, lower required yields and positive real development in net operating income lead to an upward adjustment in prices, while a weaker demand, higher

required yields and negative real growth has the opposite effect. During 2008, the values have decreased mainly depending on a more moderate outlook for real growth in net operating income during the current recession and the credit crunch following the turbulence in the international credit market. The sensitivity analysis on the side shows how Castellum's loan to value ratio is affected by a change in value of $\pm 10\text{--}20\%$.

A property's market value can only be confirmed when it is sold. Property valuations are calculations performed according to accepted principles and on the basis of certain assumptions. Consideration should therefore be taken to a value range, typically $\pm 5\text{--}10\%$ in a normal market, in order to reflect the uncertainty that exists in assumptions and calculations made. The value range may be wider in a less liquid market. The example shows how the value may vary depending on changes in net operating income of $\pm 5\%$ and changes in the required yield of $\pm 0.5\%$, which together give a value range of $-11\%/+13\%$.

All of Castellum's properties are insured to their full value.

Interest bearing liabilities and financial risk

Property ownership requires a functioning credit market. Castellum's greatest financial risk is to lack access to funding. The risk is limited by a low loan to value ratio and long term credit agreements. Existing credit agreements are regularly reviewed and renegotiated and new credit agreements and types of funding are entered into when needed in order to secure Castellum's need for funding. Loans in banks are secured by pledged mortgages and/or financial covenants. The financial covenants state a loan to value ratio not exceeding 65% and an interest coverage ratio of at least 150%. The covenant of a 65% loan to value ratio may be compared to the actual outcome of 50% at 31 December, 2008, showing that there is room for an additional decrease in value of SEKm 6,693, or 23%.

Castellum has currently an average duration of long term credit agreements of 5.5 years and unutilized long term credit agreements of SEKm 1,702. Counterparty risk may occur if any party cannot meet its obligations. In order to limit this risk Castellum only works with counterparties with high credit ratings (at least investment grade), and limits the share of credit agreements and derivatives signed with each counterparty.

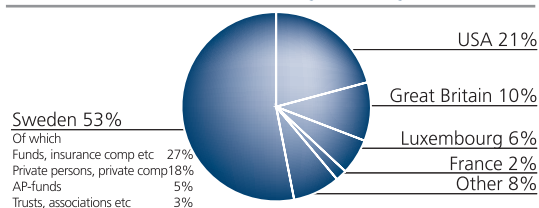
In order to manage the interest rate risk in a cost effective way Castellum uses interest rate derivatives. As the agreed interest rate varies from the market interest rate from time to time there is a theoretical surplus or negative value on the derivatives, which is reported in the income statement. The lesser risk taken in interest payments by signing derivative agreements and extending the fixed interest term, the greater risk taken in the value of the derivatives, since the time factor means greater risk for large changes in value. An upward parallel adjustment of the discounting interest rate used in valuation of the interest rate derivative portfolio at 31 December, 2008 of 1%-unit, would change the value of the interest rate derivative portfolio approx. SEKm 500.



Shareholders on 31-12-2008

| Shareholders | Number of shares | Percentage of voting rights/capital |
|--|--------------------|-------------------------------------|
| Szombatfalvy, László | 10,000,000 | 6.1% |
| AFA Sjukförsäkrings AB | 8,670,184 | 5.3% |
| AMF Pensionsförsäkrings AB | 7,500,000 | 4.6% |
| Andra AP-fonden | 6,623,752 | 4.0% |
| Kåpan Pensioner Försäkringsförening | 2,040,000 | 1.2% |
| AFA Trygghetsförsäkring AB | 1,956,566 | 1.2% |
| Fjärde AP-fonden | 1,926,400 | 1.2% |
| Swedbank Robur Realinvest | 1,586,800 | 1.0% |
| Bengt Norman | 1,215,000 | 0.7% |
| Swedbank Robur Småbolagsfond Sverige | 1,064,800 | 0.6% |
| Gamla Livförsäkringsaktiebolaget | 1,023,000 | 0.6% |
| Swedbank Robur Småbolagsfond Norden | 976,100 | 0.6% |
| Lannebo Småbolag | 945,000 | 0.6% |
| Handelsbanken Småbolagsfond | 863,980 | 0.5% |
| Banco Etisk Sverige | 814,340 | 0.5% |
| Handelsbanken Aktiefond Index | 662,675 | 0.4% |
| SEB Sverigefond | 658,300 | 0.4% |
| Länsförsäkringar Fastighetsfond | 658,284 | 0.4% |
| Livförsäkrings AB Skandia | 628,188 | 0.4% |
| Folksam Ömsidig Livförsäkring | 618,164 | 0.4% |
| SEB Sverigefond Småbolag | 615,300 | 0.4% |
| AFA Arbetsmarknads Försäkrings AB | 594,719 | 0.4% |
| Nordea Allemansfond Alfa | 545,358 | 0.3% |
| Akademiinvest AB | 520,548 | 0.3% |
| Swedish shareholders < 500 000 shares: | | |
| 56 holders, 100 000 - 499 999 shares | 14,628,028 | 8.9% |
| 349 holders, 10 000-99 999 shares | 10,154,317 | 6.2% |
| 2 633 holders, 1 000-9 999 shares | 7,242,003 | 4.4% |
| 3 772 holders, 1-999 shares | 1,735,379 | 1.1% |
| 450 shareholders registered abroad | 77,532,815 | 47.3% |
| Total outstanding shares | 164,000,000 | 100.0% |
| Repurchases shares | 8,006,708 | |
| Total registered shares | 172,006,708 | |

Shareholders distributed by country 31-12-2008



Listed Real Estate Companies



The Castellum Share

Shareholders

At the year-end, Castellum had approx. 7,300 shareholders. The amount of shares registered abroad at the year-end was 47%. Shareholders registered abroad can not be broken down in terms of directly held and nominee registered shares. Castellum has no directly registered shareholder having more than 10%.

Proposed dividend

The Board intends to propose the annual general meeting to decide on a dividend of SEK 3.15 per share, an increase of 5% compared with previous year. The dividend ratio is 74% of income from property management after a 28% tax deduction.

If the annual general meeting decides to accept the Board's dividend proposal, of Tuesday March 31, 2009 as the record day for payment of the dividend, the share will be traded including the dividend up to and including the day of the annual general meeting, Thursday March 26, 2009.

Payment of the dividend is expected to take place on Friday April 3, 2009.

The dividend falls within Castellum's objective of distributing at least 60% of income from property management after tax, having taken into account investment plans, consolidation needs, liquidity and financial position in general. Unrealized changes in value, positive or negative, are thus not included in the distributable result.

Share capital, number of shares and repurchase

The share capital amounts to SEKm 86, distributed among 172,006,708 A-shares with a par value of SEK 0.50 per share. Each share, except the company's own repurchased shares, entitles the holder to one vote and carries an equal right to a share in Castellum's capital.

Changes in the share capital and the amount of shares over time are displayed in note 14.

During 2000, Castellum repurchased 8,006,708 of the company's own shares for a total of SEKm 194, equivalent to 4.7% of the total registered number of shares. Since then no repurchases of the company's own shares have been made. As repurchasing is a good method of adapting the capital structure to the capital requirements from time to time, the Board will propose to the AGM extended to decide on an mandate to repurchase shares until the next AGM. This mandate provides the facility to repurchase a maximum of 10% of the number of registered shares in the company, i.e. a further 9.2 million shares in addition to the previously repurchased shares.

The number of outstanding shares, i.e. the number of registered shares less the number of repurchased shares, thus totals 164,000,000.

The Castellum share is listed on NASDAQ OMX Stockholm AB Large Cap.

Listed real estate companies

The total market capitalization of Swedish real estate companies operating solely in this field was approx. SEK 60 billion at the year-end, equivalent to approx. 3% of the total market capitalization of listed Swedish companies totalling approx. SEK 2,300 billion. Castellum's market capitalization, i.e. the value of all outstanding shares in Castellum, amounted to SEK 10 billion as at December 31, 2008.

During 2008, a total of 218 million shares were traded, equivalent to an average of 866,000 shares per day, corresponding on an annual basis to a turnover rate of 133%.

Growth, yield and financial risk

The Castellum share price at the year-end was SEK 60.75. During 2008, the total yield of the share, including dividend of SEK 3.00, was –5%. Growth, yield and financial risk are shown below for both the present year as well as the average for three and ten years. The average over a number of years is important considering the fact that changes in value on properties may vary between different years.

| | 2008 | 3 years average/year | 10 years average/year |
|--|-------|-------------------------|--------------------------|
| Growth | | | |
| Income from property management SEK/share | 5% | 6% | 13% |
| Net income for the year after tax SEK/share | neg | – | – |
| Net asset value SEK/share | – 12% | 5% | 10% |
| Dividend SEK/share | 5% | 6% | 13% |
| Real estate portfolio SEK/share | 5% | 11% | 12% |
| Yield | | | |
| Return on net asset value | – 8% | 8% | 11% |
| Return on total capital | 1% | 7% | 8% |
| Financial risk | | | |
| Interest coverage ratio | 255% | 295% | 268% |
| Loan to value ratio | 50% | 46% | 46% |
| Total yield of the share (incl. dividend) | | | |
| Castellum | – 5% | – 1% | 14% |
| NASDAQ OMX Stockholm (SIX Return) | – 39% | – 6% | 5% |
| Real estate index Swedish (EPRA) | – 21% | – 3% | 15% |
| Real estate index Europe (EPRA) | – 49% | – 19% | 4% |

Valuation - share price related key figures

Earnings capacity

Income from property management before tax for 2008 amounted to SEK 5.93 per share, which compared to the share price at the year-end gives a multiple of 10.

Net income for 2008 amounted to SEK –4.04 per share, which gives a negative multiple.

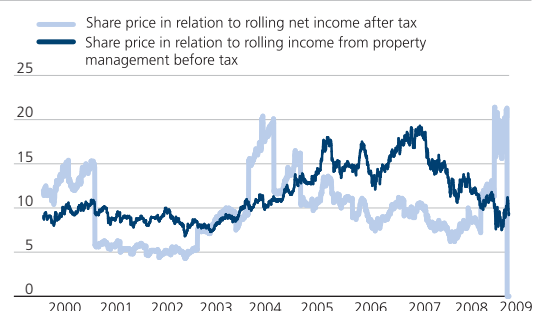
Net asset value

When assets and liabilities are valued at fair value the net asset value can be calculated using shareholders' equity in the balance sheet. However, consideration should be taken to that the effective tax is lower than the reported 26,3% nominal tax rate, in part due to the possibility to sell properties in a tax efficient way, and in part due to the time factor for which the tax should be discounted. The present assessment is that the discounted real deferred tax liability amounts to approx. 5%, which means a net asset value of SEKm 12,305 corresponding to SEK 75 per share. The share price at the year-end was thus 81% of the net asset value. An uncertainty range of +/- 5% in property valuations has an effect on the net asset value of +/- SEKm 1,385, corresponding to SEK 8 per share.

Dividend yield

The proposed dividend of SEK 3.15 corresponds to a yield of 5.2% based on the share price at the year-end.

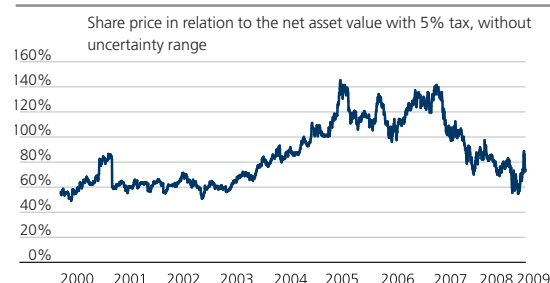
The share's earnings multiple



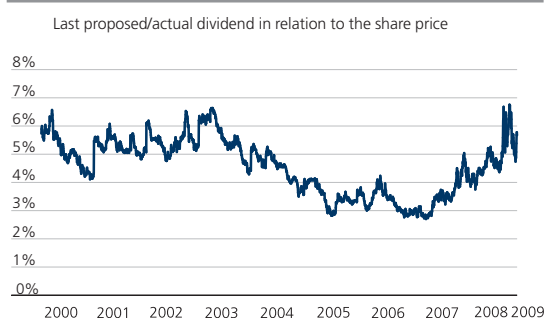
Net asset value

| | SEKm | SEK/ share |
|---|---------------|---------------|
| Equity according to the balance sheet | 10,049 | 61 |
| Reversed 26.3% deferred tax | 2,785 | 17 |
| Pre tax net asset value | 12,834 | 78 |
| Estimated real liability deferred tax 5% | – 529 | – 3 |
| Net asset value | 12,305 | 75 |
| Uncertainty range in property valuations +/- 5% after tax | +/- 1,385 | +/- 8 |

Share price/net asset value



The share's dividend yield

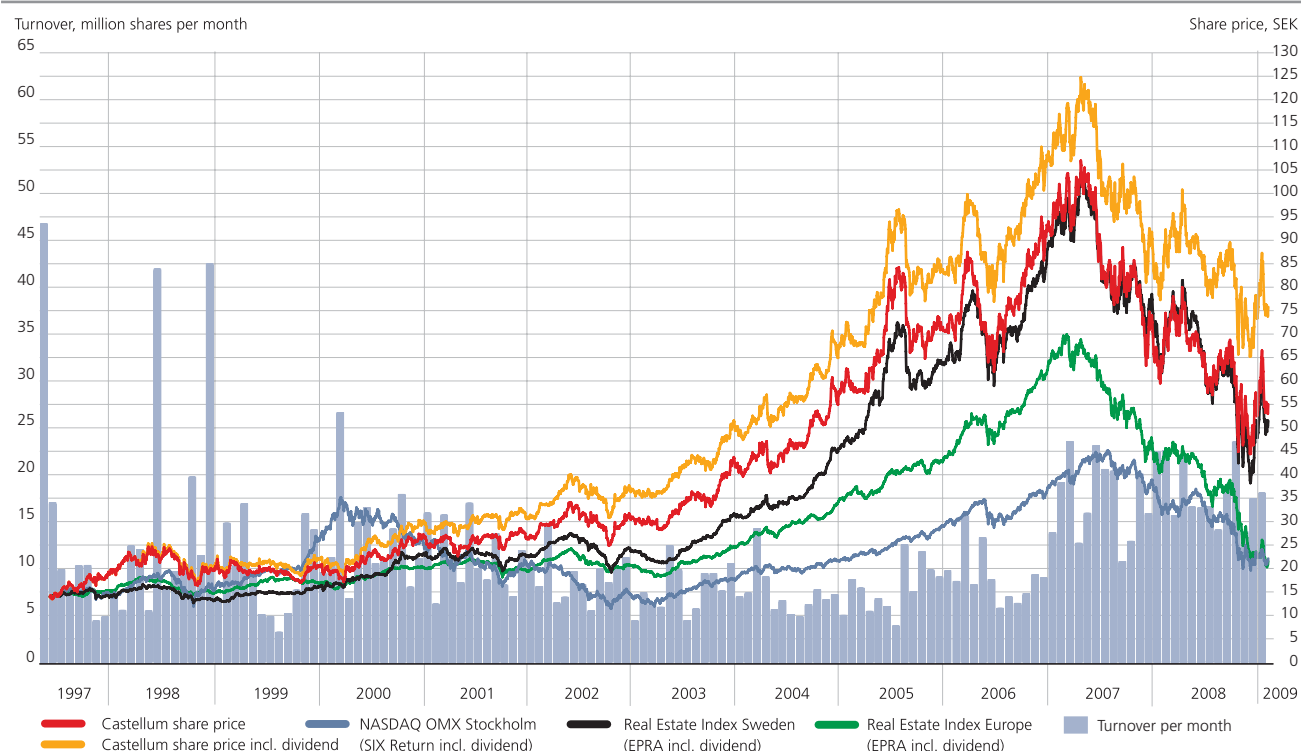


Ten year summary

| | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------------------|---------|
| Share price, SEK | | | | | | | | | | |
| last paid during the last day for trading | 60.75 | 67.25 | 91.25 | 71.50 | 59.50 | 42.50 | 30.50 | 27.13 | 26.00 | 20.75 |
| highest paid during the year | 80.00 | 107.00 | 95.50 | 85.00 | 60.75 | 45.13 | 34.25 | 28.75 | 27.75 | 22.00 |
| lowest paid during the year | 41.40 | 62.00 | 56.50 | 55.00 | 39.38 | 28.25 | 24.63 | 22.63 | 17.00 | 16.63 |
| average (high/low per day) | 63.42 | 87.55 | 78.54 | 68.29 | 47.32 | 33.86 | 29.78 | 25.95 | 22.36 | 19.41 |
| Dividend, SEK (for 2008 proposed) | 3.15 | 3.00 | 2.85 | 2.62 | 2.38 | 2.13 | 1.88 | 1.63 | 1.38 | 1.13 |
| The share's dividend yield | 5.2% | 4.5% | 3.1% | 3.7% | 4.0% | 5.0% | 6.1% | 6.0% | 5.3% | 5.4% |
| Dividend ratio | 74% | 74% | 73% | 73% | 73% | 72% | 69% | 68% | 72% | 73% |
| Total yield, the Castellum share | - 5.2% | - 23.2% | 31.3% | 24.2% | 45.0% | 45.5% | 18.4% | 9.6% | 31.9% ¹⁾ | -1.7% |
| Real Estate Index Sweden (EPRA) | - 21.4% | - 18.5% | 35.8% | 40.2% | 48.8% | 32.5% | 3.2% | -2.2% | 42.1% | 19.4% |
| Real Estate Index Europe (EPRA) | - 48.8% | - 32.2% | 49.4% | 25.8% | 41.7% | 21.4% | 2.3% | -0.6% | 17.4% | 13.3% |
| NASDAQ OMX Stockholm (SIX Return) | - 39.0% | - 2.6% | 28.1% | 36.3% | 20.8% | 34.2% | -35.9% | -14.8% | -10.8% | 69.8% |
| Number of shares, thousand | | | | | | | | | | |
| average | 164,000 | 164,000 | 164,000 | 164,000 | 164,000 | 164,000 | 164,000 | 164,000 | 186,512 | 200,000 |
| outstanding | 164,000 | 164,000 | 164,000 | 164,000 | 164,000 | 164,000 | 164,000 | 164,000 | 164,000 | 200,000 |
| registered | 172,008 | 172,008 | 172,008 | 172,008 | 172,008 | 172,008 | 172,008 | 172,008 | 172,008 | 200,000 |
| Number of shareholders | 7,300 | 7,300 | 7,700 | 7,900 | 8,900 | 8,800 | 8,300 | 7,100 | 7,100 | 7,100 |
| Percentage of shareholders registered abroad | 47% | 49% | 53% | 46% | 37% | 33% | 31% | 34% | 44% | 42% |
| Market capitalization, SEKm | 9,963 | 11,029 | 14,965 | 11,726 | 9,758 | 6,970 | 5,002 | 4,448 | 4,264 | 4,150 |
| Turnover, thousand shares per year | 218,304 | 207,442 | 107,710 | 93,268 | 86,289 | 92,067 | 107,587 | 132,720 | 156,742 | 113,152 |
| Turnover, thousand shares per day on average | 866 | 830 | 429 | 369 | 341 | 370 | 430 | 531 | 624 | 449 |
| Turnover rate per year | 133% | 126% | 66% | 57% | 53% | 56% | 66% | 81% | 84% | 57% |
| Income from property management per share, SEK | 5.93 | 5.63 | 5.38 | 5.00 | 4.52 | 4.07 | 3.77 | 3.30 | 2.65 | 2.15 |
| Share price/pre tax income from property management per share | 10.2 | 11.9 | 17.0 | 14.3 | 13.2 | 10.4 | 8.1 | 8.2 | 9.8 | 9.7 |
| Net asset value per share, SEK (with 5% tax, without uncertainty range) | 75 | 85 | 76 | 65 | 57 | 52 | 50 | 48 | 48 | 35 |
| Share price/Net asset value | 81% | 79% | 120% | 110% | 104% | 82% | 61% | 57% | 54% | 59% |

1) Including an average value of SEK 0.25 for redemption rights.

The Castellum share's price trend and turnover since IPO May 23, 1997 until January 28, 2009



Investor relations

Castellum's objective is to continuously provide frequent, open and fair reporting on the company's real estate portfolio, results and financial position to shareholders, the capital market, the media and other interested parties, yet without disclosing any individual business relations.

Investor relations are based above all on quarterly financial reports, press releases on significant commercial events and presentations of Castellum.

During the year, a large number of presentations of Castellum were held at meetings with investors and analysts, and at investment meetings both in Sweden and abroad. The large share of foreign shareholders means that there are extensive contacts with foreign investors.

Some 20 Swedish and foreign stockmarket analysts track the development of both Castellum and the Swedish real estate sector.

Press releases

| | |
|------------|--|
| 2009-01-21 | Improved income from property management and increased dividend, but changes in value cause reported loss |
| 2009-01-19 | The Election Committee's proposal regarding the board of directors etc of Castellum AB |
| 2008-12-05 | The subvalue in the interest rate derivatives portfolio increases at the same time as the interest rate cost fall |
| 2008-10-16 | Improved cashflow, but continued write downs on properties |
| 2008-09-18 | Castellum invests SEKm 434 |
| 2008-07-16 | Growth in income from property management and good net leasing but continued write downs on properties |
| 2008-06-26 | Castellum invests SEKm 950 |
| 2008-04-16 | Good growth in Castellum's income from property management but the trend of increasing prices on properties is broken |
| 2008-03-27 | Annual General Meeting in Castellum AB |
| 2008-03-11 | Castellum invests SEKm 238 |
| 2008-02-25 | Invitation to the AGM in Castellum AB |
| 2008-02-08 | The Swedish version of Castellum's Annual Report 2007 is now available on www.castellum.se |
| 2008-01-23 | Castellum's income from property management improved by 5% and a dividend of SEK 3.00 is proposed |
| 2008-01-09 | The Election Committee's proposals regarding members to the Board of Directors and Auditors in Castellum AB |
| 2008-01-09 | Castellum invests SEKm 399 |

All press releases, quarterly reports and annual reports, both in Swedish and English, are available immediately after publication on www.castellum.se. On the website, it is possible to subscribe to Castellum's press releases and quarterly reports. Other information about Castellum, such as the real estate portfolio and continuous updates of the Castellum share price are also disclosed on the website.



Corporate Governance



Idémannen 2, Linköping

Corporate governance covers the different means of decision making by which the shareholders directly and indirectly control the company. A high level of transparency in the information to shareholders and the capital market helps the decision making process run efficiently and provide different owners good insight into the operations of the company. Corporate governance has evolved through laws, recommendations, the so called "code", and through self regulation.

Articles of association

The name of the company is Castellum Aktiebolag and the company is a public limited company. The registered office of the Board is in Gothenburg.

The objective of the company's activities is to acquire, administer, develop and sell real estate and securities – directly or indirectly through wholly or partially owned companies – and to carry out other activities compatible with these. Changes in Castellum's articles of association are made in accordance with the regulations of the Companies Act. The articles of association, which also includes information on share capital, number of board members and auditors as well as rules for summons and agenda for the annual general meeting is available on the company's web site.

Annual general meeting 2008

According to the Companies Act the annual general meeting is the highest decision making forum in a public limited company. The annual general meeting elects the Board of Directors and the company's auditors as well as makes decisions on changes in the articles of association and on changes in the share capital.

The latest AGM was held on March 27 2008 in RunAn, Chalmers Kårhus in Gothenburg. At the AGM approx. 310 shareholders were present, representing 30.10% of the total number of shares and votes.

The AGM adopted the financial reports for 2007 and discharged the Board of Directors and the Chief Executive Officer from liability regarding the operations for 2007.

Dividend to the shareholders was decided according to the Board's proposal of SEK 3.00 per share.

The AGM decided that the Board of Directors shall consist of seven board members with no deputies and that the Board shall receive a fixed remuneration of SEK 1,740,000 of which SEK 450,000 to the Chairman of the Board and SEK 215,000 to each of the remaining board members. To the Board of Directors Jan Kvarnström, Marianne Dicander Alexandersson, Per Berggren, Ulla-Britt Fräjdin-Hellqvist, Christer Jacobsson, Göran Lindén and Mats Wäppling were elected. The AGM appointed Jan Kvarnström as Chairman of the Board.

The AGM decided to approve the Board's proposed guidelines for remuneration to the executive management.

The AGM also decided to authorize the Board – for the purpose of adjusting the company's capital structure – to acquire the company's own shares, up to 10% of all shares in the company.

Minutes of the annual general meeting held on March 27 2008 is available on the company's web site.

Share capital

The share capital amounts to SEK 86,003,354, distributed among 172,006,708 shares with a par value of SEK 0.50. Each share, except the company's own repurchased shares of 8,006,708, entitles the holder to one vote and carries an equal right to a share in Castellum's capital. Castellum has no directly registered shareholder owning more than 10%.

Board of Directors

According to the articles of association, Castellum's Board shall consist of no less than four and no more than eight members. Board members are elected at the annual general meeting for the time until the end of the first annual general meeting held after the year the board member was elected. During 2007, the Board was made up of seven regular members. The Board works according to a set of procedural rules containing instructions on the allocation of work between the Board and the CEO. No board member is entitled to remuneration if leaving the assignment.

New board members receive an introduction of the company and its operations and take the stock exchange's training program according to the agreement with the stock exchange. The Board receives information of regulatory changes and issues concerning the operations and board responsibilities for a listed company regularly.

For Board decisions the rules of the Companies Act applies stating that at least half of the board members present and more than one third of the total number of board members must vote in order for a decision to be made. On equal count the Chairman has the deciding vote.

The Board of Directors responsibility

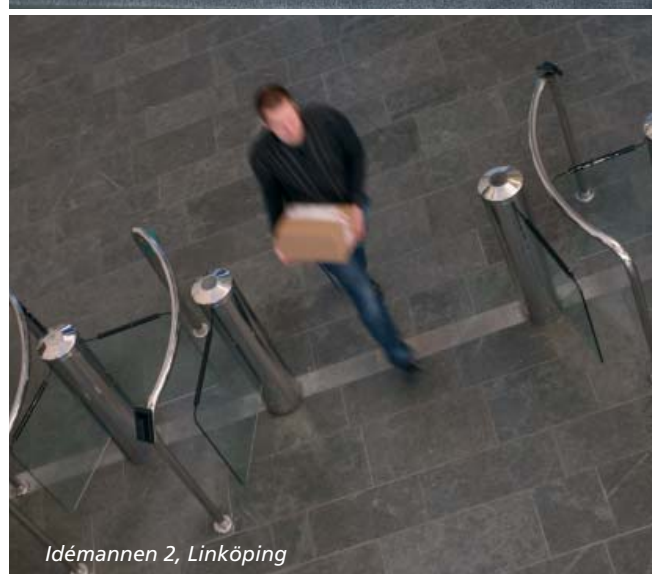
The Board appoints the company's Chief Executive Officer and sets remuneration and other terms of employment benefits for the CEO. According to the Swedish Companies Act and the Board of Directors' rules of procedure the Board is responsible for outlining overall, long-term strategies and objectives, budget and business plans, review and establish the accounts, as well as making decisions on issues regarding investments and significant changes in Castellum's organization and operations.

The Board of Directors' rules of procedure

The Board of Directors' rules of procedure is set annually. The rules of procedure describes the work of the Board and the distribution of responsibility between the Board and the Chief Executive Officer. The rules of procedure states which topics should be dealt with at each board meeting and instructions regarding the financial reporting to the Board of Directors. The rules of procedure also prescribes that the Board shall have an audit committee and a remuneration committee made up of all members of the Board who are not employed by the company. The Chairman of the committees shall be the Chairman of the Board of Directors.

The Chairman of the Board of Directors

The Chairman of the Board of Directors is responsible for making sure that the members of the Board regularly receive the information needed from the Chief Executive Officer in order to follow up on company's financial position, results, liquidity, financial planning and development. The Chairman of the Board of Directors is also obliged to fulfil decisions made by the Annual General Meeting regarding establishing an election committee and to take part in the work of the committee.



Idémannen 2, Linköping

The Board of Directors' activities During 2008

During 2008, Castellum's Board have held eight meetings of which one was an inaugural meeting. According to the prevailing procedural rules, the Board must hold at least five scheduled board meetings each calendar year.

Board meetings are held in connection with the publication of the company's reports, the year-end and proposed appropriation of profits are being dealt with in January, interim accounts in April, July and October, and the budget for the next year at the meeting held in December.

At each of the scheduled board meetings, matters of significance for the company, such as investments and sales of properties as well as funding covered. Furthermore, the Board is informed about the current state of operations, the rental and real estate markets as well as the stock and credit markets.

The regular matters dealt with by the Board during 2008 included the business plan, company-wide policies, overall strategies, the procedural rules for the Board, the capital structure and funding needs, and the company's insurance situation. The Board has made an annual evaluation of its work which has been put together by the Secretary to the Board commissioned by the Board. The evaluation has been handed to the Election Committee and the Board for discussion. The evaluation covers topics such as working climate, working procedures, follow-up and control, composition and communication with owners.

No other compensation beside the remuneration has been paid.

Remuneration Committee

The Remuneration Committee shall propose guidelines for remuneration to executive management which shall be presented to the AGM for decision. Further, the Remuneration Committee shall decide on remuneration for the Chief Executive Officer and other senior executives within the guidelines decided by the AGM. The Remuneration Committee shall annually evaluate the work of the Chief Executive Officer and deal with issues concerning appointing a Chief Executive Officer. The Remuneration Committee shall meet at least twice a year. During 2008, the Committee has held two meetings.

Audit Committee

The Audit Committee's tasks are to take responsibility for the company's internal control, accounting principles, risk management, financial reporting, auditing and prepare for the election committee's process for election of auditors and their remuneration as well as secure a qualified independent review of the company. The Audit Committee shall meet at least three times a year, of which at least twice with the company's auditors present. At one of the occasions when the Audit Committee meets with the auditors no member of the executive management shall be present. During 2008, the Committee has held three meetings.

Board of Directors, number of meetings and attendance during 2008 in Castellum AB

| Name | Elected | Independent | Attendance of the total number of meetings | | | |
|---------------------------------|---------|-------------|--|-----------------|------------------------|----------------------------|
| | | | Board meetings | Audit Committee | Remuneration Committee | Remuneration, SEK thousand |
| Jan Kvarnström | 1994 | No* | 8 av 8 | 3 av 3 | 2 av 2 | 450 |
| Per Berggren | 2007 | Yes | 8 av 8 | 3 av 3 | 2 av 2 | 215 |
| Marianne Dicander Alexandersson | 2005 | Yes | 8 av 8 | 3 av 3 | 2 av 2 | 215 |
| Ulla-Britt Fräjdin-Hellqvist | 2003 | Yes | 8 av 8 | 3 av 3 | 2 av 2 | 215 |
| Christer Jacobson | 2006 | Yes | 8 av 8 | 3 av 3 | 2 av 2 | 215 |
| Göran Lindén | 1999 | Yes | 8 av 8 | 3 av 3 | 2 av 2 | 215 |
| Mats Wäppling | 2007 | Yes | 8 av 8 | 3 av 3 | 2 av 2 | 215 |

* Member of the Board of Directors in Castellum since 1994

Board of Directors

Jan Kvarnström

Chairman of the Board

Born 1948, Master of Business Administration and Economics and MBA. Partner in ERC.

Has previous experience from different executive positions in the Bonnier-group and PK-banken (now Nordea) etc. and as CEO of Securum AB, Esselte AB and Dresdner Bank AG. Other assignments: Chairman of the Board of PA Resources AB, Collector AB and senior adviser in Investcorp. Shareholdings: 13,600



Per Berggren

Boardmember

Born 1959, Master of Science and economic education from Stockholm University.

Present CEO of Jernhusen AB. Previously division manager in Faberge AB, CEO of Drott Kontor AB and property manager in Skanska Fastigheter Stockholm AB. Other assignments: Director of Ny Nationalarena i Solna AB. Shareholdings: 1,100



Marianne Dicander Alexandersson

Boardmember

Born 1959, Master of Science. Deputy CEO of Apoteket AB.

Previous positions within Volvo, ICI, Pharmacia and latest as CEO of Kronans Droghandel AB. Other assignments: Director of Chalmers University of Technology, Confederation of Swedish Enterprise and WHO's Uppsala monitoring center. Shareholdings: 24



Ulla-Britt Fräjdin-Hellqvist

Boardmember

Born 1954, Master of Science. Own operations in Fräjdin & Hellqvist AB.

Previous executive positions within Volvo Personvagnar and Head of Department in Confederation of Swedish Enterprise. Other assignments: Chairman of the Board of SinterCast AB, Stiftelsen för Strategisk Forskning and Ruter Dam. Director of Kongsberg Automotive, Svedberg i Dalstorp AB, Rymsbolaget, Friskvårds-Checken, 4cycle and e-man. Shareholdings: 800



Christer Jacobson

Boardmember

Born 1946, Master of Business Administration and Economics DHS. Own operations in Bergsrådet Konsult & Förvaltning AB.

Previously stock commentator and market manager at Affärsvärlden and Head of Analysis and CEO of the Alfred Berg-group. Shareholdings: 0.



Göran Lindén

Boardmember

Born 1944, Bachelor of Business Administration and Economics. Has been CEO of ABBA AB, BCP AB, Fortos AB, Swedish Match AB and deputy CEO of Procordia AB and member of the executive board in AB Volvo.

Other assignments: Chairman of the Board of Insplanet AB, Procordia's retirement fund, Rölunda AB, Flodins Filter AB, Retail House Oy and Västana Slott AB and Director of Wicanders Förvaltnings AB, Plockmatic Int. AB and Grimaldi Industrier AB. Shareholdings: 0.



Mats Wäpling

Boardmember

Born 1956, Master of Science. Present CEO of SWECO AB.

Previous positions as deputy CEO of NCC AB and manager of NCC Property Development and deputy CEO and division manager within Skanska AB. Shareholdings: 0.



Johan Ljungberg

Secretary to the Board

Born 1974 Secretary to the Board since 2008.

Lawyer, Mannheimer Swartling Advokatbyrå. Shareholdings: 0

The information above refers to the situation in the beginning of February 2009. Shareholdings include own holdings and those of spouse, minors or children living at home and associated companies.



Carl Lindgren
Born 1958.
Company's auditor since 2007.



Ingemar Rindstig
Born 1949.
Company's auditor since 2003.



Conny Lysér
Born 1962.
Company's deputy auditor
since 2003.

Audit

Castellum's auditors are elected by the AGM for a period of four years. The present period began in 2007 and the next election will therefore take place at the AGM in 2011. The company's auditors are Carl Lindgren, working at KPMG, Ingemar Rindstig, working at Ernst & Young and deputy auditor Conny Lysér, working at KPMG, all of them are authorized public accountants.

Remuneration to auditors

Remuneration to auditors during the year was SEK 3,896,000 (2007: 3,977,000 2006: 3,492,000) of which SEK 2,612,000 (2007: 2,117,000 2006: 1,942,000) related to auditing assignments and the remainder to consulting. The corresponding amounts for the parent company were SEK 979,000 (2007: 1,058,000 2006: 787,000) and 708,000 (2007: 682,000 2006: 562,000). Of the group's total remuneration of SEK 3,896,000 (2007: 3,977,000 2006: 3,492,000), SEK 3,637,000 (2007: 3,851,000 2005: 3,346,000) refer to KPMG and the remainder to Ernst & Young.

Election Committee

The Annual General Meeting 2008 decided that an election committee should be appointed for the AGM 2009 in order to present proposals for the number of members of the Board of Directors, election of members of the Board of Directors and chairman of the Board of Directors and remuneration to members of the Board of Directors.

The election committee is appointed according to the AGM's decision that the election committee should be established by the Chairman contacting the three largest shareholders at the end of the third quarter in order for them to each appoint one member to the election committee. The appointed members, together with the Chairman of the Board of Directors as convener, should constitute the election committee. It was also decided that the election committee would appoint a chairman amongst its members.

The election committee formed includes: Maj-Charlotte Wallin representing AFA Försäkring, Lars-Åke Bokenberger representing AMF Pension, Carl Rosén representing Andra AP-fonden, and the Chairman of the Board Jan Kvarnström. Maj-Charlotte Wallin is the chairman of the election committee.

The election committee has held three meetings with minutes. At the meetings the election committee has addressed all the issues the election committee are obliged to address according to the Swedish Code for corporate governance. The election committee has evaluated if the current Board of Directors meet the requirements that will be put on the Board as an effect of Castellum's situation and future operations, e.g. by reviewing the evaluation made of the work of the Board.

The election committee has decided to propose re-election of the Boardmembers Jan Kvarnström, Per Berggren, Marianne Dicander Alexander-sson, Ulla-Britt Fräjdin-Hellqvist, Christer Jacobson and Göran Lindén. Jan Kvarnström is proposed as chairman of the Board. Mats Wäppling has declined re-election. The proposed Board of Directors is considered to possess the versatility and competence, experience and background required with respect to Castellum's business, phase in the development and other circumstances.

In order to be able to judge the proposed boardmembers independency in relation to Castellum and its executive management as well as to the larger shareholders in Castellum, the election committee has gathered information on the proposed members of the Board of Directors. Out of this, the election committee has assessed that only Mr Jan Kvarnström, member of the Board of Directors since 1994, is to be considered in a position of dependence in relation to Castellum and its executive management.

Remuneration to the Board of Directors is proposed to remain unchanged, SEK 450,000 to the Chairman and SEK 215,000 for each of the remaining board members, SEK 1,525,000 in total.

Finally, the Election Committee has informed Castellum about the work of the Election Committee and which proposals the Election Committee has decided to put forward.

The Annual General Meeting 2009

For the AGM on March 26, 2009 the Board of Directors proposes:

- a dividend of SEK 3.15 per share and March 31, 2009 as record day,
- guidelines for remuneration to members of the executive management,
- a renewed mandate for the Board to decide on purchase or transfer of the company's own shares.

For the AGM the election committee proposes:

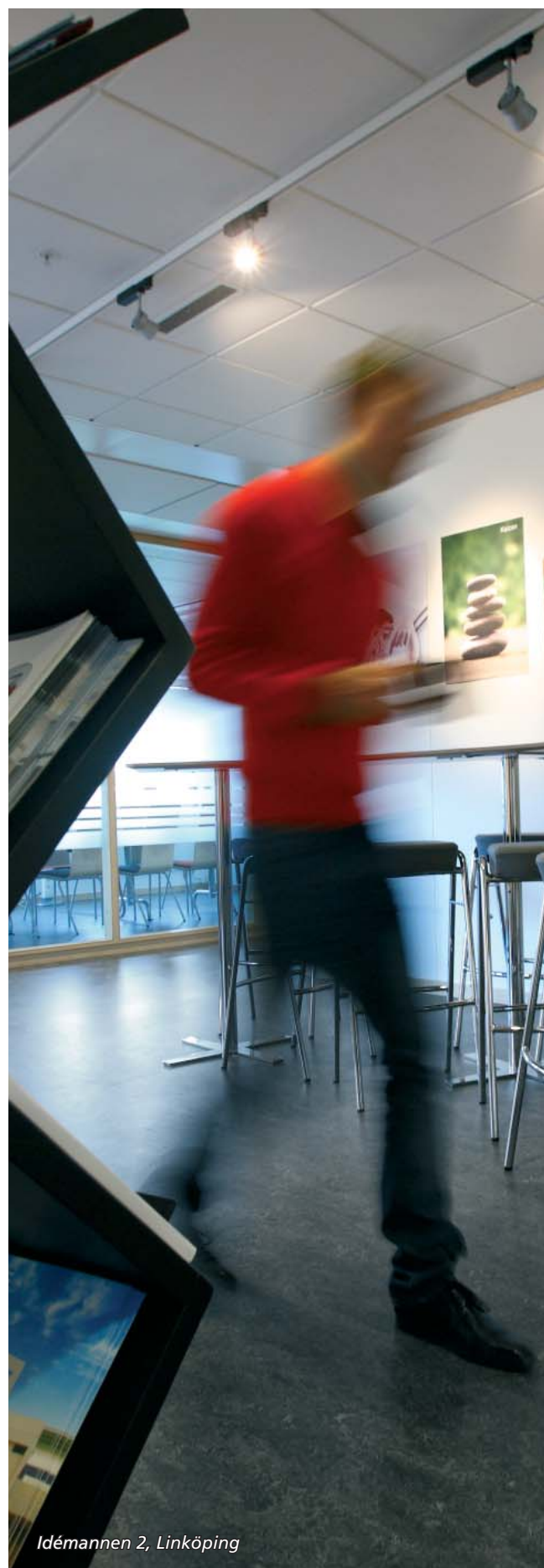
- that the number of board members shall be six,
- that remuneration to the Board of Directors should be SEK 1,525,000 out of which SEK 450,000 should be allocated to the Chairman of the Board and SEK 215,000 to each one of the remaining members of the Board of Directors. The remuneration include work on the committees,
- re-election of the board members Jan Kvarnström, Per Berggren, Marianne Dicander Alexandersson, Ulla-Britt Fräjdin-Hellqvist, Christer Jacobson and Göran Lindén and, that Jan Kvarnström shall be re-elected as Chairman of the Board of Directors,
- for AGM to decide on appointing an election committee for the AGM 2010 and for the Chairman to contact the three largest registered or in an other way known shareholders at the end of the third quarter 2009 and invite them to each appoint one member to the election committee, and that the three appointed members together with the Chairman of the Board of Directors shall constitute the election committee. The election committee will appoint a chairman amongst its members.

Swedish code for corporate governance

Castellum applies the code which purpose is to create good preconditions for practicing the role of an active and responsible ownership. The code is meant to make up one step in the self-regulation of the Swedish business environment. It is based upon the principle comply or explain, meaning that all rules must not always be followed and there is no crime in deviating from one or more particular rules of the code if there are motives and explanations. Swedish code for corporate governance is conducted by the Swedish Corporate Governance Board and is found on www.bolagsstyrning.se.

Castellum deviates from the paragraph, "making the members of the election committee public", which according to the code shall be made six month prior to the AGM. The AGM 2008 decided, according to previous practice, that an election committee should be established at the end of the third quarter, and that the names of the members of the election committee should be published in the company's third interim report for the year. According to this composition of the election committee was published approximately five months prior to the AGM.

Since the Corporate Governance Report, which is made up of the section corporate governance pages 60-69, is an important report Castellum has chosen to include this in the Directors' Report. Hence, the Corporate Governance Report, excluding the section about internal control, is included in the regular audit of the annual report.



