



CASTELLUM

Annual Report 2011

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The audited legal Annual Report, which comprises director's report and financial reports, comprises the pages 4-110. 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.

Annual General Meeting

Castellum AB's Annual General Meeting will take place on Thursday March 22, 2012 at 5 pm in RunAn, Chalmers Kårhus, Chalmersplatsen 1, Gothenburg. For more information and notification of attendance see www.castellum.se

Annual General Meeting calendar and dividend

Notification for the AGM	16 March 2012
Annual General Meeting	22 March 2012
Ex-dividend date	23 March 2012
Record day for the dividend	27 March 2012
Payment of dividend	30 March 2012

Financial Reporting

Interim Report January-March 2012	17 April 2012
Half-year Report January-June 2012	12 July 2012
Interim Report January-September 2012	16 October 2012
Year-end Report 2012	22 January 2013

Further information

For further information please contact CEO Håkan Hellström, tel +46 705 60 74 56 or Finance Director Ulrika Danielsson tel +46 706 47 12 61 and www.castellum.se

Castellum – a short description

Business concept

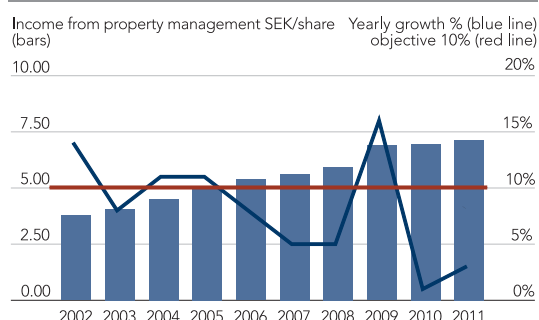
Castellum's business concept is to develop and add value to its real estate portfolio, focusing on the best possible earnings and asset growth, by offering customized commercial properties, through a strong and clear presence in five growth regions – Greater Gothenburg, the Öresund Region, Greater Stockholm,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

Focus on cash flow

Castellum's operations are focused on cash flow growth, which along with a stable capital structure provides the preconditions for robust growth in the company, and offers 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, net investments of at least 5% of the property value will be made yearly. At the moment, this is equivalent to approx. SEKm 1,700. 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%.

Income from property management per share



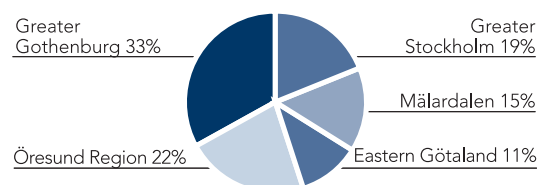
Concentrated real estate portfolio with commercial focus

Castellum is one of the major listed real estate companies in Sweden. The fair value of the real estate portfolio amounts to SEK 34 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.

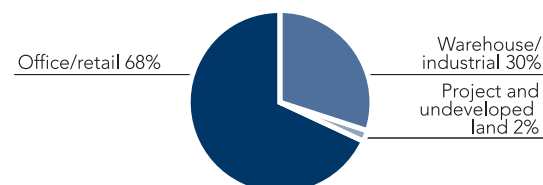
Investments, i.e. enhancement and development of existing properties, acquisitions of new properties and new construction, are carried out in areas with high growth rates where opportunities are found for increased occupancy rates, increased rental levels and improved cash flows.

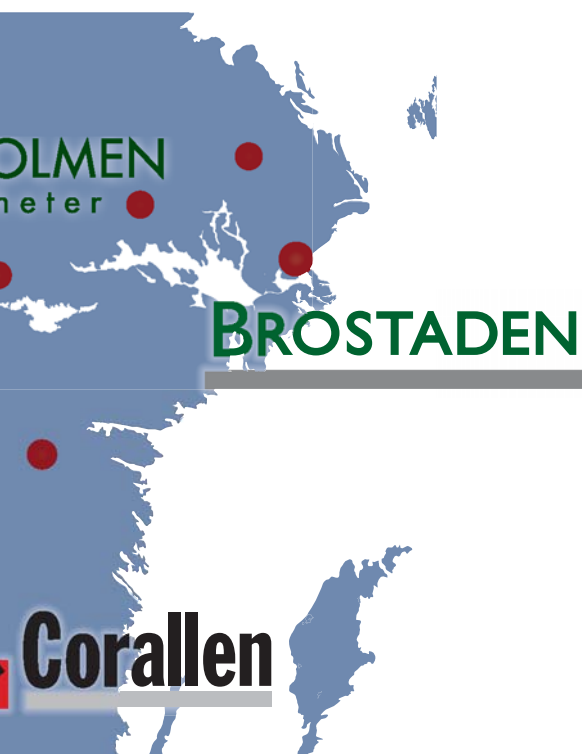


Real Estate value by region



Real estate value by category



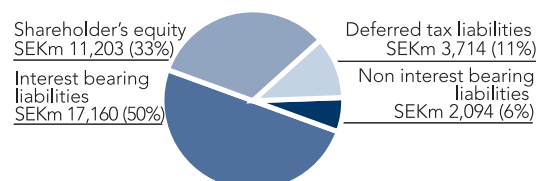


Stable capital structure and low financial risk

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%. The loan to value ratio as at 31 December, 2011 was 51% and the interest coverage ratio for the year was 278%.

Castellum's dividend policy is that at least 50% of income from property management, however investment plans, consolidation needs, liquidity and financial position in general will be taken into account. The Board intends to propose a dividend of SEK 3.70 per share for 2011, which corresponds to a dividend ratio of 52%.

Financing 31-12-2011

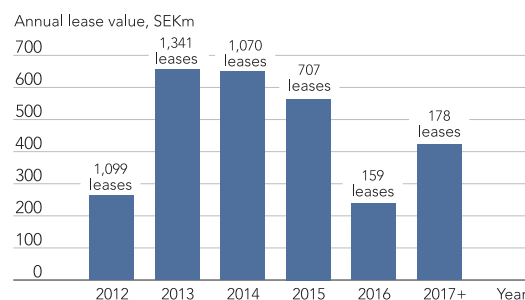


Good and long-term customer relations

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 approx 4,600 commercial contracts, with good risk exposure regarding geography, type of premises, length of contracts and fields of business of the customer.

Lease maturity structure



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.

Income from property management before tax for 2011 amounted to SEK 7.01 per share. This results in a share price yield at the year-end of 8.2%.

The long term net asset value (EPRA NAV) can be calculated to SEKm 15,920 corresponding to SEK 97 per share. The share price at the end of the year was thus 88% of the long term net asset value.

The proposed dividend of SEK 3.70 corresponds to a yield of 4.3% based on the share price at the year-end.

Total yield (including dividend)

	2011	3 years average/ year	10 years average/ year
Castellum	- 3%	18%	17%
NASDAQ OMX Stockholm (SIX Return)	- 14%	19%	6%
Real Estate Index Sweden (EPRA)	- 13%	17%	15%
Real Estate Index Europe (EPRA)	- 9%	13%	5%

Here you can follow the Castellum share:

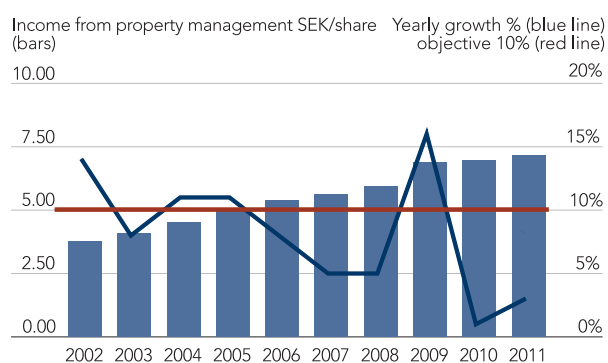


Year Summary 2011

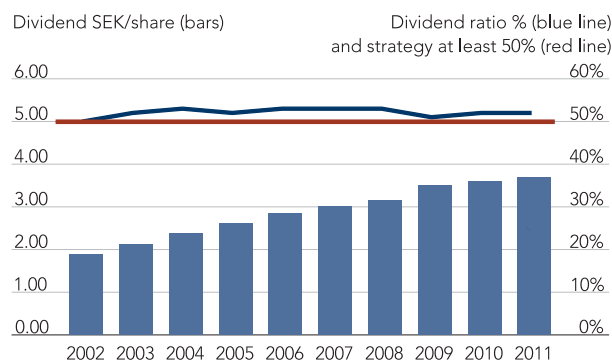
- Rental income for 2011 amounted to SEKm 2,919 (SEKm 2,759 previous year).
- Income from property management amounted to 1,173 (1,141), corresponding to SEK 7.15 (6.96) per share, an increase of 3%.
- Changes in value on properties amounted to SEKm 194 (1,222) and on interest rate derivatives to SEKm – 429 (291).
- Net income after tax amounted to SEKm 711 (1,964), corresponding to SEK 4.34 (11.98) per share.
- Net investments amounted to SEKm 1,908 (1,279) of which SEKm 1,158 (881) were new constructions, extensions and reconstructions.
- The Board proposes a dividend of SEK 3.70 (3.60) per share, corresponding to an increase of 3%.

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Income from property management, SEK/share	7.15	6.96	6.89	5.93	5.63	5.38	5.00	4.52	4.07	3.77
<i>Change previous year</i>	<i>+3%</i>	<i>+1%</i>	<i>+16%</i>	<i>+5%</i>	<i>+5%</i>	<i>+8%</i>	<i>+11%</i>	<i>+11%</i>	<i>+8%</i>	<i>+14%</i>
Net income after tax, SEK/share	4.34	11.98	0.98	– 4.04	9.07	10.21	7.89	5.59	2.68	4.00
<i>Change previous year</i>	<i>–64%</i>	<i>+1,122%</i>	<i>pos.</i>	<i>neg.</i>	<i>–11%</i>	<i>+29%</i>	<i>+41%</i>	<i>+108%</i>	<i>–33%</i>	<i>–30%</i>
Dividend, SEK/share (for 2011 proposed)	3.70	3.60	3.50	3.15	3.00	2.85	2.62	2.38	2.13	1.88
<i>Change previous year</i>	<i>+3%</i>	<i>+3%</i>	<i>+11%</i>	<i>+5%</i>	<i>+5%</i>	<i>+9%</i>	<i>+11%</i>	<i>+12%</i>	<i>+13%</i>	<i>+15%</i>
Properties fair value, SEKm	33,867	31,768	29,267	29,165	27,717	24,238	21,270	19,449	18,015	17,348
Net investments, SEKm	1,908	1,279	1,129	2,710	2,559	1,823	889	774	711	547
Loan to value	51%	50%	52%	50%	45%	45%	45%	45%	48%	48%
Interest coverage ratio	278%	299%	309%	255%	287%	343%	315%	277%	256%	240%

Income from property management per share



Dividend



CEO's comments

Before 2011 settles into history we can conclude that it was a relatively good year for Castellum – even if our highly set goal of 10% growth in income property management remained out of reach. With a property management income of SEKm 1,173 and a proposed dividend of SEK 3.70 – both featuring an increase of 3% – Castellum has succeeded in improving both property management results and dividends for all 14 years since its IPO in 1997.

Property values have remained stable in 2011. Generally speaking, the required yield was unchanged and we achieved a slightly rising operating profit. In all, the value change was approx. SEKm 200, and this corresponds to a change of less than 1%. However, what has changed considerably is the valuation of interest rate derivatives, along with falling market interest rates. In spite of this, the cost of borrowing money has paradoxically increased, with increased margins in the credit market. The accounting rules of IFRS do not take the latter into account, which is why the results – a value decline of nearly SEKm 500 for Castellum – do not entirely reflect reality. After factoring in two items not affecting cash flow – i.e., value change and deferred tax – this year's total net income totalled SEKm 711.

During 2011, investments increased to SEK 2 billion and the balance sheet remains strong, with a leverage of 51% and SEK 2.3 billion in unutilized long-term credits. I'm especially pleased with the fact that during this year we have increased our investment rate regarding high-yield new constructions, extensions and reconstructions, and we've invested on the Danish side of the Öresund region – a market we have followed for a long time.

Customer satisfaction is crucial to Castellum's achievement of financial goals. Continued high scores in our Customer Satisfaction Index survey show that our customers perceive

Castellum as a good supplier of commercial premises for Swedish commercial and business life. One prerequisite for living up to customer expectations is an efficient organization with service-minded and competent employees. Castellum has this covered. In turn, it means that Castellum should live up to the expectations of a modern employer – and this is confirmed via consistently high scores in the Employee Satisfaction Index survey.

Although total yield on the Castellum shares showed a negative figure: -3%, it measured up well against -14% at the Stockholm Stock Exchange, and the Swedish Property Index of -13%, as well as the European Property Index -9%.

Economic growth is crucial to the development of the real estate business. Europe's debt crisis worsened in 2011 and this has strongly contributed to previously expected growth being revised down to recession levels. Although Sweden's public finances are strong, our dependence on exports has resulted in forecast Swedish growth being revised downwards as well.

Under these conditions – a solid Castellum and slow economic growth in Sweden – what can we expect in 2012?

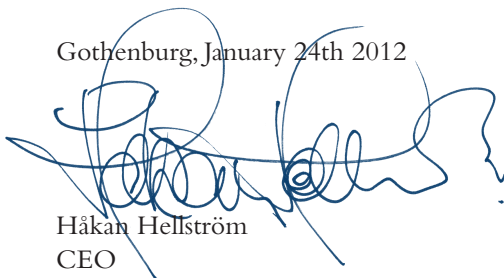
Slower economic growth is followed by reduced demand for properties and lower inflation rates. These, in turn, can retard the rate of rental-income increases. However, I see no threat of reduced revenue for the near future, since last year's inflation resulted in upward index adjustments for 2012, while net leasing in 2011 does not indicate increased vacancies. With an expected constant cost structure, a stable net operating income can therefore be anticipated in the existing portfolio. On the other hand, both investments carried out during 2011 and the ambition to invest SEK 2 billion a year will have positive effects on net operating income as well as on property management income.

There has been an unfortunate combination, for the business world generally and the real estate business in particular. Political overconfidence in credit-market regulation, an increased required yield for lending to banks by investors and bank compensation claims, have all led to increased interest-rate margins as well as to a decline in credit availability. It remains to be seen whether or not falling market interest rates – due to economic decline – can compensate for increased credit margins.

The decline in credit availability has already affected the real estate market, where liquidity dropped during the last quarter of 2011. Property revenue remains high compared to most other assets and generally speaking, today's market value falls short of new-production cost – by a wide margin. This is why I don't feel great concern about property values over time.

Castellum's long-term actions and low-risk profile mean that the company is well positioned for 2012!

Gothenburg, January 24th 2012

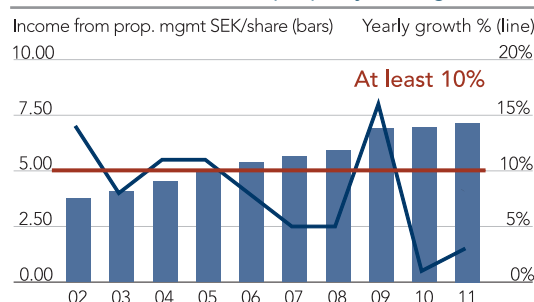


Håkan Hellström
CEO

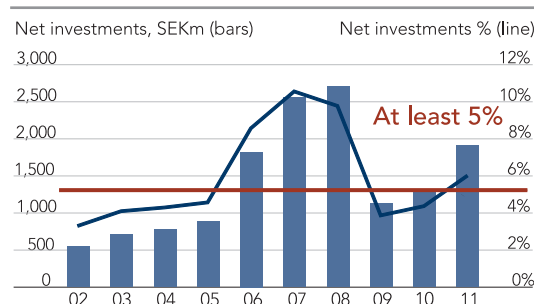


Operations

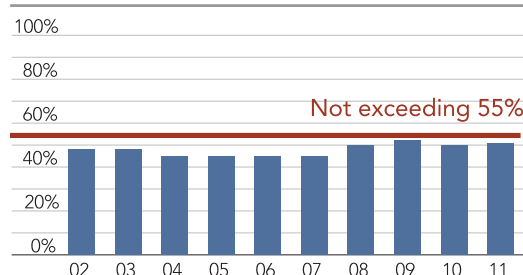
Growth in income from property management



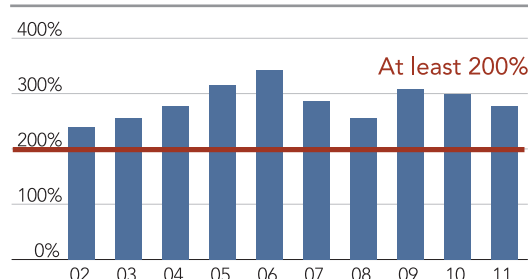
Net investments



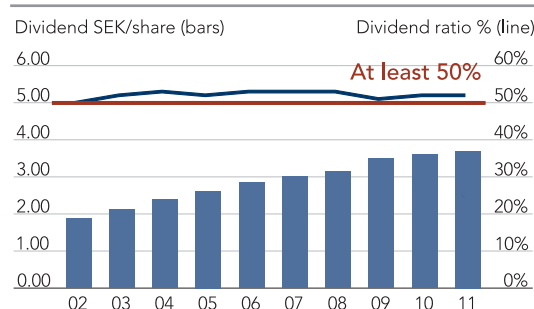
Loan to value ratio



Interest coverage ratio



Dividend ratio



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 customised commercial properties, through a strong and clear presence in five Swedish growth regions.

Objective

Castellum's operations are focused on cash flow growth, which along with a stable capital structure provides the preconditions for robust growth in the company, and offers 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, net investments of at least 5% of the property value will be made yearly. At the moment, this is equivalent to approx. SEKm 1,700. The previous ambition to invest at least SEKm 1,000 per year has thus been adjusted since the real estate portfolio and investment capacity were lower when it was adopted. 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 return 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%.

Purchase or transfer of own shares shall be available as a method for adjusting the company's capital structure to the company's capital need and as payment or funding of real estate investments. Company-owned shares may not be traded for the sole purpose of capital gain.

Dividend

At least 50% of pre-tax property management income will be distributed. However, investment plans, consolidation needs, liquidity and financial position in general will be taken into account. Since the base changed on income from property management before tax, 50% of the new base is a higher level than 60% of income from property management after nominal tax as well as closer to the actual dividend in recent years.

The stock and credit markets

Castellum will work for a competitive total return on the company's share relative to risk and also strive for high liquidity. However, all actions will be made from a long-term perspective and the company will hold frequent, open and fair reports to shareholders, the capital and credit markets and the media, without disclosing any individual business relationship.

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

Strategy for the Real Estate Portfolio and Property Management

Geography

Castellum's real estate portfolio is located in the five 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 different sub-markets.

Type of property

The real estate portfolio shall consist of commercial properties with general and flexible premises for office, retail, warehouse, logistics and industry purposes. 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 constructions, extensions and recon-

structions 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. The presence of sub-markets should be strong and each subsidiary one of three largest real estate owners in each local market. Property management shall be carried out mainly by own personnel.

Castellum shall have skilled and committed employees, 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.

Castellum's 4 corner stones



Cash flow focus

- An annual growth in cash flow, i.e. income from property management per share, of at least 10%
- Investments of at least 5% of the property value yearly



Commercial properties in growth regions

- Concentrated to 15 growth regions
- Premises for office/retail and warehouse/industrial
- One of the three largest real estate owners in each local market



Customer focus through local organizations

- Decentralized and small-scale organization
- Property management carried out with own personnel
- Regularly measurement of customers and employees satisfaction
- Environmental work with focus on reduced energy consumption

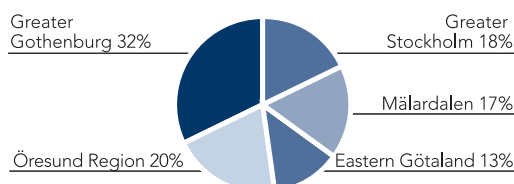


Strong balance sheet and low financial risk

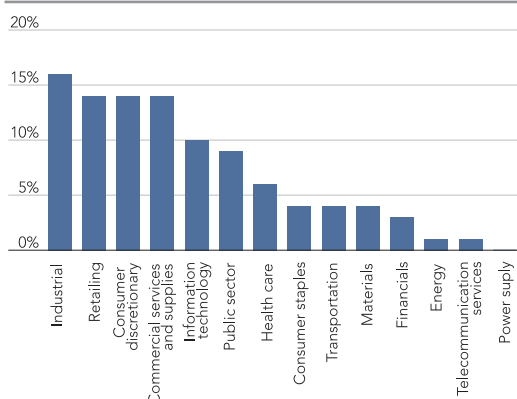
- Loan to value ratio not permanently exceeding 55%
- Interest coverage ratio at least 200%
- Geographic exposure allocated on different types of premises
- Commercial contracts in many fields of industry

Customers

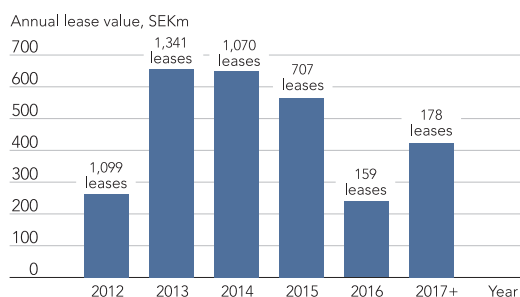
Lease value by region



Distribution of leases by industry



Lease maturity structure



Thanks to the local presence, Castellum's employees get a close relation to their customers and knowledge both about their needs and the local situation and development. Good and long-term customer relations are a prerequisite for creating growth in Castellum. The work is regularly followed-up in customer questionnaires. The Customer Satisfaction survey carried out during 2011 shows that a high proportion of the customers are satisfied or very satisfied with Castellum as a landlord.

During the year a high leasing activity has been carried out resulting in new contracts with a total annual value of SEKm 310.

Being close to the customer

Castellum's organization, comprised of locally based subsidiaries, provides a close relationship to the customer and a short decision-making process. Castellum employees work close to the market, and this means natural access to fresh information about customers' current and future operations. Customers can thereby be offered premises suited to their needs and benefit from optimal personal service and quick answers.

Castellum, as one of the largest real estate owners on local markets, also contributes to the development of major sites where local subsidiaries operate through co-operation with municipalities and 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 a good risk exposure in the commercial contracts regarding both geography, type of premises, size, length of contracts and fields of industry of the customer. This means that Castellum's commercial contracts is a reflection of the Swedish trade and industry and Swedish economy.

Castellum has approx. 4,600 commercial contracts and the single largest contract makes up for approx. 1% of Castellum's total rental income.



Commercial leases

Commercial leases are signed for a specified period of time, generally 3–5 years, where the period of notice is 9 months. The rental level can be changed when the lease in question is due for renegotiation. The leases normally include a base-rent and an index clause, which provides for a yearly adjustment of the rent corresponding to a certain percentage or connected to the inflation.

Leases may also contain additions for the tenant's share of the property's total heating, cooling and property-tax costs.

Satisfied customers

It is vital that Castellum meets customer expectations. To evaluate and follow up efforts made, an external customer survey is carried out annually: the Satisfied Customer Index. The survey shows general customer opinion about Castellum as well as how well Castellum performs in the areas of: service, business relationships, indoor premises, property condition, environmental questions and information.

The survey carried out in 2011 – which included offices, warehouses, industry and retail – continues to show consistently high marks for Castellum, with a weighted index of 75 out of 100. This is higher than the industry benchmark.

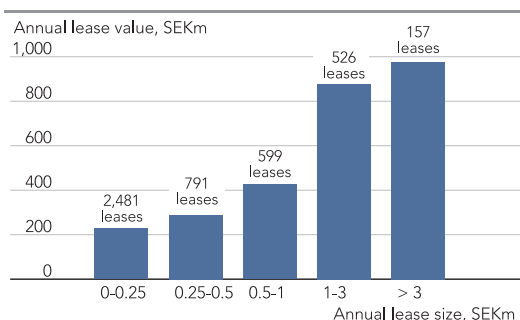
Service willingness shows the highest index and includes parameters such as personal attention, service and availability.

A significant portion of the surveyed customers, 88%, reply that they are willing to lease from Castellum again and gladly recommend Castellum as a landlord to others.

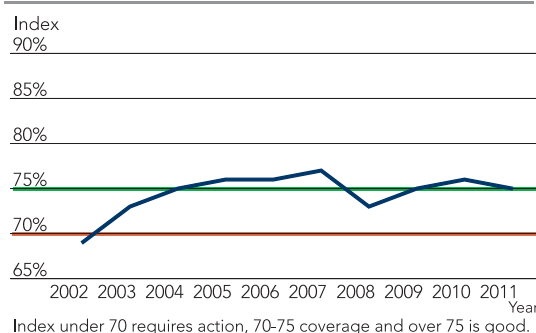
Leasing activity

Castellum enjoys high leasing activity. During 2011 the organization signed 698 new leases with a total annual value of SEKm 310. Robust leasing activities indicate the importance of taking care of customers and networks. Of the newly signed leases, 73% came from Castellum's own networks, recommendations or existing customer expansions, while 12% originated from web pages, and the remainder 15% came through agents.

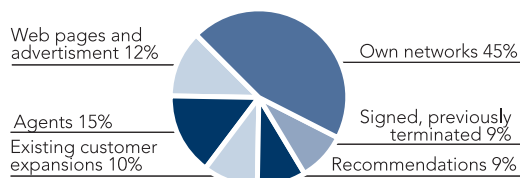
Lease size structure



Satisfied Customer Index 2002-2011

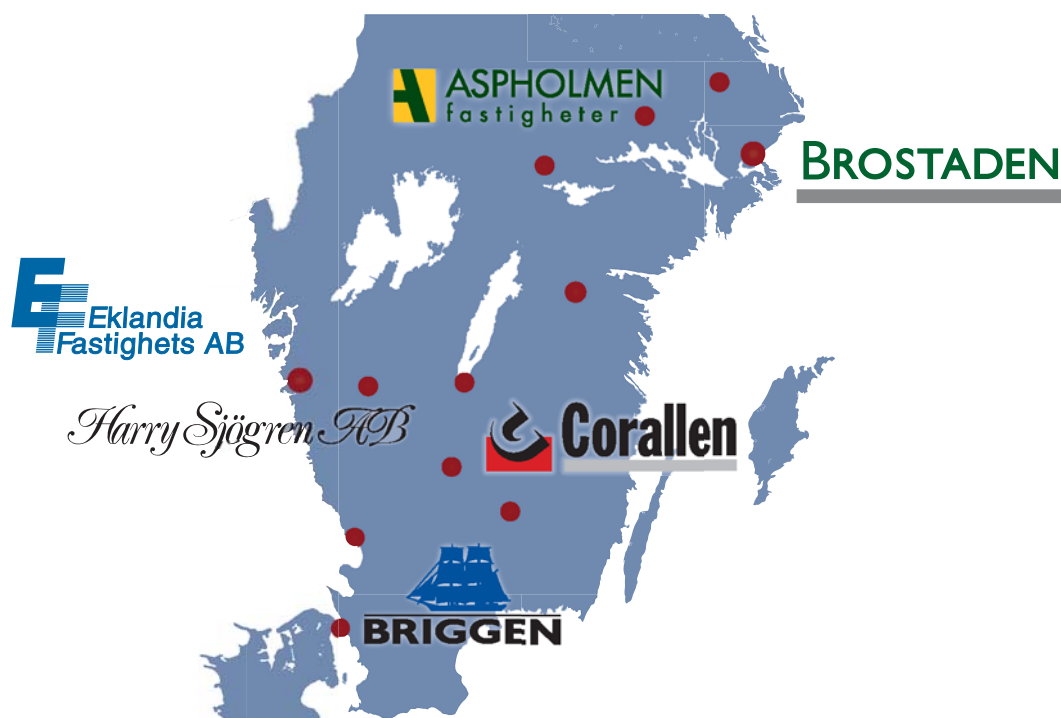


Leasing activity



Organization

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 presence the subsidiaries get close relations with the customers and knowledge of their operations and needs. The companies also get 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 engage about 35 employees. The subsidiary organizations are not identical but are in principle made up of a Managing Director, 2-4 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 3-8 facility managers. Everyone has customer contacts. The flat organization provides a short decision-making process and creates a customer oriented and active organization.

Castellum's subsidiaries operate under their own names which are strong brands on each submarket.

Property management is mainly carried out by own personnel and in cases where external services are purchased, high demands are placed on suppliers in terms of quality, customer contact, service and environmental awareness.

Engagement in the local markets

Castellum's subsidiaries are involved in the local business community through business associations where important contacts are taken with both current and prospective customers.

Castellum, as one of the largest real estate owners on local markets, also contributes to the development of major sites

where local subsidiaries operate through co-operation with community-development bodies, such as municipalities and universities/colleges.

Measuring and comparing

Castellum measures and compares subsidiary management efficiency and asset value growth in the real estate portfolio. Within the Group, experiences are shared among 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 and personnel, etc.

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 active part in operations through involvement in subsidiary Boards.

Employees

It is a primary objective for Castellum to offer an attractive workplace, offering full possibilities for professional and personal development. Castellum works actively with competence development, experience exchanges and the continuous development of work assignments and processes. During 2011, competence development has continued with a leadership program.

For an optimum performance culture within the Castellum group, employee attitudes are monitored regularly. The 2011 survey achieves an 87 (out of 100) approval index, which indicates that employees enjoy their working situation and have high confidence in the Group, the subsidiaries and management.

Attractive workplace

Castellum retains skilled and dedicated employees by enhancing targeted professional skills and creating a motivated work situation. The Group's commitment to being an attractive employer – employer of choice – promotes loyalty and job satisfaction.

A flat organization means that each employee has well defined areas of responsibility with a high level of empowerment, leading to professional as well as personal development. Employee performance reviews occur yearly with all employees. These are an important tool for following up and setting objectives, as well as identifying competence development needs.

Castellum works with preventive health care, and offers good corporate wellness services as well as substantial health insurance. A bonus-sharing program provides employees with the opportunity to benefit from their respective company's financial performance improvement.

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

Education and sharing experiences

Both internal and external training programs are provided at Castellum. A leadership program for senior management, which will cover a total of approx. 40 people, is running. In addition to Group-wide development, Castellum also target individual competence development on an as-required basis.

To create conditions for sharing of experiences between the companies, projects are run with participants from every company, covering topics such as web-based operation monitoring and lease contracts. Apart from the projects, there are fixed focus-groups, which regularly discuss issues within specific areas, such as market-related issues, finance, IT, the environment and personnel.

Castellum's employees

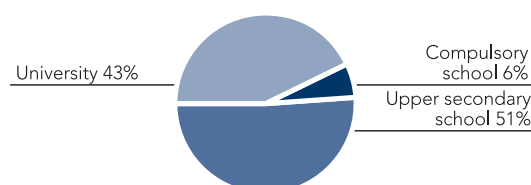
As of year end, the Group had 239 employees (229), of which 38% were women (39%). Employee turnover during the year has been 13% (9%) and absence due to illness 2% (2%).

Satisfied employees

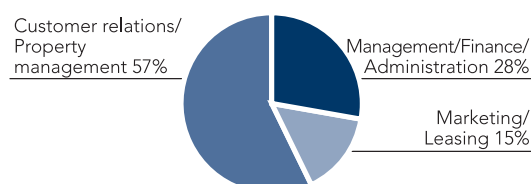
Employee viewpoints on Castellum are monitored regularly in a Satisfied Employees Index showing their attitudes towards their own working situation, the company and management. The latest survey – carried out in 2011 – continues to show a very high index, 87 on a scale of 100. This can be compared with a benchmark of 77. The response rate was 98%, demonstrating deep commitment.



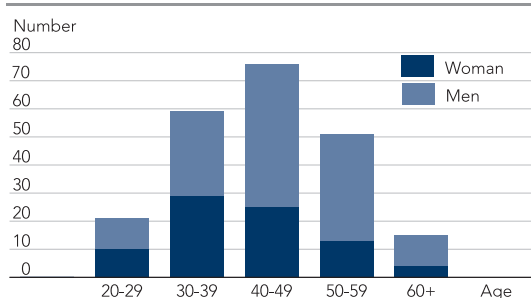
Level of education



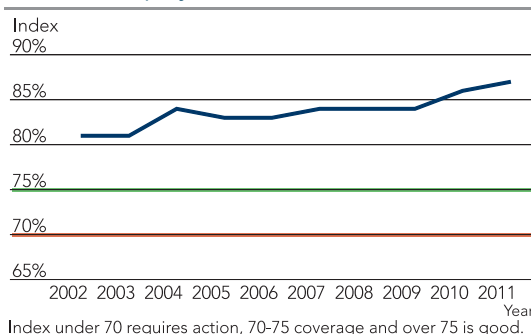
Distribution of work



Age distribution - number of employees



Satisfied Employees Index



Index under 70 requires action, 70-75 coverage and over 75 is good.

Responsible Business

That Castellum's operations are conducted in a responsible way is a prerequisite for the company's long-term successful business. The work is characterized by professionalism, commitment, expertise and innovation, which means both a responsible manners towards customers, employees and other stakeholders and to develop our business activities with least possible impact on the environment. The driving forces for this work, besides contributing to a sustainable society, is an added value through good management and hence customer satisfaction, lower costs, stronger brand and increased competitiveness.

During 2011, both a new Code of Business Conduct has been adopted in Castellum as well as a common group targets providing that all new constructions shall be environmentally classified.

Extraction from Code of Business Conduct Castellum

Castellum's objective is to make sound and proper business decisions in all respects where the process is characterized by **professionalism, commitment, expertise and innovation**. Castellum's Code of business conduct was adopted to accentuate the guidelines that regulate the Group in relation to its co-workers, customers, suppliers and other stakeholders.

Castellum's business modell with customer focus through local organizations, commercial properties in growth regions, strong balance sheet, low financial risk and cash flow focus creates conditions to act according to the Code of business conduct. The result is i.e. growth in income from property management, high scores in Satisfied Employee Survey and Satisfied Customer Survey.

Responsibility for External Relations

The laws and regulations of countries where the corporation operates must be followed.

Relationships with customers, suppliers and other stakeholders are to be characterized by high business morality, good business ethics, responsibility awareness and impartiality. Competitive advantages are utilized, while competitors are dealt with in the correct manner. Price fixing, cartelization or abuse of market position are strictly forbidden. To demand or give any form of promises in connection with gifts is not acceptable. Employees are never to use any form of bribery, corruption or illegal payments in relation to customers, suppliers, authorities or other decision-makers.

Castellum premises are to be kept in such condition that they clearly live up to promises and the reasonable expectations of customers regarding service and standard.

Employees are to handle their personal and financial interests in such a way that they neither go against, nor can be perceived to be

going against, Castellum's business activities. Employees are not allowed to accept - or give - any payments, gifts or other forms of compensation from/to a third party that may lead to a conflict of interest.

A neutral position is taken concerning party-political issues.

Confidential and sensitive information - business related as well as share-price affecting - must be handled with high demands on secrecy. Information is to be open and accessible in accordance with the regulations that apply for listed companies.

Marketing and customer contacts must be honest and not promise anything which does not correspond to reality.

Responsibility of the Organization

Human rights, encouraging ethnic diversity and equality is a given. Employees, customers, or suppliers/entrepreneurs are never to be discriminated against due to their nationality, ethnicity, skin colour, gender, heritage, religion, age or sexual orientation.

The work environment has to meet legislation and agreement requirements, as well as being safe and sound - from a physical, psychological and social viewpoint. To establish a healthy work environment Castellum is to engage competent leaders, provide opportunities for further education and offer salaries and related benefits that are market-oriented.

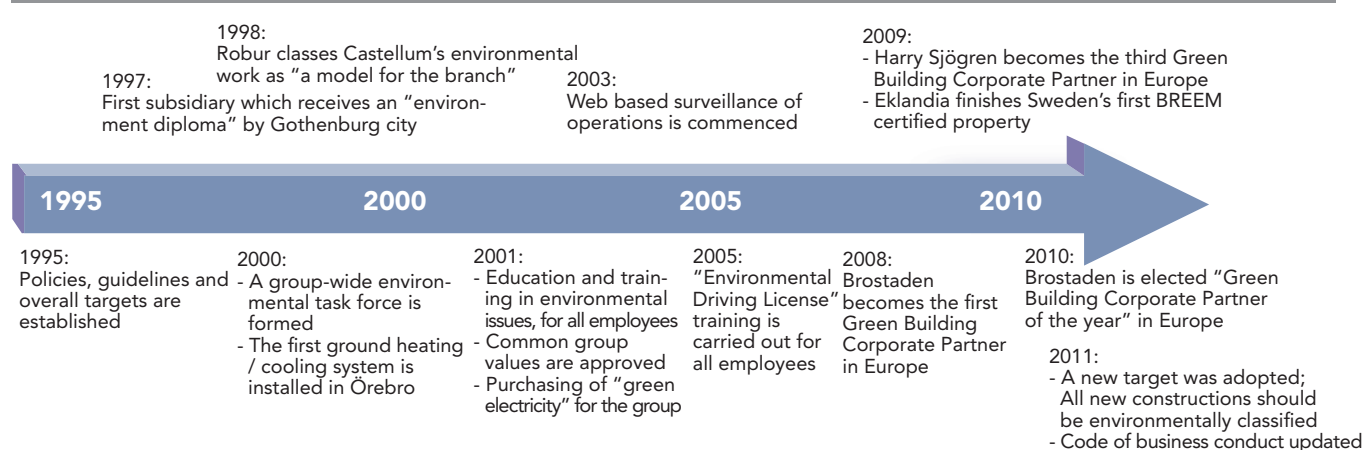
Society and Social Responsibility

In each local market Castellum cooperates with local parties such as municipalities, universities/colleges and companies in order to contribute to the district's long-term development.

Castellum works to contribute to a sustainable, ecological development. Environmental efforts are characterized by durability and a comprehensive view where environmental considerations form a part of all decision-making processes.

For the complete Code of Business Conduct see www.castellum.se

Examples from Castellum's environmental work since 1995



Social responsibility

Social responsibility covers employees as well as the workplace and community setting for company operations. Since the company was founded, Castellum has been working on creating a corporate culture with a good working environment, where employee skills and commitment are utilized and developed. Our efforts are regularly followed up in employee and customer surveys, and both show high results.

Castellum, as one of the largest owners of real estate properties on local markets, contributes to the development of the communities where local subsidiaries operate via co-operation with municipalities, universities, colleges and local enterprises.

For larger purchases and procurements, Castellum sets firm environmental and quality demands on suppliers.

Castellum's code of business conduct rate governing day-to-day activities, and these are largely in line with the UN's Global Compact Code of Conduct. Castellum is a company which operates in Sweden and Denmark, and is therefore governed by Nordic laws and regulations. Castellum has also drawn up policies covering personnel issues such as: work environment, equal access to opportunities, salaries, pensions and company cars.

Environmental responsibility

To contribute to 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. Castellum's environmental efforts are focused on achieving more efficient use of energy, removing fossil fuels and improving the environmental status of the properties, thus reducing the company's environmental impact.

Organization

The environmental work is managed through an environmental management system consisting of a common environmental policy, guidelines and comprehensive measurable targets. The environmental work is performed locally by each subsidiary and annual follow-ups are regularly reported to executive management. There is an environmental task force common the entire Castellum Group, which meets regularly in order to share experiences and to monitor and learn from developments taking place in the world at large. Our environmental efforts cover all activities and operations and the work is regularly examined by external specialists.



Common targets in the Group

More efficient energy use

Outcome since 2007

Yearly outcome

	2007	2011	2010	2009	2008
- Energy consumption is to be reduced by at least 10% over 10 years (at least 1% per sq.m. and year)	- 6%	+ 1%	- 3%	- 2%	- 2%
- Carbon dioxide emissions are to be reduced by at least 25% over 10 year period (at least 2,5% per sq.m. and year)	- 18%	+ 9%	- 1%	- 12%	- 14%

Plans call for us to:

- optimize operation of existing equipment and gradually ensure that technical installations on our properties more efficient,
- give priority to environmentally adapted and environmentally friendly energy sources. Replace remaining oil-fired boilers in investment properties with other heating sources, 6 properties using oil-heating remains
- phase out all use of gas produced from non-renewable sources, 26 investment properties using gas remains.
- influence our district-heating power suppliers to minimize their carbon dioxide emissions,
- minimize travel and transportation in the business.

Known and continuous improvement of the environmental status of the properties

	2011	2010	2009	2008
- All properties owned for more than one year, shall be environmentally evaluated	100%	100%	99%	91%

Through committed actions;

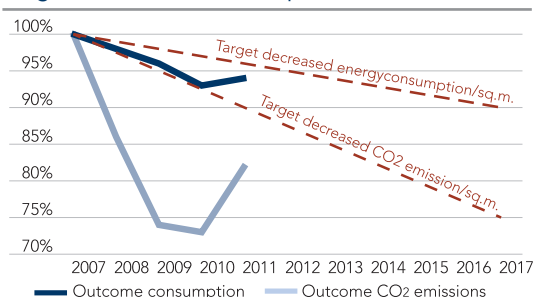
- all new construction, conversion, extension and maintenance to be carried out from a sustainable development point of view, valid for planning, project-creation, production, management and recycling or demolishing,
- ecologically harmful or hazardous substances, to be identified and gradually removed,
- encourage and work with the tenants to reduce their impact on the environment and follow up on those tenants who require environmental authorization to carry out their activities,
- all tenants shall be offered on-site waste separation, adapted to their activities, in order to reduce the amount of waste for landfill, approx. 80% have access to waste separation
- optimize water consumption and minimize discharge of environmental disturbing agents in sewage.

Energy and water consumption

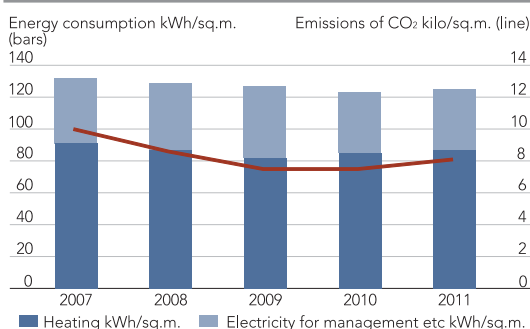
	2011			2010		
	Heating GWh	Other GWh	CO ₂ 1000 tonnes	Heating GWh	Other GWh	CO ₂ 1000 tonnes
District heating	188	8	15	232	8	18
Electricity	7	91	1	12	91	1
Gas	13	0	2	12	0	2
Oil	2	2	1	2	2	1
Consumption	210	101	19	258	101	22
Adjustments*	38	1	3	- 27	1	- 2
Norm. consumption	248	102	22	231	102	20
Area, thousand sq.m.	2,853 2,671			2,720 2,681		
Norm. consumption, kWh/sq.m.	87	38	7.8	85	38	7.2
Water, thous. m ³	862			831		

* Normalized consumption according to degree days and vacancy.
"Other" refers to electricity for management etc

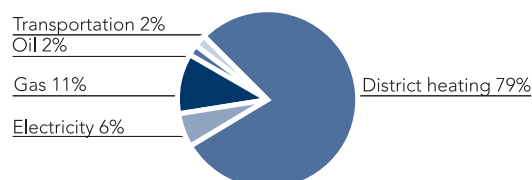
Target and outcome consumption and carbon dioxide



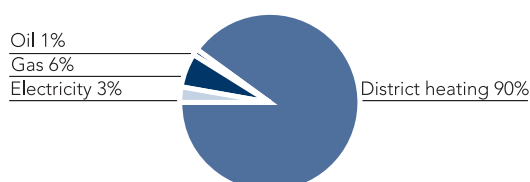
Consumption and emission of carbon dioxide per sq.m. and year



Distribution of emissions of carbon dioxide



Distribution of energy consumption for heating



More efficient energy use

Castellum is striving towards more efficient energy utilization via, for example: adaptation of heating and ventilation according to the users need; 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. In addition, web-based surveillance is installed in approx. 20% of the portfolio.

In 2011, the normalized energy consumption in heating systems increased slightly per sq. m., while the electricity for management was in line with 2010. This resulted in a total energy-consumption increase of 1% per sq.m. The normalized carbon dioxide emission increased by 9%/sq.m. due to changes in the district plant's fuel mix. Since the target was adopted 2007, energy consumption has decreased 6% per sq.m. and carbon dioxide emissions decreased by 18% per sq.m. Out of Castellum's total carbon dioxide emissions, it is possible to influence 4% directly; emissions from oil and transports; remaining emissions can only be influenced indirectly.

Energy declarations, which were carried out 2009 according to established legislation, show that Castellum's consumption was approx. 30% lower than the consumption for similar properties in Sweden.

With the aim of reducing emissions, there is ongoing work to remove fossil fuels, i.e. convert oil and gas heating. Among the investment properties, six oil-heating properties remain. Ground heating/cooling is installed in 22 properties, totalling 114,000 sq. m.

As a user of district heating, Castellum is dependent on the district-heating plant's fuel mix, when it comes to emissions of carbon dioxide. Today, Castellum makes use of 23 district-heating facilities, amounting to 79% of the Castellum group's total carbon dioxide emissions. Castellum conducts ongoing dialogues with the district-heating suppliers who show the highest emissions per kWh. This is both to demonstrate how Castellum's environmental impact depends on their work, but also to learn about how they plan to reduce emissions.

Since 2001, only electricity labeled "environmentally friendly" has been used by the Castellum group.

The Group has virtualized 70 servers since 2008, minimizing the use of IT hardware.

Known and continuously improved status of the properties

An environmental inventory has been completed for all properties owned for at least one year. The inventory covers environmental and health risks such as hazardous substances, ground pollution, moist/mould and operations requiring special permits. Environmental risk in Castellum's real estate portfolio is considered small.

Two of Castellum's subsidiaries, Fastighets AB Brostaden and Harry Sjögren AB have, as the first and third companies in Europe respectively, been appointed Green Building Corporate Partner, meaning that energy consumption has been reduced by at least 25% in at least 30% of the real estate portfolio. During 2010, Fastighets AB Brostaden was awarded Green Building Corporate Partner of the Year. Castellum owns 89 of the just over 200 Green Building classified buildings in Sweden and one BREEAM certified property.

Stakeholders, communication and co-operation

As a driving force for change, communication about the Castellum group's environmental work is continuously carried out with stakeholders including customers, shareholders, competitors, municipalities and universities. The customers are kept informed via visits and web pages. Castellum cooperate with a number of parties to stay updated about new technologies and to share experience. For instance, Castellum is active in "Beställargruppen för lokaler" within the Swedish Energy Agency, and in the associations: Ecocycle Council and Sweden Green Building Council.

Real Estate Portfolio

Real estate properties in general

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

Swedish economy

Sweden, with over nine million inhabitants, is a country with an open and strong economy. This is primarily due to a stable and transparent business climate, high education levels, healthy public finances and high productivity. Sweden has long and extensive experience in international trade and international relations. This is evident from its relatively large share of world-leading corporations such as Ericsson, H&M, IKEA, SCA and Volvo. The high export dependency of Swedish industry contributes to the fact that, historically, Sweden has shown the strong adaptability required to re-structure the economy during economic changes.

As for other countries, Sweden has been affected by the uncertainty caused by Eurozone problems with public finances. Weak growth in the Eurozone dampened the Swedish economy, which after a strong advancement at the beginning of the year slowed somewhat. Despite the recession at the end of the year, the GDP for 2011 is expected to increase by over 4%, which is significantly higher than forecasts for both the Eurozone and the USA favourable product mix and increased market share make the Swedish export industry well positioned for a quick recovery when effects of the financial turmoil subside. Unemployment has declined in 2011, but the economic downturn has a gradual effect on the Swedish labour market and unemployment is therefore expected to increase slightly in 2012.

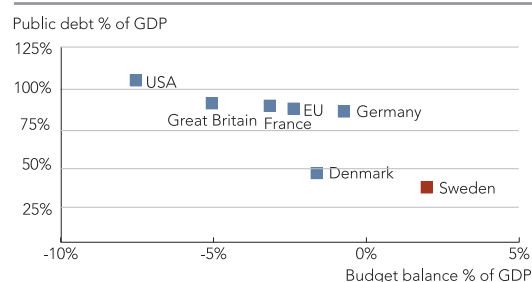
Compared to many other countries, Sweden has favourable prospects for rapid recovery due to its stable public finances, its own currency, lower public debt, a better budget-balance-to-GDP ratio, and healthier banks.

The real estate portfolio

In Sweden there are almost three million properties with a total tax assessment value of approx. SEK 6,400 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 12%. 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 owners.

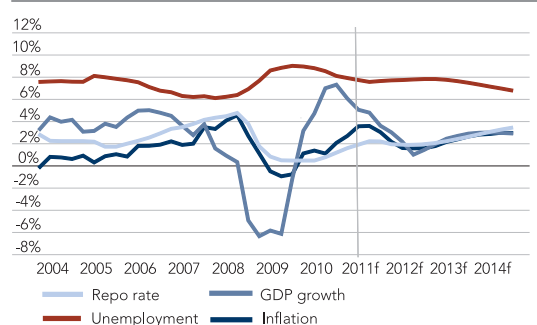
Due to the scattered ownership without any dominating real estate owner, the competitors differ between different local markets.

Public debt/budget balance in % of GDP, forecast 2012



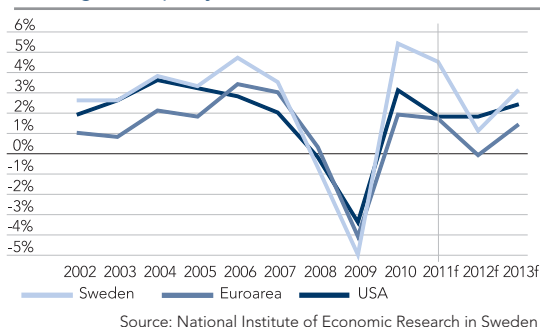
Source: European Commission and IMF

Macro Sweden



Source: The Swedish "Riksbank"

GDP growth per year



Source: National Institute of Economic Research in Sweden

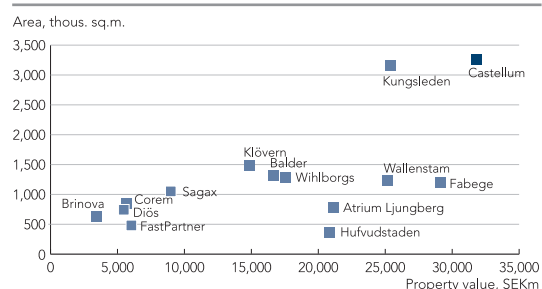
Sweden's foreign trade Jan-Nov 2011

Export	Total SEKbn 1,118	Import	Total SEKbn 1,043
Nordic	242	Nordic	229
Eurozone ¹⁾	140	Germany	191
Germany	111	Eurozone ¹⁾	154
Benelux	106	BRICS	110
BRICS	99	Benelux	108
Remaining Europe (non-Euro)	93	Remaining Europe (non-Euro)	83
Asia ²⁾	93	Great Britain	62
North America	80	Asia ²⁾	54
Great Britain	78	North America	34
Remaining world	76	Remaining world	18

1) exkl. Germany, Finland, Belgien, Netherlands and Luxembourg

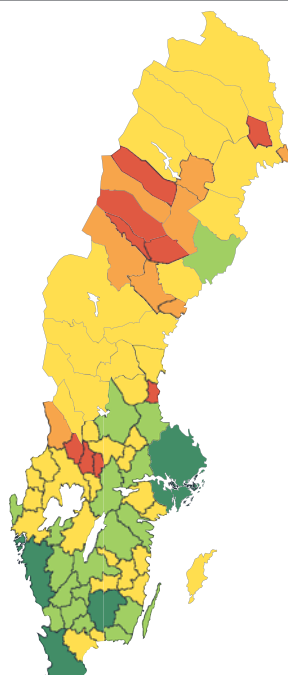
2) exkl. India and China Source: SCB (Sweden Statistics), import relates to sending countries

Property portfolio listed real estate companies



Source: Each company's interim report Q3 2011
Companies with a real estate value > SEKbn 3,000

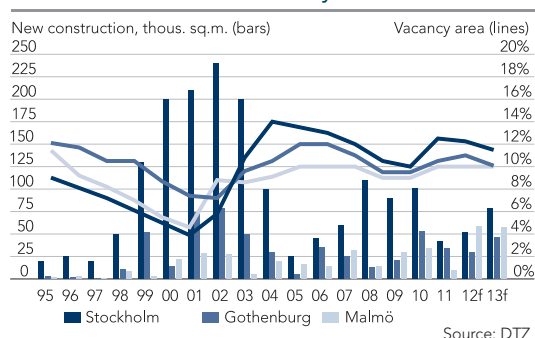
Development strenght in Sweden's labor markets



Green color indicates the best labor markets and red color the worse.