Idémannen 2, Linköping

Internal control

According to the Swedish Companies Act and Swedish code for corporate governance the Board of Directors is responsible for the internal control. This report has been drawn up in accordance with the Swedish code for corporate governance and is hence limited to internal control regarding the financial reporting.

The internal control in Castellum follows an established framework, Internal Control – Integrated Framework, "COSO", comprising the following five components: control environment, risk assessment, control activities, information and communication, and monitoring.

Control environment

The basis for the internal control regarding the financial reporting is made up of the control environment, which consists of different parts that together form the culture and values Castellum is managed from. The fundamentals for Castellum's internal control is the decentralized small-scale organization with over 600 properties, as well as cost centres, which are managed by six subsidiaries, each with approx. 30-40 employees. The decision making processes, authorizations and responsibilities which have been drawn up and communicated in documents such as the Board of Directors' rules of procedure, rules for decision making, rules for authorization, accounting and reporting manuals, internal policies and manuals are also important for the internal control. Documents in use are updated regularly to changes in legislation, accounting standards or listing requirements etc.

Risk assessment

In Castellum risk management is built into the processes and different methods are used to evaluate and limit risks and to secure that the risks Castellum is exposed to are managed in accordance with set policies and guidelines. In accordance with the rules of procedure, the Board of Directors, also the audit committee, reviews the internal control once a year. Identified risks are assessed and measures are set to reduce these risks. The important risks Castellum has identified in the financial reporting are errors in the accounting and valuation of properties, interest bearing liabilities, taxes and VAT, as well as the risk of fraud, loss or embezzlement of assets.

Control activities

The risks identified regarding the financial reporting are taken care of by the company's structure for control resulting in a number of control measures. The control measures aim to prevent, discover and correct errors and deviations and comprise analytical reviews on many levels in the organization and comparisons of income statement items, reconciliation of accounts, follow-up and reconciliation of board decisions and policies set by the board, authorization and reporting of business transactions, structure for proxy and authorization, authorized signatory, compliance officer function, group-wide definitions, templates, tools for reporting as well as accounting and valuation principles.

Castellum's subsidiaries have their own financial functions which take part in the planning and follow-up of their units' financial results. Their regular analysis of their own units' financial reporting are together with the analysis made at group level an important part of the internal control in order to ensure that the financial reporting do not contain any significant errors.

Information and communication

Castellum has ways for information and communication that aim to ensure an effective and correct distribution of information regarding the financial reporting. This demands that all parts of the operation communicate and share relevant and important information. Policies and guidelines regarding the financial reporting as well as updates and changes are made available and aware to the personnel concerned. The executive management as well as the Board of Directors regularly receive financial information about the subsidiaries with comments on financial results and risks. The Board of Directors also receives additional information regarding risk management, internal control and financial reporting from the auditors through the audit committee. In order to ensure that the external distribution of information is correct and complete there are both a policy for communicating with the stock market and an information security policy.

Monitoring

Regular follow-ups take place on many levels in the group, on both property level and subsidiary level as well as group level. The Board of Directors, which also makes up the audit committee, regularly evaluates the information provided by the company management and the auditors. The company's auditors also report in person directly to the audit committee at least twice a year of their observations from the audit and their assessment of the internal control. In addition the audit committee makes an annual review of the risk assessments and the decided measures. The audit committee's and the Board of Directors' monitoring are of particular importance for the development of the internal control and for ensuring that measures are taken for possible shortcomings and suggestions that emerge.

The need for internal audits

Castellum has a small scale organization with approx. 30-40 employees in each company which together manages over 600 cost centres. All property management are run by the subsidiaries while financial management is taken care of by the parent company's treasury department, meaning that Castellum AB is not a profit centre. This gives the financial function of the parent company the role of a controlling function for the subsidiaries and a compliance officer function for the treasury department. In all this provides for the assessment that there is no need for a special unit for internal audits.



Idémannen 2, Linköping

Executive Group Management

The executive group management includes the Chief Executive Officer, the Deputy Chief Executive Officer with responsibility for business development, the Financial and Finance Directors of Castellum AB and the six Managing Directors of the subsidiaries. Each member of the executive group management has their own area of responsibility and at the meetings mostly issues of overall operations are covered. The executive management has had 12 meetings in 2008.

The Chief Executive Officer

The Chief Executive Officer is responsible for the company's day-to-day operations and for leading the operations according to the guidelines and directives submitted by the Board of Directors and for providing the Board with information and necessary basis for decision making. The Chief Executive Officer also reports at the Board meetings and shall make sure that members of the Board regularly receive the information needed in order to follow the company's and the group's financial position, results, liquidity, and development.

Guidelines for remuneration for Senior Executives

The AGM 2008 decided on the following guidelines for remuneration for senior executives:

Castellum shall uphold the remuneration levels and terms of employment required in order to recruit and maintain a good management with competence and capacity to achieve set objectives. The remuneration and other terms of employment for the management shall thus be adjusted to the market conditions. A fixed salary will be paid for work performed in a satisfactory manner.

In addition, flexible remunerations may also be offered, in order to reward clearly goal referenced achievements by simple and transparent constructions. The flexible remuneration of the management shall generally not exceed the fixed salary. The flexible remuneration of the management shall depend upon the extent to which set goals have been fulfilled. The remuneration of the management under the incentive program will depend upon the extent to which set goals have been fulfilled, mainly in respect of profits from property management, development of the company image, training of staff and customer satisfaction, as well as development of the share price, both in nominal figures and compared to real estate index.

The non-monetary benefits of the management shall facilitate the work of the members of management and shall correspond to what is considered reasonable under relevant market practice.

The pension terms of the executive management shall be set according to general market practice with regards to corresponding executive management, and shall be based on pension plans with fixed payments.

Dismissal pay and severance pay of a member of the management shall not exceed 24 monthly salaries in total.

Castellum has followed the guidelines decided by the AGM.

The proposed guidelines for remuneration for senior executives which will be put forward at the AGM on March 26, 2009 are on principle unchanged compared to those put forward at the AGM in 2008.

For further information regarding remuneration for the management see note 10, page 91.

Executive Group Management

Håkan Hellström

Chief Executive Officer, Castellum AB.

Born 1956, Master of Business Administration and Economics. Employed since 1994 as Chief Financial Officer and Deputy Chief Executive Officer. Has previously worked as Authorized Public Accountant. Other assignments: Member of the Board of European Public Real Estate Association (EPRA). Shareholdings: 100,000



Henrik Saxborn

Deputy Chief Executive Officer, Castellum AB with responsibility for business development.

Born 1964, Master of Science. Previous experience from management and acquisitions of properties. Employed since 2006. Shareholdings: 8,200

Tage Christoffersson

Managing Director, Eklandia Fastighets AB.

Born 1952, upper secondary schooling and real estate/economy at KTH. Has been working in the real estate business since 1976. Employed since 1994 and Managing Director of Eklandia since 1995. Shareholdings: 47,000



Ulrika Danielsson

Finance Director, Castellum AB.

Born 1972, Master of Business Administration and Economics. Experience within the financial and controlling function. Employed since 1998 and Finance Director since 2006. Shareholdings: 2,800

Anette Engström

Financial Director, Castellum AB.

Born 1961, Master of Business Administration and Economics. More than 20 years experience from bank and finance. Employed since 2000 and Financial Director since 2006. Shareholdings: 24,800



Claes Junefelt

Managing Director, Fastighets AB Corallen.

Born 1960, Master of Science. More than 15 years experience from building construction as team manager/district manager. Employed and Managing Director of Corallen since 2005. Shareholdings: 5,000

Claes Larsson

Managing Director, Aspholmen Fastigheter AB.

Born 1957, Master of Science. More than 10 years experience from building construction as team manager/district manager. Employed and Managing Director of Aspholmen since 2002. Shareholdings: 17,900



Anders Nilsson

Managing Director, Fastighets AB Brostaden.

Born 1967, Master of Science. More than 10 years experience from the real estate business. Employed since 1993 and Managing Director of Brostaden since 2006. Shareholdings: 3,300

Christer Sundberg

Managing Director, Harry Sjögren AB.

Born 1955, Master of Science. More than 25 years experience from banks and real estate companies. Employed and Managing Director of Harry Sjögren AB since 1993. Shareholdings: 40,850



Gunnar Östenson

Managing Director, Fastighets AB Briggen.

Born 1956, Master of Business Administration and Economics. Previous experience from real estate management and the construction industry. Employed and Managing Director of Briggen since 2006. Shareholdings: 2,000

The information above refers to the situation in the beginning of February 2009. Shareholdings include own holdings and those of spouse, minors or children living at home and associated companies.

Financial review

In the next year we will initially see higher rental income from index adjustments, relatively stable vacancies under the assumption that bankruptcies in the industry will not become too frequent and probably lower interest rate costs due to lower interest rates.

Summary

Rental income amounted to SEKm 2,501 (2,259) with an average economic occupancy rate of 89.7% (87.9%). Average contracted rental level amounted to SEK 921 per sq.m. (896) giving an increase with 3% compared with previous year. During the year 767 new lease contracts were signed with a total annual value of SEKm 305 (315), while contracts terminated amounted to SEKm 221 (180). Hence, net leasing for the year was SEKm 84 (135).

Property costs amounted to SEKm 831 (771) corresponding to SEK 268 per sq.m. (262). The increase is chiefly an effect of higher energy prices. Net financial items were SEKm –626 (–495). The increase of SEKm 131 is partly due to a larger real estate portfolio and partly due to that the average interest rate level during the period has increased 0.5%-units to 4.7% (4.2%), giving higher costs in net financial items of approx. SEKm 60.

Income from property management during the year, i.e. net income excluding changes in value and tax, amounted to SEKm 973 (924), equivalent to SEK 5.93 (5.63) per share. The improvement is 5% and is an effect of improved net operating income in property management and investments made but has been limited by higher interest costs.

During the year, changes in value on properties amounted to SEKm –1,262 (920), equivalent to –0.4%. Out of this figure approx. SEKm –1,400, can be assigned to an increase in the required yield by 0.4 %-units during the year. The rest can be assigned to investments made and slightly improved estimated future cash flow. Changes in value on derivatives for the year amounted to SEKm –1,010 (99) and is an effect of dramatically falling long term interest rates.

Castellum's net income for the year 2008 was SEKm –663 (1,487).

The real estate portfolio

As of 31 December, 2008 Castellum's real estate portfolio amounted to a fair value of SEKm 29,165 (27,717) and the normalized yield, excluding development projects and undeveloped land, can be calculated to 7.4% (7.0%). During the year investments totalling SEKm 2,738 (2,598) were made, of which SEKm 1,212 (1,514) were acquisitions and SEKm 1,526 (1,084) new construction, extensions and refurbishment.

Financing

As of 31 December, 2008 Castellum had long term credit agreements totalling SEKm 15,800 (13,300), long term bonds totalling SEKm 650 (650), short term credit agreements totalling SEKm 770 (776) and a commercial paper program of SEKm 4,000 (4,000). After deduction of liquidity of SEKm 9 (7), net interest bearing liabilities were SEKm 14,598 (12,575). There are currently no outstanding commercial papers.

The average duration of Castellum's long term credit agreements as of 31 December, 2008 was 5.5 years (5.2). Margins and fees on long term credit agreements had an average duration on 3.2 years.

The average effective interest rate as of 31 December, 2008 was 4.8% (4.4%), while the market interest rate of an equal portfolio was 2.9% (5.0%). The average fixed interest term on the same date was 2.9 years (2.2).

Multi year Summay

| | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Income Statement, SEKm | | | | | | | | | |
| Rental income | 2,501 | 2,259 | 2,014 | 1,907 | 1,856 | 1,758 | 1,684 | 1,571 | 1,435 |
| Property costs | -831 | -771 | -700 | -637 | -628 | -595 | -560 | -549 | -518 |
| Net operating income | 1,670 | 1,488 | 1,314 | 1,270 | 1,228 | 1,163 | 1,124 | 1,022 | 917 |
| Central administrative expenses | -71 | -69 | -67 | -68 | -69 | -67 | -63 | -67 | -62 |
| Net financial items | -626 | -495 | -364 | -382 | -418 | -428 | -442 | -414 | -360 |
| Income from property management | 973 | 924 | 883 | 820 | 741 | 668 | 619 | 541 | 495 |
| Changes in value, properties | -1,262 | 920 | 1,145 | 932 | 660 | -43 | 251 | 686 | 668 |
| Changes in value, interest rate derivatives | -1,010 | 99 | 178 | -40 | -146 | -13 | -168 | 42 | -114 |
| Items affecting comparability | - | - | - | - | - | - | - | - | -12 |
| Current tax | -14 | -22 | -10 | -1 | -5 | -1 | -2 | - | -1 |
| Deferred tax | 650 | -434 | -522 | -417 | -334 | -171 | -44 | -338 | -276 |
| Net income for the year | -663 | 1,487 | 1,674 | 1,294 | 916 | 440 | 656 | 931 | 760 |
| Balance Sheet, SEKm | | | | | | | | | |
| Investment properties | 29,165 | 27,717 | 24,238 | 21,270 | 19,449 | 18,015 | 17,348 | 16,551 | 14,759 |
| Other fixed assets | 230 | 123 | 200 | 103 | 94 | 167 | 172 | 394 | 118 |
| Interest rate derivatives | - | 44 | - | - | - | - | - | - | - |
| Cash and bank | 9 | 7 | 8 | 5 | 7 | 33 | 20 | 20 | 11 |
| Total assets | 29,404 | 27,891 | 24,446 | 21,378 | 19,550 | 18,215 | 17,540 | 16,965 | 14,888 |
| Shareholders' equity | 10,049 | 11,204 | 10,184 | 8,940 | 8,035 | 7,467 | 7,334 | 6,946 | 6,240 |
| Interest-bearing liabilities | 14,607 | 12,582 | 10,837 | 9,396 | 8,834 | 8,598 | 8,264 | 8,254 | 7,245 |
| Deferred tax liability | 2,785 | 3,322 | 2,723 | 2,126 | 1,659 | 1,294 | 1,124 | 1,081 | 743 |
| Interest rate derivatives | 966 | - | 55 | 233 | 391 | 245 | 232 | 64 | 106 |
| Non-interest-bearing liabilities | 997 | 783 | 647 | 683 | 631 | 611 | 586 | 620 | 554 |
| Total shareholders' equity and liabilities | 29,404 | 27,891 | 24,446 | 21,378 | 19,550 | 18,215 | 17,540 | 16,965 | 14,888 |
| Financial key ratios | | | | | | | | | |
| Net operating income margin | 67% | 66% | 65% | 67% | 66% | 66% | 67% | 65% | 64% |
| Average interest rate | 4.7% | 4.2% | 3.7% | 4.3% | 4.9% | 5.4% | 5.7% | 5.8% | 5.9% |
| Interest coverage ratio | 255% | 287% | 343% | 315% | 277% | 256% | 240% | 231% | 238% |
| Return on equity | -6.1% | 14.9% | 19.2% | 16.5% | 12.6% | 6.1% | 9.6% | 15.2% | 12.6% |
| Return on net asset value | -8.3% | 16.2% | 20.7% | 18.2% | 14.6% | 7.2% | 9.0% | 17.9% | 12.6% |
| Return on total capital | 1.2% | 8.9% | 10.4% | 10.4% | 9.6% | 5.9% | 7.6% | 10.3% | 10.6% |
| Investments in properties, SEKm | 2,738 | 2,598 | 2,283 | 1,357 | 1,268 | 1,108 | 1,050 | 1,741 | 1,352 |
| Sales, SEKm | 28 | 39 | 460 | 468 | 494 | 397 | 503 | 635 | 598 |
| Equity/assets ratio | 34% | 40% | 42% | 42% | 41% | 41% | 42% | 41% | 42% |
| Loan to value ratio | 50% | 45% | 45% | 45% | 45% | 48% | 48% | 50% | 49% |
| Data per share (since there are no potential common stock, there is no effect of dilution) | | | | | | | | | |
| Average number of shares, thousand | 164,000 | 164,000 | 164,000 | 164,000 | 164,000 | 164,000 | 164,000 | 164,000 | 186,512 |
| Earnings after tax, SEK | -4.04 | 9.07 | 10.21 | 7.89 | 5.59 | 2.68 | 4.00 | 5.68 | 4.07 |
| Income from property management, SEK | 5.93 | 5.63 | 5.38 | 5.00 | 4.52 | 4.07 | 3.77 | 3.30 | 2.65 |
| Number of outstanding shares, thousand | 164,000 | 164,000 | 164,000 | 164,000 | 164,000 | 164,000 | 164,000 | 164,000 | 164,000 |
| Fair value of properties, SEK | 178 | 169 | 148 | 130 | 119 | 110 | 106 | 101 | 90 |
| Net asset value (5% tax), SEK | 75 | 85 | 76 | 65 | 57 | 52 | 50 | 48 | 42 |
| Shareholders' equity, SEK | 61 | 68 | 62 | 55 | 49 | 46 | 45 | 42 | 38 |
| Dividend, SEK (2008 proposed) | 3.15 | 3.00 | 2.85 | 2.62 | 2.38 | 2.13 | 1.88 | 1.63 | 1.38 |
| Dividend ratio | 74% | 74% | 73% | 73% | 73% | 72% | 69% | 68% | 72% |

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Consolidated Income Statement

| SEKm | | 2008 | 2007 |
|--|--------|----------------|--------------|
| Rental income | Note 3 | 2 501 | 2 259 |
| Operating expenses | Note 4 | – 455 | – 414 |
| Maintenance | Note 4 | – 96 | – 96 |
| Ground rent | Note 4 | – 21 | – 20 |
| Real estate tax | Note 4 | – 115 | – 110 |
| Leasing and property administration | Note 4 | – 144 | – 131 |
| Net operating income | | 1 670 | 1 488 |
| Central administrative expenses | Note 5 | – 71 | – 69 |
| <i>Financial items</i> | | | |
| Financial income | Note 6 | 4 | 3 |
| Financial costs | Note 7 | – 630 | – 498 |
| Income from property management | | 973 | 924 |
| <i>Changes in value</i> | Note 8 | | |
| Properties, realized | | 0 | 1 |
| Properties, unrealized | | – 1 262 | 919 |
| Interest rate derivatives, unrealized | | – 1 010 | 99 |
| Income before tax | | – 1 299 | 1 943 |
| Current tax | Note 9 | – 14 | – 22 |
| Deferred tax | Note 9 | 650 | – 434 |
| Net income for the year | | – 663 | 1 487 |

Since there are no minority interests the entire net income is attributable to the shareholders of the parent company.

Data per share (since there are no potential common stock, there is no effect of dilution)

| | | |
|------------------------------------|---------|---------|
| Average number of shares, thousand | 164 000 | 164 000 |
| Earnings after tax, SEK | – 4.04 | 9.07 |
| Dividend, SEK (for 2008 proposed) | 3.15 | 3.00 |

Consolidated Balance Sheet

| SEKm | | Dec 31 2008 | Dec 31 2007 |
|--|---------|---------------|---------------|
| ASSETS | | | |
| Fixed assets | | | |
| Investment properties | Note 11 | 29 165 | 27 717 |
| Tangible fixed assets | Note 12 | 15 | 13 |
| Total fixed assets | | 29 180 | 27 730 |
| Current assets | | | |
| Rent receivables | | 15 | 14 |
| Other receivables | | 160 | 66 |
| Prepaid expenses and accrued income | | 40 | 30 |
| Interest rate derivatives | | – | 44 |
| Cash and bank | | 9 | 7 |
| Total current assets | | 224 | 161 |
| TOTAL ASSETS | | 29 404 | 27 891 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | |
| Shareholders' equity attributable to the shareholders of the parent company | | | |
| Note 15 | | | |
| Share capital | | 86 | 86 |
| Reserves | | 20 | 20 |
| Retained earnings | | 9 943 | 11 098 |
| Total shareholders' equity | | 10 049 | 11 204 |
| Liabilities | | | |
| Note 16 | | | |
| Long-term liabilities | | | |
| Long-term interest-bearing liabilities | Note 17 | 14 607 | 12 582 |
| Deferred tax liability | Note 18 | 2 785 | 3 322 |
| Total long-term liabilities | | 17 392 | 15 904 |
| Short-term liabilities | | | |
| Interest rate derivatives | | 966 | – |
| Accounts payable | | 200 | 205 |
| Tax liabilities | | 38 | 46 |
| Other liabilities | | 102 | 60 |
| Accrued expenses and prepaid income | Note 19 | 657 | 472 |
| Total short-term liabilities | | 1 963 | 783 |
| Total liabilities | | 19 355 | 16 687 |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | | 29 404 | 27 891 |
| | | | |
| Pledged assets | Note 20 | 14 839 | 11 793 |
| Contingent liabilities | Note 21 | – | – |

Income Statement for the Parent Company

| SEKm | | 2008 | 2007 |
|---|--------|--------------|------------|
| Income | Note 3 | 12 | 11 |
| Central administrative expenses | Note 5 | – 52 | – 52 |
| <i>Financial items</i> | | | |
| Financial income | Note 6 | 1 082 | 1 072 |
| Financial costs | Note 7 | – 665 | – 513 |
| Income before changes in value and tax | | 377 | 518 |
| <i>Changes in value</i> | Note 8 | | |
| Interest rate derivatives, unrealized | | – 1 010 | 99 |
| Income before tax | | – 633 | 617 |
| Current tax | Note 9 | – | – |
| Deferred tax | Note 9 | 276 | – 19 |
| Net income for the year | | – 357 | 598 |

Balance Sheet for the Parent Company

| SEKm | | Dec 31 2008 | Dec 31 2007 |
|---|---------|---------------|---------------|
| ASSETS | | | |
| Fixed assets | | | |
| Tangible fixed assets | Note 12 | 0 | 0 |
| <i>Financial fixed assets</i> | | | |
| Participations in group companies | Note 13 | 4 087 | 4 087 |
| Deferred tax assets | Note 18 | 241 | – |
| Long-term receivables, group companies | Note 14 | 15 030 | 12 460 |
| <i>Total financial fixed assets</i> | | <i>19 358</i> | <i>16 547</i> |
| Total fixed assets | | 19 358 | 16 547 |
| Current assets | | | |
| Short-term receivables, group companies | | 525 | 500 |
| Prepaid expenses and accrued income | | 3 | 3 |
| Interest rate derivatives | | – | 44 |
| Cash and bank | | 0 | 0 |
| Total current assets | | 528 | 547 |
| TOTAL ASSETS | | 19 886 | 17 094 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | |
| Shareholders' equity | Note 15 | | |
| <i>Restricted equity</i> | | | |
| Share capital | | 86 | 86 |
| Restricted reserves | | 20 | 20 |
| <i>Non-restricted equity</i> | | | |
| Retained earnings | | 3 852 | 3 664 |
| Net income for the year | | – 357 | 598 |
| Total shareholders' equity | | 3 601 | 4 368 |
| Provisions | | | |
| Deferred tax liability | Note 18 | – | 3 |
| Liabilities | | | |
| | Note 16 | | |
| Long-term interest-bearing liabilities | Note 17 | 14 304 | 12 276 |
| Long-term interest-bearing liabilities, group companies | | 775 | 331 |
| Interest rate derivatives | | 966 | – |
| Accounts payable | | 1 | 1 |
| Other liabilities | | 3 | 2 |
| Accrued expenses and prepaid income | Note 19 | 236 | 113 |
| Total liabilities | | 16 285 | 12 723 |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | | 19 886 | 17 094 |
| | | | |
| Pledged assets | Note 20 | 13 680 | 10 872 |
| Contingent liabilities | Note 21 | 300 | 300 |

Change in Equity

Attributable to the shareholders of the parent company

| Group, SEKm | Number of out- standing shares, thousand | Share capital | Reserves | Retained earnings | Total equity |
|--|--|------------------|-----------|----------------------|-----------------|
| Shareholders' equity 31-12-2006 | 164 000 | 86 | 20 | 10 078 | 10 184 |
| Dividend, March 2007 | – | – | – | – 467 | – 467 |
| Net income for the year | – | – | – | 1 487 | 1 487 |
| Shareholders' equity 31-12-2007 | 164 000 | 86 | 20 | 11 098 | 11 204 |
| Dividend, March 2008 | – | – | – | – 492 | – 492 |
| Net income for the year | – | – | – | – 663 | – 663 |
| Shareholders' equity 31-12-2008 | 164 000 | 86 | 20 | 9 943 | 10 049 |

| Partent Company, SEKm | Number of out- standing shares, thousand | Share capital | Restricted reserves | Retained earnings | Total equity |
|--|--|------------------|------------------------|----------------------|-----------------|
| Shareholders' equity 31-12-2006 | 164 000 | 86 | 20 | 4 167 | 4 273 |
| Dividend, March 2007 | – | – | – | – 467 | – 467 |
| Paid group contribution after tax | – | – | – | – 36 | – 36 |
| Net income for the year | – | – | – | 598 | 598 |
| Shareholders' equity 31-12-2007 | 164 000 | 86 | 20 | 4 262 | 4 368 |
| Dividend, March 2008 | – | – | – | – 492 | – 492 |
| Received group contribution after tax | – | – | – | 82 | 82 |
| Net income for the year | – | – | – | – 357 | – 357 |
| Shareholders' equity 31-12-2008 | 164 000 | 86 | 20 | 3 495 | 3 601 |

Cash Flow Statement

| SEKm | Group | | Parent Company | |
|---|-----------------|----------------|----------------|--------------|
| | 2008 | 2007 | 2008 | 2007 |
| Operating activities | | | | |
| Net operating income | 1 670 | 1 488 | 12 | 11 |
| Central administrative expenses | – 71 | – 69 | – 52 | – 52 |
| Depreciations reversed | 6 | 6 | 1 | 1 |
| Net financial items paid | Note 22 – 499 | – 476 | 134 | 28 |
| Tax paid | – 26 | – 12 | – | – |
| Cash flow from operating activities before change in working capital | 1 080 | 937 | 95 | – 12 |
| <i>Cash flow from change in working capital</i> | | | | |
| Change in current receivables | – 108 | 68 | – 25 | – 71 |
| Change in current liabilities | 106 | 101 | – 3 | 2 |
| Cash flow from operating activities | 1 078 | 1 106 | 67 | – 81 |
| Investment activities | | | | |
| Investments in existing properties | – 1 526 | – 1 084 | – | – |
| Property acquisitions | Note 22 – 1 096 | – 1 349 | – | – |
| Change in liabilities at acquisitions of properties | – 7 | 6 | – | – |
| Property sales | 25 | 39 | – | – |
| Change in receivables at sales of properties | 3 | 9 | – | – |
| Net capital contributions, subsidiaries | – | – | 524 | 500 |
| Other net investments | – 8 | – 6 | – 1 | 0 |
| Cash flow from investment activities | – 2 609 | – 2 385 | 523 | 500 |
| Financing activities | | | | |
| Change in long-term liabilities | 2 025 | 1 745 | 2 472 | 1 678 |
| Change in long-term receivables | – | – | – 2 570 | – 1 630 |
| Dividend paid | – 492 | – 467 | – 492 | – 467 |
| Cash flow from financing activities | 1 533 | 1 278 | – 590 | – 419 |
| Cash flow for the year | 2 | – 1 | 0 | 0 |
| Cash and bank, opening balance | 7 | 8 | 0 | 0 |
| Cash and bank, closing balance | 9 | 7 | 0 | 0 |

Accounting Principles and Notes

(All figures in SEKm unless stated otherwise.)

Note 1

Accounting Principles

General information

The financial reports of Castellum AB (The Parent Company) for the financial year ending December 31, 2008 has been approved by the Board of Directors and the Chief Executive Officer for publication on February 4, 2009 and will be proposed to the Annual General Meeting 2009 for adoption. The parent company is a Swedish limited liability company (publ), with registered office in Gothenburg, Sweden. The operations of the Group are described in the Directors' report.

Grounds for the accounting

Castellum's accounts have been prepared in accordance with the IFRS standards adopted by the EU and the interpretations of them (IFRIC). Further, the consolidated accounts have been prepared according to Swedish law by application of the Swedish Financial Reporting Boards recommendation RFR 1:1 (Complementary accounting principles for consolidated accounts).

The accounts have been prepared based on fair value of investment properties and derivatives and nominal value for deferred tax. For the remaining items acquisition value has been used.

Critical assessments

In order for the accounts to be completed in accordance with the IFRS and generally accepted accounting principles assessments and assumptions must be made that affect the recorded assets, liabilities, income and costs as well as other information in the accounts. These assessments and assumptions are based upon historical experiences and other factors which are considered fair under the current conditions. Real outcome may be different from these assessments if other assumptions are made or other conditions exist.

Investment properties

In valuation of investment properties the assessments and assumptions can have significant affect on the income and financial position of the Group. The valuation calls for estimation and assumptions of the future cash flows and decision about the discounting factor (required yield). To reflect the uncertainty that exists in the assessments and assumptions, normally an uncertainty range of +/- 5-10% is used in property valuations. Information about this and the assessments and assumptions made are presented in note 11.

Deferred tax liability

According to the accounting principles deferred tax shall be accounted to nominal value without discounting, meaning 26.3% nominal tax rate. The real tax is considerably lower in part due to the possibility to sell properties in a tax efficient way, and in part due to the time factor.

Classification

Fixed assets and long-term liabilities consist of amounts that are expected to be regained or settled more than twelve months from the balance sheet day. Current assets and short-term liabilities consist of amounts that are expected to be regained or settled in less than twelve months from the balance sheet day.

The consolidated financial statements

The Group's balance sheet and income statement includes all companies where the parent company has direct or indirect determining influence. All companies in the Group are wholly-owned and there are neither associated companies nor joint ventures. In addition to the parent company, the Group comprises the subsidiaries listed in Note 13 and their respective sub-groups. The consolidated financial statements are based upon the accounts for all subsidiaries as of December 31. The consolidated financial statements have been prepared according to the acquisition accounting method, meaning that the shareholders' equity of the subsidiaries at the time of acquisition, calculated as the difference between the fair value of the assets and liabilities, are fully eliminated. The shareholders' equity of the Group includes only the part of shareholders' equity of the subsidiaries that has been added after the acquisition.

Castellum has classified all company acquisitions as business combination acquisitions and thus recorded full nominal tax.

The consolidated income statement includes records of associated companies acquired or sold during the year only for the time of possession.

Intra-group sales, income, losses and dealings are eliminated in the consolidated accounts.

Income

Rental income

Rental income, which from an accounting perspective is also called income from operating leases, is debited in advance and allocated linear in the income statement, based on the terms in the lease. Rental income includes supplementary charges for the tenant, such as debited real estate tax and heating costs. Rents debited in advance are recorded as deferred rental income. In cases where a lease during a certain period of time offers a

reduced rent, corresponding to a higher rent at another point in time, this lower/higher rent is spread out over the period of the lease. Pure discounts, such as reduction for successive moving in, are recorded in the income statement in the period when they are given.

Income from property sales

Income from property sales is entered as of the contract date, unless there exist special conditions in the purchasing agreement. On sale of a property through a company, the transaction is recorded using gross accounting regarding the underlying property price and the calculated deduction for deferred tax. The result from a property sales is accounted for as a realized change in value and refers to the difference between the received sales price after deduction of sales costs, and the recorded value in the latest interim report with addition of capitalized investments after the latest interim report.

Financial income

Financial income consist of interest income and interest subsidies and are recorded as income in the period which they refer to. Also received and anticipated dividends are recorded as a financial income.

Financial costs are interests and other costs that occur when a company is borrowing money. Costs for taking out pledges for mortgages are not considered as financial costs and are capitalized. Financial costs are accounted for in the period which they refer to. Financial costs also consist of cost of entered interest rate derivatives-agreements. Payments under these interest rate derivatives are accounted for in the period which they refer to. Net financial items have not been affected by market valuation of the entered interest rate derivatives, instead changes in the market value of interest rate derivatives are recorded as changes in value under a separate headline. The part of the interest costs originating from interest during the construction period for major new construction, extensions or refurbishment projects is capitalized. The interest is calculated based on the average interest rate level for the Group.

**Financial
cost**

Employee benefits are accounted for as the employees perform services in exchange for the remuneration. Benefits according to incentive plans are accounted for as the objectives are achieved during the period of the incentive plan.

**Employee
benefits**

Pensions

Pensions and other post-employment benefits are classified as defined contribution or defined benefit plans. The majority of the Castellum Group's pension commitments are defined contribution plans, which are fulfilled through regular payments to independent authorities or bodies which administer the plans. Obligations regarding payments to contribution plans are recorded as a cost in the income statement when they occur. A small number of employees within the Castellum Group have defined ITP-plans with regular payments to Alecta. These plans are recorded as defined contribution plan since Alecta does not provide the information needed in order to report the plan as a defined benefit plan. There are, however, no indications of any significant liabilities besides what have already been paid to Alecta.

The income tax in the income statement is divided into current and deferred tax. The income tax is recorded in the income statement except when related to transactions, such as group contributions, which have been recorded directly in equity when possible tax effects also have been recorded directly in equity. Current and deferred taxes are calculated based on current tax rates, which is 28% for 2008 and the lower tax rate of 26.3% applied from 2009.

Income taxes

Open claims in the income tax return that contains a certain degree of uncertainty is taken into consideration in the tax calculation in the year after the financial year at the earliest, after the taxation has been assessed by the tax authority.

Deferred tax

Deferred tax is recorded in Castellum, using the balance sheet method, for all temporary difference between an asset's or a liability's book value and its tax basis value. This means that there is a tax liability or a tax asset that falls due for payment on the date on which the asset or liability is realized. Castellum has two entries in which temporary differences may be found – properties and tax loss carry forwards. Deferred tax assets related to tax loss carry forwards are recorded since it is probable that future taxable income will be available, which may be utilized against the tax loss carry forwards. Deferred tax liability relates to the difference between the properties book value and their tax basis value. On a change in one of the two entries above the deferred tax liability / tax asset is also changed, which is accounted for in the income statement as a deferred tax.

Castellum has recorded completed company acquisitions as business combination acquisitions, which means that full nominal deferred tax on the difference between the real estate portfolio's consolidated book value and its tax basis value, has been considered.

Current tax

Besides the deferred tax also current tax is recorded in the income statement, which is equivalent to the tax that the company must pay on the taxable income for the year, adjusted for possible current tax for previous periods.

Leases

Leases where all crucial risks and benefits associated with the ownership fall on the lessor, is classified as operational leases. All existing rental leases related to Castellum's investment properties are, from an accounting perspective seen as operational leases. How these leases are accounted for can be read about in the accounting principles for income and in note 3.

There are also a small number of leases of insignificant value, where Castellum is the lessee. These leases are also accounted for as operational leases and concerns mainly private cars. Payments made during the period of the leases are recorded as a cost, in the income statement, linear over the leasing period.

Investments properties

An investment property is a property held for the purpose of generating rental income, capital appreciation or both rather than for the use in a company's operations for production or supply of goods or services or for administrative purposes and sales in daily operations. All of Castellum's owned or by ground rent used properties, are considered to be investment properties. If the Group starts an investment on an existing investment property for future use as an investment property, the property continues to be recorded as an investment property.

Valuation

Investment properties, which at the time of acquisition are recorded at acquisition cost including expenses directly related to the acquisition and with consideration taken to nominal deferred tax, have been recorded at fair value with changes in value in the income statement. Fair value has been calculated using an internal valuation model described in note 11. The note also describes the assumptions made as basis for the valuation. The valuation model is based on a value determined on an earnings basis by calculating the net present value of future cash flows with a differentiated required yield for each property depending on such factors as location, intended use, condition and standard. In order to provide further assurance of the valuation part of the portfolio has been valued externally. If there are indications of changes in value during the year, revaluation is made in the interim reports.

Unrealized changes in value

Unrealized changes in value are recorded in the income statement. Changes in value are calculated based on the valuation at the end of the financial year compared to the valuation previous year, or the acquisition value if the property has been acquired during the year, with addition of capitalized subsequent expenditures during the period. For properties sold during the year, unrealized changes in value are recorded and calculated based on the valuation at the latest interim report prior to the sale compared to the valuation at the end of previous year, with addition of capitalized subsequent expenditures during the period.

Subsequent expenditures

Subsequent expenditures that increase the valuation of the property and can be calculated in a reliable way are capitalized. Costs for repairs and maintenance are accounted for in the income statement in the period they occur. In the case of major new construction and refurbishment, interest costs during the construction period are capitalized.

Acquisitions och sales

On acquisition or sale of properties or companies, the transaction is entered as of the date of the contract unless there exist special conditions in the purchasing contract.

Tangible fixed assets

Tangible fixed assets are made up of equipments, which have been recorded at acquisition value with deduction of accumulated depreciation according to plan and any write-downs made. The acquisition value includes the purchase price and costs directly related to the asset in order to bring it to its place and state to use according to the purpose of the acquisition. Depreciation on equipments is based on historical acquisition values after possible deduction of subsequent write-downs. The residual value is assessed to be non-existent. Depreciation of assets acquired during the year is calculated with reference to the date of acquisition. Depreciation is linear, which means equal depreciation during the period of use, which is normally five years, except for computers which are expected to have a three year period of use.

Financial instruments

Financial instruments which are recorded in the balance sheet includes assets such as cash and bank, lease receivables, other receivables, long-term receivables and interest rate derivatives, and liabilities such as accounts payable, other liabilities and loans. Financial instruments are initially recorded at acquisition value equivalent to fair value, with addition of transaction costs, except for the category financial instruments which are recorded at fair value through income statement, without transaction costs. Following the initial recognition the accounting is based on the classification made according to the following. Financial transactions such as cash received or paid on interests and loans are recorded on the settlement day of the bank holding the account, while other payments are recorded on the accounting date of the bank holding the account.

Cash and bank

Cash and bank consist of the bank balance at the end of the accounting period and are recorded at nominal value.

Receivables

Financial assets which are not interest rate derivatives, that has fixed or predictable payments and that are not quoted on an active market, are recorded as receivables. In the Group there are rent receivables and other receivables which are mainly dormant VAT regarding investments. Receivables have, after individual valuation, been recorded at the amount at which they are expected to be received, which means that they are recorded at acquisition value with reservation for receivables which are uncertain. Reservation for uncertain receivables is made when an objective risk assessments gives at hand that the Group will not receive the entire receivable. There are no receivables in foreign currency. Receivables in the parent company consist only of receivables from the subsidiaries, which are recorded at acquisition value.

Liabilities

Liabilities refer to loans and operating liabilities such as accounts payable. The majority of Castellum's credit agreements are long term. In cases where short-term loans are drawn under long-term credit agreements, the loans are considered as long-term. The loans are recorded on the settlement date at acquisition value. Deferred unpaid interest is recorded in accrued expenses. There are no liabilities in foreign currency. A liability is recorded when the counterparty has performed services and a legal obligation to pay exist, even if the invoice has not yet been received. Accounts payable are recorded when the invoice is received. A liability is removed from the balance sheet when the obligation is fulfilled or cleared in an other way. Accounts payable and other operative liabilities with short duration are recorded at nominal value.

Interest rate derivatives

Interest rate derivatives are financial assets or liabilities which are valued at fair value with changes in value recorded in the income statement. In order to manage the exposure to fluctuations in the market interest rate according to the financial policy, Castellum has entered into interest rate derivative agreements. When using interest rate derivatives changes in value may occur partly due to changes in market interest rates and partly due to the time factor. Interest rate derivatives are initially recorded in the balance sheet on the settlement day at acquisition value and are thereafter valued at fair value with changes in value in the income statement. In order to calculate the fair value market interest rates for each fixed interest term as listed on the balance sheet date and generally accepted methods for calculations are used. Interest rate derivatives are valued by calculating the net present value by discounting future cash flows, instruments containing some sort of option are valued at the current repurchase price which may be received from respective counterparty. Realized changes in value refer to redeemed interest rate derivatives and is the difference between the price at the time of redemption and the recorded book value according to the latest interim report. Unrealized changes in value refer to the changes in value during the financial year for the interest rate derivatives that Castellum held at the end of the financial year. Changes in value are calculated based on the valuation at the end of the financial year compared to the valuation previous year, or the acquisition value if the interest rate derivative agreements have been entered into during the year. For interest rate derivatives that have been redeemed an unrealized change in value is recorded and calculated based on the valuation at the latest interim report prior to the redemption, compared with the valuation at the end of previous year. Payments made under these agreements are accounted for in the period which they refer to

Repurchased shares

Repurchased shares reduce the shareholders' equity with the paid purchase price including any transaction costs.

Shareholders' equity*Dividend*

Dividend is accounted for as a deduction of shareholders' equity, after the annual general meeting's decision. The recipient accounts for an anticipated dividend as a financial income.

Earnings after tax, per share

Calculation of earnings after tax per share is based on the Groups net income for the year attributable to the shareholders of the parent company, and on the weighted average number of outstanding shares during the year.

The Group's operations are organized, managed and reported primarily by geographical region and secondly by type of property. Segments are consolidated according to the same principles as the Group.

Definition of segments

Income and costs reported for each segment are actual costs. No distribution of joint costs has been made between the regions. This is also true for assets and liabilities reported in the note segment reporting below.

Cash flow statement

The cash flow statement has been prepared according to the indirect method, whereby net profit or loss is adjusted for the effects of transactions of a non-cash flow nature during the period as well as income or costs associated with the cash flow from investment or financing activities.

Differences in accounting principles between the Group and the parent company

The annual report of the parent company has been prepared according to the Annual Accounts Act and by applying of the Swedish Financial Reporting Board's recommendation RFR 2:1 (Accounting for legal entities). RFR 2:1 states that a legal entity shall apply the same IFRS/IAS that is applied in the consolidated financial statements, with exceptions for and additions of rules and laws mainly according to the Annual Accounts Act, and with consideration to the relation between accounting and taxation. The differences in accounting principles between the Group and the parent company are mentioned below.

Shares in subsidiaries

Shareholdings in subsidiaries are accounted for in the parent company according to the method of acquisition value. The book value is regularly compared to subsidiaries' group equity. When the book value is lower than the subsidiaries' group value, a write-down is made in the income statement. In the case when a previous write-down no longer can be justified, it will be reversed.

Group contribution and shareholders' contribution

Group contributions and shareholders' contribution are accounted for according to a statement from the Swedish Financial Reporting Board. Group contributions are recorded according to its financial consequence. Group contributions submitted and received where the purpose is to minimize the total tax of the Group, and any tax effects there of, are recorded directly in the balance sheet as a deduction or an increase of non-restricted equity. Group contributions received which are considered equal to dividend are recorded as a financial income in the income statement of the recipient and as a deduction of non-restricted equity by the contributor. Shareholders' contributions are recorded as an increase of shares in subsidiaries by the contributor and as an increase of non-restricted equity by the recipient.

New IFRS and interpretations

New standards and interpretations, which have been adopted by the EU and will come into effect from the financial year 2009 and later, have not been applied in these financial reports.

IFRS 8 Operating segments

The standard will come into effect as of 1 January 2009 and applies to a financial year starting on the same date. The standard covers the segmentation of the companies' operations. According to the standard the company shall have the internal reporting structure as a starting point in deciding reportable segments. Castellum's preliminary assessment is that this will have no major impact on the Group's segment reporting.

IAS 1 Presentation of Financial Statements

The standard, that is revised, will come into effect as of 1 January, 2009 and applies to a financial year starting on the same date. The revision means e.g., that the company shall separate transactions with the owners from other transactions that can give changes in the value of the companies' assets and debts. This means that the report on changes in equity shall only consist of transactions with the owners and the final line in the income statement. Today's income statement shall therefore be extended and complemented with accounted income and expenses that is today accounted for directly in equity, as an alternative those items shall be accounted for in a separate report placed direct after the income statement. The revised IAS 1 means no great changes for Castellum.

IAS 23 Borrowing costs

The standard will come into effect as of 1 January, 2009 and applies to a financial year starting on the same date. The standard covers the accounting of borrowing costs that are directly attributable to acquisition, construction or production of an asset that takes time to complete for designated use or sale. The standard does no longer provide the option between treating such borrowing costs as expenses or capitalize them, they must be capitalized. For assets that are reported at fair value, companies can choose to not follow this standard. Castellum has chosen to apply IAS 23 on investment properties and capitalizes such costs in the group today, hence the changes will have no effect.

Changes in existing standards

A couple of lesser changes have been made in existing standards, which will come into effect as of 1 January 2009. Among other things the classification of a property that is being constructed or developed for future use as an investment property has been changed in IAS 40 Investment Property. Such properties have previously been classified as tangible fixed assets and therefore been accounted for at acquisition value until they are completed. The change in IAS 40 means that also such properties shall be classified as investment properties during the construction time and therefore be treated according to the same principles as other investment properties. This change and others will have no significant effect on Castellum.

Segment Reporting

Note 2

| Geographic market (primary segment) | Greater Gothenburg | | Öresund Region | | Greater Stockholm | | Mälardalen | | Eastern Götaland | | The Castellum Group | |
|---|-----------------------|--------|--------------------------|-------|-------------------------|-------|---------------------|-------|------------------------|--------|------------------------|--------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| Rental income, external | 806 | 746 | 539 | 498 | 478 | 432 | 367 | 296 | 311 | 287 | 2 501 | 2 259 |
| Property costs | - 232 | - 221 | - 173 | - 160 | - 172 | - 162 | - 135 | - 114 | - 119 | - 114 | - 831 | - 771 |
| Net operating income | 574 | 525 | 366 | 338 | 306 | 270 | 232 | 182 | 192 | 173 | 1 670 | 1 488 |
| Changes in value, property | - 375 | 331 | - 662 | 334 | 109 | 215 | - 150 | 22 | - 184 | 18 | - 1 262 | 920 |
| Net income | 199 | 856 | -296 | 672 | 415 | 485 | 82 | 204 | 8 | 191 | 408 | 2 408 |
| Unallocated items | | | | | | | | | | | | |
| Central admin.exp. | | | | | | | | | | | - 71 | - 69 |
| Net financial items | | | | | | | | | | | - 626 | - 495 |
| Interest rate derivatives, changes in value | | | | | | | | | | | - 1 010 | 99 |
| Current tax | | | | | | | | | | | - 14 | - 22 |
| Deferred tax | | | | | | | | | | | 650 | - 434 |
| Net income for the year | | | | | | | | | | | - 663 | 1 487 |
| Investment properties | 9 603 | 9 293 | 6 536 | 6 906 | 5 672 | 5 266 | 4 185 | 3 278 | 3 169 | 2 947 | 29 165 | 27 717 |
| Equipment | 6 | 5 | 1 | 2 | 2 | 1 | 2 | 2 | 4 | 3 | 15 | 13 |
| Current assets | 66 | 42 | 58 | 17 | 59 | 18 | 29 | 23 | 12 | 7 | 224 | 107 |
| Cash and bank | 8 | 6 | 0 | 0 | 0 | 0 | 1 | 1 | 0 | 0 | 9 | 7 |
| Unallocated items | | | | | | | | | | | | |
| Derivatives | | | | | | | | | | | - | 44 |
| Current assets | | | | | | | | | | | - 9 | 3 |
| Total assets | | | | | | | | | | | 29 404 | 27 891 |
| Unallocated items | | | | | | | | | | | | |
| Shareholders' equity | | | | | | | | | | | 10 049 | 11 204 |
| Long-term interest-bearing liab. | | | | | | | | | | | 14 607 | 12 582 |
| Deferred tax liability | | | | | | | | | | | 2 785 | 3 322 |
| Interest rate derivatives | | | | | | | | | | | 966 | - |
| Non-interest-bearing liab. | | | | | | | | | | | 241 | 116 |
| Non-interest-bearing liab. | 272 | 224 | 120 | 151 | 165 | 113 | 132 | 105 | 67 | 74 | 756 | 667 |
| Total shareholders' equity and liabilities | | | | | | | | | | | 29 404 | 27 891 |
| Investments | 685 | 864 | 292 | 374 | 296 | 280 | 1 086 | 401 | 379 | 679 | 2 738 | 2 598 |
| Sales | - | 5 | - | - | - | - | 28 | 29 | - | 5 | 28 | 39 |
| Cash flow from operating activities* | 598 | 601 | 294 | 408 | 317 | 281 | 253 | 202 | 180 | 187 | 1 642 | 1 679 |
| Unallocated cash flow | | | | | | | | | | | - 564 | - 573 |
| *) Cash flow from operating activities excluding central administrative expenses, net financial items and tax paid. | | | | | | | | | | | | |
| Operating segment (secondary segment) | Office/Retail | | Warehouse/ Industrial | | Development projects | | Undeveloped land | | The Castellum Group | | | |
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| Rental income, external | 1 626 | 1 502 | 837 | 746 | 38 | 11 | - | - | 2 501 | 2 259 | | |
| Investment properties | 18 688 | 18 181 | 9 042 | 8 425 | 1 059 | 710 | 376 | 401 | 29 165 | 27 717 | | |
| Investments | 1 609 | 1 464 | 856 | 897 | 239 | 202 | 34 | 35 | 2 738 | 2 598 | | |
| Sales | - | 31 | - | 8 | 28 | - | - | 0 | 28 | 39 | | |

The Group's primary segment is the following geographical areas; Greater Gothenburg (incl. Borås, Halmstad, Alingsås), Öresund Region (Malmö, Lund, Helsingborg), Greater Stockholm, Mälardalen (Örebro, Västerås, Uppsala) and Eastern Götaland (Jönköping, Linköping, Värnamo and Växjö). The Group manages only commercial properties.

Note 3

Rental Income

Rental value

Group rental income was SEKm 2,501 (2,259). The improvement is chiefly an effect of investments made, but also higher rental levels and lower vacancies. Rental income consists of the rental value with deduction of the value of vacant premises during the year.

Rental value refers to the rental income received and the estimated market rent of unlet premises. The rental value also includes supplementary charges for the customer, such as heating, real estate tax and an index supplement.

Rental value SEK/sq.m. for the different regions and types of properties are shown in the table below. Rental levels have increased by 3% (3%) compared with previous year.

| Rental value SEK/sq.m. | Office/Retail | | Warehouse/Industrial | | Total | |
|---------------------------|---------------|--------------|----------------------|------------|------------|------------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| Greater Gothenburg | 1 202 | 1 153 | 675 | 659 | 885 | 856 |
| Öresund Region | 1 306 | 1 287 | 652 | 637 | 989 | 971 |
| Greater Stockholm | 1 324 | 1 267 | 859 | 810 | 1 144 | 1 090 |
| Mälardalen | 973 | 928 | 662 | 605 | 859 | 807 |
| Eastern Götaland | 922 | 915 | 463 | 460 | 745 | 748 |
| Total | 1 151 | 1 121 | 666 | 647 | 921 | 896 |

Renegotiation

Commercial leases, for which rents are paid quarterly in advance, are signed for a certain period of time, which means that a change in the market rents do not have an immediate effect on rental income. Rental income can only be changed when the lease in question is due for renegotiation.

Commercial leases include a so-called index clause, which provides for an upward adjustment of the rent, corresponding to a certain percentage of the inflation during the previous year or a minimum upward adjustment.

The lease maturity structure for Castellum's portfolio is shown in the table below, where lease value refers to annual value. An explanation of the relatively small portion in 2009 is that a majority of the leases maturing in 2009 were already renegotiated in 2008 due to the period of notice. The most common terms for a new lease is currently 3-5 years with a nine months notice. The average remaining lease duration in the portfolio is 3.3 years (3.2).

| Lease maturity structure | No. of leases | Lease value, SEKm | Percentage of value |
|--------------------------|---------------|-------------------|---------------------|
| Commercial, term | | | |
| 2009 | 1 191 | 290 | 12% |
| 2010 | 1 289 | 558 | 22% |
| 2011 | 1 003 | 570 | 22% |
| 2012 | 638 | 466 | 18% |
| 2013 | 159 | 225 | 9% |
| 2014+ | 154 | 438 | 17% |
| Total commercial | 4 434 | 2 547 | 100% |
| Residential | 347 | 25 | |
| Parking spaces and other | 2 516 | 49 | |
| Total | 7 297 | 2 621 | |

Economic occupancy rate

Castellum's average economic occupancy rate during 2008 was 89.7% (87.9%). The economic occupancy rate for warehouse and industrial properties amounted to 88.9% (86.5%) and for office and retail properties 90.2% (88.6%). The total annual rental value for vacant premises during the year amounts to approx. SEKm 323.

The gross leasing (i.e. the annual value of total leasing) during the year was SEKm 305 (315), of which SEKm 48 (81) were leasing on new construction, extensions and refurbishments. Terminations amounted to SEKm 221 (180), of which bankruptcies was SEKm 20 (5), hence net leasing for the year were SEKm 84 (135). The share of terminations for renegotiation has been limited. The time difference between reported net leasing and the effect in income thereof is estimated to between 9-18 months.

| Economic occupancy rate | Office/Retail | | Warehouse/Industrial | | Total | |
|--------------------------------|---------------|--------------|----------------------|--------------|--------------|--------------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| Greater Gothenburg | 94.9% | 92.6% | 89.8% | 88.7% | 92.6% | 90.8% |
| Öresund Region | 89.4% | 91.1% | 85.2% | 80.6% | 88.1% | 87.7% |
| Greater Stockholm | 82.4% | 79.8% | 88.0% | 84.7% | 84.0% | 81.2% |
| Mälardalen | 92.6% | 88.8% | 94.1% | 90.4% | 93.0% | 89.3% |
| Eastern Götaland | 91.8% | 91.0% | 87.9% | 88.3% | 90.8% | 90.4% |
| Total | 90.2% | 88.6% | 88.9% | 86.5% | 89.7% | 87.9% |

Castellum's lease portfolio has a good risk exposure. The Group has just over 4,000 commercial leases and approximately 350 residential leases and their distribution in terms of size can be seen in the table below. The single largest lease as well as the single largest customer accounts for only approx. 1% of the Group's total rental income. The distribution of commercial leases across various business sectors is also good, as shown in the following table.

Risk exposure

| Lease size, SEKm | No. of leases | Percentage | Lease value, SEKm | Percentage |
|--------------------------|---------------|-------------|-------------------|-------------|
| Commercial | | | | |
| < 0.25 | 2 496 | 34% | 225 | 8% |
| 0.25-0.5 | 785 | 11% | 281 | 11% |
| 0.5-1.0 | 565 | 8% | 400 | 15% |
| 1.0-3.0 | 443 | 6% | 734 | 28% |
| > 3.0 | 145 | 2% | 907 | 35% |
| Total commercial | 4 434 | 61% | 2 547 | 97% |
| Residential | 347 | 5% | 25 | 1% |
| Parking spaces and other | 2 516 | 34% | 49 | 2% |
| Total | 7 297 | 100% | 2 621 | 100% |

| Commercial leases distributed by sectors (GICS-code) | No. of leases | Lease value, SEKm | Percentage |
|---|---------------|-------------------|-------------|
| Energy (10) | 73 | 22 | 1% |
| Materials (15) | 93 | 92 | 4% |
| Capital goods (2010) | 618 | 409 | 16% |
| Commercial Services & Supplies (2020) | 1 143 | 332 | 13% |
| Transportation (2030) | 159 | 132 | 5% |
| Retailing (2550) | 636 | 401 | 16% |
| Other Consumer Durables and Services (2510-2540) | 507 | 338 | 13% |
| Consumer Staples (30) | 112 | 110 | 4% |
| Health Care (35) | 189 | 119 | 5% |
| Finance and Real Estate (40) | 136 | 85 | 3% |
| Software and Services (4510) | 267 | 171 | 7% |
| Technology Hardware and Equipment (4520) | 148 | 106 | 4% |
| Telecommunication Services (50) | 96 | 23 | 1% |
| Utilities (55) | 19 | 6 | 0% |
| Public sector etc. | 238 | 201 | 8% |
| Total | 4 434 | 2 547 | 100% |

The table below shows the spread of future rental income for existing lease agreements. The increase is chiefly explained by a larger real estate portfolio, but also in part due to a higher occupancy rate.

| Future rental income for existing leases | Group | | Parent Company | |
|--|--------------|--------------|----------------|----------|
| | 2008 | 2007 | 2008 | 2007 |
| Contracted rental income year 1 | | | | |
| Commercial leases | 2 561 | 2 267 | – | – |
| Residential | 8 | 8 | – | – |
| Contracted rental income between 2 and 5 years | 5 126 | 4 479 | – | – |
| Contracted rental income after more than 5 years | 1 230 | 1 080 | – | – |
| Total | 8 925 | 7 834 | – | – |

The parent company consists only of group-wide functions and the turnover mainly consists of intra-group services.

Parent company

Note 4

Property Costs

Property costs in 2008 was SEKm 831 (771), equivalent to SEK 268/sq.m. (262). This amount includes both direct property costs such as costs of operation, maintenance, ground rent and real estate tax, and indirect costs such as leasing and property management.

Operating expenses

Operating expenses include electricity, heating, water, facilities management, cleaning, insurance, rent losses and property-specific marketing costs. Most of the operating expenses are passed on to the customers as supplements to the rent. For warehouse and industrial properties, however, customers are in most cases directly responsible for most of the operating costs. Operating expenses in 2008 were SEKm 455 (414), equivalent to SEK 146/sq.m. (138). Operating expenses, which are considered to be at a normal level for the business, are dependent on the weather, which means that they vary between both different years and seasons of the year. Operating expenses includes rent losses of SEKm 12 (9).

Maintenance

Maintenance costs consist of ongoing measures to maintain the property's standard and technical systems. For 2008 maintenance costs were SEKm 96 (96), equivalent to SEK 31/sq.m. (34).

Ground rent

Ground rent for the year 2008 was SEKm 21 (20), and mainly related to Greater Stockholm. Ground rent is the charge paid annually to the municipality by the owner of a building on land owned by the municipality. The ground rent contracts are spread over a period of time and are in most cases renegotiated at intervals of 10 to 20 years. At the end of year 2008 Castellum had around 50 properties with ground rent. Existing ground rent contracts mature relatively evenly over the next 15-year period.

Real estate tax

Group real estate tax was SEKm 115 (110), equivalent to SEK 37/sq.m. (38). Real estate tax is a state tax based on the property's tax assessment value. The greater part of the real estate tax is passed on to the customer. The tax rate for 2008 was 1.0% of the tax assessment value for office/retail properties and 0.5% for warehouse/industrial.

Leasing and property management

The Group's leasing and property management costs for 2008 were SEKm 144 (131), equivalent to SEK 47/sq.m. (45). Leasing and property management refers to the indirect costs of ongoing property management, comprising the costs of leasing operations, rent negotiation, lease administration, rent debiting, collecting rent and accounting as well as project administration costs and depreciation on equipment in subsidiaries. Of the costs SEKm 91 (69) refers to employee benefits and SEKm 5 (5) depreciation on equipment.

Summary

Property costs per square metre, distributed by property category and type of cost are shown below.

| Property costs SEK/sq.m. | Office/Retail | | Warehouse/Industrial | | Total | |
|--|---------------|------------|----------------------|------------|------------|------------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| Operating expenses | 187 | 174 | 100 | 99 | 146 | 138 |
| Maintenance | 40 | 44 | 21 | 22 | 31 | 34 |
| Ground rent | 8 | 8 | 5 | 5 | 7 | 7 |
| Real estate tax | 57 | 58 | 16 | 16 | 37 | 38 |
| Direct property costs | 292 | 284 | 142 | 142 | 221 | 217 |
| Leasing and property management (indirect) | | | | | 47 | 45 |
| Total | 292 | 284 | 142 | 142 | 268 | 262 |

Note 5

Central Administrative Expenses

Central administrative expenses include the costs of portfolio management, company administration and the costs of maintaining the Stock Exchange listing. This involves all of the costs of Castellum AB, comprising group management, treasury department, IT, personnel, investor relations, annual report, audit, and depreciation on equipment etc. At the subsidiary level, the figures include, costs for the MD and financial manager as well as costs of preparing the annual report, audit etc. Of the costs, excl. the incentive plan described below, SEKm 38 (34) refers to employee benefits and SEKm 0 (1) is depreciation on equipment.

Central administrative expenses also include costs relating to a profit and share price-related incentive plan for senior management and other senior executives, to the order of SEKm 8 (7).

Remuneration to auditors

Remuneration to auditors during the year were SEK 3,896,000 (3,977,000), of which SEK 2,612,000 (2,117,000) related to auditing assignments and the remainder to consulting. The corresponding amounts for the parent company were SEK 979,000 (1,058,000) and SEK 708,000 (682,000) respectively. Of the Group's total remuneration of SEK 3,896,000 (3,977,000), SEK 3,637,000 (3,851,000) refers to KPMG and the remainder to Ernst & Young.

Financial Income

Note 6

| | Group | | Parent Company | |
|------------------------------------|----------|----------|----------------|--------------|
| | 2008 | 2007 | 2008 | 2007 |
| Interest income | 1 | 3 | 0 | 0 |
| Interest subsidies | 0 | 0 | – | – |
| Anticipated dividend, subsidiaries | – | – | 410 | – |
| Group contribution, subsidiaries | – | – | – | 550 |
| Interest income, subsidiaries | – | – | 672 | 522 |
| Other financial income | 3 | – | – | 0 |
| Total | 4 | 3 | 1 082 | 1 072 |

Financial Costs

Note 7

| | Group | | Parent Company | |
|------------------------------|------------|------------|----------------|------------|
| | 2008 | 2007 | 2008 | 2007 |
| Interest costs | 630 | 498 | 637 | 498 |
| Interest costs, subsidiaries | – | – | 28 | 15 |
| Other financial costs | – | 0 | – | 0 |
| Total | 630 | 498 | 665 | 513 |

Net financial items were SEKm -626 (-495). During the year, interest costs of SEKm 22 (13) were capitalized in connection with investments in the real estate portfolio. The increase in net financial items of SEKm 131 is partly due to a larger real estate portfolio and partly due to that the average interest rate level during the period has increased 0.5%-units to 4.7% (4.2%), giving higher costs in net financial items of approx. SEKm 60. When capitalizing interest costs the average rental level has been used. For further information about the financial risk management and policy, see note 16, Long-term interest-bearing liabilities.

Changes In Value

Note 8

The transaction volume on the Swedish real estate market was SEKm 130,000 during the year compared to SEKm 140,000 in 2007. Adjusted for specific transactions such as Vasakronan and transactions for structural purposes the volume has more than halved. The decreased volume are mainly due to the credit crunch following the turbulence on the international credit market.

Changes in both supply and demand have led to further increased difference between sellers' and buyers' views on prices. Even though property values are difficult to assess in a market with low turnover, Castellum's apprehension is that required yields have increased during the year, with a price reduction as a result.

The total change in value of Castellum's portfolio during the year amounted to SEKm -1,262 (920). Out of this figure approx. SEKm -1,400, can be assigned to an increase in the required yield by 0.4%-units during the year. The rest can be assigned to investments made and slightly improved estimated future cash flow.

This year's depreciation of Castellum's portfolio has been approx. 4%, where the largest depreciations have been seen for central retail properties and in the Öresund Region. The net increase in value, including this year's change, during the last five year period has been about 2% per year, which roughly corresponds to the inflation rate.

It should be noted that, since property valuations include an uncertainty range of normally 5-10%, also the changes in value include a not insignificant uncertainty.

Castellum uses interest rate derivatives in order to achieve the desired interest rate maturity structure. If the agreed interest rate varies from the market interest rate there is a theoretical surplus or negative value in the interest rate derivatives, where the non cash flow effecting changes in value are reported in the income statement. As an effect of dramatically falling long term interest rates, mainly during the fourth quarter, the value has changed with SEKm -1,010 (99) and the value was SEKm -966 (44) at the end of the period.

Investments
properties

Interest rate
derivatives

Tax Costs

Note 9

The income tax in Sweden for limited liability companies is 28% for 2008, but will be 26.3% from 2009. In the income statement, the income tax is recorded as two entries, current tax and deferred tax. For 2008 current tax has been calculated based on a nominal tax rate of 28%, while deferred tax has been calculated based on the lower tax rate 26.3%. Current tax is based on the taxable income for the year, which is lower than the recorded net income for the year. This is mainly an effect of the possibility to:

- use tax depreciation on buildings of 2-5%, which is not made in the accounts,
- make tax deductions for certain refurbishments in the properties, which are capitalized in the accounts,
- utilize existing tax loss carry forwards.

The deferred tax is a provision for the tax which will be paid in the future when the properties are sold, and the depreciation for tax purposes and the capitalized investments deducted for tax purposes are reversed.

As shown in the table below, there is in principle no taxable income for 2008, because Castellum uses the above mentioned depreciation for tax purposes, makes tax deductions on some investments and utilizes existing tax loss carry forwards. The current paid tax that occur is because a few subsidiaries are not allowed to make fiscal group contributions.

| | Basis current tax | Basis deferred tax |
|---|----------------------|-----------------------|
| Tax calculation for the Group 31-12-2008 | | |
| Income from property management | 973 | – |
| Deductions for tax purposes | | |
| depreciation | – 532 | 532 |
| refurbishment | – 295 | 295 |
| Other tax allowances | – 27 | 34 |
| Taxable income from property management | 119 | 861 |
| Gain on properties sold | 0 | – 17 |
| Changes in value on properties | – | – 1 262 |
| Changes in value on derivatives | – 966 | – 44 |
| Taxable income for the year | – 847 | – 462 |
| Tax loss carry forwards, opening balance | – 539 | 539 |
| Deductions for tax purposes | | |
| write-downs on shares | – 319 | – |
| refurbishments, previous year | – 73 | 73 |
| Tax loss carry forwards, closing balance | 1 830 | – 1 830 |
| Taxable income for the year | 52 | – 1 680 |
| Of which 28% current/deferred tax | – 14 | 470 |
| Revaluation deferred tax 26,3% | – | 180 |
| Tax according to the income statement | – 14 | 650 |

The total tax may be different from nominal tax in those cases where there are recorded income / costs which are not taxable / tax deductible or as an effect of other tax adjustments. The total tax cost shown in Castellum's income statement 2008 is less than nominal tax. This depends on tax deductible write-downs on shares in subsidiaries and on revaluation of tax loss carry forwards due to reduced nominal tax rate from 28% to 26.3%. The effective tax on income from property management, without consideration taken to the use of tax loss carry forwards, can be calculated to 3%. As shown in the table above the remaining tax loss carry forward are calculated to SEKm 1,830.

For the parent company deferred tax of SEKm 32 (14) has been recorded directly in equity since the underlying transaction has been recorded in that way.

| | Group | | Parent Company | |
|--|------------|--------------|----------------|-------------|
| Tax cost | 2008 | 2007 | 2008 | 2007 |
| Income before tax | – 1 299 | 1 943 | – 633 | 617 |
| Tax according to the current tax rate, 28% | 364 | – 544 | 177 | – 173 |
| Tax effects due to: | | | | |
| non-taxable group contributions etc. | – | – | – | 154 |
| non-taxable dividend | – | – | 115 | – |
| write-downs on shares in subsidiaries | 89 | 55 | – | – |
| revaluation of deferred tax 26.3% | 180 | – | – 16 | – |
| other tax adjustments | 3 | 33 | – | – |
| Disclosed tax cost | 636 | – 456 | 276 | – 19 |

Personnel and Board of Directors

Group
2008 2007

Parent Company
2008 2007

Note 10

Average number of employees (all in Sweden)
of which women

226 208 14 12
79 70 6 5

Number of
employees

During 2008, the parent company had 7 (7) board members, of which 2 (2) are women, while the total number of board members in the Group's subsidiaries were 21 (21), of which 4 (3) are women. The Group and the parent company alike have 10 (10) senior executives, of which 2 (2) are women. The total number of senior executives in the subsidiaries' managerial bodies and the senior executives of the Group were 45 (44), of which 11 (10) are women.

Salaries,
remuneration
and benefits

| | Group 2008 | 2007 | Parent Company 2008 | 2007 |
|--|---------------|--------------|------------------------|-------------|
| Salaries, remuneration and benefits | | | | |
| Chairman of the Board | 0.4 | 0.4 | 0.4 | 0.4 |
| Other Board members (SEK 215 000 each) | 1.3 | 1.2 | 1.3 | 1.2 |
| Chief Executive Officer | | | | |
| Fixed salary | 2.8 | 2.4 | 2.8 | 2.4 |
| Variable remuneration | 1.2 | 1.1 | 1.2 | 1.1 |
| Benefits | 0.0 | 0.0 | 0.0 | 0.0 |
| Other senior executives (Group:9, Parent Company:3) | | | | |
| Fixed salary | 10.7 | 9.3 | 3.8 | 3.1 |
| Variable remuneration | 4.5 | 4.0 | 1.7 | 1.1 |
| Benefits | 0.7 | 0.6 | 0.2 | 0.1 |
| Other employees | 82.9 | 74.2 | 7.4 | 6.9 |
| Total | 104.5 | 93.2 | 18.8 | 16.3 |
| Contractual pension costs | | | | |
| Chief Executive Officer | 0.7 | 0.7 | 0.7 | 0.7 |
| Other senior executives (Group:9, Parent Company:3) | 3.0 | 2.8 | 0.9 | 0.8 |
| Other employees | 10.4 | 9.2 | 0.7 | 0.6 |
| Total | 14.1 | 12.7 | 2.3 | 2.1 |
| Statutory social costs incl. special employer's contributions | | | | |
| Chairman of the Board | 0.1 | 0.1 | 0.1 | 0.1 |
| Other Board members | 0.4 | 0.4 | 0.4 | 0.4 |
| Chief Executive Officer | 1.5 | 1.3 | 1.5 | 1.3 |
| Other senior executives (Group:9, Parent Company:3) | 5.8 | 5.1 | 2.1 | 1.6 |
| Other employees | 29.8 | 28.8 | 2.7 | 2.4 |
| Total | 37.6 | 35.7 | 6.8 | 5.8 |
| Total | 156.2 | 141.6 | 27.9 | 24.2 |

The executive management includes the Chief Executive Officer, the Deputy Chief Executive Officer with responsibility for business development, the Financial Director and Finance Director of Castellum AB and the six Managing Directors of the subsidiaries.

Executive
management

Remuneration and benefits

Remuneration and benefits for the executive management is decided by the remuneration committee. The remuneration comprises a fixed salary and a variable remuneration according to an incentive plan described below. The variable remuneration can, during the three-year period of the plan, amount to a maximum of three years salary.

The executive management, ten persons in total, have an incentive plan that comprises two parts:

- One profit-based part mainly based on the trend of income from property management and, if the targets are reached, is paid as salary annually after the financial statements have been adopted. The profit-based part can total a maximum of a half-year salary per year, for Castellum equivalent to a cost of SEKm 10, including social costs. The plan will continue up to and including 2010,
- One share price-based part based on the total return on the Castellum share during a three-year period, both in nominal figures and compared with the real estate index. Any bonus due is paid as salary after the measurement period of June 2008 – May 2011. The share price-based part can during the three-year period total a maximum of one and a half years salary, for Castellum equivalent to a cost of SEKm 29 including social costs.

Executives in receipt of a variable remuneration according to the incentive plan, must to acquire Castellum shares for at least half of the amount of the bonus due after tax. The bonus paid does not affect pension contributions.

Pensions

Persons in the Executive management have defined contribution pensions with no other obligations for the company than to pay an annual premium during the time of employment. This implies that these persons, after completed employment, have the right to decide on their own, the time-frame during which the defined payments and subsequent return will be received as pension. The retirement age for the CEO is 65 years. For other members of the executive management the retirement age is also 65 years.

Severance payment

If notice of dismissal is given by the company the CEO is entitled to two years salary, with deduction of salary or remuneration received from other employment or activity.

Other members of the executive management are entitled to, if notice of dismissal is given by the company, a maximum of one year salary with deduction of salary or remuneration received from other employment or activity.

Pensions for other employees

Other employees in Castellum have defined contribution pensions, with no other obligations for the company than to pay an annual premium during the time of employment. This implies that these persons, after completed employment, have the right to decide on their own, the time-frame during which the defined payments and subsequent return will be received as pension. However, there is an exception for about 25 employees within the Castellum Group that have defined ITP-plans instead with regular payments to Alecta. Insurance premiums paid to Alecta during the year amounted to SEKm 1 (1). The surplus in Alecta may be distributed to the insurance holder and/or the insured. Alecta's surplus in the collective consolidation level as of December had not been made official at the time of signing of this annual report and can therefore not be reported. Alecta's latest official consolidation level was as of September 2008 126.0% (December 2007: 152.0%). The collective consolidation level is made up of the market value of Alecta's assets as a percentage of the insurance obligations calculated according to Alecta's assumptions for calculating the insurance, which do not comply with IAS 19.

Absence due to illness

Absence due to illness for the year was 2% (2%), of which 0%-unit (1) are long-term sick leave. The absence due to illness for men and women were 1% (1%) and 2% (4%) respectively. The absence due to illness were 1% (1%) for the age group 29 years and younger, 2% (2%) for the age group 30-49 years and 1% (2%) for the age group 50 years or older. Absence due to illness for the parent company was 0% (1%).

Note 11

Investment Properties

| | Group | | Parent Company | |
|---|---------------|---------------|----------------|----------|
| | 2008 | 2007 | 2008 | 2007 |
| <i>Schedule of the changes during the year</i> | | | | |
| Opening balance | 27 717 | 24 238 | – | – |
| New constructions, extensions and refurbishment | 1 526 | 1 084 | – | – |
| <i>of which capitalized interest costs</i> | 22 | 13 | – | – |
| Acquisitions | 1 212 | 1 514 | – | – |
| Sales | – 28 | – 38 | – | – |
| Unrealized changes in value | – 1 262 | 919 | – | – |
| Closing balance | 29 165 | 27 717 | – | – |
| <i>Schedule of tax assessment value</i> | | | | |
| Buildings | 12 478 | 11 963 | – | – |
| Land | 3 152 | 3 069 | – | – |
| Total tax assessment value | 15 630 | 15 032 | – | – |
| Rental income from investment properties | 2 501 | 2 259 | – | – |
| Property costs for investment properties | 831 | 771 | – | – |

Investments during the year

During 2008, Castellum made investments totalling SEKm 2,738 (2,598), of which SEKm 1,212 (1,514) were acquisitions and SEKm 1,526 (1,084) new construction, extensions and refurbishment. Acquisitions during the year refer to 39 properties of which a great part has been company acquisitions. The Group acquisition value of SEKm 1,212 comprises partly a cash flow acquisition value of SEKm 1,096 and partly a deferred tax liability of SEKm 116. The single largest company acquisition was 2% of Castellum's total assets. If the properties owned by Castellum at the end of the year, would have been owned during the entire year, the net operating income can be calculated to SEKm 1,746.

Castellum has no significant obligations to acquire or sell any investment property. However, Castellum is obligated to complete ongoing investments of a further SEKm 800 in addition to what is accounted for in the balance sheet.

Significant obligations

| Ongoing investments | Investment, SEKm | of which remain- ing, SEKm | To be completed |
|-----------------------------------|------------------|-------------------------------|-----------------|
| Betongblandaren 10, Stockholm | 130 | 101 | Quarter 4, 2009 |
| Visionen 3, Jönköping | 115 | 107 | Quarter 3, 2009 |
| Boländerna 28:3 och 30:2, Uppsala | 96 | 96 | Quarter 1, 2010 |
| Visiret 2, Huddinge | 95 | 61 | Quarter 4, 2009 |
| Visiret 2, Huddinge | 60 | 5 | Quarter 1, 2009 |

According to accepted theory, the value of an asset consists of the net present value of the future cash flows that the asset is expected to generate. This section aims to describe and illustrate Castellum's cash flow-based model for calculation of the value of the real estate portfolio. The value of the real estate portfolio is calculated in this model as the total present value of net operating income minus remaining investments on ongoing projects, during the next nine years and the present value of the estimated residual value in year ten. The residual value in year ten consists of the total present value of net operating income during the remaining economic life span. The estimated market value of undeveloped land is added to this.

The required yield and the assumption regarding future real growth are of crucial importance for the calculated value of the real estate portfolio, as they are the most important value-driving factors in the valuation model. The required yield is the weighted cost of borrowed capital and equity. The cost of borrowed capital is based on the market interest rate for loans. The cost of equity is based on a "risk-free interest rate" equivalent to the long-term government bond rate with the addition of a "risk premium". The risk premium is unique to each investment and depends on the investor's perception of future risk and potential.

To illustrate the model, the following example is provided. It should be noted that assumptions regarding cash flow growth and other assumptions included in the model are only intended to illustrate the model. The example should thus not be regarded as a forecast of the company's expected earnings.

Assumptions in the example:

- The economic occupancy rate is assumed to increase in order to reach a long-term level of 95% in the year 2013.
- Net operating income for 2008 is based on the result for the investment properties, with an assumed cost of SEK 30/sq.m. for pure property administration.
- Growth in rental value and property costs has been assumed to 1% per year during the calculation period.
- The average economic life of the real estate portfolio has been assumed to be 50 years.
- Projects and undeveloped land have an assumed value SEKm 1,435.
- The required yield is calculated according to the following assumptions:

| | Required yield | Percentage of capital | Weighted required yield |
|--------------------------------|----------------|-----------------------|-------------------------|
| Equity | 7.0% - 20.5% | 30% | 2.1% - 6.1% |
| Borrowed capital | 5.5% | 70% | 3.9% |
| Weighted required yield | | 100% | 6.0% - 10.0% |

Example - calculation of the value of the real estate portfolio

| SEKm | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---------------------------------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Rental value | 2 844 | 2 872 | 2 901 | 2 930 | 2 959 | 2 989 | 3 019 | 3 049 | 3 080 | 3 110 | 3 142 |
| Rental income | 2 552 | 2 585 | 2 640 | 2 710 | 2 782 | 2 840 | 2 868 | 2 897 | 2 926 | 2 955 | 2 984 |
| Economic occupancy rate | 89.7% | 90% | 91% | 92% | 94% | 95% | 95% | 95% | 95% | 95% | 95% |
| Property costs | -774 | -782 | -790 | -797 | -805 | -813 | -822 | -830 | -838 | -847 | -855 |
| Net operating income=cash flow | 1 778 | 1 803 | 1 850 | 1 913 | 1 977 | 2 027 | 2 046 | 2 067 | 2 088 | 2 108 | 2 129 |
| Discounted cash flow, years 1-9 | 12 718 | | | | | | | | | | |
| Discounted cash flow, year 10 | 14 896 | | | | | | | | | | |
| Assumed value, projects and land | 1 435 | | | | | | | | | | |
| Total property value | 29 049 | | | | | | | | | | |

Castellum records the investment properties at fair value and has made an internal valuation of all properties as of December 31, 2008. The valuation was carried out in a uniform manner, and was based on a ten-year cash flow model, which was described in principle above. The internal valuation was based on an individual assessment for each property of both its future earnings capacity and its required yield. In assessing a property's future earnings capacity we took into account an assumed level of inflation of 1.5% and potential changes

Valuation model

Internal valuation

in rental levels from each contract's rent and expiry date compared with the estimated current market rent, as well as changes in occupancy rate and property costs. Included in property costs are operating expenses, maintenance, ground rent, real estate tax, and leasing and property administration. Possible premiums paid on portfolios have not been taken into account.

Assumptions of the required yield etc.

The required yield on equity is different for each property, and is based on assumptions regarding real interest rate, inflation and risk premium. The risk premium is different for each property and can be divided into two parts - general risk and individual risk. The general risk makes up for the fact that a real estate investment is not as liquid as a bond, and that the asset is affected by the general economic situation. The individual risk is specific to each property, and comprises a weighted assessment of; the property's category, the town/city in which the property is located, the property's location within the town/city with reference to the property's category, if the property has the right design, is appropriate and makes efficient use of space, the property's technical standard with regard to such criteria as the choice of materials, the quality of public installations, furnishing and equipment on the premises and apartments and the nature of the lease agreements, with regard to such issues as the length, size and number of agreements.

In order to calculate the required yield on total capital, an assumption has been made about the cost of borrowed capital of 5.5%. The required yield of borrowed capital comprises the real interest rate and inflation. The loan to value ratio is assumed to be 55%-65%, depending on the property category.

The required yield on total capital is calculated by weighting the required yield on equity and the cost of borrowed capital depending on the capital structure. The required yield on total capital is used to discount the expected 10-year future cash flows, while the residual value is discounted by calculating the return on total capital minus growth which is set equal to the inflation.

The assumptions that form the basis for Castellum's valuation are shown in the table below.

| Assumptions per property category 31-12- 2008 | Office/Retail | Warehouse/Industrial |
|--|---------------|----------------------|
| Real interest rate | 3.0% | 3.0% |
| Inflation | 1.5% | 1.5% |
| Risk | 5.6% -12.8% | 7.5% - 14.2% |
| Return on equity | 10.1% - 17.3% | 12.0% - 18.7% |
| Interest rate | 5.5% | 5.5% |
| Loan to value ratio | 65% | 55% |
| Return on total capital | 7.1% - 9.6% | 8.4% - 11.4% |
| Required yield minus growth equal to inflation | 5.6% - 8.1% | 6.9% - 9.9% |

The required yield has compared to previous year, been raised with 0.4%-units, which resulted in a negative change in value of approximately SEKm 1.400. Together with effects of investments made and slightly improved estimated future cash flow, the net total change in value is SEKm -1.262 (920), equivalent to -4%.

The normalized yield for Castellum's real estate portfolio, excluding development projects and undeveloped land, can be calculated to 7.4% (7.0%). Contracted rental levels are considered to be in line with the market levels.

| Normalized yield, SEKm | 2008 | 2007 |
|--|--------------|--------------|
| Net operating income, properties according to income statement | 1 670 | 1 488 |
| Reversed leasing and property administration | 144 | 131 |
| Net operating income, ongoing development projects | - 20 | - 3 |
| Properties acquired/completed as if they had been owned during the whole year | 77 | 55 |
| Properties sold | - 1 | - 1 |
| Net operating income excl. leasing and property administration for properties as if they had been owned during the whole year, excl. projects and land | 1 870 | 1 670 |
| Adjusted for: | | |
| Index adjustments following year | 82 | 51 |
| Real occupancy rate, 94% at the lowest | 190 | 215 |
| Expected cost increase following year | - 14 | - 9 |
| Degree day adjustments to a normal year | - 7 | - 8 |
| Property administration, 30 SEK/sq.m. | - 92 | - 88 |
| Normalized net operating income | 2 029 | 1 831 |
| Valuation excl. projects and land | 27 343 | 26 278 |
| excl. building rights in office/retail and warehouse/industrial | 1 792 | 1 439 |
| Normalized yield | 7.4% | 7.0% |

Development projects and building rights

Projects in progress have been valued using the same principle, but with deductions for remaining investment. Sites with building rights and undeveloped land have been valued on the basis of an estimated market value per square metre on average approx. SEK 950 per sq.m. (1,000).

The value of the real estate portfolio

The internal valuation shows a fair value of SEKm 29,165 (27,717), which is a decrease in value of approx. –4% (3%). The table below shows the fair value distributed by property category and region.

| Property value, SEKm 31-12-2008 | Office/Retail | Warehouse/ Industrial | Projects and land | Total |
|------------------------------------|---------------|--------------------------|----------------------|---------------|
| Greater Gothenburg | 5 253 | 4 251 | 99 | 9 603 |
| Öresund Region | 4 397 | 1 661 | 478 | 6 536 |
| Greater Stockholm | 3 712 | 1 424 | 536 | 5 672 |
| Mälardalen | 2 907 | 976 | 302 | 4 185 |
| Eastern Götaland | 2 419 | 730 | 20 | 3 169 |
| Total | 18 688 | 9 042 | 1 435 | 29 165 |

In order to provide further assurance and validation of the valuation 125 properties, representing 51% of the value of the portfolio, were valued by NAI Svefa. The properties were selected on the basis of the largest properties in terms of value, but also in order to reflect the composition of the portfolio as a whole in terms of category and geographical location of the properties. NAI Svefa's valuation of the selected properties amounted to SEKm 14,657, within an uncertainty range of +/- 5-10% on property level. The size of the uncertainty range varies depending on each property's category and location. Castellum's valuation of the same properties amounted to SEKm 14,799, which is 1% higher. It can be noted that, on portfolio level, the external and the internal valuations correspond well, although there are individual differences.