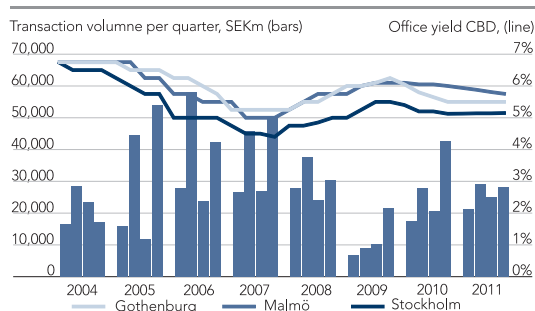
Source: West Sweden Chamber of Commerce and Industry

New construction and vacancy rates



Source: DTZ

Real estate transactions in Sweden



Source: JLL and NAI Svefa

Sweden's labor markets

Sweden can be divided into a number of local labor markets where each market has different development strength. The development strength depends on population growth, demographics, employment rates, new businesses, business employees, amount of wages, level of education and health.

The picture to the left shows the development strength of the Swedish local labor markets. The three major urban regions in Sweden have the greatest development potential which is explained by a larger population, which in turn creates a larger labor market, a diversified industrial structure, research opportunities of research and greater variety of shopping, entertainment and culture.

Rental market

The rental market is mainly dependent on growth in the Swedish economy, but is also affected by the volume of new constructions. Economic growth normally leads to an increasing demand for premises and, consequently, to a decreasing number of vacancies. This potentially leads to increased market rents which, in turn, facilitate new construction. A stagnation in growth leads to the reverse scenario.

The demand for premises remained high in 2011, although some level of weakening has been noted towards the end of the year and the rental process took slightly longer to complete. The pattern was the same for all Castellum sub-markets and property types. Net leasing has been positive during the year, and will lead to a decline in vacancies in the future.

Rental levels are expected to remain stable. The inflation rate in 2011 has resulted in an indexation of rents for 2012 of just over 2%.

Since rental agreements normally are signed for 3-5 years, with nine months' notice of termination, changes in market rents will have relatively little impact on total rental income in the short run.

Property market

The real estate market in 2011 showed essentially the same volume as for 2010, but with lower activity at the end of the year. The transaction volume totalled approx. SEK 105 billion (100) for major sales. The volume in the fourth quarter amounted to approx. SEK 30 billion (39).

This year's transaction volume means that, in 2011, Sweden was the fourth largest market in Europe for commercial properties.

Domestic buyers still dominated the market and transactions mainly concerned office buildings, whereas the volume of residential rental properties decreased slightly compared with the previous year. Real estate transactions have been carried out in all growth regions, of which Greater Stockholm accounted for approx. 40% of the transaction volume.

Castellum's real estate portfolio

Geographical markets

Castellum is present on the nation's major growth regions and approx. 60% of Sweden's 9.4 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 2002–2011 within Castellum's market areas, 0.9% and 2.7% respectively. This may be compared with 0.5% and 2.5% 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 at the same time as 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 favorable is high growth and low risk. The following figure shows Sweden's regional markets and Copenhagen in Denmark, where Castellum's markets are shown in red.



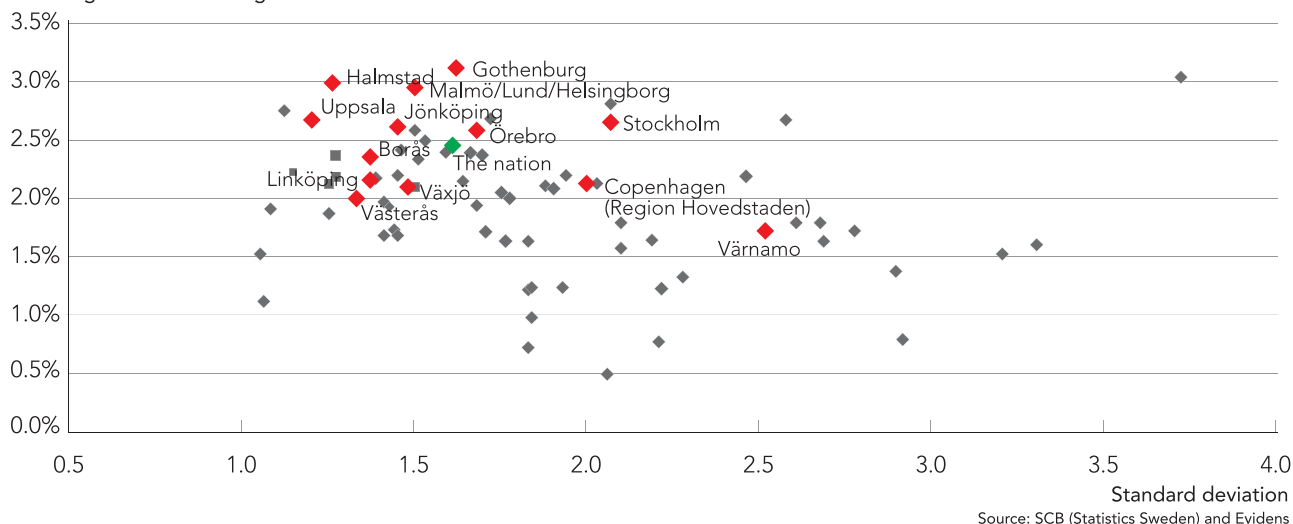
Real estate portfolio

Castellum's real estate portfolio is concentrated to a few selected sub-markets where the local subsidiaries have a strong position. Castellum's geographical submarkets can be characterised as stable, with good prospects for long-term positive. The real estate portfolio is found in 15 locations 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 68% office and retail properties as well as 30% 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. The remaining 2% consists of project and undeveloped land. Castellum owns approx. 760,000 sq.m. unutilized building rights.

Growth and risk in the long term (2002–2011)

Annual growth in total wages



Changes in real estate portfolio

	Value, SEKm	Number
Real estate portfolio on January 1, 2011	31,768	598
+ Acquisitions	857	23
+ New constructions, extensions and reconstructions	1,158	–
– Sales	– 77	– 4
+/- Unrealized changes in value	164	–
+/- Currency translation	– 3	–
Real estate portfolio Dec. 31, 2011	33,867	617

Average valuation yield (SEKm) (excl. project/land and building rights)

	2011	2010
Net operating income properties	2,142	1,987
+ Estimated index adjustment 2012, 2.0%	64	45
+ Real occupancy rate, 94% at the lowest	229	225
+/- Property costs to a normal year	–	25
– Property administration, 30 SEK/sq.m.	– 102	– 98
Normalized net operating income	2,333	2,184
Valuation (excl. building rights of SEKm 460)	32,594	30,213
Average valuation yield	7.2%	7.2%

Average valuation yield over time



On December 31, 2011 Castellum's real estate portfolio comprised 617 properties (598) with a total rental value of SEKm 3,366 (3,190) and a total lettable area of 3,411,000 sq.m. (3,311,000). For properties owned at the year-end the net operating income over the year was SEKm 1,979 (1,840).

During the year investments totaling SEKm 2,015(1,506) were made, of which SEKm 1,158 (881) were new constructions, extensions and reconstructions and SEKm 857 (625) were acquisitions. Of the total investments SEKm 728 relates to Greater Gothenburg, SEKm 541 to Öresund Region, SEKm 352 to Mälardalen, SEKm 226 to Greater Stockholm and SEKm 168 to Eastern Götaland. Castellum has on-going projects with remaining investments of approx. SEKm 1,100.

Property value

The fair value of the properties at the year-end amounted to SEKm 33,867 (31,768), corresponding to SEK 9,835 per sq.m (9,500). The average valuation yield over time for Castellum's real estate portfolio, excluding development projects, undeveloped land and building rights, can be calculated to 7.2% (7.2%). Of the total property value 90% represents properties with right of possession and 10% is site leasehold.

Rental income

Group rental income amounted to SEKm 2,919 (2,759). For office and retail properties, the average contracted rental level, including charged heating, cooling and property tax, amounted to SEK 1,217 per sq.m. (1,201), whereas it for warehouse and industrial properties amounted to SEK 724 per sq.m. (711). Rental levels, which are considered to be in line with the market, have increased by approx. 1.6% in comparable portfolio compared with previous year.

The average economic occupancy rate was 89.3%. The total annual rental value for vacant premises during the year amounted to approx. SEKm 371 (374).



The gross leasing (i.e. the annual value of total leasing) during the year was SEKm 310 (257), of which SEKm 45 (46) was leasing in connection to new constructions, extensions and reconstructions. Notices of termination amounted to SEKm 249 (221), of which bankruptcies were SEKm 18 (12), hence net leasing for the year were SEKm 61 (36). In the net leasing for the fourth quarter there is a larger notice of termination of SEKm 15, with possibility to move out first after 24 months. The time difference between reported net leasing and the effect in income thereof is estimated to between 9-18 months.

Property costs

Property costs amounted to SEKm 1,003 (960) corresponding to SEK 300 per sq.m. (298). Consumption for heating during the year has been calculated to 87% (116%) of a normal year according to the degree day statistics.

Rental losses, i.e. charged not paid rents with the risk of loss, amounted to SEKm 8 (6) corresponding to 0.3% (0.2%) of rental income.

Changes in value

Castellum estimates that property prices are stable and that the liquidity decrease at year-end is not due to buyers and sellers having varied viewpoints on pricing, but rather the result of a stretched credit market.

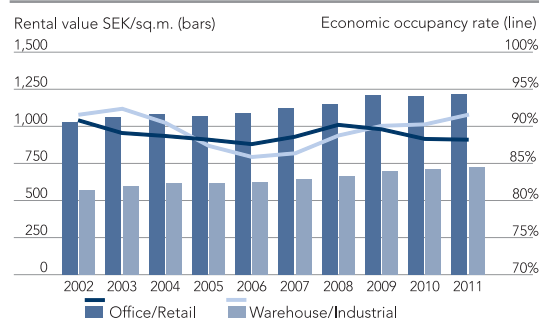
The change in value in Castellum's portfolio during the year amounted to SEKm 194 (1,222), corresponding to approx. 0.6%. The change in value mainly relates to acquisitions and project gains. No general change in the the required yield in the internal valuations has been made during the year. On the property level, however, adjustments has been made on both individual required yield and future cash flow. The change in value also covers SEKm 30 due to sales of 4 properties where the sale price of SEKm 107 exceeded the valuations by 39%.

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.

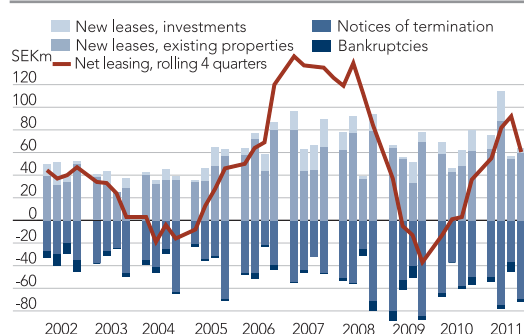
Income over time

Income from property management over the past 10 years shows stable development and has grown by an average of 8% per year. Property values have been volatile over the past 10 years and indicate an average growth of 1.5% per year.

Rental value and economic occupancy rate



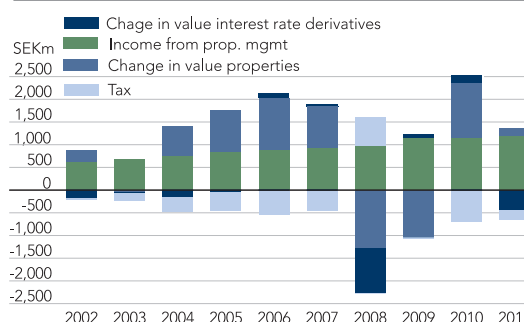
Net leasing per quarter



Property costs, SEK/sq.m

	Office/ Retail	Warehouse/ Industrial	2011 Total	2010 Total
Operating expenses	201	121	165	169
Maintenance	44	23	35	34
Ground rent	7	7	7	6
Real estate tax	67	17	44	43
Direct property costs	319	168	251	252
Leasing and property administration (indirect)	–	–	49	46
Total	319	168	300	298
Previous year	322	171	298	

Income over time

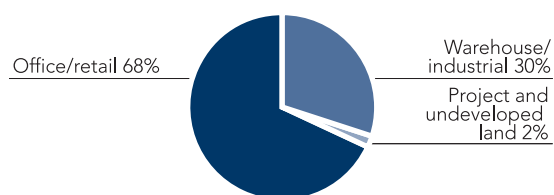


Castellum's real estate portfolio 31-12-2011

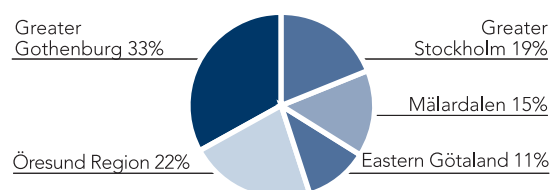
	31-12-2011				January-December 2011						
	No. of properties	Area thous. sq.m.	Property value SEKm	Property value SEK/sq.m.	Rental value SEKm	Rental value SEK/sq.m.	Economic occupancy rate	Rental income SEKm	Property costs SEKm	Property costs SEK/sq.m.	Net operating income SEKm
Office/retail											
Greater Gothenburg	78	423	6,012	14,222	540	1,277	94.3%	509	130	307	379
Öresund Region	59	355	5,271	14,841	485	1,366	86.2%	418	113	318	305
Greater Stockholm	52	344	4,352	12,655	462	1,343	78.1%	361	116	337	245
Mälardalen	79	400	4,241	10,591	436	1,088	92.3%	402	129	323	273
Eastern Götaland	52	320	2,968	9,284	319	999	89.8%	286	100	314	186
Total office/retail	320	1,842	22,844	12,402	2,242	1,217	88.2%	1,976	588	319	1,388
Warehouse/industrial											
Greater Gothenburg	102	660	4,862	7,369	482	731	96.7%	466	104	158	362
Öresund Region	41	297	1,750	5,902	209	703	82.8%	173	47	159	126
Greater Stockholm	42	218	1,945	8,909	202	926	91.4%	185	53	241	132
Mälardalen	38	160	913	5,714	114	715	93.7%	107	28	174	79
Eastern Götaland	34	184	740	4,013	93	504	83.6%	78	23	125	55
Total warehouse/industrial	257	1,519	10,210	6,723	1,100	724	91.7%	1,009	255	168	754
Total	577	3,361	33,054	9,835	3,342	995	89.3%	2,985	843	251	2,142
Leasing and property administration									163	49	- 163
Total after leasing and property administration									1,006	300	1,979
Development projects	12	50	515	-	24	-	-	10	10	-	0
Undeveloped land	28	-	298	-	-	-	-	-	-	-	-
Total	617	3,411	33,867	-	3,366	-	-	2,995	1,016	-	1,979

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 1,979 accounted for above and the net operating income of SEKm 1,916 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 64 on properties acquired/completed during the year, which are recalculated as if they had been owned or completed during the whole year.

Property value by property type



Property value by region



Property related key ratios

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Rental value, SEK/sq.m.	995	974	969	921	896	864	851	859	829	799
Economic occupancy rate	89.3%	89.0%	89.8%	89.7%	87.9%	87.1%	88.1%	89.6%	90.7%	91.5%
Property costs, SEK/sq.m.	300	298	300	268	262	259	247	255	246	237
Net operating income, SEK/sq.m.	589	569	571	559	527	494	502	514	506	494
Fair value, SEK/sq.m.	9,835	9,499	9,036	8,984	9,098	8,466	7,930	7,706	7,296	7,132
Number of properties	617	598	590	587	549	515	494	492	500	508
Lettable area, thousand sq.m.	3,411	3,311	3,199	3,172	3,003	2,787	2,651	2,505	2,437	2,381

Investments

Castellum's strategy for growth includes constant improvement and development of the real estate portfolio by new constructions, reconstructions and extensions as well as acquisitions. The investments are made in order to improve cash flow and increase the value of the properties. New development projects are added on an ongoing basis through the acquisition of both properties with development potential and unutilized building rights.

Castellum has in the last 10 years invested SEK 17 billion, which means SEK 1,700 on average per year.

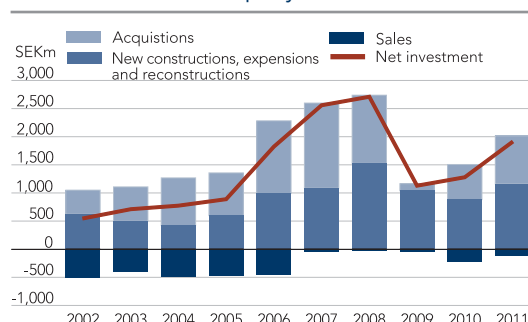
During 2011, Castellum invested a total of SEK 2,015 (1,506), of which SEK 1,158 (881) were new constructions, extensions and reconstructions and SEK 857 (625) were acquisitions. Castellum completed major projects for a total value of approx. SEK 250 and has ongoing projects with a remaining investment volume of approx. SEK 1,100.

Castellum's project portfolio has a good risk exposure with many projects in several locations and with a large number of customers.

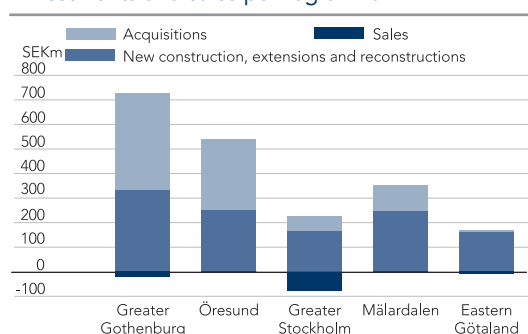
During 2011 Castellum has made the first investment on the Danish side of the Öresund Region and acquired 4 properties in Albertslund, Brøndby and Vibeholm in Copenhagen, Denmark, for SEK 235.

During the year, 4 (6) properties have been sold for SEK 107 (227) which exceeded the valuations by 39%.

Investments and sales per year



Investments and sales per region 2011



Larger ongoing development projects

Castellum has ongoing projects with a remaining investment volume of approx. SEK 1,100. Some of the larger projects are presented below.



Lindholmen 28:3 in Gothenburg

Location: Lindholmen Science Park
Area: 10,400 sq.m.
Time plan: Completed Q 2, 2013

During the first quarter 2011 Castellum acquired land with building right on Lindholmen which is adjacent to the company's existing property. During November 2011 a new construction started of an office building of 10,400 sq.m. on the land. The new building will be constructed according to Green Building Standard.

The investment is calculated to SEK 280. Currently there are no signed leases in the property.





Atollen in Jönköping

Location: Munksjön in central Jönköping
 Area: The first stage of 6,019 sq.m.
 Time plan: Completed Q4, 2013

Castellum has started a new production in the central land area Atollen, Jönköping. The new construction will be carried out together with two partners and Castellum's part consists of two blocks of 10,420 sq.m. in total. Castellum's first stage starts in January 2012 and consists of 6,019 sq.m. of which 2,790 sq.m. office area, 2,212 sq.m. retail and 1,017 sq.m. residential. The new buildings will be constructed in accordance with the environmental system "Miljöbyggnad".

The investment in the first stage is calculated to SEKm 169 and to be completed during the autumn 2013. Currently there are no signed leases in the property.



Groundbreaking ceremony November 18, 2011



Fullriggaren 4 in Malmö

Location: Västra Hamnen in Malmö
 Area: 5,470 sq.m.
 Time plan: Completed Q 1, 2013

In Västra Hamnen, near central Malmö, Castellum has acquired land and started a new construction of 5,470 sq.m. office premises.

The building will have a flexible construction with six floor plan, where each floor plan can be divided into three premises. On the top floor, a common conference room with roof terrace will be built. The new building will be constructed in accordance with the environmental system "Miljöbyggnad" as well as Green Building Standard.

The investment is calculated to SEKm 154. Currently there are no signed leases in the property.



Forskaren 2 in Lund

Location: Ideon-area in Lund
 Area: 9,000 sq.m.
 Time plan: Completed Q 4, 2012

At the Ideon area, close to Lund University of Technology and Lund University, Castellum has since 2001 completed a buildings comprising 27,500 sq.m. office premises on the property Forskaren 2, also known as Edison Park.

During 2010, Castellum started a new construction project of another 9,000 sq.m. office premises with high standard on Edison Park, which is the final stage before completion of the property. The investment is calculated to SEKm 149.

The new construction has an occupancy rate of 15%.



Gården 15 in Linköping

Location: Tornby shopping center in Linköping
 Area: 9,855 sq.m.
 Time plan: Completed Q 1, 2013

In Tornby shopping center, near E4, Castellum has started a new construction on an unutilized building right which was acquired 2009. The new building will consist of 9,855 sq.m. office-, retail- and warehouse premises. The new buildings will be constructed in accordance with the environmental system "Miljöbyggnad".

The investment is calculated to SEKm 106. Leases have been signed on 39% of the premises.



Inköparen 1 in Örebro

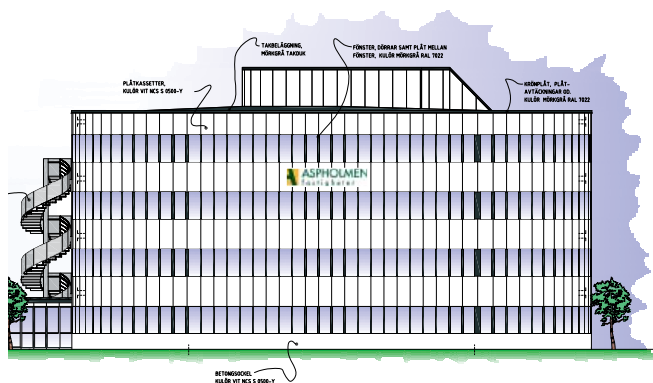
Location: Aspholmen in Örebro
 Area: 4,300 sq.m.
 Time plan: Completed Q 1, 2013

In the fall 2006 Castellum acquired the property Inköparen 1 with an unutilized building right in the working area Aspholmen in Örebro. The property has a good location, right on the exit from highway E18/20. During 2009 3,600 sq.m. office and retail premises were completed on the property and during 2010 another 1,700 sq.m.

During 2011 Castellum started the final stage which consists of 4,300 sq.m. office premises in four floor plans. The new building will be constructed in accordance with the environmental system "Miljöbyggnad" as well as Green Building Standard.

The investment is calculated to SEKm 68. Leases have been signed on 60% of the premises.

Larger ongoing projects 2011



Name of property	Area sq.m.	Econ.occup. Jan 2012	Investment, SEKm		Completed	Comment
			Total	Remaining		
Lindholmen 28:3, Gothenburg	10,400	0%	280	233	Q 2 2013	New construction office premises
Atollen, Jönköping	6,019	0%	169	142	Q 4 2013	New construction office/retail/residential
Fullriggaren 4, Malmö	5,470	0%	154	73	Q 1 2013	New construction office premises
Forskaren 2, Lund	9,000	15%	149	58	Q 4 2012	New construction office premises
Gården 15, Linköping	9,855	39%	106	60	Q 1 2013	New construction office/retail/warehouse
Inköparen 1, Örebro	4,300	60%	68	52	Q 1 2013	New construction office premises
Kärra 28:18, Gothenburg	5,500	0%	45	32	Q 3 2012	New construction warehouse premises
Rosersberg 11:34, Sigtuna	4,080	0%	40	39	Q 4 2012	New construction warehouse/office
Elementet 4, Sollentuna	3,350	0%	33	15	Q 3 2012	New construction warehouse/logistic

Larger completed project

Castellum has larger completed projects to a volume of approx. SEKm 250. Some of the larger completed projects are presented below.



Boländerna 30:2 in Uppsala

Location: Retail area Boländerna in Uppsala
Area: Reconstruction 9,700 sq.m. and extension 4,300 sq.m.
Time plan: Completed Q 4, 2011

Castellum owns several properties in the retail area Boländerna, which today is the strongest outer city retail area in Uppsala. The properties have been developed in stages and in the beginning of 2010 Castellum decided on a reconstruction of 9,700 sq.m. retail and warehouse premises and new construction and extension of approx. 4,300 sq.m. retail and restaurant premises on the property Boländerna 30:2, which were completed during 2011.

The investment amounted to SEKm 70. The reconstruction and extension has an occupancy rate of 90%.



Saltmossen 3 in Botkyrka

Location: Eriksberg in Botkyrka
Area: 5,500 sq.m.
Time plan: Completed Q 3, 2011

In the working area Eriksberg, near highway E4 in Botkyrka, Castellum has completed a new construction of 5,500 sq.m. warehouse premises. The new building has a flexible and adaptable construction. The new building was constructed according to Green Building Standard.

The investment amounted to SEKm 52 and the property is fully let.



Kärä 72:36 in Gothenburg

Location: Tagene-area in Hisingen, Gothenburg
Area: 6,400 sq.m.
Time plan: Completed Q 3, 2011

In the industrial area Tagene, near highway E6, on Hisingen in Gothenburg Castellum has completed a warehouse and industrial property of 6,400 sq.m. The new building is suited for both logistics companies and light production.

The investment amounted to SEKm 45. The property is fully let.

Larger completed projects 2011

Name of property	Area, sq.m.	Econ. occup Jan 2012	Investment, SEKm		Completed	Comment
			Total	of which 2011		
Boländerna 30:2, Uppsala	14,000	90%	70	31	Q 4 2011	Reconstruction and extension retail premises
Saltmossen 3, Botkyrka	5,500	100%	52	46	Q 3 2011	New construction warehouse/logistics premises
Kärä 72:36, Gothenburg	6,400	100%	45	30	Q 3 2011	New construction warehouse/logistics premises
Kallebäck 3:4, Gothenburg	3,400	100%	29	27	Q 4 2011	Reconstruction office premises
Varla 3:22, Kungsbacka	12,800	100%	25	25	Q 4 2011	Reconstruction office and warehouse premises

Larger acquisitions and sales during 2011

During the year, Castellum has acquired 23 properties for a total amount of SEKm 857. 4 properties were sold and the sales price was SEKm 107.

Lundbyvassen 3:1 in Gothenburg

Location: Lindholmen in Gothenburg
Area: 10,800 sq.m.
Access: April 2011

Castellum has acquired a property for SEKm 183 on Lindholmen, Gothenburg. The property, which is located near the company's existing properties, consists of 10,800 sq.m. of which 8,800 sq.m. is office premises and the rest warehouse premises and premises for product development.

The property is fully let.



Hovedvejen 1-7, Glostrup and Vibeholms Allé 15, Brøndby, Denmark

Location: Vibeholms Business Park in Copenhagen
Area: 10,112 sq.m.
Access: November 2011

In Vibeholms Business Park in the Copenhagen area, Castellum has acquired two fully let properties for SEKm 160. The property Hovedvejen 1-7 consists of 6,953 sq.m. of which 3,800 sq.m. is office premises, 2,933 sq.m. garage and the rest retail. Vibeholms Allé 15 is an office property of 3,159 sq.m.

Both buildings are in very good condition and are situated near the properties Castellum has acquired in Copenhagen during the year.



Kusken 3 in Mölndal

Location: Åby Business Park in Mölndal
Area: 7,625 sq.m.
Access: December 2011

In Åby Castellum has acquired a fully let warehouse/office property, situated near the company's existing portfolio. The property consists of 7,625 sq.m. of which 4,850 sq.m. is warehouse premises and the rest office premises.

The investment amounted to SEKm 87.



Boländerna 11:5, 12:1 and 36:2 in Uppsala

Location: Working area Boländerna in Uppsala
Area: 11,300 sq.m.
Access: November 2011

In Boländerna Castellum has acquired three fully let properties near the company's existing properties. The properties consists of 6,500 sq.m. warehouse and industrial premises, 2,400 sq.m. office premises and 2,400 sq.m. retail premises. Further, there are unutilized building rights of approx. 4,500 sq.m.

The investment amounted to SEKm 81.





Sannegården 52:1 in Gothenburg

Location: Lindholmen in Gothenburg
 Area: 7,490 sq.m.
 Access: September 2011

On Lindholmen in Gothenburg Castellum has acquired a property of 6,230 sq.m. for SEKm 73. The property consists of 3,680 sq.m. office- and retail premises and 2,550 sq.m. for warehouse and production.

The property is fully let.



Nejlikebuketten 6, Torshammaren 11, Armringen 2 in Malmö

Location: Fosie, Jägersro in Malmö
 Area: 7,280 sq.m.
 Access: February 2012

In the area Fosie and Jägersro in Malmö Castellum has acquired three properties near the existing property portfolio. The properties consists of 3,715 sq.m. office premises, 1,616 sq.m. retail premises and the rest is warehouse premises.

The investment amounted to SEKm 57 and the properties are fully let.



Roskildevej 22, Copenhagen, Denmark

Location: Albertslund in Copenhagen
 Area: 8,500 kvm
 Access: April 2011

In Albertslund, Copenhagen, Castellum has acquired a property for SEKm 51. The area has a well developed infrastructure and the property has a good exposure along Roskildevej. The property consists of 8,500 sq.m. of which 3,800 sq.m. is office premises and the rest warehouse and service premises. At the time for acquisition the property was fully let on a short contract and the knowledge of moving out.

The investment amounted to SEKm 51.

Larger acquisitions 2011

Property	Area sq.m.	Occupancy rate Jan 2012	Acquisition SEKm	Access	Category
Lundbyvassen 3:1, Gothenburg	10,800	100%	183	Apr 2011	Office
Vibeholms Allé 15, Hovedvejen 1-7, Copenhagen	10,112	100%	160	Nov 2011	Office/retail
Kusken 3, Mölndal	7,625	100%	87	Dec 2011	Office/retail and warehouse
Boländerna 11:5, 12:1 och 36:2, Uppsala	11,300	100%	81	Nov 2011	Warehouse/industrial, office/retail, building right 4,500 sq.m.
Sannegården 52:1, Gothenburg	7,490	100%	73	Sept 2011	Office/retail, warehouse/production
Nejlikebuketten 6, Torshammaren 11, Armringen 2, Malmö	7,280	100%	57	Feb 2012	Office/retail and warehouse
Roskildevej 22, Copenhagen	8,500	0%	51	April 2011	Office
Revisorn 4, Sollentuna	2,635	100%	29	Dec 2011	Warehouse
Abildager 26, Copenhagen	3,470	100%	24	July 2011	Office
Årsta 78:1, Uppsala	2,840	100%	23	Nov 2011	Office

Larger property sales 2011

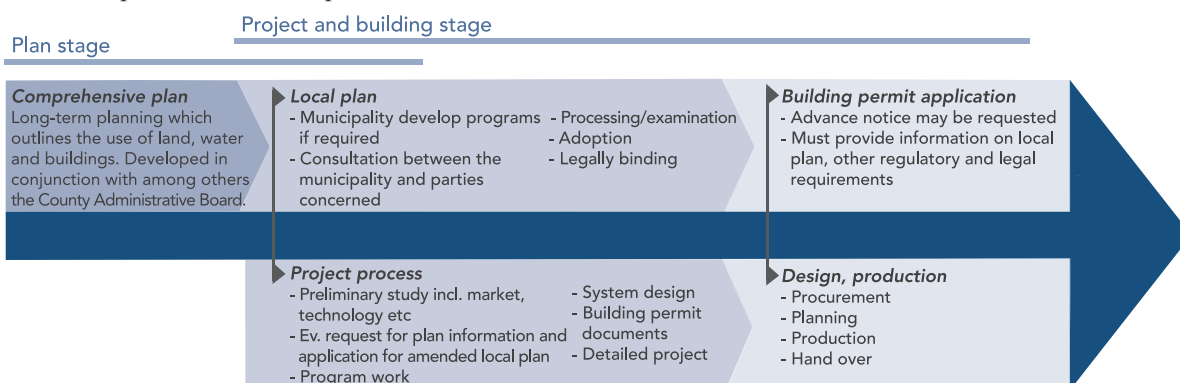
Property	Area, sq.m.	Sales price SEKm	Access	Category
Haifa 1, Stockholm	3,750	76	March 2011	Office
Kallebäck 2:5, Gothenburg	-	22	April 2011	Land/building rights 36,000 sq.m.

Building Rights and Potential Development Projects

Part of Castellum's strategy is to build new premises when this is a competitive alternative. In order to be able to offer the customer new premises with the shortest possible time for moving in, it is a competitive advantage to own building rights in attractive locations with approved plans. Castellum has 760,000 sq.m. unutilized building rights. For a number of the unutilized building rights there are finalized project plans which can be started relatively promptly.

Unutilized building rights are valued at SEKm 735 corresponding to approx. SEK 980 per sq.m. on average. Of the building rights approx. 280,000 sq.m. corresponding to approx. SEKm 320 are reported as development projects and undeveloped land. The remaining are reported among office/retail and warehouse/industrial properties since they are additions to already developed properties. During 2011 Castellum has utilized 35,000 sq.m. of the existing building rights.

The process from land to completion can be time consuming and may differ between different municipalities in the country. Below is a schematic representation of the process.



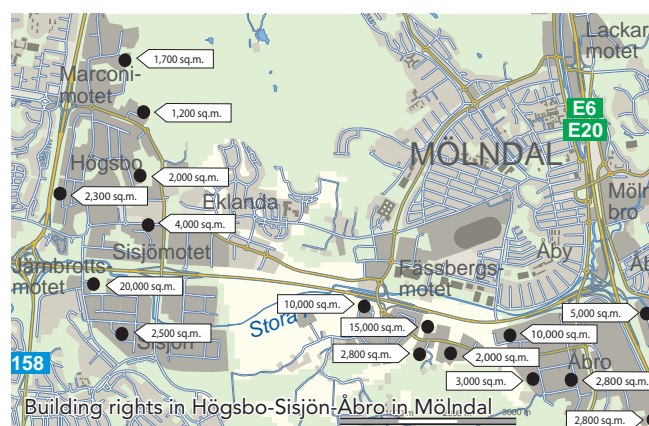
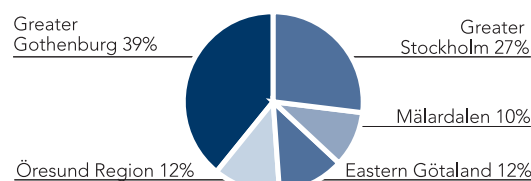
Greater Gothenburg

In Högsbo-Sisjön-Åbro, which is one of Sweden's largest industrial estates, Castellum owns a large number of building rights totalling approx. 104,000 sq.m. One example is Generatoren 1 which is a well exposed building right of approx. 15,000 sq.m.

A number of properties with unutilized building rights for a total of approx. 42,000 sq.m. are found on Hisingen, which is one of Castellum's largest market areas in Greater Gothenburg. The building rights are located in different industrial estates and permit almost only new construction of retail, warehouse and industrial premises.

In the areas Hede and Varla in northern Kungälv, approx. 30 km south of Gothenburg, Castellum owns a number of properties with unutilized building rights of approx. 29,000 sq.m.

Building rights by region and sq.m.



Greater Gothenburg - Unutilized building rights 31-12-2011

Area	Building rights sq.m.	Comment
Högsbo-Sisjön-Åbro	104,000	Most of the unutilized building rights are shown on the map above
Hisingen	42,000	Building rights in industrial estates, permit almost only new construction of warehouse and industrial premises
Gothenburg	16,000	
Kungälv	38,000	Building rights in Varla of 23,000 sq.m. focused on office/warehouse/industrial
Remaining of Greater Gothenburg	95,000	Tjärblomman 2 and Tusenskönan 4 in Mölndal with building rights of 15,000 resp 10,000 sq.m.
Total Greater Gothenburg	295,000	



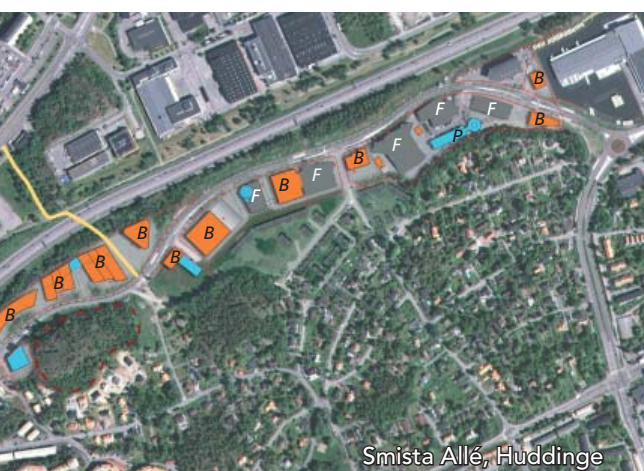
Öresund Region

Next to the Ideon area is Brunnsbrogården which is under development and seen as the next step in the expansion of the research area Ideon. In Brunnsbrogården the European Spallation Source (ESS) for material research is planned which is considered to attract 5,000 researchers to Lund. During the end of 2010 the new construction of a synchrotron plant started in the area, MAX IV.

Castellum's property, Höjdpunkten 2, with a very strategic location at the entrance to Brunnsbrogården and close to the E22, has a potential for new construction of approx. 18,000 sq.m. and an option to acquire additional building rights of 30,000 sq.m.

Öresund Region - Unutilized building rights 31-12-2011

Area	Building rights sq.m	Comment
Malmö	42,000	Building rights in industrial estates, permit mainly new construction of warehouse and industrial premises
Lund	31,000	Building rights in the Ideon area close to Lunds University of Technology
Helsingborg	19,000	Kulan 1 with building rights of 10,000 sq.m.
Total Öresund Region	92,000	



Greater Stockholm

By the E4/E20, at Kungens kurva in Huddinge, Smista Allé is located, which is one of the largest sites with building rights in Greater Stockholm. For building rights of approx. 40,000 sq.m. the plan permits offices, retail of capital goods and warehouses. The picture shows the area and the completed buildings (F), started projects (P) and unutilized building rights (B).

In Johanneshov, in southern Stockholm, Castellum owns several neighbouring properties with unutilized building rights. One example are the properties in Linde Torp, close to the Globen area, where there are 23,500 sq.m. potential building rights, specializing in retail, office and hotel premises. The area is well served by subway and Southern Link road as well as the highway E4.

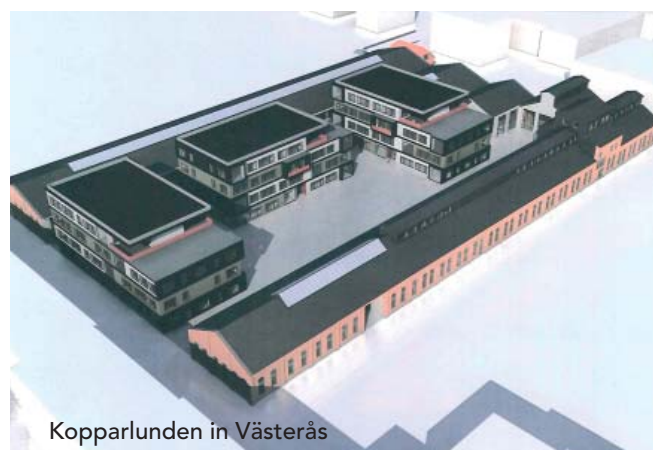
Greater Stockholm - Unutilized building rights 31-12-2011

Area	Building rights sq.m	Comment
Sollentuna	111,000	The majority in Norrviken with good connections to E4/E20 north of Stockholm
Huddinge	40,000	Smista Allé located at Kungens Kurva
Johanneshov	38,000	Several adjacent properties with unutilized building rights permitting coordinated development of the area
Remaining Greater Stockholm	14,000	
Total Greater Stockholm	203,000	

Mälardalen

In Kopparlunden, which is one of the most interesting development areas in Västerås, Castellum owns properties permitting future new construction and extensions of approx. 10,000 sq.m.

The area Boländerna in Uppsala has an attractive location and in the area several large companies with focus on retail are established, making Boländerna Uppsala's largest retail area. Castellum owns approx. 6,700 sq.m. unutilized building rights in the area, with focus on retail, in addition to utilized building rights completed in 2011.



Kopparlunden in Västerås

Mälardalen - Unutilized building rights 31-12-2011

Area	Building rights sq.m	Comment
Örebro	37,000	Building rights in central Örebro with a total of 6,000 sq.m.
Västerås	25,000	Kopparlunden with building rights of 10,000 sq.m.
Uppsala	12,000	Building rights in the area Boländerna
Sigtuna	5,000	
Total Mälardalen	79,000	

Eastern Götaland

In Linköping Castellum owns unutilized building rights on Idémannen 2 allowing approx 5,000 sq.m. office premises. In Linköping, there is also an option for additional building rights on 25,000 sq m retail premises in the area Djurgården.

Bagaren 10 in Växjö is located in the industrial area Västra Mark. In connection to the existing building there is an additional building right of approx. 10,000 sq.m. for new construction of office, retail and warehouse premises.

In Värnamo Castellum owns unutilized building rights in the area Hornaryd totalling 14,000 sq.m.



Visionen 1, Jönköping

Eastern Götaland - Unutilized building rights 31-12-2011

Area	Building rights sq.m	Comment
Växjö	28,000	Bagaren 10, approx. 10,000 sq.m. with possibilities for new construction of office/retail/warehouse premises
Värnamo	25,000	Among others, building rights of 14,000 sq.m. in Hornaryd
Jönköping	20,000	Among others, building rights of Vingen 4 directed at retail
Linköping	8,000	5,000 sq.m. in Mjärdevi Science Park
Remaining Eastern Götaland	7,000	
Total Eastern Götaland	88,000	

Castellum's regions

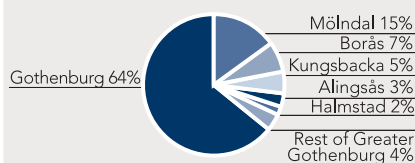
CASTELLUM



Greater Gothenburg

Proportion of Castellum's portfolio

33%



No. of properties	193
Area, thousand sq.m	1,085
Fair value, SEKm	11,023
Rental value, SEKm	1,026
Net operating income, SEKm	698
Net investments, SEKm	728
Net leasing 2011, SEKm	7

Operating company:

E Eklandia
Fastighets AB

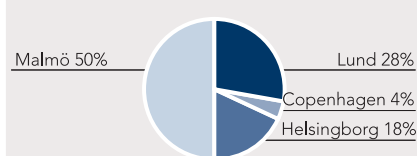
Harry Sjögren AB



Öresund Region

Proportion of Castellum's portfolio

22%



No. of properties	109
Area, thousand sq.m	678
Fair value, SEKm	7,303
Rental value, SEKm	703
Net operating income, SEKm	388
Net investments, SEKm	541
Net leasing 2011, SEKm	23

Operating company:



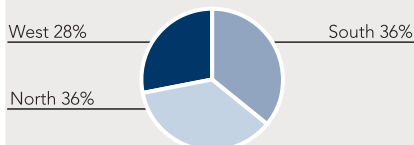
BRIGGEN



Greater Stockholm

Proportion of Castellum's portfolio

19%



No. of properties	100
Area, thousand sq.m	573
Fair value, SEKm	6,557
Rental value, SEKm	675
Net operating income, SEKm	347
Net investments, SEKm	226
Net leasing 2011, SEKm	3
Operating company:	

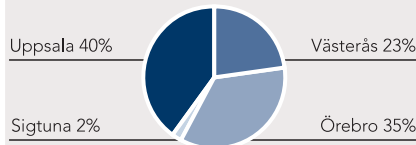
BROSTADEN



Mälardalen

Proportion of Castellum's portfolio

15%



No. of properties	120
Area, thousand sq.m	560
Fair value, SEKm	5,168
Rental value, SEKm	550
Net operating income, SEKm	319
Net investments, SEKm	352
Net leasing 2011, SEKm	16
Operating company:	

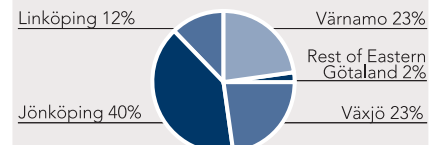
ASPHOLMEN
fastigheter



Eastern Götaland

Proportion of Castellum's portfolio

11%



No. of properties	95
Area, thousand sq.m	515
Fair value, SEKm	3,816
Rental value, SEKm	412
Net operating income, SEKm	227
Net investments, SEKm	168
Net leasing 2011, SEKm	12
Operating company:	

Corallen

Greater Gothenburg

Castellum's real estate portfolio in Greater Gothenburg comprises in addition to Gothenburg, Alingsås, Härryda, Kungälv, Lerum, Mölndal and Partille also Borås and Halmstad. These regions combined have approx. 1.3 million inhabitants, which corresponds to approx. 14% of Sweden's total population.

Greater Gothenburg is one of three big-city regions in Sweden and one of the country's most important centers for transport and industry.

Greater Gothenburg is centrally located with a well developed infrastructure, including Gothenburg harbour, the airports and the highways E6 and E20, all contributing to the notion that the region is the best logistical centre in Scandinavia. Greater Gothenburg forms a large local labour market, mainly due to good communication and commuting possibilities. The infrastructure will be further improved in future years by a new overpass over Göta Älv.

As a traditional industrial city, Gothenburg has been depending on its export industry. Today, business is extensive and diversified, spread over all branches, even though manufacturing industry, trade and logistics have historically been important areas. The business structure is now broader and has created growth in knowledge-intensive and hitech companies as well as in traditional businesses.

The Åbro district in Mölndal and Högsbo/Sisjön in the municipality of Gothenburg, together form one of Sweden's largest continuous industrial and enterprise areas.

In Borås, commerce and logistics are strong sectors, which together with textile and clothing industry create an intensive international trade, supported by the proximity to Göteborg Landvetter Airport and Port of Gothenburg.

The economy in the Halmstad region is multifaceted and dominated by small and medium-sized companies within manufacturing, service, commerce and tourism. The region has a well developed infrastructure with road, train, air and sea connections.

Rental market

The rental market in Greater Gothenburg has been stable, showing strong demand as well as slightly rising rental levels for both office and warehouse premises, even if some slow-down was observed towards the end of the year. Vacancy rates are generally low and have basically remained unchanged throughout the year.

In central Gothenburg, the increased demand for flexible office facilities has led to the undertaking of a number of new construction projects in 2011. During the same year, a positive development in the rental market for all property types was also seen in both Borås and Halmstad.

Real estate market

In 2011, the transaction volume in Greater Gothenburg increased for the second consecutive year. Real estate transactions for approx. SEK 9.0 billion were carried out, compared to approx. SEK 6.4 billion in 2010. Several major transactions took place during the year; the largest of which was the sale of a portfolio of office properties in central Gothenburg for approx. SEK 1.2 billion. The largest transaction outside the municipality of Gothenburg was the sale of a residential property portfolio in Halmstad for SEKm 680.

In all larger transactions conducted in the region, the buyers were Nordic companies and, in most cases, Swedish ones. Much business was conducted in central Gothenburg with a yield of 4.8% -5.5%.



Mejramen 1, Mölndal



	Greater Gothenburg	Borås	Halmstad
Population	996,000	166,000	116,000
Growth in population 2002-2011 / year (the nation 0.6%)	0.9%	0.4%	0.6%
Students at university/college	50,000	10,000	9,000
Growth in employment 2002-2011 / year (the nation 0.5%)	1.0%	0.2%	0.8%
Growth in gross wages 2002-2011 / year (the nation 2.5%)	3.1%	2.4%	3.0%

Source: Evidens and SCB

The five largest real estate owners

Greater Gothenburg	Premises thous. sq.m.	Borås	Premises thous. sq.m.	Halmstad	Premises thous. sq.m.
Castellum (Eklandia and Harry Sjögren)	958	SveaReal	137	Fem Hjärtan	55
Wallenstam	549	Castellum (Harry Sjögren)	93	Försäkringsbolaget Alecta	53
Vasakronan	363	Klövern	83	Rikshem	52
Diligentia / Skandia Liv	342	Nordic Real Estate Partners	83	Fragerius Fastigheter	46
Platzer	329	Hemfosa Fastigheter	67	Dagon	45
				Castellum (Harry Sjögren)	34

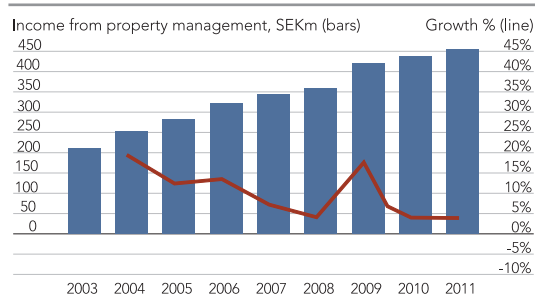
Number of commercial premises (excl. residential) owned as at 31-12-2011. Municipal and State-owned companies and government institutions have been excluded.
Source: Byggstatistik and Castellum

Gothenburg				Borås				Halmstad			
	Market rents SEK/sq.m.	Yields at sales	Estimated values SEK/sq.m.	Market rents SEK/sq.m.	Yields at sales	Estimated values SEK/sq.m.		Market rents SEK/sq.m.	Yields at sales	Estimated values SEK/sq.m.	
Office											
AA-area	1,600 - 2,400	5.00% - 6.00%	18,000 - 34,000								
A-area	1,350 - 2,100	5.50% - 6.50%	11,000 - 27,500	800 - 1,400	6.75% - 8.25%	8,000 - 14,000		850 - 1,400	6.50% - 7.75%	6,000 - 13,500	
B-area	1,000 - 1,500	6.25% - 7.25%	6,000 - 18,000	575 - 825	8.00% - 10.00%	5,000 - 8,000		700 - 1,200	7.00% - 8.50%	4,500 - 11,000	
C-area	600 - 1,200	7.00% - 8.50%	4,000 - 13,000	400 - 650	9.00% - 11.00%	2,700 - 4,000		550 - 900	8.00% - 10.00%	4,000 - 8,000	
Retail											
AA-area	4,000 - 8,500	4.75% - 5.75%	30,000 - 95,000								
A-area	2,500 - 6,000	5.00% - 6.25%	20,000 - 75,000	1,400 - 2,500	6.25% - 8.00%	11,000 - 24,000		1,250 - 3,300	6.00% - 6.75%	11,500 - 27,000	
B-area	1,000 - 3,500	5.75% - 6.75%	10,000 - 27,500	700 - 1,500	7.50% - 9.00%	5,000 - 10,000		800 - 2,000	6.25% - 7.75%	5,000 - 17,500	
C-area	700 - 1,500	6.25% - 8.00%	2,500 - 12,500	400 - 650	9.00% - 11.00%	3,000 - 5,000		650 - 1,500	7.50% - 9.25%	4,000 - 9,500	
Warehouse/industrial											
A-area	500 - 900	7.00% - 8.25%	5,500 - 11,000	300 - 600	8.25% - 9.75%	2,750 - 5,000		350 - 600	8.00% - 9.00%	2,000 - 6,000	
B-area	450 - 750	7.75% - 8.75%	4,000 - 8,000	275 - 450	9.00% - 11.00%	1,750 - 2,750		300 - 550	8.25% - 9.50%	2,000 - 5,000	
C-area	400 - 600	8.25% - 9.25%	3,000 - 6,000	175 - 275	10.00% - 13.00%	1,000 - 2,250		250 - 450	9.00% - 11.50%	1,500 - 3,000	

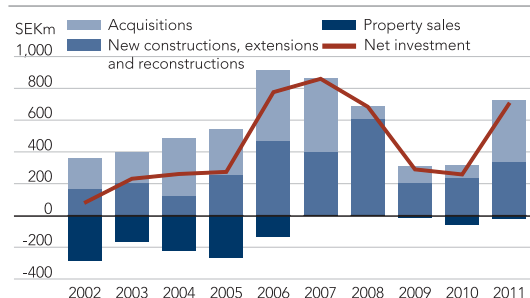
Source: NAI Svefa



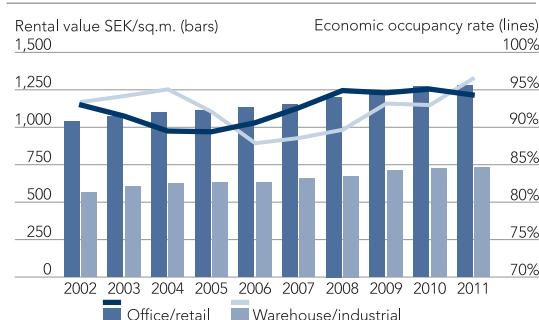
Income from property management



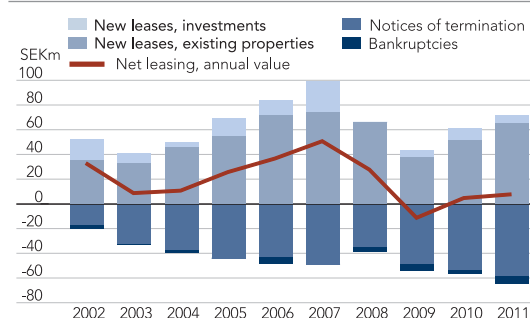
Investments and sales



Rental value and economic occupancy rate



Net leasing



Greater Gothenburg summary

	December 31, 2011				January-December 2011								
	No of prop.	Area thous. sq.m.	Property value SEKm	Property value SEK/sq.m	Investments, SEKm		Rental value SEKm	Rental value SEK/sq.m	Econ. occupancy rate	Rental income SEKm	Property costs SEKm	Property costs SEK/sq.m	Net operating income SEKm
					New constr. ext., recon.	Acquisitions							
Office/retail	78	423	6,012	14,222	139	256	540	1,277	94.3%	509	130	307	379
Warehouse/industrial	102	660	4,862	7,369	171	104	482	731	96.7%	466	104	158	362
Total	180	1,083	10,874	10,046	310	360	1,022	944	95.4%	975	234	216	741
Leasing and property administration											44	41	– 44
Development projects and undeveloped land	13	2	149	–	24	34	4	–	–	2	1	–	1
Total	193	1,085	11,023	–	334	394	1,026	–	–	977	279	257	698

Castellum's real estate portfolio

Castellum's real estate portfolio in Greater Gothenburg comprises 193 properties (188) with a total area of 1,085,000 sq. m. (1,046,000) and a fair value of SEKm 11,023 (10,176). For properties owned at the year-end the rental value amounted to SEKm 1,026 (977) on an annual basis and net operating income to SEKm 698 (644). Investments during the year amounted to SEKm 728 (315).

Central and eastern Gothenburg consist mainly of office and retail properties, a district corresponding to 64% of Castellum's real estate portfolio in Greater Gothenburg. The portfolio on Hisingen and in Högsbo/Sisjön consists of office properties as well as warehouse and industrial properties.

In the municipality of Mölndal, corresponding to 15% of Castellum's real estate portfolio in Greater Gothenburg, there are mainly warehouse and industrial properties. In Åbro and Lackarebäck offices are also found.

The real estate portfolio in Borås municipality corresponds to 7% of Castellum's real estate portfolio in Greater Gothenburg. Castellum mainly owns office and retail properties in central Borås, but also a smaller share of warehouse and industry properties.

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

See also the section Castellum's Real Estate Schedule 2011, with real estate schedule, maps and financial information.

Rental development

Castellum's average rental level is SEK 1,277 per sq.m. for office/retail and SEK 731 per sq.m. for warehouse/industrial premises. Rental levels have increased by 0.9% in comparable portfolio compared with previous year.

The average economic occupancy rate was 95.4%, which is 1.3%-units higher than previous year.

The gross leasing (i.e. the annual value of total leasing) during the year was SEKm 72 (61), of which SEKm 7 (10) related to leasing in new constructions, extensions and reconstructions. Notices of terminations amounted to SEKm 65 (57), of which bankruptcies were SEKm 7 (4), hence net leasing for the year were SEKm 7 (4).

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 41 employees and Harry Sjögren had 30 employees.



Masthugget 3:6 Gothenburg

The Öresund Region

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. The entire Malmö region has during the last few years had a very strong progress.

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

The infrastructure in Malmö together with Copenhagen is highly developed, with the Öresund Bridge, a number of European highways, Sturup airport and the proximity to Kastrup airport, a modern harbour and good railroad connections. Structural investments in infrastructure like the Öresund bridge and the new City railroad tunnel drives the development forward. Malmö has been transformed from an industrial to a knowledge city and the business that earlier consisted of few large industrial companies has shifted and is now made up by several small enterprises in a number of branches. Copenhagen is characterized by being capital of Denmark and the trade and industry in Copenhagen has been transformed with declining manufacturing industries for the benefit of the service sector.

Lund has a highly developed infrastructure with highways E22 and E6 and the airports Sturup and Kastrup close by. Lund's economy has a knowledge based profile with many smaller research intensive companies with connections both to the university and to established companies. Several of those have emerged out of Ideon where the last year's new production of office areas has been concentrated. The Brunnsköp area is an upcoming area for exploitation, partly because of plans for the research establishment European Spallation Source (ESS) to be located to the area. New construction of a synchrotron plant, MAX IV, was started in the area which will be completed 2015.

Helsingborg has a strategic location and good infrastructure, with the highways E4 and E6 and Sweden's third largest harbour for goods, all of which have transformed the city into a centre for sea and land transport. The city is a trade and logis-

tics centre, but also food, pharmaceutical and manufacturing industry are important businesses.

Rental market

The rental market in Malmö has remained strong, with stable rental levels and high demand for office premises in particular, even if some slowdown was observed towards the end of the year. Vacancies remain virtually unchanged for both office and warehouse premises.

The demand for warehouse and industrial premises in Helsingborg has been good. This has had a positive impact on rental levels – whereas some slowdown was seen for office premises.

In Lund, the increased supply, caused by new construction and new restructuring-based vacancies, has not been met with an equivalent increase in demand. However, rental levels remain stable and the demand for new office space is expected to increase when the larger projects at the research campus are completed.

Real estate market

The 2011 transaction volume increased in the Malmö region and totalled SEK 5.3 billion, compared to SEK 4.9 billion in 2010. Approx. 70% of the volume was carried out in the municipality of Malmö and approx. 38% concerned residential properties. The single largest transaction in the region amounted to SEKm 600 and concerned a residential property in the city centre. All but two of the major buyers were Swedish companies. Sales of office properties were conducted with a yield of 5.0% –6.0%.



	Malmö Region	of which Lund	of which Helsingborg
Population	1,087,000	112,000	131,000
Growth in population 2002-2011 / year (the nation 0.6%)	1.1%	1.2%	1.0%
Students at university/college	59,000	39,000	–
Growth in employment 2002-2011 / year (the nation 0.5%)	1.0%	1.0%	1.1%
Growth in gross wages 2002-2011 / year (the nation 2.5%)	3.0%	2.9%	3.0%

Source: Evidens and SCB

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	1,205	Castellum (Briggen)	128	Wihlborgs	502
Castellum (Briggen)	656	Wihlborgs	121	Castellum (Briggen)	156
Vasakronan	292	Hemfosa Fastigheter	102	Norrporten	112
Kungsleden	191	Vasakronan	85	Brinova	98
Dagon	183	North Bridge Capital Partners	77	Northern Logistics Property	75

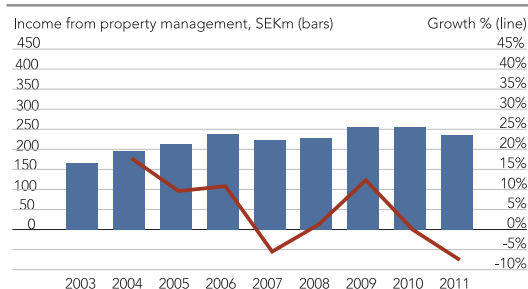
Number of commercial premises (excl. residential) owned as at 31-12-2011. Municipal and State-owned companies and government institutions have been excluded.
Source: Byggstatistik och Castellum

	Malmö			Lund			Helsingborg		
	Market rents SEK/sq.m.	Yields at sales values. SEK/sq.m.	Estimated values. SEK/sq.m.	Market rents SEK/sq.m.	Yields at sales values. SEK/sq.m.	Estimated values. SEK/sq.m.	Market rents SEK/sq.m.	Yields at sales values. SEK/sq.m.	Estimated values. SEK/sq.m.
Office									
AA-area	1,650 - 2,400	5.25% - 6.25%	20,000 - 30,000						
A-area	1,500 - 2,100	5.75% - 6.50%	14,000 - 20,000	1,300 - 1,950	6.25% - 6.75%	14,500 - 22,000	1,250 - 1,800	6.50% - 7.00%	12,000 - 17,000
B-area	900 - 1,500	6.50% - 7.75%	7,000 - 13,000	700 - 1,350	6.75% - 7.75%	8,000 - 12,000	800 - 1,200	7.25% - 8.25%	7,000 - 10,000
C-area	650 - 1,200	7.75% - 9.00%	5,000 - 7,000	600 - 1,000	7.50% - 9.00%	5,000 - 7,000	600 - 850	8.00% - 9.75%	4,500 - 7,000
Retail									
AA-area	4,000 - 5,750	5.25% - 6.00%	40,000 - 45,000						
A-area	3,200 - 4,500	5.75% - 6.25%	25,000 - 35,000	2,500 - 4,400	6.00% - 6.50%	25,000 - 35,000	2,500 - 4,000	6.25% - 7.00%	22,000 - 32,000
B-area	1,000 - 2,400	6.50% - 7.50%	10,000 - 20,000	1,200 - 2,200	6.50% - 7.25%	15,000 - 25,000	1,200 - 1,900	7.00% - 7.75%	9,000 - 14,000
C-area	650 - 1,300	7.50% - 9.00%	5,000 - 12,000	650 - 1,100	7.25% - 8.50%	6,000 - 10,000	600 - 900	7.50% - 9.50%	4,000 - 8,000
Warehouse/industrial									
AA-area	650 - 850	7.00% - 7.75%	5,000 - 9,000						
A-area	550 - 700	7.25% - 8.00%	4,000 - 8,500	450 - 800	7.25% - 8.50%	4,000 - 8,000	350 - 650	7.75% - 8.75%	3,000 - 8,000
B-area	350 - 650	8.00% - 9.50%	3,500 - 6,000	350 - 650	8.00% - 9.50%	3,000 - 5,500	250 - 500	8.25% - 10.00%	2,500 - 4,500
C-area	300 - 500	9.00% - 10.50%	3,000 - 4,000	250 - 400	9.00% - 12.00%	2,000 - 4,000	225 - 400	9.00% - 12.00%	1,500 - 3,000

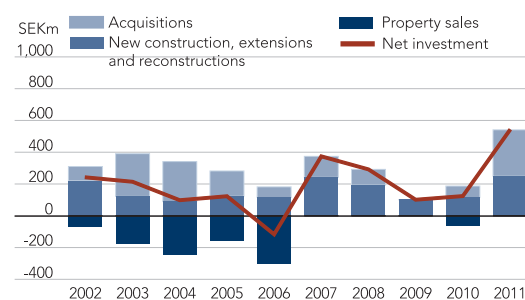
Source: NAI Svefa



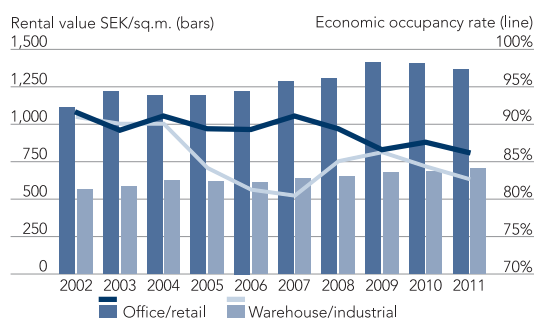
Income from property management



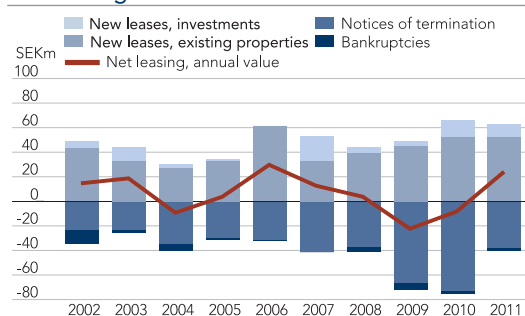
Investments and sales



Rental value and economic occupancy rate



Net leasing



Öresund region summary

	December 31, 2011				January-December 2011								
	No of prop.	Area thous. sq.m.	Property value SEKm	Property value SEK/sq.m	Investments, SEKm		Rental value SEKm	Rental value SEK/sq.m	Econ. occupancy rate	Rental income SEKm	Property costs SEKm	Property costs SEK/sq.m	Net operating income SEKm
					New constr. ext., recon.	Acquisitions							
Office/retail	59	355	5,271	14,841	79	292	485	1,366	86.2%	418	113	318	305
Warehouse/industrial	41	297	1,750	5,902	21	–	209	703	82.8%	173	47	159	126
Total	100	652	7,021	10,774	100	292	694	1,065	85.2%	591	160	246	431
Leasing and property administration											38	58	– 38
Development projects and undeveloped land	9	26	282	–	149	–	9	–	–	1	6	–	– 5
Total	109	678	7,303	–	249	292	703	–	–	592	204	304	388

Castellum's real estate portfolio

Castellum's real estate portfolio in the Öresund region comprises 109 properties (101) with a total area of 678,000 sq. m. (646,000) and a fair value of SEKm 7,303 (6,748). For properties owned at the year-end the rental value amounted to SEKm 703 (667) on an annual basis and net operating income to SEKm 388 (370). Investments during the year amounted to SEKm 541 (187).

50% of Castellum's portfolio in the Öresund region is located to Malmö and 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, corresponding to 28% of the company's real estate portfolio in the Öresund region, the portfolio comprises office as well as warehouse and industrial properties in the industrial estates Råbyholm and Gunnesbo, and office properties close at the Ideon science park. There is also a smaller portfolio of office and retail properties located to central Lund.

The portfolio in Helsingborg, 18%, comprises mainly office, warehouse and industrial properties situated primarily in Berga industrial estate and in central Helsingborg.

During 2011 Castellum has acquired 4 properties in Albertslund, Brøndby and Vibeholm in Copenhagen, Denmark, which corresponds to 4% of the portfolio in the Öresund Region.

See also the section Castellum's Real Estate Schedule 2011, with real estate schedule, maps and financial information.

Rental development

Castellum's average rental level is SEK 1,366 per sq.m. for office/retail and SEK 703 per sq.m. for warehouse/industrial premises. Rental levels have increased by 0.1% in comparable portfolio compared with previous year.

The average economic occupancy rate was 85.2%, which is 1.4%-units lower than previous year.

The gross leasing (i.e. the annual value of total leasing) during the year was SEKm 63 (66), of which SEKm 11 (14) related to leasing in new constructions, extensions and reconstructions. Notices of terminations amounted to SEKm 40 (75), of which bankruptcies were SEKm 2 (2), hence net leasing for the year were SEKm 23 (-9).

Subsidiaries

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, Lund and Copenhagen. At the year-end Briggen had 43 employees.



Hansa

GALLERIAN

DAM
salong

Stadt Hamburg 14, Malmö

Greater Stockholm

The Stockholm region is Sweden's largest employment area with approx. two million inhabitants, or 22% of the nations 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 major political institutions as well as a large number of Swedish companies are residing. The whole region with Stockholm city, suburbs and surrounding cities is growing and under continuous progress. The region has Sweden's largest service sector spread over many business areas, making up for approx. 60% of total gross wages. Both employment and population growth in the region have during the last decade been highest in the country.

Greater Stockholm can be divided into the inner city and 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, the increasing number of workplaces have gradually been concentrated to larger business districts.

North

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

Sollentuna municipality, 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 and the districts Mariehäll and Ulvsunda in Bromma are geographically concentrated with proximity to Stockholm city and have a well developed infrastructure. The total office market 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 intensive 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. 66,000 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. The Globen area, including Johanneshov, 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 highway E4 and the trunk line, is dominated by transportation and logistics companies, warehouses, manufacturing and construction companies.



Visiret 2, Huddinge



Skärholmen, located to the most southern part of Stockholm, is dominated by trade and the area Kungens Kurva is one of the largest shopping areas in the Nordic countries.

Rental market

The residential property market in the Stockholm region has been stable in most sub-markets, with largely unchanged rental and vacancy levels. Towards the year-end a slowdown was observed. Although many major new construction and reconstruction projects have been completed in recent years, the rental and vacancy levels have not been directly affected.

At the moment, however, the demand for efficient storage and logistics premises is greater than supply, which is reflected in the low vacancy rate.

Real Estate Market

Turnover in the Stockholm region property market represented approx. 40% of the transaction volume in the country, and increased compared to the previous year. In 2011, real estate transactions totalled approximately SEK 36.6 billion, compared to SEK 35.1 billion in 2010.

The larger transactions conducted included various property types such as land, housing, retail, and offices. The largest retail property transaction consisted of a portfolio of approx. SEK 2.4 billion, and both seller and buyer were foreign players. Central office properties accounted for the largest share of sales in Greater Stockholm, and most buyers represented pension funds. Yield varied between 4.5%–5.5%.

Stockholm

Population	2,129,000
Growth in population 2002-2011 / year (the nation 0.6%)	1.2%
Students at university/college	98,000
Growth in employment 2002-2011 / year (the nation 0.5%)	1.1%
Growth in gross wages 2002-2011 / year (the nation 2.5%)	2.6%

Source: Evidens and SCB

The five largest real estate owners

Greater Stockholm	Premises thous. sq.m
(Municipalities Botkyrka, Huddinge, Järfälla, Nacka, Sigtuna, Sollentuna, Solna, Stockholm, Upplands-Väsby)	
Vasakronan	1,775
Fabege	1,097
Atrium Ljungberg	579
Castellum (Brostaden)	573
AMF Pension	537

Number of commercial premises (excl. residential) owned as at 31-12-2011. Municipal and State-owned companies and government institutions have been excluded.

Source: Byggstatistik and Castellum

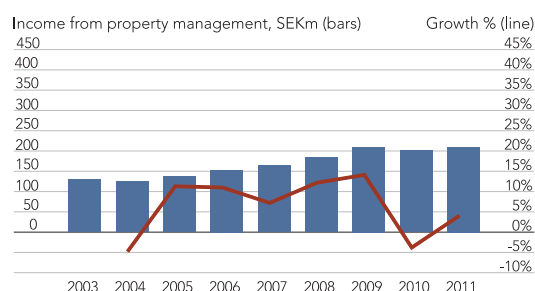
Stockholm (inner suburbs)

	Market rents SEK/sq.m.	Yields at sales	Estimated values, SEK/sq.m
Office			
A-area	1,700 - 2,300	5.25% - 6.75%	15,000 - 35,000
B-area	1,200 - 1,600	6.50% - 7.50%	10,000 - 20,000
C-area	700 - 1,200	7.25% - 8.75%	5,000 - 8,000
Retail			
A-area	1,500 - 6,000	5.50% - 6.75%	20,000 - 60,000
B-area	1,100 - 2,500	6.50% - 7.50%	10,000 - 25,000
C-area	600 - 1,500	7.00% - 8.00%	5,000 - 10,000
Warehouse/industrial			
A-area	800 - 1,300	7.00% - 8.00%	5,000 - 12,000
B-area	550 - 800	7.50% - 8.50%	4,500 - 8,000
C-area	450 - 650	7.75% - 9.00%	3,500 - 6,000

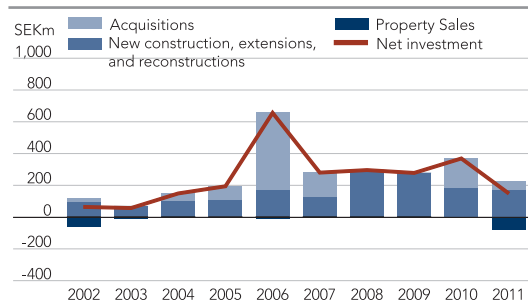
Source: NAI Svefa



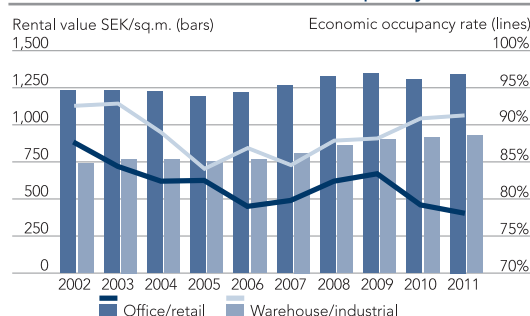
Income from property management



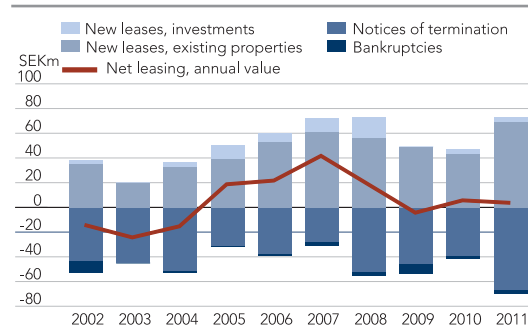
Investments and sales



Rental value and economic occupancy rate



Net leasing



Greater Stockholm summary

	December 31, 2011				January-December 2011								
	No of prop.	Area thous. sq.m.	Property value SEKm	Property value SEK/sq.m.	Investments, SEKm		Rental value SEKm	Rental value SEK/sq.m.	Econ. occupancy rate	Rental income SEKm	Property costs SEKm	Property costs SEK/sq.m.	Net operating income SEKm
Office/retail	52	344	4,352	12,655	77	23	462	1,343	78.1%	361	116	337	245
Warehouse/industrial	42	218	1,945	8,909	74	29	202	926	91.4%	185	53	241	132
Total	94	562	6,297	11,200	151	52	664	1,181	82.2%	546	169	300	377
Leasing and property administration											34	62	-34
Development projects and undeveloped land	6	11	260	-	16	7	11	-	-	7	3	-	4
Total	100	573	6,557	-	167	59	675	-	-	553	206	362	347

Castellum's real estate portfolio

Castellum's real estate portfolio in Greater Stockholm comprises 100 properties (97) with a total area of 573,000 sq.m. (569,000) and a fair value of SEKm 6,557 (6,370). For properties owned at the year-end the rental value amounted to SEKm 675 (635) on an annual basis and net operating income to SEKm 347 (331). Investments during the year amounted to SEKm 226 (374).

In the northern suburbs, comprising 36% of Castellum's real estate property portfolio in Greater Stockholm, larger office and retail properties are located in Mariefält in Bromma, Kista and Solna.

Properties in the southern suburbs, corresponding to 36% of Castellum's real estate portfolio in Greater Stockholm, are located in areas such as Johanneshov, Skärholmen/Kungens kurva and Nacka. In these areas there are mainly larger office and retail properties. In Botkyrka warehouse and industrial properties can also be found.

In the western suburbs, comprising 28% of Castellum's real estate property portfolio in Greater Stockholm, larger office and properties are located in Upplands-Väsby and Sollentuna. In the areas Veddesta/Lunda and Rosersberg there are mainly warehouse and industrial properties.

See also the section Castellum's Real Estate Schedule 2011, with real estate schedule, maps and financial information.

Rental development

Castellum's average rental level is SEK 1,343 per sq.m. for office/retail and SEK 926 per sq.m. for warehouse/industrial premises. Rental levels have increased by 2.2% in comparable portfolio compared with previous year.

The average economic occupancy rate was 82.2%, which is 0.6%-units lower than previous year.

The gross leasing (i.e. the annual value of total leasing) during the year was SEKm 73 (47), of which SEKm 4 (4) related to leasing in new constructions, extensions and reconstructions. Notices of terminations amounted to SEKm 70 (42), of which bankruptcies were SEKm 3 (3), hence net leasing for the year were SEKm 3 (5).

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 three market areas. At the year-end Brostaden had 39 employees.



EPICOR

Sicklaön 394:5, Nacka

Mälardalen

Castellum's region Mälardalen comprises the areas of Örebro, Uppsala and Västerås, with a combined population of approx. 770,000 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's strategic location with the intersection of several roads, with good railroad connections and an airport close by, has transformed Örebro into a centre for logistics. Business in Örebro is diversified, with activities found in commerce, service, administration, a variety of manufacturing industries and several governmental and municipal administrative bodies.

Uppsala is the country's fourth largest city and one of the most important university cities, with good communications and a well developed and diversified business with focus on IT, medical science and commerce. The university, good infrastructure and vicinity to Stockholm are some of the explanations why Uppsala has been showing a good growth.

Västerås has a strategic location by highway E18, good railroad connections, an airport and the largest inland port of the Nordic countries. The local business is characterized by both multinational companies and many new enterprises. Collaboration between the university and the local business is a strong growth factor. In central Västerås, there is a transformation from former industry premises to modern offices going on.

Rental market

Uppsala has stable rental and vacancy levels. In 2011, the demand for warehouse and logistics premises, as well as for offices in the city centre, created the conditions for increased rental levels.

Västerås has had a stable rental market for both rental levels and vacancies, although some slowdown was observed towards the end of the year. This applies to both office and warehouse premises.

The rental market in Örebro has been strong – especially for office premises, where fewer vacancies and a positive development of rent levels have been noted. Warehouse and logistics premises, on the other hand, have essentially demonstrated unchanged vacancy and rental levels.

Real estate market

In 2011, the real estate market in Mälardalen had a turnover of approx. SEK 2.6 billion, compared with SEK 7.7 billion in 2010. Transaction volumes were evenly distributed between Uppsala and Västerås, whereas no large transactions were carried out in Örebro.

The largest transactions in Mälardalen were acquisitions of commercial and residential properties – the two largest ones being a residential property portfolio in Uppsala and the sale of shopping malls in Västerås. All major transactions carried out in 2011 had Swedish buyers, except for the sale of the malls in Västerås where both buyer and seller were foreign players.



	Örebro	Uppsala	Västerås
Population	230,000	309,000	231,000
Growth in population 2002-2011 / year (the nation 0.6%)	0.5%	0.9%	0.4%
Students at university/college	16,000	41,000	13,000
Growth in employment 2002-2011 / year (the nation 0.5%)	0.3%	0.8%	0.2%
Growth in gross wages 2002-2011 / year (the nation 2.5%)	2.6%	2.7%	2.0%

Source: Evidens och SCB

The five largest real estate owners

Örebro	Premises thous. sq.m	Uppsala	Premises thous. sq.m	Västerås	Premises thous. sq.m
Castellum (Aspholmen)	210	Vasakronan	249	Kungsleden	503
Brinova	96	Castellum (Aspholmen)	169	Klövern	193
Alecta Pensionsförsäkring	91	Uppsala Akademiförvaltning	157	Castellum (Aspholmen)	165
Norrporten	74	Klövern	85	Hemfosa Fastigheter	119
Behrn Fastigheter	71	Hemfosa Fastigheter	77	Northern Logistics Property	105

Number of commercial premises (excl. residential) owned as at 31-12-2011. Municipal and State-owned companies and government institutions have been excluded.

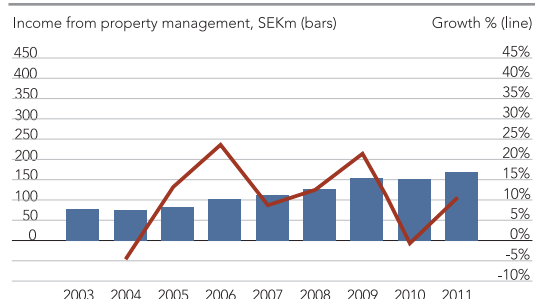
Source: Byggstatistik and Castellum

	Örebro			Uppsala			Västerås		
	Market rents SEK/sq.m.	Yields at sales	Estimated values SEK/sq.m	Market rents SEK/sq.m.	Yields at sales	Estimated values SEK/sq.m	Market rents SEK/sq.m.	Yields at sales	Estimated values SEK/sq.m
Office									
A-area	900 - 1,600	6.50% - 8.00%	7,500 - 15,000	1,200 - 2,200	6.25% - 7.50%	10,000 - 22,000	1,000 - 1,600	6.50% - 8.00%	8,000 - 15,000
B-area	700 - 1,200	7.50% - 8.50%	4,500 - 9,000	900 - 1,700	6.75% - 7.75%	7,000 - 14,000	800 - 1,500	7.25% - 8.25%	6,000 - 12,000
C-area	600 - 800	8.50% - 9.50%	3,000 - 5,500	700 - 1,100	8.00% - 9.50%	5,000 - 9,000	700 - 1,000	8.00% - 9.00%	4,000 - 7,500
Retail									
A-area	2,000 - 4,000	6.00% - 7.50%	15,000 - 35,000	2,200 - 4,500	6.00% - 7.25%	15,000 - 40,000	1,800 - 3,500	6.00% - 7.50%	15,000 - 30,000
B-area	1,000 - 2,000	7.00% - 8.00%	7,500 - 17,500	1,000 - 2,200	6.75% - 8.00%	7,000 - 17,000	1,000 - 1,600	6.50% - 8.00%	10,000 - 18,000
C-area	700 - 1,100	8.00% - 9.00%	4,000 - 9,000	800 - 1,200	7.50% - 9.00%	5,000 - 10,000	700 - 1,000	7.50% - 9.00%	5,000 - 10,000
Warehouse/industrial									
A-area	500 - 750	7.25% - 9.00%	3,500 - 7,000	550 - 750	7.50% - 8.50%	4,000 - 7,000	550 - 700	7.50% - 9.00%	3,500 - 8,000
B-area	350 - 650	8.00% - 10.00%	2,500 - 5,000	450 - 600	8.00% - 9.50%	3,500 - 5,500	400 - 600	8.25% - 9.50%	3,000 - 5,500
C-area	250 - 450	9.00% - 12.00%	1,000 - 3,500	350 - 500	9.50% - 11.00%	1,500 - 4,000	300 - 450	9.25% - 10.50%	1,500 - 4,000

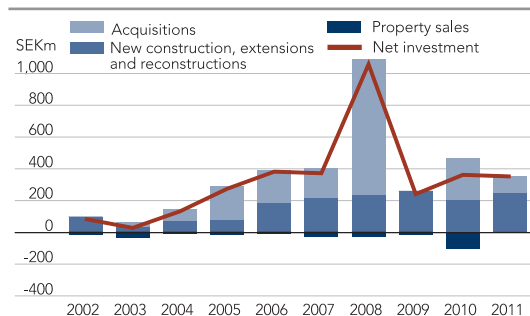
Source: NAI Svefa



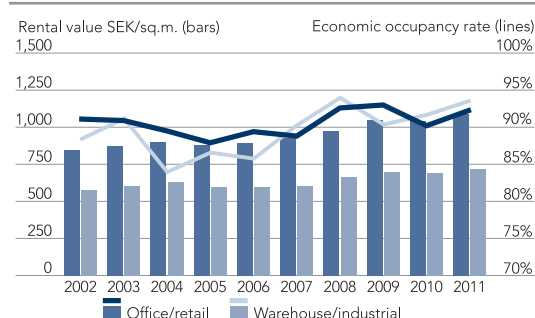
Income from property management



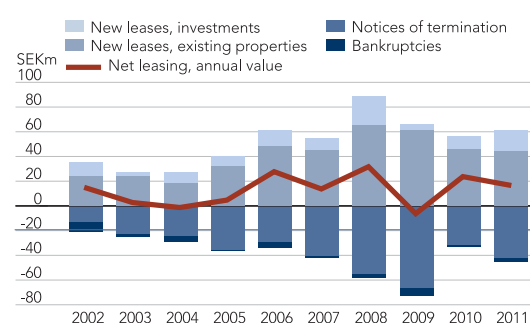
Investments and sales



Rental value and economic occupancy rate



Net leasing



Mälardalen summary

	December 31, 2011						January-December 2011						
	No of prop.	Area thous. sq.m.	Property value SEKm	Property value SEK/sq.m.	Investments, SEKm		Rental value SEKm	Rental value SEK/sq.m.	Econ. occupancy rate	Rental income SEKm	Property costs SEKm	Property operating costs SEK/sq.m.	Net income SEKm
Office/retail	79	400	4,241	10,591	218	73	436	1,088	92.3%	402	129	323	273
Warehouse/industrial	38	160	913	5,714	30	31	114	715	93.7%	107	28	174	79
Total	117	560	5,154	9,199	248	104	550	982	92.6%	509	157	281	352
Leasing and property administration											33	59	-33
Development projects and undeveloped land	3	-	14	-	-	-	0	-	-	0	0	-	0
Total	120	560	5,168	-	248	104	550	-	-	509	190	340	319

Castellum's real estate portfolio

Castellum's real estate portfolio in Mälardalen comprises 120 properties (116) with a total area of 560,000 sq.m (545,000) and a fair value of SEKm 5,168 (4,829). For properties owned at the year-end the rental value amounted to SEKm 550 (509) on an annual basis and net operating income to SEKm 319 (277). Investments during the year amounted to SEKm 352 (464).

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 corresponds to 35% of their total real estate portfolio in region Mälardalen and consists of a mix of office and retail properties and warehouse and industrial properties, concentrated to the area Aspholmen and central Örebro.

In Uppsala, with 40% of Castellum's total real estate portfolio in Mälardalen, mainly office and retail properties are found, but also warehouse and industrial properties. The properties have attractive locations in Fyrislund, Boländerna and along Kungsgatan in central Uppsala. Castellum also owns a minor real estate portfolio in Märsta, in the municipality of Sigtuna.

In Västerås, corresponding to 23%, 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.

See also the section Castellum's Real Estate Schedule 2011 with real estate schedule, maps and economic information.

Rental development

Castellum's average rental level is SEK 1,088 per sq.m. for office/retail and SEK 715 per sq.m. for warehouse/industrial premises. Rental levels have increased by 3.5% in comparable portfolio compared with previous year.

The average economic occupancy rate was 92.6%, which is 2.0%-units higher than previous year.

The gross leasing (i.e. the annual value of total leasing) during the year was SEKm 61 (56), of which SEKm 17 (10) related to leasing in new constructions, extensions and reconstructions. Notices of terminations amounted to SEKm 45 (33), of which bankruptcies were SEKm 3 (2), hence net leasing for the year were SEKm 16 (23).

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 42 employees.



Boländerna 30:2, Uppsala

Eastern Götaland

Castellum's real estate portfolio in Eastern Götaland comprise Värnamo, Jönköping, Växjö, and Linköping, which together form a region with approx. 630,000 inhabitants, or 7% of Sweden's population.

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

Jönköping has a strategic location, with several major high-ways and access to airport and railroad, which has developed Jönköping into a logistics centre. Many large companies have established warehouses and distribution in Jönköping. At the end of 2011 a new construction was started, Atollen, which is one of the larger new construction projects in Jönköping, and will expand the city with office, retail and residential.

Värnamo has a small labor market, though the number of people in the city's reception area for commerce is three times as large as its population. The infrastructure, with highway E4 and good railroad connections provide for good accessibility and a successful industry. Värnamo has a strong tradition of small enterprises and is today a centre for commerce and services. The industry is to a high degree export orientated.

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

Linköping has a strategic location in the centre 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. The region has a close co-operation between local businesses and the university, for instance in Mjärdevi Science Park, with more than 6,000 employees.

Rental market

Retail developed positively in Jönköping, resulting in increased demand for retail premises. Rental levels for warehouse and logistics premises have remained unchanged, whereas there was a slight increase in rent for efficient office space.

In Växjö, rental levels and vacancy rates for office premises remained unchanged. Furthermore, rental levels have remained stable for warehouse and industrial premises, even if a slight slowdown in demand could be detected near year-end, 2011.

In Värnamo, demand for both office and warehouse premises slowed down somewhat during 2011. Rental levels and vacancies, however, have not been affected.

The rental market in Linköping has been positive during the year, enjoying upbeat rental levels and vacancy rates for both warehouse and office premises. The office market in Linköping is strong, with few vacancies.

Real Estate market

In 2011, transaction volumes in the Eastern Götaland property market amounted to SEK 3.8 billion, compared with SEK 1.1 billion in 2010. Volumes were primarily increased by two major transactions: a portfolio sale of Norrporten and the sale-and-leaseback transaction of an industrial property. Approx. 70% of the volume concerned Jönköping and primarily referred to commercial properties. Several foreign players were represented on both the buying and the selling sides during the year.



	Jönköping	Värnamo	Växjö	Linköping
Population	211,000	33,000	133,000	254,000
Growth in population 2002-2010/ year (the nation 0.6%)	0.6%	0.2%	0.7%	0.5%
Students at university/college	16,000	–	12,000	24,000
Growth in employment 2002-2011/ year (the nation 0.5%)	0.6%	– 0.4%	0.3%	0.2%
Growth in gross wages 2002-2011 / year (the nation 2.5%)	2.6%	1.7%	2.1%	2.2%

Source: Evidens och SCB

The five largest real estate owners

Jönköping	Premises thous. sq.m	Värnamo	Premises thous. sq.m	Växjö	Premises thous. sq.m	Linköping	Premises thous. sq.m
Castellum (Corallen)	157	Castellum (Corallen)	146	Castellum (Corallen)	128	Klövern	282
Norrporten	99	Hemfosa Fastigheter	24	Norrporten	85	Acta	99
Tosito	87	Remnes i Värnamo	21	Valad Property Group	72	Ikano Fastigheter	72
Alecta Pensionsförsäkring	71	Värnabo Fastigheter	8	Northern Logistics Property	69	Lilium	67
Brinova	68	Nivika Förvaltning	8	Corem Property Group	64	Botrygg Bygg	65
						Castellum (Corallen)	51

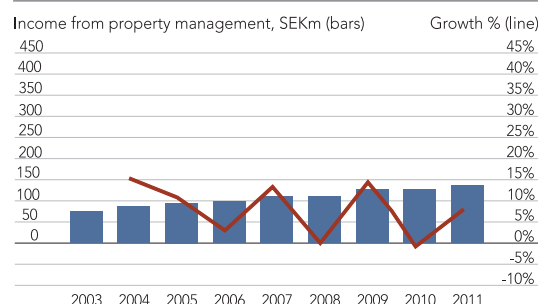
Number of commercial premises (excl. residential) owned as at 31-12-2011. Municipal and State-owned companies and government institutions have been excluded.
Source: Byggstatistik and Castellum

	Jönköping			Värnamo			Växjö			Linköping		
	Market rent SEK/sq.m.	Yields at sale	Estimated values SEK/sq.m.	Market rent SEK/sq.m.	Yield at sale	Estimated values SEK/sq.m.	Market rent SEK/sq.m.	Yields at sale	Estimated values SEK/sq.m.	Market rent SEK/sq.m.	Yields at sale	Estimated values SEK/sq.m.
Office												
A-area	900 - 1,700	6.50% - 7.25%	10,000 - 16,000	800 - 1,200	6.75% - 8.00%	8,000 - 12,000	900 - 1,300	6.75% - 8.00%	9,000 - 15,000	1,000 - 1,600	6.25% - 7.00%	8,000 - 16,000
B-area	700 - 1,500	7.00% - 8.50%	6,000 - 9,000	700 - 900	7.50% - 8.50%	5,000 - 8,000	700 - 1,000	7.50% - 9.00%	4,000 - 8,000	800 - 1,300	6.75% - 7.75%	5,000 - 9,000
C-area	500 - 1,000	8.00% - 9.50%	3,000 - 5,000	500 - 700	8.50% - 9.50%	4,000 - 6,000	500 - 800	8.00% - 9.50%	3,000 - 4,500	550 - 850	7.75% - 9.00%	3,000 - 5,500
Retail												
A-area	1,500 - 5,000	5.75% - 6.75%	15,000 - 35,000	1,000 - 1,800	6.50% - 7.50%	9,000 - 15,000	1,200 - 2,200	6.00% - 7.00%	12,000 - 25,000	1,800 - 3,800	6.25% - 7.25%	15,000 - 35,000
B-area	800 - 1,500	6.25% - 7.75%	7,000 - 15,000	800 - 1 200	7.00% - 8.00%	6,000 - 11,000	750 - 1,400	6.75% - 7.50%	7,000 - 15,000	1,000 - 2,000	7.00% - 8.25%	6,000 - 15,000
C-area	500 - 900	7.25% - 9.00%	3,000 - 9,000	600 - 800	8.00% - 9.25%	4,000 - 7,000	600 - 900	7.75% - 9.00%	3,000 - 6,000	600 - 1,000	8.25% - 10.00%	3,000 - 8,000
Warehouse/industrial												
A-area	400 - 700	6.75% - 9.00%	3,000 - 8,000	450 - 650	8.25% - 9.50%	3,500 - 5,500	450 - 600	8.00% - 9.50%	3,000 - 6,000	400 - 650	7.75% - 9.25%	3,000 - 7,000
B-area	350 - 600	8.00% - 9.50%	2,500 - 6,000	350 - 550	9.00% - 10.00%	3,000 - 4,000	400 - 500	9.00% - 10.00%	2,500 - 3,500	350 - 550	8.25% - 10.00%	2,500 - 4,500
C-area	300 - 550	9.00% - 11.00%	1,750 - 5,000	300 - 400	10.00% - 11.00%	2,000 - 3,000	300 - 400	9.75% - 11.50%	2,000 - 3,000	300 - 450	9.50% - 11.00%	1,800 - 3,500

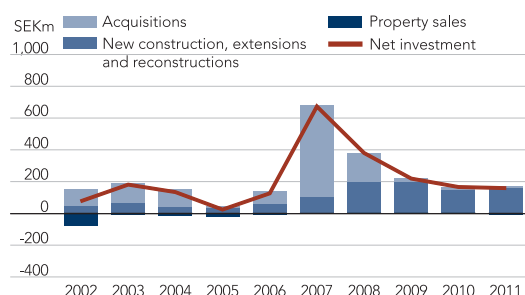
Source: NAI Svefa



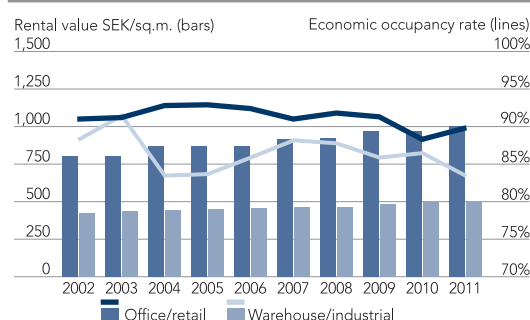
Income from property management



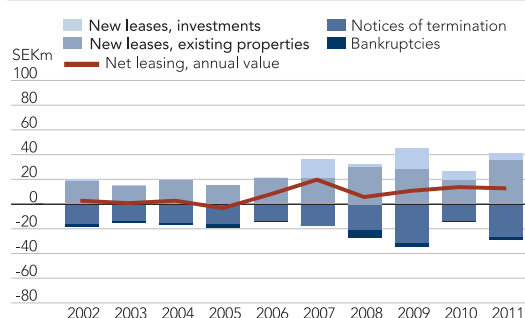
Investments and sales



Rental value and economic occupancy rate



Net leasing



Eastern Götaland summary

	December 31, 2011							January-December 2011						
	No of prop.	Area thous. sq.m.	Property value SEKm	Property value SEK/sq.m	Investments, SEKm	New constr., ext., recon.	Acquisitions	Rental value SEKm	Rental value SEK/sq.m	Econ. occupancy rate	Rental income SEKm	Property costs SEKm	Property costs SEK/sq.m	Net operating income SEKm
Office Retail	52	320	2,968	9,284	97	–	–	319	999	89.8%	286	100	314	186
Warehouse/industrial	34	184	740	4,013	7	–	–	93	504	83.6%	78	23	125	55
Summa	86	504	3,708	7,356	104	–	–	412	818	88.4%	364	123	245	241
Leasing and property administration												14	27	– 14
Development projects and undeveloped land	9	11	108	–	56	8	–	–	–	–	–	–	–	–
Total	95	515	3,816	–	160	8	–	412	–	–	364	137	272	227

Castellum's real estate portfolio

Castellum's real estate portfolio in Eastern Götaland comprises 95 properties (96) with a total area of 515,000 sq.m. (505,000) and a fair value of SEKm 3,816 (3,645). For properties owned at the year-end the rental value amounted to SEKm 412 (402) on an annual basis and net operating income to SEKm 227 (218). Castellum's real estate portfolio is located in Jönköping, Värnamo, Växjö and Linköping. Investments during the year amounted to SEKm 168 (166).

In Jönköping, with 40% of Castellum's real estate portfolio in Eastern Götaland, the portfolio consists mainly of office and retail properties situated in attractive areas such as Rosenlund, central Jönköping and shopping center area A6.

In Värnamo, corresponding to 23% of Castellum's real estate portfolio in Eastern Götaland, the portfolio is mainly concentrated to centrally located office and retail properties as well as warehouse and industrial properties in expansive industrial estates.

In Växjö, corresponding to 23% of the portfolio in the region, Castellum owns mainly office and retail properties in the central parts and in 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 2011 with real estate schedule, maps and economic information.

Rental development

Castellum's average rental level is SEK 999 per sq.m. for office/retail and SEK 504 per sq.m. for warehouse/industrial premises. Rental levels have increased by 2.6% in comparable portfolio compared with previous year.

The average economic occupancy rate was 88.4%, 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 41 (27), of which SEKm 6 (8) was leasing in connection to new constructions, extensions and reconstructions. Notices of terminations amounted to SEKm 29 (14), of which bankruptcies were SEKm 3 (1), hence net leasing for the year were SEKm 12 (13).

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.



Visionen 1, Jönköping

Property Valuation

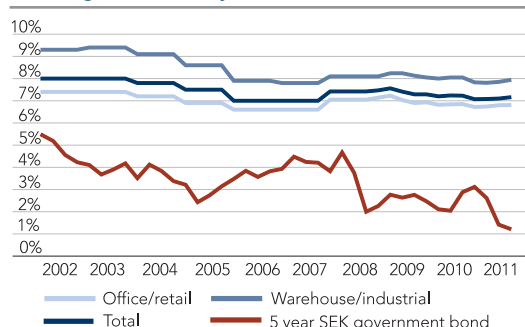
Average valuation yield

(excl. project/land and building rights)

Mkr

Net operating income properties	2,142
+ Estimated index adjustment 2012, 2%	64
+ Real occupancy rate, 94% at the lowest	229
+/- Property costs to a normal year	–
– Property administration, 30 SEK/sq.m.	– 102
Normalized net operating income	2,333
Valuation (excl. building rights of SEKm 460)	32,594
Average valuation yield	7.2%

Average valuation yield over time



Internal valuation

Castellum records the investment properties at fair value and has made an internal valuation of all properties as of December 31, 2011. The valuation was carried out in a uniform manner, and was based on a 10-year cash flow model, which was described in principle below. The internal valuation was based on an individual assessment for each property and reflects both its future earnings capacity and its required market yield. In the valuation of a property's future earnings capacity, consideration has been taken of potential changes in rental levels, occupancy rates and property costs – as well as an assumed inflation level of 1.5%. Projects in progress have been valued using the same principle, but with deductions for remaining investments. Building rights have been valued on the basis of an estimated market value per square metre, on average approx. SEK 980 per sq.m. (970). For further information about the assumptions in cash-flow and required yield see note 11.

Based on these internal valuations, the fair value of the properties were assessed to SEKm 33,867 Mkr (31,768), corresponding to SEK 9,835 per sq.m. (9,500). The average valuation yield for Castellum's real estate portfolio, excluding development projects and undeveloped land, can be calculated to 7.2% (7.2%). It is notable that since the early 2000s, the gap between the valuation yield and SEK government bond increased and have not been as wide as now.

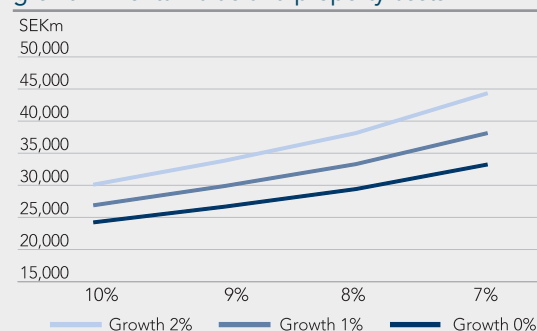
To illustrate the model, the following example is provided. It should be noted that assumptions regarding cash flow growth and other assumptions included in the model are only intended to illustrate the model. Even if relevant figures is used the example should thus not be regarded as a forecast of the 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 96% in the year 2017.
- Net operating income for 2011 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 1.5% per year during the calculation period.
- The average economic life of the real estate portfolio has been assumed to be 50 years.
- Projects, undeveloped land and building rights have an assumed value SEKm 1,273.
- The required yield, discount factor, is calculated according to the following assumptions:

	Required yield	Percentage of capital	Weighted required yield
Equity	8.0% - 18.2%	40%	3.2% - 7.3%
Borrowed capital	5.5%	60%	3.3%
Weighted required yield		100%	6.5% - 10.6%

Property value with different required yield and growth in rental value and property costs



SEKm	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Rental value	3,342	3,392	3,443	3,495	3,547	3,600	3,654	3,709	3,765	3,821	3,879
Rental income	2,985	3,053	3,133	3,233	3,334	3,420	3,508	3,561	3,614	3,668	3,723
Economic occupancy rate	89.3%	90%	91%	92%	94%	95%	96%	96%	96%	96%	96%
Property costs	-944	-958	-973	-987	-1,002	-1,017	-1,032	-1,048	-1,063	-1,079	-1,096
Neto operating income=cash flow	2,041	2,095	2,160	2,246	2,332	2,403	2,476	2,513	2,551	2,589	2,627
Discounted cash flow year 1-9	14,931										
Discounted cash flow year 10	17,607										
Assumed value, projects, land, building rights	1,273										
Total property value	33,811										

Discounted cash flow
Discounted residual value

36,568

Uncertainty range

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 in a normal market, should therefore be seen as an indication of the uncertainty that exists in assumptions and calculations. In a market with lower liquidity, the range may be wider. For Castellum, an uncertainty range of ± 5 % means a range in value of \pm SEKm 1,693, corresponding to SEKm 32,174–35,560.

External valuation

In order to provide further assurance and validation of the internal valuation, 133 properties – representing 51% of the value of the portfolio – have been valued externally by NAI Svefa. NAI Svefa's valuation of the selected properties amounted to SEKm 17,058, within an uncertainty range of ± 5 –10% on property level, depending on each property's category and location. Castellum's valuation of the same properties totalled SEKm 17,240, i. e., a net change of SEKm 182, corresponding to 1%. Gross deviation was SEKm +347 and SEKm –529 respectively, with an average deviation of 5%.

Change in value

The change in value in Castellum's portfolio during 2011 amounted to SEKm 194 (1,222), corresponding to approx. 0.6% (4%). The net increase in value, including the years change, over the past 10 years has been nearly 1.5% per year, which is in line with the inflation.

Total yield

Concerning the total yield of the properties – i.e., the sum of yields and changes in value – it can be noted that Castellum's performance depends on when measurements were started.

On average, Castellum has had a better total yield on warehouse/industrial compared to office/retail – regardless of when measuring was started. The annual average total yield for the past 10 years has been 8.0% (7.4% yield + 0.6% change in value), thereby surpassing office/retail which had 6.9% (6.2% yield + 0.7% change in value). Calculations do not include project gains or acquisitions from the year the acquisition was completed.

From both Swedish and European perspectives, the Castellum property portfolio achieved a higher total yield in 2011 than did the asset type shares. This can be explained by turbulence on the stock exchange during the year. In a longer perspective, i.e., over the past 10 years, the average annual total yield for the Castellum property portfolio was lower than both the Castellum share and the Swedish property shares. It was, however, slightly higher than the total yield of the Stockholm Stock Exchange and European property shares.