External valuation**Uncertainty range**

A property's market value can only be confirmed when it is sold. Property valuations are calculations performed according to accepted principles and on the basis of certain assumptions. The value range of +/- 5-10% often used in property valuations should be seen as an indication of the uncertainty that exists in such assessments and calculations. In a less liquid market, the range can be bigger. For Castellum, an uncertainty range of +/- 5%, means a range in value of +/- 1,458 SEKm which corresponds to SEKm 27,707 – 30,623.

| Equipment | Group | | Parent Company | | Note 12 |
|----------------------------------|-------------|-------------|----------------|------------|---------|
| | 2008 | 2007 | 2008 | 2007 | |
| Opening acquisition value | 52 | 48 | 3 | 3 | |
| Acquisitions | 8 | 6 | 1 | 0 | |
| Sales / Retirement of assets | – 3 | – 2 | – 1 | 0 | |
| Closing acquisition value | 57 | 52 | 3 | 3 | |
| Opening depreciation | – 39 | – 35 | – 3 | – 2 | |
| Sales / Retirement of assets | 3 | 2 | 1 | 0 | |
| Depreciation for the year | – 6 | – 6 | – 1 | – 1 | |
| Closing depreciation | – 42 | – 39 | – 3 | – 3 | |
| Book value | 15 | 13 | 0 | 0 | |

| Participations in Group Companies | Group | | Parent Company | | Note 13 |
|--|----------|----------|----------------|--------------|---------|
| | 2008 | 2007 | 2008 | 2007 | |
| Opening / closing acquisition value | – | – | 4 087 | 4 087 | |
| Book value | – | – | 4 087 | 4 087 | |

The principles for consolidation are described in the accounting principles. Directly owned subsidiaries are listed below. Other companies in the Group are included in each respective subsidiary's annual report.

| | Corporate identity no. | Registered office | Share of capital | Book value |
|--------------------------------|------------------------|-------------------|------------------|--------------|
| Directly owned subsidiaries | | | | |
| Fastighets AB Brostaden | 556002-8952 | Stockholm | 100% | 945 |
| Aspholmen Fastigheter AB | 556121-9089 | Örebro | 100% | 506 |
| Ekländia Fastighets AB | 556122-3768 | Gothenburg | 100% | 687 |
| Harry Sjögren AB | 556051-0561 | Mölnådal | 100% | 683 |
| Fastighets AB Corallen | 556226-6527 | Värnamo | 100% | 515 |
| Fastighets AB Briggen | 556476-7688 | Malmö | 100% | 751 |
| Fastighets AB Regeringsgatan | 556571-4051 | Gothenburg | 100% | 0 |
| Fastighets AB Regeringsgatan 1 | 556715-8331 | Gothenburg | 100% | 0 |
| Summa | | | | 4 087 |

Note 14

Long-term Receivables, Group Companies

| | Group | | Parent Company | |
|----------------------------------|----------|----------|----------------|---------------|
| | 2008 | 2007 | 2008 | 2007 |
| Opening acquisition value | – | – | 12 460 | 10 830 |
| New lending to subsidiaries | – | – | 2 570 | 1 630 |
| Closing acquisition value | | | 15 030 | 12 460 |
| Book value | – | – | 15 030 | 12 460 |

Note 15

Shareholders' Equity and Net Asset Value

Share capital

The share capital as of 31 December, 2008 consisted of 172,006,708 registered A-shares with one vote per share and a par value of 0.50 per share. All shares are fully paid. Of the registered shares, Castellum owns 8,006,708, to a total nominal value of SEK 4,003,354. The number of outstanding shares thus totals 164,000,000, which is the same amount as for the corresponding period previous year. The repurchased shares do not carry any voting rights and are not entitled to dividend. There are no restrictions regarding dividend or other types of repayment. There is no potential common stock such as convertible shares, or preferential rights to accumulated dividend (preference shares).

| Development of share capital | Date | Number of shares | Par value per share | Share capital, SEK |
|------------------------------|-------------------|--------------------|---------------------|--------------------|
| Formation A-shares | 27-10-1993 | +500 | 100 | +50 000 |
| New share issue, A-shares | 27-09-1994 | +999 500 | 100 | +99 950 000 |
| Share split 50:1 | 25-03-1997 | +49 000 000 | 2 | – |
| IPO | 23-05-1997 | 50 000 000 | 2 | 100 000 000 |
| New share issue, C-shares | 12-07-2000 | +7 142 857 | 2 | +14 285 714 |
| Redemption, A-shares | 12-07-2000 | –6 998 323 | 2 | –13 996 646 |
| Redemption, C-shares | 13-11-2000 | –7 142 857 | 2 | –14 285 714 |
| Share split 4:1 | 27-04-2006 | 129 005 031 | 0.50 | – |
| Year-end | 31-12-2008 | 172 006 708 | 0.50 | 86 003 354 |

Restricted and non-restricted equity

According to the Swedish Companies Act shareholders' equity is made up of restricted (non-distributable) and non-restricted (distributable) equity. Dividend to the shareholders may only be such that there after the distribution is full coverage for restricted equity in the parent company. Further, distribution of profits may only be made if it is justified with respect to the demands put on the amount of equity needed by the type of business, extent and risk of operations, company and Group consolidation needs, liquidity and financial position in general.

Own shares repurchased

During the year 2000, Castellum repurchased 8,006,708 of the company's own shares for a total of SEKm 194, equivalent to 4.7% of the total registered number of shares. Since then no repurchase of the company's own shares have been made.

Dividend

Dividend is proposed by the Board of Directors according to the rules of the Companies Act and decided by the annual general meeting. The proposed dividend, not yet paid out, for the financial year 2008 is SEK 3.15 per share, SEKm 517 in total. The amount is recorded as debt after the annual general meeting has approved the dividend.

Net asset value

When calculating the net asset value for a real estate company in general and for Castellum in specific, there are in addition to what can be read in the balance sheet, mainly two items to take into consideration – uncertainty range in property valuation and deferred tax liability.

The value range of +/- 5-10% often used in property valuations should be viewed as an indication of the uncertainty that exists in assessments and calculations made. For Castellum this is equivalent to a range of SEK +/- 1.4 – 2.9 billion.

Present accounting principles states that the deferred tax liability shall be recorded to nominal 26.3%, while the real deferred tax is substantially lower. The present assessment is that the discounted real deferred tax liability does not exceed 5%, which means that an additional SEK 2.3 billion should be recorded in equity.

| Net asset value | SEKm | SEK/share |
|--|---------------|-----------|
| Equity according to the balance sheet | 10 049 | 61 |
| Reversed 26.3% deferred tax according to the balance sheet | 2 785 | 17 |
| Net asset value excluding tax | 12 834 | 78 |
| Estimated real liability, deferred tax 5% | -529 | -3 |
| Net asset value | 12 305 | 75 |
| Uncertainty range valuation of properties +/- 5% after tax | +/- 1 385 | +/- 8 |

Castellum's objective based on growth in cash flow and is not directly related to net asset value. The objective is an annual growth in cash flow, i.e. income from property management per share, of at least 10%. In order to achieve this objective, investments of at least SEKm 1,000 per year will be made. All investments will contribute to the objective of growth in income from property management within 1-2 years and have a potential asset value growth of at least 10%. Sales of properties will take place when justified from a business standpoint and when an alternative investment with a higher yield can be found. Castellum will have a stable capital structure, meaning a loan to value ratio not permanently exceeding 55% and an interest coverage ratio of at least 200%.

| Liabilities | Group | | Parent Company | | Note 16 |
|--|---------------|---------------|----------------|---------------|---------|
| | 2008 | 2007 | 2008 | 2007 | |
| Interest-bearing liabilities due within one year of the balance sheet date | – | – | – | – | |
| Other non-interest-bearing liabilities due within one year of the balance sheet date | 1 963 | 783 | 1 206 | 116 | |
| Interest-bearing liabilities due within 1-5 years of the balance sheet date | 5 107 | 4 582 | 5 579 | 4 607 | |
| Interest-bearing liabilities due more than 5 years after the balance sheet date | 9 500 | 8 000 | 9 500 | 8 000 | |
| Total excl. deferred tax liability | 16 570 | 13 365 | 16 285 | 12 723 | |

During 2009, current interest-bearing liabilities amounting to SEKm 148 (126) are due for payment, but since they are covered by unutilized long-term credit agreements, they are treated as long-term interest-bearing liabilities. The fair value of the liabilities are equal to the book value.

Long-term Interest-bearing Liabilities Note 17

Castellum's funding and management of financial risks are run according to the financial policy as defined by the Board of Directors. The financial operations are centralized to the parent company. The treasury department in the parent company operates as the Group's internal bank with responsibility for group funding, management of financial risks and cash management.

Objectives

The objectives in the financial policy are:

- Stable capital structure, meaning av loan to value ratio not exceeding 55% long term and an interest coverage ratio of at least 200%.
- Secure the need for long-term funding and liquidity.
- Achieve a low and stable net interest income/costs within the given risk mandate.

Financial policy

The financial policy outlines the given mandates and limitation for the management of the financial risks defined in the policy and overall assignment of responsibility and how the financial risk should be reported. The parent company holds a function, separated from the treasury department, for accounting and independent

control of the financial management and the financial risks. The financial risks defined in the financial policy, is reported quarterly to the Board of Directors. Interest rate risk and funding risk is reported weekly to the Finance Director. In order to improve and adjust the financial risk management the Board of Directors makes an annual overview of the financial policy.

The financial operations in Castellum shall be run in such manner that the costs for the financial risk management are minimized. This means that Castellum carries out financial transactions based on estimations of the Group's overall need for liquidity, funding and interest rate risk. Hence, the financial risk management is carried out on portfolio level. Portfolio management of lending means that a transaction within the Group, such as an internal loan, is not replicated by an identical external transaction, instead draw downs on loans are made under credit agreements based on the Group's overall funding needs. For a cost effective management of the interest rate risk an assessment is made of the interest rate risk that occurs a payment of or making a draw down on a single loan with a short fixed interest term under different credit agreements, after which interest rate derivative transactions are made in order to achieve the desired fixed interest term on the total amount of debts. The internal bank works with netting bank accounts for the Group's liquidity flows.

| Policy | Objective | Outcome |
|---------------------------------------|--|--|
| Loan to value ratio | Not permanently exceeding 55% | 50% |
| Interest coverage ratio | At least 200% | 255% |
| Interest rate risk | | |
| – average fixed interest term | 0.5-3 years | 2.9 years |
| – share with maturity within 6 months | Maximum 50% | 38% |
| Currency risk | Not allowed | No exposure |
| Funding risk | Minimum 50% credit agreements with a duration of at least 2 years. | 100% |
| Counterparty risk | Credit institutes with high ratings, at least "investment grade" | Fulfilled |
| Liquidity risk | Liquidity reserve in order to fulfill payments due | SEKm 2 272 in unutilized credit agreements |

Borrowing, maturity structure and interest rates

At the year-end Castellum had long term credit agreements totalling SEKm 15,800 (13,300), long term bonds totalling SEKm 650 (650), short term credit agreements totalling SEKm 770 (776) and a commercial paper program of SEKm 4,000 (4,000). After deduction of liquidity assets of SEKm 9 (7), net interest bearing liabilities were SEKm 14,598 (12,575). At the year end there were no outstanding commercial papers.

| Credit agreements/-limits | Amount, SEKm | Utilized, SEKm |
|------------------------------|---------------|----------------|
| Long term credit agreements | 15 800 | 13 950 |
| Bonds | 650 | 650 |
| Short term credit agreements | 770 | – 2 |
| Commercial paper program | 4 000 | – |
| Total | 21 220 | 14 598 |

The average duration of Castellum's long-term credit agreements as of 31-12-2008 was 5.5 years (5.2). The debt maturity structure for the credit agreements, as may be seen in the table below, shows when in time the credit agreements fall due for renegotiation or repayment. Margins and fees on long term credit agreements had an average duration on 3.2 years.

| Debt maturity structure 31-12-2008 | Credit agreements, SEKm | Utilized, SEKm |
|---|-------------------------|----------------|
| 1-2 years | 1 100 | 1 100 |
| 2-3 years | 700 | 200 |
| 3-4 years | – | – |
| 4-5 years | 5 000 | 5 000 |
| 5-10 years | 9 500 | 8 150 |
| Total long term credit agreements | 16 300 | 14 450 |
| Short term credit agreements (0-1 year) | 920 | 148 |
| Commercial paper program (0-1 year) | 4 000 | – |
| Total credit agreements | 21 220 | 14 598 |
| Unutilized credits in long term credit agreements | | 1 702 |

The treasury department arranges loans under Castellum's credit agreements, issues bonds or commercial papers in order to provide funding for the subsidiaries owning the properties. The credit agreements provide Castellum the right to choose both short-term and long-term fixed interest rates and sometimes even the right to choose interest rate base, i.e. each credit institute's offered variable interest rate, Stibor interest rate or fixed interest rate.

The agreements can be divided into the following categories:

- Loans pledged by Castellum's receivables from subsidiaries, including pledged mortgages. Utilized credits secured by pledged mortgages in properties were at the end of the year SEKm 13,696. In addition to the pledged mortgages the majority of the credit agreements include financial covenants. In all cases the financial covenants are issued with safe margins to Castellum's goal for the capital structure and states a loan to value ratio not exceeding 65% and an interest coverage ratio of at least 150%.
- Unsecured loans.
- Issuing of bonds.
- Issuing of commercial papers.

Irrespective of the type of credit agreement they include the usual conditions for cancellation and sometimes also conditions for renegotiation if there is a material adverse change in business or if an unacceptable single party engagement for the lender occurs. If the lender calls on the right for renegotiation in such case and the parties cannot agree, the agreements contain specified terms for the time of termination for those agreements covered by such conditions.

Castellum can increase or decrease the allocation under the long-term credit agreements with short notice. The objective is to minimize the interest-bearing liabilities, and cash is therefore used primarily to repay outstanding debts.

In order to secure Castellum's need for liquidity and long-term funding, Castellum is regularly re-negotiating and entering into new credit agreements when needed. During the year Castellum has signed a net of new long term credit agreements with Nordic banks totalling SEKm 2,500 and renegotiated and extended credit agreements totalling SEKm 9,000.

The average effective interest rate as of 31 December, 2008 was 4.8% (4.4%) and the average interest rate for the year was 4.7% (4.2%). The average fixed interest term as at the year end was 2.9 years (2.2) and the market interest rate for an equal portfolio was 2.9% (5.0%). Castellum usually makes draw downs of loan with short term fixed interest rate under long term credit agreements. Thus the interest rate costs consist of the market interest rate at the time of the loan and a credit margin to the lender. The total margin to the lender consists of both a margin for utilized credits and a facility fee for the granted credit volume. Interest rates that falls due within 12 months consist of short fixed interest, long fixed interest with a short remaining duration, in some cases derivatives containing option and fees such as facility fees and commitment fees.

| Interest rate maturity structure | Amount, SEKm | Average interest rate |
|----------------------------------|---------------|-----------------------|
| 0-1 year | 5 596 | 5.0% |
| 1-2 years | 1 350 | 4.3% |
| 2-3 years | 602 | 4.3% |
| 3-4 years | 600 | 4.7% |
| 4-5 years | 3 250 | 4.7% |
| 5-10 years | 3 200 | 4.9% |
| Total | 14 598 | 4.8% |

Castellum's strategy of using interest rate derivatives in order to manage the interest rate risk and achieve the desired interest rate maturity structure means that there may be changes in value of the interest rate derivatives portfolio from time to time. These changes occur partly due to changes in market interest rates and partly due to the time factor (an originally 5-year fixed interest term with 2 years left to maturity is compared with a 2-year fixed interest term). As of December 31, 2008 the market value of the interest rate derivatives portfolio amounted to SEKm – 966 (44). An upward parallel adjustment of the discounting interest rate used in the valuation of the interest rate derivatives portfolio as of December 31, 2008 of 1%-unit would affect the value of the interest rate derivatives portfolio by SEKm 500.

The table below shows the interest rate derivatives portfolio's nominal amount including accrued interest and market value as of 31-12-2008 and the market value of the portfolio with a +/- 1%-unit change in the interest rate. Interest rate derivatives which include an option has based on the date of termination been reported in the same time segment as prior to the assumed change in interest rate.

| Year | Amount, SEKm | Market value, SEKm | Average interest rate | Market value interest +1%-unit | Market value interest -1%-unit |
|--------------|-----------------|-----------------------|--------------------------|-----------------------------------|-----------------------------------|
| 2009 | 2 099 | - 176 | 4.3% | - 75 | - 261 |
| 2010 | 1 366 | - 38 | 4.2% | - 19 | - 49 |
| 2011 | 602 | - 31 | 4.2% | - 16 | - 41 |
| 2012 | 602 | - 41 | 4.6% | - 20 | - 62 |
| 2013 | 3 270 | - 267 | 4.6% | - 119 | - 411 |
| 2014+ | 3 245 | - 413 | 4.9% | - 204 | - 640 |
| Total | 11 148 | - 966 | 4.5% | - 453 | - 1 464 |

Note 18 Deferred Tax Liability / Asset

From 2009 the nominal income tax rate for Swedish limited liability companies is 26.3%. According to existing accounting standards, deferred tax shall be valued at the income tax rate that is expected for the period when the asset is realised or the debt is settled. Deferred tax as at December 31, 2008 is therefore calculated based on the tax rate 26.3%. The change due to new tax rate has been accounted for in the income statement. A realization of all assets and liabilities to book value for the Group and utilization of all existing tax loss carry forward would, as is shown in the table below, result in a taxable income of SEKm 10,589 (11,864), equivalent to a tax payment of SEKm 2,785 (3,322).

As far as the parent company is concerned the deferred tax asset of SEKm 241 (3) consists of 26.3% of the unutilized tax loss carry forwards of SEKm 916 (36). Out of the change in deferred tax liabilities during the year, SEKm 32 (14) has been recorded directly in equity.

Tax loss carry forwards

Castellum's tax loss carry forwards were estimated to SEKm 1,830 (539) December 31, 2008. The change may be seen in the table in note 9.

Surplus- and sub value of properties for tax purposes

When calculating the tax effect on a sale of all properties in the Group, the book value in the Group of SEKm 29,165 (27,717) must be compared to the residual value for tax purposes in the legal entity, which amounts to SEKm 16,746 (15,358). This means that if all of Castellum's properties were sold, the taxable net profit would exceed the recorded profit in the Group by SEKm 12,419 (12,359). The accounts are based on the assumption that each property is sold by each legal entity with a maximum effective tax rate.

Previous write-downs where tax deductions have been assessed amount to more than SEKm 250. These may be reversed in the case of continued future increases in value.

| Deferred tax liability | 2008 | | 2007 | |
|--|-----------------|----------------|-----------------|----------------|
| | Basis | Tax 26.3% | Basis | Tax 28% |
| Tax loss carry forwards | | | | |
| Opening balance (28%) | 539 | 151 | 337 | 94 |
| Change of the year in the income statement | 1 291 | 361 | 202 | 57 |
| Revaluation deferred tax 26.3% | - | - 31 | - | - |
| Closing balance | 1 830 | 481 | 539 | 151 |
| Difference between the properties book and tax basis value | | | | |
| Opening balance | - 12 359 | - 3 461 | - 10 061 | - 2 817 |
| Change of the year in the income statement | 344 | 96 | - 1 711 | - 479 |
| Company acquisition/sale of properties | - 404 | - 113 | - 587 | - 165 |
| Revaluation deferred tax 26.3% | - | 212 | - | - |
| Closing balance | - 12 419 | - 3 266 | - 12 359 | - 3 461 |
| Interest rate derivatives | | | | |
| Opening balance | - 44 | - 12 | - | - |
| Change of the year in the income statement | 44 | 12 | - 44 | - 12 |
| Closing balance | - | - | - 44 | - 12 |
| Total | | | | |
| Opening balance | -11 864 | - 3 322 | - 9 724 | - 2 723 |
| Change of the year | 1 275 | 537 | - 2 140 | - 599 |
| Closing balance | - 10 589 | - 2 785 | - 11 864 | - 3 322 |

Accrued Expenses and Prepaid Income

Note 19

| | Group | | Parent Company | |
|-----------------------|------------|------------|----------------|------------|
| | 2008 | 2007 | 2008 | 2007 |
| Rents paid in advance | 357 | 288 | – | – |
| Accrued interest | 222 | 95 | 222 | 95 |
| Other | 78 | 89 | 14 | 18 |
| Total | 657 | 472 | 236 | 113 |

Pledged assets

Note 20

| | Group | | Parent Company | |
|--|---------------|---------------|----------------|---------------|
| | 2008 | 2007 | 2008 | 2007 |
| Property mortgages | 14 839 | 11 793 | – | – |
| Long-term receivables, group companies | – | – | 13 680 | 10 872 |
| Total | 14 839 | 11 793 | 13 680 | 10 872 |

Contingent Liabilities

Note 21

| | Group | | Parent Company | |
|---|----------|----------|----------------|------------|
| | 2008 | 2007 | 2008 | 2007 |
| Guaranteed commitments for subsidiaries | – | – | 300 | 300 |
| Total | – | – | 300 | 300 |

Cash Flow Statement

Note 22

| | Group | | Parent Company | |
|--|--------------|--------------|----------------|-----------|
| | 2008 | 2007 | 2008 | 2007 |
| Difference between paid and reported net financial items | | | | |
| Net financial items according to the income statement | – 626 | – 495 | 7 | 9 |
| Change in accrued interests | 127 | 19 | 127 | 19 |
| Net financial items paid | – 499 | – 476 | 134 | 28 |

Difference between paid and reported acquisition value of properties

| | | | | |
|---|--------------|--------------|----------|----------|
| Acquisition value according to the balance sheet | 1 212 | 1 514 | – | – |
| Transferred deferred tax on company acquisitions | – 116 | – 165 | – | – |
| Acquisition value paid for acquired properties | 1 096 | 1 349 | – | – |

Subsequent Events

Note 23

The Board of Directors of Castellum AB intends to propose the annual general meeting a dividend of SEK 3.15 per share, which is an increase of 5% compared to previous year.

The Financial Reports are a part of the Annual Report and were signed by the Board of Directors on February 4, 2009.

The Income Statement and the Balance Sheet for the Parent Company and the Group shall be adopted at Castellum AB's Annual General Meeting, which is expected to take place on March 26, 2009.

Proposed Distribution of Profits

The following funds are at the Annual General Meetings disposal:

| | |
|-------------------------|--------------------------|
| Retained profits | SEK 3 852 306 059 |
| Net income for the year | SEK – 357 260 945 |
| | <u>SEK 3 495 045 114</u> |

The Board of Directors propose that the retained profits be appropriated as follows:

| | |
|--|--------------------------|
| Dividend to shareholders, SEK 3.15 per share | SEK 516 600 000 |
| Carried forward to the new accounts | SEK 2 978 445 114 |
| | <u>SEK 3 495 045 114</u> |

The company has 172,006,708 registered shares, of which 8,006,708 are currently the company's own repurchased shares and are not entitled to dividends.

The total dividend payment proposed above of SEK 516,600,000 can be changed if the number of the company's own repurchased shares changes before the record date for the dividend.

Statement Regarding Proposed Distribution of Profit

Reasons

The Group's equity has been calculated in accordance with IFRS standards, approved by the EU, and the interpretations of these standards (IFRIC), as well as in accordance with the provisions of Swedish law by application of the recommendation RFR 1.1 of the Swedish Financial Reporting Board (Supplementary accounting principles for groups). The equity of the parent company has been calculated in accordance with Swedish law and by application of the recommendation RFR 2.1 of the Swedish Financial Reporting Board (Accounting for Legal Persons).

The proposed distribution constitutes 74 % of the Group's income from property management after tax, which is in line with the express target to distribute at least 60 % of the Group's income from property management after tax, having considered investment plans, consolidation needs, liquidity and overall position. The Group's net income after changes in value and tax amounted to SEKm –663. The distribution policy is based on the Group's income from property management, on account of which increases and/or decreases in value on the Group's properties and on interest rate derivatives not affecting cash flow, do not normally affect the distribution. That kind of profit or loss, not affecting cash flow, have furthermore not been taken into consideration in previous year's resolutions regarding distribution of profit.

The Board of Directors concludes that the Company's restricted equity is fully covered after the proposed distribution.

The Board of Directors also concludes that the proposed distribution to the shareholders is justified considering the parameters in section 17 subsection 3, second and third paragraphs of the Swedish Companies Act (the nature, scope and risks of the business as well as consolidation needs, liquidity and overall position). The Board of Directors would in this context like to emphasise the following.

The nature, scope and risks of the business

The Board of Directors estimates that the equity of the Company as well as the Group will, after the proposed distribution, be sufficient in relation to the nature, scope and risks of the business. The Board of Directors has in this context considered inter alia the historical development of the Company and the Group, budgeted development, investment plans and the economic situation.

Consolidation needs, liquidity and overall position

Consolidation needs

The Board of Directors has made a general estimation of the financial position of the Company and the Group, and the possibilities of fulfilling their obligations in the long run. The proposed dividend constitutes 14% of the Company's equity and 5% of the Group's equity. The express target for the Group's capital structure, entailing a solvency of 55% and an interest coverage ratio of at least 200%, will be maintained after the proposed dividend. The solvency of the Company and the Group is good considering the prevailing conditions of the real estate business. In light of the above, the Board of Directors concludes that the Company and the Group have all the necessary requirements to take future business risks and to also carry potential losses. Planned investments have been considered when deciding on the proposed dividend. The dividend will furthermore not adversely affect the ability of the Company or the Group to make additional, motivated, investments according to assumed plans.

Liquidity

The proposed dividend will not affect the Company's or the Group's ability to meet their payment obligations in a timely manner. The Company and the Group have good access to liquidity reserves through short-term as well as long-term credits. The credits may be utilised at short notice, meaning that the Company and the Group are prepared to handle liquidity fluctuations as well as possible unexpected events.

Overall position

The Board of Directors has considered all other known conditions which might affect the financial position of the Company and the Group and which have not been considered within the scope of the above considerations. No circumstances have however been found showing that the proposed dividend would not be justified.

Evaluation to actual value

Derivatives instruments and other financial instruments have been valued to the actual value according to section 4 subsection 14a of the Swedish Annual Accounts Act. The valuation has showed a under value of SEKm 712, which has affected the equity by the mentioned amount.

Gothenburg January 21rd 2009

The Board of Directors

Signing of the Annual Report

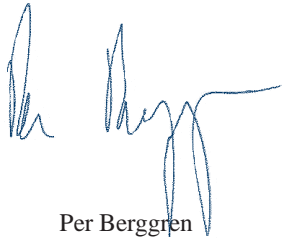
As far as we know the Annual Report is prepared in accordance with generally accepted accounting principles. The Annual Report give a true and fair view of the company's financial position and results, and the directors' report give a true and fair overview of the development of the company's operations, financial position and results, and describes the significant risks and factors of uncertainty facing the company.

The consolidated accounts have been prepared in accordance with the international accounting standards covered in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards. The consolidated accounts give a true and fair view of the group's financial position and results, and the directors' report for the consolidated accounts give a true and fair overview of the development of the group's operations, financial position and results and as well as the significant risks and factors of uncertainty facing the companies within the group.

Gothenburg February 4th 2009



Jan Kvarnström
Chairman



Per Berggren



Marianne Dicander Alexandersson



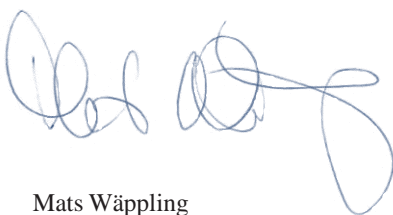
Ulla-Britt Fräjdin-Hellqvist



Christer Jacobson



Göran Lindén



Mats Wäppling



Håkan Hellström
Chief Executive Officer

Our Audit Report regarding this Annual Report was submitted on February 4th, 2009



Carl Lindgren
Authorized Public Accountant



Ingemar Rindstig
Authorized Public Accountant

Audit Report

To the annual meeting of the shareholders of Castellum AB (publ) corporate identity number 556475-5550

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the board of directors and the managing director of Castellum AB (publ) for the year 2008. The annual accounts and the consolidated accounts are presented in the printed version of this document on pages 64-100. The board of directors and the managing director are responsible for these accounts and the administration of the company as well as for the application of the Annual Accounts Act when preparing the annual accounts and the application of International Financial Reporting Standards IFRSs as adopted by the EU and the Annual Accounts Act when preparing the consolidated accounts. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain high but not absolute assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the board of directors and the managing director and significant estimates made by the board of directors and the managing director when preparing the annual accounts and the consolidated accounts as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any board member or the managing director. We also examined whether any board member or the managing director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the company's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The consolidated accounts have been prepared in accordance with International Financial Reporting Standards IFRSs as adopted by the EU and the Annual Accounts Act and give a true and fair view of the group's financial position and results of operations. The statutory administration report is consistent with the other parts of the annual accounts and the consolidated accounts.

We recommend to the annual meeting of shareholders that the income statements and balance sheets of the parent company and the group be adopted, that the profit of the parent company be dealt with in accordance with the proposal in the administration report and that the members of the board of directors and the managing director be discharged from liability for the financial year.

Gothenburg February 4th, 2009



Carl Lindgren
Authorized Public Accountant



Ingemar Rindstig
Authorized Public Accountant

Castellum's Real Estate Schedule 2008

| | |
|-------------------------|-----|
| Greater Gothenburg | 108 |
| Öresund Region | 116 |
| Greater Stockholm | 122 |
| Mälardalen | 126 |
| Eastern Götaland | 132 |
| Properties Sold in 2008 | 138 |

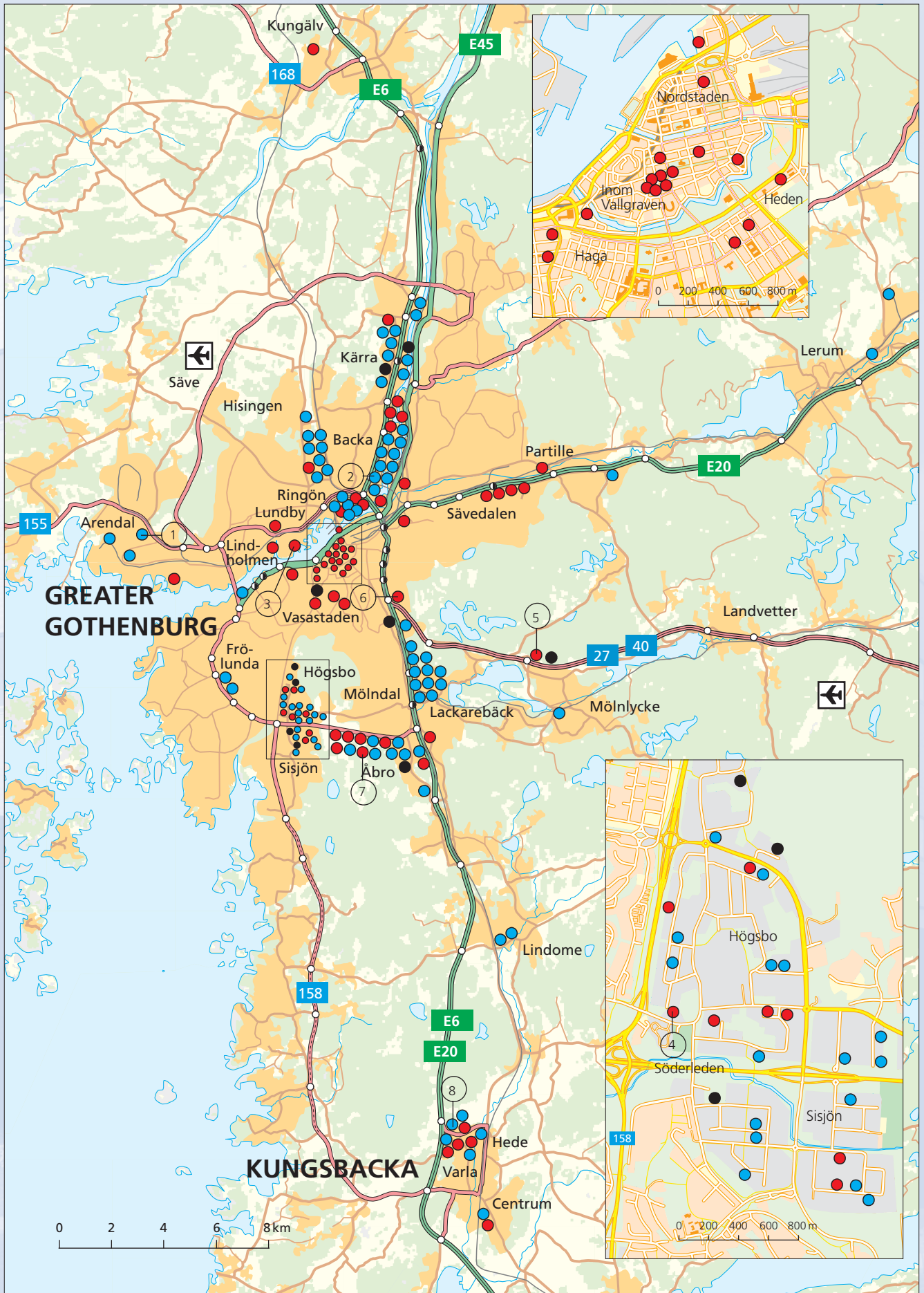
Management subsidiaries: ASP = Aspholmen Fastigheter AB BRI = Fastighets AB Briggen BRO = Fastighets AB Brostaden
COR = Fastighets AB Corallen EKL = Eklandia Fastighets AB HAR = Harry Sjögren AB

Greater Gothenburg

| Greater Gothenburg | | | | | | | | | | | Tax Mgmt. | | | |
|-------------------------|--------------------------------|--------------|------------------------|------------------------------------|--------|-----------|------------|-------------|-------|--------|------------|---------------|--------|------|
| Name of property | Address | Municipality | Build/ Refurb. year | Square metres per type of premises | | | | | | | assessment | Sub- value | sidary | Note |
| | | | | Office | Retail | Warehouse | Industrial | Residential | Other | Total | | | | |
| OFFICE/RETAIL | | | | | | | | | | | | | | |
| Annedal 21:10 | Haraldsgatan 5 | Gothenburg | 1995 | 4 970 | – | – | – | – | – | 4 970 | 74 400 | EKL | | |
| Guldheden 8:10 | Guldhedsgatan 5 | Gothenburg | 1995 | 9 776 | – | 23 | – | – | – | 9 799 | – | EKL | | |
| Gullbergsvass 1:15 | Lilla Bommenstorg | Gothenburg | 2001 | 7 942 | – | – | – | – | 36 | 7 978 | 130 000 | EKL | | |
| Heden 16:5 | Parkg 10/Nya Allén 5 | Gothenburg | 1961 | 1 303 | – | – | – | 616 | 10 | 1 929 | 22 479 | EKL | | |
| Inom Vallgraven 4:1 | Östra Larmgatan 18 | Gothenburg | 1856/1988 | 2 597 | – | – | – | – | – | 2 597 | 27 200 | EKL | | |
| Inom Vallgraven 19:17 | Kyrkogatan 38-40 | Gothenburg | 1919 | 1 185 | 158 | 20 | – | – | – | 1 363 | 22 800 | EKL | | |
| Inom Vallgraven 22:3 | Kungsgatan 31-33 | Gothenburg | 1929 | 1 080 | 488 | – | – | – | – | 1 568 | 34 000 | EKL | | |
| Inom Vallgraven 33:9 | Västra Hamng 21/Vallg 9 | Gothenburg | 1929/1995 | 1 063 | 510 | – | – | – | – | 1 573 | 22 400 | EKL | | |
| Inom Vallgraven 34:8 | Kungsg 19-23/Magasinsg 18 | Gothenburg | 1929/1994 | 3 481 | 831 | 55 | – | – | – | 4 367 | 80 900 | EKL | | |
| Inom Vallgraven 35:14 | Kungsg 15-17/Magasinsg 17 | Gothenburg | 1929/1991 | 3 039 | 669 | – | – | 469 | – | 4 177 | 86 861 | EKL | | |
| Inom Vallgraven 35:16 A | Kaserntorget 5/Vallg 2 | Gothenburg | 1991 | 2 371 | 590 | 36 | – | – | – | 2 997 | 43 400 | EKL | | |
| Inom Vallgraven 35:17 | Magasinsg 11-13/Vallg 4-6 | Gothenburg | 1991 | 163 | 139 | – | – | 1 149 | – | 1 451 | 20 295 | EKL | | |
| Inom Vallgraven 57:2 | Drottningg 7/V Hamng 5 | Gothenburg | 1988/1990 | 6 094 | 710 | 310 | – | – | – | 7 114 | 76 400 | EKL | | |
| Krokslätt 102:2 | Eklandagatan 80-82 | Gothenburg | 1971 | 160 | – | – | – | – | 811 | 971 | 650 | EKL | * | |
| Lorensberg 46:5 | Kungssportsavenyn 7 | Gothenburg | 1930 | 276 | 691 | – | – | – | – | 967 | 21 200 | EKL | | |
| Lorensberg 48:8 | Vasagatan 46 | Gothenburg | 1900/1992 | 1 401 | 202 | 40 | – | – | 34 | 1 677 | 17 824 | EKL | | |
| Masthugget 3:6 | Linnegatan 5 | Gothenburg | 1893/1980 | 1 463 | 628 | – | – | 1 079 | – | 3 170 | 35 800 | EKL | | |
| Masthugget 9:17 | Järntorget 3-4 | Gothenburg | 1900 | 2 865 | 518 | 10 | – | – | – | 3 393 | 46 400 | EKL | | |
| Masthugget 26:1 | Barlastgatan 2 | Gothenburg | 1923 | 4 038 | 1 075 | – | – | 2 796 | – | 7 909 | 107 400 | EKL | | |
| Nordstaden 2:16 | Östra Hamngatan 16 | Gothenburg | 1974 | 13 855 | 2 759 | – | – | – | 4 | 16 618 | 398 676 | EKL | | |
| Pustervik 3:8 | Brogatan 4 | Gothenburg | 1988 | 3 910 | – | – | – | – | – | 3 910 | 33 400 | EKL | | |
| Gamlestaden 22:14 | Gamlestadsvägen 16 | Gothenburg | 1957 | 18 015 | – | 1 290 | 210 | – | 158 | 19 673 | 71 240 | EKL | | |
| Gamlestaden 26:1 | Marieholmsgatan 10 | Gothenburg | 1914/1987 | 6 090 | 270 | 1 640 | 8 283 | – | – | 16 283 | 50 627 | EKL | T/B | |
| Olskroken 14:2 | Ånäsv 44-46/Svang 2-4/Ejderg 3 | Gothenburg | 1895/1986 | 7 441 | 315 | 135 | 5 177 | 136 | – | 13 204 | 63 955 | EKL | | |
| Skår 58:1 | St Sigfridsgatan 89 | Gothenburg | 1991 | 11 855 | – | – | – | – | – | 11 855 | 112 800 | EKL | B | |
| Arendal 764:394 | Sydatlanten 15-17 | Gothenburg | 1974/1991 | 9 358 | – | – | – | – | – | 9 358 | 45 745 | EKL | T | |
| Backa 27:24 | Bergögatan 10 | Gothenburg | 1984 | 947 | – | 352 | 382 | – | – | 1 681 | 7 591 | EKL | | |
| Backa 27:25 | Bergögatan 12 | Gothenburg | 1984 | 717 | – | 47 | – | – | 130 | 894 | 3 719 | EKL | | |
| Backa 27:40 | Bergögatan 16 | Gothenburg | 1984 | 849 | – | 531 | – | – | – | 1 380 | 6 283 | EKL | | |
| Backa 27:43 | Bergögatan 5-7 | Gothenburg | 1984 | 3 189 | – | 984 | 309 | – | 342 | 4 824 | 25 800 | EKL | | |
| Backa 196:6 | Aröds Industriväg 34 | Gothenburg | 1990 | 1 332 | – | 408 | – | – | 50 | 1 790 | 8 665 | EKL | | |
| Kärä 75:3 | Transportgatan 33 | Gothenburg | 2008 | – | – | 4 600 | – | – | – | 4 600 | – | EKL | | |
| Kärä 77:3 | Tagenevägen 70 | Gothenburg | 1990 | 1 285 | – | – | – | – | – | 1 285 | 5 548 | EKL | T | |
| Lindholmen 28:2 | Theres Svenssons Gata 9-11 | Gothenburg | 2006 | 4 903 | 204 | 62 | – | – | – | 5 169 | 54 000 | EKL | | |
| Rambergsstaden 733:409 | Herkulesgatan 68 | Gothenburg | 1988 | 2 270 | 944 | 984 | – | – | 43 | 4 241 | 21 777 | EKL | | |
| Sannegården 28:14 | Vingalandsgatan 2 | Gothenburg | 1880/1987 | 5 032 | – | 1 391 | 172 | – | 34 | 6 629 | 62 600 | EKL | | |
| Tingstadsvassen 11:11 | Ringög 12/Kolgruveg 3-5 | Gothenburg | 1992 | 3 548 | 2 170 | 227 | – | – | 29 | 5 974 | 31 800 | EKL | B | |
| Tingstadsvassen 12:12 | Kalkbruksgatan 9 | Gothenburg | 1989 | 2 129 | – | – | – | – | – | 2 129 | 8 356 | EKL | | |
| Tingstadsvassen 26:5 | Lergodsgatan 1-3 | Gothenburg | 1989 | 1 254 | – | 2 106 | – | – | – | 3 360 | 17 111 | EKL | T/B | |
| Tuve 87:1 | Hildedalsgatan 2 | Gothenburg | 1987 | 1 336 | – | 3 200 | – | – | – | 4 536 | 16 925 | EKL | | |
| Högsbo 8:8 | Beatrice Lesslies gata 14 | Gothenburg | 1961/2001 | 1 100 | – | 1 000 | – | – | – | 2 100 | 9 644 | HAR | B | |
| Högsbo 13:3 | E A Rosengrens gata 15 | Gothenburg | 1982 | 1 244 | – | – | – | – | – | 1 244 | 6 511 | HAR | T/B | |

Note: *=Acquired 2008 T=Ground rent A=Lease B=Unutilized building permission





● Office/retail ● Warehouse/industrial ● Development projects and land

Greater Gothenburg

Greater Gothenburg

| | | | | | | | | | | | Tax Mgmt. | | |
|---------------------|--------------------------------|--------------|------------------------|------------------------------------|--------|-----------|------------|-------------|-------|---------|------------|--------------------------|------|
| Name of property | Address | Municipality | Build/ Refurb. year | Square metres per type of premises | | | | | | | assessment | Sub- value subsidiary | Note |
| | | | | Office | Retail | Warehouse | Industrial | Residential | Other | Total | | | |
| Högsbo 20:22 | F O Petterssons gata 24-32 | Gothenburg | 1982 | 14 145 | 178 | 760 | – | – | – | 15 083 | 73 000 | HAR | |
| Högsbo 24:12 | August Barks gata 23 | Gothenburg | 1968/1990 | 3 117 | – | 2 756 | – | – | – | 5 873 | 45 664 | HAR | B |
| Högsbo 27:7 | August Barks gata 6 | Gothenburg | 1988 | 7 933 | – | – | – | – | – | 7 933 | 81 000 | HAR | |
| Kobbegården 6:362 | Stora Ävägen 19 A-B, 21 | Gothenburg | 1990 | 5 513 | 878 | 1 150 | – | – | – | 7 541 | 69 200 | HAR | |
| Kobbegården 6:726 | Datavägen 14 B | Gothenburg | 1981 | 2 573 | – | – | – | – | – | 2 573 | 11 880 | HAR | |
| Anisen 1 | Johannefredsgatan 1 | Mölndal | 1990 | 1 676 | – | 237 | – | – | – | 1 913 | 12 095 | HAR | B |
| Anisen 3 | Johannefredsgatan 3 | Mölndal | 2003 | 1 800 | 1 500 | – | 2 600 | – | – | 5 900 | 43 598 | HAR | |
| Berguven 1 | Möbelgatan 4 | Mölndal | 1964 | 6 500 | – | – | – | – | 500 | 7 000 | 29 000 | HAR | B |
| Generatorn 5 | Aminogatan 16 | Mölndal | 1986 | 640 | – | – | 483 | – | – | 1 123 | 7 730 | HAR | |
| Mejramen 1 | Lunnagårdsgatan 4 | Mölndal | 1999 | 8 300 | – | 4 700 | – | – | – | 13 000 | 101 600 | HAR | B |
| Pottegården 4 | Kråketorpsgatan 20 | Mölndal | 1992 | 3 182 | – | 1 836 | – | – | – | 5 018 | 26 806 | HAR | |
| Riskullaverket 2 | Aminogatan 25 | Mölndal | 1991 | 1 692 | – | 1 261 | – | – | – | 2 953 | 16 544 | HAR | |
| Sesamfröet 2 | Aminogatan 27 | Mölndal | 1992 | 5 150 | – | 700 | – | – | – | 5 850 | 49 800 | HAR | B |
| Apollo 5 | Österlånggatan 5 | Borås | 1930/1979 | 6 803 | 552 | 193 | – | – | – | 7 548 | 40 000 | HAR | |
| Katrinedal 14 | Katrinedalsgatan 22 | Borås | 1990 | 2 360 | – | 1 892 | – | – | – | 4 252 | 14 530 | HAR | |
| Midas 14 | Västerlånggatan 17 | Borås | 1974 | 15 408 | 5 424 | – | 366 | – | – | 21 198 | 171 000 | HAR | B |
| Narcissus 5 | L:a Brogatan 15/St Brogatan 16 | Borås | 1930 | 908 | 1 484 | – | – | 1 284 | – | 3 676 | 30 008 | HAR | |
| Nestor 2 | L:a Brogatan 19-21 | Borås | 1962/1991 | 1 225 | 3 012 | 135 | – | – | – | 4 372 | 45 000 | HAR | |
| Nestor 3 | St Brogatan 24 | Borås | 1930 | 1 346 | 732 | – | – | 439 | – | 2 517 | 19 919 | HAR | |
| Solsten 1:109 | Företagsparken | Härryda | 2003 | 11 375 | – | – | – | – | – | 11 375 | 61 321 | EKL | |
| Flaggan 1 | Laholmsvägen 84 | Halmstad | 1959/2004 | – | 2 895 | – | – | – | – | 2 895 | 9 978 | HAR | |
| Karossen 3 | Kristinehedsvägen 5, 7 | Halmstad | 1965/2004 | 916 | 4 458 | 568 | 535 | – | – | 6 477 | 27 800 | HAR | B |
| Kartongen 3 | Spikgatan 7 | Halmstad | 1990/1995 | 3 434 | – | 2 842 | – | – | 40 | 6 316 | 25 904 | HAR | B |
| Valsen 2 | Svingelvägen 2 | Halmstad | 1979/2003 | 2 294 | – | – | – | – | – | 2 294 | 11 208 | HAR | B |
| Filaren 1 | Sveagatan 10 | Alingsås | 1958/1968 | 2 716 | 2 282 | 158 | – | – | – | 5 156 | 22 205 | HAR | |
| Gjutaren 26 B | Metallgatan 2-4 | Alingsås | 2000 | 3 585 | – | – | – | – | – | 3 585 | 32 003 | HAR | B |
| Partille 4:2, 4:25 | G:a Kronvägen 22 | Partille | 1940/1981 | – | 2 240 | – | – | – | – | 2 240 | 5 890 | HAR | B |
| Ugglum 8:37 | Göteborgsvägen 78-80 | Partille | 1937/1982 | – | 296 | – | – | 278 | – | 574 | 3 824 | HAR | |
| Ugglum 8:91 | Göteborgsvägen 82-84 | Partille | 1988 | 2 082 | 1 016 | – | – | – | – | 3 098 | 25 119 | HAR | |
| Ugglum 8:92 | Göteborgsvägen 74-76 | Partille | 1992 | 4 944 | 720 | 193 | – | – | – | 5 857 | 47 400 | HAR | |
| Ugglum 126:4 | Gibsons väg 3 | Partille | 1990 | 468 | – | – | – | – | – | 468 | 3 071 | HAR | |
| Hede 3:125 | Sättarevägen 3 | Kungsbacka | 1990 | 1 759 | – | 601 | – | – | – | 2 360 | 16 032 | HAR | |
| Kungsbacka 4:46 | L:a Verkstadsgatan 8 | Kungsbacka | 1979 | 401 | – | – | – | – | – | 401 | 2 456 | HAR | B |
| Varla 3:22 B | Hallabäcksvägen 1 | Kungsbacka | 1979 | 1 000 | 4 000 | 600 | – | – | – | 5 600 | – | HAR | B |
| Varla 2:380 | Energigatan 11 | Kungsbacka | 1990 | 1 689 | – | 685 | – | – | – | 2 374 | 15 600 | HAR | |
| Varla 2:416 | Kungsparksvägen 2 | Kungsbacka | 2002 | 1 100 | – | 680 | – | – | – | 1 780 | 9 538 | HAR | |
| Stiftet 6 | Bilgatan 20 | Kungälv | 1991 | 4 617 | – | – | – | – | – | 4 617 | 12 316 | EKL | |
| Total office/retail | | | | 289 577 | 45 538 | 41 398 | 18 517 | 8 246 | 2 221 | 405 497 | 3 153 221 | | |



Greater Gothenburg

| Greater Gothenburg | | | | | | | | | | | Tax Mgmt. | | | |
|----------------------|------------------------------|--------------|------------------------|------------------------------------|--------|-----------|------------|-------------|-------|--------|------------|---------------|-----------------|------|
| Name of property | Address | Municipality | Build/ Refurb. year | Square metres per type of premises | | | | | | | assessment | Sub- value | Mgmt. sidary | Note |
| | | | | Office | Retail | Warehouse | Industrial | Residential | Other | Total | | | | |
| WAREHOUSE/INDUSTRIAL | | | | | | | | | | | | | | |
| Arendal 1:13 | Hamneviksvägen 31 | Gothenburg | 2006 | – | – | 27 787 | – | – | – | 27 787 | 144 600 | EKL | | |
| Arendal 7:4 | Kärrlyckegatan 11 | Gothenburg | 1991 | 1 320 | – | 2 214 | – | – | 164 | 3 698 | 16 084 | EKL | | |
| Arendal 764:130 | Oljevägen 103 | Gothenburg | 1971 | – | – | 12 136 | 11 259 | – | 25 | 23 420 | 80 633 | EKL | | |
| Backa 18:7, 18:10 | Risbindaregatan 1 | Gothenburg | 1964 | – | – | 16 960 | – | – | – | 16 960 | 50 106 | EKL | | |
| Backa 20:5 | Exportgatan 2-8 | Gothenburg | 1989/1999 | 1 175 | – | 226 | 13 869 | – | 630 | 15 900 | 63 720 | EKL | B | |
| Backa 22:3 | Exportgatan 51 A | Gothenburg | 1972/1997 | 3 316 | – | – | 4 476 | – | – | 7 792 | 23 167 | EKL | | |
| Backa 22:11 | Exportgatan 67 | Gothenburg | 1990 | 284 | – | 2 316 | – | – | – | 2 600 | 9 522 | EKL | | |
| Backa 25:7 | Exportgatan 28 | Gothenburg | 1972 | – | – | – | 11 200 | – | – | 11 200 | 29 545 | EKL | | |
| Backa 26:3 | Exportgatan 40 | Gothenburg | 1947/1988 | 2 712 | 240 | 2 990 | – | – | 6 | 5 948 | 24 642 | EKL | | |
| Backa 27:2 | Importgatan 17 | Gothenburg | 1968 | – | – | 3 013 | – | – | – | 3 013 | 9 408 | EKL | B | |
| Backa 29:24 | Importgatan 12 | Gothenburg | 1977 | – | – | 2 224 | – | – | – | 2 224 | 6 862 | EKL | | |
| Backa 94:1 | Exportgatan 15 | Gothenburg | 1989 | – | – | 7 560 | – | – | – | 7 560 | 24 789 | EKL | B | |
| Backa 97:11 | Exportgatan 39-41 | Gothenburg | 1978 | 1 146 | – | 3 273 | – | – | – | 4 419 | 21 543 | EKL | | |
| Backa 192:3 | Aröds Industriväg 72 | Gothenburg | 1989 | 119 | – | 1 215 | – | – | – | 1 334 | 4 681 | EKL | | |
| Backa 192:4 | Aröds Industriväg 60 | Gothenburg | 1989 | 484 | 194 | 1 356 | – | – | – | 2 034 | 7 412 | EKL | T | |
| Backa 192:6 | Aröds Industriväg 62 | Gothenburg | 1988 | – | – | 1 371 | – | – | – | 1 371 | 4 670 | EKL | | |
| Backa 192:10 | Aröds Industriväg 66 | Gothenburg | 1990 | 1 410 | – | 1 335 | – | – | – | 2 745 | 11 601 | EKL | | |
| Backa 193:1 | Aröds Industriväg 2 A | Gothenburg | 1988/1996 | – | – | – | 2 950 | – | – | 2 950 | 14 350 | EKL | B | |
| Backa 197:2 | Aröds Industriväg 17-19 | Gothenburg | 1990 | – | – | 1 326 | – | – | – | 1 326 | 4 748 | EKL | | |
| Kärä 37:4 | Tagenevägen 21 | Gothenburg | 1972 | – | 1 195 | 11 740 | – | – | – | 12 935 | 36 530 | EKL | | |
| Kärä 74:2 | Tagenevägen 29 | Gothenburg | 2008 | – | – | 15 370 | – | – | – | 15 370 | – | EKL | B | |
| Kärä 74:3 | Tagenevägen 33 | Gothenburg | 1985 | – | – | – | 7 505 | – | – | 7 505 | 26 638 | EKL | B | |
| Kärä 75:1 | Transportgatan 35 | Gothenburg | 1980 | – | – | 8 671 | – | – | – | 8 671 | 34 000 | EKL | B | |
| Kärä 77:8 | Tagenevägen 72 | Gothenburg | 1991 | 212 | – | 1 859 | – | – | – | 2 071 | 9 590 | EKL | | |
| Kärä 80:7 | Trankärrsvägen 14 | Gothenburg | 1990 | 211 | – | 3 451 | – | – | – | 3 662 | 14 902 | EKL | T | |
| Kärä 94:1 | Orrekulla Industrigata 25 | Gothenburg | 1990 | – | – | – | 1 960 | – | – | 1 960 | 7 715 | EKL | | |
| Kärä 96:1 | Orrekulla Industrigata 13-15 | Gothenburg | 1991 | 160 | – | 3 830 | – | – | – | 3 990 | 16 252 | EKL | B | |
| Tingstadsvassen 11:9 | Kolgruvegatan 9 | Gothenburg | 1988 | 343 | – | 721 | – | – | – | 1 064 | 4 891 | EKL | | |
| Tingstadsvassen 12:6 | Manufakturgatan 19 | Gothenburg | 1990 | 328 | – | 2 657 | – | – | – | 2 985 | 14 214 | EKL | T | |
| Tingstadsvassen 12:9 | Manufakturgatan 21-23 | Gothenburg | 1957 | – | – | 6 134 | – | – | – | 6 134 | 11 460 | EKL | T | |
| Tingstadsvassen 14:7 | Stålverksgatan 11 | Gothenburg | 1993 | 934 | – | – | 4 273 | – | – | 5 207 | 738 | EKL | B | |
| Tingstadsvassen 19:3 | Kolgruvegatan 1 | Gothenburg | 1950 | 849 | – | 9 719 | 245 | – | – | 10 813 | 22 012 | EKL | T | |
| Högsbo 4:1 | Fältspatsgatan 1 | Gothenburg | 1965/1972 | 1 140 | 350 | 3 074 | – | – | – | 4 564 | 17 629 | HAR | | |
| Högsbo 7:16 | Gustaf Melins gata 7 | Gothenburg | 1987 | 1 301 | – | – | 404 | – | – | 1 705 | 9 015 | HAR | | |
| Högsbo 9:3 | A Odhners gata 17 | Gothenburg | 1978/2002 | 635 | – | 2 267 | – | – | – | 2 902 | 16 398 | HAR | * | |
| Högsbo 18:1 | E A Rosengrens gata 30-38 | Gothenburg | 1966/1973 | 1 092 | – | 7 628 | – | – | – | 8 720 | 28 182 | HAR | B | |
| Högsbo 26:8 | August Barks gata 25 | Gothenburg | 1969/1979 | 2 123 | – | – | 2 253 | – | – | 4 376 | 16 883 | HAR | B | |
| Högsbo 28:3 | August Barks gata 7 | Gothenburg | 1968/1981 | 785 | – | – | 2 857 | – | – | 3 642 | 15 843 | HAR | | |
| Högsbo 36:1 | Norra Långebergsgatan 8 | Gothenburg | 1971/1995 | 710 | – | 3 840 | – | – | – | 4 550 | 22 966 | HAR | | |
| Högsbo 36:5 | Hulda Mellgrens gata 3 | Gothenburg | 1991 | 553 | – | – | 2 931 | – | – | 3 484 | 15 790 | HAR | B | |
| Högsbo 36:9 | Hulda Mellgrens gata 7 | Gothenburg | 2007 | 400 | – | 1 475 | – | – | – | 1 875 | 12 159 | HAR | | |
| Högsbo 38:9 | Sisjö Kullegata 4 | Gothenburg | 1984 | – | – | – | 983 | – | – | 983 | 8 823 | HAR | B | |

Note: *=Acquired 2008 T=Ground rent A=Lease B=Unutilized building permission



Greater Gothenburg

Greater Gothenburg

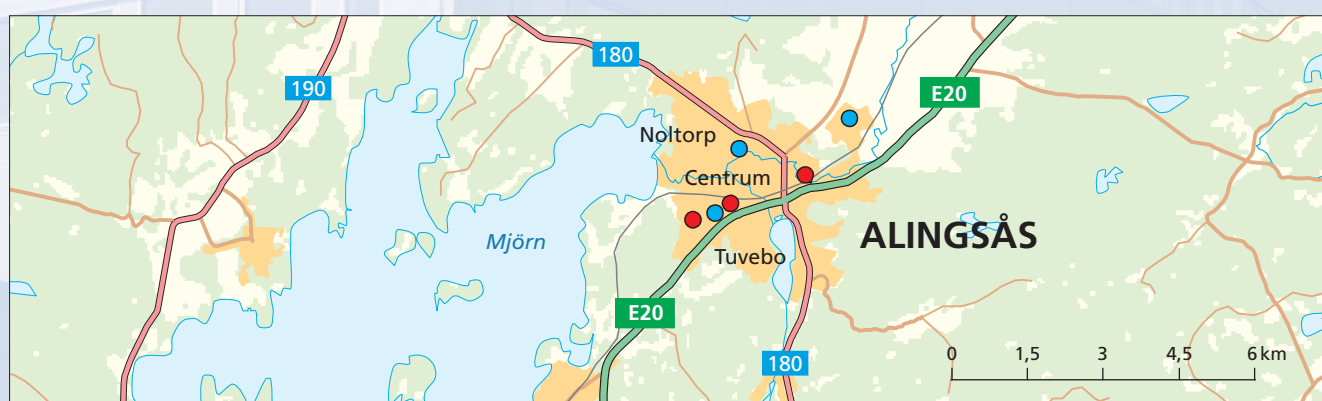
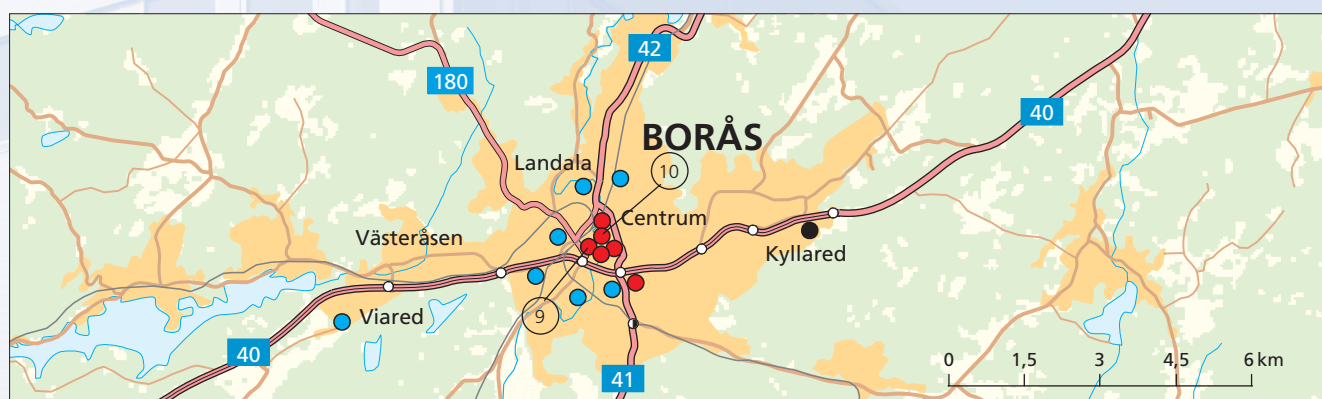
| | | | | | | | | | | | Tax Mgmt. | | |
|-------------------|--|--------------|------------------------|------------------------------------|--------|-----------|------------|-------------|-------|--------|------------------|-------------|------|
| Name of property | Address | Municipality | Build/ Refurb. year | Square metres per type of premises | | | | | | | assessment value | Sub-sidiary | Note |
| | | | | Office | Retail | Warehouse | Industrial | Residential | Other | Total | | | |
| Högsbo 40:1 | Gustaf Werners gata 2 | Gothenburg | 1981/1999 | 1 495 | – | 5 505 | – | – | – | 7 000 | 29 532 | HAR | B |
| Högsbo 40:2 | Gustaf Werners gata 4 | Gothenburg | 1978 | 400 | – | 2 815 | – | – | – | 3 215 | 17 064 | HAR | B |
| Kobbegården 208:6 | Askims Verkstadsväg 16 | Gothenburg | 1973/1979 | 480 | – | – | 1 264 | – | – | 1 744 | 6 977 | HAR | |
| Kobbegården 209:1 | Askims Verkstadsväg 15 | Gothenburg | 1973/1996 | – | – | – | 2 538 | – | – | 2 538 | 11 559 | HAR | B |
| Kobbegården 6:180 | Datavägen 20 | Gothenburg | 1980 | 1 704 | – | 1 078 | – | – | – | 2 782 | 23 600 | HAR | |
| Kobbegården 6:360 | Datavägen 31 | Gothenburg | 1979 | 1 640 | – | 5 349 | – | – | – | 6 989 | 42 400 | HAR | |
| Kobbegården 6:724 | Ekonomivägen 11 | Gothenburg | 1978/1986 | – | – | – | 6 290 | – | – | 6 290 | 25 411 | HAR | B |
| Rud 51:21 | Klangfärgsgatan 2 C | Gothenburg | 1979/1989 | 510 | – | 2 590 | – | – | – | 3 100 | 15 860 | HAR | T |
| Tynnered 1:10 | Kontrabasgatan 12 | Gothenburg | 1969 | 429 | 140 | – | 2 152 | – | – | 2 721 | 10 049 | HAR | T |
| Kallebäck 3:4 | Mejerigatan 1 | Gothenburg | 1962 | 5 934 | – | 25 109 | 805 | – | – | 31 848 | 105 000 | EKL | |
| Majorna 163:1 | Banehagsliden 2 | Gothenburg | 1949 | – | – | 8 226 | 749 | – | – | 8 975 | 24 550 | EKL | B |
| Gaslyktan 11 | Argongatan 26-30 | Möln dal | 1987 | 4 000 | – | 11 000 | – | – | – | 15 000 | 82 800 | HAR | B |
| Generatoren 1 | Aminogatan 24 | Möln dal | 1995/2003 | 1 445 | – | 3 110 | – | – | – | 4 555 | 36 000 | HAR | B |
| Generatoren 2 | Aminogatan 20-22 | Möln dal | 1991 | 164 | – | 2 938 | – | – | – | 3 102 | 15 378 | HAR | |
| Heliumgasen 11 | Kryptongatan 5 B | Möln dal | 1975 | 4 560 | – | – | 5 093 | – | – | 9 653 | 43 703 | HAR | B |
| Kryddpepparn 3 | Östergårdsgatan 8 | Möln dal | 1992 | – | – | – | 4 140 | – | – | 4 140 | – | HAR | B |
| Lindome 2:40 | Elementvägen 2 | Möln dal | 1966 | 376 | – | 9 811 | – | – | – | 10 187 | 20 000 | EKL | B |
| Lindome 2:47 | Elementvägen 2 | Möln dal | 1966 | – | – | 1 835 | 510 | – | – | 2 345 | 8 202 | EKL | B |
| Pottegården 2 | Kråketorpsgatan 18 | Möln dal | 1964 | – | – | 1 800 | – | – | – | 1 800 | 7 444 | HAR | B |
| Skinntickan 1 | Ålegårdsgatan 5 | Möln dal | 1989 | 1 221 | – | – | 4 720 | – | – | 5 941 | 10 622 | HAR | |
| Syrgasen 8 | Kryptongatan 14 | Möln dal | 1979 | – | – | – | 3 055 | – | – | 3 055 | 14 727 | HAR | B |
| Tjärblomman 2 | Wolfsgatan 2 | Möln dal | 1960 | 2 495 | – | 4 540 | – | – | – | 7 035 | 17 525 | HAR | B |
| Tjärblomman 3 | Sallarängsgatan 3 | Möln dal | 1970 | 1 225 | – | 7 533 | – | – | – | 8 758 | 21 352 | HAR | |
| Tulpanen 1 | Bergfotsgatan 5 | Möln dal | 1961 | 1 812 | – | 2 954 | – | – | – | 4 766 | 14 751 | HAR | B |
| Tusenskönan 2 | Flöjelbergsgatan 6 | Möln dal | 1960 | 3 567 | – | 933 | – | – | – | 4 500 | 12 511 | HAR | B |
| Tusenskönan 4 | Bergfotsgatan 3 | Möln dal | 1961 | 2 038 | – | 2 424 | – | – | – | 4 462 | 14 394 | HAR | B |
| Törnrosen 3 | Flöjelbergsgatan 10 | Möln dal | 1964 | 1 791 | – | 1 791 | – | – | – | 3 582 | 9 509 | HAR | B |
| Vallmon 2 | Flöjelbergsgatan 13 | Möln dal | 1965 | 662 | – | 2 518 | – | – | – | 3 180 | 8 367 | HAR | |
| Vallmon 3 | Flöjelbergsgatan 11 | Möln dal | 1965 | 676 | – | 2 570 | – | – | – | 3 246 | 8 557 | HAR | |
| Vallmon 6 | Flöjelbergsgatan 7 B | Möln dal | 1965 | 1 629 | – | 6 685 | – | – | – | 8 314 | 21 484 | HAR | |
| Vallmon 7 | Föjelbergsgatan 7 A | Möln dal | 1930 | 960 | – | 3 844 | – | – | – | 4 804 | 12 966 | HAR | B |
| Ängsviolen 1 | Flöjelbergsgatan 18 | Möln dal | 1960/1965 | 1 765 | 180 | – | 3 655 | – | – | 5 600 | 18 615 | HAR | B |
| Hede 3:12 | Faktorvägen 1 | Kungsbacka | 1992 | 1 971 | – | 6 929 | – | – | – | 8 900 | 47 376 | HAR | B |
| Hede 3:131 | Tryckarevägen 8 | Kungsbacka | 1991 | 170 | – | 1 347 | – | – | – | 1 517 | 6 132 | HAR | B |
| Kungsbacka 4:47 | L:a Verkstadsg 2-6/Verkstadsg 7 | Kungsbacka | 1978/1990 | 1 516 | – | 2 475 | – | – | – | 3 991 | 12 590 | HAR | |
| Varla 3:22 | Hallabäcksvägen 1 | Kungsbacka | 1979 | – | – | 23 500 | – | – | – | 23 500 | 67 846 | HAR | B |
| Varla 2:388 | Energigatan 21 | Kungsbacka | 1983/1995 | – | – | 2 207 | – | – | – | 2 207 | 8 167 | HAR | B |
| Varla 2:415 | Borgås Gårdsväg 15 | Kungsbacka | 2002 | 755 | – | 3 676 | – | – | – | 4 431 | 18 022 | HAR | |
| Cedern 9,12,15,16 | Ramnäs 1/Göteborgsv 6 | Borås | 1935/1980 | – | – | 7 339 | – | – | – | 7 339 | 9 057 | HAR | |
| Hinden 2 | Sagagatan 17 | Borås | 1956 | 692 | – | – | 5 748 | – | – | 6 440 | 8 862 | HAR | B |
| Kilsund 3 | Evedalsgatan 5 | Borås | 1935 | 709 | 260 | – | 9 847 | – | – | 10 816 | 15 658 | HAR | B |
| Lager 8 | Hällingsgatan 15 | Borås | 1948/1961 | 239 | – | – | 8 753 | – | – | 8 992 | 10 661 | HAR | B |
| Silverpoppeln 31 | Ålandsgatan 6 | Borås | 1961/1970 | 835 | – | – | 2 165 | – | – | 3 000 | 5 550 | HAR | |
| Snödroppen 8 | Elinsdalsg 9, 13 & 15/ Södra Korsg 11 | Borås | 1980/1980 | 1 543 | – | – | 5 881 | – | – | 7 424 | 15 915 | HAR | B |
| Trucken 4 | Viaredsvägen 14 | Borås | 2001 | 700 | – | 4 800 | – | – | – | 5 500 | 21 083 | HAR | B |



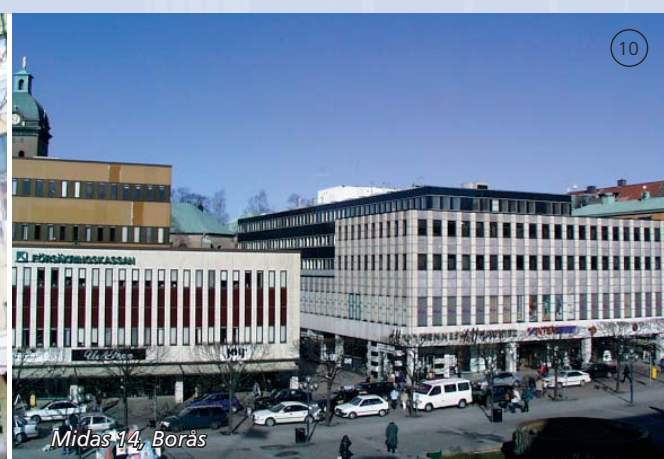
Greater Gothenburg

| Name of property | Address | Municipality | Build/ Refurb. year | Square metres per type of premises | | | | | | Total | Tax Mgmt. | | Note |
|-----------------------------------|----------------------------|--------------|------------------------|------------------------------------|--------------|----------------|----------------|-------------|--------------|----------------|------------------|-----------|------|
| | | | | Office | Retail | Warehouse | Industrial | Residential | Other | | assessment | Sub-value | |
| Bulten 6 | Bultgatan 1 | Alingsås | 1985/1990 | 760 | – | 2 600 | – | – | – | 3 360 | 11 909 | HAR | B |
| Gjutaren 26 | Metallgatan 2-4 | Alingsås | 1933/1989 | 1 383 | – | 9 082 | – | – | – | 10 465 | 18 340 | HAR | B |
| Konfektasken 15 | Kolavägen 2-8/Sidenvägen 7 | Alingsås | 1929/1969 | 3 769 | – | 6 927 | – | – | – | 10 696 | 18 897 | HAR | B |
| Stallet 3 | Tomasgårdsvägen 19 | Alingsås | 1990 | 1 295 | – | 2 040 | – | – | – | 3 335 | 9 496 | HAR | *B |
| Hede 2:11 | Hedeforsvägen 6 | Lerum | 1960/1974 | 500 | – | 2 200 | – | – | – | 2 700 | 10 611 | HAR | |
| Lerum Berg 1:76 | Åkerivägen 7 | Lerum | 2007 | 1 500 | – | 8 400 | – | – | – | 9 900 | 44 247 | HAR | B |
| Fogden 4 | Laholmsvägen 84 | Halmstad | 1960/1990 | 278 | 1 946 | 8 609 | 118 | – | 1 028 | 11 979 | 23 232 | HAR | B |
| Hönekulla 1:571 | Åvägen 1 | Härryda | 1986/2002 | 1 762 | – | – | 2 345 | – | 187 | 4 294 | 16 719 | HAR | |
| Kåbäcken 11:7 | G:a Alingsåsvägen 29 | Partille | 1961/1964 | – | – | 2 227 | – | – | – | 2 227 | 4 656 | HAR | |
| Total warehouse/industrial | | | | 87 097 | 4 505 | 381 054 | 136 993 | 0 | 2 040 | 611 689 | 2 030 648 | | |

Note: * = Acquired 2008 T = Ground rent A = Lease B = Unutilized building permission



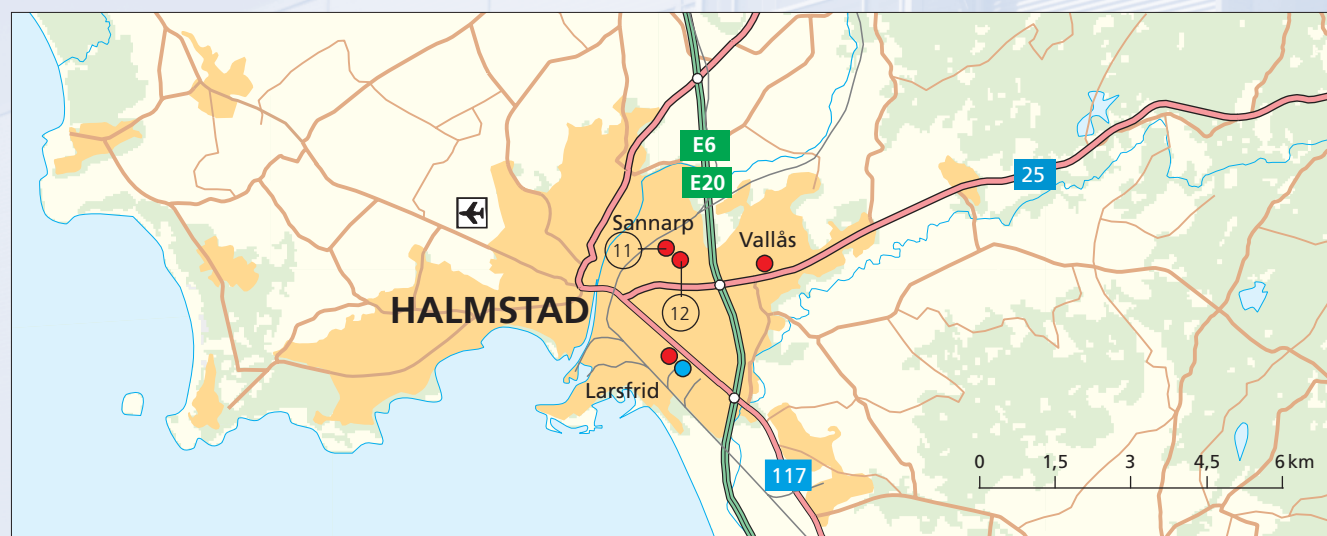
● Office/retail ● Warehouse/industrial ● Development projects and land



Greater Gothenburg

| Greater Gothenburg | | | | | | | | | | | Tax Mgmt. | | |
|--------------------------|----------------------------|--------------|------------------------|------------------------------------|--------|-----------|------------|-------------|--------|------------|---------------|--------|------|
| Name of property | Address | Municipality | Build/ Refurb. year | Square metres per type of premises | | | | | | assessment | Sub- value | sidary | Note |
| | | | | Office | Retail | Warehouse | Industrial | Residential | Other | | | | |
| UNDEVELOPED LAND | | | | | | | | | | | | | |
| Annedal 21:9 | Haraldsgatan 3 | Gothenburg | – | – | – | – | – | – | – | – | – | EKL | B |
| Högsbo 33:1 | Gruvgatan 29 | Gothenburg | – | – | – | – | – | – | – | – | 3 015 | HAR | B |
| Högsbo 39:3 | Ingela Gathenhielms gata 8 | Gothenburg | – | – | – | – | – | – | – | – | 946 | HAR | B |
| Kallebäck 2:5 | Grafiska vägen 2-4 | Gothenburg | – | – | – | – | – | – | – | – | 39 000 | EKL | B |
| Kobbegården 6:7 | Ekonomivägen 11 | Gothenburg | – | – | – | – | – | – | – | – | 1 752 | HAR | B |
| Kobbegården 152:1 | Industrivägen 4-6 | Gothenburg | – | – | – | – | – | – | – | – | 13 800 | HAR | B |
| Kärä 28:10 | Transportgatan 37 | Gothenburg | – | – | – | – | – | – | – | – | – | EKL | B |
| Kärä 72:36 | Tagenevägen 34 | Gothenburg | – | – | – | – | – | – | – | – | – | EKL | */B |
| Heliumgasen 4 | Neongatan 4 B | Mölnä | – | – | – | – | – | – | – | – | 2 570 | HAR | B |
| Skällared 3:49 | Lysekulevägen | Kungsäcka | – | – | – | – | – | – | – | – | 923 | EKL | B |
| Kyllared 1:112 | Tvinnaregatan 27 | Boräs | – | – | – | – | – | – | – | – | 450 | HAR | B |
| Solsten 1:108 | Företagsparken | Härryda | – | – | – | – | – | – | – | – | 5 400 | EKL | B |
| Total undeveloped land | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 67 856 | | |
| Total Greater Gothenburg | | | | 376 674 | 50 043 | 422 452 | 155 510 | 8 246 | 4 2611 | 017 186 | 5 251 725 | | |

Note: *=Acquired 2008 T=Ground rent A=Lease B=Unutilized building permission



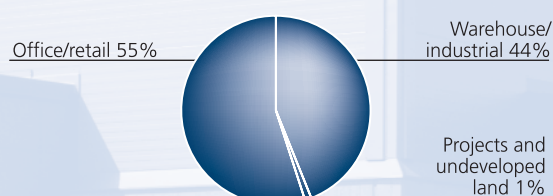
● Office/retail ● Warehouse/industrial ● Development projects and land



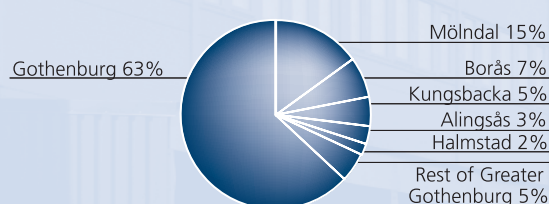
Castellum's Real Estate Portfolio in Greater Gothenburg 31-12-2008

| | No. of properties | Area thous. sq.m. | Rental value SEKm | Rental value SEK/sq.m. | Economic occupancy rate | Rental income SEKm | Property costs SEKm | Property costs SEK/sq.m. | Net operating income SEKm |
|--|-------------------|-------------------|-------------------|------------------------|-------------------------|--------------------|---------------------|--------------------------|---------------------------|
| Office/retail | | | | | | | | | |
| Central Gothenburg | 21 | 90 | 172 | 1 905 | 96.2% | 166 | 40 | 438 | 126 |
| Eastern Gothenburg | 4 | 61 | 58 | 944 | 94.2% | 54 | 16 | 267 | 38 |
| Mölnadal | 8 | 43 | 47 | 1 097 | 96.8% | 45 | 7 | 190 | 38 |
| Hisingen | 15 | 58 | 60 | 1 032 | 89.0% | 53 | 17 | 292 | 36 |
| Borås | 6 | 43 | 44 | 1 018 | 98.2% | 44 | 14 | 325 | 30 |
| Rest of Greater Gothenburg | 25 | 110 | 106 | 970 | 94.2% | 101 | 21 | 184 | 80 |
| Total office/retail | 79 | 405 | 487 | 1 202 | 94.9% | 463 | 115 | 285 | 348 |
| Warehouse/industrial | | | | | | | | | |
| Hisingen | 32 | 227 | 146 | 645 | 94.0% | 138 | 27 | 116 | 111 |
| Mölnadal | 21 | 118 | 85 | 720 | 92.8% | 79 | 15 | 122 | 64 |
| Högsbo/Sisjön | 19 | 73 | 57 | 773 | 88.7% | 50 | 9 | 130 | 41 |
| Kungsbacka | 6 | 45 | 30 | 668 | 56.4% | 17 | 3 | 70 | 14 |
| Borås | 7 | 49 | 25 | 499 | 85.3% | 21 | 6 | 123 | 15 |
| Rest of Greater Gothenburg | 11 | 100 | 70 | 707 | 94.1% | 66 | 15 | 157 | 51 |
| Total warehouse/industrial | 96 | 612 | 413 | 675 | 89.8% | 371 | 75 | 123 | 296 |
| Total | 175 | 1 017 | 900 | 885 | 92.6% | 834 | 190 | 187 | 644 |
| Leasing and property administration | | | | | | | 41 | 41 | - 41 |
| Total after leasing and property administration | | | | | | | 231 | 228 | 603 |
| Development projects | - | - | - | - | - | - | - | - | - |
| Undeveloped land | 12 | - | - | - | - | - | - | - | - |
| Total | 187 | 1 017 | 900 | - | - | 834 | 231 | - | 603 |

Real estate portfolio by property type



Real estate portfolio by municipality



Property related key ratios

| | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 |
|---------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Rental value, SEK/sq.m. | 885 | 856 | 834 | 839 | 834 | 798 | 768 | 731 | 689 |
| Economic occupancy rate | 92.6% | 90.8% | 89.4% | 90.7% | 92.2% | 93.0% | 93.5% | 94.7% | 93.7% |
| Property costs, SEK/sq.m. | 228 | 227 | 224 | 230 | 228 | 217 | 217 | 217 | 215 |
| Net operating income, SEK/sq.m. | 591 | 551 | 521 | 531 | 540 | 525 | 501 | 475 | 430 |
| Number of properties | 187 | 182 | 176 | 172 | 178 | 188 | 195 | 208 | 211 |
| Lettable area, thousand sq.m. | 1,017 | 1,000 | 914 | 859 | 794 | 765 | 736 | 721 | 740 |