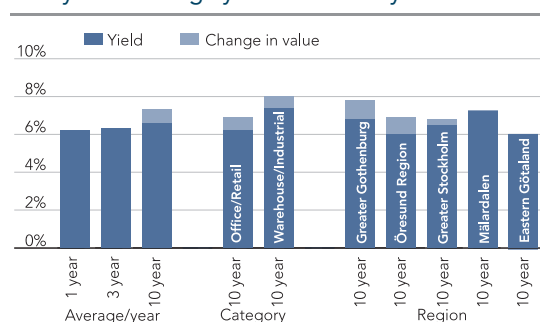
Assumptions	Office/retail	Warehouse/ industrial
Cash flow year 1		
Rental value, SEK/sq.m.	1,239	734
Vacancy, %	11%	10%
Direct property costs, SEK/sq.m.	323	173
Property administration, SEK/sq.m.	35	25
Required yield		
Real interest rate	3.0%	3.0%
Inflation	1.5%	1.5%
Risk	4.9% - 11.5%	6.5% - 13.7%
Return on equity	9.4% - 16.0%	11.0% - 18.2%
Interest rate	5.5%	5.5%
Loan to value ratio	65%	55%
Return on total capital	6.8% - 9.2%	8.0% - 11.2%
Weighted d.o, discounted factor year 1-9	7.9%	9.1%
Weighted d.o, disc. factor residual value*	6.4%	7.6%

*(required yield on total capital minus equal to inflation)

Internal vs external valuation

	2011	2010	2009	2008	2007
Internal valuation	33,867	31,768	29,267	29,165	27,717
External valuation	17,058	15,614	14,981	14,657	13,976
Prop. external of internal	51%	50%	51%	50%	50%
Net diff. external vs internal	-182	-368	-9	-142	67
D:o in %	-1%	-2%	0%	-1%	0%
Gross deviation positive	347	291	495	396	455
Gross deviation negative	-529	-659	-504	-538	-388
Average deviation	5.1%	5.9%	6.7%	6.3%	6.1%

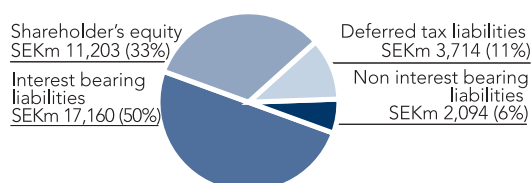
Total yield in average/year in different cycles until 2011



	1 year	3 years	10 year
	average/	average/	average/
	year	year	year
Total yield			
Properties	6%	6%	7%
Castellum share	-3%	18%	17%
NASDAQ OMX Stockholm (Six Return)	-14%	19%	6%
Real Estate Index Sweden (EPRA)	-13%	17%	15%
Real Estate Index Europe (EPRA)	-9%	13%	5%
Change in value			
Change in property value, unweighted	0.6%	0.4%	1.5%
Inflation	2.0%	1.7%	1.6%

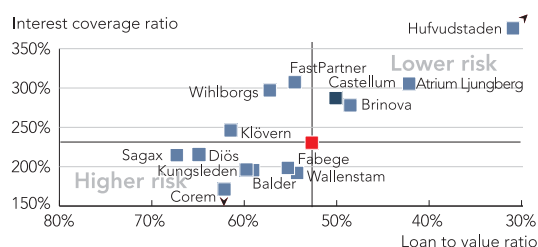
Financing

Financing 31-12-2011



Policy	Objective/Mandate	Outcome
Loan to value ratio	Not in the long run exceeding 55%	51%
Interest coverage ratio	At least 200%	278%
Interest rate risk		
– average fixed interest term	0.5-3 years	2.7 years
– Proportion maturing within 6 months	No more than 50%	34%
Currency risk		
– investment	60%-100% funded in local currency	97%
– other currency risks	Not allowed	No exposure
Funding risk	At least 50% of interest bearing liabilities have a duration of at least 2 years	100%
Counterparty risk	Credit institutions with high ratings at least "investment grade"	Satisfied
Liquidity risk	Liquidity reserve in order to fulfil payments due	SEKm 2,731 in unutilized credit agreements

Listed real estate companies



Source: Rolling annual values based on each company's report Q3 2011.

Property ownership is a capital intensive business and access to funding is one of the fundamentals to ensure successful development of the real estate portfolio.

Loan-to-value ratio and tied-up capital

Properties are long-term assets and demand long-term funding with distribution between shareholders' equity and interest-bearing debt. The loan-to-value ratio is the financial key ratio that describes the proportion of the property's value that is covered by loans. Castellum's objective is a loan-to-value ratio not exceeding 55% in the long run.

Castellum's assets had a value of SEKm 34,171 (31,936) on 31 December 2011 and these are financed by SEKm 11,203 (11,082) in shareholders' equity and SEKm 22,968 (20,854) in liabilities – of which SEKm 17,160 (15,781) are interest-bearing liabilities. The loan-to-value ratio at the year-end was 51% (50%).

The demand for long-term funding makes Castellum look for long-term credit agreements in order to minimize the refinancing risk. Existing agreements are regularly renegotiated and new agreements are signed. At year end, Castellum had unutilized binding long-term credit agreements with banks totalling SEKm 2,311 (2,293), which gives Castellum easy access to new funding for investments in new construction, extensions, reconstructions and acquisitions. During the year, new long-term credit agreements totalling SEKm 1,312 have been signed, and existing credit agreements totalling SEKm 5,800 have been renegotiated.

Interest rate risk and interest coverage ratio

Interest expense is the single largest cost item and affects the growth of income from property management. The interest rate cost is affected both by changes in the market interest rates and by the interest margin demanded by the lenders in return for lending money. The short-term market interest rate is controlled by the Riksbank, whereas the long-term market interest rate is affected by other factors such as expectations of future economic growth and inflation. The credit margin is controlled by supply and demand for credit, as well as by the rules under which the banks operate. Both interest and credit markets can change rapidly and cannot be affected by Castellum.

Increasing market interest rates are generally assumed to result from economic growth and rising inflation, and they, in turn, are assumed to lead to increased demand for commercial premises and hence increasing rents and/or reduced vacancies. Falling interest rates are assumed to have opposite causes and effects. Rising or falling financial expenses will thus, over time, coincide with rising or falling rental income. Changes in credit margins may occur regardless of the economic situation and have, of late, mainly been affected by changes in bank regulations.

Changes in market interest rates affect net financial items. How quickly these will change, and by how much, largely depends on the chosen fixed interest term and the binding period of credit margins. To ensure low and stable net financial items in terms of cash flow, Castellum has generally chosen to fix interest rates for a relatively long period. For the same reason Castellum has chosen to sign mainly long-term credit agreements with agreed spreads with banks. However changes in both of these markets will over time affect net financial items.

The interest coverage ratio is the financial key ratio that describes a company's resistance and risk level regarding changes in net financial items. As shown in the figure, Castellum has lower loan-to-value ratio and higher interest coverage ratios than the industry on average.

Castellum's strategy is an interest coverage ratio of at least 200%. For 2011, the interest coverage ratio was 278% (299%). The average fixed interest term at 31 December, 2011, was 2.7 years (2.6). Margins and fees on long-term credit agreements had an average duration of 3.5 years (2.6).

Financial policy

Financial operations at Castellum are conducted in accordance with the financial policy adopted by the Board. The strategy in the financial policy is as follows:

- Maintaining a capital structure with a loan-to-value ratio not exceeding 55% in the long run and an interest coverage ratio of at least 200%.
- Secure required liquidity and long-term funding.
- Achieve a low and stable net interest rate within the given risk mandate.

The financial policy outlines mandates and limitations for managing financial risk and overall delegation of responsibilities, as well as how financial risks are to be reported and followed up. The financial risks are followed up and reported quarterly to the Board of Directors. The Board of Directors reviews the financial policy annually.

Organization

All financial risk management is centralized in the parent company. The treasury department's responsibilities include the Group's funding, interest rate risk management, financing for subsidiaries and cash management. The treasury department consists of two persons. The parent company also includes a function that provides accounting and independent control of the financial operations – a back-office and compliance function.

Net financial item

Net financial items were SEKm -660 (-574). The average interest rate level was 4.1% (3.7%). The average effective rate as of 31 December, 2011, was 4.0% (3.9%). The market interest rate for an equivalent portfolio – with consideration taken both to current market interest rate and credit spreads – can be assessed to 4.7% (4.0%). Castellum's interest rate costs consist of market interest rate at the time of the loan, plus the creditor's margin.

Interest bearing liabilities and interest rate derivatives

Castellum's interest bearing debt is mainly made up of short-term loans under long-term credit agreements. Short-term loans allow for great flexibility regarding the choice of the interest rate base and fixed interest rate term, while they facilitate amortization payments and repayments without marginal breaking costs or other compensation to the lender. Furthermore, to increase or decrease the amount of outstanding loans in long-term credit agreements means that the amount of interest-bearing loans can be minimized at all times. The credit agreements are mainly bilateral credit agreements with Nordic banks. As a complement to these credit agreements, there is a commercial paper program. In those cases where there are outstanding commercial papers, they are fully covered by unutilized long-term credit agreements. After deducting liquidity of SEKm 97 (12), net interest-bearing liabilities totalled SEKm 17,063 (15,769) at December 31, 2011, of which SEKm 2,235 (1,377) refers to outstanding commercial papers. On the same date, Castellum had binding long-term credit agreements with banks totalling SEKm 19,374 (18,062), bond loans totalling SEKm 0 (200), binding short-



Loan maturity structure 31-12-2011

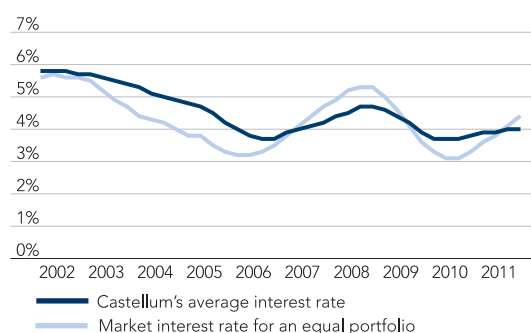
Long term, SEKm	Credit agreements	Utilized
1 - 2 years	207	7
2 - 3 years	7	7
3 - 4 years	7,307	4,257
4 - 5 years	4,007	4,007
5 - 10 years	7,846	6,647
Total long-term credit agreements	19,374	14,925
Total short-term credit agreements (0-1 year)	2,655	2,138
Total credit agreements	22,029	17,063
Unutilized credit in long term credit agreements		2,311

Interest rate maturity structure 31-12-2011

	Loan SEKm	Interests rate derivatives SEKm	Amount SEKm	Average interest rate
0 - 1 year	17,063	- 9,400	7,663	3.7%
1 - 2 year	-	1,800	1,800	4.0%
2 - 3 year	-	600	600	3.8%
3 - 4 year	-	1,250	1,250	4.8%
4 - 5 year	-	2,450	2,450	4.4%
5 - 10 year	-	3,300	3,300	4.2%
Total	17,063	-	17,063	4.0%

Credit margins are distributed in the interval of the underlying loans and interest rate derivatives are accounted for in the earliest time segment in which they can mature.

Interest rate levels



term credit agreements with banks totalling SEKm 420 (520) and a SEKm 4,000 (4,000) commercial paper program.

Secured interest-bearing liabilities

Long-term credit agreements with banks are secured mainly through the company's properties and by financial covenants in credit agreements. Issued commercial papers and short-term credit agreements with banks such as bank overdraft facilities are unsecured.

Utilized credit facilities secured through mortgage deeds totalled SEKm 14,797 (13,998) at 31 December, 2011, and utilized unsecured credit facilities totalled SEKm 2,266 (1,771). The committed financial covenants have a loan-to-value ratio not exceeding 65% and an interest coverage ratio of at least 150%. There are also general commitments that Castellum should provide the lenders with financial information such as annual reports and interim reports and, in some cases, the right to renegotiate the credit agreements due to a material adverse change in business or discontinued stock exchange listing.

Currency

Castellum has made investments in Denmark, which means that the Group is exposed to a currency risk. A currency translation risk is primarily related to the translation of income statement and balance sheet in foreign exchange into Swedish currency. In accordance with financial policy, between 60-100% of investments in foreign subsidiaries are to be financed in that country's currency. At the end of 2011, 97% of the assets in Denmark were financed in Danish kroner.

Derivatives

Derivatives are a cost effective and flexible way to manage financial risks such as interest rate risks and currency risks. Castellum uses derivatives to manage both risks. As of 31 December, 2011, the market value of the interest rate and the currency derivative portfolio amounted to SEKm -1,003 (-574). When market interest rates change, the market value accounted for in the balance sheet also changes. The market value in the balance sheet change when market interest rates change, the portfolio's duration is shortened and the exchange rates change. At maturity, the market value of the derivative is dissolved and the change in value over time thus has not affected shareholder's equity.

Interest rate derivatives

Different types of derivatives are used to limit the interest rate risk and achieve the desired interest maturity structure. Through interest-rate derivatives, loans with short duration can be extended without taking loans with fixed interest rates. According to the accounting standard IAS 39, derivatives are subject to market valuation. Regarding interest-rate derivatives, this means that a theoretical surplus or sub value occurs if the stipulated interest rate varies from the current market rate. For Castellum, the change in value is accounted for in the income statement. It is noteworthy that the interest rate derivatives used to achieve an interest rate maturity structure are subject to market valuation – something that normally is not the case for credit margins or loans with fixed interest rates.

Currency derivatives

Funding in Danish currency can be achieved by borrowing in Danish kroner, as well as by using currency derivatives. The exposure is the same but according to the accounting standard IAS 39 derivatives are subject to market valuation, which means that there is a theoretical surplus or sub value if the stipulated currency rate varies from the current market exchange rate. Here, the effective portion of value change is accounted for in other total net income.

Tax

The Swedish corporate tax rate is 26.3% and is based on the company's total taxable income, which is made up of income before tax adjusted for items according to the current tax legislation.

Castellum's reported income from property management for 2011 amounted to SEKm 1,173 (1,141), while taxable income from property management amounted to SEKm 92 (208). In the absence of tax loss carry forwards, a paid tax of about SEKm 24 would occur, attributable to the income from property management, equivalent to 2% effective tax paid. The taxable income from property management is thereafter completed with tax effects resulting from sales of properties and changes in value and utilization of tax loss carry forwards to reach taxable income for the Group.

Tax depreciations

Investments in real estate can be allocated to different parts – building, land, land improvement and inventory, which among other things affect the size of depreciation. Buildings are depreciated on the basis of the Swedish Tax Authority's specified percentages: 2% for office/retail/residential, 3% for department store/hotel, 4% for industrial/warehouse, and 5% for farm buildings and industrial buildings with limited purpose. Land is not depreciated. Most types of land improvement are depreciated by 5%, while inventories (accessories designed to directly service the use of the building and the activities therein) are depreciated by 20% or 30%.

Deductible reconstructions

Costs for repairs and maintenance of a building may be deducted immediately. For tax purposes an extended repair concept may be used, i.e. direct deduction is allowed for some types of reconstruction, even if it is a value-adding improvement and has been set up as an asset in the accounts.

Property sales

Property managing companies' holdings of real estate and shares in property managing subsidiaries, are fixed assets. If the holding company instead is conducting trade with real estate, the assets mentioned above are from a taxation point of view considered current assets.

Taxable income from sales consists of the sales price with deductions for costs and the asset's fiscal written down value. Properties can be sold directly or indirectly through companies, which have different tax consequences. For properties or shares which fiscally speaking represents current assets a profit is always taxable, while a loss is tax deductible. Profits and losses on properties and shares that fiscally speaking represent fixed assets, however, face different tax consequences. Regarding properties a profit is always taxable, while a loss is put in a "fold" and can only be netted against profits within the Group from direct sales of properties that represents fixed assets. Profit on sales of shares which from a taxation point of view are considered fixed assets is not taxable, while a loss is not tax deductible.

Since the tax exemption on sales of shares, which fiscally speaking represents fixed assets, was enforced, the trend in the Swedish real estate market is that sales of real estate are done indirectly through companies.

Tax Calculation 2011		Basis	Basis
SEKm		current	deferred
		tax	tax
Income from property management	1,173		
Deductions for tax purposes			
depreciations	– 636		636
reconstructions	– 365		365
Other tax allowances	– 80		41
Taxable income from property management	92		1,042
Properties sold	8		– 15
Changes in value on properties	–		164
Changes in value on interest rate derivatives	– 429		–
Taxable income before tax loss carry forwards	– 329		1,191
Tax loss carry forwards, opening balance	– 1,406		1,406
Tax loss carry forwards, closing balance	1,772		– 1,772
Taxable income	37		825
Of which 26.3% current/deferred tax	– 10		– 217

Net Deferred Tax Liability 31-12-2011		
SEKm	Basis	Tax 26.3%
Tax loss carry forwards	1,772	466
Properties	– 16,197	– 4,260
Total	– 14,425	– 3,794
Properties, asset acquisition	304	80
In accordance with the balance sheet	– 14,121	– 3,714



Inom Vallgraven 57:2, Gothenburg

Changes in value on properties and derivatives

Swedish accounting laws do not allow reporting of properties at fair value in a legal entity, meaning that changes in value of properties is only reported in the consolidated accounts and hence do not affect the taxation.

Some types of financial instruments such as interest rate derivatives may be reported at fair value in a legal entity. For Castellum, changes in value resulting in a negative value on the instrument is a tax deductible item and changes in value up to the acquisition value of the instrument is a taxable income.

Tax loss carry forwards and Group contributions

Tax loss carry forwards are made up of previous years' taxable losses. The losses, which are not limited in time, are carried forward to the following year and are used by netting of future taxable income.

The Castellum Group includes both companies which from a taxation point of view are considered property managing companies and companies which are considered to be property trading companies. In the case when a property trading company is owned by a property managing company there are limitations for the owners to receive group contributions. There is also a "block" for group contributions up to six years following a change in ownership. Since acquisitions of properties are mainly made indirectly through acquisitions of companies new legal entities are regularly added to the Group. In Castellum these blocks for group contributions however are limited.

The tax assessment process

The income tax return for a fiscal year is sent to the tax authority during the spring of the following year and towards the end of the year the notice of assessment is received. The Tax Authority has the right to call for a review of the tax return for two years following the fiscal year. Thereafter the tax authority may assess for arrears only if there is false information for an additional four years, giving that first after six years is the tax return for the fiscal year finally assessed. Hence, the fiscal year 2011 will be finally assessed in 2018.

The tax authority carried out a tax audit in Castellum in 2009 which was completed without comments. Neither has Castellum any ongoing tax disputes.

Deferred tax in the balance sheet

The accounting regulations demand that deferred tax shall be reported undiscounted based on the difference between an asset's or a debt's book value and its fiscal value. This is in order to reflect the tax liability or receivable which is realized if the asset or debt is sold directly. The legislation however makes an exception for assets which at the time of acquisition is classified as a asset acquisition, where no deferred tax from the acquisition may be reported.

Castellum has two entries which make up the basis for deferred tax – properties and tax loss carry forwards. All tax loss carry forwards are reported since expected future taxable income may be used to net the tax loss carry forwards. Deferred tax deriving from properties occurs mainly due to increased valuation, tax deductions such as depreciation and deduction of certain reconstructions which are capitalized in the account.

Opportunities and Risks

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

Opportunities and risks in the cash flow

Rental income

Rental levels as well as vacancies for commercial contracts are mainly depending on the growth in Swedish economy, but are also affected by the amount of new construction. Economic growth is supposed to lead to increased demand for premises and hence decreasing vacancies, with a potential for increasing market rents, which also provide opportunities for new construction. A weaker growth in the growth has an opposite effect. Since the commercial contracts are signed for a certain period of time, a change in the market rents does not give an immediate effect on the rental income. The most common term on a new lease is currently 3–5 years with nine months' notice of termination and an index clause linked to the inflation. The average remaining duration of leases in Castellum's portfolio is 3.1 years. Castellum's lease portfolio is considered to be in line with market rents. The positive inflation during the year will however cause an index adjustment upwards of rents of approx. 2% for 2012.

A state of economic recession leads to an increased risk for bankruptcies, which may give an immediate effect on the rental income. The risk for major changes in vacancies increases with few and large tenants. Castellum has approx. 4,600 commercial contracts of which the single largest contract accounts for approx. 1% of total rental income. Castellum's current lease maturity structure, together with the lease portfolio's make up of geography, type of premises, leases sizes and sectors provide a good spread of risk. Vacancies during 2011 amounted to approx. SEKm 371 and make up a potential for possible new leases.

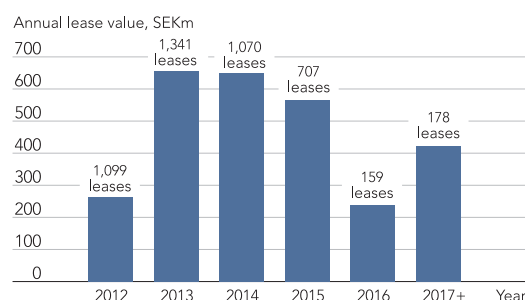
Property costs

Operating costs are largely made up of costs for electricity, garbage disposal, heating and water, where electricity and heating costs have the largest effect on the result. The price of electricity is determined 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 cost fluctuation in the short term is relatively limited. Castellum's properties have a good standard and maintenance situation.

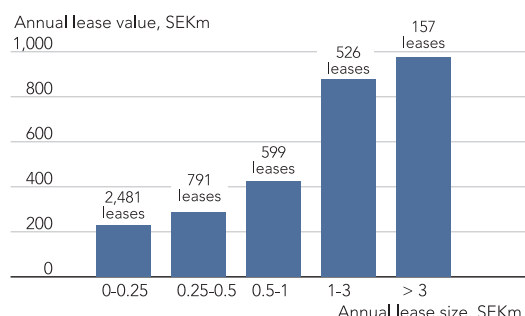
Castellum holds around 80 properties by site leasehold. The ground rent for these is currently calculated in such a way that the municipality receives a fair real interest rate, based on the estimated market value of the site. The site leasehold is typically renegotiated with 10 to 20 years intervals. 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. Also the real estate tax is passed on to the tenants, provided that the premises are not vacant; in such a case the owner of the property has to carry the real estate tax cost.

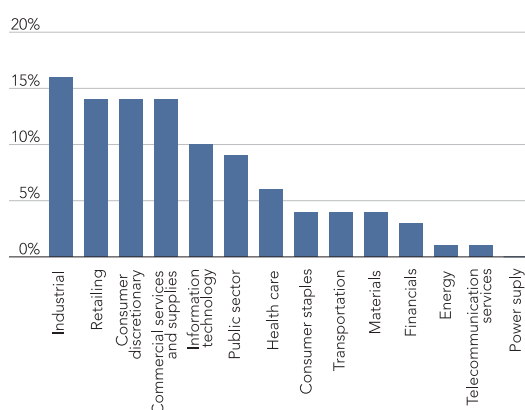
Lease maturity structure 31-12-2011



Lease size structure 31-12-2011



Distribution of leases by industry



Sensitivity analysis - cash flow

Effect on income next 12 months

	Effect on income, SEKm +/- 1% (units)	Probable scenario	
		Boom	Recession
Rental level / Index	+30/-30	+	-
Vacancies	+34/-34	+	-
Property costs	-10/+10	-	0
Interest rate costs	-61/+52	-	+



Interest costs

Interest costs are the single largest cost item for Castellum and consists of the market interest rate and the credit margin the lenders demand in return for their loans. The conditions on the interest rate market may change quickly. The market interest rate is affected by the Riksbank's monetary policy, expectations of economic development both internationally as well as nationally and of unexpected events. In order to limit this influence the interest rate maturity structure has been spread over different terms and Castellum signs mainly long term credit agreements with fixed margins.

There are clauses in the credit agreements, with the effect that lenders shall be compensated for increased costs which might occur due to new or revised laws or regulations. This can lead to higher borrowing costs for Castellum.

Castellum's average fixed interest term was 2.7 years and margins and fees in long term credit agreements are fixed with an average duration of 3.5 years.

Taxes

Castellum is affected by political decisions such as changes in the corporate tax rate, real estate tax, the fiscal legislation or interpretations thereof. 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 partly because the demand for premises is thought to increase, leading to reduced vacancies and hence a potential for increasing market rents, and partly because the index clause in the commercial contracts is compensating for the rising 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 exactly the same time, why the effect on the result in the short term may occur at different points in time. Economic shocks can occur from time to time and may need shorter or longer adjustment periods, i.e. the time needed to restore a new economic equilibrium, which may cause disturbances in the relation mentioned 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 is volatile. Assuming a normal credit market, the value of the properties is determined by supply and demand, where the price mainly depends 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 growth have the opposite effect.

The sensitivity analysis enclosed shows how Castellum's loan to value ratio is affected by a change in value of +/- 10-20%. Property valuations are calculations according to accepted principles and on the basis of

certain assumptions. Consideration should therefore be taken to a value range, typically +/- 5-10% in a functioning market, in order to reflect the uncertainty that exists in assumptions and calculations made. The example shows how the value may vary depending on changes in net operating income of +/- 5% and changes in the required yield of +/- 0.5%, which together give a value range of -11% to +13%.

Castellum does not have any outstanding rental guarantees.

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

Interest bearing liabilities and financial risk

All property ownership requires a functioning credit market. Castellum's greatest financial risk is not having access to funding. The conditions in the credit market can be changed as for example shown by the international agreement to establish a new regulatory framework for banks. Discussions are ongoing within the EU and at national level to implement rules and reporting obligation to achieve greater transparency in the credit market. Castellum's possibility to receive new credits depends on future regulatory framework.

A low loan to value ratio enables long-term credit agreements, which limits both the risk for not having access to funding and the immediate impact of a changed credit market. Existing credit agreements are regularly renegotiated and new credit agreements are entered into when needed, in order to secure Castellum's capital need. Loans in banks are secured by pledged mortgages and/or a guarantee to maintain certain financial key ratios. Financial covenants issued state a loan to value ratio not exceeding 65% and an interest coverage ratio of at least 150%, which may be compared to the actual outcome on 31 December, 2011 of 51% respectively 278%, showing that there is room for a further decrease in value of SEKm 7,500, corresponding to 22%.

Castellum currently has an average duration of long term credit agreements of 5.1 years and an unutilized volume of long term credit agreements of SEKm 2,311. Counterparty risk may occur if any party cannot meet its obligations. 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 single counterparty.

In order to manage the interest rate risk in a cost effective way Castellum uses interest rate derivatives. If the agreed interest rate deviates from the market interest rate from time to time, there is a theoretical overvalue or undervalue, which is reported in the income statement. The lesser risk taken in interest payments, the greater risk is taken in the value of the derivatives, since the time factor increases the risk for large fluctuations in value. An upward parallel adjustment of the discounting interest rate used in valuation of the interest rate derivative portfolio at 31 December, 2011 of +/- 1%, would alter the value of the interest rate derivative portfolio by approx. SEKm +490/- 590.

Deferred tax

In the balance sheet the deferred tax liability is based on that properties are sold today with worst possible taxation outcome, i.e. a direct sale. The effective tax is lower because of both the possibility to sell properties in a tax efficient manner, and the time factor that causes the tax to be discounted. At present, the actual discounted deferred tax liability is considered to be approx. 5%, giving a value of SEKm 721 which is considerably lower than the SEKm 3,714 accounted for.

Sensitivity analysis - change in value

Properties	-20%	-10%	0	+10%	+20%
Changes in value, SEKm	-6,773	-3,387	0	+3,387	+6,773
Loan to value ratio	63%	56%	51%	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>Net op. inc. $\frac{100}{7.0\%} = 1,429$ Value Yield</div>	
	+2%		
	-0.5%	$\frac{95}{6.5\%} = 1,462$	$\frac{105}{6.5\%} = 1,615$
		<div>-2% +13%</div>	

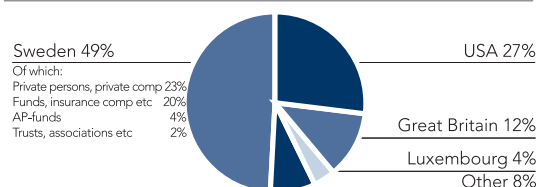
The blue figures relate to change in value.

The Castellum Share

Shareholders as at 31-12-2011

Shareholders	Number of shares	Percentage of voting rights/capital
AFA Sjukförsäkrings AB	6,868,714	4.2%
László Szombatfalvy	5,000,000	3.0%
Magdalena Szombatfalvy	4,935,000	3.0%
AMF Pensionsförsäkrings AB	4,260,000	2.6%
Lannebo Småbolag	3,300,000	2.0%
Andra AP-fonden	2,136,496	1.3%
Fjärde AP-fonden	1,911,520	1.2%
Tredje AP-fonden	1,866,063	1.1%
Länsförsäkringar Fastighetsfond	1,587,000	1.0%
KAS Depositary Trust Company	1,483,823	0.9%
AMF Aktiefond Sverige	1,400,000	0.9%
Swedbank Robur Småbolagsfond Sverige	1,365,360	0.8%
Caceis Bank / 18129	1,276,156	0.8%
SEB Sverige Småbolag	1,265,200	0.8%
AFA Trygghetsförsäkring AB	1,166,039	0.7%
Livförsäkrings AB Skandia	1,054,554	0.6%
SEB Världenfond	1,038,663	0.6%
Bengt Norman	1,000,000	0.6%
KPA Pensionsförsäkring AB	907,655	0.5%
Handelsbankens Svenska Småbolagsfond	870,000	0.5%
Skandia Fond Småbolag Sverige	826,222	0.5%
Folksam Ömsesidig Livförsäkring	771,413	0.5%
DNB Småbolagsfond	719,876	0.4%
SEB Sverige Småbolag Chans/Risk	612,570	0.4%
Gamla Livförsäkringsaktiebolaget	595,500	0.4%
Handelsbanken Sverige Småbolag Index	582,478	0.4%
SEB Aktiesparfond	564,084	0.3%
SEB Sverige Småbolag	540,500	0.3%
SEB Sverige Småbolag Stora Bolag	501,248	0.3%
Swedish shareholders < 500,000 shares:		
45 holders, 100,000-499,999 shares	11,469,541	7.0%
347 holders, 10,000-99,999 shares	8,828,687	5.4%
2,872 holders, 1,000-9,999 shares	7,965,682	4.9%
5,756 holders, 1-999 shares	2,257,654	1.4%
969 shareholders registered abroad	83,072,302	50.7%
Total outstanding shares	164,000,000	100.0%
Repurchased shares	8,006,708	
Total registered shares	172,006,708	

Shareholders distributed by country 31-12-2011



Shareholders

At the year-end, Castellum had approx. 9,400 shareholders. The amount of shares registered abroad at the year-end was 51%. Shareholders registered abroad can not be broken down in terms of directly held and nominee registered shares except when the shareholder is required to declare substantial share acquisitions. One foreign shareholder has a declared holding over 5%, Stichting Pensioensfonds ABP. Castellum has no direct registered shareholders with holdings exceeding 10%.

Proposed dividend

The Board intends to propose the annual general meeting to decide on a dividend of SEK 3.70 per share, an increase of 3% compared with previous year. The dividend ratio is 52% of income from property management before tax.

If the annual general meeting decides to accept the Board's dividend proposal, of Tuesday March 27, 2012 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 22, 2012. Payment of the dividend is expected to take place on Friday March 30, 2012.

The dividend falls within Castellum's objective of distributing at least 50% of income from property management, 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 number of shares over time are displayed in note 13.

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's will propose the AGM to decide on extending the mandate to repurchase shares until the next AGM. This mandate provides the facility to repurchase or transfer shares.

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

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

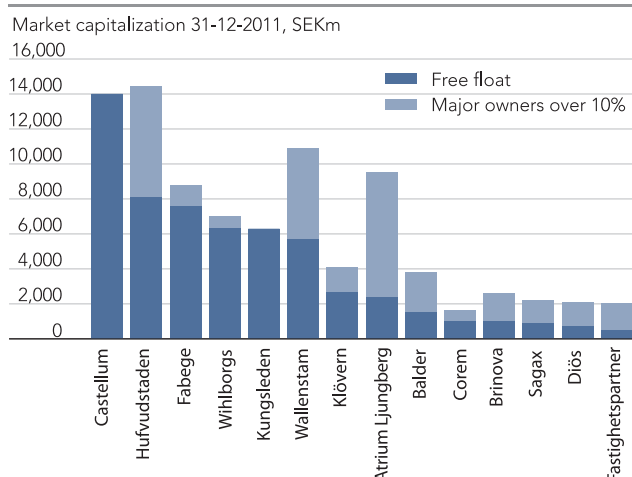
Market capitalization and liquidity

Castellum's market capitalization, i.e. the value of all outstanding shares in Castellum, amounted to SEK 14 billion (15) as per December 31, 2011.

During 2011, a total of 150 million (152) shares were traded, equivalent to an average of 595,000 shares per day (602,000), corresponding to an annual turnover rate of 92% (93%).

The total market capitalization of Swedish real estate companies operating solely in this field was nearly SEK 100 billion at the year-end, equivalent to near 3% of the total market capitalization of listed Swedish companies totalling approx. SEK 3.600 billion.

Listed Real Estate Companies



Growth, yield and financial risk

The Castellum share price at the year-end was SEK 85.30 (91.55). During 2011, the total yield of the share, including dividend of SEK 3.60, was – 3% (33%). Growth, yield and financial risk are shown below for both the present year as well as the average for three and ten years.

	2011	3 years average/year	10 years average/year
Total yield of the share (incl. dividend)			
Castellum	– 3%	18%	17%
NASDAQ OMX Stockholm (SIX Return)	– 14%	19%	6%
Real estate index Swedish (EPRA)	– 13%	17%	15%
Real estate index Europe (EPRA)	– 9%	13%	5%
Growth			
Income from property management SEK/share	3%	6%	8%
Net income for the year after tax SEK/share	– 64%	neg.	– 3%
Long term net asset value SEK/share	5%	5%	7%
Net asset value SEK/share	2%	5%	6%
Dividend SEK/share	3%	6%	9%
Real estate portfolio SEK/share	7%	5%	7%
Change in property value, unweighted	1%	0%	1%
Yield			
Return on net asset value	6.4%	9.8%	10.5%
Return on total capital	6.2%	6.0%	7.2%
Financial risk			
Interest coverage ratio	278%	295%	286%
Loan to value ratio	51%	51%	48%

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.

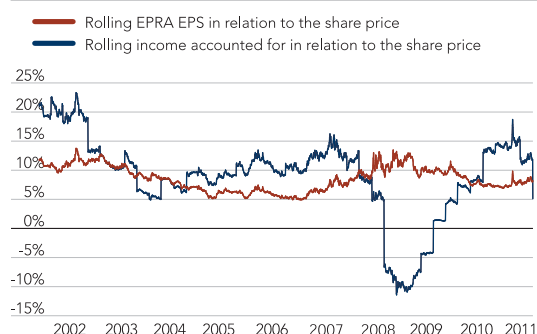
All press releases, quarterly reports and annual reports, both in Swedish and English, are available immediately after publication on www.castellum.se.

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.

Press releases

04-01-2011	Castellum invests SEKm 177
11-01-2011	The election committees proposal regarding the board of directors etc of Castellum AB
25-01-2011	Year-end Report 2011: Improved rental and real estate market and a dividend of SEK 3.60 per share
04-02-2011	The Swedish version of Castellums annual report 2010 is now available on www.castellum.se
16-02-2011	Summons to the Annual General Meeting of shareholders in Castellum AB
15-03-2011	Castellum invests SEKm 287 and sells for SEKm 74
24-03-2011	Annual General Meeting in Castellum AB
06-04-2011	Castellum has made net investments of SEKm 268
19-04-2011	First quarter 2011: Increased investment pace and improved net leasing
01-07-2011	Castellum invests SEKm 179
12-07-2011	First half-year 2011: Continued improvement of income from property management and net leasing
18-10-2011	Interim report January-September 2011: Stable cash-flow - income from property management SEKm 889
16-11-2011	Castellum invests half a billion SEK
24-11-2011	Castellum invests SEKm 327
22-12-2011	Castellum invests SEKm 174
13-01-2012	The election committee's proposal regarding the board of directors etc of Castellum AB (publ)
24-01-2012	Year-end Report 2011: Increased dividend to SEK 3.70 per share

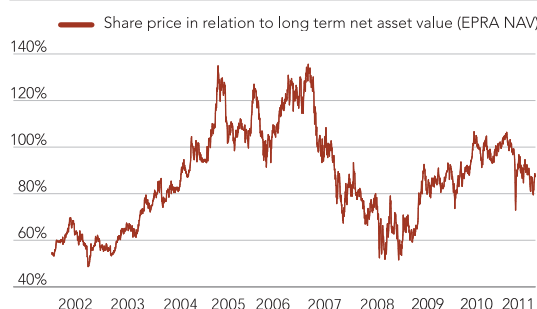
The share's earnings multiple



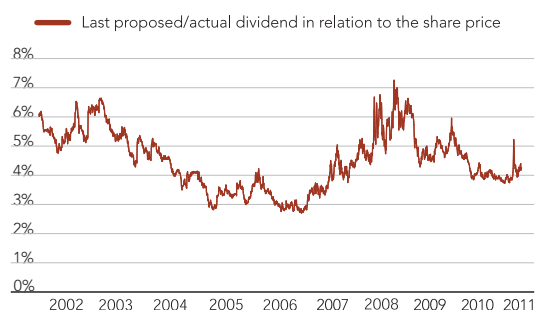
Net asset value

	SEKm	SEK/ share
Equity according to the balance sheet	11,203	68
Reversed		
Interest rate derivatives acc to balance sheet	1,003	6
Deferred tax according to balance sheet	3,714	23
Long term net asset value (EPRA NAV)	15,920	97
Deduction		
Interest rate derivatives as above	- 1,003	- 6
Estimated real liability, deferred tax 5%	- 721	- 4
Actual net asset value (EPRA NNNAV)	14,196	87

The share's dividend yield



Share price/net asset value



Valuation - share price related key figures

Earnings

Post-tax income from property management relating to income from property management (EPRA EPS) amounted to SEK 7.01 (6.62) per share at the year-end. This results in a share price yield of 8.2% (7.2%).

Net income after tax amounted to SEK 4.34 per share (11.98), which from the share price gives a yield of 5.1% (13.1%).

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 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 long term net asset value (EPRA NAV) can be calculated to SEK 97 per share (92). The share price at the end of the year was thus 88% (99%) of the long term net asset value.

Dividend Yield

The proposed dividend of SEK 3.70 (3.60) corresponds to a yield of 4.3% (3.9%) based on the share price at the end of the year.

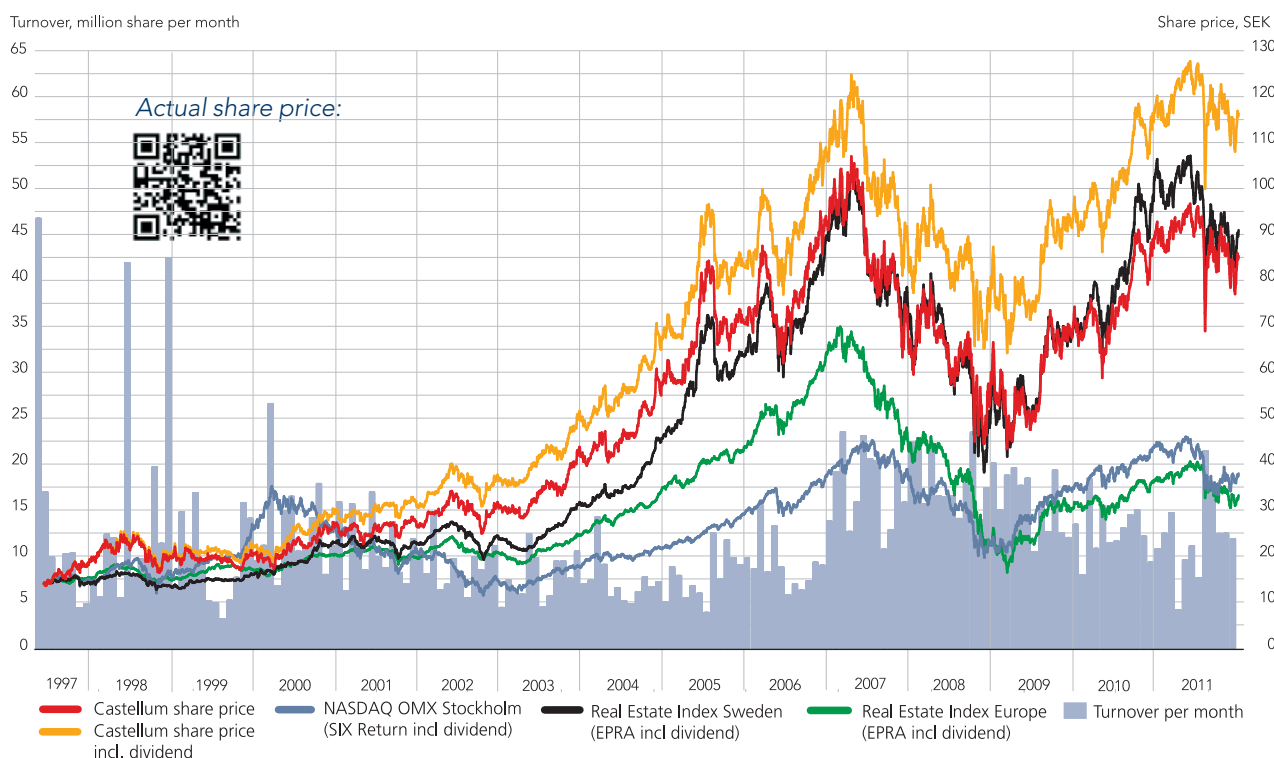
EPRA

EPRA, European Public Real Estate Association, is an association for listed real estate owners and investors in Europe, which among other things, sets standards for financial reporting. A part of such standards are key ratios EPRA EPS (Earnings Per Share), EPRA NAV (Net Asset Value) and EPRA NNNAV (Triple Net Asset Value).

Ten year summary

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Share price, SEK										
last paid during the last day for trading	85.30	91.55	72.50	60.75	67.25	91.25	71.50	59.50	42.50	30.50
highest paid during the year	97.50	91.75	73.75	80.00	107.00	95.50	85.00	60.75	45.13	34.25
lowest paid during the year	65.25	58.50	42.80	41.40	62.00	56.50	55.00	39.38	28.25	24.63
average (high/low per day)	88.69	75.70	58.57	63.42	87.55	78.54	68.29	47.32	33.86	29.78
Dividend, SEK (for 2011 proposed)	3.70	3.60	3.50	3.15	3.00	2.85	2.62	2.38	2.13	1.88
The share's dividend yield	4.3%	3.9%	4.8%	5.2%	4.5%	3.1%	3.7%	4.0%	5.0%	6.1%
Dividend ratio	52%	52%	51%	53%	53%	53%	52%	53%	52%	50%
Total yield, the Castellum share	- 3.1%	32.6%	27.4%	- 5.9%	- 24.2%	31.7%	25.0%	46.7%	48.5%	18.8%
Real Estate Index Sweden (EPRA)	- 13.0%	48.5%	24.0%	- 21.4%	- 18.5%	35.8%	40.2%	48.8%	32.5%	3.2%
Real Estate Index Europe (EPRA)	- 9.2%	19.8%	33.7%	- 48.8%	- 32.2%	49.4%	25.8%	41.7%	21.4%	2.3%
NASDAQ OMX Stockholm (SIX Return)	- 13.5%	26.7%	52.5%	- 39.0%	- 2.6%	28.1%	36.3%	20.8%	34.2%	-35.9%
Number of shares, thousand										
average	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000
outstanding	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000
registered	172,008	172,008	172,008	172,008	172,008	172,008	172,008	172,008	172,008	172,008
Number of shareholders	9,400	10,000	8,900	7,300	7,300	7,700	7,900	8,900	8,800	8,300
Percentage of shareholders registered abroad	51%	46%	46%	47%	49%	53%	46%	37%	33%	31%
Market capitalization, SEKm	13,989	15,014	11,890	9,963	11,029	14,965	11,726	9,758	6,970	5,002
Turnover, thousand shares per year	150,482	152,186	191,129	218,304	207,442	107,710	93,268	86,289	92,067	107,587
Turnover rate per year	92%	93%	117%	133%	126%	66%	57%	53%	56%	66%
Income from property mgmt per share, SEK										
Share price/pre tax income from property management per share	11.9	13.2	10.50	10.2	11.9	17.0	14.3	13.2	10.4	8.1
Income from prop management after tax (EPRA EPS), SEK										
Share price/Income from property management after tax per share	12.2	13.8	10.5	10.4	12.2	17.9	15.9	14.3	11.1	8.7
Long term net asset value per share (EPRA NAV) SEK										
Share price/Long-term net asset value per share	88%	99%	88%	72%	76%	116%	104%	98%	77%	58%
Net asset value per share (EPRA NNAV), SEK										
Share price/Net asset value per share	98%	108%	99%	81%	79%	120%	110%	104%	82%	61%

The Castellum share's price trend and turnover since IPO may 23, 1997 until December 31, 2011



Corporate Governance Report



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 in 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 as a whole on the company's web site.

Annual General Meeting 2011

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 24, 2011 in RunAn, Chalmers Kårhus in Gothenburg. At the AGM approx. 369 shareholders were represented, representing 36.1% of the total number of shares and votes.

The AGM adopted the financial reports for 2010 and discharged the Board of Directors and the Chief Executive Officer from liability regarding the operations for 2010.

Dividend to the shareholders was decided according to the Board's proposal of SEK 3.60 per share.

The AGM decided to change the Articles of Association regarding notice procedures and auditors' term of office in accordance with amended legislation,

The AGM decided that the Board of Directors shall consist of six board members with no deputies and that the Board shall receive a fixed remuneration of SEK 1,700,000 of which SEK 500,000 to the Chairman of the Board and SEK 240,000 to each of the remaining board members. The remuneration includes work on the committees. To the Board of Directors Jan Kvarnström, Marianne Dicander Alexandersson, Per Berggren, Ulla-Britt Fräjdin-Hellqvist, Christer Jacobson and Johan Skoglund were re-elected. The AGM appointed Jan Kvarnström as Chairman of the Board.

The AGM decided on re-election of auditor Carl Lindgren, new election of auditor Magnus Fredmer and re-election of deputy auditor Conny Lysér and that fee to the auditors shall, during the term of office, should be based on approved account,

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

The AGM also decided to authorize the Board – in order to adjust the company's capital structure and be able to transfer own shares as a payment or financing of real property investments – to resolve on acquisition and transfer of own shares.

Minutes of the annual general meeting held on March 24 2011 are 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 2011, the Board was made up of six 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 regularly information of regulatory changes and issues concerning the operations and board responsibilities for a listed company.

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, longterm strategies and objectives, budgets 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

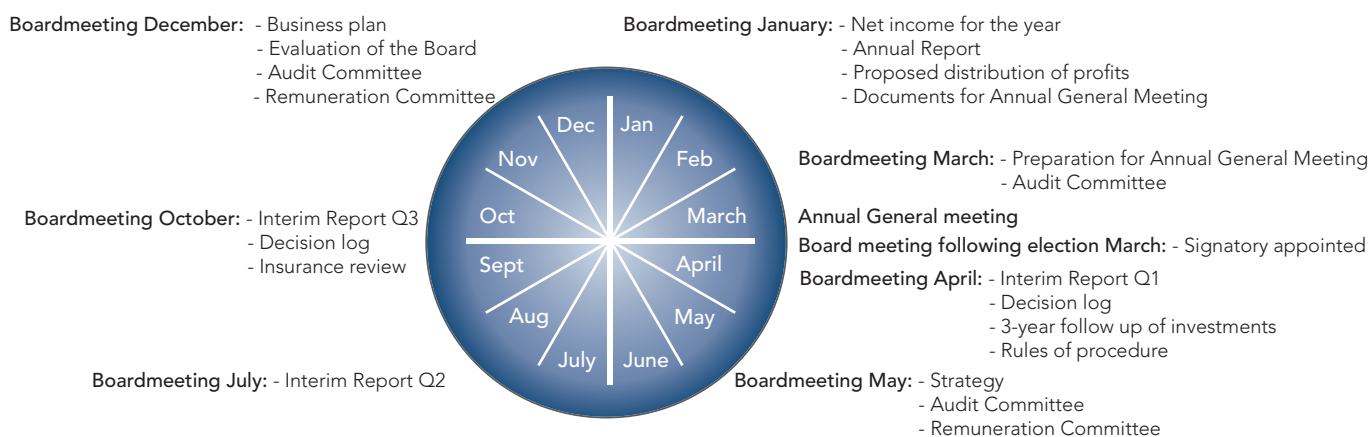
The Board of Directors' rules of procedure is set annually. The rules of procedure describes the work of the Board and the distribution of responsibility between the Board and the Chief Executive Officer. The rules of procedure also states topics which should be dealt with at each board meeting and instructions 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 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.

The Board's year - issues besides current state of operations, prospects, investments, sales och financing



The Board of Directors' activities during 2011

During 2011, Castellum's Board has held ten meetings of which one was a board meeting following election. According to the prevailing procedural rules, the Board must hold at least seven scheduled board meetings each calendar year, of which one is a board meeting following election.

Board meetings are held in connection with the publication of the company's reports, the year-end, proposed appropriation of profits and issues relating to the AGM are being dealt with in January, interim accounts in April, July and October, strategy in May and the business plan 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 are covered. Furthermore, the Board is informed about the current state of operations, the rental and real estate markets as well as the credit and stock markets. The regular matters dealt with by the Board during 2011 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 during 2011 made an external evaluation of its work. The evaluation has been handed over to the Election Committee and the Board for discussion. The evaluation covers topics such as working climate, working procedures in the business process, crisis management, follow-up and control systems, moral, ethics and communication.

No other compensation beside the remuneration has been paid.

Remuneration Committee

The Remuneration Committee has, in relation to the Board, a preparatory function in matters of remuneration principles, remuneration and other employment terms. The Remuneration Committee shall monitor and evaluate the application of the guidelines for compensation, remuneration structures

and levels of remuneration of senior executives that the Annual General Meeting decided on, as well as prepare proposals for new guidelines on remuneration policies and other terms of employment.

Decisions are made by the Remuneration Committee regarding the outcome during the current incentive program. The Committee shall monitor and evaluate ongoing and ended incentive plans and prepare proposals for new incentive program for the AGM. Further, drawing up proposals for the Board's accounting of the remuneration committee's evaluation of variable remuneration, the application of guidelines and compensation structures and levels. The evaluation shall be presented on the company's website. The Remuneration Committee shall annually evaluate the work of the Chief Executive Officer and, where appropriate, deal with issues concerning appointing CEO.

The Remuneration Committee shall meet at least twice a year. During 2011, the Committee has held three meetings.

Audit Committee

The Audit Committee has, in relation to the Board of Management, a preparatory function in matters of auditing and financial reporting. The Audit Committee's role is to monitor the company's financial reporting and the effectiveness of the internal controls, internal audit and risk management, keep informed about the audit of financial statements and meeting regularly with the auditors to obtain information on auditing and the company's risks. The Audit committee shall review and monitor the auditor's impartiality and independence, and evaluate the audit work and inform the Nomination Committee of the outcome of the evaluation. The Audit Committee shall also assist the committee in preparing proposals for auditors and compensation to them.

The Audit Committee shall meet at least three times a year, of which the auditors must attend at least twice. At one of those times when the audit committee meets with the auditors, no one from the corporate management shall be present. In 2011, the committee met on three occasions.

Board of Directors, number of meetings and attendance during 2011 in Castellum AB

Name	Elected/resigned	Independent	Attendance of the total number of meetings			
			Board meetings	Audit Committee	Remuneration Committee	Remuneration SEK thousand
Jan Kvarnström	1994	No*	10/10	3/3	3/3	500
Per Berggren	2007	Yes	10/10	3/3	3/3	240
Marianne Dicander Alexandersson	2005	Yes	9/10	3/3	3/3	240
Ulla-Britt Fräjdin-Hellqvist	2003	Yes	10/10	3/3	3/3	240
Christer Jacobson	2006	Yes	10/10	3/3	3/3	240
Johan Skoglund	2010	Yes	10/10	3/3	3/3	240

* As Jan Kvarnström has been a member of the Board of Directors in Castellum since 1994 he is considered to be dependent.

Board of Directors



Johan Ljungberg, Per Berggren, Johan Skoglund, Jan Kvarnström, Marianne Dicander Alexandersson, Ulla-Britt Fräjdin-Hellqvist, Christer Jacobson

Jan Kvarnström, Chairman of the Board

Born 1948, Master of Business Administration and Economics and MBA. Business-owner, von Deska GmbH and Kvarnström & Kvarnström.