Öresund Region

| Öresund Region | | | | | | | | | | | Tax Mgmt. | | |
|--------------------|--------------------------|--------------|------------------------|------------------------------------|--------|-----------|------------|-------------|-------|--------|------------------|-------------|------|
| Name of property | Address | Municipality | Build/ Refurb. year | Square metres per type of premises | | | | | | | assessment value | Sub-sidiary | Note |
| | | | | Office | Retail | Warehouse | Industrial | Residential | Other | Total | | | |
| OFFICE/RETAIL | | | | | | | | | | | | | |
| Betongen 11 | Krangatan 4 | Malmö | 1991 | 4 892 | – | 17 | – | – | – | 4 909 | 29 049 | BRI | T/B |
| Björnen 6 | Davidhallsgatan 20 | Malmö | 1920/1988 | 1 672 | 429 | 71 | – | – | – | 2 172 | 30 400 | BRI | |
| Brandnåven 1&2 | Stenbärsgatan 1 | Malmö | 1989 | 2 822 | – | – | – | – | – | 2 822 | 15 040 | BRI | T/B |
| Bältespänn 13 | Hornyxegatan 12 | Malmö | 1972/2002 | 145 | 1 190 | – | 485 | – | – | 1 820 | 4 695 | BRI | |
| Flygledaren 3 | Höjdrodergatan 18 | Malmö | 1991 | 1 610 | – | – | – | – | – | 1 610 | 6 325 | BRI | T |
| Flygvärdinnan 4 | Höjdrodergatan 30-34 | Malmö | 1935/2001 | 5 589 | – | 3 883 | – | – | 45 | 9 517 | 61 587 | BRI | T |
| Folke 3 | Fredriksbergsgatan 1 A-C | Malmö | 1988 | 1 898 | – | 163 | – | 2 125 | – | 4 186 | 30 453 | BRI | |
| Hälsingland 19 | Fosievägen 9-19 | Malmö | 1950/2003 | 8 245 | 6 558 | 55 | – | – | – | 14 858 | 82 697 | BRI | B |
| Höjdrodret 3 | Kabingatan 11 | Malmö | 1990 | 1 182 | – | 162 | – | – | – | 1 344 | 5 488 | BRI | |
| Lybeck 10 | Stora Nygatan | Malmö | 1964/1992 | 6 323 | 9 445 | 48 | – | 5 032 | 9 838 | 30 686 | 364 200 | BRI | |
| Malte 23 | Fredriksbergsgatan 16 | Malmö | 1965 | 5 377 | 1 171 | 505 | 443 | – | – | 7 496 | 53 200 | BRI | |
| Murman 8 | Krusegatan 27 | Malmö | 1960/1989 | 5 724 | – | 1 401 | – | – | – | 7 125 | 21 416 | BRI | |
| Norsen 12 | Föreningsgatan 7 | Malmö | 1930/1990 | 2 446 | – | 96 | 54 | 140 | 363 | 3 099 | – | BRI | |
| Sadelknappen 4 | Ridspögatan 10 | Malmö | 1985 | 1 010 | – | – | – | – | 495 | 1 505 | 4 823 | BRI | |
| Skevrodret 1 | Kabingatan 9 | Malmö | 1978/1997 | 1 898 | – | 260 | – | – | – | 2 158 | 7 764 | BRI | |
| Spännbucklan 16 | Agnesfridsvägen 178 | Malmö | 1972/2002 | – | 4 762 | – | – | – | – | 4 762 | 27 585 | BRI | |
| Stadt Hamburg 14 | St Hamburgsgatan 1 | Malmö | 1900/2004 | 4 995 | 4 067 | – | – | 373 | 125 | 9 560 | 173 729 | BRI | |
| Stenyxan 21 | Stenyxegatan 14 | Malmö | 1992/1999 | 513 | – | 582 | – | – | – | 1 095 | 4 046 | BRI | |
| Stillman 40 | Krusegatan 34 | Malmö | 1975/1986 | 1 835 | – | – | – | – | – | 1 835 | 5 479 | BRI | |
| Svedjenävan 3 | Stenbärsgatan 4-6 | Malmö | 1991 | 4 728 | – | – | – | – | – | 4 728 | 24 970 | BRI | |
| Tuborg 1 | Tuborgsgatan 2 | Malmö | 1945/1980 | 6 858 | – | 296 | 403 | – | 132 | 7 689 | – | BRI | |
| Värbuketten 3 | Husievägen 21 | Malmö | 1987/2002 | 2 710 | – | – | – | – | – | 2 710 | 13 110 | BRI | B |
| Forskaren 2 | Emdalavägen 4-18 | Lund | 2001 | 18 590 | – | – | – | – | 1 371 | 19 961 | 332 000 | BRI | |
| Forskaren 2:2 A | Emdalavägen 8 | Lund | 2008 | 7 499 | – | – | – | – | – | 7 499 | – | BRI | B |
| Jöns Petter Borg 9 | Landerigränden 21 | Lund | 1990 | 4 442 | – | 6 794 | – | – | – | 11 236 | 66 762 | BRI | B |
| Kvartsen 2 | Skiffervägen 15 | Lund | 1991 | 695 | – | 943 | – | – | – | 1 638 | 11 411 | BRI | B |
| Reuterdahl 11 | Scheelevägen 16 | Lund | 1990 | 2 867 | – | – | – | – | 205 | 3 072 | 42 800 | BRI | |
| Reuterdahl 12 | Scheelevägen 18 | Lund | 1990 | 5 645 | – | – | – | – | – | 5 645 | 26 987 | BRI | |
| Rudebok 2 | Rudeboksvägen 3 | Lund | 1985/2004 | 4 697 | – | – | – | – | – | 4 697 | 36 600 | BRI | |
| Smörkärnan 1 | Kapriolievägen 1 | Lund | 1968/1995 | 6 227 | – | 136 | – | – | 1 444 | 7 807 | 71 400 | BRI | |
| St Botulf 11 | Botulfsg 5/Skomakareg 4 | Lund | 1931/1990 | – | 1 359 | – | – | 3 139 | 380 | 4 878 | 89 800 | BRI | |
| St Clemens 22 | Stortorget 6-8 | Lund | 1832/1981 | 887 | 1 551 | – | – | 847 | – | 3 285 | 65 110 | BRI | B |
| St Clemens 27 | Stortorget 4 | Lund | 1846/1999 | 148 | 1 383 | – | – | – | – | 1 531 | 35 406 | BRI | |
| Stockholmsledet 8 | Scheelevägen 30-32 | Lund | 1991 | 10 592 | 333 | 788 | – | – | – | 11 713 | 141 000 | BRI | |
| Traktorn 2 | Traktorvägen 11 | Lund | 1990/1995 | 12 331 | – | – | – | – | – | 12 331 | 133 800 | BRI | |
| Trumlan 1 | Traktorvägen 19 | Lund | 1990 | – | 1 183 | 1 334 | – | – | – | 2 517 | 11 068 | BRI | |
| Erik Dahlberg 2 | Kullagatan 21 | Helsingborg | 1890/1987 | 400 | 442 | – | – | – | – | 842 | 10 338 | BRI | |
| Kavalleristen 9 | Berga Allé 1-3 | Helsingborg | 1920/1993 | 11 458 | – | 155 | – | – | 760 | 12 373 | 74 715 | BRI | B |
| Kroksabeln 18 | Florettgatan 12 | Helsingborg | 1988 | 3 193 | – | 82 | – | – | 261 | 3 536 | 16 389 | BRI | B |
| Kulan 1 | Garnisonsgatan 5 | Helsingborg | 1996/2005 | – | – | 12 730 | – | – | – | 12 730 | 36 461 | BRI | |
| Musköten 5 | Bergavägen 8 | Helsingborg | 1970/1985 | 1 634 | 540 | 889 | – | – | 816 | 3 879 | 10 104 | BRI | |
| Pilbågen 6 | Garnisonsgatan 6 | Helsingborg | 1977 | – | 850 | 814 | – | – | 3 675 | 5 339 | 34 632 | BRI | B |
| Pilbågen 9 | Garnisonsgatan 10 | Helsingborg | 1980 | 5 322 | 4 395 | 1 963 | – | – | – | 11 680 | – | BRI | |

Note: * = Acquired 2008 T = Ground rent A = Lease B = Unutilized building permission



Öresund Region

| Name of property | Address | Municipality | Build/ Refurb. year | Square metres per type of premises | | | | | | Total | Tax Mgmt. | | |
|----------------------------|--------------------|--------------|------------------------|------------------------------------|---------------|---------------|--------------|---------------|---------------|----------------|------------------|-----------|---------|
| | | | | Office | Retail | Warehouse | Industrial | Residential | Other | | assessment | Sub-value | sideary |
| Rustningen 1 | Rundgången 26-32 | Helsingborg | 1989 | 6 729 | 1 022 | 2 201 | 372 | – | 160 | 10 484 | 48 043 | BRI | |
| Snärskogen 1 | Kanongatan 155-159 | Helsingborg | 1991 | 1 885 | 4 202 | 2 397 | 144 | – | – | 8 628 | 35 440 | BRI | B |
| Spjutet 2 | Garnisonsgatan 14 | Helsingborg | 1970/2003 | 1 675 | 2 671 | 2 397 | – | – | – | 6 743 | 32 000 | BRI | */B |
| Studsaren 4 | Bergavägen 21 | Helsingborg | 2006 | – | – | – | – | – | 1 182 | 1 182 | 7 028 | BRI | B |
| Vikingen 4 | L Strandgatan 5 | Helsingborg | 1900/1983 | – | – | – | – | – | 800 | 800 | 8 787 | BRI | |
| Vikingen 6 | Mariagatan 10 | Helsingborg | 1878/1984 | 535 | 159 | – | – | – | – | 694 | 6 912 | BRI | |
| Vikingen 12 | L Strandgatan 7 | Helsingborg | 1912/1988 | 610 | – | – | – | – | 600 | 1 210 | 12 011 | BRI | |
| Motorblocket 1 | Ringvägen 170 | Landskrona | 1972/1992 | 130 | 8 638 | 146 | – | – | – | 8 914 | 24 388 | BRI | T |
| Total office/retail | | | | 180 663 | 56 350 | 41 308 | 1 901 | 11 656 | 22 652 | 314 530 | 2 387 448 | | |



● Office/retail ● Warehouse/industrial ● Development projects and land



Kampen 25, Malmö



Flygvärdinnan 4, Malmö

Öresund Region

Öresund Region

| Name of property | Address | Municipality | Build/ Refurb. year | Square metres per type of premises | | | | | | | Total | Tax Mgmt. | | Note |
|----------------------|----------------------|--------------|------------------------|------------------------------------|--------|-----------|------------|-------------|--------|------------------|--------|-------------|-----|------|
| | | | | Office | Retail | Warehouse | Industrial | Residential | Other | assessment value | | Sub-sidiary | | |
| WAREHOUSE/INDUSTRIAL | | | | | | | | | | | | | | |
| Benkammen 6 | Skogholmsgatan 5 | Malmö | 1994 | – | – | 14 289 | – | – | – | 14 289 | 44 055 | BRI | B | |
| Bjurö 12 | Flintrännegatan 21 | Malmö | 1960/1974 | 1 270 | – | 14 132 | 8 033 | – | 330 | 23 765 | 66 265 | BRI | T | |
| Bjälken 2 | Skruvgatan 4 | Malmö | 1962/1990 | 525 | – | 1 951 | – | – | 1 040 | 3 516 | 7 552 | BRI | T | |
| Bjälken 3 | Skruvgatan 6-8 | Malmö | 1962 | 420 | – | 2 161 | – | – | 50 | 2 631 | 5 478 | BRI | | |
| Dubbelknappen 17 | Risxegatan 6 | Malmö | 1989 | – | – | 2 380 | – | – | – | 2 380 | 7 506 | BRI | B | |
| Finngrundet 1 | Bjurögatan 29 | Malmö | 1966 | – | – | 7 490 | – | – | – | 7 490 | 15 304 | BRI | T | |
| Flygfyrén 1 | Flygfältsvägen 1 | Malmö | 1950/2002 | – | 1 905 | 10 035 | – | – | – | 11 940 | 39 399 | BRI | B | |
| Gulsippan 1 | Källvattengatan 5 | Malmö | 1988 | 1 954 | – | 11 548 | – | – | 491 | 13 993 | 57 721 | BRI | B | |
| Haken 3 | Vinkelgatan 5 | Malmö | 1993 | 400 | – | 3 188 | – | – | – | 3 588 | 8 398 | BRI | */T | |
| Hamnen 22:27 | Jörgen Kockgatan 11 | Malmö | 1952/1976 | 266 | – | 954 | – | – | – | 1 220 | 1 324 | BRI | T | |
| Holkyxan 5 | Bronsyxegatan 11 | Malmö | 1977/2000 | – | – | 6 510 | – | – | – | 6 510 | 16 716 | BRI | T | |
| Kalkgrundet 5 | Borrgatan 15 | Malmö | 1935/1985 | 669 | – | 6 741 | – | – | – | 7 410 | 20 231 | BRI | T | |
| Kampen 25 | Lantmannagatan 22-26 | Malmö | 1940/1990 | 4 365 | – | 23 015 | 1 825 | – | 11 562 | 40 767 | 76 681 | BRI | | |
| Lillgrund 5 | Borrgatan 31 | Malmö | 1952/1998 | – | – | 4 430 | – | – | – | 4 430 | 15 350 | BRI | | |
| Långdansen 1 | Sångelekgatan 9 | Malmö | 1980 | – | – | 1 200 | – | – | – | 1 200 | 5 381 | BRI | | |
| Murman 7 | Murmansgatan 124 | Malmö | 1959/1987 | 1 020 | – | 5 260 | 162 | – | – | 6 442 | 14 685 | BRI | T | |
| Murman 11 | Krusegatan 21 | Malmö | 1960 | 1 687 | – | 6 631 | – | – | 77 | 8 395 | 20 109 | BRI | T | |
| Revolversvarven 9 | Jägershillgatan 16 | Malmö | 1985 | – | – | 3 900 | – | – | – | 3 900 | 15 285 | BRI | T | |
| Ringspännat 1 | Kantyxegatan 5 | Malmö | 2002 | – | – | 6 700 | – | – | – | 6 700 | 20 138 | BRI | | |
| Sadelknappen 1 | Sadelgatan 9 | Malmö | 1979 | – | – | 2 000 | – | – | – | 2 000 | 5 863 | BRI | | |
| Skjutsstallslyckan 3 | Lundavägen 62 | Malmö | 1946 | – | 1 391 | – | 1 705 | – | – | 3 096 | 5 745 | BRI | | |
| Stångbettet 1 | Travbanegatan 1 | Malmö | 1989 | – | – | 1 743 | – | – | – | 1 743 | 6 082 | BRI | | |
| Tistlarna 9 | Styrsögatan 4 | Malmö | 1991 | 1 109 | – | 14 452 | – | – | – | 15 561 | 41 665 | BRI | B | |
| Tågarp 16:22 | Företagsvägen 14 | Malmö | 1968/1993 | 2 830 | – | 7 107 | – | – | – | 9 937 | 26 213 | BRI | | |
| Tågarp 16:72 | Företagsvägen 25 | Malmö | 1973/1988 | 240 | – | 1 263 | 798 | – | – | 2 301 | 9 651 | BRI | | |
| Akvamarin 1 | Diabasgatan 1 | Helsingborg | 2007 | – | – | – | – | – | 4 713 | 4 713 | 10 665 | BRI | | |
| Bergakungen 1 | Måndagsgatan 6 | Helsingborg | 1990 | 618 | – | 2 325 | – | – | – | 2 943 | 8 566 | BRI | | |
| Dolken 4 | Mörsaregatan 16 | Helsingborg | 1970/1985 | 360 | – | 1 911 | 725 | – | – | 2 996 | 6 960 | BRI | | |
| Grusbacken 2 | Makadamgatan 15 | Helsingborg | 2005 | – | – | 13 300 | – | – | – | 13 300 | 50 271 | BRI | | |
| Grusbädden 2 | Mogatan 2-6 | Helsingborg | 1989 | 1 095 | – | 8 309 | – | – | – | 9 404 | 34 318 | BRI | B | |
| Grusbädden 3 | Mogatan 2-6 | Helsingborg | 2007 | 1 721 | – | 2 556 | 3 092 | – | – | 7 369 | 18 671 | BRI | B | |
| Grusplanen 3 | Makadamgatan 19 | Helsingborg | 1990 | – | – | 2 735 | – | – | – | 2 735 | 8 809 | BRI | | |
| Hyveljärnet 3 | Lastgatan 9 | Helsingborg | 1990 | – | – | 2 276 | – | – | – | 2 276 | 7 731 | BRI | | |
| Mimer 12 | S Tvärgången 3 | Helsingborg | 1960 | – | – | 34 | – | – | 3 080 | 3 114 | – | BRI | B | |
| Nide 2 | Rundgången 10 | Helsingborg | 1955/1985 | 1 669 | – | 3 679 | 924 | – | 304 | 6 576 | 17 170 | BRI | | |
| Topasen 1 | Andesitgatan 8 | Helsingborg | 1989 | – | – | – | 8 558 | – | – | 8 558 | 37 270 | BRI | B | |
| Värjan 3 | Garnisonsgatan 9 | Helsingborg | 1969 | 1 112 | 695 | 3 025 | – | – | 50 | 4 882 | 13 652 | BRI | B | |

Note: *=Acquired 2008 T=Ground rent A=Lease B=Unutilized building permission



Öresund Region

| Name of property | Address | Municipality | Build/ Refurb. year | Square metres per type of premises | | | | | | Tax Mgmt. | | |
|-----------------------------------|--------------------|--------------|------------------------|------------------------------------|--------------|----------------|---------------|-------------|-----------------|----------------|------------------|------------------|
| | | | | Office | Retail | Warehouse | Industrial | Residential | Other | Total | assessment value | Sub-sidiary Note |
| Annedal 9 | Annedalsvägen 2 | Lund | 1990 | – | – | 1 296 | – | – | – | 1 296 | 5 594 | BRI |
| Råbyholm 5 | Landerigränden 2-4 | Lund | 1984 | 3 475 | – | 7 908 | – | – | – | 11 383 | 52 023 | BRI |
| Välten 4 | Traktorvägen 8 | Lund | 2003 | – | – | 3 100 | – | – | – | 3 100 | 16 792 | BRI |
| Välten 5 | Traktorvägen 10 | Lund | 1974/1995 | – | – | 3 645 | – | – | – | 3 645 | 10 073 | BRI |
| Årdret 12 | Höstbruksvägen 14 | Lund | 1990 | – | – | 2 049 | – | – | – | 2 049 | 7 041 | BRI |
| Total warehouse/industrial | | | | 26 805 | 3 991 | 217 228 | 25 822 | | 0 21 697 | 295 543 | 858 403 | |



● Office/retail ● Warehouse/industrial ● Development projects and land



Stockholm'sledet 8, Lund

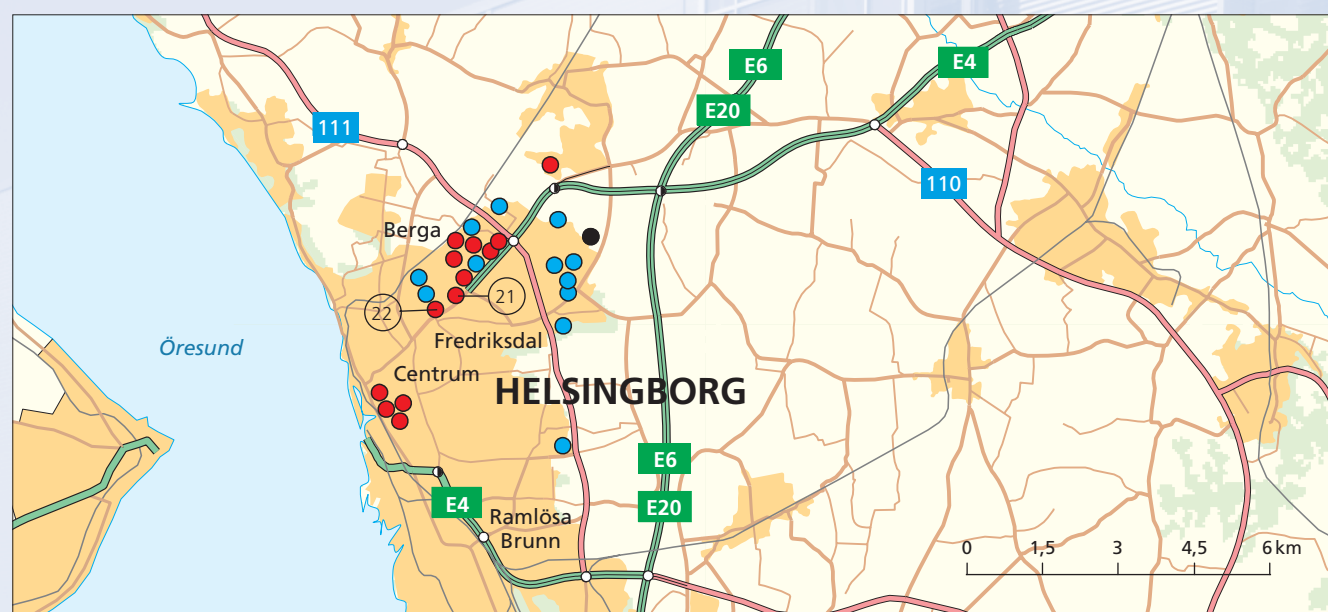


Reuterdaahl 11, Lund

Öresund Region

| Öresund Region | | | | | | | | | | | Tax Mgmt. | | |
|----------------------------|--------------------------|--------------|------------------------|------------------------------------|--------|-----------|------------|-------------|--------|------------|---------------|-----------------|------|
| Name of property | Address | Municipality | Build/ Refurb. year | Square metres per type of premises | | | | | | assessment | Sub- value | Mgmt. sidary | Note |
| | | | | Office | Retail | Warehouse | Industrial | Residential | Other | | | | |
| DEVELOPMENT PROJECTS | | | | | | | | | | | | | |
| Gustav Adolf 13 | Gustav Adolfs torg 4 | Malmö | 1968 | 10 690 | — | — | — | — | — | 10 690 | 172 000 | BRI | |
| Forskaren 2:2 B | Emdalavägen 8 | Lund | 2003 | — | — | — | — | — | — | — | — | BRI | |
| Total development projects | | | | 10 690 | 0 | 0 | 0 | 0 | 0 | 10 690 | 172 000 | | |
| UNDEVELOPED LAND | | | | | | | | | | | | | |
| Intäkten 5 | Lantmannag 20/Ystadsg 49 | Malmö | 0 | — | — | — | — | — | — | — | 2 045 | BRI | B |
| Moränen 1 & 2 | Borrgatan 1 | Malmö | 0 | — | — | — | — | — | — | — | 2 822 | BRI | B |
| Ringspännet 5 | Kantxyegatan 1 | Malmö | 0 | — | — | — | — | — | — | — | 1 845 | BRI | B |
| Svedjenävan 4 | Stenbärsgatan 2 | Malmö | 0 | — | — | — | — | — | — | — | 934 | BRI | B |
| Höjdpunkten 2 | Lund | Lund | 0 | — | — | — | — | — | — | — | 3 023 | BRI | B |
| Total undeveloped land | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10 669 | | |
| Total Öresund Region | | | | 218 158 | 60 341 | 258 536 | 27 723 | 11 656 | 44 349 | 620 763 | 3 428 520 | | |

Note: * = Acquired 2008 T = Ground rent A = Lease B = Unutilized building permission



● Office/retail ● Warehouse/industrial ● Development projects and land



Kavalleristen 9, Helsingborg

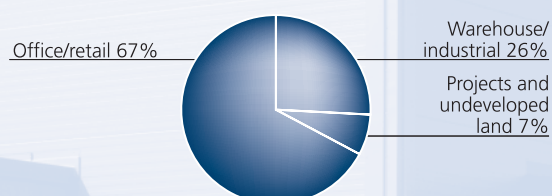


Rustningen 1, Helsingborg

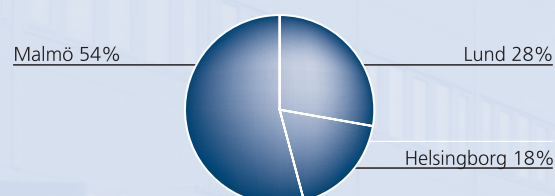
Castellum's Real Estate Portfolio in the Öresund Region 31-12-2008

| | No. of properties | Area thous. sq.m. | Rental value SEKm | Rental value SEK/sq.m. | Economic occupancy rate | Rental income SEKm | Property costs SEKm | Property costs SEK/sq.m. | Net operating income SEKm |
|--|-------------------|-------------------|-------------------|------------------------|-------------------------|--------------------|---------------------|--------------------------|---------------------------|
| Office/retail | | | | | | | | | |
| Malmö | 22 | 127 | 185 | 1 447 | 90.8% | 168 | 47 | 370 | 121 |
| Lund | 14 | 98 | 145 | 1 486 | 88.0% | 128 | 31 | 313 | 97 |
| Helsingborg | 14 | 80 | 74 | 924 | 89.6% | 66 | 18 | 223 | 48 |
| Landskrona | 1 | 9 | 7 | 742 | 77.5% | 5 | 3 | 364 | 2 |
| Total office/retail | 51 | 314 | 411 | 1 306 | 89.4% | 367 | 99 | 315 | 268 |
| Warehouse/industrial | | | | | | | | | |
| Malmö | 25 | 205 | 131 | 636 | 81.3% | 106 | 31 | 149 | 75 |
| Helsingborg | 12 | 69 | 45 | 653 | 91.5% | 41 | 8 | 120 | 33 |
| Lund | 5 | 21 | 17 | 807 | 97.9% | 17 | 2 | 104 | 15 |
| Total warehouse/industrial | 42 | 295 | 193 | 652 | 85.2% | 164 | 41 | 139 | 123 |
| Total | 93 | 609 | 604 | 989 | 88.1% | 531 | 140 | 230 | 391 |
| Leasing and property administration | | | | | | | 30 | 48 | -30 |
| Total after leasing and property administration | | | | | | | 170 | 278 | 361 |
| Development projects | 2 | 12 | 28 | — | — | 16 | 5 | — | 11 |
| Undeveloped land | 5 | — | — | — | — | — | — | — | — |
| Total | 100 | 621 | 632 | — | — | 547 | 175 | — | 372 |

Real estate portfolio by property type



Real estate portfolio by municipality



Property related key ratios

| | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 |
|---------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Rental value, SEK/sq.m. | 989 | 971 | 932 | 915 | 931 | 892 | 830 | 784 | 720 |
| Economic occupancy rate | 88.1% | 87.7% | 86.8% | 88.1% | 91.2% | 90.4% | 92.4% | 92.7% | 93.1% |
| Property costs, SEK/sq.m. | 278 | 271 | 256 | 244 | 262 | 258 | 240 | 250 | 240 |
| Net operating income, SEK/sq.m. | 593 | 581 | 553 | 563 | 587 | 549 | 527 | 477 | 431 |
| Number of properties | 100 | 97 | 92 | 90 | 93 | 97 | 101 | 100 | 111 |
| Lettable area, thousand sq.m. | 621 | 602 | 587 | 600 | 571 | 566 | 559 | 529 | 522 |

Greater Stockholm

| Greater Stockholm | | | | | | | | | | | Tax Mgmt. | | |
|-----------------------|-----------------------------------|----------------|------------------------|------------------------------------|-----------------|-----------|---------------|-------------|-------|----------------------------------|-------------|-------|-------|
| Name of property | Address | Municipality | Build/ Refurb. year | Square metres per type of premises | | | | | | assessment value | Sub-sidiary | Note | |
| | | | | Office | Retail | Warehouse | Industrial | Residential | Other | | | | Total |
| OFFICE/RETAIL | | | | | | | | | | | | | |
| Alphyddan 11 | Bällstavägen 28-36 | Stockholm | 1964 | 4 363 | – | – | – | – | – | 4 363 | 16 615 | BRO | |
| Archimedes 1 | Gårdsfogdevägen 2-6 | Stockholm | 1979 | 11 904 | 1 829 | 3 730 | 388 | – | – | 17 851 | 110 539 | BRO | |
| Betongblandaren 3 | Gårdsfogdevägen 16 | Stockholm | 1971 | 3 238 | – | 2 873 | – | – | – | 6 111 | 33 000 | BRO | |
| Betongblandaren 12 | Gårdsfogdevägen 18 B | Stockholm | 1972 | 6 715 | – | 735 | – | – | – | 7 450 | 52 600 | BRO | |
| Betongblandaren 13 | Adolfbergsvägen 15, 25-31 | Stockholm | 1989 | 7 678 | 1 086 | 2 020 | – | – | – | 10 784 | 69 800 | BRO | |
| Fredsfors 14 | Karlsbodavägen 39-41 | Stockholm | 1960 | 12 420 | – | 2 277 | 400 | – | 3 650 | 18 747 | 93 400 | BRO | |
| Linaberg 15 | Alpvägen 17 | Stockholm | 1973 | 3 247 | – | 1 123 | – | – | – | 4 370 | 18 413 | BRO T | |
| Vallonsmidet 8 | Gårdsfogdevägen 1-7 | Stockholm | 1963/1992 | 13 128 | 2 959 | 6 833 | – | – | – | 22 920 | 145 800 | BRO B | |
| Ekenäs 1 | Finlandsgatan 24-48 | Stockholm | 2003 | 18 048 | – | – | – | – | 490 | 18 538 | 235 600 | BRO T | |
| Ekenäs 2 | Finlandsgatan 12-14 | Stockholm | 1989 | 4 572 | – | 72 | – | – | – | 4 644 | 38 000 | BRO T | |
| Ekenäs 3 | Finlandsgatan 10 | Stockholm | 1989 | 3 195 | 310 | 790 | – | – | – | 4 295 | 33 000 | BRO T | |
| Ekenäs 4 | Finlandsgatan 16-18 | Stockholm | 1991 | 7 458 | 100 | 435 | – | – | – | 7 993 | 67 000 | BRO T | |
| Karis 3 | Finlandsgatan 62 | Stockholm | 1989 | 2 967 | – | 219 | – | – | – | 3 186 | 28 200 | BRO T | |
| Karis 4 | Finlandsgatan 50-60 | Stockholm | 1985 | 4 606 | 440 | 202 | – | – | – | 5 248 | 46 400 | BRO T | |
| Sätesdalen 2 | Norgegatan 2 | Stockholm | 1990/2001 | 10 450 | 500 | 589 | – | – | – | 11 539 | 82 572 | BRO T | |
| Getholmen 2 | Måsholmstorget 1-13 | Stockholm | 1990 | 5 674 | – | – | – | – | – | 5 674 | 35 600 | BRO T | |
| Hästholmen 2 | Ekholsvägen 23 | Stockholm | 1985 | 1 220 | – | – | – | – | – | 1 220 | 8 803 | BRO T | |
| Renseriet 25 | Bolidenv 12, 16/Tjurhornsg 3 | Stockholm | 1910 | 889 | – | 430 | 80 | – | 80 | 1 479 | 8 754 | BRO B | |
| Renseriet 26 | Bolidenv 14-16/Tjurhornsg 3 | Stockholm | 1965 | 1 572 | 436 | 213 | – | – | 302 | 2 523 | 22 600 | BRO | |
| Tjurhornet 15 | Huddingevägen 103-109 | Stockholm | 1986 | 20 453 | 575 | 1 843 | – | – | – | 22 871 | 188 164 | BRO | |
| Mandelblomman 15 | Avestag 29/Kronofogdev 56 | Stockholm | 1950/1990 | 3 394 | – | 191 | – | – | – | 3 585 | 20 545 | BRO | |
| Drevörn 1&3 | Gråhundsvägen 82-84 | Stockholm | 1970/1995 | 1 226 | 2 735 | – | – | – | – | 3 961 | 24 839 | BRO | |
| Haifa 1 | Tegeluddsvägen 97 | Stockholm | 1962 | 3 749 | – | – | – | – | – | 3 749 | – | BRO | |
| Gräslöken 1 | Anderstorpsvägen 20-26 | Solna | 1976 | 6 589 | – | 412 | – | – | – | 7 001 | 73 600 | BRO | |
| Instrumentet 1 | Fabriksvägen 9 | Solna | 1955/2005 | 1 387 | – | – | 1 866 | – | 420 | 3 673 | 17 282 | BRO | |
| Råsten 4 | Råstensg 1/Stureg 10 | Sundbyberg | 1929/2001 | 2 700 | – | – | – | – | – | 2 700 | 36 400 | BRO | |
| Yrket 4 | Smidesvägen 10-12 | Solna | 1982/1984 | 9 216 | – | 993 | – | – | 895 | 11 104 | 89 600 | BRO B | |
| Ekplantan 4 | Djupdalsvägen 1-7 | Sollentuna | 1990 | 8 572 | 1 301 | 254 | – | – | – | 10 127 | 62 000 | BRO | |
| Ekstubben 21&23 | Djupdalsvägen 10-18, 30-32, 20-22 | Sollentuna | 1989 | 6 475 | – | 60 | – | – | – | 6 535 | 50 968 | BRO | |
| Ringpärmen 3 | Bergskällavägen 30 | Sollentuna | 1986 | – | 4 236 | – | – | – | – | 4 236 | 24 000 | BRO | |
| Ringpärmen 4 | Bergskällavägen 32 | Sollentuna | 1987 | 10 359 | 869 | 1 284 | – | – | – | 12 512 | 90 400 | BRO | |
| Sjöstugan 1 | Sidensvansvägen 8-10 | Sollentuna | 1990 | 4 331 | – | 2 013 | – | – | – | 6 344 | 40 400 | BRO | |
| Altartorpet 22 | Jägerhornsväg 6 | Huddinge | 1986 | 818 | 1 477 | 420 | – | – | – | 2 715 | 31 800 | BRO T | |
| Altartorpet 23 | Jägerhornsväg 8 | Huddinge | 1987 | 4 221 | – | – | – | – | – | 4 221 | 32 200 | BRO T | |
| Arrendatorn 15 | Jägerhornsväg 3-5 | Huddinge | 1987 | 509 | 860 | – | – | – | – | 1 369 | 8 843 | BRO | |
| Arrendatorn 16 | Jägerhornsväg 1 | Huddinge | 1987 | 884 | 418 | – | – | – | – | 1 302 | 9 162 | BRO | |
| Ellipsen 3 | Ellipsvägen 11 | Huddinge | 1993 | 1 723 | – | 1 367 | – | – | – | 3 090 | 16 910 | BRO | |
| Visiret 2 B | Smista Allé 42 | Huddinge | 2006 | 1 000 | 3 500 | 1 000 | 2 000 | – | – | 7 500 | 42 400 | BRO | |
| Hammarby-Smedby 1:454 | Johanneslundsvägen 2-6 | Upplands-Väsby | 1991 | 8 325 | – | 116 | – | – | 18 | 8 459 | 54 800 | BRO | |
| Hammarby-Smedby 1:461 | Johanneslundsvägen 3-5 | Upplands-Väsby | 1988 | 3 672 | – | 141 | – | – | 676 | 4 489 | 22 800 | BRO | |
| Veddesta 2:22 | Nettovägen 7 | Järfälla | 1965/1975 | – | – | 508 | – | – | – | 508 | 2 330 | BRO | |
| | | | | Note: | *=Acquired 2008 | | T=Ground rent | A=Lease | | B=Unutilized building permission | | | |

Note: * = Acquired 2008 T = Ground rent A = Lease B = Unutilized building permission



Greater Stockholm

Greater Stockholm

| | | | | | | | | | | | Tax Mgmt. | |
|---------------------|-----------------|--------------|------------------------|------------------------------------|--------|-----------|------------|-------------|-------|------------|--------------------------|------|
| Name of property | Address | Municipality | Build/ Refurb. year | Square metres per type of premises | | | | | | assessment | Sub- value subsidiary | Note |
| | | | | Office | Retail | Warehouse | Industrial | Residential | Other | | | |
| Veddesta 2:23 | Nettovägen 1 | Järfälla | 1971/1985 | – | 5 140 | 699 | – | – | – | 5 839 | 30 200 | BRO |
| Veddesta 2:58 | Fakturavägen 5 | Järfälla | 1985/1995 | 1 256 | – | – | – | – | – | 1 256 | 7 707 | BRO |
| Sicklaön 393:4 | Vikdalsvägen 50 | Nacka | 1990 | 3 574 | – | 469 | – | – | – | 4 043 | 42 600 | BRO |
| Sicklaön 394:5 | Vikdalsgränd 10 | Nacka | 1991 | 1 834 | – | 80 | – | – | – | 1 914 | 13 334 | BRO |
| Total office/retail | | | | 229 611 | 28 771 | 34 391 | 4 734 | 0 | 6 531 | 304 038 | 2 179 980 | |



● Office/retail ● Warehouse/industrial ● Development projects and land

Greater Stockholm

| Greater Stockholm | | | | | | | | | | | Tax Mgmt. | | |
|----------------------------|------------------------------------|--------------|------------------------|------------------------------------|--------|-----------|------------|-------------|-------|------------|---------------|--------|------|
| Name of property | Address | Municipality | Build/ Refurb. year | Square metres per type of premises | | | | | | assessment | Sub- value | sidary | Note |
| | | | | Office | Retail | Warehouse | Industrial | Residential | Other | | | | |
| WAREHOUSE/INDUSTRIAL | | | | | | | | | | | | | |
| Charkuteristen 5 | Hallvägen 21 | Stockholm | 1955 | 202 | – | 6 775 | – | – | – | 6 977 | 19 740 | BRO | T |
| Charkuteristen 6 | Slakthusgatan 20 | Stockholm | 1955 | – | – | 2 557 | – | – | – | 2 557 | 6 726 | BRO | T |
| Charkuteristen 8 | Slakthusgatan 22 | Stockholm | 1968 | – | – | 5 359 | – | – | – | 5 359 | 15 533 | BRO | T |
| Linde Torp 8A | Bolidenvägen 8-10 | Stockholm | 1929 | 408 | – | 1 529 | – | – | – | 1 937 | 11 800 | BRO | B |
| Sandhagen 6 | Slakthusgatan 9 | Stockholm | 1967 | 1 501 | – | 2 659 | – | – | – | 4 160 | 14 184 | BRO | T |
| Domnarvet 4 | Domnarvsgatan 27-29 | Stockholm | 1987 | 1 636 | – | – | 6 396 | – | – | 8 032 | 34 332 | BRO | T |
| Domnarvet 27 | Fagerstagatan 19 B | Stockholm | 1982 | – | – | – | 1 950 | – | – | 1 950 | 8 962 | BRO | T |
| Domnarvet 39 | Gunnebogatan 24-26 | Stockholm | 1989 | 1 209 | – | 1 417 | – | – | – | 2 626 | 15 217 | BRO | T |
| Mandelblomman 16 | Kronofogdevägen 62 | Stockholm | 1974 | 885 | – | 3 073 | – | – | – | 3 958 | 12 993 | BRO | |
| Getholmen 1 | Ekholmsvägen 32-36 | Stockholm | 1982 | 4 569 | – | – | 3 412 | – | – | 7 981 | 44 175 | BRO | T |
| Stensåtra 7 | Strömsåtravägen 16 | Stockholm | 1974 | 958 | – | 4 330 | – | – | – | 5 288 | 19 200 | BRO | T |
| Dagskiftet 4 | Elektravägen 10 | Stockholm | 1945 | 90 | – | 1 619 | – | – | – | 1 709 | 4 930 | BRO | T |
| Elektra 3 | Västbergavägen 25 | Stockholm | 1946 | 907 | 235 | 5 820 | – | – | – | 6 962 | 20 781 | BRO | |
| Godståget 1 | Transportvägen 7-9 | Stockholm | 1985 | 2 169 | – | 10 789 | – | – | – | 12 958 | 77 503 | BRO | |
| Lagerhallen 2 | Brunnby 2-4/Partihandelsv 27-45 | Stockholm | 1975 | 2 236 | – | 7 560 | – | – | 3 567 | 13 363 | 47 466 | BRO | T |
| Tornsluggen 1-3 | Bällstav 159/Tornväktargr 1-9 | Stockholm | 1963/1983 | – | – | 1 900 | – | – | – | 1 900 | 6 541 | BRO | T |
| Tornluckan 1 | Tornväktargränd 6 | Stockholm | 1960 | – | – | 810 | – | – | – | 810 | 3 466 | BRO | T |
| Elementet 4 | Bäckvägen 18 | Sollentuna | 1960 | 595 | 200 | 6 700 | – | – | – | 7 495 | 29 896 | BRO | B |
| Tidskriften 2 | Kuskvägen 2 | Sollentuna | 1976 | 1 108 | 3 650 | 5 173 | – | – | – | 9 931 | 70 322 | BRO | |
| Rosersberg 2:21-22 | Rosersbergsvägen 43-45 | Sigtuna | 1990 | – | – | 2 126 | – | – | – | 2 126 | 7 799 | BRO | |
| Rosersberg 11:12 | Tallbacksgatan 6-12 | Sigtuna | 1988 | 1 121 | – | 17 005 | – | – | – | 18 126 | 59 219 | BRO | |
| Rosersberg 11:34 | Tallbacksgatan 14 | Sigtuna | 1987/1989 | – | – | 5 930 | – | – | – | 5 930 | 22 014 | BRO | |
| Rosersberg 11:35 | Tallbacksgatan 18 | Sigtuna | 1990 | – | – | 8 139 | – | – | – | 8 139 | 31 183 | BRO | |
| Veddesta 1:9 | Fakturavägen 2 | Järfälla | 1965 | – | – | – | 806 | – | – | 806 | 4 954 | BRO | |
| Veddesta 2:17 | Nettovägen 9 | Järfälla | 1968 | 120 | – | 1 226 | – | – | – | 1 346 | 5 452 | BRO | |
| Veddesta 2:19 | Girovägen 9 | Järfälla | 1964 | – | – | 2 556 | – | – | – | 2 556 | 14 464 | BRO | |
| Veddesta 2:21 | Nettovägen 5 | Järfälla | 1965/1988 | 343 | – | 1 562 | – | – | – | 1 905 | 8 407 | BRO | |
| Veddesta 2:26 | Nettovägen 11 | Järfälla | 1968 | 775 | 190 | 1 938 | – | – | – | 2 903 | 12 726 | BRO | |
| Veddesta 2:50 | Kontov 7/Veddestav 23-25 | Järfälla | 1964 | 611 | – | 3 007 | 700 | – | – | 4 318 | 24 741 | BRO | B |
| Veddesta 2:60 | Fakturavägen 4 | Järfälla | 1987 | 376 | – | – | 753 | – | – | 1 129 | 5 872 | BRO | T |
| Veddesta 2:77 | Fakturavägen 1-3 | Järfälla | 1994/1997 | 2 267 | – | – | 3 154 | – | – | 5 421 | 36 600 | BRO | |
| Hantverkaren 2 | Hantverkärvägen 9 | Botkyrka | 1976/1979 | – | – | – | 5 790 | – | – | 5 790 | 20 628 | BRO | |
| Kumla Hage 3 | Kumla Gårdsväg 24 A-B | Botkyrka | 1985 | – | 690 | 1 200 | – | – | – | 1 890 | 6 965 | BRO | |
| Kumla Hage 13 | Kumla Gårdsväg 24 C | Botkyrka | 1990 | – | – | 1 630 | – | – | – | 1 630 | 7 066 | BRO | |
| Mästaren 1 | Kumla Gårdsväg 21 | Botkyrka | 1983/1986 | 360 | – | 9 820 | 10 814 | – | – | 20 994 | 69 290 | BRO | |
| Visiret 2 | Smista Allé 44 | Huddinge | 2004 | – | – | – | 2 135 | – | – | 2 135 | 9 201 | BRO | |
| Total warehouse/industrial | | | | 24 446 | 4 965 | 124 209 | 35 910 | 0 | 3 567 | 193 097 | 810 348 | | |

DEVELOPMENT PROJECTS

| | | | | | | | | | | | | | |
|--------------------|--------------------------------------|-----------|-----------|-------|---|--------|---|---|-----|--------|--------|-----|---|
| Betongblandaren 10 | Archimedesv 1-3/ Gårdsfogdev 8-10 | Stockholm | 1975/1996 | 2 221 | – | 11 683 | – | – | 980 | 14 884 | 43 200 | BRO | |
| Vagnhallen 19 | Jämtlandsgatan 131 | Stockholm | 1963/1974 | – | – | 5 460 | – | – | – | 5 460 | 15 961 | BRO | T |
| Visiret 2 C | Smista Allé 46-48 | Huddinge | 2008 | 5 800 | – | – | – | – | – | 5 800 | – | BRO | |

Note: *=Acquired 2008 T=Ground rent A=Lease B=Unutilized building permission



Vallonsmidet 8, Stockholm



Tjurhornet 15, Stockholm



Ringpärmen 4, Sollentuna

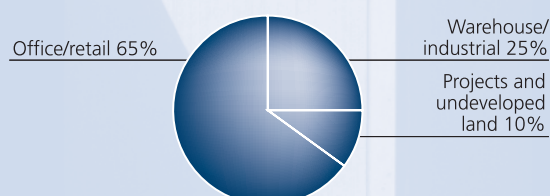
Greater Stockholm

| Name of property | Address | Municipality | Build/ Refurb. year | Square metres per type of premises | | | | | | Total | Tax Mgmt. assessment Sub- value sidiary Note | |
|-----------------------------------|----------------------------|--------------|------------------------|------------------------------------|---------------|----------------|---------------|-------------|---------------|----------------|--|-------|
| | | | | Office | Retail | Warehouse | Industrial | Residential | Other | | | |
| Visiret 2 D | Smista Allé | Huddinge | – | – | – | – | – | – | 7 500 | 7 500 | – | BRO |
| Visiret 3 E | Smista Allé | Huddinge | 2008 | 4 450 | – | – | – | – | – | 4 450 | – | BRO |
| Total development projects | | | | 12 471 | 0 | 17 143 | 0 | 0 | 8 480 | 38 094 | 59 161 | |
| UNDEVELOPED LAND | | | | | | | | | | | | |
| Linde Torp 8 | Bolidenv 2-6/Huddingev 101 | Stockholm | – | – | – | – | – | – | – | – | 5 200 | BRO B |
| Rankan 3-4 | Sollentunaholmsvägen 1-7 | Sollentuna | – | – | – | – | – | – | – | – | 57 000 | BRO B |
| Smista Park | Smista Allé | Huddinge | – | – | – | – | – | – | – | – | 28 459 | BRO B |
| Saltmossen 3 | Kumla Gårdsväg 21 | Botkyrka | – | – | – | – | – | – | – | – | 7 400 | BRO B |
| Total undeveloped land | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 98 059 | |
| Total Greater Stockholm | | | | 266 528 | 33 736 | 175 743 | 40 644 | 0 | 18 578 | 535 229 | 3 147 548 | |

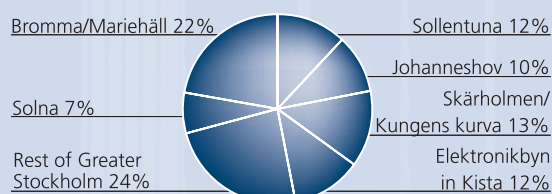
Castellum's Real Estate Portfolio in Greater Stockholm 31-12-2008

| | No. of properties | Area thous. sq.m. | Rental value SEKm | Rental value SEK/sq.m. | Economic occupancy rate | Rental income SEKm | Property costs SEKm | Property costs SEK/sq.m. | Net operating income SEKm |
|--|----------------------|-------------------------|-------------------------|------------------------------|-------------------------------|--------------------------|---------------------------|--------------------------------|------------------------------------|
| Office/retail | | | | | | | | | |
| Mariehäll in Bromma | 8 | 93 | 110 | 1 189 | 83.9% | 93 | 26 | 272 | 67 |
| Elektronikbyn in Kista | 7 | 55 | 92 | 1 661 | 69.6% | 64 | 25 | 453 | 39 |
| Skärholmen/Kungens kurva | 8 | 27 | 37 | 1 369 | 97.5% | 36 | 7 | 278 | 29 |
| Solna | 4 | 24 | 39 | 1 594 | 84.4% | 33 | 7 | 270 | 26 |
| Sollentuna | 5 | 40 | 47 | 1 174 | 84.9% | 40 | 12 | 298 | 28 |
| Rest of Greater Stockholm | 13 | 65 | 78 | 1 201 | 85.5% | 66 | 20 | 314 | 46 |
| Total office/retail | 45 | 304 | 403 | 1 324 | 82.4% | 332 | 97 | 318 | 235 |
| Warehouse/industrial | | | | | | | | | |
| Veddesta/Lunda | 12 | 37 | 30 | 826 | 89.5% | 27 | 9 | 251 | 18 |
| Rosersberg | 4 | 34 | 25 | 725 | 94.3% | 23 | 5 | 147 | 18 |
| Sollentuna | 2 | 18 | 19 | 1 104 | 85.5% | 16 | 3 | 179 | 13 |
| Johanneshov | 5 | 21 | 19 | 907 | 74.5% | 14 | 5 | 262 | 9 |
| Skärholmen/Kungens kurva | 3 | 15 | 16 | 1 013 | 83.8% | 13 | 4 | 272 | 9 |
| Rest of Greater Stockholm | 10 | 68 | 57 | 833 | 91.0% | 53 | 16 | 219 | 37 |
| Total warehouse/industrial | 36 | 193 | 166 | 859 | 88.0% | 146 | 42 | 218 | 104 |
| Total | 81 | 497 | 569 | 1 144 | 84.0% | 478 | 139 | 279 | 339 |
| Leasing and property administration | | | | | | | 32 | 64 | -32 |
| Total after leasing and property administration | | | | | | | 171 | 343 | 307 |
| Development projects | 5 | 38 | 14 | – | – | – | 1 | – | -1 |
| Undeveloped land | 4 | – | – | – | – | – | – | – | – |
| Total | 90 | 535 | 583 | – | – | 478 | 172 | – | 306 |

Real estate portfolio by property type



Real estate portfolio by municipality



Property related key ratios

| | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 |
|---------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Rental value, SEK/sq.m. | 1,144 | 1,090 | 1,038 | 999 | 1,031 | 1,044 | 1,032 | 935 | 892 |
| Economic occupancy rate | 84.0% | 81.2% | 81.3% | 83.1% | 84.5% | 87.0% | 89.1% | 94.1% | 92.5% |
| Property costs, SEK/sq.m. | 343 | 325 | 338 | 315 | 339 | 332 | 326 | 336 | 319 |
| Net operating income, SEK/sq.m. | 618 | 560 | 506 | 515 | 532 | 576 | 594 | 544 | 507 |
| Number of properties | 90 | 87 | 80 | 73 | 70 | 70 | 70 | 71 | 62 |
| Lettable area, thousand sq.m. | 535 | 517 | 501 | 442 | 422 | 403 | 404 | 405 | 355 |

Mälardalen

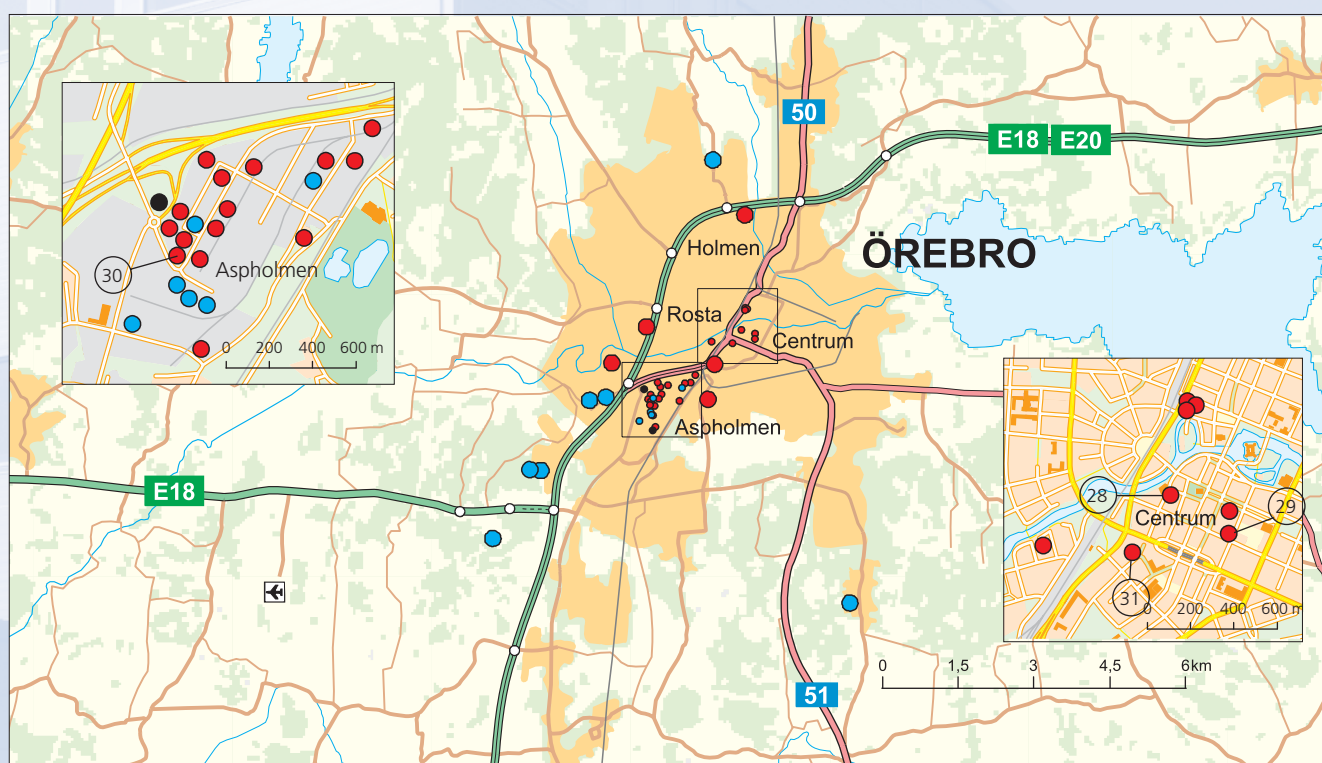
| Mälardalen | | | | | | | | | | | Tax Mgmt. | | |
|--------------------|--------------------------------|--------------|------------------------|------------------------------------|--------|-----------|------------|-------------|-------|--------|------------------|-------------|------|
| Name of property | Address | Municipality | Build/ Refurb. year | Square metres per type of premises | | | | | | | assessment value | Sub-sidiary | Note |
| | | | | Office | Retail | Warehouse | Industrial | Residential | Other | Total | | | |
| OFFICE/RETAIL | | | | | | | | | | | | | |
| Boländerna 8:6 | Knivstagatan 6 | Uppsala | 1990 | 2 730 | – | – | – | – | – | 2 730 | 12 561 | ASP | * |
| Boländerna 9:1 | Märstagatan 2 | Uppsala | 1946/2005 | 1 738 | – | 537 | – | – | – | 2 275 | – | ASP | * |
| Boländerna 30:2 B | Verkstadsgatan 11 | Uppsala | 2002 | 2 134 | – | – | – | – | – | 2 134 | 12 846 | ASP | |
| Boländerna 30:2 D | Verkstadsgatan 9 | Uppsala | 1987 | – | – | 2 500 | – | – | – | 2 500 | 6 815 | ASP | B |
| Boländerna 35:1 | Bolandsgatan 18 | Uppsala | 1975 | 150 | 5 555 | – | 4 258 | – | – | 9 963 | 41 847 | ASP | B |
| Boländerna 35:2 | Bolandsgatan 20 | Uppsala | 1981 | – | 4 118 | – | – | – | – | 4 118 | 35 800 | ASP | |
| Dragarbrunn 16:2 | Dragarbrunnsgatan 24-30 | Uppsala | 1963 | 4 618 | 1 637 | 243 | – | – | – | 6 498 | 72 980 | ASP | |
| Kungsängen 24:3 | Kungsgatan 95 | Uppsala | 1998 | 729 | 5 750 | – | – | – | – | 6 479 | 45 800 | ASP | |
| Kungsängen 29:1 | Kungsgatan 70 | Uppsala | 1985 | 2 302 | 1 948 | 160 | – | – | – | 4 410 | 21 400 | ASP | |
| Kungsängen 35:3 | Kungsgatan 76 | Uppsala | 2001 | 3 060 | – | – | – | – | – | 3 060 | 21 500 | ASP | |
| Kvarngärdet 64:3 | Sportfältsvägen 3 | Uppsala | 1991 | 1 965 | – | – | – | – | – | 1 965 | 13 225 | ASP | |
| Årsta 36:7 | Hanselligatan 6 | Uppsala | 1986 | 901 | – | 1 144 | – | – | 181 | 2 226 | 9 416 | ASP | |
| Årsta 67:1 | Stålgatan 8-12 | Uppsala | 1988 | – | 9 401 | 823 | – | – | – | 10 224 | 52 848 | ASP | |
| Årsta 72:3 | Svederusgatan 1-4 | Uppsala | 1990 | 1 043 | 1 792 | 5 295 | – | – | – | 8 130 | 33 561 | ASP | |
| Årsta 74:1 | Fyrislundsgatan 68 | Uppsala | 1985 | – | 6 956 | – | – | – | – | 6 956 | 37 901 | ASP | |
| Årsta 74:3 | Axel Johanssons gata 4-6 | Uppsala | 1990 | 13 608 | – | – | – | – | – | 13 608 | 101 600 | ASP | |
| Basen 10 | Fridhemsgatan 2-4 | Örebro | 1900/1990 | 6 149 | – | 126 | – | – | – | 6 275 | 40 800 | ASP | |
| Borgaren 1 | Fabriksgatan 1 | Örebro | 1969/2001 | 6 533 | 466 | 1 371 | – | – | – | 8 370 | 53 271 | ASP | * |
| Järnmalmen 1 | Osmundgatan 10 | Örebro | 1967/1995 | 2 655 | – | 8 675 | – | – | – | 11 330 | 19 563 | ASP | B |
| Konstruktören 11 | Söderleden 14 | Örebro | 1987 | 1 715 | – | – | – | – | – | 1 715 | 6 883 | ASP | |
| Kontrollanten 9 | Åbyvägen 3 | Örebro | 1992 | 2 412 | – | 2 430 | – | – | – | 4 842 | 13 268 | ASP | |
| Lagerchefen 3 | Aspholmsvägen 3 | Örebro | 1957/1985 | – | 1 900 | – | – | – | – | 1 900 | 9 519 | ASP | B |
| Lantmannen 7 | Boställsvägen 10 | Örebro | 1985 | 310 | 2 050 | 215 | – | – | – | 2 575 | 10 105 | ASP | |
| Motormannen 1 | Radiatorvägen 1 | Örebro | 1966 | 208 | 3 474 | 495 | – | – | – | 4 177 | 16 185 | ASP | |
| Röda rummet | Radiatorvägen 17 | Örebro | 2000 | 3 405 | – | – | – | – | – | 3 405 | 20 470 | ASP | |
| Rörläggaren 1 | Aspholmsvägen 4 | Örebro | 1963/1992 | – | – | – | 5 180 | – | – | 5 180 | 15 177 | ASP | B |
| Rörmokaren 5 | Elementvägen 1 | Örebro | 1984 | 1 270 | 1 023 | 110 | – | – | – | 2 403 | 10 061 | ASP | |
| Signalen 6 | Propellervägen 1 | Örebro | 1991 | 1 760 | – | – | – | – | – | 1 760 | 10 866 | ASP | |
| Stinsen 18 | Fabriksgatan 18-24 | Örebro | 1983/2003 | 11 923 | – | 189 | – | – | – | 12 112 | 90 400 | ASP | */B |
| Svetsaren 4 | Elementvägen 12 | Örebro | 1976/1984 | – | 1 790 | 2 590 | – | – | – | 4 380 | 12 268 | ASP | |
| Svetsaren 5 | Elementvägen 14 | Örebro | 1977/1988 | 2 785 | – | 169 | – | – | – | 2 954 | 10 148 | ASP | |
| Svetsaren 6 | Radiatorvägen 14 | Örebro | 1962 | 3 700 | – | – | – | – | – | 3 700 | 23 930 | ASP | B |
| Svetsaren 7 | Elementvägen 16 | Örebro | 1960/1983 | 675 | – | 180 | – | – | – | 855 | 2 802 | ASP | |
| Svetsaren 8 | Elementvägen 4 | Örebro | 1977 | 570 | 3 060 | 220 | – | – | – | 3 850 | 11 693 | ASP | T |
| Telemontören 1 | Nastagatan 2 | Örebro | 1993 | 3 611 | – | 2 882 | – | – | – | 6 493 | 7 579 | ASP | B |
| Tryckeriet 2 | Stortorget 8 | Örebro | 1984/1999 | 1 448 | 1 339 | – | – | – | – | 2 787 | 26 562 | ASP | * |
| Tryckeriet 13 | Kungsgatan 14/Nygatan 23, 25 | Örebro | 1929/2001 | 6 419 | 452 | – | – | – | – | 6 871 | 59 400 | ASP | * |
| Tägmästaren 25 | Fabriksgatan 54 | Örebro | 1986 | 5 848 | 365 | 2 106 | – | – | – | 8 319 | 31 800 | ASP | */B |
| Vindrutan 1 | Västhagagatan 3 | Örebro | 1992 | – | 1 230 | 85 | – | – | – | 1 315 | 7 823 | ASP | |
| Virkeshandlaren 7 | Radiatorvägen 11 | Örebro | 1970/1987 | 5 431 | 330 | 427 | – | – | – | 6 188 | 24 601 | ASP | |
| Virkeshandlaren 10 | Radiatorvägen 13-15 | Örebro | 1979 | 2 654 | 3 440 | 1 080 | – | – | – | 7 174 | 24 673 | ASP | |
| Ånsta 20:117 | Aspholmsvägen 9 | Örebro | 1990 | 743 | – | – | – | – | – | 743 | 2 763 | ASP | |
| Ölstången 11 | Järntorgsg 1/Östra Bangatan 24 | Örebro | 1939/2003 | 3 940 | – | 580 | – | – | – | 4 520 | 25 400 | ASP | * |

Note: * = Acquired 2008 T = Ground rent A = Lease B = Unutilized building permission



Mälardalen

| Name of property | Address | Municipality | Build/ Refurb. year | Square metres per type of premises | | | | | | Tax Mgmt. | | |
|--------------------|-------------------------------|--------------|------------------------|------------------------------------|--------|-----------|------------|-------------|-------|-----------|------------------|------------------|
| | | | | Office | Retail | Warehouse | Industrial | Residential | Other | Total | assessment value | Sub-sidiary Note |
| Ölstånkan 14 | Olaigatan 2/Östra Bangatan 28 | Örebro | 1929 | 2 106 | – | – | – | – | – | 2 106 | 16 086 | ASP * |
| Ölstånkan 15 | Olaigatan 4-6 | Örebro | 1975/2003 | 3 193 | – | – | – | – | – | 3 193 | 18 600 | ASP * |
| Blästerugnen 2 | Kokillgatan 7 | Västerås | 1991 | – | 1 952 | – | – | – | – | 1 952 | 7 737 | ASP T |
| Dagslåndan 11 | Jonasborgsvägen 26 | Västerås | 1990 | 1 106 | – | – | – | – | – | 1 106 | 4 086 | ASP T |
| Degeln 1 | Kokillgatan 1-3 | Västerås | 1984 | 3 422 | 1 050 | 2 022 | – | – | – | 6 494 | 22 703 | ASP T |
| Elenergin 1 | Strömlidningsgatan 13 | Västerås | 1976 | – | 4 928 | – | 265 | – | – | 5 193 | 19 115 | ASP */B |
| Elledningen 4 | Tunbytorpsgratan 31 | Västerås | 1991 | 3 620 | – | – | – | – | – | 3 620 | 16 279 | ASP |
| Fallhammaren 1 | Fallhammargatan 3 | Västerås | 1989 | 3 664 | – | 741 | – | – | – | 4 405 | 16 064 | ASP |
| Friledningen 13 | Tunbytorpsgratan 10 | Västerås | 1978 | 890 | – | 940 | – | – | – | 1 830 | 7 195 | ASP T/B |
| Gjutjärnet 7 | Gjutjärnsgatan 5 | Västerås | 1989 | – | 2 181 | 370 | – | – | – | 2 551 | 7 150 | ASP |
| Hjulsmeden 1 | Gjutjärnsgatan 8 | Västerås | 1990 | – | 1 351 | 632 | – | – | – | 1 983 | 6 894 | ASP |
| Kokillen 1 | Kokillgatan 2 | Västerås | 1988 | 879 | 981 | 1 145 | – | – | – | 3 005 | 8 720 | ASP T |
| Kopparlunden | Kopparlunden | Västerås | 1890/2000 | 19 748 | – | – | – | – | – | 19 748 | 77 414 | ASP |
| Kraftfältet 5 | Strömlidningsgatan 1 | Västerås | 1991 | 325 | 1 413 | 2 177 | – | – | – | 3 915 | 12 655 | ASP |
| Kyrkobacksgärdet 9 | Arosvägen 32 | Västerås | 1920/1986 | – | 377 | – | – | 140 | – | 517 | 2 362 | ASP |
| Köpmannen 1 | Kranbyggargatan 1 | Västerås | 1984 | – | 1 403 | – | – | – | – | 1 403 | 4 536 | ASP |



● Office/retail ● Warehouse/industrial ● Development projects and land



Svetsaren 6 "Svarta Borgen", Örebro



Tågmästaren 25, Örebro

Mälardalen

| Name of property | Address | Municipality | Build/ Refurb. year | Square metres per type of premises | | | | | | Tax Mgmt. | | |
|----------------------------|-----------------------|--------------|------------------------|------------------------------------|---------------|---------------|--------------|--------------|------------|----------------|------------------|------------------|
| | | | | Office | Retail | Warehouse | Industrial | Residential | Other | Total | assessment value | Sub-sidiary Note |
| Köpmannen 3 | Kranbyggargatan 3 | Västerås | 1982 | – | 2 370 | – | – | – | – | 2 370 | 9 160 | ASP T |
| Ringborren 8&16 | Tallmätargatan 1 | Västerås | 1956/1988 | 1 508 | 355 | 1 716 | – | – | – | 3 579 | 11 832 | ASP |
| Tunbytorp 1 | Strömledningsgatan 1 | Västerås | 1965 | – | 5 869 | – | – | – | – | 5 869 | 16 602 | ASP T |
| Tunbytorp 7 | Strömledningsgatan 3 | Västerås | 1965 | 7 962 | – | – | – | – | – | 7 962 | 13 929 | ASP T |
| Tunbytorp 19 | Tunbytorpsgatan 2 A | Västerås | 1990 | 1 982 | – | – | – | – | – | 1 982 | 6 208 | ASP |
| Vikingatiden 9 | Brandthovdagatan 17 A | Västerås | 2004 | 810 | – | – | – | – | – | 810 | 1 762 | ASP |
| Märsta 1:219 | Raisogatan 1-27 | Sigtuna | 1993 | 2 784 | – | – | – | 883 | – | 3 667 | 25 459 | ASP B |
| Märsta 16:3 | Maskingatan 3 | Sigtuna | 1992 | 2 921 | – | – | – | – | – | 2 921 | 12 400 | ASP |
| Total office/retail | | | | 168 062 | 82 306 | 44 375 | 9 703 | 1 023 | 181 | 305 650 | 1 453 058 | |

WAREHOUSE/INDUSTRIAL

| | | | | | | | | | | | | |
|--------------------|----------------------|----------|-----------|-------|-------|--------|--------|---|---|--------|--------|---------|
| Barkborren 3 | Barkborregatan 3 | Västerås | 1970/1989 | – | – | – | 2 950 | – | – | 2 950 | 6 607 | ASP T |
| Elkraften 4 | Tunbytorpsgatan 16 | Västerås | 1976 | – | – | – | 946 | – | – | 946 | 3 044 | ASP T |
| Elkraften 6 | Elledningsgatan 4 | Västerås | 1981 | – | – | – | 1 150 | – | – | 1 150 | 1 983 | ASP */T |
| Elkraften 7 | Enerigatan 3 A | Västerås | 1976 | – | – | – | 1 320 | – | – | 1 320 | 3 325 | ASP T |
| Elledningen 1 | Tunbytorpsgatan 31 | Västerås | 1982 | – | – | – | 1 910 | – | – | 1 910 | 5 394 | ASP T |
| Friledningen 8 | Tunbytorpsgatan 6 | Västerås | 1971 | – | – | – | 2 368 | – | – | 2 368 | 6 026 | ASP T |
| Friledningen 9 | Tunbytorpsgatan 8 | Västerås | 1968 | – | – | – | 5 152 | – | – | 5 152 | 15 316 | ASP |
| Fältnätaren 29 | Fältnätargatan 9 | Västerås | 1960 | 310 | – | – | 2 535 | – | – | 2 845 | 3 687 | ASP T |
| Jordlinan 2 | Stenbygatan 6 | Västerås | 1991 | – | 2 450 | 5 464 | – | – | – | 7 914 | 19 603 | ASP B |
| Järnaldern 6 | Brandthovdagatan 11 | Västerås | 1982 | 882 | – | 372 | 842 | – | – | 2 096 | 5 743 | ASP */T |
| Krista 1 | Saltängsvägen 59 | Västerås | 2005 | – | – | – | 2 980 | – | – | 2 980 | 13 078 | ASP |
| Köpmannen 8 | Lundby Gårdsgata 4 | Västerås | 1988 | 210 | – | – | 2 390 | – | – | 2 600 | 8 208 | ASP |
| Ledningstråden 1 | Strömledningsgatan 1 | Västerås | 1967 | – | – | – | 6 072 | – | – | 6 072 | 15 736 | ASP T |
| Ledningstråden 6 | Tunbytorpsgatan 23 | Västerås | 1970 | – | – | – | 620 | – | – | 620 | 2 412 | ASP T |
| Lufthammaren 1 | Ånghammargatan 2-4 | Västerås | 1977 | 4 514 | – | 3 029 | – | – | – | 7 543 | 22 125 | ASP T |
| Tunbytorp 2 | Tunbytorpsgatan 4 | Västerås | 1970 | – | – | – | 4 020 | – | – | 4 020 | 9 117 | ASP |
| Tunbytorp 8 | Friledningsgatan 3 A | Västerås | 1970 | – | – | – | 830 | – | – | 830 | 2 669 | ASP |
| Tunbytorp 10 | Tunbytorpsgatan 23 | Västerås | 1978 | – | – | – | 7 496 | – | – | 7 496 | 15 439 | ASP |
| Voltmätaren 3 | Lågspänningsgatan 7 | Västerås | 1990 | – | – | – | 760 | – | – | 760 | 2 080 | ASP |
| Ånghammaren 2 | Ånghammargatan 1-9 | Västerås | 1972/1994 | 4 414 | 100 | 8 935 | – | – | – | 13 449 | 25 119 | ASP T |
| Bleckslagaren 6 | Handelsgatan 1 | Örebro | 1982 | – | – | – | 4 370 | – | – | 4 370 | 12 269 | ASP */B |
| Bleckslagarn 8 | Vattenverksgatan 8 | Örebro | 1978/2001 | – | – | – | 4 750 | – | – | 4 750 | 15 968 | ASP B |
| Chauffören 2 | Stuvargatan 3 | Örebro | 1991 | 498 | – | 6 602 | – | – | – | 7 100 | 20 147 | ASP |
| Chauffören 3 | Pikullagatan 9 | Örebro | 1991 | – | – | – | 1 577 | – | – | 1 577 | 4 613 | ASP |
| Däcket 1 | Dialoggatan 14 | Örebro | 1991 | – | – | 1 618 | – | – | – | 1 618 | 5 396 | ASP * |
| Grosshandlaren 2 | Nastagatan 6-8 | Örebro | 1977 | – | 1 955 | 19 720 | – | – | – | 21 675 | 53 577 | ASP B |
| Gällersta-Gryt 4:9 | Gällerstavägen | Örebro | 1969 | – | – | – | 11 625 | – | – | 11 625 | 20 247 | ASP |
| Konstruktören 9 | Söderleden 10 | Örebro | 1987 | – | – | 1 260 | – | – | – | 1 260 | 4 212 | ASP |
| Konstruktören 10 | Söderleden 12 | Örebro | 1987 | – | – | – | 3 665 | – | – | 3 665 | 11 886 | ASP |
| Radion 2 | Radiogatan 1 | Kumla | 1991/1995 | 1 250 | – | 2 850 | – | – | – | 4 100 | 7 597 | ASP |
| Rörläggaren 2 | Aspholmsvägen 6 | Örebro | 1984 | – | – | 2 955 | – | – | – | 2 955 | 10 098 | ASP |
| Rörmokaren 1 | Elementvägen 13-15 | Örebro | 1963/1986 | 110 | – | – | 3 735 | – | – | 3 845 | 11 568 | ASP |
| Änsta 20:148 | Berglunda 208 | Örebro | 1971/1999 | – | – | 4 205 | – | – | – | 4 205 | 1 703 | ASP B |

Note: *=Acquired 2008 T=Ground rent A=Lease B=Unutilized building permission



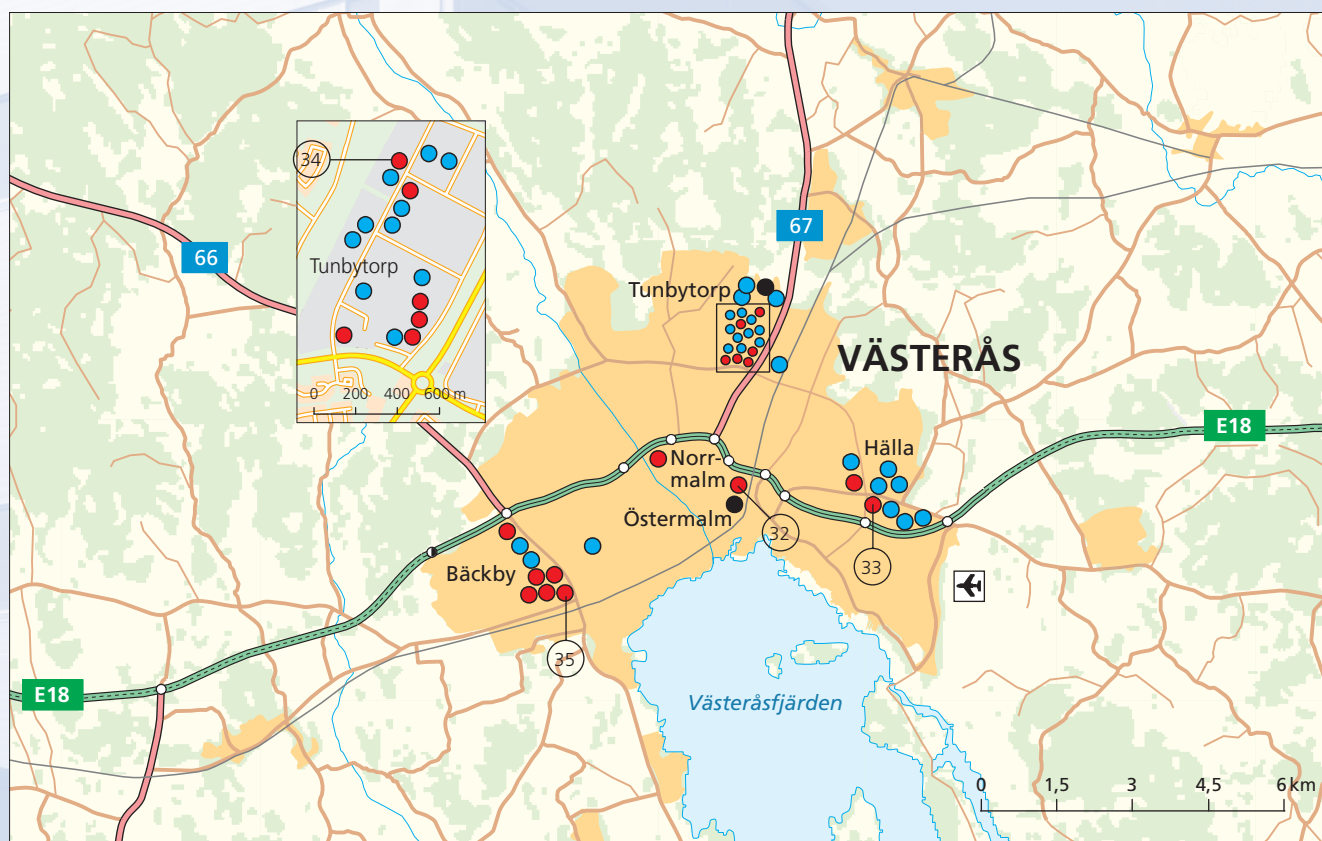
Kopparlunden, Västerås



Ringborren 8 & 16, Västerås

Mälardalen

| Name of property | Address | Municipality | Build/ Refurb. year | Square metres per type of premises | | | | | | | Tax Mgmt. | | |
|-----------------------------------|-----------------------|--------------|------------------------|------------------------------------|--------------|---------------|---------------|-------------|----------|----------------|----------------|---------------|--------------|
| | | | | Office | Retail | Warehouse | Industrial | Residential | Other | Total | assessment | Sub- value | sideary Note |
| Boländerna 8:11 | Bergsbrunnagatan 15 | Uppsala | 1975 | 430 | – | 6 200 | – | – | – | 6 630 | 19 187 | ASP | * |
| Husbyborg 1:83 | Gamla Börjevägen 2-16 | Uppsala | 1972/1988 | – | 218 | 747 | 5 755 | – | – | 6 720 | 23 217 | ASP | * |
| Årsta 36:2 | Möllersvärdsgatan 12 | Uppsala | 1978/1989 | 1 157 | – | 1 434 | – | – | – | 2 591 | 11 595 | ASP | |
| Årsta 38:1 | Möllersvärdsgatan 5 | Uppsala | 1979 | – | – | – | 2 955 | – | – | 2 955 | 10 140 | ASP | |
| Broby 11:2 | Östra Bangatan 6 | Sigtuna | 1990 | 486 | – | 2 213 | – | – | – | 2 699 | 12 318 | ASP | B |
| Broby 11:8 | Östra Bangatan 14 | Sigtuna | 1989 | 248 | – | 583 | – | – | – | 831 | 2 764 | ASP | |
| Märsta 16:2 | Maskingatan 5-7 | Sigtuna | 1989 | 600 | – | 1 013 | – | – | – | 1 613 | 5 507 | ASP | |
| Märsta 17:6 | Maskingatan 8 | Sigtuna | 1970/1988 | 751 | – | – | 1 981 | – | – | 2 732 | 7 972 | ASP | |
| Märsta 21:51 | Elkraftsgatan 11-13 | Sigtuna | 1990 | – | – | – | 2 200 | – | – | 2 200 | 9 043 | ASP | |
| Total warehouse/industrial | | | | 15 860 | 4 723 | 69 200 | 86 954 | 0 | 0 | 176 737 | 467 735 | | |



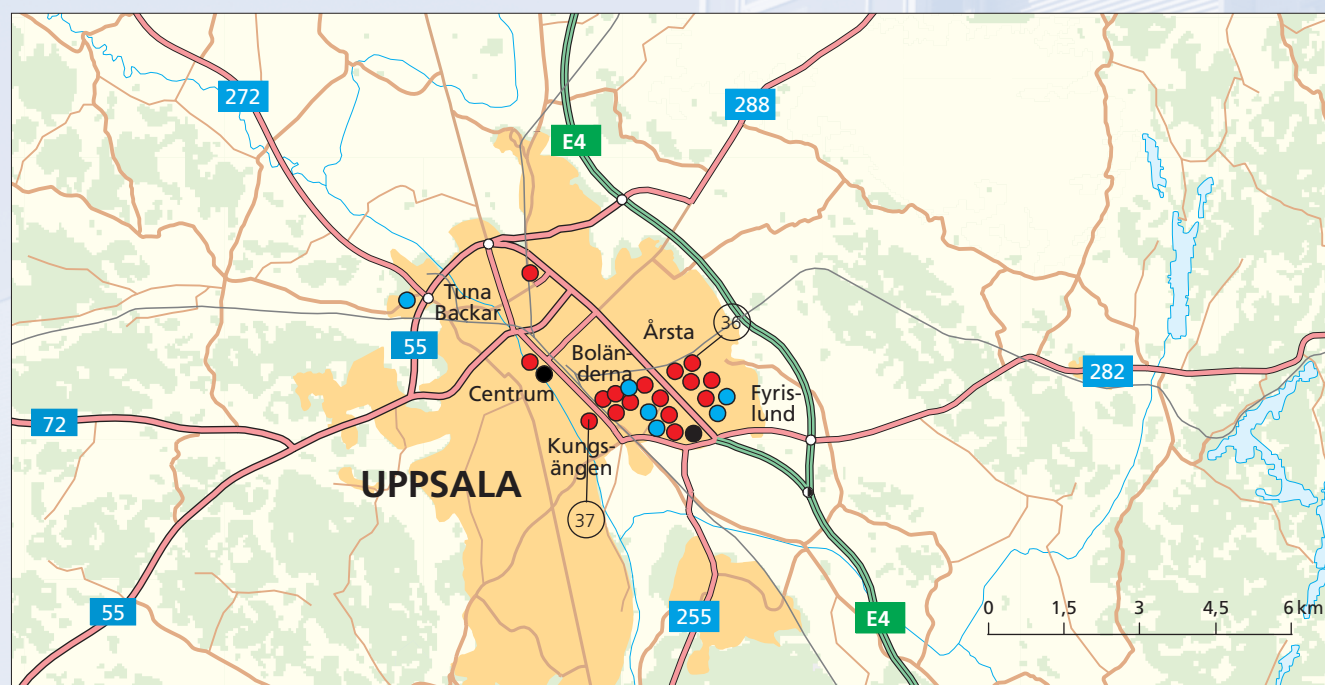
● Office/retail ● Warehouse/industrial ● Development projects and land



Mälardalen

| Mälardalen | | | | | | | | | | | Tax Mgmt. | | |
|----------------------------|---------------------|--------------|------------------------|------------------------------------|---------|-----------|------------|-------------|-------|------------|---------------|-----------------|------|
| Name of property | Address | Municipality | Build/ Refurb. year | Square metres per type of premises | | | | | | assessment | Sub- value | Mgmt. sidary | Note |
| | | | | Office | Retail | Warehouse | Industrial | Residential | Other | | | | |
| DEVELOPMENT PROJECTS | | | | | | | | | | | | | |
| Boländerna 28:3 | Verkstadsgatan 9 | Uppsala | 1981 | – | – | – | – | – | 1 | 1 | 2 201 | ASP | B |
| Boländerna 30:2 | Verkstadsgatan 9 | Uppsala | 1971 | – | 21 024 | 500 | – | – | – | 21 524 | 103 383 | ASP | |
| Boländerna 30:2 C | Verkstadsgatan 17 | Uppsala | – | – | – | – | – | – | – | – | 5 495 | ASP | B |
| Dragarbrunn 20:2 | Kungsg/St Persg | Uppsala | 1963 | 2 720 | 626 | – | – | – | – | 3 346 | – | ASP | |
| Verkstaden 14 | Kopparlunden | Västerås | 1890 | – | – | – | – | – | 8 130 | 8 130 | 26 171 | ASP | B |
| Inköparen 1 | Södra Infarten | Örebro | 2008 | 432 | 3 140 | – | – | – | – | 3 572 | – | ASP | B |
| Total development projects | | | | 3 152 | 24 790 | 500 | 0 | 0 | 8 131 | 36 573 | 137 250 | | |
| UNDEVELOPED LAND | | | | | | | | | | | | | |
| Försäljaren 3 | Nastagatan 7 | Örebro | – | – | – | – | – | – | – | – | 712 | ASP | B |
| Högsparningen 1 | Lågspänningsgatan 8 | Västerås | – | – | – | – | – | – | – | – | 3 901 | ASP | B |
| Total undeveloped land | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4 613 | | |
| Total Mälardalen | | | | 187 074 | 111 819 | 114 075 | 96 657 | 1 023 | 8 312 | 518 960 | 2 062 656 | | |

Note: * = Acquired 2008 T = Ground rent A = Lease B = Unutilized building permission



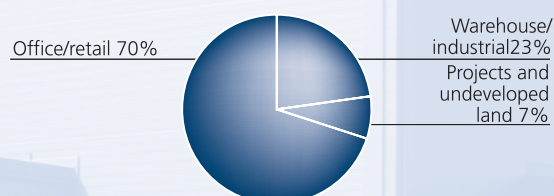
● Office/retail ● Warehouse/industrial ● Development projects and land



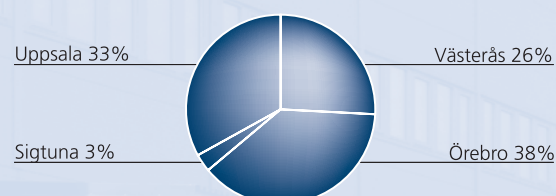
Castellum's Real Estate Portfolio in Mälardalen 31-12-2008

| | No. of properties | Area thous. sq.m. | Rental value SEKm | Rental value SEK/sq.m. | Economic occupancy rate | Rental income SEKm | Property costs SEKm | Property costs SEK/sq.m. | Net operating income SEKm |
|--|----------------------|-------------------------|-------------------------|------------------------------|-------------------------------|--------------------------|---------------------------|--------------------------------|------------------------------------|
| Office/retail | | | | | | | | | |
| Uppsala | 16 | 87 | 103 | 1 186 | 93.3% | 97 | 21 | 241 | 76 |
| Örebro | 29 | 132 | 120 | 909 | 93.8% | 112 | 36 | 275 | 76 |
| Västerås | 20 | 80 | 67 | 841 | 89.5% | 60 | 17 | 219 | 43 |
| Sigtuna | 2 | 7 | 7 | 1 016 | 91.4% | 6 | 2 | 256 | 4 |
| Total office/retail | 67 | 306 | 297 | 973 | 92.6% | 275 | 76 | 250 | 199 |
| Warehouse/industrial | | | | | | | | | |
| Västerås | 20 | 75 | 49 | 649 | 90.7% | 44 | 13 | 175 | 31 |
| Örebro | 13 | 73 | 44 | 603 | 98.3% | 43 | 10 | 140 | 33 |
| Uppsala | 4 | 19 | 18 | 957 | 99.1% | 18 | 4 | 207 | 14 |
| Sigtuna | 5 | 10 | 6 | 642 | 78.2% | 5 | 2 | 145 | 3 |
| Total warehouse/industrial | 42 | 177 | 117 | 662 | 94.1% | 110 | 29 | 162 | 81 |
| Total | 109 | 483 | 414 | 859 | 93.0% | 385 | 105 | 218 | 280 |
| Leasing and property administration | | | | | | | 24 | 50 | -24 |
| Total after leasing and property administration | | | | | | | 129 | 268 | 256 |
| Development projects | 6 | 36 | 26 | – | – | 21 | 11 | – | 10 |
| Undeveloped land | 2 | – | – | – | – | – | – | – | – |
| Total | 117 | 519 | 440 | – | – | 406 | 140 | – | 266 |