Has been CEO of Securum AB, Esselte AB and Dresdner Bank AG and various executive positions in the Bonnier-group and PK-banken (now Nordea).

Other assignments: Chairman of the Board of Collector AB and board member in companies in the Genworth Financial Group.

Shareholdings: 36,620

Per Berggren, Board member

Born 1959, Master of Science and economic education from Stockholm University. CEO of Hemsö Fastighets AB.

Previously CEO of Jernhusen AB, division manager in Faberge AB, CEO of Drott Kontor AB and property manager in Skanska Fastigheter Stockholm AB.

Shareholdings: 2,500

Marianne Dicander Alexandersson, Board member

Born 1959, Master of Science. CEO of Sjätte AP-fonden.

Deputy CEO of Apoteket AB. Previous positions within Kronans Droghandel, Volvo, ICI, Pharmacia and most recently as CEO Apoteket AB.

Other assignments: Director of Chalmers University of Technology and Mölnlycke Healthcare AB.

Shareholdings: 3,030

Ulla-Britt Fräjdin-Hellqvist, Board member

Born 1954, Master of Science. Business-owner, Fräjdin & Hellqvist AB.

Previous executive positions within Volvo Personvagnar and Head of Department in Confederation of Swedish Enterprise. Other assignments: Chairman of the Board in Kongberg Automotive ASA, SinterCast AB and Stiftelsen för Strategisk Forskning. Boardmember of Data Respons ASA, Rymdbolaget, Fouriertransform, Stockholm Environment Institute, Tällberg Foundation and e-man.

Shareholdings: 800

Christer Jacobson, Board member

Born 1946, Master of Business Administration and Economics DHS. Business-owner, Bergsrådet Kapital AB.

Previously stock commen-tator and market manager at Affärsvärlden and Head of Analysis and CEO of the Alfred Berg group. Other assignments: Director in Viscogel AB and Max Matthiessen Värdepapper AB.

Shareholdings: 40,000

Johan Skoglund, Board member

Born 1962, Master of Science KTH and the program of Master of Science Handelshögskolan, Stockholm. CEO JM.

Has experience since 1986 from JM AB in various positions.

Other assignments: Boardmember of Sveriges Bygginstrument and Mentor Sverige.

Shareholdings: 1,000

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 at the end of January 2012. Shareholdings include own holdings and those of spouse, minors or children living at home and associated companies and holdings through capital assurance.



Carl Lindgren
Born 1958
Company's auditor
since 2007



Magnus Fredmer-
Born 1964
Company's auditor
since 2011



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 2011 and the next election will therefore take place at the AGM in 2015. The company's auditors are Carl Lindgren, working at KPMG, Magnus Fredmer, 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 4,583,000 (4,379,000) of which SEK 2,881,000 (2,682,000) related to auditing assignments, SEK 103,000 (287,000) audit in addition to the auditing assignment and SEK 1,599,000 (1,410,000) to tax consultation. The corresponding amounts for the parent company were SEK 1,084,000 (1,136,000) and SEK 864,000 (795,000) related to the auditing assignment and SEK 220,000 (341,000) tax consultation. Of the group's total remuneration of SEK 4,583,000 (4,397,000), SEK 4,184,000 (4,103,000) refer to KPMG and the remainder to Ernst & Young.

Election Committee

The Annual General Meeting 2011 decided that an Election Committee should be appointed for the AGM 2012 in order to present proposals for the number of members of the Board of Directors, election of members of the Board of Directors, chairman of the Board of Directors, remuneration to members of the Board of Directors and election of auditors and their remuneration.

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. The Election Committee would appoints chairman amongst its members.

The Election Committee includes: Maj-Charlotte Wallin representing AFA Försäkring, Rutger van der Lubbe representing Stichting Pensioen-fonds ABP, Lars-Åke Bokenberger representing AMF Pension, 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 where all the issues the Election Committee are obliged to address according to the Swedish Code for corporate governance has been dealt with.

The Election Committee has decided to propose re-election of the board members Mr. Per Berggren, Mrs. Marianne Dicander Alexandersson, Mrs. Ulla-Britt Fräjdin-Hellqvist, Mr. Christer Jacobson and Mr. Johan Skoglund. Mr. Jan Kvarnström, who has been chairman of the board since 1994, has declined re-election. In addition to this Mrs. Charlotte Strömberg and Mr. Jan Åke Jonsson are proposed to be elected as members of the board of directors. Mrs. Charlotte Strömberg is proposed to be elected as new chairman of the board of directors. 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 board member's 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.

Remuneration to the Board of Directors is proposed to SEK 510,000 to the Chairman and SEK 245,000 for each of the remaining board

members, SEK 1,980,000 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 2012

For the AGM on March 22, 2012 the Board of Directors proposes:

- a dividend of SEK 3.70 per share and March 27, 2012 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.

The election committee proposes for the AGM;

- re-election of the present board members Mr. Per Berggren, Mrs. Marianne Dicander Alexandersson, Mrs. Ulla-Britt Fräjdin-Hellqvist, Mr. Christer Jacobson and Mr. Johan Skoglund, as members of the board of directors. Mr. Jan Kvarnström, who has been chairman of the board since 1994, has declined re-election. In addition to this Mrs. Charlotte Strömberg and Mr. Jan Åke Jonsson are proposed to be elected as members of the board of directors. Mrs. Charlotte Strömberg is proposed to be elected as new chairman of the board of directors,
- that remuneration to the Board of Directors should be SEK 1,980,000 out of which SEK 510,000 should be allocated to the Chairman of the Board and SEK 245,000 to each one of the remaining members of the Board of Directors. Compared with last year, the proposal entails an increase of the total remuneration with SEK 280,000 since the board of directors is increased with one member and the individual board remuneration is increased with approx. 2%. The remuneration include work on the committees,
- for AGM to decide on appointing an election committee for the AGM 2013 and for the Chairman to contact the three largest registered or in an other way known shareholders at the end of the third quarter 2012 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 2011 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.



Nordstaden 2:16, Gothenburg



Inom Vallgraven 33:9, Gothenburg

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 Annual Accounts Act and the 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.





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 10 meetings in 2011.

The Chief Executive Officer and the Deputy Chief Executive Officer together with Managing Director of each subsidiary is the Board in each local subsidiary.

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 2011 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. A fixed salary will be paid for work performed in a satisfactory manner. In addition, flexible remunerations under an incentive plan may also be offered. Such flexible remuneration shall aim to promote long-term value creation within The Group. Flexible remuneration, which generally can not exceed the fixed salary is determined by how far in advance its objectives for growth in property management earnings per share and share price development are achieved, and how soft factors such as customer and employee satisfaction are developed. Flexible remuneration is paid as non pensionable salary. Executives who receive flexible remuneration is committed to acquire Castellum-shares for at least half the amount of flexible remuneration after tax.

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

Such period of notice shall, upon termination by the Company not exceeding 24 months for the Chief Executive Officer and 12 months for other executives, with the obligation to work the first six months. During the notice period full salary and other benefits is paid, less pay and compensation received from other employment.

Castellum has followed the guidelines decided by the AGM 2011.

The proposed guidelines for remuneration for senior executives which will be put forward at the AGM on March 22, 2012 are on principle unchanged compared to those put forward at the AGM in 2011.

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

St Clemens 27, Lund

Executive Group Management



Claes Junefelt, Gunnar Östenson, Anette Asklin, Christer Sundberg, Tage Christoffersson, Ulrika Danielsson, Håkan Hellström, Henrik Saxborn, Anders Nilsson, Claes Larsson

Håkan Hellström

Chief Executive Officer, Castellum AB

Born 1956, Master of Business Administration and Economics. Employed since 1994 as Financial and Finance Director. CEO since 2006. Has previously worked as Authorized Public Accountant. Other assignments: Member of the Board of West Sweden Chamber of Commerce and Industry.

Shareholdings: 126,300

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: 23,800

Anette Asklin

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: 31,010

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: 54,000

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: 8,100

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: 12,210

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: 24,200

Anders Nilsson

Managing Director, Fastighets AB Brostaden

Born 1967, Master of Science. More than 15 years experience from the real estate business. Employed since 1993 and Managing Director of Brostaden since 2006.

Shareholdings: 10,534

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: 49,225

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: 10,750

The information above refers to the situation in the end of January 2012. Shareholdings include own holdings and those of spouse, minors or children living at home and associated companies and holding through capital assurance.

Multi Year Summary

	Jan-March 2011	Apr-June 2011	July-Sept 2011	Oct-Dec 2011	2011	Jan-March 2010	Apr-June 2010	July-Sept 2010	Oct-Dec 2010	2010
Income Statement, SEKm										
Rental income	717	730	734	738	2,919	674	693	691	701	2,759
Property costs	- 288	- 238	- 212	- 265	- 1,003	- 280	- 227	- 206	- 247	- 960
Net operating income	429	492	522	473	1,916	394	466	485	454	1,799
Central administrative expenses	- 20	- 25	- 18	- 20	- 83	- 17	- 22	- 19	- 26	- 84
Net interest rates	- 159	- 162	- 170	- 169	- 660	- 143	- 141	- 142	- 148	- 574
Income from property management	250	305	334	284	1,173	234	303	324	280	1,141
Changes in value, properties	97	291	48	- 242	194	46	320	197	659	1,222
Changes in value, derivatives	171	- 104	- 432	- 64	- 429	- 53	- 36	58	322	291
Current tax	- 1	- 1	- 4	- 4	- 10	- 2	- 3	0	0	- 5
Deferred tax	- 123	- 128	16	18	- 217	- 52	- 154	- 144	- 335	- 685
Net income for the period/year	394	363	- 38	- 8	711	173	430	435	926	1,964
Other total net income	0	0	0	0	0	-	-	-	-	-
Total net income for the period/year	394	363	- 38	- 8	711	173	430	435	926	1 964
Balance Sheet, SEKm										
Investment properties	32,284	32,896	33,273	33,867	33,867	29,511	30,032	30,286	31,768	31,768
Other fixed assets	192	181	192	207	207	134	164	164	156	156
Cash and bank	113	104	146	97	97	12	12	35	12	12
Total assets	32,589	33,181	33,611	34,171	34,171	29,657	30,208	30,485	31,936	31,936
Shareholders' equity	10,886	11,249	11,211	11,203	11,203	9,291	9,721	10,156	11,082	11,082
Deferred tax liability	3,620	3,747	3,731	3,714	3,714	2,875	3,029	3,166	3,502	3,502
Derivatives	403	508	941	1,003	1,003	918	954	896	574	574
Long term interest-bearing liabilities	16,370	16,677	16,739	17,160	17,160	15,073	15,675	15,412	15,781	15,781
Non-interest-bearing liabilities	1,310	1,000	989	1,091	1,091	1,500	829	855	977	997
Total shareholders' equity and liabilities	32,589	33,181	33,611	34,171	34,171	29,657	30,208	30,485	31,936	31,936
Financial key ratios										
Net operating income margin	60%	67%	71%	64%	66%	58%	67%	70%	65%	65%
Interest rate, average	4.0%	4.0%	4.2%	4.1%	4.1%	3.8%	3.6%	3.7%	3.9%	3.7%
Interest coverage ratio	257%	288%	296%	268%	278%	264%	315%	328%	289%	299%
Return on actual net asset value	14.3%	13.5%	- 1.4%	- 0.8%	6.4%	7.3%	19.1%	17.9%	37.5%	21.5%
Return on total capital	6.3%	9.3%	6.6%	2.5%	6.2%	5.7%	10.3%	8.8%	14.1%	9.8%
Investments in properties, SEKm	522	319	328	846	2 015	255	201	227	823	1 506
Sales, SEKm	103	-	-	4	107	57	-	170	-	227
Loan to value ratio	51%	51%	50%	51%	51%	51%	52%	51%	50%	50%
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	164,000	164,000
Income from property management, SEK	1.52	1.86	2.04	1.73	7.15	1.43	1.85	1.98	1.71	6.96
Income prop mgmt after tax (EPRA EPS), SEK	1.47	1.76	1.88	1.90	7.01	1.40	1.66	1.81	1.75	6.62
Earnings after tax, SEK	2.40	2.21	- 0.23	- 0.05	4.34	1.05	2.62	2.65	5.65	11.98
Outstanding number of shares, thousand	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000
Property value, SEK	197	201	203	207	207	180	183	185	194	194
Long term net asset value (EPRA NAV), SEK	91	95	97	97	97	80	84	87	92	92
Actual net asset value (EPRA NNNV), SEK	84	87	87	87	87	71	74	78	85	85
Dividend, SEK (2011 proposed)					3.70					3.60
Dividend ratio*					52%					52%
Property related key ratios										
Rental value, SEK/sq,m,	991	997	997	1,075	995	967	978	972	1,049	974
Economic occupancy rate	88.7%	89.3%	90.0%	89.2%	89.3%	88.4%	88.9%	89.4%	89.2%	89.0%
Property costs, SEK/sq,m,	352	287	256	328	300	352	282	256	324	298
Property value, SEK/sq,m,	9,621	9,778	9,845	9,835	9,835	9,010	9,146	9,205	9,499	9,499

	2009	2008	2007	2006	2005	2004	2003	2002
Income Statement, SEKm								
Rental income	2,694	2,501	2,259	2,014	1,907	1,856	1,758	1,684
Property costs	– 942	– 831	– 771	– 700	– 637	– 628	– 595	– 560
Net operating income	1,752	1,670	1,488	1,314	1,270	1,228	1,163	1,124
Central administrative expenses	– 81	– 71	– 69	– 67	– 68	– 69	– 67	– 63
Net interest rates	– 541	– 626	– 495	– 364	– 382	– 418	– 428	– 442
Income from property management	1,130	973	924	883	820	741	668	619
Changes in value, properties	– 1,027	– 1,262	920	1,145	932	660	– 43	251
Changes in value, derivatives	102	– 1,010	99	178	– 40	– 146	– 13	– 168
Current tax	– 10	– 14	– 22	– 10	– 1	– 5	– 1	– 2
Deferred tax	– 35	650	– 434	– 522	– 417	– 334	– 171	– 44
Net income for the year	160	– 663	1,487	1,674	1,294	916	440	656
Other total net income	–	–	–	–	–	–	–	–
Total net income for the period/year	160	– 663	1,487	1,674	1,294	916	440	656
Balance Sheet, SEKm								
Investment properties	29,267	29,165	27,717	24,238	21,270	19,449	18,015	17,348
Other fixed assets	201	230	123	200	103	94	167	172
Cash and bank	8	9	7	8	5	7	33	20
Total assets	29,476	29,404	27,847	24,446	21,378	19,550	18,215	17,540
Shareholders' equity	9,692	10,049	11,204	10,184	8,940	8,035	7,467	7,334
Deferred tax liability	2,824	2,785	3,322	2,723	2,126	1,659	1,294	1,124
Derivatives	865	966	– 44	55	233	391	245	232
Long term interest-bearing liabilities	15,294	14,607	12,582	10,837	9,396	8,834	8,598	8,264
Non-interest-bearing liabilities	801	997	783	647	683	631	611	586
Total shareholders' equity and liabilities	29,476	29,404	27,847	24,446	21,378	19,550	18,215	17,540
Financial key ratios								
Net operating income margin	65%	67%	66%	65%	67%	66%	66%	67%
Interest rate, average	3.7%	4.7%	4.2%	3.7%	4.3%	4.9%	5.4%	5.7%
Interest coverage ratio	309%	255%	287%	343%	315%	277%	256%	240%
Return on actual net asset value	1.6%	– 8.3%	16.2%	20.7%	18.2%	14.6%	7.2%	9.0%
Return on total capital	2.1%	1.2%	9.1%	10.4%	10.4%	9.6%	5.9%	7.6%
Net investments in properties, SEKm	1,165	2,738	2,598	2,283	1,357	1,268	1,108	1,050
Sales, SEKm	36	28	39	460	468	494	397	503
Loan to value ratio	52%	50%	45%	45%	45%	45%	48%	48%
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
Income from property management, SEK	6.89	5.93	5.63	5.38	5.00	4.52	4.07	3.77
Income prop mgmt after tax (EPRA EPS), SEK	6.93	5.85	5.50	5.09	4.49	4.15	3.82	3.52
Earnings after tax, SEK	0.98	– 4.04	9.07	10.21	7.89	5.59	2.68	4.00
Number of outstanding shares, thousand	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000
Property value, SEK	178	178	169	148	130	119	110	106
Long term net asset value (EPRA NAV), SEK	82	84	88	79	69	61	55	53
Actual net asset value (EPRA NNNV), SEK	73	75	85	76	65	57	52	50
Dividend, SEK (2011 proposed)	3.50	3.15	3.00	2.85	2.62	2.38	2.13	1.88
Dividend ratio*	51%	53%	53%	53%	52%	53%	52%	50%
Property related key ratios								
Rental value, SEK/sq,m,	969	921	896	864	851	859	829	799
Economic occupancy rate	89.8%	89.7%	87.9%	87.1%	88.1%	89.6%	90.7%	91.5%
Property costs, SEK/sq,m,	300	268	262	259	247	255	246	237
Property value, SEK/sq,m,	9,036	8,984	9,098	8,466	7,930	7,706	7,296	7,132



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Consolidated Statement of Comprehensive Income

SEKm		2011	2010
Rental income	Note 3	2,919	2,759
Operating expenses	Note 4	– 553	– 547
Maintenance	Note 4	– 115	– 105
Ground rent	Note 4	– 24	– 19
Real estate tax	Note 4	– 148	– 140
Leasing and property administration	Note 4	– 163	– 149
Net operating income		1,916	1,799
Central administrative expenses	Note 5	– 83	– 84
Net interest rates			
Interest rate income	Note 6	2	1
Interest rate cost	Note 7	– 662	– 575
Income from property management		1,173	1,141
Changes in value	Note 8		
Properties		194	1,222
Derivatives		– 429	291
Income before tax		938	2,654
Current tax	Note 9	– 10	– 5
Deferred tax	Note 9	– 217	– 685
Net income for the year		711	1,964
Other total net income			
Translation difference foreign operations		0	–
Unrealized change, currency risk hedge foreign operations		0	–
Total net income for the year		711	1,964

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
Net income for the year after tax, SEK	4.34	11.98

Comments to the Consolidated Statement of Comprehensive Income

Rental income

Group rental income amounted to SEKm 2,919 (2,759). For office and retail properties, the average contracted rental level, including charged heating, cooling and property tax, amounted to SEK 1,217 per sq.m., whereas for warehouse and industrial properties, it amounted to SEK 724 per sq.m. Rental levels, which are considered to be in line with the market, have increased by 1.6% in comparable portfolio compared with previous year.

The average economic occupancy rate was 89.3%. The total rental value for vacant premises during the year amounted to approx. SEKm 371 (374).

Gross leasing (i.e. the annual value of total leasing) during the period was SEKm 310 (257), of which SEKm 45 (46) was leasing of new constructions, extensions and reconstructions. Notices of termination amounted to SEKm 249 (221), of which bankruptcies were SEKm 18 (12), hence net leasing was SEKm 61 (36). The time difference between reported net leasing and the effect in income thereof is estimated to between 9–18 months.

Demand for properties remains strong, although some level of weakening has been noted, and the rental process takes longer. This pattern is similar for all Castellum submarkets and property types.

Rental levels are expected to remain stable. The 2011 inflation rate has resulted in a 2012 index adjustment of just over 2%.

Property costs

Property costs amounted to SEKm 1,003 (960) corresponding to SEK 300 per sq.m. (298). Consumptions for heating during the year has been calculated to 87% (116%) of a normal year according to the degree day statistics.

Central administrative expenses

Central administrative expenses totalled SEKm 83 (84). This includes costs for a profit-and-share-price related incentive plan for 10 persons in executive management of SEKm 14 (16).

Net interest rate

Net interest items were SEKm –660 (–574). The average interest rate level was 4.1% (3.7%).

Income from property management

Income from property management during the year, i.e. net income excluding changes in value and tax, amounted to SEKm 1,173 (1,141), equivalent to SEK 7.15 (6.96) per share – an increase with 3%.

Changes in value

The change in value in Castellum's portfolio during the year amounted to SEKm 194 (1,222), corresponding to approx. 0.6%. The change in value mainly relates to acquisitions and project gains. No general change in the the required yield in the internal valuations has been made during the year. On the property level, however, adjustments has been made on both individual required yield and future cash flow. The change in value also covers SEKm 30 due to sales of 4 properties where the sale price of SEKm 107 exceeded the valuations by 39%.

Castellum utilizes interest rate derivatives to achieve the desired interest rate maturity structure. If the agreed interest rate deviates from the market interest rate, irregardless credit margins, there is a theoretical surplus or sub value in the interest rate derivatives where the non-cash-flow affecting changes in value are reported in the income statement.

Castellum also has a few derivatives in order to hedge currency fluctuation in the investment in Denmark where the value is accounted for in other total income. The value in the derivatives portfolio has changed mainly due to changes in long-term market interest rates by SEKm –429 (291) and the value was SEKm –1,003 (–574) at the end of the year.

Tax

The nominal corporate tax rate in Sweden is 26.3%. Due to the possibility to deduct depreciation and reconstructions for tax purposes, and to utilize tax loss carryforwards, there are in principle no paid tax costs. Paid tax occurs because a few subsidiaries are not allowed to make fiscal group contributions.

Castellum has no ongoing formal tax disputes.

Tax Calculation 2011, SEKm		Basis current tax	Basis deferred tax
Income from property management		1,173	
Deductions for tax purposes			
depreciations	– 636		636
reconstructions	– 365		365
Other tax allowances	– 80		41
Taxable income from property management	92		1,042
Properties sold	8		– 15
Changes in value on properties	–		164
Changes in value on interest rate derivatives	– 429		–
Taxable income before tax loss carry forwards	– 329		1,191
Tax loss carry forwards, opening balance	– 1,406		1,406
Tax loss carry forwards, closing balance	1,772		– 1,772
Taxable income	37		825
Of which 26.3% current/deferred tax	– 10		– 217

Consolidated Balance Sheet

SEKm		Dec 31 2011	Dec 31 2010
ASSETS			
Fixed assets			
Investment properties	Note 11	33,867	31,768
Tangible fixed assets	Note 12	15	12
Long-term receivable		0	3
Total fixed assets		33,882	31,783
Current assets			
Rent receivables	Note 3	20	10
Other receivables		108	78
Prepaid expenses and accrued income		64	53
Cash and bank		97	12
Total current assets		289	153
TOTAL ASSETS		34,171	31,936
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity attributable to the shareholders of the parent company			
Share capital		86	86
Other capital contribution		4,096	4,096
Retained earnings		7,021	6,900
Total shareholders' equity		11,203	11,082
Liabilities			
Long-term liabilities			
Deferred tax liability	Note 15	3,714	3,502
Derivatives	Note 16	1,003	574
Long-term interest-bearing liabilities	Note 17	17,160	15,781
Total long-term liabilities		21,877	19,857
Short-term liabilities			
Accounts payable		163	133
Tax liabilities		22	21
Other liabilities		179	228
Accrued expenses and prepaid income	Note 18	727	615
Total short-term liabilities		1,091	997
Total liabilities		22,968	20,854
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		34,171	31,936
Pledged assets	Note 19	18,986	17,421
Contingent liabilities	Note 20	–	–

Comments to the Consolidated Balance Sheet

Assets

Fixed assets

During the year the real estate portfolio has changed according to the table below.

Changes in the real estate portfolio	Value, SEKm	Number
Real estate portfolio on 1 January, 2011	31,768	598
+ Acquisitions	857	23
+ New constructions, extensions and reconstructions	1,158	–
– Sales	– 77	– 4
+/- Unrealized changes in value	164	–
+/- Currency translation	– 3	–
Real estate portfolio on 31 December, 2011	33,867	617

During the year investments totalling SEKm 2,015 (1,506) were made, of which SEKm 1,158 (881) were new constructions, extensions and reconstructions and SEKm 857 (625) were acquisitions. Of the total investments SEKm 728 related to Greater Gothenburg, SEKm 541 to the Öresund Region, SEKm 352 related to Mälardalen, SEKm 226 to Greater Stockholm and SEKm 168 to Eastern Götaland.

After sales of SEKm 107 (227) net investments amounted to SEKm 1,908 (1,279).

Castellum assesses the value of properties through internal valuations. These are based on a 10-year cash-flow-based model, in which an individual valuation for each property reflects both its future earnings capacity and the required market yield. In the valuation of a property's future earnings capacity, consideration has been taken of potential changes in rental levels, occupancy rates and property costs – as well as an assumed inflation level of 1.5%.

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 980 per sq.m. (970).

Based on these internal valuations, the value of the properties at year-end were assessed to SEKm 33,867 (31,768), corresponding to SEK 9,835 per sq.m. (9,500).

External valuation

In order to provide further assurance and validation of the valuation, 133 properties – representing 51% of the value of the portfolio – have been valued externally by NAI Svefa. NAI Svefa's valuation of the selected properties amounted to SEKm 17,058, within an uncertainty range of +/- 5-10% on property level, depending on each property's category and location. Castellum's valuation of the same properties totalled SEKm 17,240, i.e., a net change of SEKm 182, corresponding to 1%. Gross deviation was SEKm +347 and SEKm –529 respectively, with an average deviation of 5%.

Shareholders' equity and liabilities

Net asset value

As of 31 December 2011, shareholder's equity was SEKm 11,203. In addition, there were liabilities in the balance sheet that, in principle, were both interest free and amortization free. Hence, these liabilities can largely be regarded as shareholder equity. The net asset value can therefore be calculated in different ways, as shown in the table below.

Net asset value 31-12-2011	SEKm	SEK/ share
Equity according to the balance sheet	11,203	68
Reversed		
Derivatives acc to balance sheet	1,003	6
Deferred tax acc to balance sheet	3,714	23
Long term net asset value (EPRA NAV)	15,920	97
Deduction		
Derivatives as above	– 1,003	– 6
Estimated real liability, deferred tax 5%	– 721	– 4
Actual net asset value (EPRA NNNAV)	14,196	87

Deferred tax

Remaining tax loss carryforwards can be calculated to SEKm 1,772 (1,406). Fair values for the properties exceed their fiscal value by SEKm 16,197 (14,829) of which SEKm 304 relates to properties acquired and accounted for as asset acquisitions. As deferred tax liability, a full nominal 26.3% tax of the net difference is reported, reduced by the deferred tax relating to asset acquisitions, i.e. SEKm 3,714 (3,502).

Long term interest-bearing liabilities

As of 31 December, 2011 Castellum had long term binding credit agreements totalling SEKm 19,374 (18,062), short term binding credit agreements totalling SEKm 420 (520) and a commercial paper program of SEKm 4,000 (4,000). After deduction of liquid assets of SEKm 97 (12), net interest bearing liabilities were SEKm 17,063 (15,769), of which SEKm 2,235 (1,377) refers to outstanding commercial papers.

Most of Castellum's loans are short-term revolving loans, utilized in long-term binding credit agreements. Long-term loan commitments in banks are secured by pledged mortgages and/or financial covenants. Outstanding commercial papers are unsecured. The financial covenants state a loan-to-value ratio not exceeding 65% and an interest coverage ratio of at least 150%, which Castellum fulfils with comfortable margins, 51% and 278% respectively.

The average duration of Castellum's long-term credit agreements was 5.1 years (5.0). Margins and fees on long-term credit agreements had an average duration of 3.5 years (2.6).

As of 31 December, 2011, the market value of the interest rate and the currency derivative portfolio amounted to SEKm –1,003 (–574).

Income Statement for the Parent Company

SEKm		2011	2010
Income	Note 3	19	15
Central administrative expenses	Note 5	– 61	– 59
<i>Financial items</i>			
Financial income	Note 6	1,494	1,486
Financial costs	Note 7	– 712	– 636
Income before changes in value and tax		740	806
<i>Changes in value</i>	Note 8		
Derivatives		– 429	291
Income before tax		311	1,097
Current tax	Note 9	–	–
Deferred tax	Note 9	78	– 116
Net income for the year		389	981

Comprehensive Income for the Parent Company

SEKm	2011	2010
Net income for the year according to the Income Statement	389	981
<i>Other total net income</i>		
Translation difference foreign operations	0	–
Unrealized change, currency risk hedge foreign operations	0	–
Total net income for the year	389	981

Balance Sheet for the Parent Company

SEKm		Dec 31 2011	Dec 31 2010 new principle, see note 1	Dec 31 2010
ASSETS				
Fixed assets				
Tangible fixed assets	Note 12	1	0	0
<i>Financial fixed assets</i>				
Participations in group companies	Note 21	5,338	5,217	4,087
Deferred tax assets	Note 15	271	169	169
Long-term receivables, group companies	Note 22	17,432	16,195	16,195
Total financial fixed assets		23,041	21,581	20,451
Total fixed assets		23,042	21,581	20,451
Current assets				
Short-term receivables, group companies		772	838	838
Prepaid expenses and accrued income		8	10	10
Cash and bank		0	0	0
Total current assets		780	848	848
TOTAL ASSETS		23,822	22,429	21,299
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity				
<i>Restricted equity</i>				
Share capital		86	86	86
Restricted reserves		20	20	20
<i>Non-restricted equity</i>				
Retained earnings		4,362	3,971	2,974
Net income for the year		389	981	848
Total shareholders' equity		4,857	5,058	3,928
Liabilities				
Derivatives	Note 14			
Long-term interest-bearing liabilities	Note 16	1,003	574	574
Long-term interest-bearing liabilities, group companies	Note 17	15,391	14,719	14,719
Short-term interest-bearing liabilities		1,809	1,691	1,691
Short-term interest bearing liabilities, group companies		518	–	–
Accounts payable		90	230	230
Other liabilities		2	3	3
Accrued expenses and prepaid income	Note 18	2	2	2
Total liabilities		18,965	17,371	17,371
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		23,822	22,429	21,299
Pledged assets	Note 19	16,103	14,721	14,721
Contingent liabilities	Note 20	1,174	1,062	1,062

Change in Equity

Group, SEKm (note 13)	Attributable to the shareholders of the parent company						Total equity
	Number of out-standing shares, thousand	Share capital	Other capital contribution	Translation of currency reserve	Hedging of currency reserve	Retained earnings	
Shareholders' equity 31-12-2009	164,000	86	4,096	–	–	5,510	9,692
Dividend, March 2010 (3.50 per share)	–	–	–	–	–	– 574	– 574
Net income for the year	–	–	–	–	–	1,964	1,964
Other total net income	–	–	–	–	–	–	–
Shareholders' equity 31-12-2010	164,000	86	4,096	0	0	6,900	11,082
Dividend, March 2011 (3.60 per share)	–	–	–	–	–	– 590	– 590
Net income for the year	–	–	–	–	–	711	711
Other total net income	–	–	–	0	0	–	0
Shareholders' equity 31-12-2011	164,000	86	4,096	0	0	7,021	11,203

Parent Company, SEKm (note 13)	Number of outstanding shares, thousand	Share capital	Restricted reserves	Fair value reserves		Retained earnings	Total equity
				Translation of currency reserve	Hedging of currency reserve		
Shareholders' equity 31-12-2009	164,000	86	20	–	–	3,585	3,691
Changed accounting principle - paid							
Group contribution, net value after tax	–	–	–	–	–	960	960
Dividend, March 2010 (3.50 per share)	–	–	–	–	–	– 574	– 574
Net income for the year	–	–	–	–	–	981	981
Other total net income	–	–	–	–	–	–	–
Shareholders' equity 31-12-2010	164,000	86	20	–	–	4,952	5,058
Dividend, March 2011 (3.60 per share)	–	–	–	–	–	– 590	– 590
Net income for the year	–	–	–	–	–	389	389
Other total net income	–	–	–	0	0	–	0
Shareholders' equity 31-12-2011	164,000	86	20	0	0	4,751	4,857

Cash Flow Statement

SEKm	Group		Parent Company	
	2011	2010	2011	2010
Operating activities				
Net operating income	1,916	1,799	19	15
Central administrative expenses	– 83	– 84	– 61	– 59
Depreciations reversed	6	6	0	0
Net financial items paid	– 651	– 595	19	– 9
Tax paid	– 14	– 9	–	–
Cash flow from operating activities before change in working capital	1,174	1,117	– 23	– 53
<i>Cash flow from change in working capital</i>				
Change in current receivables	– 51	12	68	–136
Change in current liabilities	184	84	– 12	0
Cash flow from operating activities	1,307	1,213	33	–189
Investment activities				
Investments in new constructions, extensions and reconstructions	– 1,158	– 881	–	–
Property acquisitions	– 857	– 625	–	–
Change in liabilities at acquisitions of properties	– 95	137	–	–
Property sales	102	219	–	–
Change in receivables at sales of properties	3	32	–	–
Net capital contributions, subsidiaries	–	–	626	608
Other net investments	– 6	– 4	0	0
Cash flow from investment activities	–2,011	– 1,122	626	608
Financing activities				
Change in interest-bearing liabilities	1,379	487	1,168	449
Change in long-term receivables	–	–	– 1,237	– 294
Dividend paid	– 590	– 574	– 590	– 574
Cash flow from financing activities	789	– 87	– 659	– 419
Cash flow for the year	85	4	0	0
Cash and bank, opening balance	12	8	0	0
Cash and bank, closing balance	97	12	0	0

Accounting Principles and Notes

(All figures in SEKm unless stated otherwise.)

Not 1

Accounting Principles

General information

The financial reports of Castellum AB (The Parent Company) for the financial year ending December 31, 2011, have been approved by the Board of Directors and the Chief Executive Officer for publication on February 3, 2012, and will be proposed to the 2012 Annual General Meeting for adoption. The parent company is a Swedish limited liability company (publ), with registered office in Gothenburg, Sweden. The business activities 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 Board's recommendation RFR 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

For 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 experience and other factors which are considered fair under current conditions. Real outcome may be different from these assessments if other assumptions are made or other conditions exist.

Investment properties

For valuation of investment properties, the assessments and assumptions can have a significant affect on the income and financial position of the Group. The valuation calls for estimates and assumptions of future cash flows and decisions 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 along with prevailing assessments and assumptions is presented in note 11.

Asset acquisition versus business combination

Company acquisitions can be classified as either business combinations or asset acquisitions. A company acquisition that has as its primary purpose to acquire a company's property - i.e., where the company's possible property management and administration are of secondary importance to the acquisition - is classified as an asset acquisition. Other company acquisitions are classified as business combinations.

Regarding asset acquisitions, no deferred tax is attributable to the property acquisition. Instead, possible discount will reduce the acquisition value of the property. This means that changes in value will be affected by the tax discount in the subsequent valuation.

Deferred tax liability

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

Income from property management

Castellum's operations are focused on cash flow growth from property management - i.e., growth in income from property management - with the objective of an annual increase in property management income by at least 10%. It is also the income from property management that forms the basis of what is yearly distributed to shareholders - at least 50% of the property management income before tax. Thus, the size of changes in value has not been targeted since they are neither included in the basis for distribution, nor in any other base such as, for example, the management's incentive program. To give an accurate picture of Castellum's view on its business operations, the comprehensive income report has been designed accordingly - i.e., the accounting of changes in value (not affecting cash-flow) occurs after the cash-flow affecting items. Furthermore, one result row has been inserted on which the business operations are managed and targeted: the income from property management.

Classification

Fixed assets and long-term liabilities consist of amounts that are expected to be regained or maturing more than twelve months from the balance sheet date. 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 date.

The consolidated financial statements

The Group's balance sheet and income statement include 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 21 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. This means that shareholders' equity in the subsidiaries at the time of acquisition, calculated as the difference between the fair value of the assets and liabilities, is fully eliminated. The shareholders' equity of the Group includes only the part of shareholders' equity in the subsidiaries that has been added after the acquisition.

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.

The accounts of the foreign operation are translated to SEK by translating the balance sheet to the exchange rate at balance date - except for shareholders' equity which is translated at the historical exchange rate. The income statement is translated at the average exchange rate of the period. Exchange differences on translation are recognized in other total income.

Rental income

Rental income, which from an accounting perspective is also called income from operating leases, is debited in advance and recorded as a linear allocation 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 for the period in which 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 property sales is accounted for as a 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 adjustment for capitalized investments after the latest interim report.

Financial income

Financial income consists of interest rate income and is recorded as income in the period to which they refer. Received and anticipated dividends are also recorded as financial income.

Financial costs include interest and other costs that occur when a company borrows money. Costs for taking out pledges for mortgages are not considered as financial costs and are capitalized as a property investment since it increases valuation. Financial costs are accounted for in the period which they refer to. Financial costs also include the interest rate cost for interest-rate derivatives. Payments for these interest-rate derivatives are accounted for in the period to which they refer. Net financial items have not been affected by market valuation of the undertaken interest rate derivatives. Instead, changes in the market value of interest-rate derivatives are recorded as changes in value under a separate headline. The portion of interest rate cost originating from the construction period for major new construction, extension or reconstruction projects is capitalized. Interest is calculated based on the average interest rate level for the Group.

Employee benefits are accounted for as employees perform services in exchange for remuneration. Benefits from incentive plans settled in cash and paid as non-pensionable salary are accounted for as the targets are met during the period of the incentive plan.

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. These 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 in addition to what has already been paid to Alecta.

Income tax in the income statement is divided into current and deferred tax. 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 have also been recorded directly in equity. Current and deferred taxes are calculated based on the current tax rate, which is 26.3% at present.

Open claims in the income tax return that contain a certain degree of uncertainty are taken into consideration in the tax calculation in the year after the fiscal year at the earliest, after taxation has been assessed by tax authorities.

Income

Financial cost

Employee benefits

Income taxes

Deferred tax

Deferred tax is recorded in Castellum, using the balance sheet method, for all temporary differences 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 for which the asset or liability is realized. However, exceptions are made for temporary differences that arise from the initial accounting for assets and liabilities relating to asset acquisitions. 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 to offset tax-loss carry forwards. Deferred tax liability relates to the difference between the properties book value and their tax basis value. For changes in either of the two entries above, the deferred tax liability / tax asset is also changed, and this is recorded in the income statement as a deferred tax.

Castellum has recorded all completed company acquisitions as asset acquisitions, meaning that deferred tax at the time of the acquisition is not accounted for in the balance sheet.

Current tax

In addition to deferred tax, current tax is also recorded in the income statement. This is equivalent to the tax that the company must pay on the taxable income for the year, adjusted for possible prevailing taxes for previous periods.

Leases

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

From an accounting perspective, site leasehold is seen as an operational lease. The ground rent is accounted for in the income statement for the period it refers to.

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 mainly concern private passenger cars. Payments made during the leasing period are recorded as running costs in the income statement, over the leasing period.

Investment properties

An investment property is a property held for the purpose of generating rental income, capital appreciation - or both. This is as opposed to utilization 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 ground-leased 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 are recorded at acquisition cost, prevailing at acquisition time. This includes expenses directly related to the acquisition, with consideration taken for nominal deferred tax. The acquisitions 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 an earnings-based value, determined by calculating the net prevailing value of future cash flows. A differentiated required yield for each property depending on such factors as location, intended use, condition and standard is taken into consideration. In order to provide further assurance, the valuation part of the portfolio has been valued externally.

Changes in value

Changes in value are recorded in the income statement and consist of unrealized as well as realized changes in value. Unrealized changes in value are calculated based on the valuation at the end of the financial year compared with the previous year's valuation, or the acquisition value if the property has been acquired during the year, with the 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 adjustment for capitalized subsequent expenditures during the period. How realized changes in value are calculated for may be found in the accounting principles for "income from property sales".

Subsequent expenditures

Subsequent expenditures which lead to economic benefits for the company, i.e., increase the valuation of the property and can be reliably calculated are capitalized. Costs for repairs and maintenance are accounted for in the income statement for the period in which they occur. In the case of major new construction and reconstruction projects, interest costs during the construction period are capitalized.

Acquisitions and sales

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

Tangible fixed assets comprise all equipment, which has been recorded at acquisition value, including deduction of accumulated depreciation according to plan and any write-downs made. The acquisition value includes the purchase price and costs directly related to, e.g., transport-to-site and proper condition for utilization according to the purpose of the acquisition. Depreciation on equipment is based on historical acquisition values after possible deduction of subsequent write-downs. The residual value is assumed 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 and even 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.

Tangible fixed assets

Financial instruments which are recorded in the balance sheet include assets such as cash-and-bank, lease receivables, other receivables and long-term receivables and liabilities such as interest rate derivatives, accounts payable, other liabilities and loans.

Financial instruments

Financial instruments are initially recorded to fair value equivalent to acquisition value, with the addition of transaction costs. One excepted category includes financial instruments which are recorded at fair value through income statement, without transaction costs. Following the initial recognition, accounting is based on the classification made according to the criteria below. Financial transactions such as cash received or paid as interest 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.

A financial asset is removed from the balance sheet when the rights are realized, expire or the company loses control of it. A financial liability is removed from the balance sheet when the contractual obligations have been paid or extinguished in some other way.

Cash and bank

Cash-and-bank consists of the bank balance at the end of the accounting period and is recorded at nominal value.

Receivables

Financial assets which are not interest rate derivatives, that have 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. After individual valuation, receivables have been recorded as the amount at which they are expected to be received. This 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 assessment concludes that the Group might not receive the entire receivable. Receivables in the parent company consist only of receivables from the subsidiaries, and these 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. A liability is recorded when the counterparty has performed services and a legal obligation to pay exists, even if the invoice has not yet been received. Accounts payable are recorded when the invoice is received. Accounts payable and other operative liabilities with short duration are recorded at nominal value.

Foreign currency

Transactions in foreign currencies are translated to Swedish kronor (SEK) to the spot exchange rate of the transaction. Monetary assets and liabilities are translated at the rate on balance day.

Derivatives

Interest-rate derivatives are financial assets or liabilities which are valued at fair value, with value-changes recorded in the income statement. In order to manage exposure to fluctuations in the market interest rate according to financial policy, Castellum has entered into interest-rate-derivative agreements. When using interest-rate derivatives, changes in value may occur, mainly due to changes in market interest rates. Interest-rate derivatives are initially recorded in the balance sheet on the trade day at acquisition value, where the absolute majority refer to exchanges in interest-rate flows, entailing an acquisition value of zero. They are thereafter valued at fair value with value-changes appearing in the income statement.

To calculate the fair-value market-interest-rates for each fixed interest term as listed on the balance sheet date, generally accepted methods for calculations are used. This means that fair value has been determined according to level 2, IFRS 7 point 27a. 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 counterparties. Changes in value can be realized as well as unrealized. Realized changes in value refer to redeemed interest-rate derivatives and comprise 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 fiscal year.

Changes in value are calculated based on the valuation at the end of the fiscal year compared to the valuation in the 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 the previous year. Payments made under these agreements are accounted for in the period to which they refer.

In accordance with the financial policy, between 60-100% of foreign investments must be financed in the functional currency of the company. This can be accomplished both by taking out loans in the functional currency of the foreign company and by using currency derivatives. In cases where currency derivatives are used they are initially reported in the balance sheet at cost on trade date. Thereafter, they are reported at fair value where the effective portion of the foreign exchange rate change regarding the hedging instrument is recognized in other total income, while the ineffective portion is recognized as change in value in the income statement. The rate at balance date is used to determine real value.

Shareholders' equity

Repurchased shares

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

Dividends

Dividends are accounted for as a deduction of shareholders' equity, after decision by the AGM (Annual General Meeting). The recipient accounts for an anticipated dividend as a financial income.

Earnings after tax, per share

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

Definitions of segments

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. 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.

Cash flow statement

The cash flow statement has been prepared according to the indirect method. Net profit or loss is adjusted for the transaction effects 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 (Accounting for legal entities). RFR 2 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 relationship between accounting and taxation. 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.

Contingent liabilities

Contingent liabilities for the benefit of subsidiaries are financial guarantees and are accounted for in accordance with RFR 2, i.e. they are not accounted for as provisions, instead Castellum provides information in the notes.

New accounting rules and regulations

New standards and interpretations, now in effect; approved by the EU.

Changes to existing standards

A number of minor changes and clarifications were made to existing standards that became effective in 2011. Among other things; in the IAS 1, the IASB has clarified that the analysis of other total net income can be accounted for either in the report on shareholders' equity, or in a note. Furthermore, the IFRS 7 encourages that qualitative and quantitative information is presented together to obtain an overall picture of the existing financial risk that is linked to financial instruments.

Changes in Swedish regulations

Annual Accounts Act

The disclosure requirement to include a property's rateable value, absence due to illness and capitalized interest has disappeared as from 2011, but Castellum still chooses to provide this information.

UFR 2 Group contributions and shareholder contributions

The Swedish Financial Reporting Board has withdrawn the UFR 2, which previously concerned accounting for Group contributions as well as shareholder contributions. The change took effect on January 1, 2011. This entails a change in accounting principle for the parent company concerning paid and received Group contributions. Previously, these items were accounted for directly in shareholders' equity as net value after tax. Now received contributions should be accounted for as financial income and paid Group contributions in Castellum, as net of tax as an investment in subsidiaries shares. The revised approach means that SEKm 1,130 has been added to the shareholders' equity. Previous years have been recalculated to reflect this.

Segment Reporting

Note 2

	Greater Gothenburg		Öresund Region		Greater Stockholm		Mälardalen		Eastern Götaland		Unallocated items		The Castellum Group	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Rental income, external	953	913	567	572	547	500	487	433	365	341	–	–	2,919	2,759
Property costs	–275	–276	–201	–198	–205	–184	–185	–168	–137	–134	–	–	–1,003	–960
Net operating income	678	637	366	374	342	316	302	265	228	207	0	0	1,916	1,799
Central administration	–13	–14	–7	–7	–7	–7	–7	–7	–6	–6	–43	–43	–83	–84
Interest income	18	32	38	34	5	6	3	3	4	2	–66	–76	2	1
Interest costs	–228	–217	–160	–146	–131	–113	–131	–109	–89	–77	77	87	–662	–575
Income from prop. mgmt	455	438	237	255	209	202	167	152	137	126	–32	–32	1,173	1,141
Changes in value, property	141	299	17	277	36	307	–13	170	13	169	–	–	194	1,222
Interest rate derivatives, changes in value	–	–	–	–	–	–	–	–	–	–	–429	291	–429	291
Income before tax	596	737	254	532	245	509	154	322	150	295	–461	259	938	2 654
Tax income	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Tax costs	–155	–188	–64	–141	–57	–133	–31	–82	–40	–77	120	–69	–227	–690
Net income for the year	441	549	190	391	188	376	123	240	110	218	–341	190	711	1 964
Investment properties	11,023	10,176	7,303	6,748	6,557	6,370	5,168	4,829	3,816	3,645	–	–	33,867	31,768
of which investments this year	728	315	541	187	226	374	352	464	168	166	–	–	2,015	1,506
Current assets	516	600	1,007	930	282	144	181	239	190	185	–1,872	–1,930	304	168
Total assets	11,539	10,776	8,310	7,678	6,839	6,514	5,349	5,068	4,006	3,830	–1,872	–1,930	34,171	31,936
Shareholders' equity	4,155	3,927	2,902	2,777	2,605	2,516	1,353	1,392	1,281	1,288	–1,093	–818	11,203	11,082
Deferred tax liability	1,365	1,232	944	903	753	712	510	462	413	362	–271	–169	3,714	3,502
Interest rate derivatives	–	–	–	–	–	–	–	–	–	–	1,003	574	1,003	574
Interest-bearing liabilities	5,656	5,367	4,147	3,865	3,284	3,011	3,313	3,123	2,208	2,092	–1,448	–1,677	17,160	15,781
Non-interest-bearing liabilities	363	250	317	133	197	275	173	91	104	88	–63	160	1,091	997
Total shareholders' equity & liabilities	11,539	10,776	8,310	7,678	6,839	6,514	5,349	5,068	4,006	3,830	–1,872	–1,930	34,171	31,936

Of the Groups external rental income SEKm 9 (–) refers to customers located in Denmark. Of the Groups income from property management SEKm 254 (–) refers to investment properties located in Denmark.

The Group's operational segments are the following geographical areas; Greater Gothenburg (incl. Borås, Halmstad, and Alingsås), Öresund Region (Malmö, Lund, Helsingborg and Copenhagen), Greater Stockholm, Mälardalen (Örebro, Västerås and Uppsala) and Eastern Götaland (Jönköping, Linköping, Värnamo and Växjö). The Group manages only commercial properties. The operational segments are identified by geographical field of activity, which is according to how they are followed-up and analyzed by the primarily executive decision maker in the Group. Greater Gothenburg is made up of two operational segments with similar economical characteristics and operations.

Castellum has no larger customers. The single largest lease as well as the single largest tenant corresponds to approx. 1% of the Groups total rental income.

Rental Income

Note 3

Rental value

Group rental income was SEKm 2,919 (2,759). 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 approx. 1.6% (1%) in comparable portfolio compared with previous year.

Rental value SEK/sq.m.	Office/Retail		Warehouse/Industrial		Total	
	2011	2010	2011	2010	2011	2010
Greater Gothenburg	1,277	1,275	731	726	944	935
Öresund Region	1,366	1,408	703	684	1,065	1,060
Greater Stockholm	1,343	1,307	926	912	1,181	1,154
Mälardalen	1,088	1,041	715	690	982	934
Eastern Götaland	999	970	504	495	818	795
Total	1,217	1,201	724	711	995	974

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 levels can only be changed when the lease in question is due for renegotiation. The rental levels of Castellum are considered to be in line with the market.

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 2012 is that a majority of the leases maturing were already renegotiated in 2011 due to the period of notice. The most common terms for a new lease is 3-5 years with a nine months notice. The average remaining lease duration in the portfolio is 3.1 years (3.2).

Lease maturity structure	No. of leases	Lease value, SEKm	Percentage of value
Commercial, term			
2012	1,099	264	9%
2013	1,341	656	24%
2014	1,070	649	23%
2015	707	564	20%
2016	159	239	9%
2017 +	178	422	15%
Total commercial	4,554	2,794	100%
Residential	342	26	
Parking spaces and other	2,599	33	
Total	7,495	2,853	

Economic occupancy rate

Castellum's average economic occupancy rate during 2011 was 89.3% (89.0%). The economic occupancy rate for warehouse and industrial properties amounted to 91.7% (90.4%) and for office and retail properties 88.2% (88.3%). The total annual rental value for vacant premises during the year amounts to approx. SEKm 371.

The gross leasing (i.e. the annual value of total leasing) during the year was SEKm 310 (257), of which SEKm 45 (46) were leasing on new construction, extension and reconstruction. Terminations amounted to SEKm 249 (221), of which bankruptcies was SEKm 18 (12), hence net leasing for the year were SEKm 61 (36). 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	
	2011	2010	2011	2010	2011	2010
Greater Gothenburg	94.3%	95.1%	96.7%	93.1%	95.4%	94.1%
Öresund Region	86.2%	87.6%	82.8%	84.5%	85.2%	86.6%
Greater Stockholm	78.1%	79.2%	91.4%	91.0%	82.2%	82.8%
Mälardalen	92.3%	90.2%	93.7%	91.8%	92.6%	90.6%
Eastern Götaland	89.8%	88.3%	83.6%	86.6%	88.4%	88.0%
Total	88.2%	88.3%	91.7%	90.4%	89.3%	89.0%

Risk exposure, credit risk

Castellum's lease portfolio has a good risk exposure. The Group has approx. 4,600 commercial leases and 300 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, meaning that Castellum's exposure to a single customers credit risk is very low. The distribution of commercial leases across various business sectors is also good, as shown in the following table.

Lease size, SEKm	No. of leases	Percentage	Lease value,	
			SEKm	Percentage
Commercial				
< 0.25	2,481	33%	228	8%
0.25-0.5	791	10%	288	10%
0.5-1.0	599	8%	425	15%
1.0-3.0	526	7%	877	31%
> 3.0	157	2%	976	34%
Total commercial	4,554	60%	2,794	98%
Residential	342	5%	26	1%
Parking spaces and other	2,599	35%	33	1%
Total	7,495	100%	2,853	100%

Commercial leases distributed by sectors (GICS-code)	No. of leases	Lease value, SEKm	Percentage
Energy (10)	82	33	1%
Materials (15)	101	107	4%
Capital goods (2010)	612	443	16%
Commercial Services & Supplies (2020)	1,270	388	14%
Transportation (2030)	139	117	4%
Retailing (2550)	547	403	14%
Other Consumer Durables and Services (2510-2540)	556	399	14%
Consumer Staples (30)	117	118	4%
Health Care (35)	212	159	6%
Finance and Real Estate (40)	134	82	3%
Software and Services (4510)	269	166	6%
Technology Hardware and Equipment (4520)	142	107	4%
Telecommunication Services (50)	95	12	1%
Utilities (55)	23	4	0%
Public sector etc.	255	256	9%
Total	4,554	2,794	100%

The table below shows the spread of future rental income for existing lease agreements.

Future rental income for existing leases	Group		Parent Company	
	2011	2010	2011	2010
Contracted rental income year 1				
Commercial leases	2,878	2,666	–	–
Residential	9	8	–	–
Contracted rental income between 2 and 5 years	5,523	5,339	–	–
Contracted rental income after more than 5 years	861	921	–	–
Total	9,271	8,934	–	–

Rents are announced and paid in advance, which means that all the Group's rental receivables of SEKm 20 (10) are overdue.

Rent receivables

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

Parent company

Property Costs

Note 4

Property costs in 2011 was SEKm 1,003 (960), equivalent to SEK 300/sq.m. (298). 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 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 2011 were SEKm 553 (547), equivalent to SEK 165/sq.m. (169). 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. Energy consumption for heating during the period has been calculated to 87% (116) of a normal year according to the degree day statistics. Operating expenses includes rent losses of SEKm 8 (6) corresponding to 0.3% of rental income.

Operating expenses

Maintenance costs are ongoing measures to maintain the property's standard and technical systems. The maintenance costs were SEKm 115 (105), equivalent to SEK 35/sq.m. (34).

Maintenance

Ground rent for the year 2011 was SEKm 24 (19), and mainly related to Greater Stockholm. Ground rent is the fee paid annually to the municipality by the owner of a building on land owned by the municipality. The ground rent for these are 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 leaseholds 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 2011 Castellum had around 90 properties with site leasehold. Existing site leaseholds mature relatively even over the next 60 years. When notice is given for the site leaseholds shall, in most cases, the site owner (the municipality) compensate Castellum for buildings etc. However there are a few contracts where the municipality can demand that the land is restored.

Ground rent

	Group		Parent Company	
	2011	2010	2011	2010
Future contracted ground rents				
Contracted ground rents year 1	22	21	–	–
Contracted ground rents between 2 and 5 years	85	82	–	–
Contracted ground rents after more than 5 years	597	606	–	–
Total	704	709	–	–

Real estate tax

Group's real estate tax was SEKm 148 (140), equivalent to SEK 44 sq.m. (43). Real estate tax is a state tax based on the property's tax assessment value. Most of the costs are passed on to the tenants, why the affect on the result is marginal. The tax rate for 2011 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 2011 were SEKm 163 (149), equivalent to SEK 49 /sq.m. (46). 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 92 (89) refers to employee benefits and SEKm 6 (6) 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	
	2011	2010	2011	2010	2011	2010
Operating expenses	201	205	121	127	165	169
Maintenance	44	44	23	21	35	34
Ground rent	7	7	7	6	7	6
Real estate tax	67	66	17	17	44	43
Direct property costs	319	322	168	171	251	252
Leasing and property management (indirect)					49	46
Total	319	322	168	171	300	298

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 48 (44) refers to employee benefits and SEKm 0 (0) 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 14 (16).

Remuneration to auditors

	Group		Parent Company	
	2011	2010	2011	2010
Remuneration to auditors				
Audit assignment	3	3	1	1
Audit business in addition to the audit assignment	0	0	0	0
Tax consulting	2	1	0	0
Other consulting	0	0	0	0
Total	5	4	1	1

Of the Group's total remuneration of SEK 4,583,000 (4,379,000), SEK 4,184,000 (4,103,000) refers to KPMG and the remainder to Ernst & Young.

Interest rate and Financial Income

	Group		Parent Company	
	2011	2010	2011	2010
Interest rate income	2	1	0	0
Received Group contributions, subsidiary	–	0	160	180
Anticipated dividend, subsidiaries	–	–	612	658
Interest rate income, subsidiaries	–	–	722	648
Other financial income	0	0	0	0
Total	2	1	1,494	1,486

Note 6

Interest rate income, for the Group as well as for the Parent Company, is related to receivables valued to accrued acquisition value.

Interest rate and Financial Costs

	Group		Parent Company	
	2011	2010	2011	2010
Interest rate costs	661	575	645	560
Interest rate costs, subsidiaries	–	–	67	76
Other financial costs	1	–	0	0
Total	662	575	712	636

Note 7

Net financial items were SEKm – 660 (– 574). During the year, interest costs of SEKm 12 (8) were capitalized in connection with investments in the real estate portfolio. The average interest rate level were 4.1% (3.7%). When capitalizing interest costs the average rental level has been used.

Of the interest rate costs SEKm 465 are related to liabilities valued to accrued acquisition value.

Changes In Value

Note 8

In 2011, transaction volumes in the Swedish property market amounted to approx. SEK 105 billion (100) for larger deals, which is in line with last year. Fourth-quarter volumes amounted to approx. SEK 30 billion (39).

Buyers were mostly still domestic and transactions mainly concerned office buildings, whereas volumes for residential rental-properties decreased slightly compared to previous years. Real estate transactions have been conducted in all high-growth regions, of which 40% were conducted in Greater Stockholm.

Castellum estimates that property prices are stable and that the liquidity decrease at year-end is not due to buyers and sellers having varied viewpoints on pricing, but rather the result of a stretched credit market.

The change in value in Castellum's portfolio during the year amounted to SEKm 194 (1,222), corresponding to approx. 0.6%. The change in value mainly relates to acquisitions and project gains. No general change in the required yield in the internal valuations has been made during the year. On the property level, however, adjustments has been made on both individual required yield and future cash flow. The change in value also covers SEKm 30 due to sales of 4 properties where the sale price of SEKm 107 exceeded the valuations by 39%.

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.

Investments properties

Castellum utilizes interest rate derivatives to achieve the desired interest rate maturity structure. If the agreed interest rate deviates from the market interest rate, irregardless credit margins, there is a theoretical surplus or sub value in the interest rate derivatives where the non-cash-flow affecting changes in value are reported in the income statement. Castellum also has a few derivatives in order to hedge currency fluctuation in the investment in Denmark. The value in the derivatives portfolio has changed mainly due to changes in long-term market interest rates by SEKm –429 (291) and the value was SEKm –1,003 (–574) at the end of the year.

Derivates

Tax Costs

Note 9

The income tax in Sweden for limited liability companies is 26.3%. In the income statement, the income tax is recorded as two entries, current tax and deferred tax. 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,
- make tax deductions for certain reconstructions of 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 directly 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 2011, because Castellum uses the above mentioned depreciation for tax purposes and tax deductions for certain reconstructions. 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 31-12-2011		
Income from property management	1,173	
Deductions for tax purposes		
depreciation	– 636	636
reconstructions	– 365	365
Other tax allowances	– 80	41
Taxable income from property management	92	1,042
Properties sold	8	– 15
Changes in value on properties	–	164
Changes in value on interest rate derivatives	– 429	–
Taxable income before tax loss carry forwards	– 329	1,191
Tax loss carry forwards, opening balance	– 1,406	1,406
Tax loss carry forwards, closing balance	1,772	– 1,772
Taxable income	37	825
Of which 26.3% current/deferred tax	– 10	– 217

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 2011 is less than nominal tax, which mainly depends on non taxable sales of properties through company. The effective tax on income from property management, without consideration taken to the use of tax loss carry forwards, can be calculated to 2%. As shown in the table above the remaining tax loss carry forward are calculated to SEKm 1,772.

For the parent company deferred tax of SEKm 24 (60) has been recorded directly in subsidiary shares since the underlying transaction has been recorded in that way.

	Group		Parent Company	
Tax cost	2011	2010	2011	2010
Income before tax	938	2,654	311	917
Tax according to the current tax rate, 26.3%	– 247	– 698	– 82	– 241
Tax effects due to:				
non-taxable dividend	–	–	161	173
non-taxable sale of property (indirect)	15	–	–	–
other tax adjustments	5	8	– 1	–1
Disclosed tax cost	– 227	– 690	78	– 69

Note 10

Personnel and Board of Directors

Number of employees

	Group		Parent Company	
	2011	2010	2011	2010
Average number of employees (all in Sweden)	239	229	14	14
<i>of which women</i>	<i>90</i>	<i>89</i>	<i>7</i>	<i>6</i>

Salaries, remuneration and benefits

During 2011, the parent company had 6 (7) board members, of which 2 (2) are women, while the total number of board members in the Group's subsidiaries were 20 (21), of which 5 (5) 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 39 (39), of which 10 (10) are women.

	Group 2011	2010	Parent Company 2011	2010
Salaries, remuneration and benefits				
Chairman of the Board	0.5	0.5	0.5	0.5
Other Board members (SEK 240,000 each)	1.2	1.3	1.2	1.3
Chief Executive Officer				
Fixed salary	3.1	3.0	3.1	3.0
Variable remuneration	2.1	2.4	2.1	2.4
Benefits	0.1	0.1	0.1	0.1
Other senior executives (Group:9, Parent Company:3)				
Fixed salary	12.3	12.1	4.6	4.5
Variable remuneration	8.7	9.4	3.0	3.3
Benefits	0.7	0.6	0.2	0.2
Other employees	104.0	95.8	10.3	10.6
Total	132.7	125.2	25.1	25.9
Contractual pension costs				
Chief Executive Officer	0.7	0.7	0.7	0.7
Other senior executives (Group:9, Parent Company:3)	3.6	3.6	1.1	1.1
Other employees	10.6	11.9	0.7	0.8
Total	14.9	16.2	2.5	2.6
Statutory social costs incl. special employer's contributions				
Chairman of the Board	0.2	0.2	0.2	0.2
Other Board members	0.4	0.4	0.4	0.4
Chief Executive Officer	1.8	1.9	1.8	1.9
Other senior executives (Group:9, Parent Company:3)	7.4	7.6	2.7	2.8
Other employees	34.6	33.6	3.4	3.5
Total	44.4	43.7	8.5	8.8
Total	192.0	185.1	36.1	37.3

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 are prepared by the remuneration committee and decided by the Board of Directors. The remuneration comprises a fixed salary and a variable remuneration according to an incentive plan described below. During the three-year period of the plan, the variable remuneration can 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 based - on the result of income from property management compared to the previous year, and an overall determination of the development of certain soft factors such as customer and personnel satisfaction. For the full outcome requires that the growth in income from property management per share is 10% per year. When growth is in the range 0-10%, a linear calculation of the incitement is made. The profit-based part is paid out yearly as salary after the year-end closing and can total no more than six months' salary per year, equal to a cost of SEKm 10 for Castellum, including social costs. The plan runs out at the end of 2013.
- 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 index for real estate shares in Sweden, the Eurozone and Great Britain. In order to receive full outcome of the incentive program, the total return must be at least 50% during the period and the total return has to exceed the index development by at least 5%-units during the period. When growth is in the ranges 0-50% and 0-5%-units respectively, a linear calculation of the incentive is made. Any payments due is paid as salary after the measurement period of June 2011 – May 2014. During the three-year period, the share-price-based part can total no more than one-and-a-half-years' salary, equal to a cost for Castellum of SEKm 30, including social costs.

Executives in receipt of variable remuneration according to the incentive plan must acquire Castellum shares for at least half of the amount of the payment due after tax. The paid incentive 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 and other members of executive management is 65 years.

Notice of dismissal

The period of notice shall, when given from the company, not exceed 24 months regarding the Managing Director, with an obligation to continue his or her work during the first six months. Period of notice is 12 months for any other member of the executive management of the company, with an obligation to continue his or her work during the first six months. When given by the Managing Director or any other member of the executive management of the company, the period of notice is to be six months. During the period of notice, salary and other benefits are paid, with deduction of salary and remuneration deriving from another 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 who instead have defined ITP-plans 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 2011 113% (December 2010: 146%). 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 (0) was for long-term sick leave. Absences due to illness for men and women were 1% (1%) and 3% (3%) respectively. Absences due to illness were 1% (1%) for the age group 29 years and younger, 2% (1%) for the age group 30-49 years and 2% (3%) for the age group 50 years or older. Absence due to illness for the parent company was 1% (1%), of which 0%-unit (0) was for long-term sick leave.

Note 11

Investment Properties

	Group	
	2011	2010
<i>Schedule of the changes during the year</i>		
Opening balance	31,768	29,267
New construction, extension and reconstruction	1,158	881
<i>of which capitalized interest costs</i>	12	8
Acquisitions	857	625
Sales	- 77	- 204
Unrealized changes in value	164	1,199
Currency translation	- 3	-
Closing balance	33,867	31,768
<i>Schedule of tax assessment value</i>		
Buildings	14,441	13,600
Land	4,000	3,829
Total tax assessment value	18,441	17,429
Rental income from investment properties	2,919	2,759
Property costs for investment properties	1,003	960

The Parent company does not own any investment properties.

Investments during the year

During 2011, Castellum made investments totalling SEKm 2,015 (1,506), of which SEKm 857 (625) were acquisitions and SEKm 1,158 (881) new construction, extensions and reconstructions. Of the total investments SEKm 728 related to Greater Gothenburg, SEKm 541 to Öresund Region, SEKm 352 to Mälardalen, SEKm 226 to Greater Stockholm and SEKm 168 to Eastern Götaland.

Significant obligations

Castellum has no significant obligations to acquire or sell any investment property. However, Castellum is obligated to complete ongoing investments of a further SEKm 1,100 in addition to what is accounted for in the balance sheet.

Larger ongoing investments	Investment, SEKm	of which remaining, SEKm	To be completed
Lindholmen 28:3, Gothenburg	280	233	Quarter 2 2013
Atollen, Jönköping	169	142	Quarter 4 2013
Fullriggaren 4, Malmö	154	73	Quarter 1 2013
Forskaren 2, Lund	149	58	Quarter 4 2012
Gården 15, Linköping	106	60	Quarter 1 2013

Valuation model

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 and building rights are 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.

Castellum records the investment properties at fair value and has made an internal valuation of all properties as of December 31, 2011. 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 market yield.

Internal valuation

Assumptions of the cash flow

In assessing a property's future earnings capacity we took into account an assumed level of inflation of 1.5% and 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. In the valuation, the economic occupancy rate gradually improves during the 10-years period and reaches 96%. Included in property costs are operating expenses, maintenance, ground rent, real estate tax, and leasing and property administration.

Assumptions per property category 31-12-2011, year 1	Office/Retail	Warehouse/Industrial
Rental value SEK/sq.m,	1,239	734
Vacancy	11%	10%
Direct property cost SEK/sq.m.	323	173
Property management SEK/sq.m	35	25

Assumptions of the required yield

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 and where appropriate adjustment for leasehold land.

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 in order to not assume perpetual real growth

The calculated required yield is then calibrated compared to the markets required yield. To get an opinion about the markets required yield Castellum follows completed transactions. In an inactive market within a certain area or for a certain type of property, Castellum compares the data from transactions completed in a similar area or for a similar type of property. In the absence of completed transactions the opinion is based on existing macroeconomic factors.

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

Assumptions per property category 31-12-2011	Office/Retail	Warehouse/Industrial
Real interest rate	3.0%	3.0%
Inflation	1.5%	1.5%
Risk	4.9% – 11.5%	6.5% – 13.7%
Return on equity	9.4% – 16.0%	11.0% – 18.2%
Interest rate	5.5%	5.5%
Loan to value ratio	65%	55%
Return on total capital	6.8% – 9.2%	8.0% – 11.2%
Weighted d:o, discounted factor year 1-9	7.9%	9.1%
Weighted d:o, discounted factor residual value*	6.4%	7.6%

*(required yield on total capital minus growth equal to inflation)

The change in value in Castellum's portfolio during the year amounted to SEKm 194 (1,222), corresponding to approx. 0.6% (4%). The change in value mainly relates to acquisitions and project gains. No general change in the the required yield in the internal valuations has been made during the year. On the property level, however, adjustments has been made on both individual required yield and future cash flow. The change in value also covers SEKm 30 due to sales of 4 properties where the sale price of SEKm 107 exceeded the valuations by 39%.

The average valuation yield for Castellum's real estate portfolio, excluding development projects and undeveloped land, can be calculated to 7.2% (7.2%). Contracted rental levels are considered to be in line with the market levels.

Average valuation yield, SEKm	2011	2010
Net operating income, properties according to income statement	1,916	1,799
Reversed leasing and property administration	163	149
Net operating income, ongoing development projects	0	- 2
Properties acquired/completed as if they had been owned the whole year	64	49
Properties sold	- 1	- 8
Net operating income excl. leasing and property admin. for properties as if they had been owned during the whole year, excl. projects and land	2,142	1,987
Adjusted for:		
Index adjustments 2012, 2%	64	45
Real occupancy rate, 94% at the lowest	229	225
Property costs to a normal year	-	25
Property administration, 30 SEK/sq.m.	- 102	- 98
Normalized net operating income	2,333	2,184
Valuation excl. building rights of SEKm 460 (496)	32,594	30,213
Average valuation yield	7.2%	7.2%

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 980 per sq.m. (970).

The value of the real estate portfolio

The internal valuation shows a fair value of SEKm 33,867 (31,768), which is an increase in value of approx. 0.6% (4%). Of the value approx. SEKm 3,340 are properties held through site leasehold rights, with a rental income of SEKm 352. The table below shows the fair value distributed by property category and region.

Property value, SEKm 31-12-2011	Office/Retail	Warehouse/ Industrial	Projects and land	Total
Greater Gothenburg	6,012	4,862	149	11,023
Öresund Region	5,271	1,750	282	7,303
Greater Stockholm	4,352	1,945	260	6,557
Mälardalen	4,241	913	14	5,168
Eastern Götaland	2,968	740	108	3,816
Total	22,844	10,210	813	33,867

External valuation

In order to provide further assurance and validation of the valuation 133 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 17,058, 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 17,240, i. e. a net change of SEKm 182 corresponding to 1%. Gross deviation was SEKm +347 respectively SEKm -529 with an average deviation of 5%.

Uncertainty range and sensitivity analysis

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 +/- 1,693 SEKm which corresponds to SEKm 32,174 - 35,560.

Sensitivity analysis +/-1%-unit	Effect on value, SEKm
Rental value SEK/sq.m.	+/- 463
Economic occupancy rate	+/- 493
Property costs SEK/sq.m.	-/+ 124
Required yield = Discount rate	-/+ 4,800

The sensitivity analysis shown above illustrates how a +/- 1%-unit change in growth assumptions in future cash flow and required yield affects the valuation. The sensitivity analysis is however not realistic thus one isolated parameter rarely changes, since the assumptions made are linked together regarding cash flow and required yield.

Equipment

	Group		Parent Company	
	2011	2010	2011	2010
Opening acquisition value	60	56	3	3
Acquisitions	9	6	1	0
Sales / Retirement of assets	- 8	- 2	0	0
Closing acquisition value	61	60	4	3
Opening depreciation	- 48	- 43	- 3	- 3
Sales / Retirement of assets	8	1	0	0
Depreciation for the year	- 6	- 6	0	0
Closing depreciation	- 46	- 48	- 3	- 3
Book value	15	12	1	0

Note 12

Shareholders' Equity and Net Asset Value

Note 13

Share capital

The share capital as of 31 December, 2011 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).

Items in
shareholders'
equity

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	31-12-2011	172,006,708	0.50	86,003,354

Other capital contribution

Other capital contribution is shareholders' equity contributed by shareholders.

Currency translation reserve

Currency translation differences as a result of foreign operations.

Currency hedge reserve

Refers to the effective part of unrealized changes in value related to currency derivatives used to hedge investments in foreign operations.

Retained earnings

Retained earnings relates to earnings earned in the Group. The Group's earlier depositions to the restricted reserves is included in this item.

Restricted and non-restricted equity in the parent company

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.

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.

Own shares
repurchased

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 2011 is SEK 3.70 per share, SEKm 607 in total. The amount is recorded as debt after the annual general meeting has approved the dividend.

Dividend

Net asset value

Net asset value can be calculated both long and short term. Long term net asset value is based on the balance sheet with adjustments for items that will not lead to any short term payment, such as in Castellum's case, interest rate derivatives and deferred tax liability. This means that shareholders' equity according to the balance sheet shall increase with SEKm 1,003 and SEKm 3,714 respectively.

Actual net asset value is equity according to the balance sheet adjusted for deferred tax liability. Present accounting principles states that the deferred tax liability shall be recognized at nominal 26.3%, while the real deferred tax is substantially lower, due to the possibility to sell properties in a tax-efficient way and the time factor. The present assessment is that the discounted real deferred tax liability does not exceed 5%, meaning that an additional SEKm 2,993 should be recorded in equity.

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 equal to a range of SEKm +/- 1,608 after tax.

Net asset value	SEKm	SEK/share
Equity according to the balance sheet	11,203	68
Reversed		
Derivatives according to the balance sheet	1,003	6
Deferred tax according to the balance sheet	3,714	23
Long term net asset value (EPRA NAV)	15,920	97
Deduction		
Derivatives as above	- 1,003	- 6
Estimated real liability, deferred tax 5%	- 721	- 4
Actual net asset value (EPRA NNNNAV)	14,196	87
<i>Uncertainty range valuation of properties +/- 5% after tax</i>	<i>+/- 1,608</i>	<i>+/- 10</i>

Capital structure

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

In the balance sheet there is, besides shareholders equity, liabilities which in principle are both interest free and amortization free and therefore can be considered as shareholders equity. The real estate industry therefore uses loan to value as a key ratio for capital structure and not solidity. For the same reason the net asset value can be calculated in different ways, which is shown above.

Castellum's objective is based on growth in cash flow and is not directly related to the 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, net investments of at least 5% of the property value will be made yearly. At the moment, this is equivalent to approx. SEKm 1,700. 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 return can be found.

Note 14

Liabilities

	Group		Parent Company	
	2011	2010	2011	2010
Interest-bearing liabilities due within one year of the balance sheet date	–	–	608	230
Other non-interest-bearing liabilities due within one year of the balance sheet date	1,091	997	154	157
Interest-bearing liabilities due within 1-5 years of the balance sheet date	9,314	9,019	11,500	10,710
Interest-bearing liabilities due more than 5 years after the balance sheet date	7,846	6,762	5,700	5,700
Total excl. deferred tax liability and interest rate derivatives	18,251	16,778	17,962	16,797

During 2012, current interest-bearing liabilities amounting to SEKm 2,138 (1,777) are due for payment, but since they are covered by unutilized long-term credit agreements, they are treated as long-term interest-bearing liabilities.

Note 15

Deferred Tax Liability / Asset

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 14,425 (13,423), equivalent to a tax payment of SEKm 3,794 (3,531). Castellum has deferred tax of SEKm 80 which relates to properties acquired during the year accounted for as asset acquisitions. According to present regulations the deferred tax at the time of the acquisition is not allowed to be accounted for in the balance sheet, which is shown in the table below.

As far as the parent company is concerned the deferred tax asset of SEKm 271 (169) consists of 26.3% of the unutilized tax loss carry forwards of SEKm 1,031 (643).

Tax loss carry forward

Castellum's tax loss carry forwards were estimated to SEKm 1,772 (1,406) December 31, 2011. The change may be seen in the table in note 9

When calculating the tax effect on a sale of all properties in the Group, the book value in the Group of SEKm 33,867 (31,768) must be compared to the residual value for tax purposes in the legal entity, which amounts to SEKm 17,670 (16,939). 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 16,197 (14,829). Previous write-downs where tax deductions have been assessed to amount approx. SEKm 220. These may be reversed in the case of future increases in value.

Surplus- and sub value of properties for tax purposes

	2011		2010	
	Basis	Tax 26.3%	Basis	Tax 26.3%
Deferred tax liability				
Tax loss carry forwards				
Opening balance	1,406	370	1,885	496
Change of the year in the income statement	366	96	- 479	- 126
Closing balance in the balance sheet	1,772	466	1,406	370
Difference between the properties book and tax basis value				
Opening balance	- 14,829	- 3,901	- 12,624	- 3,320
Change of the year in the income statement	- 1,173	- 317	- 2,142	- 564
Company acquisition/sale of properties	- 195	- 42	- 63	- 17
<i>Closing balance</i>	<i>-16,197</i>	<i>- 4,260</i>	<i>- 14,829</i>	<i>- 3,901</i>
Deductible relating to asset acquisitions	304	80	109	29
Closing balance in the balance sheet	- 15,893	- 4,180	- 14,720	- 3,872
Total				
Opening balance	- 13,314	- 3,502	- 10,739	- 2,824
Change of the year	- 807	- 212	- 2,575	- 678
Closing balance	- 14,121	- 3,714	- 13,314	- 3,502

Derivatives

Note 16

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. As of December 31, 2011 the market value of the interest rate derivatives portfolio amounted to SEKm -1,003 (-574).

In the balance sheet derivatives are accounted for as long-term liabilities since the amount will not be settled in cash. Although a theoretical, during 2012 matured amount, can be mathematical calculated to SEKm 197.

The table below shows the interest rate derivatives portfolio's nominal net amount and market value as of 31-12-2011 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.

End date	Amount, SEKm	Acquisition value, SEKm	Market value, SEKm	Average interest rate	Market value interest +1%-unit	Market value interest -1%-unit
2012	100	-	- 1	3.3%	0	- 1
2013	1,800	-	- 55	4.0%	- 26	- 85
2014	600	-	- 48	3.8%	- 31	- 65
2015	1,450	-	- 138	4.6%	- 92	- 187
2016	3,150	-	- 272	3.6%	- 161	- 421
2017+	3,700	-	- 489	3.8%	- 201	- 833
Total	10,800	-	- 1,003	3.9%	- 511	- 1,592

Interest rate derivatives with a market value of SEKm 0 is not included in the table above, since a change in the market interest rate has an insignificant effect on the market value.

Long-term Interest-bearing Liabilities

Note 17

Castellum's funding and management of financial risk are conducted in accordance with the financial policy adopted by the Board of Directors.

The objectives in the financial policy are:

- Maintaining a stable capital structure, with a loan to value ratio not exceeding 55% in the long run and an interest coverage ratio of at least 200%.
- Securing the required liquidity and long-term funding.
- Achieving low and stable net interest expense within the given risk authorization.

Objectives

The financial policy outlines the given authorization and limits for managing financial risks defined in the policy, overall delegation of responsibilities and how financial risk should be reported.

Financial policy

All financial risk management is centralized in the parent company and the finance function works as the Groups treasury department. The financial operations in Castellum shall be run in such manner that the costs for financial risk management are minimized. Meaning that Castellum carries out financial transactions based on estimations of the Group's overall long-term funding needs, liquidity and increased interest rate risk. Hence, the financial risk management is carried out on portfolio level. Portfolio management of funding means that an intra Group transaction, such as an internal loan, is not replicated by an identical external transaction. Instead loans are drawn under short or long term 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 when a payment is made or a new loan is drawn with short fixed interest term under different credit agreements, followed by 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 a cash pool system of bank accounts for the Group's liquidity flows.

Policy	Objective/Mandate	Outcome
Loan to value ratio	Not in the long run exceeding 55%	51%
Interest coverage ratio	At least 200%	278%
Interest rate risk		
– average fixed interest rate term	0.5-3 years	2.7 år
– proportion maturing within 6 months	No more than 50%	34%
Currency risk		
– investment	60-100% funded in local currency	97%
– other currency risk	Not allowed	No exposure
Funding risk	At least 50% interest bearing liabilities have a duration of at least 2 years.	100%
Counterparty risk	Credit institutions with high ratings, at least "investment grade"	Satisfied
Liquidity risk	Liquidity reserve in order to fulfill payments due	SEKm 2,731 in unutilized credit agreements

The parent company holds a function, separated from the treasury department, that provides accounting and independent control of the financial management and the financial risks. Financial risks defined in the financial policy, are reported quarterly to the Board of Directors. In order to improve and adjust the financial risk management the Board of Directors reviews of the financial policy each year.

Borrowing, maturity structure and interest rates

Properties are long term assets and demands long term funding where the ratio between equity and interest bearing debt is set to obtain necessary funding. The loan to value ratio is the financial key ratio that describes the proportion of the property's value covered by loans. Castellum's objective is a loan to value ratio not exceeding 55% in the long run. The loan to value ratio at year end was 51% (50%).

Demands for long-term funding make Castellum look for long term capital in credit agreements in order to minimize the risk of refinancing. To reach maximum flexibility utilized loans are revolving, i.e. the turnover interest rate is normally within 1-3 months. Short term revolving loans leads to great flexibility when it comes to fixed interest rate terms, basis for interest rate and the opportunity for amortization at every turnover occasion without any marginal breaking costs or other compensation to lenders. 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 liquidity and long-term funding, Castellum are regularly re-negotiating and, when needed entering into new credit agreements or forms of borrowing. At the year-end Castellum had long term credit agreements totalling SEKm 19,374 (18,062), of which SEKm 2,311 (2,293) was unutilized, long term bonds totalling SEKm 0 (200), outstanding commercial papers totalling SEKm 2,235 (1,377), short term credit agreements totalling SEKm 420 (520). The average duration of Castellum's long-term credit agreements as of 31-12-2011 was 5.1 years (5.0).

Margins and fees in long term credit agreements had an average duration on 3.5 years (2.6). After deducting liquidity of SEKm 97 (12), net interest bearing liabilities were SEKm 17,063 (15,769), giving Castellum easy access to new funding for investments in new constructions, extensions and reconstructions. During the year new long term agreements totalling SEKm 1,312 have been signed and existing credit agreements totalling SEKm 5,800 have been renegotiated and extended.

Credit agreements/-limits	Amount, SEKm	Utilized, SEKm
Long term credit agreements	19,374	14,925
Short term credit agreements	420	–
Liquidity	–	– 97
Total credit agreements	19,794	14,828
Commercial paper program	4,000	2,235
Total	23,794	17,063

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.

Debt maturity structure	Credit agreements, SEKm	Utilized, SEKm
1-2 years	207	7
2-3 years	7	7
3-4 years	7,307	4,257
4-5 years	4,007	4,007
5-10 years	7,846	6,647
Total long term credit agreements	19,374	14,925
Short term credit agreements (0-1 year)	2,655	2,138
Total credit agreements	22,029	17,063
Unutilized credits in long term credit agreements		2,311

The credit agreements can be divided into following categories:

- Loans pledged by Castellum's receivables from subsidiaries, including mortgages. Utilized credits secured by pledged mortgages were at the end of the year SEKm 14,797. In addition to the mortgages the majority of the credit agreements include commitments regarding loan to value ratio and interest coverage ratio, so called financial covenants. In all cases the financial covenants are issued with in safe margins to Castellum's objectives for the capital structure and state a loan to value ratio not exceeding 65% and an interest coverage ratio of at least 150%.
- Loans directly to subsidiaries pledged by mortgages. Loans directly to subsidiary have, in the majority of the cases, also a guaranteed commitment from the parent company.
- Unsecured loans.
- Issuing of bonds, without pledged security.
- Issuing of commercial papers, without pledged security.

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

Changes in market interest rates affect net financial items. How quickly and by how much largely depends on the chosen fixed interest term. To ensure low and stable net financial items in terms of cash flow Castellum has generally chosen to fix interest rates for a relatively long period. This limits the immediate effect in net financial items caused by changes in the market interest rates.

For the same reason Castellum has chosen to sign mainly long-term credit agreements with agreed spreads with banks. However changes in both of these markets will over time affect net financial items.

The interest coverage ratio is the financial key ratio that describes a company's resistance and level of risk for changes in net financial items. Castellum's objective is an interest coverage ratio of at least 200%. For 2011 the interest coverage ratio was 278% (299%).

The average fixed interest term as of 31 December 2011 was 2.7 years (2.6), the average effective interest rate was 4.0% (3.9%) and the average interest rate for the year was 4.1% (3.7%). Margins and fees on long-term credit agreements had an average duration of 3.5 years (2.6). The market interest rate for an average equal portfolio, regarding both current market rate and estimated credit margin, can be assessed to 4.7% (4.0%). The present value of these credit margins is calculated to SEKm 400-600. The range reflects the great uncertainty that exists for establishing a credit margin that would be applicable to new bilateral loan agreements. In light of the discussions that Castellum continuously has with banks and other participants in the credit and capital market, it is Castellum's assessment that existing credit margins differ favourably compared to today's credit margins. Due to the great uncertainty and the fact that bilateral loan agreements cannot be converted or transferred - unlike, for example, listed financial contracts - the amount is not included in the calculating of the per share net asset value.

With a change in the interest rate of +/- 1%, the effect on the result for the next 12 months will amount to SEKm -61 and +52, respectively.

In the interest rate maturity structure, interest rate derivatives are accounted for in the earliest time segment in which they can mature. Credit margins are distributed in the interval of the underlying loans.

Interest rate maturity structure	Loan, SEKm	Derivates, SEKm	Amount, SEKm	Average interest rate
0-1 years	17,063	- 9,400	7,663	3.7%
1-2 years	-	1,800	1,800	4.0%
2-3 years	-	600	600	3.8%
3-4 years	-	1,250	1,250	4.8%
4-5 years	-	2,450	2,450	4.4%
5-10 years	-	3,300	3,300	4.2%
Total	17,063	-	17,063	4.0%

Currency risk

Castellum has made investments in Denmark, which means that the Group is exposed to a currency risk. A currency translation risk is primarily related to when income statement and balance sheet in foreign exchange are translated into Swedish currency. In accordance with financial policy, between 60-100% of investments in foreign subsidiaries are to be financed in that country's currency. The transaction risk in the Group is insignificant and will be managed by matching income by costs.

Note 18	Accrued Expenses and Prepaid Income	Group		Parent Company	
		2011	2010	2011	2010
	Rents paid in advance	438	330	–	–
	Accrued interest	140	131	140	131
	Other	149	154	10	21
	Total	727	615	150	152

Note 19	Pledged assets	Group		Parent Company	
		2011	2010	2011	2010
	Property mortgages	18,986	17,421	–	–
	Long-term receivables, group companies	–	–	16,103	14,721
	Total	18,986	17,421	16,103	14,721

Note 20	Contingent Liabilities	Group		Parent Company	
		2011	2010	2011	2010
	Guaranteed commitments for subsidiaries	–	–	1,174	1,062
	Total	–	–	1,174	1,062

Normally the parent company is the borrower, but when the property owning company borrows directly, the parent company provides guaranteed commitments for subsidiaries.

Note 21 Participations in Group Companies

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%	1,205
Aspholmen Fastigheter AB	556121-9089	Örebro	100%	797
Eklandia Fastighets AB	556122-3768	Gothenburg	100%	1,010
Harry Sjögren AB	556051-0561	Mölnådal	100%	804
Fastighets AB Corallen	556226-6527	Värnamo	100%	589
Fastighets AB Briggen	556476-7688	Malmö	100%	933
Fastighets AB Regeringsgatan	556571-4051	Gothenburg	100%	0
Total				5,338

	Parent Company	
	2011	2010
Opening acquisition value	5,217	4,087
Changed accounting principle	–	960
Paid shareholders' contribution	55	–
Paid Group contribution, net value after tax	66	170
Closing acquisition value / book value	5,338	5,217

Note 22	Long-term Receivables, Group Companies	Parent Company	
		2011	2010
	Opening acquisition value	16,195	15,901
	New lending to subsidiaries	1,237	294
	Closing acquisition value / book value	17,432	16,195

Financial Instruments - future cash flow etc.

Note 23

Future cash-flows attributable to interest rate derivatives as well as liabilities are shown in the table below. Cash-flows related to interest rate derivatives consist of interest paid minus interest received. To calculate the variable part of the interest rate derivative, the Stibor interest rate - as listed at year end - has been used throughout the full term of the derivative. In calculating cash-flow attributable to loan, the assumption is made that a maturing loan is replaced by a new one during the term or maturity of the underlying credit agreement and to a Stibor interest rate as listed at year end.

Year	Derivates			Loan			
	Interest rate to pay, SEKm	Interest rate to earn, SEKm	Interest rate costs, SEKm	Loan, opening balance	Mature	Loan, closing balance	Interest costs, SEKm
2012	- 422	285	- 137	17,160	- 2,235	14,925	- 558
2013	- 402	274	- 128	14,925	- 7	14,918	- 529
2014	- 363	249	- 114	14,918	- 7	14,911	- 528
2015	- 333	230	- 103	14,911	- 4,257	10,654	- 491
2016	- 243	173	- 107	10,654	- 4,007	6,647	- 310
2017+	- 431	322	- 109	6,647	- 6,647	0	- 253
Total	-2 194	1 533	- 661		- 17,160		- 2,669

The categories of the financial instruments in the groups balance sheet is shown in the table below.

SEKm	Loan and accounts receivable		Financial liabilities recorded at fair value through income statement		Financial liabilities recorded at accrued acquisition value	
	2011	2010	2011	2010	2011	2010
Rent receivables	20	10	-	-	-	-
Other receivables	14	63	-	-	-	-
Prepaid expenses and accrued income	64	53	-	-	-	-
Cash and bank	97	12	-	-	-	-
Long-term liabilities	-	-	-	-	17,160	15,781
Derivates	-	-	1,003	574	-	-
Accounts payable	-	-	-	-	163	133
Other liabilities	-	-	-	-	149	226
Accrued expenses and prepaid income	-	-	-	-	727	615
Total	195	138	1,003	574	18,199	16,755

Financial instruments such as rent receivables, accounts payable etc. are recorded at accrued acquisition value with deduction for any write-downs. Hence, fair value is assessed to comply with book value. Long-term interest bearing liabilities have a fixed interest term of three months, whereas credit margins have longer terms of maturity. Today there is an estimated surplus value related to the credit margins of SEKm 400-600, as shown in note 17.

Subsequent Events

Note 24

The Financial Reports are a part of the Annual Report and were signed by the Board of Directors on February 3, 2012.

The Board of Directors of Castellum AB intends to propose the annual general meeting a dividend of SEK 3.70 per share, which is an increase of 3% compared to previous year. 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 will take place on March 22, 2012.

Proposed Distribution of Profits

The following funds are at the Annual General Meetings disposal:

Retained profits	SEK 4,361,406,438
Net income for the year	<u>SEK 389,641,182</u>
	<u>SEK 4,751,047,620</u>

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

Dividend to shareholders, SEK 3.70 per share	SEK 606,800,000
Carried forward to the new accounts	<u>SEK 4,144,247,620</u>
	<u>SEK 4,751,047,620</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 606,800,000 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 of the Swedish Financial Reporting Board (Supplementary Accounting Standards for Groups). The equity of the parent company has been calculated in accordance with Swedish law and by application of the recommendation RFR 2 of the Swedish Financial Reporting Board (Accounting for Legal Persons).

It is noted that the proposed distribution constitutes 52% of the group's income from property management, which is in line with the express target to distribute at least 50% of the group's income from property management, having considered investment plans, consolidation needs, liquidity and overall position. The group's net income after tax and changes in value for the year amounted to SEKm 711. 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 12% of the company's equity and 5% of the group's equity. The express target for the group's capital structure, meaning a loan to value ratio not permanently exceeding 55% and an interest coverage ratio of at least 200%, will be maintained after the proposed dividend. The capital structure 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 manage future business risks and also to carry potential losses. Planned investments have been considered when deciding on the proposed dividend.

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 in accordance with section 4 subsection 14a of the Swedish Annual Accounts Act. The valuation has showed an undervalue of SEKm 739 after taxes, which has affected the equity by the mentioned amount.

Gothenburg January 24, 2012

The Board of Directors

Signing of the Annual Report

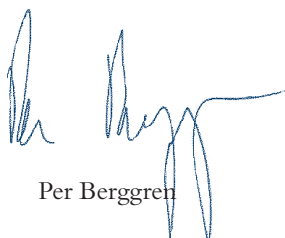
As far as we know the Annual Report is prepared in accordance with generally accepted accounting principles. The Annual Report give a true and fair view of the company's financial position and results, and the directors' report give a true and fair overview of the development of the company's operations, 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 3, 2012



Jan Kvarnström
Ordförande



Per Berggren



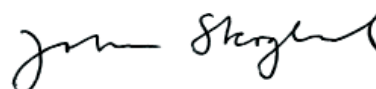
Marianne Dicander Alexandersson



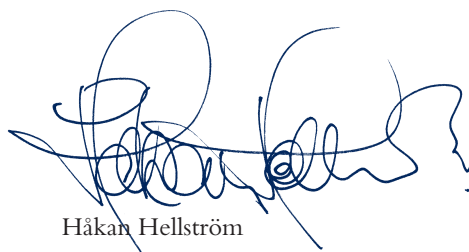
Ulla-Britt Fräjdin-Hellqvist



Christer Jacobson



Johan Skoglund



Håkan Hellström
Chief Executive Officer

Our Audit Report regarding this Annual Report was submitted on February 3, 2012



Carl Lindgren
Authorized Public Accountant



Magnus Fredmer
Authorized Public Accountant

Audit Report

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

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of Castellum AB for the year 2011. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 4–110.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts and consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company

as of 31 December 2011 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act, and the consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2011 and of their financial performance and cash flows in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the statement of comprehensive income and statement of financial position for the group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have examined the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Castellum AB for the year 2011.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory 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 3, 2012



Carl Lindgren
Authorized Public Accountant



Magnus Fredmer
Authorized Public Accountant



Castellum's Real Estate Schedule 2011

Greater Gothenburg	114
Öresund Region	122
Greater Stockholm	128
Mälardalen	132
Eastern Götaland	138
Properties sold in 2011	144

Management subsidiaries: ASP = Aspholmen Fastigheter AB
COR = Fastighets AB Corallen

BRI = Fastighets AB Briggen
EKL = Eklandia Fastighets AB

BRO = Fastighets AB Brostaden
HAR = Harry Sjögren AB

Greater Gothenburg

Greater Gothenburg													Tax Mgmt.		
Name of property	Address	Municipality	Acquis year	Build/ Recon. year	Square metres per type of premises						Totalt	Site sq.m.	assessment Sub-value		sidary Note
					Office	Retail	Warehouse	Industrial	Residential	Oth.					
OFFICE/RETAIL															
1	Annedal 21:10	Gothenburg	1999	1995	4,382	–	–	–	–	–	4,382	3,132	81,200	EKL	
2	Guldheden 8:10	Gothenburg	2000	1995	10,477	–	23	–	–	–	10,500	9,896	0	EKL	
3	Gullbergsvass 1:15	Gothenburg	1999	2001	7,942	–	36	–	–	–	7,978	1,835	163,000	EKL	
4	Heden 16:5	Parkg 10/Nya Allén 5	Gothenburg	<1995	1961	70	–	–	–	616	1,243	1,929	993	25,663	EKL
6	Inom Vallgraven 19:17	Kyrkogatan 38-40	Gothenburg	<1995	1919	210	158	20	–	–	975	1,363	867	28,000	EKL
7	Inom Vallgraven 22:3	Kungsgatan 31-33	Gothenburg	<1995	1929	1,080	488	–	–	–	–	1,568	574	39,600	EKL
8	Inom Vallgraven 33:9	Västra Hamng 21/Vallg 9	Gothenburg	<1995	1929/1995	1,063	510	–	–	–	–	1,573	829	27,800	EKL
9	Inom Vallgraven 34:8	Kungsg 19-23/Magasinsg 18	Gothenburg	<1995	1929/1994	3,481	831	55	–	–	–	4,367	1,242	91,581	EKL
10	Inom Vallgraven 35:14	Kungsg 15-17/Magasinsg 17	Gothenburg	<1995	1929/1991	2,489	1,219	–	–	469	–	4,177	1,315	87,970	EKL
11	Inom Vallgraven 35:16	AKaserntorget 5/Vallg 2	Gothenburg	<1995	1991	2,371	590	36	–	–	–	2,997	690	46,800	EKL
12	Inom Vallgraven 35:17	Magasinsg 11-13/Vallg 4-6	Gothenburg	<1995	1991	163	139	–	–	1,149	–	1,451	690	23,001	EKL
13	Inom Vallgraven 57:2	Drottningg7/V Hamng 5	Gothenburg	2000	1988/1990	6,104	710	276	–	–	–	7,090	2,422	92,800	EKL
14	Krokslätt 102:2	Eklandiagatan 80	Gothenburg	2008	1980	160	–	811	–	–	–	971	2,110	650	EKL
15	Lorensberg 46:5	Kungssportsavenyen 7	Gothenburg	<1995	1930	276	691	–	–	–	–	967	348	25,200	EKL
16	Lorensberg 48:8	Vasagatan 46	Gothenburg	<1995	1900/1992	1,401	202	74	–	–	–	1,677	722	18,828	EKL
17	Masthugget 3:6	Linnégatan 5	Gothenburg	<1995	1893/1980	492	628	–	–	1,079	790	2,989	745	39,600	EKL
18	Masthugget 9:17	Järmtorget 3-4	Gothenburg	1996	1900	2,865	518	10	–	–	–	3,393	1,221	46,300	EKL
19	Masthugget 26:1	Barlastgatan 2	Gothenburg	<1995	1923	4,038	1,075	–	–	2,796	–	7,909	3,597	105,200	EKL
20	Nordstaden 2:16	Östra Hamngatan 16	Gothenburg	2004	1974/2010	13,855	2,759	–	–	–	4	16,618	3,255	417,143	EKL
21	Pustervik 3:8	Brogatan 4	Gothenburg	<1995	1988	3,910	–	–	–	–	–	3,910	1,088	36,800	EKL
22	Gamlestaden 22:14	Gamlestadsvägen 16	Gothenburg	2004	1957	18,738	–	690	352	–	8	19,788	20,313	78,683	EKL
23	Gamlestaden 26:1	Marieholmsgatan 10	Gothenburg	<1995	1914/1987	6,226	270	1,870	6,865	–	–	15,231	24,356	51,308	EKL
24	Olskroken 14:2	Änäs 44-46/Svang 2-4/Ejderg 3	Gothenburg	<1995	1895/1986	7,241	315	135	5,397	136	–	13,224	10,263	68,407	EKL
25	Skår 58:1	St Sigfridsgatan 89	Gothenburg	<1995	1991	11,855	–	–	–	–	–	11,855	6,151	125,000	EKL
26	Arendal 764:394	Sydatlanten 15-17	Gothenburg	2005	1990	9,358	–	–	–	–	–	9,358	9,646	49,800	EKL
30	Backa 27:43	Bergögatan 5-7	Gothenburg	1998	1984	3,189	–	1,326	309	–	–	4,824	3,920	27,400	EKL
31	Backa 196:6	Äröds Industriväg 34	Gothenburg	1996	1990	1,332	–	474	–	–	–	1,806	5,274	8,665	EKL
28	Kärä 28:19	Transportgatan 33	Gothenburg	1996	2008	–	–	4,600	–	–	–	4,600	21,832	26,221	EKL
33	Kärä 77:3	Tagenevägen 70	Gothenburg	1998	1990	1,197	–	–	–	–	–	1,197	9,200	6,030	EKL
34	Lindholmen 28:2	Theres Svenssons Gata 9-11	Gothenburg	2006	2006	4,903	204	79	–	–	–	5,186	2,725	109,000	EKL
194	Lundbyvassen 3:1	Lindholmsallén 9	Gothenburg	2011	1949/2006	8,811	–	–	–	–	2,000	10,811	6,016	144,000	EKL
35	Rambergsstaden 733:409	Herkulesgatan 68	Gothenburg	<1995	1988	2,295	944	1,027	–	–	–	4,266	9,499	23,557	EKL
36	Sannegården 28:33	Vingalandsgatan 2	Gothenburg	2006	1880/1987	4,820	–	1,603	172	–	34	6,629	3,016	77,000	EKL
193	Sannegården 52:1	Östra Eriksbergsg 14-52	Gothenburg	2011	1956/1993	2,204	320	615	1,711	–	2,640	7,490	12,784	72,000	EKL
37	Tingstadsvassen 11:11	Ringög 12/Kolgruveg 3-5	Gothenburg	<1995	1992	3,578	2,170	219	–	–	2	5,969	4,267	33,000	EKL
38	Tingstadsvassen 12:12	Kalkbruksgatan 9	Gothenburg	2006	1989	2,129	–	–	–	–	–	2,129	3,751	8,428	EKL
39	Tingstadsvassen 26:5	Lergodsgatan 1-3	Gothenburg	2002	1989	1,254	–	2,106	–	–	–	3,360	4,566	19,487	EKL
40	Tuve 87:1	Hildedalsgatan 2	Gothenburg	2007	1987	1,336	–	3,200	–	–	–	4,536	9,318	22,555	EKL
41	Högsbo 8:8	Beatrice Lesslies gata 14	Gothenburg	2000	1961/2001	1,100	–	1,000	–	–	–	2,100	3,500	9,644	HAR
42	Högsbo 13:3	E A Rosenqrens gata 15	Gothenburg	<1995	1982	1,244	–	–	–	–	–	1,244	3,787	6,511	HAR

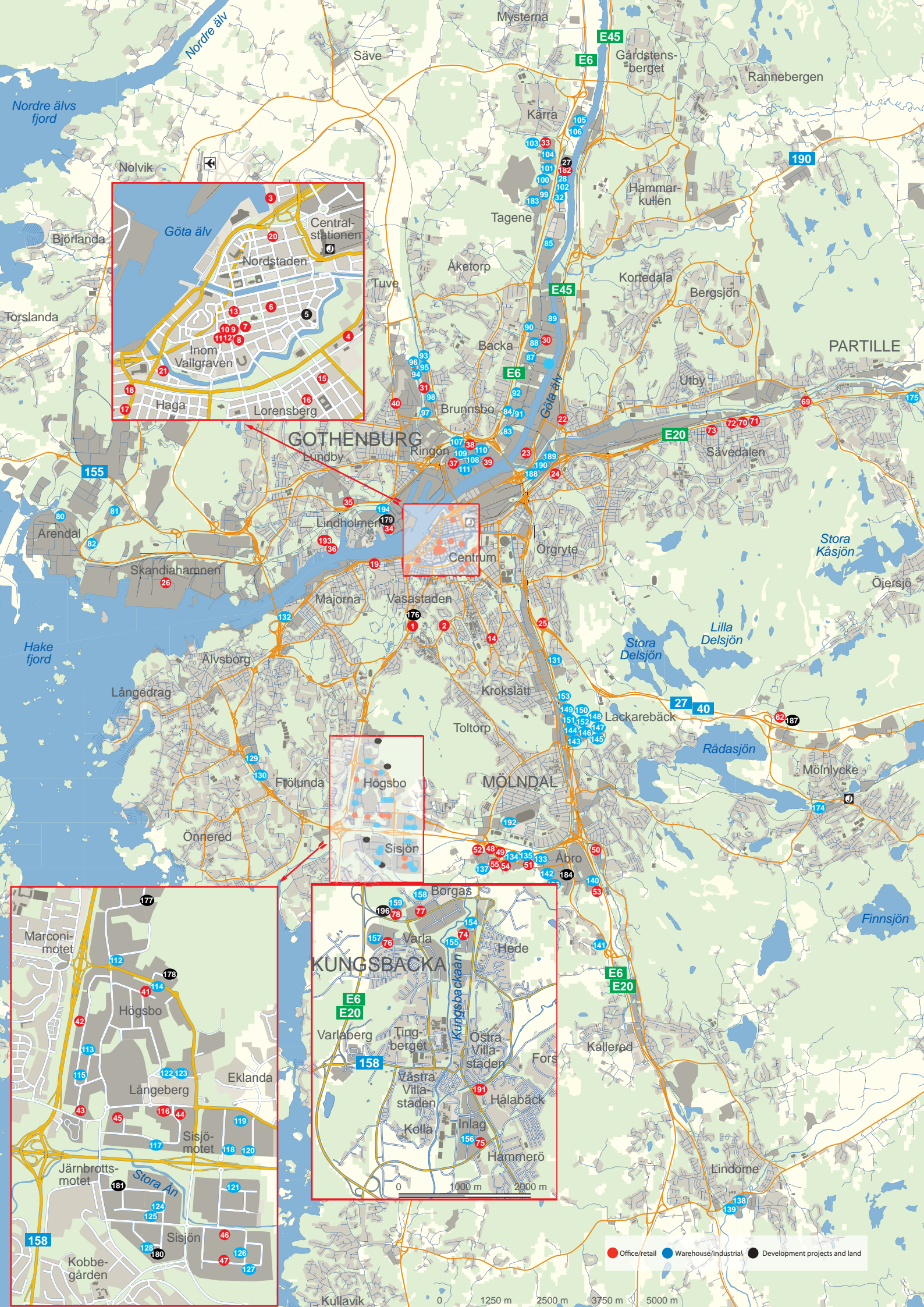
Note: T=Ground Rent A=Lease B=Unutilized building permission