Real estate portfolio by property type



Real estate portfolio by municipality



Property related key ratios

| | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 |
|---------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Rental value, SEK/sq.m. | 859 | 807 | 778 | 766 | 794 | 762 | 737 | 705 | 667 |
| Economic occupancy rate | 93.0% | 89.3% | 88.4% | 87.5% | 87.8% | 91.0% | 90.3% | 91.9% | 91.1% |
| Property costs, SEK/sq.m. | 268 | 247 | 258 | 244 | 262 | 241 | 231 | 226 | 224 |
| Net operating income, SEK/sq.m. | 531 | 474 | 429 | 427 | 435 | 453 | 435 | 422 | 383 |
| Number of properties | 117 | 101 | 91 | 86 | 75 | 71 | 71 | 72 | 81 |
| Lettable area, thousand sq.m. | 519 | 432 | 410 | 384 | 338 | 333 | 335 | 333 | 304 |

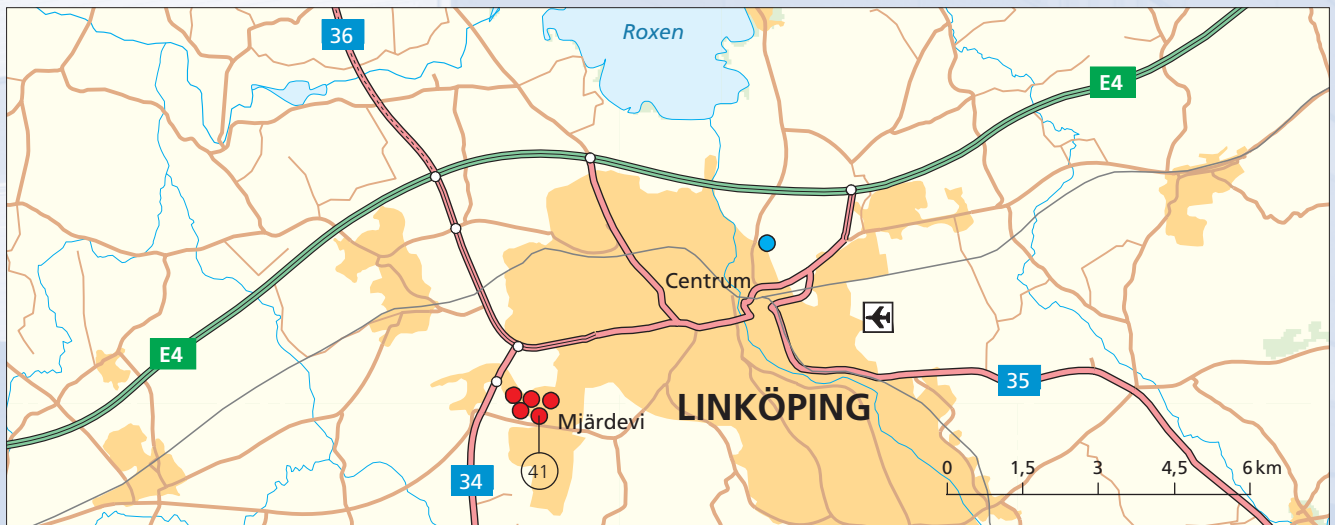
Eastern Götaland

| Eastern Götaland | | | | | | | | | | | Tax Mgmt. | | |
|------------------|-------------------------------|--------------|------------------------|------------------------------------|--------|-----------|------------|-------------|-------|--------|------------------|-------------|------|
| Name of property | Address | Municipality | Build/ Refurb. year | Square metres per type of premises | | | | | | Total | assessment value | Sub-sidiary | Note |
| | | | | Office | Retail | Warehouse | Industrial | Residential | Other | | | | |
| OFFICE/RETAIL | | | | | | | | | | | | | |
| Droskan 12 | Slottsgatan 14 | Jönköping | 1990 | 9 370 | – | – | – | – | – | 9 370 | 63 800 | COR | |
| Elektronen 1 | Datorgatan 6 | Jönköping | 2000 | 1 860 | – | – | – | – | – | 1 860 | 5 284 | COR | */B |
| Hotellet 8 | V Storgatan 9-13 | Jönköping | 1963/1999 | 3 000 | 15 544 | 433 | – | – | – | 18 977 | 136 000 | COR | |
| Vagnmakaren 7 | Hästhovsvägen 2 | Jönköping | 1983/2001 | – | 8 172 | – | – | – | – | 8 172 | 42 600 | COR | |
| Valutan 11 | Kompanigatan 1-2 | Jönköping | 1992/2001 | 2 976 | 2 030 | 211 | – | – | 80 | 5 297 | 46 400 | COR | |
| Vattenpasset 6 | Kungsängsvägen 7 | Jönköping | 1971/1990 | 1 667 | – | 482 | – | – | – | 2 149 | 6 270 | COR | |
| Vilan 7 | Huskvarnavägen 58-64 | Jönköping | 1955/1999 | 9 710 | 565 | 4 371 | – | – | – | 14 646 | 63 965 | COR | |
| Visionen 1 | Bataljonsgatan 10 | Jönköping | 1996/1995 | 8 905 | – | 423 | – | – | 701 | 10 029 | 33 908 | COR | |
| Vågskålen 3 | Huskvarnavägen 40 | Jönköping | 1983 | 6 754 | 387 | 8 556 | – | – | – | 15 697 | 30 529 | COR | B |
| Vägporten 5 | Vasavägen 4 | Jönköping | 1955/2004 | 251 | 2 076 | – | – | – | – | 2 327 | 11 112 | COR | |
| Ögongloben 5 | Gräshagsgatan 11 | Jönköping | 1961 | 3 512 | – | – | – | – | – | 3 512 | 5 094 | COR | |
| Örontofsen 5 | Granitvägen 7,9 | Jönköping | 1976 | 996 | 900 | 3 698 | – | – | – | 5 594 | 17 755 | COR | |
| Almen 9 | Malmövägen 12-14 | Värnamo | 1957/1989 | 1 082 | 11 309 | – | – | – | 40 | 12 431 | 47 676 | COR | |
| Bodarna 2 | Myntgatan 8, 10 | Värnamo | 1934/1991 | 1 329 | 373 | 104 | – | – | – | 1 806 | 10 497 | COR | |
| Bokbindaren 20 | Västbovägen 56 | Värnamo | 1975/1991 | 2 167 | – | 394 | – | – | – | 2 561 | 6 183 | COR | |
| Drabanten 1 | Nydalavägen 16 | Värnamo | 1940/1986 | 230 | 1 028 | – | – | – | – | 1 258 | 3 034 | COR | |
| Gamla Gåsen 4 | Boagatan 1 | Värnamo | 1907 | – | – | – | – | – | 200 | 200 | 941 | COR | B |
| Gillet 1 | Flanaden 3-5 | Värnamo | 1974 | 2 410 | 925 | 103 | – | 1 701 | – | 5 139 | 26 887 | COR | |
| Golvläggaren 2 | Silkesvägen 30 | Värnamo | 1991 | 740 | – | – | – | – | – | 740 | 2 066 | COR | |
| Golvläggaren 3 | Silkesvägen 30 | Värnamo | 2008 | – | 8 800 | – | – | – | – | 8 800 | 3 582 | COR | |
| Jungfrun 11 | Köpmansg 3-7/Luddög 1 | Värnamo | 2001/1982 | 329 | 4 022 | – | – | 599 | – | 4 950 | 24 917 | COR | |
| Karpen 3 | Jönköpingsvägen 105-107 | Värnamo | 1956/1990 | 525 | 835 | 405 | 888 | – | – | 2 653 | 5 053 | COR | |
| Knekten 15 | Jönköpingsvägen 21 | Värnamo | 1971/1989 | 424 | 559 | 31 | 240 | – | 6 | 1 260 | 4 597 | COR | |
| Lejonet 11 | Lasarettsgatan 1 | Värnamo | 1987/1987 | 4 122 | 855 | 226 | – | 89 | – | 5 292 | 26 843 | COR | |
| Linden 3 | Växjövägen 24-26 | Värnamo | 1960/1989 | 2 375 | 300 | 2 499 | – | – | – | 5 174 | 12 984 | COR | |
| Ljuset 8 | Nydalavägen 1-9 | Värnamo | 2003 | – | 2 590 | – | – | – | – | 2 590 | 11 709 | COR | |
| Mon 13 | Karlsdalsgatan 2 | Värnamo | 1983 | 1 986 | – | – | – | – | – | 1 986 | 10 252 | COR | |
| Plattläggaren 1 | Silkesvägen 18 | Värnamo | 1989 | 1 080 | – | – | – | – | – | 1 080 | 2 471 | COR | * |
| Rågen 1 | Expovägen 6 | Värnamo | 1965/1990 | 2 847 | – | 2 314 | – | – | – | 5 161 | 10 479 | COR | |
| Vindruvan 15 | Storgatsbacken 12 | Värnamo | 1989 | 904 | 1 110 | – | – | – | – | 2 014 | 9 091 | COR | |
| Vindruvan 4 | Storgatsb 14-20/Myntg 13 m fl | Värnamo | 1982 | 1 163 | 11 047 | 30 | – | 2 163 | 5 | 14 408 | 62 888 | COR | |
| Värnamo 14:11 | Jönköpingsvägen 41-43 | Värnamo | 1917/1982 | 2 209 | – | 1 972 | – | – | – | 4 181 | 12 965 | COR | |
| Bagaren 10 | Ljungadalsg 2/Hejareg 10 | Växjö | 1987 | 27 093 | – | 3 835 | – | – | – | 30 928 | 140 661 | COR | B |
| Båken 1 | Systratorpsvägen 16 | Växjö | 1983 | 1 410 | – | 25 | – | – | – | 1 435 | 4 243 | COR | |
| Garvaren 4 | Hjalmar Petris väg 32 | Växjö | 1981 | 2 487 | – | 20 | – | – | – | 2 507 | 7 759 | COR | B |
| Glasmästaren 1 | Arabygatan 80 | Växjö | 1988 | 6 202 | 886 | 187 | – | – | 549 | 7 824 | 29 600 | COR | |
| Nordstjärnan 1 | Kronobergsgatan 18-20 | Växjö | 1971/2000 | 4 633 | 1 009 | – | – | – | 23 | 5 665 | 44 800 | COR | |
| Plåtslagaren 4 | Verkstadsgatan 5 | Växjö | 1967/1988 | 2 026 | 780 | 853 | 1 893 | – | 50 | 5 602 | 13 389 | COR | |
| Rimfrosten 1 | Solängsvägen 4 | Växjö | 1972 | – | 6 728 | 1 922 | – | – | – | 8 650 | 24 200 | COR | B |
| Segerstad 4 | Segerstadsvägen 7 | Växjö | 1990 | 910 | – | – | – | – | – | 910 | – | COR | |
| Sotaren 4 | Arabygatan 82 | Växjö | 1992 | 2 318 | 457 | 227 | – | – | – | 3 002 | 15 246 | COR | |
| Svea 8 | Lineborgsplan 3 | Växjö | 1982 | 2 061 | – | – | – | – | – | 2 061 | 11 891 | COR | |

Note: * = Acquired 2008 T = Ground rent A = Lease B = Unutilized building permission



Eastern Götaland



Eastern Götaland

| Name of property | Address | Municipality | Build/ Refurb. year | Square metres per type of premises | | | | | | Tax Mgmt. | | |
|------------------------------|--|--------------|------------------------|------------------------------------|---------------|---------------|--------------|--------------|--------------|----------------|------------------|------------------|
| | | | | Office | Retail | Warehouse | Industrial | Residential | Other | Total | assessment value | Sub-sidiary Note |
| Unaman 8 | Klosterg 6/Kungsg 3/ Sandgårdsg 6-8 | Växjö | 1969 | 1 180 | 3 707 | 300 | – | 422 | – | 5 609 | 28 620 | COR |
| Ödman 15 | Storgatan 29 | Växjö | 1972 | 2 380 | 1 941 | – | – | – | – | 4 321 | 40 200 | COR |
| Idémannen 1 | Teknikringen 16 | Linköping | 1990 | 580 | – | – | – | – | – | 580 | 3 611 | COR |
| Idémannen 2, Collegium | Teknikringen 7 | Linköping | 1989 | 13 308 | 4 135 | – | – | – | 271 | 17 714 | 90 800 | COR |
| Idémannen 2, Datalinjen | Datalinjen 1 | Linköping | 1989/1994 | 1 364 | – | – | – | – | 227 | 1 591 | 8 903 | COR |
| Idémannen 2, Teknikringen | Teknikringen 1 A-F | Linköping | 1984/1996 | 6 652 | – | – | – | – | 48 | 6 700 | 37 795 | COR |
| Idémannen 2, Vita Huset | Universitetsvägen 14 | Linköping | 2002 | 7 697 | – | – | – | – | 531 | 8 228 | 87 200 | COR B |
| Total office/retail | | | | 157 224 | 93 070 | 33 621 | 3 021 | 4 974 | 2 731 | 294 641 | 1 346 750 | |

WAREHOUSE/INDUSTRIAL

| | | | | | | | | | | | | |
|-----------------|--------------------------|-----------|-----------|-------|-------|--------|--------|-----|-----|--------|--------|---------|
| Elefanten 3 | Rådjursvägen 6 | Växjö | 1988 | – | – | 1 074 | 1 244 | – | – | 2 318 | 5 863 | COR |
| Illern 5 | Isbjörnsvägen 11-13 | Växjö | 1987 | 985 | – | 192 | 969 | – | – | 2 146 | 7 460 | COR |
| Isbjörnen 4 | Isbjörnsvägen 6 | Växjö | 1993 | – | – | – | 10 933 | – | – | 10 933 | 31 067 | COR |
| Sjömärket 3 | Annavägen 3 | Växjö | 1989 | 1 828 | 341 | 763 | 6 523 | – | – | 9 455 | 31 700 | COR B |
| Snickaren 12 | Smedjegatan 10,20 | Växjö | 1976/1989 | 2 473 | 4 218 | 16 253 | – | – | 143 | 23 087 | 53 099 | COR B |
| Draken 1 | Ingelundsvägen 1 | Värnamo | 1968/1988 | – | – | 1 750 | – | – | – | 1 750 | 3 393 | COR B |
| Flundran 4 | Runemovägen 1 | Värnamo | 1963/1992 | – | – | 4 096 | 7 497 | – | – | 11 593 | 15 010 | COR |
| Krukmakaren 6 | Silkesvägen 2 | Värnamo | 1961 | 340 | 140 | 748 | 610 | – | – | 1 838 | 2 744 | COR |
| Matläggaren 1 | Silkesvägen 24 | Värnamo | 1997 | – | – | – | 2 700 | – | – | 2 700 | 7 025 | COR */B |
| Matläggaren 2 | Silkesvägen 24 | Värnamo | 1997 | – | – | 3 100 | – | – | – | 3 100 | 6 310 | COR |
| Posten 4 | Postgatan 3-5 | Värnamo | 1929 | 378 | 810 | 321 | 2 516 | 159 | – | 4 184 | 10 555 | COR |
| Rödspättan 1 | Runemovägen 10 | Värnamo | 1973 | 645 | – | 4 060 | – | – | – | 4 705 | 7 786 | COR |
| Rödspättan 4 | Runemovägen 4 | Värnamo | 1980 | – | – | 2 960 | – | – | – | 2 960 | 4 516 | COR |
| Sandskäddan 4 | Margretelundsvägen 7 | Värnamo | 1982 | – | – | 2 780 | – | – | – | 2 780 | 4 424 | COR |
| Sjötungan 3 | Margretelundsvägen 6 | Värnamo | 1989 | – | – | 2 570 | – | – | – | 2 570 | 4 907 | COR B |
| Takläggaren 4 | Rörläggarev 8/Silkesv 39 | Värnamo | 1991 | – | – | 9 067 | – | – | – | 9 067 | 15 871 | COR B |
| Takläggaren 8 | Silkesvägen 43 | Värnamo | 1999 | – | – | – | 6 995 | – | – | 6 995 | 19 685 | COR */B |
| Värnamo 14:2 | Myntgatan 2 | Värnamo | 1982 | – | – | – | – | – | – | – | – | COR A |
| Yxan 4 | Fabriksgratan 10, 12 | Värnamo | 1975 | – | – | 5 595 | – | – | – | 5 595 | 8 960 | COR |
| Yxan 6 | Fabriksgratan 4 | Värnamo | 1978/1990 | – | – | 1 170 | – | – | – | 1 170 | 2 759 | COR B |
| Flahult 21:3 | Momarken 42 | Jönköping | 1980 | – | – | 3 648 | – | – | 346 | 3 994 | 12 284 | COR B |
| Flahult 78:2 | Momarken 12 | Jönköping | 1986/1990 | – | – | 2 857 | 810 | – | – | 3 667 | 11 394 | COR B |
| Vargön 4 | Vasavägen 5 | Jönköping | 1989 | – | – | – | 4 070 | – | – | 4 070 | 8 223 | COR |
| Vattenpasset 2 | Ekhagsringen 17 | Jönköping | 1980 | 428 | – | 2 305 | 1 010 | – | – | 3 743 | 12 878 | COR |
| Vingen 4 | Linnegatan 1 | Jönköping | 1970 | 520 | 560 | – | 2 815 | – | – | 3 895 | 11 264 | COR B |
| Ögongloben 6 | Kindgrensgatan 4 | Jönköping | 1997 | – | – | 3 108 | – | – | – | 3 108 | 4 452 | COR * |
| Österbotten 4 | Skeppsbrogatan 6 | Jönköping | 1930/1991 | 385 | – | 72 | 2 369 | – | 118 | 2 944 | 6 305 | COR |
| Överlappen 13 | Kalkstensgatan 6-8 | Jönköping | 1977/1995 | 2 297 | – | 150 | 3 376 | – | – | 5 823 | 23 147 | COR |
| Överstycket 25 | Kindgrensgatan 3 | Jönköping | 1981 | – | – | – | 7 841 | – | – | 7 841 | 10 232 | COR */B |
| Marås 1:12 | Maråsliden 7 | Gnosjö | 1960 | – | – | – | 1 140 | – | – | 1 140 | 402 | COR |
| Töllstorp 1:561 | Mobäcksvägen 2 | Gnosjö | 1946 | – | – | – | 4 290 | – | – | 4 290 | 5 632 | COR |
| Törestorp 2:51 | Kulltorpsvägen 25 | Gnosjö | 1946 | – | – | – | 14 310 | – | – | 14 310 | 15 912 | COR B |

Note: *=Acquired 2008 T=Ground rent A=Lease B=Unutilized building permission

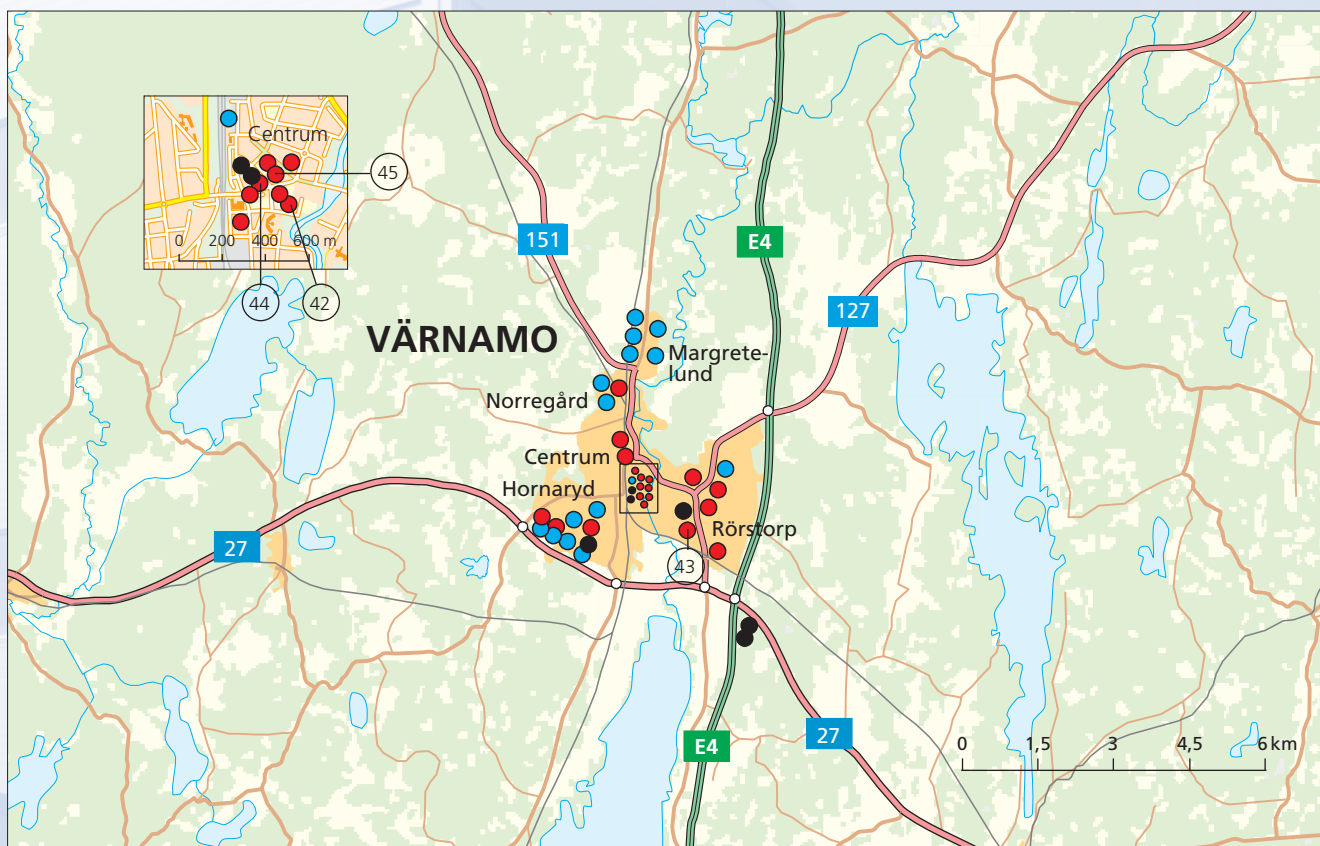


Eastern Götaland

| Name of property | Address | Municipality | Build/ Refurb. year | Square metres per type of premises | | | | | | Tax Mgmt. | | |
|-----------------------------------|-----------------|--------------|------------------------|------------------------------------|--------------|---------------|---------------|-------------|------------|----------------|------------------|------------------|
| | | | | Office | Retail | Warehouse | Industrial | Residential | Other | Total | assessment value | Sub-sidiary Note |
| Källemo 1 | Källemogatan 12 | Vaggeryd | 1956/1988 | – | – | 7 552 | – | – | – | 7 552 | 9 056 | COR B |
| Yggen 1 | Krokvägen 1 | Vaggeryd | 1985/1989 | – | – | – | 6 303 | – | – | 6 303 | 8 422 | COR |
| Pagoden 1 | Ottargatan 10 | Linköping | 1972/2002 | – | – | – | 3 400 | – | – | 3 400 | 6 634 | COR */B |
| Total warehouse/industrial | | | | 10 279 | 6 069 | 76 191 | 91 721 | 159 | 607 | 185 026 | 389 371 | |

DEVELOPMENT PROJECTS

| | | | | | | | | | | | | |
|-----------------------------------|-------------------|-----------|---|----------|----------|----------|----------|----------|----------|----------|----------|-------|
| Visionen 3 | Bataljonsgatan 10 | Jönköping | – | – | – | – | – | – | – | – | 0 | COR * |
| Total development projects | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |



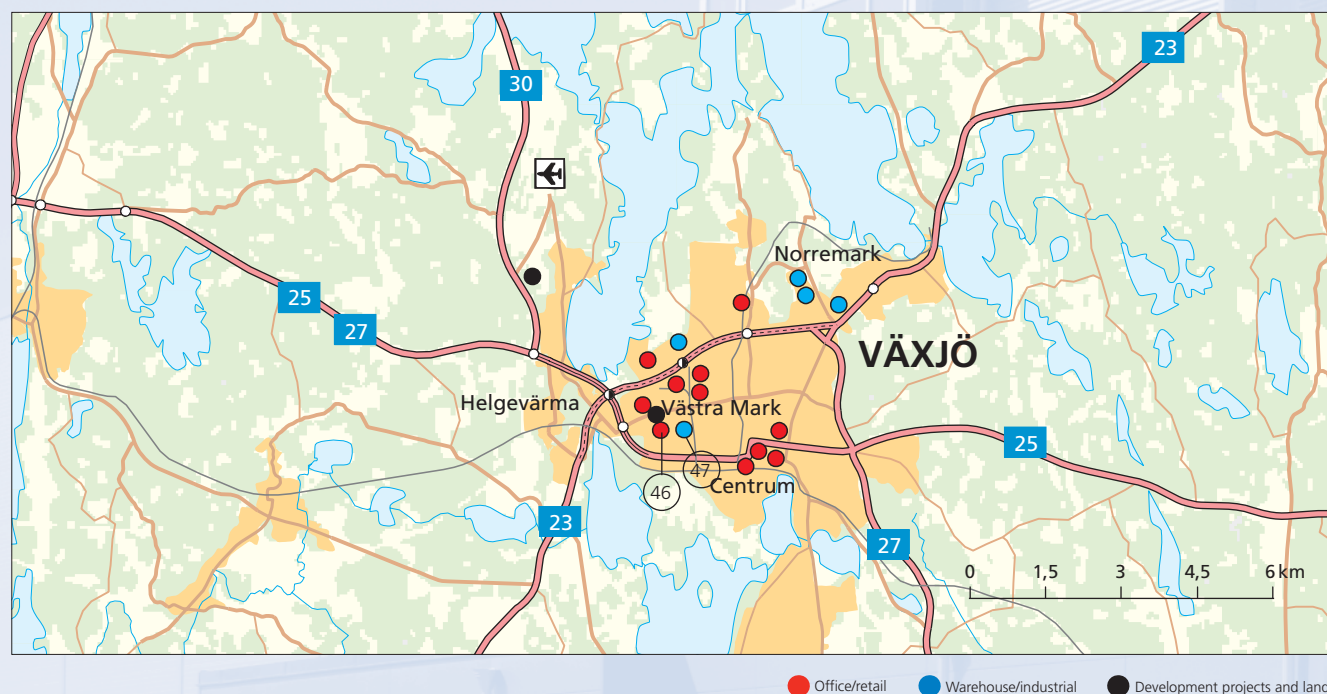
● Office/retail ● Warehouse/industrial ● Development projects and land



Eastern Götaland

| Eastern Götaland | | | | | | | | | | | Tax Mgmt. | | | |
|------------------------|--------------------------|--------------|------------------------|------------------------------------|--------|-----------|------------|-------------|-------|---------|------------|---------------|--------|------|
| Name of property | Address | Municipality | Build/ Refurb. year | Square metres per type of premises | | | | | | | assessment | Sub- value | sidary | Note |
| | | | | Office | Retail | Warehouse | Industrial | Residential | Other | Total | | | | |
| UNDEVELOPED LAND | | | | | | | | | | | | | | |
| Bleckslagaren 1 | Repslagarevägen 5 | Värnamo | – | – | – | – | – | – | – | – | 464 | COR | B | |
| Bredasten 1 | Värnamo | Värnamo | – | – | – | – | – | – | – | – | – | COR | * | |
| Bredasten 2 | Värnamo | Värnamo | – | – | – | – | – | – | – | – | – | COR | * | |
| Linden 1 | Malmövägen 3 | Värnamo | – | – | – | – | – | – | – | – | 1 058 | COR | | |
| Värnamo 14:86 | Myntgatan 6 | Värnamo | – | – | – | – | – | – | – | – | – | COR | B | |
| Värnamo Torp 1:11 | Skogsmark | Värnamo | – | – | – | – | – | – | – | – | 1 868 | COR | | |
| Bagaren 11 | Ljungadalsg 2/Hejareg 10 | Växjö | – | – | – | – | – | – | – | – | – | COR | B | |
| Öjaby 1:17 | Växjö | Växjö | – | – | – | – | – | – | – | – | – | COR | */B | |
| Total undeveloped land | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 390 | | | |
| Total Eastern Götaland | | | | 167 503 | 99 139 | 109 812 | 94 742 | 5 133 | 3 338 | 479 667 | 1 739 511 | | | |

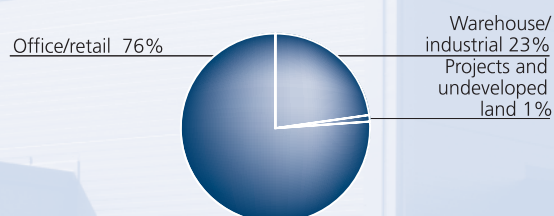
Note: *=Acquired 2008 T=Ground rent A=Lease B=Unutilized building permission



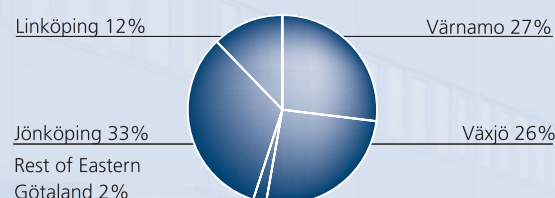
Castellum's Real Estate Portfolio in Eastern Götaland 31-12-2008

| | No. of properties | Area thous. sq.m. | Rental value SEKm | Rental value SEK/sq.m. | Economic occupancy rate | Rental income SEKm | Property costs SEKm | Property costs SEK/sq.m. | Net operating income SEKm |
|--|-------------------|-------------------|-------------------|------------------------|-------------------------|--------------------|---------------------|--------------------------|---------------------------|
| Office/retail | | | | | | | | | |
| Jönköping | 12 | 98 | 102 | 1 040 | 96.2% | 97 | 30 | 313 | 67 |
| Värnamo | 20 | 83 | 69 | 823 | 94.0% | 65 | 20 | 239 | 45 |
| Växjö | 12 | 79 | 62 | 786 | 86.4% | 53 | 20 | 253 | 33 |
| Linköping | 5 | 35 | 39 | 1 133 | 85.0% | 34 | 17 | 474 | 17 |
| Total office/retail | 49 | 295 | 272 | 922 | 91.8% | 249 | 87 | 295 | 162 |
| Warehouse/industrial | | | | | | | | | |
| Växjö | 5 | 48 | 29 | 614 | 96.5% | 28 | 6 | 136 | 22 |
| Värnamo | 15 | 61 | 27 | 448 | 87.0% | 24 | 5 | 78 | 19 |
| Jönköping | 9 | 39 | 19 | 478 | 86.1% | 16 | 6 | 160 | 10 |
| Rest of Eastern Götaland | 6 | 37 | 10 | 278 | 69.0% | 7 | 4 | 96 | 3 |
| Total warehouse/industrial | 35 | 185 | 85 | 463 | 87.9% | 75 | 21 | 114 | 54 |
| Total | 84 | 480 | 357 | 745 | 90.8% | 324 | 108 | 225 | 216 |
| Leasing and property administration | | | | | | | 17 | 36 | -17 |
| Total after leasing and property administration | | | | | | | 125 | 261 | 199 |
| Development projects | 1 | – | – | – | – | – | – | – | – |
| Undeveloped land | 8 | – | – | – | – | – | – | – | – |
| Total | 93 | 480 | 357 | – | – | 324 | 125 | – | 199 |

Real estate portfolio by property type



Real estate portfolio by municipality



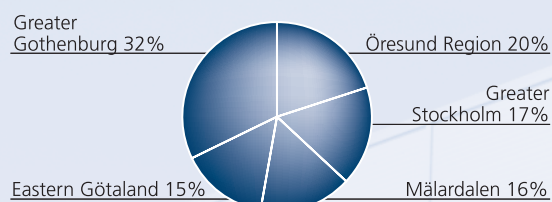
Property related key ratios

| | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 |
|---------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Rental value, SEK/sq.m. | 745 | 748 | 688 | 675 | 659 | 617 | 598 | 551 | 510 |
| Economic occupancy rate | 90.8% | 90.4% | 90.6% | 90.0% | 89.8% | 91.3% | 90.0% | 88.0% | 89.0% |
| Property costs, SEK/sq.m. | 261 | 269 | 239 | 213 | 198 | 193 | 173 | 171 | 155 |
| Net operating income, SEK/sq.m. | 416 | 407 | 384 | 395 | 393 | 370 | 365 | 314 | 298 |
| Number of properties | 93 | 82 | 76 | 73 | 76 | 74 | 71 | 75 | 82 |
| Lettable area, thousand sq.m. | 480 | 452 | 375 | 366 | 380 | 370 | 347 | 350 | 388 |

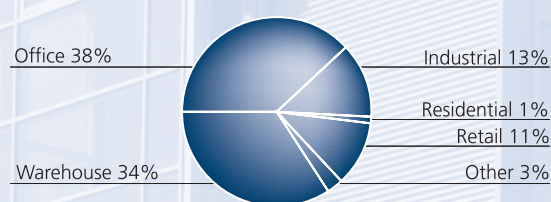
Castellum's Real Estate Schedule 2008, Summary

| | Square metres per type of premises | | | | | | Total | Tax assessment value |
|------------------------|------------------------------------|----------------|------------------|----------------|---------------|---------------|------------------|----------------------|
| | Office | Retail | Warehouse | Industrial | Residential | Other | | |
| Greater Gothenburg | 376 674 | 50 043 | 422 452 | 155 510 | 8 246 | 4 261 | 1 017 186 | 5 251 725 |
| Öresund Region | 218 158 | 60 341 | 258 536 | 27 723 | 11 656 | 44 349 | 620 763 | 3 428 520 |
| Greater Stockholm | 266 528 | 33 736 | 175 743 | 40 644 | – | 18 578 | 535 229 | 3 147 548 |
| Mälardalen | 187 074 | 111 819 | 114 075 | 96 657 | 1 023 | 8 312 | 518 960 | 2 062 656 |
| Eastern Götaland | 167 503 | 99 139 | 109 812 | 94 742 | 5 133 | 3 338 | 479 667 | 1 739 511 |
| Total Castellum | 1 215 937 | 355 078 | 1 080 618 | 415 276 | 26 058 | 78 838 | 3 171 804 | 15 629 960 |

Distribution by region and sq.m.



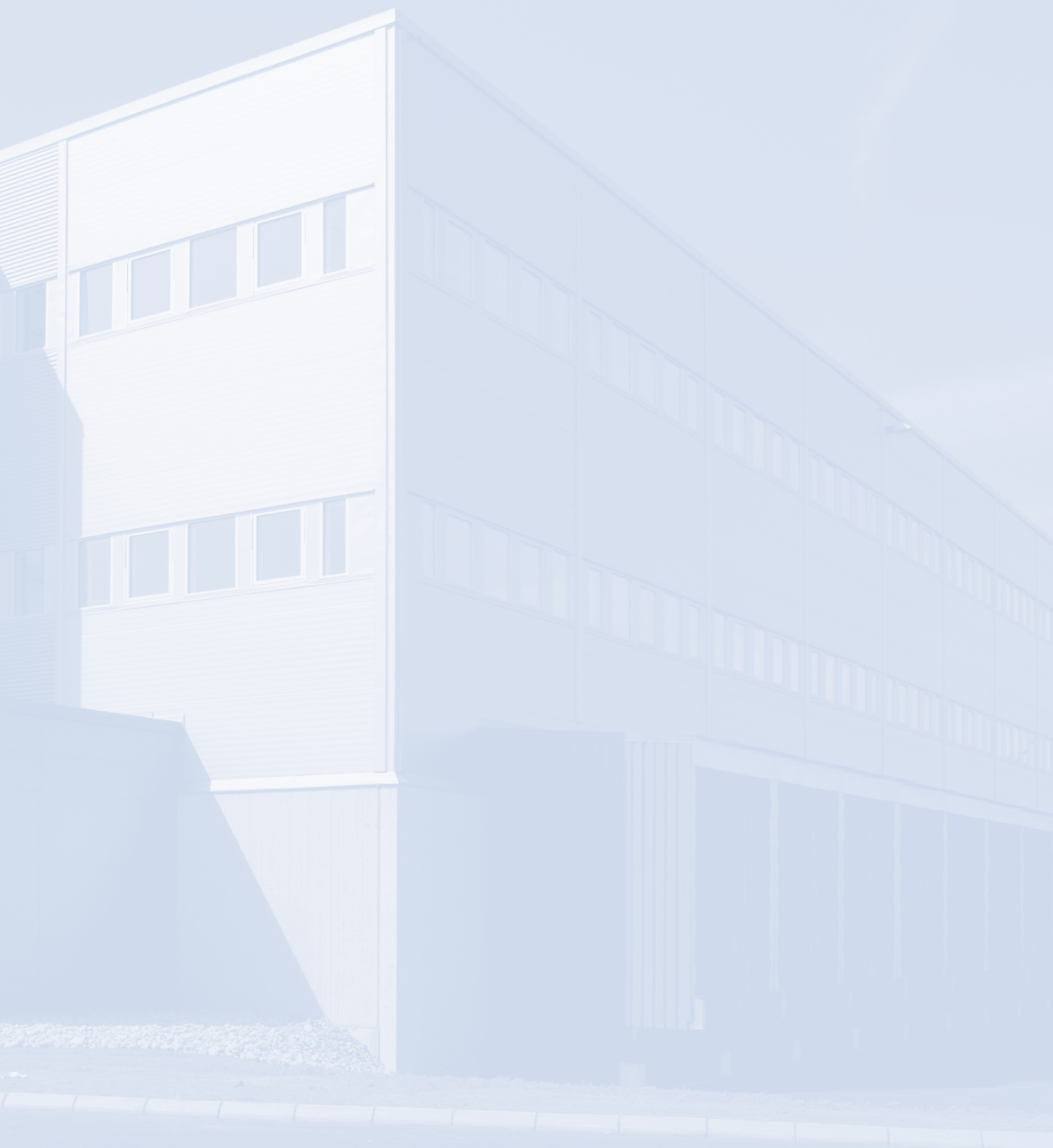
Distribution by type of premises and sq.m.



Properties Sold in 2008

| Name of property | Address | Municipality | Build/ Refurb. year | Square metres per type of premises | | | | | | Total | Tax Mgmt. assessment Sub- value diary | | Notes |
|------------------|---------------------|--------------|------------------------|------------------------------------|--------|-----------|------------|-------------|-------|-------|---|-----|-------|
| | | | | Office | Retail | Warehouse | Industrial | Residential | Other | | | | |
| MÄLARDALEN | | | | | | | | | | | | | |
| Vaksala-Eke 3:2 | Vittulsbergsvägen 1 | Uppsala | 1948 | – | – | – | 3 885 | – | – | 3 885 | 3 885 | ASP | B |
| Total Mälardalen | | | | – | – | – | 3 885 | – | – | 3 885 | 3 885 | | |
| Total Castellum | | | | – | – | – | 3 885 | – | – | 3 885 | 3 885 | | |

Note: * = Acquired 2008 T = Ground rent A = Lease B = Unutilized building permission



Definitions

Counterparty risk/Credit risk

The risk that a counterparty does not complete delivery or payment.

Currency risk

The risk that changes in the exchange rate will effect income and cash flow.

Data per share

In calculating income and cash flow per share the average number of shares has been used, whereas in calculating assets, shareholders' equity and net asset value per share the number of outstanding shares has been used.

Dividend pay out ratio

Dividend as a percentage of income from property management after a nominal tax deduction.

Dividend yield

Proposed dividend as a percentage of the share price at the year end.

Economic occupancy rate

Rental income accounted for during the period as a percentage of rental value for properties owned at the end of the period. Properties acquired/completed during the period have been restated as if they had been owned or completed during the whole year, while properties disposed of have been excluded entirely. Development projects and undeveloped land have been excluded.

Equity/assets ratio

Disclosed equity as a percentage of total assets at the end of the period.

Funding risk

The risk that no funding is available or very unfavourable at a given point in time.

Income from property management

Net income for the period/year after reversal of changes in value and tax.

Interest coverage ratio

Income from property management after reversal of net financial items as a percentage of net financial items.

Interest rate risk

The risk that changes in the market interest rate will effect income and cash flow.

Liquidity risk

The risk of not having access to liquidity or unutilized credit facilities in order to settle payments due.

Loan to value ratio

Interest-bearing liabilities as a percentage of of the properties' fair value with deduction for acquired properties not taken in possession, and with addition for properties disposed of, still in possession, at the year-end.

Net asset value

Reported equity according to the balance sheet, adjusted for 5% deferred tax instead of nominal deferred tax and without an uncertainty range in property valuations.

Net operating income margin

Net operating income as a percentage of rental income.

Number of shares

Registered number of shares - the number of shares registered at a given point in time.

Outstanding number of shares - the number of shares registered with a deduction for the company's own repurchased shares at a given point in time.

Average number of shares - the weighted average number of outstanding shares during a given period.

Operating expenses, maintenance, etc.

This item includes both direct property costs, such as operating expenses, maintenance, ground rent and real estate tax, as well as indirect costs for leasing and property administration.

Operational risk

The risk of incurring losses due to insufficient procedures and/or improper actions.

Property type

The property's primary rental value with regard to the type of premises. Premises for purposes other than the primary use may therefore be found within a property type.

Rental income

Rents debited plus supplements such as reimbursement of heating costs and real estate tax.

Rental value

Rental income plus estimated market rent for vacant premises.

Return on equity

Income after tax as a percentage of average $((\text{opening balance} + \text{closing balance} - \text{income after tax}) / 2)$ equity. In the interim accounts the return has been recalculated on an annual basis, disregarding seasonal variations normally occurring in operations.

Return on net asset value

Calculated in the same way as return on equity, but with 5% deferred tax instead of nominal tax.

Return on total capital

Income before tax with reversed net financial items and changes in value on derivatives as a percentage of average $((\text{opening balance} + \text{closing balance} - \text{changes in value on properties}) / 2)$ total capital. In the interim accounts the return has been recalculated on an annual basis, disregarding seasonal variations normally occurring in operations.

SEK per square metre

Property-related key ratios, expressed in terms of SEK per square metre, are based on properties owned at the end of the period. Properties acquired/completed during the year have been restated as if they had been owned or completed for the whole year, while properties disposed of have been excluded entirely. Development projects and undeveloped land have been excluded. In the interim accounts key ratios have been recalculated on an annual basis, disregarding seasonal variations normally occurring in operations.

Total yield per share

The change in the share price during the year with addition of dividend as a percentage of the share price at the end of previous year.

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FINANCIAL REPORTING

Interim Report January–March 2009

Half-year Report January–June 2009

Interim Report January–September 2009

Year-end Report 2009

15 April 2009

14 July 2009

15 October 2009

20 January 2010

FURTHER INFORMATION

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