Nordstaden 2:16, Gothenburg



Lundbyvassen 3:1, Gothenburg



Greater Gothenburg

Name of property	Address	Municipality	Acquis year	Build/ Recon. year	Square metres per type of premises						Site sq.m.	Tax Mgmt. assessment		
					Office	Retail	Warehouse	Industrial	Residential	Oth.	Totalt	value	Sub-sidiary	Note
43 Högsbo 20:22	F O Petterssons gata 24-32	Gothenburg	2002	1982	14,145	178	760	–	–	–	15,083	15,522	87,800	HAR
44 Högsbo 24:12	August Barks gata 23	Gothenburg	1999	1968/1990	3,117	–	2,756	–	–	–	5,873	12,817	44,464	HAR B
45 Högsbo 27:7	August Barks gata 6	Gothenburg	2002	1988	7,933	–	–	–	–	–	7,933	9,723	76,600	HAR
46 Kobbegården 6:362	Stora Åvägen 19 A-B, 21	Gothenburg	<1995	1990	5,513	878	1,150	–	–	–	7,541	5,490	65,430	HAR
47 Kobbegården 6:726	Datavägen 14 B	Gothenburg	<1995	1981	2,573	–	–	–	–	–	2,573	4,267	11,880	HAR
48 Anisen 1	Johannefredsgatan 1	Mölndal	2000	1990	1,676	–	237	–	–	–	1,913	5,843	12,324	HAR B
49 Anisen 3	Johannefredsgatan 3	Mölndal	1998	2003	1,800	1,500	–	2,600	–	–	5,900	10,108	45,528	HAR
50 Berguven 1	Möbelgatan 4	Mölndal	2004	1964	6,500	–	–	–	–	500	7,000	24,283	23,200	HAR B
51 Generatorm 5	Aminogatan 16	Mölndal	<1995	1986	640	–	–	483	–	–	1,123	5,169	8,043	HAR
52 Mejramen 1	Lunnagårdsgatan 4	Mölndal	1999	1999	8,300	–	4,700	–	–	–	13,000	38,818	107,000	HAR B
53 Potttegården 4	Kråketorpsgatan 20	Mölndal	<1995	1992	3,182	–	1,836	–	–	–	5,018	6,060	27,524	HAR
54 Riskullaverket 2	Aminogatan 25	Mölndal	<1995	1991	1,692	–	1,261	–	–	–	2,953	3,411	17,898	HAR
55 Sesamfröet 2	Aminogatan 27	Mölndal	2005	1992	5,150	–	700	–	–	–	5,850	11,000	51,600	HAR B
56 Apollo 5	Österlånggatan 5	Borås	<1995	1930/1979	6,803	552	193	–	–	–	7,548	2,343	46,600	HAR
160 Cedern 9,12,15,16	Ramnåsg 1/ Göteborgsvägen 6	Borås	2005	1935/1980	4,289	300	2,129	260	–	361	7,339	4,159	9,057	HAR B
57 Katrinedal 14	Katrinedalsgatan 22	Borås	<1995	1990	2,360	–	1,892	–	–	–	4,252	7,675	14,530	HAR
58 Midas 14	Västerlånggatan 17	Borås	<1995	1974	15,408	5,424	–	366	–	–	21,198	8,185	166,200	HAR B
59 Narcissus 5	L:a Brogatan 15/ St Brogatan 16	Borås	<1995	1930	908	1,484	–	–	1,284	–	3,676	853	29,190	HAR
60 Nestor 2	L:a Brogatan 19-21	Borås	<1995	1962/1991	1,225	3,012	135	–	–	–	4,372	1,381	44,400	HAR
61 Nestor 3	St Brogatan 24	Borås	1999	1930	1,346	732	–	–	439	–	2,517	590	22,060	HAR
62 Solsten 1:109	Företagsparken	Härreda	<1995	2003	11,375	–	–	–	–	–	11,375	19,206	61,321	EKL
63 Flaggan 1	Laholmsvägen 84	Halmstad	2007	1959/2004	–	2,895	–	–	–	–	2,895	5,941	9,908	HAR
64 Karossen 3	Kristinehedsvägen 5, 7	Halmstad	2007	1965/2004	916	4,458	568	535	–	–	6,477	14,500	23,118	HAR B
65 Kartongen 3	Spikgatan 7	Halmstad	2007	1990/1995	3,434	–	2,842	–	–	40	6,316	20,900	25,460	HAR B
66 Valsen 2	Svingelvägen 2	Halmstad	2007	1979/2003	2,294	–	–	–	–	–	2,294	7,314	11,115	HAR B
67 Filaren 1	Sveagatan 10	Alingsås	<1995	1958/1968	3,116	2,282	158	–	–	–	5,556	4,636	28,863	HAR
68 Gjutaren 26 B	Metallgatan 2-4	Alingsås	<1995	2000	3,585	–	–	–	–	–	3,585	4,000	36,647	HAR B
69 Partille 4:2, 4:25	G:a Kronvägen 22	Partille	<1995	1940/1981	–	2,240	–	–	–	–	2,240	8,250	17,834	HAR
70 Ugglum 8:37	Göteborgsvägen 78-80	Partille	<1995	1937/1982	–	296	–	–	278	–	574	762	4,054	HAR
71 Ugglum 8:91	Göteborgsvägen 82-84	Partille	<1995	1988	2,082	1,016	–	–	–	–	3,098	4,969	25,581	HAR
72 Ugglum 8:92	Göteborgsvägen 74-76	Partille	<1995	1992	4,944	720	193	–	–	–	5,857	5,408	42,400	HAR
73 Ugglum 126:4	Gibsons väg 3	Partille	<1995	1990	468	–	–	–	–	–	468	767	4,046	HAR
74 Hede 3:125	Sättarevägen 3	Kungälv	<1995	1990	1,759	–	601	–	–	–	2,360	3,690	11,432	HAR
75 Kungälv 4:46	L:a Verkstadsgatan 8	Kungälv	<1995	1979	401	–	–	–	–	–	401	1,356	1,931	HAR B
76 Varla 2:380	Energigatan 11	Kungälv	<1995	1990	1,689	–	685	–	–	–	2,374	4,590	13,709	HAR
77 Varla 2:416	Kungälvsparkvägen 2	Kungälv	2001	2002	1,100	–	680	–	–	–	1,780	5,500	9,538	HAR
78 Varla 3:22 B	Hallabäcksvägen 2	Kungälv	2006	1979	1,100	4,300	600	–	–	–	6,000	20,000	64,446	HAR B
191 Vägmästaren 5	Syréngatan 1	Kungälv	2009	2010	3,000	–	–	–	–	–	3,000	6,500	35,600	HAR B
Total office/retail					295,462	47,008	44,361	19,050	8,246	8,597	422,724	527,741	3,702,163	



Gullbergsvass 1:15, Gothenburg



Solsten 1:109, Härreda

Greater Gothenburg

Greater Gothenburg

Name of property	Address	Municipality	Acquis year	Build/ Recon. year	Square metres per type of premises						Totalt	Site sq.m.	Tax Mgmt. assessment Sub-value sidary Note		
					Office	Retail	Warehouse	Industrial	Residential	Oth.					
WAREHOUSE/INDUSTRIAL															
80	Arendal 1:13	Hamneviksvägen 31	Gothenburg	2005	2006	–	–	27,787	–	–	–	27,787	6,408	144,600	EKL
81	Arendal 7:4	Kärrlyckegatan 11	Gothenburg	1998	1991	1,320	–	2,374	–	–	4	3,698	12,671	16,084	EKL
82	Arendal 764:130	Oljevägen 103	Gothenburg	2005	1971	–	–	9,739	15,140	–	891	25,770	41,244	81,624	EKL
83	Backa 18:7, 18:10	Risbindaregatan 1	Gothenburg	<1995	1964	–	–	16,930	–	–	–	16,930	45,020	50,248	EKL
84	Backa 20:5	Exportgatan 2-8	Gothenburg	2007	1989/1999	1,175	–	856	13,869	–	–	15,900	37,965	61,986	EKL B
86	Backa 22:11	Exportgatan 2-8	Gothenburg	<1995	1990	245	–	2,500	–	–	–	2,745	5,031	9,522	EKL
87	Backa 25:7	Exportgatan 28	Gothenburg	1999	1972	–	–	–	11,200	–	–	11,200	23,169	29,545	EKL
88	Backa 26:3	Exportgatan 40	Gothenburg	1996	1947/1988	2,712	763	2,467	–	–	6	5,948	6,000	24,726	EKL
89	Backa 27:2	Importgatan 17	Gothenburg	<1995	1968	–	–	2,765	–	–	–	2,765	12,927	9,408	EKL B
90	Backa 29:24	Importgatan 12	Gothenburg	<1995	1977	–	–	2,224	–	–	–	2,224	4,366	6,862	EKL
91	Backa 94:1	Exportgatan 15	Gothenburg	1998	1989	–	–	7,560	–	–	–	7,560	20,947	24,789	EKL B
92	Backa 97:11	Exportgatan 39-41	Gothenburg	2002	1978	1,393	–	2,486	–	–	–	3,879	19,285	19,116	EKL
85	Backa 107:4	Transportgatan 17	Gothenburg	2010	1983/2006	–	–	22,700	–	–	–	22,700	73,621	21,200	EKL T
93	Backa 192:3	Aröds Industriväg 72	Gothenburg	<1995	1989	119	–	1,215	–	–	–	1,334	3,630	4,681	EKL
94	Backa 192:4	Aröds Industriväg 60	Gothenburg	<1995	1989	484	194	1,356	–	–	–	2,034	3,428	7,412	EKL T
95	Backa 192:6	Aröds Industriväg 62	Gothenburg	1998	1988	–	–	1,371	–	–	–	1,371	4,387	4,670	EKL
96	Backa 192:10	Aröds Industriväg 66	Gothenburg	<1995	1990	1,410	–	1,335	–	–	–	2,745	6,042	12,071	EKL
97	Backa 193:1	Aröds Industriväg 2 A	Gothenburg	2000	1988/1996	–	–	–	3,750	–	–	3,750	10,524	14,627	EKL B
98	Backa 197:2	Aröds Industriväg 17-19	Gothenburg	<1995	1990	–	–	1,228	–	–	–	1,228	2,727	4,748	EKL
182	Kärä 28:10	Transportgatan 37	Gothenburg	1996	2010	–	2,217	–	–	–	–	2,217	14,872	12,182	EKL
99	Kärä 37:4	Tagenevägen 21	Gothenburg	<1995	1972	–	1,195	11,740	–	–	–	12,935	26,476	36,530	EKL
183	Kärä 72:36	Tagenevägen 34	Gothenburg	2008	2011	–	–	6,400	–	–	–	6,400	14,600	8,017	EKL
100	Kärä 74:2	Tagenevägen 29	Gothenburg	1996	2010	–	–	15,758	–	–	–	15,758	35,995	79,000	EKL B
101	Kärä 74:3	Tagenevägen 33	Gothenburg	1998	1985	–	–	–	7,505	–	–	7,505	22,398	26,638	EKL B
102	Kärä 75:3	Transportgatan 35	Gothenburg	2008	1980	–	–	9,191	–	–	–	9,191	14,375	31,933	EKL
103	Kärä 77:8	Tagenevägen 72	Gothenburg	<1995	1991	212	–	1,859	–	–	–	2,071	8,914	9,590	EKL
104	Kärä 80:7	Trankärsvägen 14	Gothenburg	<1995	1990	211	–	3,451	–	–	–	3,662	7,185	14,902	EKL T
105	Kärä 94:1	Orrekulla Industrigata 25	Gothenburg	1999	1990	–	–	–	1,960	–	–	1,960	3,520	7,715	EKL
106	Kärä 96:1	Orrekulla Industrigata 13-15	Gothenburg	2001	1991	160	–	3,830	–	–	–	3,990	10,408	16,252	EKL B
107	Tingstadsvassen 11:9	Kolgruvegatan 9	Gothenburg	<1995	1988	343	–	721	–	–	–	1,064	2,213	4,891	EKL
108	Tingstadsvassen 12:6	Manufakturgatan 19	Gothenburg	<1995	1990	328	–	2,657	–	–	–	2,985	2,960	14,214	EKL T
109	Tingstadsvassen 12:9	Manufakturgatan 21-23	Gothenburg	<1995	1957	–	–	6,217	–	–	–	6,217	7,355	11,460	EKL T
110	Tingstadsvassen 14:7	Stålverksgatan 11	Gothenburg	1997	1993	934	–	–	4,273	–	–	5,207	9,547	738	EKL B
111	Tingstadsvassen 19:3	Kolgruvegatan 1	Gothenburg	<1995	1950	839	–	9,548	245	–	–	10,632	16,645	22,091	EKL T
112	Högsbo 4:1	Fältspatsgatan 1	Gothenburg	<1995	1965/1972	1,140	350	3,074	–	–	–	4,564	10,394	17,629	HAR
113	Högsbo 7:16	Gustaf Melins gata 7	Gothenburg	<1995	1987	1,301	–	–	404	–	–	1,705	4,043	10,016	HAR
114	Högsbo 9:3	A Odhners gata 17	Gothenburg	2008	1978/2002	635	–	2,267	–	–	–	2,902	6,007	16,398	HAR
115	Högsbo 18:1	E A Rosengrens gata 30-38	Gothenburg	<1995	1966/1973	1,092	–	7,628	–	–	–	8,720	17,149	28,182	HAR B
116	Högsbo 26:8	August Barks gata 25	Gothenburg	1998	1969/1979	2,123	–	–	2,253	–	–	4,376	6,068	16,883	HAR B
117	Högsbo 28:3	August Barks gata 7	Gothenburg	<1995	1968/1981	785	–	–	2,857	–	–	3,642	3,942	15,236	HAR
118	Högsbo 36:1	Norra Långebergsgatan 8	Gothenburg	2000	1971/1995	710	–	3,840	–	–	–	4,550	9,057	22,966	HAR
119	Högsbo 36:5	Hulda Mellgrens gata 3	Gothenburg	1998	1991	553	–	–	2,931	–	–	3,484	5,438	15,790	HAR B
120	Högsbo 36:9	Hulda Mellgrens gata 9	Gothenburg	<1995	2007	400	–	1,475	–	–	–	1,875	4,253	12,159	HAR
121	Högsbo 38:9	Sisjö Kullegata 4	Gothenburg	<1995	1984	–	–	–	983	–	–	983	8,609	8,823	HAR B
122	Högsbo 40:1	Gustaf Werners gata 2	Gothenburg	1999	1981/1999	1,495	–	5,505	–	–	–	7,000	16,070	32,525	HAR B



Arendal 1:13, Gothenburg



Gaslyktan 11, Mölndal

Greater Gothenburg

Name of property	Address	Municipality	Acquis year	Build/ Recon. year	Square metres per type of premises					Total	Site sq.m.	Tax Mgmt. assessment Sub-value subsidiary Note		
					Office	Retail	Warehouse	Industrial	Residential	Oth.				
123 Högsbo 40:2	Gustaf Werners gata 4	Gothenburg	2006	1978	400	–	2,815	–	–	–	3,215	10,799	17,064	HAR B
124 Kobbegården 208:6	Askims Verkstadsväg 16	Gothenburg	1999	1973/1979	480	–	–	1,264	–	–	1,744	6,336	6,977	HAR
125 Kobbegården 209:1	Askims Verkstadsväg 15	Gothenburg	1999	1973/1996	–	–	–	2,538	–	–	2,538	6,336	11,559	HAR B
126 Kobbegården 6:180	Datavägen 20	Gothenburg	<1995	1980	1,704	–	1,078	–	–	–	2,782	5,100	18,700	HAR
127 Kobbegården 6:360	Datavägen 31	Gothenburg	2001	1979	1,640	–	5,349	–	–	–	6,989	14,508	42,400	HAR
128 Kobbegården 6:724	Ekonomivägen 11	Gothenburg	1999	1978/1986	–	–	–	6,290	–	–	6,290	12,786	25,411	HAR B
129 Rud 51:21	Klangfärgsgatan 2 C	Gothenburg	2006	1979/1989	510	–	2,590	–	–	–	3,100	6,926	17,470	HAR T
130 Tynnered 1:10	Kontrabasgatan 12	Gothenburg	<1995	1969	429	140	–	2,152	–	–	2,721	7,475	10,049	HAR T/B
131 Kallebäck 3:4	Mejerigatan 1	Gothenburg	2000	1962	7,725	–	23,845	805	–	420	32,795	37,723	105,000	EKL
188 Olskroken 35:7	Blomstergatan 2	Gothenburg	2009	1977	417	–	3,427	–	–	–	3,844	37,598	12,446	EKL T
189 Olskroken 35:9	Grönsaksgatan 5	Gothenburg	2009	1966	874	–	6,781	–	–	–	7,655	9,127	22,418	EKL T
190 Olskroken 35:14	Grönsaksgatan 3	Gothenburg	2009	1967	1,169	4,542	–	–	–	–	5,711	6,216	18,086	EKL T
132 Majorna 163:1	Banehagsliden 2	Gothenburg	2006	1949	–	–	8,226	749	–	–	8,975	9,263	24,550	EKL B
133 Gaslyktan 11	Argongatan 26-30	Möln dal	<1995	1987	4,000	–	11,000	–	–	–	15,000	38,100	82,800	HAR B
134 Generatör 1	Aminogatan 24	Möln dal	<1995	1995/2003	1,445	–	3,110	–	–	–	4,555	30,000	36,000	HAR B
135 Generatör 2	Aminogatan 20-22	Möln dal	<1995	1991	164	–	2,938	–	–	–	3,102	8,933	15,378	HAR
136 Heliumgasen 11	Kryptongatan 5B	Möln dal	1999	1975	4,560	–	–	5,093	–	–	9,653	16,300	46,503	HAR B
137 Kryddpepparn 3	Östergårdsgatan 8	Möln dal	<1995	1992	–	–	–	4,140	–	–	4,140	15,347	0	HAR B
192 Kusken 3	Idrottsvägen 10	Möln dal	2011	2005	2,773	–	–	4,852	–	–	7,625	17,665	41,727	HAR
138 Lindome 2:40	Elementvägen 2	Möln dal	<1995	1966	376	–	9,811	–	–	–	10,187	32,453	20,000	EKL B
139 Lindome 2:47	Elementvägen 2	Möln dal	<1995	1966	–	–	1,835	510	–	–	2,345	15,141	8,202	EKL B
140 Pottegården 2	Kråketorpsgatan 18	Möln dal	<1995	1964	–	–	1,800	–	–	–	1,800	7,014	7,444	HAR B
141 Skinttickan 1	Ålegårdsgatan 5	Möln dal	<1995	1989	1,221	–	–	4,720	–	–	5,941	10,267	10,622	HAR
142 Syrgasen 8	Kryptongatan 14	Möln dal	<1995	1979	–	–	–	3,055	–	–	3,055	11,197	14,727	HAR B
143 Tjärblomman 2	Wolfsgatan 2	Möln dal	1999	1960	2,495	–	4,540	–	–	–	7,035	9,193	17,525	HAR B
144 Tjärblomman 3	Sallarängsgatan 3	Möln dal	1999	1970	1,225	–	7,533	–	–	–	8,758	9,394	21,352	HAR
145 Tulpanen 1	Bergfotsgatan 5	Möln dal	1999	1961	1,812	–	2,954	–	–	–	4,766	5,577	14,751	HAR B
146 Tusenskönan 2	Flöjelbergsgatan 6	Möln dal	1999	1960	3,567	–	933	–	–	–	4,500	5,346	12,511	HAR B
147 Tusenskönan 4	Bergfotsgatan 3	Möln dal	1999	1961	2,038	–	2,424	–	–	–	4,462	5,397	13,278	HAR B
148 Törnrosen 3	Flöjelbergsgatan 10	Möln dal	1999	1964	1,791	–	1,791	–	–	–	3,582	4,468	9,509	HAR B
149 Vallmon 2	Flöjelbergsgatan 13	Möln dal	<1995	1965	662	–	2,518	–	–	–	3,180	3,642	8,367	HAR
150 Vallmon 3	Flöjelbergsgatan 11	Möln dal	<1995	1965	676	–	2,570	–	–	–	3,246	3,830	8,557	HAR
151 Vallmon 6	Flöjelbergsgatan 7 B	Möln dal	<1995	1965	1,629	–	6,685	–	–	–	8,314	9,956	21,484	HAR
152 Vallmon 7	Flöjelbergsgatan 7 A	Möln dal	1999	1930	960	–	3,844	–	–	–	4,804	6,894	12,966	HAR B
153 Ängsviolén 1	Flöjelbergsgatan 18	Möln dal	<1995	1960/1965	1,765	180	–	3,655	–	–	5,600	10,292	18,630	HAR B
154 Hede 3:12	Faktorvägen 1	Kungsbacka	2003	1992	1,971	–	6,929	–	–	–	8,900	32,809	48,576	HAR B
155 Hede 3:131	Tryckarevägen 8	Kungsbacka	<1995	1991	170	–	1,347	–	–	–	1,517	7,558	6,132	HAR B
156 Kungsbacka 4:47	L:a Verkstadsg 2-6/ Verkstadsg 7	Kungsbacka	<1995	1978/1990	1,516	–	2,475	–	–	–	3,991	9,317	12,590	HAR
157 Varla 2:388	Energigatan 21	Kungsbacka	<1995	1983/1995	–	–	2,207	–	–	–	2,207	10,003	8,167	HAR B
158 Varla 2:415	Borgås Gårdsväg 15	Kungsbacka	2004	2002	755	–	3,676	–	–	–	4,431	8,852	18,022	HAR
159 Varla 3:22	Hallabäcksvägen 1	Kungsbacka	2006	1979	3,500	–	18,500	–	–	–	22,000	71,644	57,600	HAR B
161 Hinden 2	Sagagatan 17	Borås	<1995	1956	692	–	–	5,748	–	–	6,440	9,833	8,862	HAR B
162 Kilsund 3	Evedalsgatan 5	Borås	<1995	1935	709	260	–	9,847	–	–	10,816	16,660	15,658	HAR B
163 Lagen 8	Hällingsgatan 15	Borås	<1995	1948/1961	239	–	–	8,753	–	–	8,992	5,700	10,661	HAR B
164 Silverpoppeln 31	Ålandsgatan 6	Borås	2006	1961/1970	835	–	–	2,165	–	–	3,000	6,143	5,550	HAR
165 Snödroppen 8	Elinsdalsg 9,13 & 15/ Södra Korsg 11	Borås	2005	1980/1980	1,543	–	–	5,881	–	–	7,424	14,546	15,915	HAR B



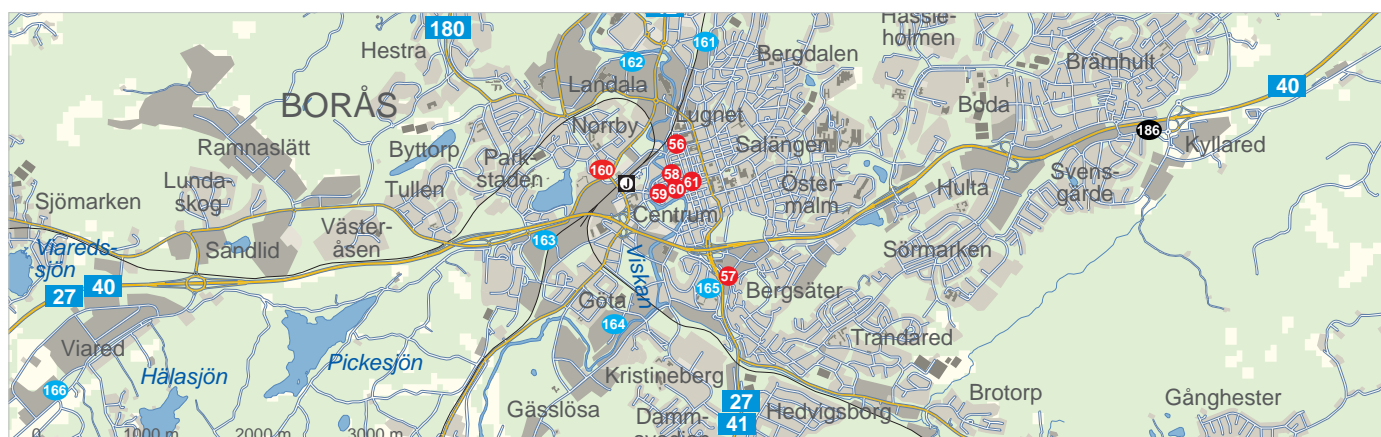
Guldheden 8:10, Gothenburg



Part of Varla 3:22, Kungsbacka

Greater Gothenburg

Greater Gothenburg												Tax Mgmt.				
Name of property	Address	Municipality	Acquis year	Build/ Recon. year	Square metres per type of premises						Totalt	Site sq.m.	assessment		Sub-sidiary	Note
					Office	Retail	Warehouse	Industrial	Residential	Oth.			value			
166	Trucken 4	Viaaredsvägen 14	Borås	2001	2001	700	–	4,800	–	–	–	5,500	20,000	21,083	HAR	B
167	Bulten 6	Bultgatan 1	Alingsås	2007	1985/1990	760	–	2,600	–	–	–	3,360	19,559	11,909	HAR	B
168	Gjutaren 26	Metallgatan 2-4	Alingsås	<1995	1933/1989	1,383	–	9,082	–	–	–	10,465	21,080	18,340	HAR	B
169	Konfektasken 15	Kolav. 2-8/Sidenv. 7	Alingsås	<1995	1929/1969	3,769	–	6,927	–	–	–	10,696	15,544	18,897	HAR	B
170	Stallet 3	Tomasgårdsvägen 19	Alingsås	2008	1990	1,295	–	2,040	–	–	–	3,335	4,700	9,496	HAR	B
171	Hede 2:11	Hedeforsvägen 6	Lerum	2006	1960/1974	500	–	2,200	–	–	–	2,700	9,973	10,611	HAR	
172	Lerum Berg 1:76	Åkerivägen 7	Lerum	2006	2007	1,500	–	8,400	–	–	–	9,900	30,000	44,247	HAR	B
173	Fogden 4	Laholmsvägen 84	Halmstad	2007	1960/1990	278	1,946	8,609	118	–	1,028	11,979	25,800	23,232	HAR	B
195	Fyllinge 20:409	Sadelvägen 5	Halmstad	2011	1992	166	–	–	4,223	–	–	4,389	22,276	14,670	HAR	B
174	Hönekulla 1:571	Åvägen 1	Härryda	2006	1986/2002	1,762	–	–	2,345	–	187	4,294	6,596	16,719	HAR	B
175	Kåbäcken 11:7	G:a Alingsåsvägen 29	Partille	<1995	1961/1964	–	–	2,227	–	–	–	2,227	5,477	4,656	HAR	
Total warehouse/industrial						94,669	11,787	404,470	146,273	0	2,536	659,735	1,445,680	2,216,735		

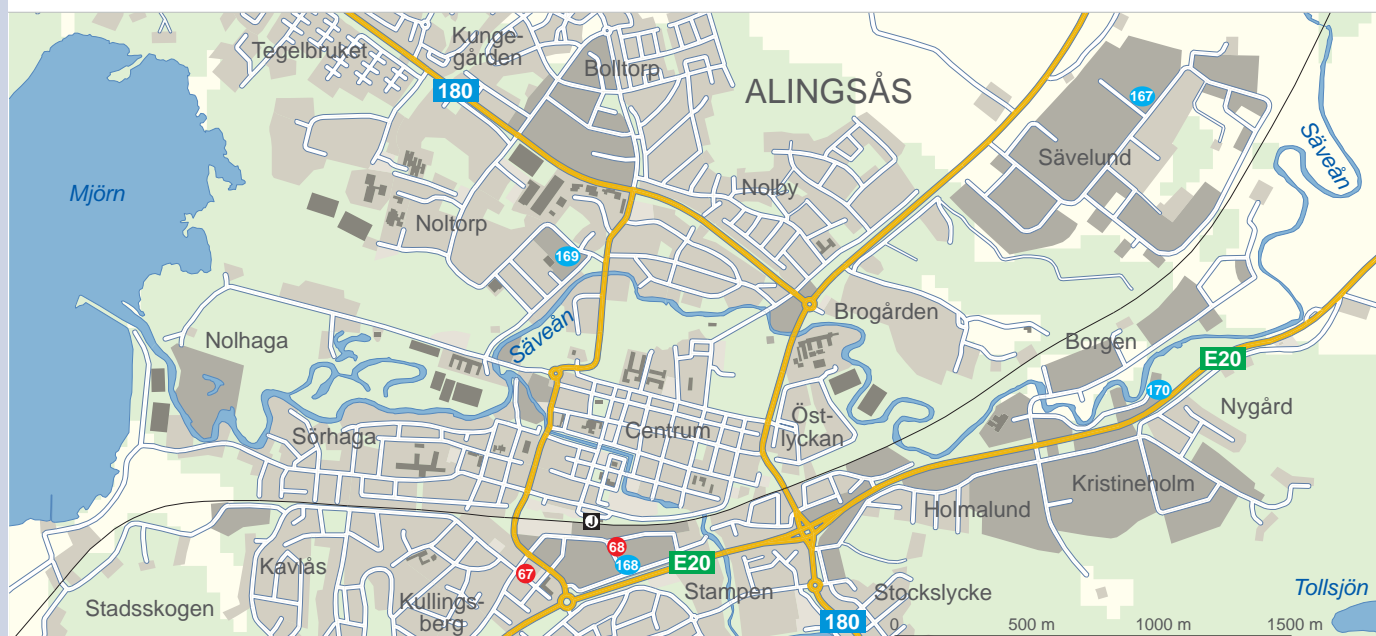


● Office/retail ● Warehouse/industrial ● Development projects and land



Greater Gothenburg

Greater Gothenburg													Tax	Mgmt.		
Name of property	Address	Municipality	Acquis year	Build/ Recon. year	Square metres per type of premises							assessment	Sub-			
					Office	Retail	Warehouse	Industrial	Residential	Oth.	Total	Site sq.m.	value	sidary	Note	
DEVELOPMENT PROJECTS																
5	Inom Vallgraven 4:1	Östra Larmgatan 18	Gothenburg	<1995	1856/1988	2,597	–	–	–	–	–	2,597	671	28,600	EKL	
27	Kärä 28:18	Transportgatan 37	Gothenburg	1996	–	–	–	–	–	–	–	20,287	5,200	EKL	B	
179	Lindholmen 28:3	Theres Svensson g	Gothenburg	2011	–	–	–	–	–	–	–	3,000	–	EKL		
Total development projects						2,597	0	0	0	0	0	2,597	23,958	33,800		
UNDEVELOPED LAND																
176	Annedal 21:9	Haraldsgatan 3	Gothenburg	1999	–	–	–	–	–	–	–	2,088	–	EKL	B	
177	Högsbo 33:1	Gruvgatan 29	Gothenburg	<1995	–	–	–	–	–	–	–	5,483	3,015	HAR	B	
178	Högsbo 39:3	Ingela Gathenheims gata 8	Gothenburg	<1995	–	–	–	–	–	–	–	1,720	946	HAR	B	
180	Kobbegården 6:7	Ekonomivägen 11	Gothenburg	1999	–	–	–	–	–	–	–	3,187	1,752	HAR	B	
181	Kobbegården 152:1	Industrivägen 4-6	Gothenburg	<1995	–	–	–	–	–	–	–	25,158	13,800	HAR	B	
184	Heliumgasen 4	Neogatan 4B	Mölnådal	<1995	–	–	–	–	–	–	–	4,794	2,570	HAR	B	
188	Skällared 3:49	Lysekulevägen	Kungsbacka	<1995	–	–	–	–	–	–	–	29,297	1,640	EKL	B	
196	Varla 3:34	Hallabäcksvägen 1	Kungsbacka	2006	–	–	–	–	–	–	–	14,356	–	HAR	B	
186	Kyllared 1:112	Tvinnaregatan 27	Borås	<1995	–	–	–	–	–	–	–	5,118	450	HAR	B	
187	Solsten 1:108	Företagsparken	Härnåda	<1995	–	–	–	–	–	–	–	16,551	6,000	EKL	B	
Total undeveloped land						0	0	0	0	0	0	0	107,752	30,173		
Total Greater Gothenburg						392,728	58,795	448,831	165,323	8,246	11,133	1,085,056	2,105,131	5,982,871		



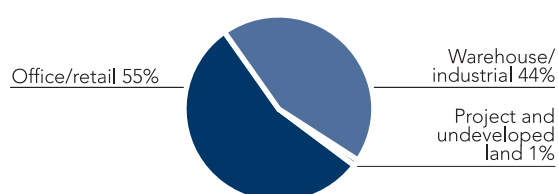
● Office/retail ● Warehouse/industrial ● Development projects and land



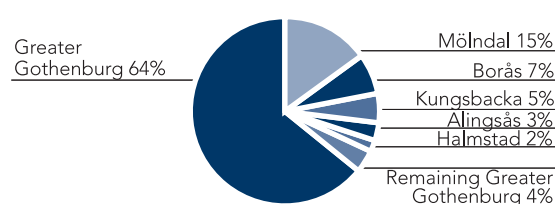
Castellum's Real Estate Portfolio in Greater Gothenburg 31-12-2011

	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	20	88	179	2,039	95.8%	171	42	475	129
Eastern Gothenburg	4	60	61	1,016	94.0%	57	16	277	41
Mölnadal	8	43	46	1,084	90.8%	42	9	213	33
Hisingen	14	72	86	1,194	95.2%	82	23	323	59
Borås	7	51	52	1,023	91.2%	48	16	297	32
Rest of Greater Gothenburg	25	109	116	1,058	94.1%	109	24	218	85
Total office/retail	78	423	540	1,277	94.3%	509	130	307	379
Warehouse/industrial									
Hisingen	34	254	175	691	103.1%	180	35	141	145
Mölnadal	22	126	99	791	93.8%	93	21	167	72
Högsbo/Sisjön	19	73	60	824	99.3%	60	12	156	48
Kungsbacka	6	43	31	728	79.7%	25	4	100	21
Borås	6	42	23	531	91.5%	21	6	128	15
Rest of Greater Gothenburg	15	122	94	767	92.9%	87	26	216	61
Total warehouse/industrial	102	660	482	731	96.7%	466	104	158	362
Total	180	1,083	1,022	944	95.4%	975	234	216	741
Leasing and property administration							44	41	- 44
Total after leasing and property administration							278	257	697
Development projects	3	2	4	-	-	2	1	-	1
Undeveloped land	10	-	-	-	-	-	-	-	-
Total	193	1,085	1,026	-	-	977	279	-	698

Property value by property type



Property value by municipality



Property related key ratios

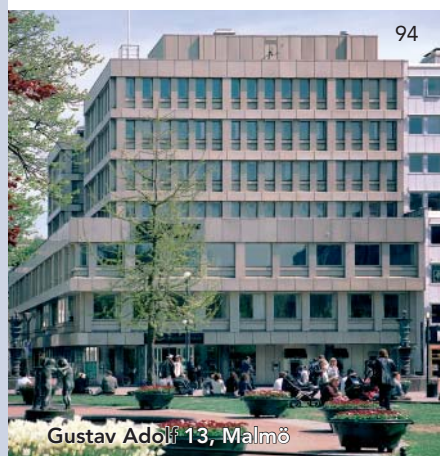
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Rental value, SEK/sq.m.	944	935	919	885	856	834	839	834	798	768
Economic occupancy rate	95.4%	94.1%	94.0%	92.6%	90.8%	89.4%	90.7%	92.2%	93.0%	93.5%
Property costs, SEK/sq.m.	257	264	262	228	227	224	230	228	217	217
Net operating income, SEK/sq.m.	644	616	602	591	551	521	531	540	525	501
Number of properties	193	188	190	187	182	176	172	178	188	195
Lettable area, thousand sq.m.	1,085	1,046	1,028	1,017	1,000	914	859	794	765	736

Öresund Region

Öresund Region

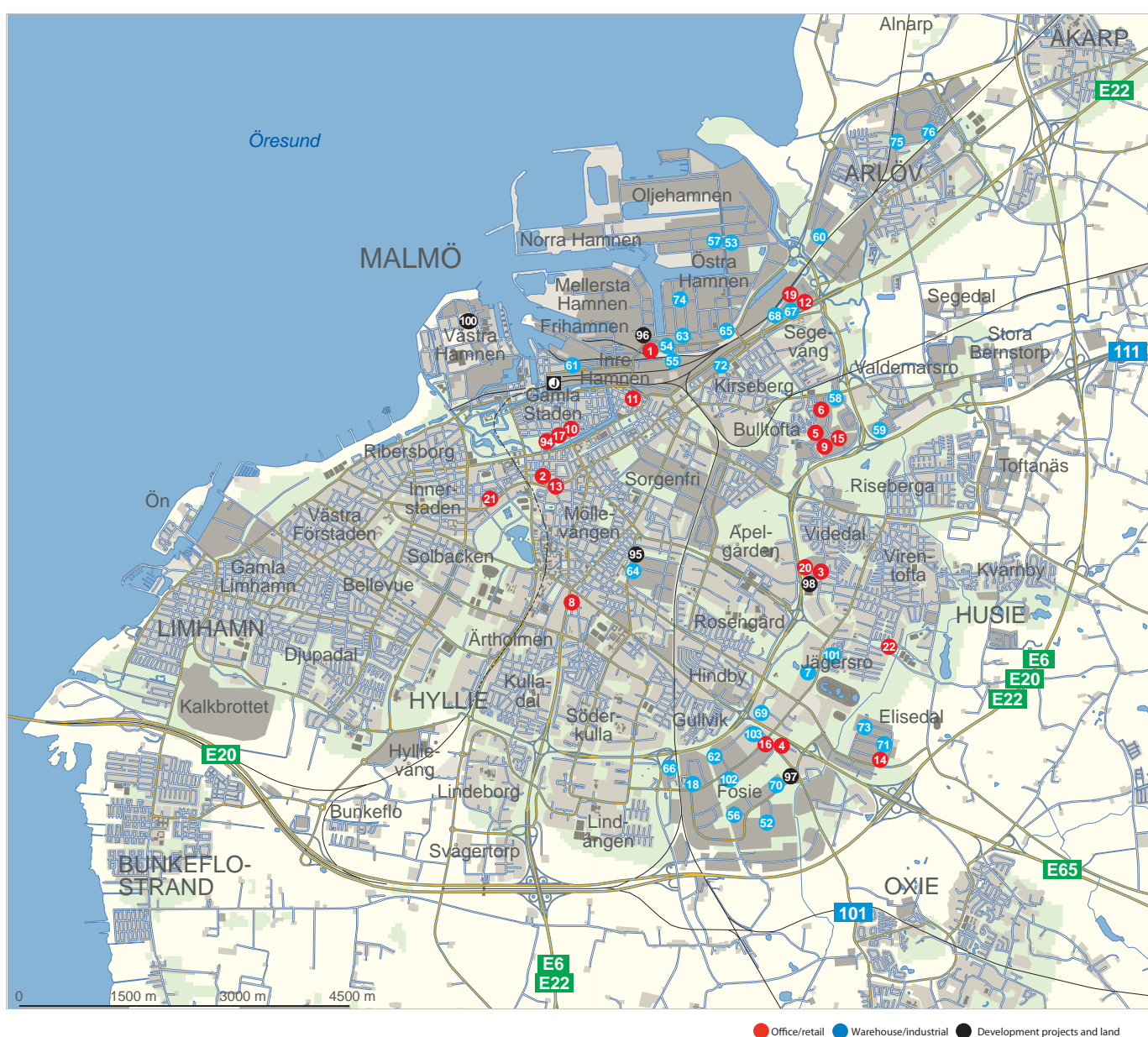
												Tax Mgmt.				
Name of property	Address	Municipality	Acquis year	Build/ Recon. year	Square metres per type of premises						Total	Site sq.m.	assessment value	Sub-sidiary	Note	
					Office	Retail	Warehouse	Industrial	Residential	Oth.						
OFFICE/RETAIL																
101	Armringen 2	Agnesfridsvägen. 190	Malmö	2011	1975	2,919	–	1,948	–	–	–	4,867	14,925	14,505	BRI	T
1	Betongen 11	Krangatan 4	Malmö	<1995	1991	4,892	–	17	–	–	–	4,909	6,168	28,517	BRI	T/B
2	Björnen 6	Davidhallsgatan 20	Malmö	<1995	1920/1988	1,672	429	71	–	–	–	2,172	1,188	35,400	BRI	
3	Brandnåvan 1&2	Stenbärgsgatan 1	Malmö	1999	1989	2,822	–	–	–	–	–	2,822	9,670	16,886	BRI	T/B
4	Bältespännet 13	Hornyxegatan 12	Malmö	2006	1972/2002	145	1,190	–	485	–	–	1,820	4,402	4,695	BRI	
5	Flygledaren 3	Höjdrodergatan 18	Malmö	2004	1991	1,610	–	–	–	–	–	1,610	3,620	6,325	BRI	T
6	Flygvärdinnan 4	Höjdrodergatan 30-34	Malmö	<1995	1935/2001	5,589	–	3,883	–	–	45	9,517	17,848	59,817	BRI	T
94	Gustav Adolf 13	Gustav Adolfs torg 4	Malmö	2003	1968	10,690	–	–	–	–	–	10,690	2,224	200,000	BRI	
8	Hälsingland 19	Fosievägen 9-19	Malmö	<1995	1950/2003	8,245	6,558	55	–	–	–	14,858	25,474	77,000	BRI	B
9	Höjdrodret 3	Kabingatan 11	Malmö	2007	1990	1,182	0	162	–	–	–	1,344	1,600	5,488	BRI	
10	Lybeck 10	Stora Nygatan	Malmö	1999	1964/1992	6,323	9,445	48	–	5,032	9,838	30,686	6,199	338,800	BRI	
11	Malte 23	Fredriksbergsgatan 16	Malmö	1999	1965	5,377	1,171	505	443	–	–	7,496	2,597	52,200	BRI	
12	Murman 8	Krusegatan 27	Malmö	<1995	1960/1989	5,724	–	1,401	–	–	–	7,125	7,200	21,416	BRI	
102	Nejlikebuketten 6	Derbyvägen 7	Malmö	2011	1987	1,765	–	–	–	–	–	1,765	10,000	9,585	BRI	
13	Norsen 12	Föreningsgatan 7	Malmö	<1995	1930/1990	2,446	–	96	54	140	463	3,199	1,296	–	BRI	
14	Sadelknappen 4	Ridspögatan 10	Malmö	1999	1985	1,010	–	–	–	–	495	1,505	5,463	4,823	BRI	
15	Skevrodret 1	Kabingatan 9	Malmö	2007	1978/1997	1,898	–	260	–	–	–	2,158	3,000	7,764	BRI	
72	Skjutsstallslyckan 3	Lundavägen 62	Malmö	<1995	1946	–	1,391	–	1,705	–	–	3,096	3,690	5,745	BRI	
16	Spännbucklan 16	Agnesfridsvägen 178	Malmö	<1995	1972/2002	–	4,762	–	–	–	–	4,762	15,561	30,000	BRI	
17	Stadt Hamburg 14	St Hamburgsgatan 1	Malmö	<1995	1900/2004	4,995	4,067	–	–	373	125	9,560	3,671	179,637	BRI	
18	Stenyxan 21	Stenyxegatan 14	Malmö	2007	1992/1999	513	–	582	–	–	–	1,095	2,301	4,046	BRI	
19	Stillman 40	Krusegatan 34	Malmö	2005	1975/1986	1,835	–	–	–	–	–	1,835	3,550	5,479	BRI	
20	Svedjenåvan 3	Stenbärgsgatan 4-6	Malmö	<1995	1991	4,728	–	–	–	–	–	4,728	4,493	31,505	BRI	
103	Torshammaren 11	Hornyxegatan 6	Malmö	2011	1984	647	–	–	–	–	–	647	5,034	4,284	BRI	
21	Tuborg 1	Tuborgsgatan 2	Malmö	<1995	1945/1980	6,858	–	296	403	–	132	7,689	4,377	–	BRI	
22	Vårbuketten 3	Husievägen 21	Malmö	2001	1987/2002	2,710	–	–	–	–	–	2,710	7,421	17,326	BRI	
23	Forskaren 2	Emdalavägen 4-18	Lund	1999	2001	18,617	–	320	–	–	1,500	20,437	18,274	325,000	BRI	
24	Forskaren 2:2	Scheelevägen	Lund	1999	2008	7,400	–	1,600	–	–	–	9,000	9,136	106,000	BRI	
25	Jöns Petter Borg 9	Landerigrändan 21	Lund	1999	1990	3,796	–	6,917	–	–	–	10,713	22,584	65,762	BRI	B
26	Kvartsen 2	Skiffervägen 15	Lund	<1995	1991	695	–	943	–	–	–	1,638	9,543	11,411	BRI	B
27	Reuterdaahl 11	Scheelevägen 16	Lund	1997	1990	2,927	–	–	–	–	175	3,102	4,478	43,400	BRI	
28	Reuterdaahl 12	Scheelevägen 18	Lund	2006	1990	5,645	–	–	–	–	–	5,645	12,077	69,800	BRI	
29	Rudebok 2	Rudeboksvägen 3	Lund	2004	1985/2004	4,697	–	–	–	–	–	4,697	14,781	39,800	BRI	
30	Smörkärnan 1	Kaprifolievägen 1	Lund	1996	1968/1995	6,331	–	136	–	–	1,340	7,807	15,000	76,200	BRI	
31	St Botulf 11	Botulfsg 5/Skomakareg 4	Lund	<1995	1931/1990	–	1,359	–	–	3,139	380	4,878	1,988	84,600	BRI	
32	St Clemens 22	Stortorget 6-8	Lund	<1995	1832/1981	1,160	1,551	–	–	574	–	3,285	2,769	52,172	BRI	B
33	St Clemens 27	Stortorget 4	Lund	<1995	1846/1999	255	1,439	–	–	–	–	1,694	1,114	35,400	BRI	
34	Stockholmsledet 8	Scheelevägen 30-32	Lund	<1995	1991	10,919	–	1,121	–	–	30	12,070	11,084	146,000	BRI	
35	Traktorn 2	Traktorvägen 11	Lund	2004	1990/1995	9,481	–	883	–	–	700	11,064	16,573	100,800	BRI	
36	Trumlan 1	Traktorvägen 19	Lund	<1995	1990	–	1,183	1,334	–	–	–	2,517	9,066	12,012	BRI	
37	Erik Dahlberg 2	Kullagatan 21	Helsingborg	1996	1890/1987	400	442	–	–	–	–	842	350	12,628	BRI	
38	Kavalleristen 9	Berga Allé 1-3	Helsingborg	1997	1920/1993	11,458	–	155	–	–	760	12,373	27,223	86,533	BRI	B
39	Kroksabeln 18	Florettgatan 12	Helsingborg	2004	1988	3,123	–	309	–	–	104	3,536	4,809	18,772	BRI	
40	Kulan 1	Garnisonsgatan 5	Helsingborg	2002	1996/2005	2,130	–	10,600	–	–	–	12,730	18,567	36,412	BRI	B
41	Musköten 5	Bergavägen 8	Helsingborg	<1995	1970/1985	1,619	725	719	–	–	816	3,879	4,000	10,104	BRI	

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



Öresundsområdet

Öresundsområdet													Tax Mgmt.			
Name of property	Address	Municipality	Acquis year	Build/ Recon.year	Square metres per type of premises						Totalt	Site sq.m.	assessment Sub-		Note	
					Office	Retail	Warehouse	Industrial	Residential	Oth.			value	sidary		
42 Pilbågen 6	Garnisonsgatan 6	Helsingborg	2000	1977	0	4,525	814	–	–	–	5,339	11,400	36,123	BRI	B	
43 Pilbågen 9	Garnisonsgatan 10	Helsingborg	2004	1980	5,744	4,395	1,541	–	–	–	11,680	16,000	–	BRI		
44 Rustningen 1	Rundgången 26-32	Helsingborg	<1995	1989	6,595	1,813	1,876	–	–	200	10,484	15,000	63,389	BRI		
45 Snärskogen 1	Kanongatan 155-159	Helsingborg	<1995	1991	1,885	4,202	2,397	144	–	–	8,628	27,824	37,040	BRI	B	
46 Spjutet 2	Garnisonsgatan 14	Helsingborg	2008	1970/2003	1,412	3,177	1,992	–	–	162	6,743	15,287	33,600	BRI	B	
47 Studsaren 4	Bergavägen 21	Helsingborg	<1995	2006	1,294	–	738	–	–	–	2,032	7,200	7,028	BRI		
48 Vikingen 4	L Strandgatan 5	Helsingborg	<1995	1900/1983	–	–	–	–	–	800	800	257	9,434	BRI		
49 Vikingen 6	Mariagatan 10	Helsingborg	<1995	1878/1984	535	159	–	–	–	–	694	274	8,640	BRI		
50 Vikingen 12	L Strandgatan 7	Helsingborg	<1995	1912/1988	610	–	–	–	–	600	1,210	414	15,940	BRI		
51 Motorblocket 1	Ringvägen 170	Landskrona	<1995	1972/1992	130	8,638	100	–	–	46	8,914	22,005	32,200	BRI	T	
– Abildager 26	Abildager 26	Brøndby	2011	1995	1,800	–	1,670	–	–	–	3,470	14,012	24,686	BRI		
– Hovedvejen 1-7	Hovedvejen 1-7	Glostrup	2011	2007	3,822	303	–	–	–	2,828	6,953	3,796	98,750	BRI		
– Roskildevej 22	Roskildevej 22	Albertslund	2011	1970/1994	3,800	–	2,600	–	–	2,090	8,490	26,396	47,270	BRI		
– Vibeholms Allé 15	Vibeholms Allé 15	Brøndby	2011	1961/2007	2,399	325	157	–	–	278	3,159	3,695	43,339	BRI		
Total office/retail						207,274	63,249	48,246	3,234	9,258	23,907	355,168	539,948	2,951,488		



Öresund Region

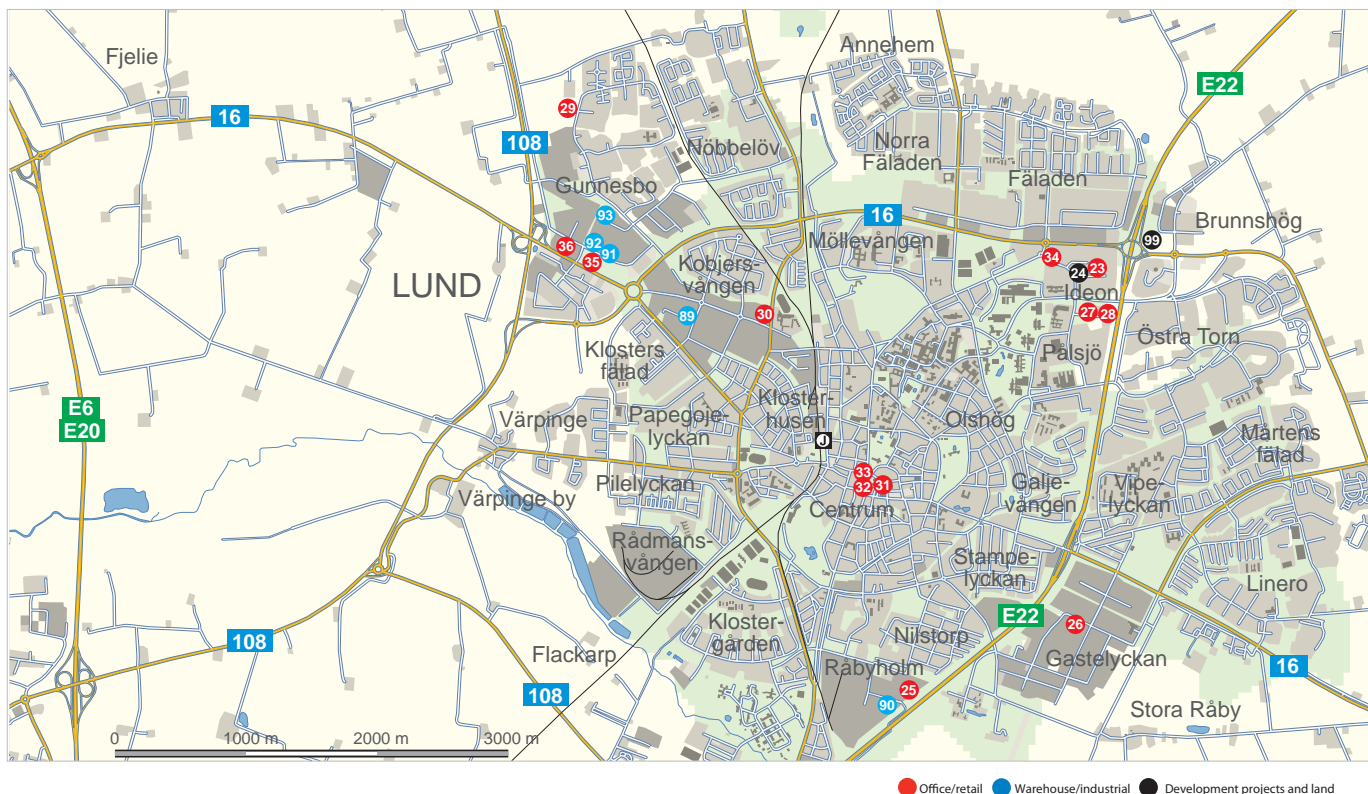
Öresund Region													Tax Mgmt.			
Name of property	Address	Municipality	Acquis year	Build/ Recon. year	Square metres per type of premises						Total	Site sq.m.	assessment value	Sub-sidiary	Note	
					Office	Retail	Warehouse	Industrial	Residential	Oth.						
WAREHOUSE/INDUSTRIAL																
52 Benkammen 6	Skogholmsgatan 5	Malmö	2005	1994	802	–	11,120	–	–	1,075	12,997	30,100	44,055	BRI	B	
53 Bjurö 12	Flintrännegatan 21	Malmö	<1995	1960/1974	1,270	–	14,132	8,033	–	330	23,765	35,500	67,563	BRI	T	
54 Bjälken 2	Skruvgatan 4	Malmö	<1995	1962/1990	525	–	1,951	–	–	1,040	3,516	5,623	7,552	BRI	T	
55 Bjälken 3	Skruvgatan 6-8	Malmö	1998	1962	420	–	2,161	–	–	50	2,631	2,618	5,478	BRI		
56 Dubbelknappen 17	Risxegatan 6	Malmö	1998	1989	–	–	2,380	–	–	–	2,380	8,472	7,506	BRI	B	
57 Finngundet 1	Bjurögatan 29	Malmö	1998	1966	–	–	7,490	–	–	–	7,490	10,000	15,304	BRI	T	
58 Flygfyrn 1	Flygfältsvägen 1	Malmö	2000	1950/2002	–	1,905	10,035	–	–	–	11,940	38,706	40,691	BRI	B	
59 Gulsippan 1	Källvattengatan 5	Malmö	2001	1988	1,954	–	11,548	–	–	491	13,993	38,450	57,721	BRI	B	
60 Haken 3	Vinkelgatan 5	Malmö	2008	1993	400	–	3,188	–	–	–	3,588	4,871	8,398	BRI	T	
61 Hamnen 22:27	Jörgen Kockgatan 11	Malmö	<1995	1952/1976	266	–	954	–	–	–	1,220	545	1,324	BRI	T	
62 Hollyxan 5	Bronsyxegatan 11	Malmö	<1995	1977/2000	–	–	6,510	–	–	–	6,510	13,035	16,716	BRI	T	
63 Kalkgrundet 5	Borrgatan 15	Malmö	<1995	1935/1985	669	–	6,741	–	–	–	7,410	14,274	19,450	BRI	T	
64 Kampen 25	Lantmannagatan 22-26	Malmö	<1995	1940/1990	4,365	–	23,015	1,825	–	11,562	40,767	49,281	76,681	BRI		
65 Lillgrund 5	Borrgatan 31	Malmö	2002	1952/1998	–	–	4,430	–	–	–	4,430	4,685	15,350	BRI		
66 Långdansen 1	Sångeleksgatan 9	Malmö	<1995	1980	–	–	1,200	–	–	–	1,200	10,042	5,381	BRI		
67 Murman 7	Murmansgatan 124	Malmö	<1995	1959/1987	1,020	–	5,260	162	–	–	6,442	10,400	14,685	BRI	T	
68 Murman 11	Krusegatan 21	Malmö	1998	1960	1,687	–	6,631	–	–	77	8,395	6,475	20,364	BRI	T	
69 Revolversvarven 9	Jägershillgatan 16	Malmö	1997	1985	–	–	3,900	–	–	–	3,900	10,932	15,889	BRI	T	
70 Ringspännat 1	Kantyxegatan 5	Malmö	2002	2002	–	–	6,700	–	–	–	6,700	15,730	20,138	BRI		
71 Sadelknappen 1	Sadelgatan 9	Malmö	1999	1979	–	–	2,000	–	–	–	2,000	5,284	5,863	BRI		
73 Stångbettet 1	Travbanegatan 1	Malmö	2000	1989	–	–	1,743	–	–	–	1,743	4,051	6,082	BRI		
74 Tistlarna 9	Styrögatan 4	Malmö	2000	1991	1,109	–	14,452	–	–	–	15,561	31,020	41,665	BRI	T/B	
75 Tågarp 16:22	Företagsvägen 14	Malmö	<1995	1968/1993	2,830	–	7,107	–	–	–	9,937	19,069	26,213	BRI		
76 Tågarp 16:72	Företagsvägen 25	Malmö	<1995	1973/1988	240	–	1,263	798	–	–	2,301	12,656	9,651	BRI		
77 Akvamarinen 1	Diabasgatan 1	Helsingborg	2000	2007	–	–	4,713	–	–	–	4,713	10,000	19,530	BRI		
78 Bergakungen 1	Måndagsgatan 6	Helsingborg	<1995	1990	618	–	2,325	–	–	–	2,943	6,799	10,495	BRI		
79 Dolken 4	Mörsaregatan 16	Helsingborg	2004	1970/1985	410	–	1,930	656	–	–	2,996	4,000	6,960	BRI		
80 Grusbacken 2	Makadamgatan 15	Helsingborg	2005	2005	1,600	–	11,700	–	–	–	13,300	27,645	50,271	BRI		
81 Grusbädden 2	Mogatan 2-6	Helsingborg	<1995	1989	1,550	–	7,824	–	–	30	9,404	35,657	32,918	BRI		
82 Grusbädden 3	Mogatan 2-6	Helsingborg	2007	2007/2010	1,721	–	8,892	3,092	–	–	13,705	29,700	46,000	BRI		
83 Grusplanen 3	Makadamgatan 19	Helsingborg	2005	1990	–	–	2,735	–	–	–	2,735	7,292	8,809	BRI		
84 Hyveljärnet 3	Lastgatan 9	Helsingborg	<1995	1990	–	–	2,276	–	–	–	2,276	6,014	7,731	BRI		
85 Mimer 12	S Tvärgången 3	Helsingborg	<1995	1960	–	–	34	–	–	3,080	3,114	9,378	–	BRI	B	
86 Nide 2	Rundgången 10	Helsingborg	<1995	1955/1985	1,639	–	3,679	1,134	–	124	6,576	23,599	17,170	BRI		
87 Topasen 1	Andesitgatan 8	Helsingborg	2003	1989	–	–	0	8,558	–	–	8,558	33,786	37,270	BRI	B	
88 Värjan 3	Garnisonsgatan 9	Helsingborg	2002	1969	1,112	985	2,735	–	–	50	4,882	7,522	14,732	BRI	B	
89 Annedal 9	Annedalsvägen 2	Lund	<1995	1990	560	–	736	–	–	–	1,296	4,527	5,594	BRI		
90 Råbyholm 5	Landerigränden 2-4	Lund	1999	1984	2,501	–	7,908	–	–	–	10,409	21,376	53,149	BRI		
91 Välten 4	Traktorvägen 8	Lund	2003	2003	–	–	3,100	–	–	–	3,100	8,003	16,792	BRI		
92 Välten 5	Traktorvägen 10	Lund	2003	1974/1995	–	–	3,645	–	–	–	3,645	16,384	10,073	BRI		
93 Årdret 12	Höstbruksvägen 14	Lund	<1995	1990	–	–	2,049	–	–	–	2,049	6,223	7,041	BRI		
Total warehouse/industrial					29,268	2,890	222,192	24,258	0	17,909	296,517	639,724	894,255			



Öresund Region

Öresund Region

Name of property	Address	Municipality	Acquis year	Build/ Recon. year	Square metres per type of premises						Total	Site sq.m.	Tax Mgmt. assessment		Sub-sidiary	Note
					Office	Retail	Warehouse	Industrial	Residential	Oth.			value			
DEVELOPMENT PROJECTS																
24	Forskaren 2:3	Emdalavägen 8	Lund	1999	2008	7,400	–	884	–	–	716	9,000	9,136	–	BRI	
100	Fullriggaren 4	Riggaregatan 51-57	Malmö	2010	–	5,400	–	–	–	–	–	5,400	1,857	–	BRI	
7	Sändaren 1	Agnesfridsvägen 111	Malmö	2010	–	7,047	–	4,178	–	–	326	11,551	40,239	23,959	BRI	T
Total development projects						19,847	0	5,062	0	0	1,042	25,951	51,232	23,959		



Öresund Region

Öresund Region												Tax Mgmt.			
Name of property	Address	Municipality	Acquis. year	Build/ Recon. year	Square metres per type of premises						assessment	Sub-value	Subsidary	Note	
					Office	Retail	Warehouse	Industrial	Residential	Oth.	Total	Site sq.m.			
UNDEVELOPED LAND															
95	Intäkten 5	Lantmannag 20/ Ystadsg 49	Malmö	2000	–	–	–	–	–	–	–	2,625	2,045	BRI	B
96	Moränen 1 & 2	Borrgatan 1	Malmö	<1995	–	–	–	–	–	–	–	11,281	2,822	BRI	B
97	Ringspännat 5	Kantyxegatan 1	Malmö	2006	–	–	–	–	–	–	–	10,000	1,845	BRI	B
98	Svedjenävan 4	Stenbärsgatan 2	Malmö	2006	–	–	–	–	–	–	–	3,398	934	BRI	T/B
99	Höjdpunkten 2	Lund	Lund	2001	–	–	–	–	–	–	–	15,079	3,023	BRI	B
104	Kulan 2	Garnisionsgatan 5	Helsingborg	2010	–	–	–	–	–	–	–	35,500	4,400	BRI	
Total undeveloped land					0	0	0	0	0	0	0	77,883	15,069		
Total Öresund Region					256,389	66,139	275,500	27,492	9,258	42,858	677,636	1,308,787	3,884,771		



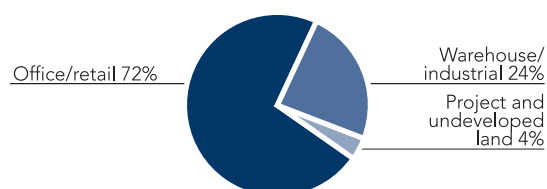
● Office/retail ● Warehouse/industrial ● Development projects and land



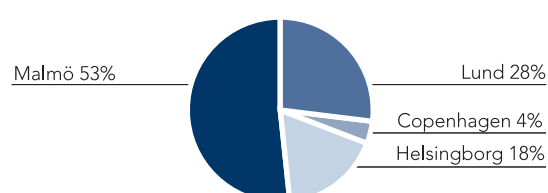
Castellum's Real Estate Portfolio in Öresund Region 31-12-2011

	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	26	145	226	1,565	88.8%	201	60	413	141
Lund	14	98	150	1,517	84.5%	126	29	295	97
Helsingborg	14	81	78	961	80.2%	63	20	234	43
Landskrona	1	9	5	596	40.1%	2	2	343	0
Copenhagen	4	22	26	1,190	100.0%	26	2	101	24
Total office/retail	59	355	485	1,366	86.2%	418	113	318	305
Warehouse/industrial									
Malmö	24	201	136	676	80.8%	110	35	173	75
Helsingborg	12	75	54	717	89.5%	48	9	130	39
Lund	5	21	19	919	78.2%	15	3	131	12
Total warehouse/industrial	41	297	209	703	82.8%	173	47	159	126
Total	100	652	694	1,065	85.2%	591	160	246	431
Leasing and property administration							38	58	- 38
Total after leasing and property administration							198	304	393
Development projects	3	26	9	-	-	1	6	-	- 5
Undeveloped land	6	-	-	-	-	-	-	-	-
Total	109	678	703	-	-	592	204	-	388

Property value by property type



Property value by municipality



Property related key ratios

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Rental value, SEK/sq.m.	1,065	1,060	1,063	989	971	932	915	931	892	830
Economic occupancy rate	85.2%	86.6%	86.5%	88.1%	87.7%	86.8%	88.1%	91.2%	90.4%	92.4%
Property costs, SEK/sq.m.	304	315	320	278	271	256	244	262	258	240
Net operating income, SEK/sq.m.	603	604	601	593	581	553	563	587	549	527
Number of properties	109	101	100	100	97	92	90	93	97	101
Lettable area, thousand sq.m.	678	646	620	621	602	587	600	571	566	559

Greater Stockholm

Greater Stockholm													Tax Mgmt.			
Name of property	Address	Municipality	Acquis year	Build/ Recon. year	Square metres per type of premises						Total	Site sq.m.	assessment value	Sub-sidiary	Note	
					Office	Retail	Warehouse	Industrial	Residential	Oth.						
OFFICE/RETAIL																
2	Archimedes 1	Gårdsfogdevägen 2-6	Stockholm	1996	1979	13,108	2,144	2,645	310	–	–	18,207	13,663	106,171	BRO	
3	Betongblandaren 3	Gårdsfogdevägen 16	Stockholm	2001	1971	2,963	3,242	175	–	–	–	6,380	2,722	39,800	BRO	
82	Betongblandaren 10	Archimedesv 1-3/ Gårdsfogdev 8-10	Stockholm	2005	1975/1996	1,675	10,437	2,142	–	–	30	14,284	15,170	124,600	BRO	
4	Betongblandaren 12	Gårdsfogdevägen 18 B	Stockholm	1998	1972	7,263	–	135	–	–	–	7,398	3,679	63,400	BRO	
5	Betongblandaren 13	Adolfbergsvägen 15, 25-31	Stockholm	<1995	1989	7,628	1,370	1,833	–	–	–	10,831	7,690	77,300	BRO	
6	Fredsfors 14	Karlsbodavägen 39-41	Stockholm	<1995	1960	11,208	–	6,782	–	–	1,443	19,433	7,073	95,800	BRO	
23	Lisänen 2	Hässelby Torg 1	Stockholm	2011	1982/1995	2,299	–	–	–	–	–	2,299	1,104	–	BRO	T
8	Vallonsmidet 8	Gårdsfogdevägen 1-7	Stockholm	<1995	1963/1992	13,127	3,039	6,742	–	–	10	22,918	29,425	166,700	BRO	B
9	Ekenäs 1	Finlandsgatan 24-48	Stockholm	<1995	2003	18,762	540	–	–	–	8	19,310	9,631	288,200	BRO	T
10	Ekenäs 2	Finlandsgatan 12-14	Stockholm	<1995	1989	4,602	–	65	–	–	–	4,667	1,987	50,200	BRO	T
11	Ekenäs 3	Finlandsgatan 10	Stockholm	<1995	1989	3,580	–	740	–	–	–	4,320	4,792	46,716	BRO	T
12	Ekenäs 4	Finlandsgatan 16-18	Stockholm	<1995	1991	7,531	100	444	–	–	–	8,075	2,255	86,800	BRO	T
13	Karis 3	Finlandsgatan 62	Stockholm	2001	1989	2,881	–	425	–	–	90	3,396	2,248	34,800	BRO	T
14	Karis 4	Finlandsgatan 50-60	Stockholm	2000	1985	4,630	516	104	–	–	10	5,260	3,920	57,000	BRO	T
15	Sätesdalen 2	Norgegatan 2	Stockholm	2006	1990/2001	10,194	500	845	–	–	212	11,751	10,812	91,000	BRO	T
16	Getholmen 2	Mäsholmstorget 1-13	Stockholm	<1995	1990	5,340	–	381	–	–	–	5,721	3,195	55,600	BRO	T
17	Hästholmen 2	Ekholmsvägen 23	Stockholm	<1995	1985	1,215	–	–	–	–	–	1,215	1,839	9,841	BRO	T
18	Renseriet 25	Bolidenv 12, 16/ Tjurhornsgr 3	Stockholm	<1995	1910	1,160	–	212	80	–	–	1,452	4,384	7,365	BRO	B
19	Renseriet 26	Bolidenv 14-16/ Tjurhornsgr 3	Stockholm	<1995	1965	1,500	436	534	167	–	–	2,637	3,594	19,337	BRO	
20	Tjurhornet 15	Huddingevägen 103-109	Stockholm	<1995	1986	19,477	575	3,180	–	–	6	23,238	13,314	169,176	BRO	
21	Mandelblomman 15	Avestag 29/ Kronofogdev 56	Stockholm	<1995	1950/1990	3,487	–	134	–	–	–	3,621	4,364	23,978	BRO	
22	Drevern 1 & Dvärgsp. 1	Gråhundsvägen 82-84	Stockholm	<1995	1970/1995	1,215	2,745	–	–	–	–	3,960	5,729	32,000	BRO	
55	Getholmen 1	Ekholmsvägen 32-36	Stockholm	1998	1982	5,860	–	2,232	–	–	–	8,092	4,717	55,628	BRO	T
98	Landningsbanan 3	Flygfältsgatan 18, 20	Stockholm	2010	1984	–	–	1,000	–	–	–	1,000	2,208	6,161	BRO	T
53	Domnarvet 39	Gunnebogatan 24-26	Stockholm	<1995	1989	1,267	–	1,386	–	–	–	2,653	1,940	17,893	BRO	T
24	Gräslöken 1	Anderstorpsvägen 20-26	Solna	2006	1976	6,166	621	233	–	–	–	7,020	1,288	65,600	BRO	
26	Råsten 4	Råstensg 1/Stureg 10	Sundbyberg	2007	1929/2001	2,700	–	–	–	–	–	2,700	1,111	35,000	BRO	
27	Yrket 4	Smidesvägen 10-12	Solna	2006	1982/1984	9,485	–	860	–	–	404	10,749	8,774	112,200	BRO	B
28	Ekplantan 4	Djupdalsvägen 1-7	Sollentuna	1996	1990	8,354	1,251	137	–	–	400	10,142	8,595	80,725	BRO	
29	Ekstubben 21&23	Djupdalsvägen 10-18, 30-32, 20-22	Sollentuna	1999	1989	6,150	–	107	–	–	110	6,367	3,069	58,882	BRO	
99	Ekstubben 25	Djupdalsvägen 24-26	Sollentuna	2011	1987,1988	1,050	–	–	–	–	–	1,050	534	8,144	BRO	
30	Ringpärmen 3	Bergskällavägen 30	Sollentuna	2005	1986	895	–	2,091	953	–	240	4,179	7,918	19,736	BRO	
31	Ringpärmen 4	Bergskällavägen 32	Sollentuna	1996	1987	10,665	600	1,348	–	–	–	12,613	12,206	93,000	BRO	
32	Sjöstugan 1	Sidensvansvägen 8-10	Sollentuna	1996	1990	4,452	–	1,846	–	–	–	6,298	9,156	50,200	BRO	
33	Altartorpet 22	Jägerhorns väg 6	Huddinge	1996	1986	818	1,267	630	–	–	–	2,715	5,767	34,800	BRO	T
34	Altartorpet 23	Jägerhorns väg 8	Huddinge	1996	1987	1,315	2,906	–	–	–	–	4,221	5,756	57,700	BRO	T
35	Arrendatorn 15	Jägerhorns väg 3-5	Huddinge	2001	1987	509	650	210	–	–	–	1,369	2,422	8,843	BRO	
36	Arrendatorn 16	Jägerhorns väg 1	Huddinge	<1995	1987	628	877	–	–	–	–	1,505	2,803	9,362	BRO	
37	Ellipsen 3	Ellipsvägen 11	Huddinge	2001	1993	2,160	–	1,298	–	–	–	3,458	3,904	16,910	BRO	
86	Varpen 8	Smista Allé 36	Huddinge	1997	2009	–	–	–	11,290	–	–	11,290	6,900	47,411	BRO	B
25	Varpen 8 C	Smista Allé 32	Huddinge	1997	2010	–	–	–	1,390	–	–	1,390	3,100	–	BRO	

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





Greater Stockholm

Name of property	Address	Municipality	Acquis year	Build/ Recon. year	Square metres per type of premises						Site sq.m.	Tax Mgmt. assessment Sub- value subsidiary Note		
					Office	Retail	Warehouse	Industrial	Residential	Oth.	Totalt			
81 Visiret 2 A	Smista Allé 44	Huddinge	2004	2004	–	–	–	2,690	–	–	2,690	4,890	19,704	BRO
38 Visiret 2 B&C	Smista Allé 42	Huddinge	1997	2006	–	–	–	7,500	–	–	7,500	13,747	62,000	BRO
84 Visiret 2 F	Smista Allé 46-48	Huddinge	1997	2009	–	–	–	4,895	–	–	4,895	8,241	40,688	BRO
39 Hammarby-Smedby 1:454	Johanneslundsvägen 2-6	Uppl-Väsby	2006	1991	8,322	–	132	–	–	–	8,454	10,460	66,600	BRO
40 Hammarby-Smedby 1:461	Johanneslundsvägen 3-5	Uppl-Väsby	2006	1988	3,656	676	232	–	–	–	4,564	6,798	32,400	BRO
41 Veddesta 2:22	Nettovägen 7	Järfälla	<1995	1965/1975	508	–	–	–	–	–	508	1,782	2,335	BRO
42 Veddesta 2:23	Nettovägen 1	Järfälla	<1995	1971/1985	–	4,172	1,769	–	–	–	5,941	7,063	30,000	BRO
43 Veddesta 2:58	Fakturnavägen 5	Järfälla	2007	1985/1995	980	–	–	–	–	–	980	2,452	6,574	BRO
93 Veddesta 2:66	Girovägen 13	Järfälla	2010	1989	3,138	–	250	–	–	8	3,396	7,422	22,415	BRO
44 Sicklaön 393:4	Vikdalsvägen 50	Nacka	<1995	1990	3,584	–	421	–	–	–	4,005	10,819	42,400	BRO
45 Sicklaön 394:5	Vikdalsgränd 10	Nacka	1996	1991	1,654	–	151	–	–	–	1,805	4,125	16,269	BRO
Total office/retail					229,161	38,664	43,851	29,275	0	2,971	343,922	322,557	2,765,364	
WAREHOUSE/INDUSTRIAL														
46 Charkuteristen 5	Hallvägen 21	Stockholm	2001	1955	1,520	–	5,447	–	–	–	6,967	4,213	19,740	BRO T
47 Charkuteristen 6	Slakthusgatan 20	Stockholm	2001	1955	–	1,066	1,139	186	–	–	2,391	1,665	6,726	BRO T
48 Charkuteristen 8	Slakthusgatan 22	Stockholm	2001	1968	548	–	4,717	–	–	–	5,265	2,582	15,533	BRO T
49 Linde Torp 8	Bolidenvägen 8-10	Stockholm	<1995	1929	574	67	1,141	–	–	–	1,782	7,350	14,486	BRO B
50 Sandhagen 6	Slakthusgatan 9	Stockholm	2001	1967	1,531	–	2,659	–	–	–	4,190	1,728	14,184	BRO T
51 Domnarvet 4	Domnarvsgatan 27-29	Stockholm	<1995	1987	1,882	–	5,422	–	–	447	7,751	8,605	34,332	BRO T
52 Domnarvet 27	Fagerstagatan 19 B	Stockholm	<1995	1982	–	–	–	1,950	–	–	1,950	4,337	8,962	BRO T
91 Domnarvet 28	Fagerstagatan 19 C	Stockholm	2010	1986	–	–	–	3,720	–	–	3,720	7,272	13,887	BRO T
54 Mandelblomman 16	Kronofogdevägen 62	Stockholm	2007	1974	1,011	–	1,938	940	–	–	3,889	4,125	12,993	BRO
56 Stensåtra 7	Strömsåtravägen 16	Stockholm	1999	1974	–	–	5,288	–	–	–	5,288	10,212	19,200	BRO T
57 Dagskiftet 4	Elektravägen 10	Stockholm	2007	1945	358	–	1,352	–	–	–	1,710	1,892	4,930	BRO T
58 Elektra 3	Västbergavägen 25	Stockholm	<1995	1946	1,167	235	6,045	–	–	–	7,447	10,106	20,781	BRO
59 Godståget 1	Transportvägen 7-9	Stockholm	<1995	1985	1,818	–	10,830	400	–	–	13,048	31,392	77,503	BRO
92 Furudal 4	Fagerstagatan 10	Stockholm	2010	2008	–	–	–	1,237	–	–	1,237	2,051	5,807	BRO T
60 Lagerhallen 2	Brunnbysvägen 2-4/ Partihandelsvägen 27-45	Stockholm	2004	1975	2,194	–	7,560	–	–	3,609	13,363	9,512	47,466	BRO T
61 Tornluggen 1-3	Bällstavägen 159/ Tornväktargränd 1-9	Stockholm	<1995	1963/1983	–	–	1,900	–	–	–	1,900	3,898	6,541	BRO T
62 Tornluckan 1	Tornväktargränd 6	Stockholm	<1995	1960	–	–	810	–	–	–	810	927	3,466	BRO T
83 Vagnhallen 19	Jämtlandsgatan 131	Stockholm	2006	1963/1974	1,347	–	–	4,197	–	–	5,544	5,177	15,961	BRO T
25 Instrumentet 1	Fabriksvägen 9	Solna	2006	1955/2005	–	–	–	3,673	–	–	3,673	2,065	17,282	BRO
63 Elementet 4	Bäckvägen 18	Sollentuna	<1995	1960	1,059	190	6,392	–	–	–	7,641	18,469	29,896	BRO
100 Revisorn 4	Bergkällavägen 33	Sollentuna	2011	1988	–	–	–	2,635	–	–	2,635	6,915	15,827	BRO B
64 Tidskriften 2	Kuskvägen 2	Sollentuna	1997	1976	1,323	2,802	5,673	–	–	–	9,798	18,203	70,322	BRO
65 Rosersberg 2:21-22	Rosersbergsvägen 43-45	Sigtuna	1996	1990	–	–	2,126	–	–	–	2,126	5,240	7,799	BRO
66 Rosersberg 11:12	Tallbacksgatan 6-12	Sigtuna	1996	1988	464	–	17,438	–	–	66	17,968	53,376	59,219	BRO
67 Rosersberg 11:34	Tallbacksgatan 14	Sigtuna	1996	1987/1989	–	–	6,400	–	–	–	6,400	18,259	22,014	BRO
68 Rosersberg 11:35	Tallbacksgatan 18	Sigtuna	1996	1990	–	–	8,200	–	–	–	8,200	20,664	31,183	BRO
95 Bredgården 1:7	Jättevägen 4	Järfälla	2010	1978	111	294	–	3,039	–	260	3,704	9,213	17,200	BRO
70 Veddesta 2:17	Nettovägen 9	Järfälla	2006	1968	–	–	1,338	–	–	–	1,338	5,350	5,452	BRO
71 Veddesta 2:19	Girovägen 9	Järfälla	<1995	1964	–	–	2,556	–	–	–	2,556	10,000	14,464	BRO
72 Veddesta 2:21	Nettovägen 5	Järfälla	<1995	1965/1988	163	–	1,742	–	–	–	1,905	5,000	8,407	BRO
73 Veddesta 2:26	Nettovägen 11	Järfälla	<1995	1968	775	190	1,978	–	–	–	2,943	7,000	12,726	BRO
94 Veddesta 2:49	Girov 11	Järfälla	2010	1981	–	–	1,263	2,370	–	–	3,633	9,250	20,799	BRO T
74 Veddesta 2:50	Kontov 7/Veddestav 23-25	Järfälla	<1995	1964	909	–	2,884	857	–	–	4,650	21,889	24,741	BRO B
75 Veddesta 2:60	Fakturavägen 4	Järfälla	2007	1987	480	–	155	324	–	63	1,022	1,099	5,872	BRO T
76 Veddesta 2:77	Fakturavägen 1-3	Järfälla	2007	1994/1997	1,000	–	4,215	–	–	–	5,215	14,857	36,529	BRO
96 Skälby 2:9	Instrumentvägen 2	Uppl-väsby	2010	1984	697	–	–	2,486	–	–	3,183	7,720	17,661	BRO T
77 Hantverkaren 2	Hantverkärvägen 9	Botkyrka	<1995	1976/1979	–	–	–	5,790	–	–	5,790	11,672	20,628	BRO
78 Kumla Hage 3	Kumla Gårdsväg 24 A-B	Botkyrka	<1995	1985	–	–	1,889	–	–	–	1,889	3,959	6,965	BRO
79 Kumla Hage 13	Kumla Gårdsväg 24 C	Botkyrka	<1995	1990	–	–	1,630	–	–	–	1,630	3,258	7,066	BRO
80 Mästaren 1	Kumla Gårdsväg 21	Botkyrka	1996	1983/1986	–	–	17,937	3,103	–	–	21,040	35,957	82,702	BRO
90 Saltmossen 3	Kumla Gårdsväg 21	Botkyrka	<1995	2011	–	–	5,496	–	–	–	5,496	21,257	4,250	BRO
97 Skarpnäs 5:10	Skarpövägen 14	Nacka	2010	2008	2,294	–	2,097	1,269	–	–	5,660	7,491	22,492	BRO
Total warehouse/industrial					23,225	4,844	147,657	38,176	0	4,445	218,347	435,207	903,994	

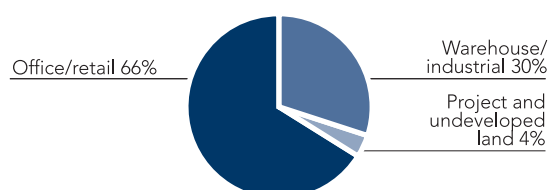
Greater Stockholm

Greater Stockholm												Tax Mgmt.			
Name of property	Address	Municipality	Acquis year	Build/ Recon. year	Square metres per type of premises						assessment	Sub-value	Subsidiary	Notes	
					Office	Retail	Warehouse	Industrial	Residential	Oth.	Total	Site sq.m.			
DEVELOPMENT PROJECTS															
1	Alphyddan 11	Bällstavägen 28-36	Stockholm	1997	1964	4,363	–	–	–	–	–	4,363	4,126	16,615	BRO
7	Linaberg 15	Alpvägen 17	Stockholm	1999	1973	2,349	–	1,990	–	–	–	4,339	5,448	18,413	BRO T
69	Veddesta 1:9	Fakturavägen 2	Järfälla	2007	1965	–	–	–	2,274	–	–	2,274	3,731	4,954	BRO
Total development projects						6,712	0	1,990	2,274	0	0	10,976	13,305	39,982	
UNDEVELOPED LAND															
88	Rankan 3-4	Sollentunaholmsvägen 1-7	Sollentuna	1996	–	–	–	–	–	–	–	88,355	57,000	BRO	B
89	Smista Park	Smista Allé	Huddinge	1997	–	–	–	–	–	–	–	53,799	26,808	BRO	B
98	Åby 1:223	Cementvägen 7	Haninge	2011	–	–	–	–	–	–	–	10,209	1,965	BRO	B
Total undeveloped land						0	0	0	0	0	0	0	152,363	85,773	
Total Greater Stockholm						259,098	43,508	193,498	69,725	0	7,416	573,245	923,432	3,795,113	

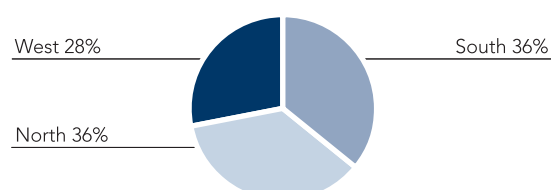
Castellum's Real Estate Portfolio in Greater Stockholm 31-12-2011

	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									
North	21	128	169	1,324	77.4%	131	53	410	78
West	11	122	159	1,304	67.3%	107	36	296	71
South	20	94	134	1,419	91.9%	123	27	290	96
Total office/retail	52	344	462	1,343	78.1%	361	116	337	245
Warehouse/industrial									
North	22	103	93	897	90.7%	84	23	227	61
West	4	12	12	1,026	77.7%	10	3	185	7
South	16	103	97	945	93.9%	91	27	261	64
Total warehouse/industrial	42	218	202	926	91.4%	185	53	241	132
Total	94	562	664	1,181	82.2%	546	169	300	377
Leasing and property administration							34	62	– 34
Total after leasing and property administration							203	362	343
Development projects	3	11	11	–	–	7	3	–	4
Undeveloped land	3	–	–	–	–	–	–	–	–
Total	100	573	675	–	–	553	206	–	347

Property value by property type



Property value by municipality



Property related key ratios

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Rental value, SEK/sq.m.	1,181	1,154	1,175	1,144	1,090	1,038	999	1,031	1,044	1,032
Economic occupancy rate	82.2%	82.8%	84.8%	84.0%	81.2%	81.3%	83.1%	84.5%	87.0%	89.1%
Property costs, SEK/sq.m.	362	345	347	343	325	338	315	339	332	326
Net operating income, SEK/sq.m.	609	611	650	618	560	506	515	532	576	594
Number of properties	100	97	90	90	87	80	73	70	70	70
Lettable area, thousand sq.m.	573	569	534	535	517	501	442	422	403	404

Mälardalen

Mälardalen													Tax Mgmt.			
Name of property	Address	Municipality	Acquis year	Build/ Recon. year	Square metres per type of premises						Totalt	Site sq.m.	assessment value	Sub-sidiary	Note	
					Office	Retail	Warehouse	Industrial	Residential	Oth.						
OFFICE/RETAIL																
118	Boländerna 5:12	Fålhagsleden 51	Uppsala	2010	1983/1996	5,799	–	251	–	–	–	6,050	15,251	38,454	ASP	B
1	Boländerna 8:6	Knivstogatan 6	Uppsala	2008	1990	2,729	–	–	–	–	–	2,729	3,806	17,342	ASP	
101	Boländerna 8:11	Bergsbrunnagatan 15	Uppsala	2008	1975	1,024	485	3,376	–	–	1,930	6,815	11,535	19,187	ASP	
2	Boländerna 9:1	Märstagatan 2	Uppsala	2008	1946/2005	1,737	–	537	–	–	–	2,274	2,890	–	ASP	
124	Boländerna 11:5	Märstagatan 7	Uppsala	2011	1975	2,407	–	–	–	–	–	2,407	4,346	–	ASP	B
111	Boländerna 30:2	Verkstadsgatan 9	Uppsala	2000	1971	242	23,145	2,309	–	–	–	25,696	61,524	214,600	ASP	B
3	Boländerna 30:2 B	Verkstadsgatan 11	Uppsala	2003	2002	2,124	–	–	–	–	–	2,124	4,500	24,000	ASP	
4	Boländerna 30:2 D	Verkstadsgatan 9	Uppsala	2003	1987	–	–	4,100	–	–	–	4,100	10,981	35,624	ASP	B
5	Boländerna 35:1	Bolandsgatan 18	Uppsala	2006	1975	–	5,555	–	4,258	–	150	9,963	26,193	41,847	ASP	B
6	Boländerna 35:2	Bolandsgatan 20	Uppsala	<1995	1981	–	4,118	–	–	–	–	4,118	9,600	42,800	ASP	
123	Boländerna 36:2	Danmarksgatan 20	Uppsala	2011	1982	–	2,400	–	–	–	–	2,400	3,204	13,867	ASP	
7	Dragarbrunn 16:2	Dragarbrunnsgatan	Uppsala	2004	1963	4,616	1,694	73	–	–	147	6,530	2,209	106,200	ASP	
113	Dragarbrunn 20:2	Kungsg/St Persg	Uppsala	1999	1963	2,462	767	46	–	–	–	3,275	921	–	ASP	
119	Dragarbrunn 20:4	Dragarbrunnsgatan 34	Uppsala	2010	1982	5,589	3,015	114	–	1,305	–	10,023	4,472	111,900	ASP	
8	Kungsängen 24:3	Kungsgatan 95	Uppsala	<1995	1998	729	5,750	–	–	–	–	6,479	15,284	45,800	ASP	
9	Kungsängen 29:1	Kungsgatan 70	Uppsala	1997	1985	2,274	1,813	342	–	–	–	4,429	8,966	24,800	ASP	
10	Kungsängen 35:3	Kungsgatan 76	Uppsala	1998	2001	3,060	–	–	–	–	–	3,060	4,547	21,500	ASP	
11	Kvarngärdet 64:3	Sportfältsvägen 3	Uppsala	1996	1991	1,965	–	–	–	–	–	1,965	2,955	12,825	ASP	
103	Årsta 36:2	Möllersvärdsgatan 12	Uppsala	<1995	1978/1989	1,346	–	1,457	–	–	–	2,803	5,143	11,595	ASP	
12	Årsta 36:7	Hanselligatan 6	Uppsala	2007	1986	388	–	1,873	–	–	–	2,261	3,358	9,416	ASP	
13	Årsta 67:1	Stålgatan 8-12	Uppsala	<1995	1988	151	10,268	666	–	–	–	11,085	31,608	52,848	ASP	
14	Årsta 72:3	Svederusgatan 1-4	Uppsala	1997	1990	2,195	1,792	4,177	–	–	28	8,192	10,792	33,561	ASP	
15	Årsta 74:1	Fyrislundsgatan 68	Uppsala	1999	1985	–	6,820	–	–	–	–	6,820	15,268	37,200	ASP	
16	Årsta 74:3	Axel Johanssons gata 4-6	Uppsala	<1995	1990	13,175	238	161	–	–	490	14,064	17,212	81,600	ASP	
121	Årsta 78:1	Fyrislundsgatan 73	Uppsala	2011	2000	2,838	–	–	–	–	–	2,838	4,156	15,865	ASP	
17	Basen 10	Fridhemsgatan 2-4	Örebro	<1995	1900/1990	6,164	–	100	–	–	–	6,264	4,997	41,400	ASP	
18	Borgaren 1	Fabriksgratan 1 A	Örebro	2008	1969/2001	6,539	–	1,100	–	–	847	8,486	3,375	64,604	ASP	
115	Inköparen 1	Södra Infarten	Örebro	2007	2008	864	4,331	–	–	–	–	5,195	22,500	33,399	ASP	
19	Järnmalm 1	Osmundgatan 10	Örebro	2006	1967/1995	2,695	–	7,835	–	–	–	10,530	47,714	24,530	ASP	B
20	Konstruktören 11	Söderleden 14	Örebro	<1995	1987	1,715	–	–	–	–	–	1,715	7,876	6,883	ASP	
21	Kontrollanten 9	Åbyvägen 3	Örebro	2007	1992	3,713	–	1,106	–	–	–	4,819	11,974	13,268	ASP	
22	Lagerchefen 3	Aspholmsvägen 3	Örebro	1996	1957/1985	–	1,900	–	–	–	–	1,900	9,213	9,519	ASP	B
23	Lantmannen 7	Boställsvägen 10	Örebro	<1995	1985	310	2,050	215	–	–	–	2,575	8,573	9,705	ASP	
24	Motormannen 1	Radiatorvägen 1	Örebro	<1995	1966	208	3,474	495	–	–	–	4,177	10,501	15,385	ASP	
25	Röda rummet	Radiatorvägen 17	Örebro	1996	2000	3,405	–	–	–	–	–	3,405	7,710	22,270	ASP	
26	Rörläggaren 1	Aspholmsvägen 4	Örebro	<1995	1963/1992	–	–	–	5,180	–	–	5,180	15,881	15,177	ASP	B
99	Rörmokaren 1	Elementvägen 13-15	Örebro	<1995	1963/1986	110	–	–	3,735	–	–	3,845	10,432	11,568	ASP	
27	Rörmokaren 5	Elementvägen 1	Örebro	<1995	1984	1,270	1,023	110	–	–	–	2,403	6,656	9,861	ASP	
28	Signalen 6	Propellervägen 1	Örebro	2006	1991	1,776	–	–	–	–	–	1,776	4,151	9,957	ASP	
29	Stinsen 18	Fabriksgratan 18-22	Örebro	2008	1983/2003	12,072	–	78	–	–	102	12,252	5,008	104,600	ASP	B
30	Svetsaren 4	Elementvägen 12	Örebro	<1995	1976/1984	–	1,695	2,590	–	–	–	4,285	9,644	12,268	ASP	
31	Svetsaren 5	Elementvägen 14	Örebro	<1995	1977/1988	2,885	–	169	–	–	–	3,054	7,355	10,548	ASP	
32	Svetsaren 6	Radiatorvägen 14	Örebro	2000	1962	5,625	–	–	–	–	–	5,625	7,956	45,581	ASP	
33	Svetsaren 7	Elementvägen 16	Örebro	<1995	1960/1983	675	–	180	–	–	–	855	2,658	2,802	ASP	
34	Svetsaren 8	Elementvägen 4	Örebro	<1995	1977	570	3,060	220	–	–	–	3,850	8,074	11,693	ASP	T

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



29



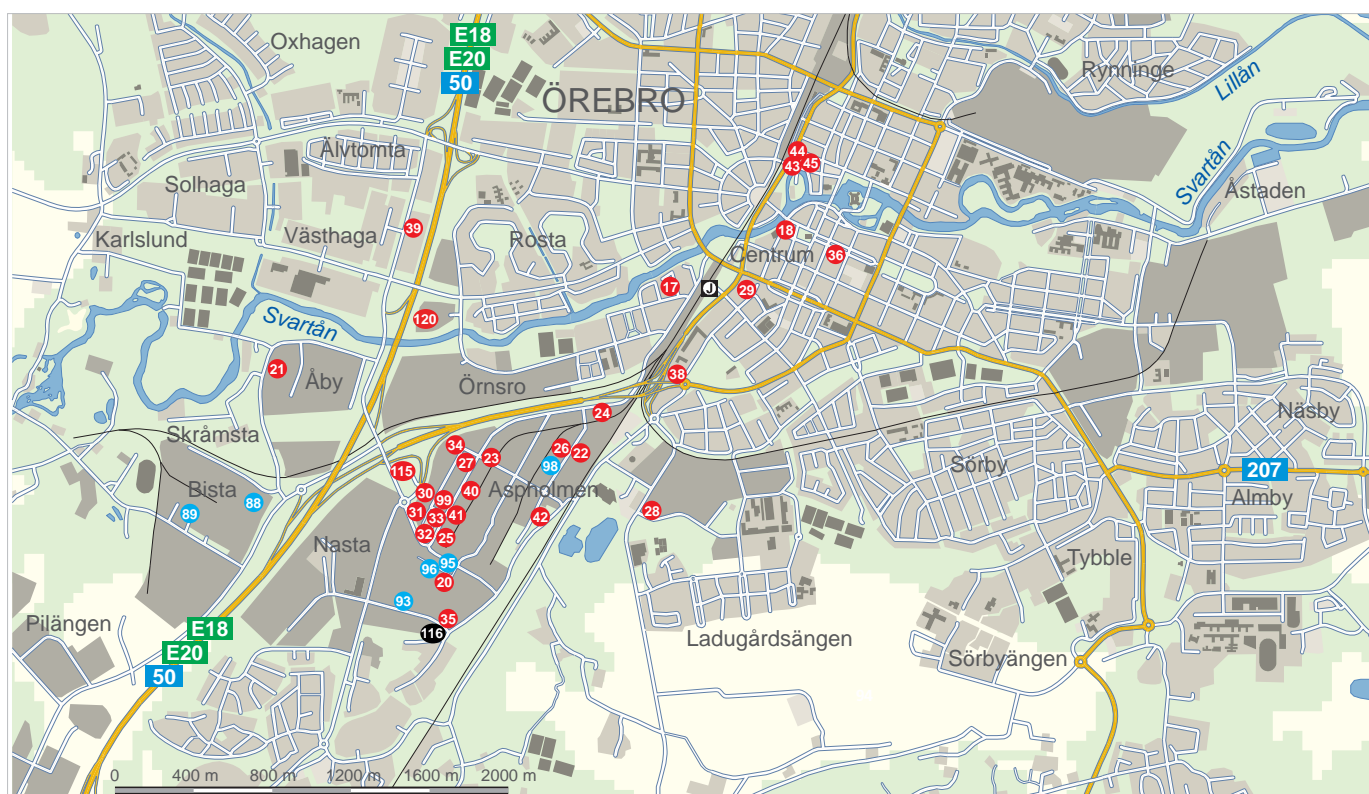
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Stinsen 18, Örebro

Borgaren 1, Örebro

Mälardalen

Name of property	Address	Municipality	Acquis year	Build/ Recon. year	Square metres per type of premises						Total	Site sq.m.	Tax Mgmt. assessment Sub-		
					Office	Retail	Warehouse	Industrial	Residential	Oth.			value	sidary	Note
120 Svånghjulet 1	Stubbengatan 2	Örebro	2010	2004	4,624	1,660	2,660	–	–	250	9,194	24,143	35,253	ASP	B
35 Telemontören 1	Nastagatan 2	Örebro	2007	1993	3,677	–	2,822	–	–	–	6,499	30,750	17,603	ASP	B
36 Tryckeriet 2	Stortorget 8	Örebro	2008	1984/1999	1,400	847	–	–	–	387	2,634	1,350	29,200	ASP	
38 Tågmästaren 25	Fabriksgratan 54	Örebro	2008	1986	6,200	130	1,089	–	–	6	7,425	8,110	31,600	ASP	B
39 Vindrutan 1	Västhagagatan 3	Örebro	1996	1992	–	1,230	85	–	–	–	1,315	10,062	8,283	ASP	
40 Virkeshandlaren 7	Radiatorvägen 11	Örebro	<1995	1970/1987	5,431	330	427	–	–	–	6,188	15,377	24,674	ASP	
41 Virkeshandlaren 10	Radiatorvägen 13-15	Örebro	1996	1979	2,804	3,565	960	–	–	–	7,329	20,242	27,694	ASP	
42 Ånsta 20:117	Aspholmsvägen 9	Örebro	1996	1990	743	–	–	–	–	–	743	1,907	3,017	ASP	
43 Ölstången 11	Järntorgsgatan 1	Örebro	2008	1939/2003	3,940	–	580	–	–	–	4,520	937	28,800	ASP	
44 Ölstången 14	Olaigatan 2	Örebro	2008	1929	2,165	–	–	–	–	–	2,165	852	16,500	ASP	
45 Ölstången 15	Olaigatan 4	Örebro	2008	1975/2003	3,101	–	–	–	–	–	3,101	1,517	22,000	ASP	
46 Blåstergården 2	Kokillgatan 7	Västerås	1997	1991	–	1,894	–	–	–	–	1,894	11,045	8,314	ASP	T
47 Dagslåndan 11	Jonasborgsvägen 26	Västerås	1996	1990	1,106	–	–	–	–	–	1,106	3,651	6,061	ASP	T
48 Degeln 1	Kokillgatan 1-3	Västerås	1996	1984	4,490	1,050	700	181	–	–	6,421	26,917	26,355	ASP	T
49 Elenergin 1	Elledningsgatan 2	Västerås	2008	1976	–	1,787	–	3,413	–	–	5,200	26,290	13,820	ASP	B
50 Elledningen 4	Tunbytorpsgratan 31	Västerås	<1995	1991	3,590	–	–	–	–	–	3,590	10,256	16,279	ASP	



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



Mälardalen

Name of property	Address	Municipality	Acquis year	Build/ Recon. year	Square metres per type of premises						Site sq.m.	Tax Mgmt. assessment Sub- value subsidiary Note		
					Office	Retail	Warehouse	Industrial	Residential	Oth.	Totalt			
51 Fallhammaren 1	Fallhammargatan 3	Västerås	<1995	1989	2,433	–	1,655	407	–	–	4,495	10,700	16,911	ASP
52 Frieledningen 13	Tunbytorpsgratan 10	Västerås	1999	1978	390	1,440	390	–	–	–	2,220	7,000	7,195	ASP T/B
53 Gjutjärnet 7	Gjutjärnsgatan 5	Västerås	<1995	1989	–	2,005	151	260	–	135	2,551	10,517	8,525	ASP
54 Hjulsmöden 1	Gjutjärnsgatan 8	Västerås	<1995	1990	–	1,112	871	–	–	–	1,983	5,625	6,894	ASP
76 Jordlinan 2	Stenbygatan 6	Västerås	<1995	1991	179	2,050	6,155	480	–	–	8,864	21,467	19,603	ASP B
55 Kokillen 1	Kokillgatan 2	Västerås	1996	1988	545	1,165	1,295	–	–	–	3,005	11,975	11,146	ASP T
56 Kopparlunden	Kopparlunden	Västerås	2001	1890/2000	20,135	–	–	–	–	–	20,135	10,256	114,701	ASP
57 Kraftfältet 5	Omformargatan 2	Västerås	2005	1991	715	836	1,640	729	–	–	3,920	11,221	12,655	ASP
59 Köpmannen 1	Kranbyggargatan 1	Västerås	<1995	1984	–	320	–	1,095	–	–	1,415	5,804	4,536	ASP
60 Köpmannen 3	Kranbyggargatan 3	Västerås	<1995	1982	–	–	–	2,370	–	–	2,370	10,073	9,160	ASP T
61 Ringborren 8&16	Tallmätargatan 1	Västerås	<1995	1956/1988	1,444	355	927	926	–	–	3,652	9,019	11,897	ASP
62 Tunbytorp 1	Strömledningsgatan 1	Västerås	2005	1965	410	3,797	524	1,278	–	–	6,009	27,584	22,232	ASP T
63 Tunbytorp 7	Strömledningsgatan 3	Västerås	2005	1965	–	360	1,901	5,714	–	–	7,975	31,990	24,020	ASP T
64 Tunbytorp 19	Tunbytorpsgratan 2 A	Västerås	2005	1990	1,982	–	–	–	–	–	1,982	11,782	7,183	ASP
114 Verkstaden 14	Kopparlunden	Västerås	2001	1890	8,417	–	–	–	–	–	8,417	40,900	31,728	ASP B
65 Vikingatiden 9	Brandthovdagatan 17 A	Västerås	2007	2004	173	–	438	173	–	–	784	3,477	3,002	ASP
66 Märsta 1:219	Raisogatan 1-27	Sigtuna	<1995	1993	2,784	–	–	–	883	–	3,667	4,053	36,387	ASP B
67 Märsta 16:3	Maskingatan 3	Sigtuna	<1995	1992	2,921	–	–	–	–	–	2,921	3,000	16,050	ASP
Total office/retail					193,245	111,326	58,950	30,199	2,188	4,472	400,380	922,818	2,167,127	
WAREHOUSE/INDUSTRIAL														
68 Barkborren 3	Barkborregatan 3	Västerås	<1995	1970/1989	–	–	–	2,950	–	–	2,950	10,000	6,607	ASP T
69 Elkraften 4	Tunbytorpsgratan 16	Västerås	2005	1976	–	–	946	–	–	–	946	5,673	3,044	ASP T
70 Elkraften 6	Elledningsgatan 4	Västerås	2008	1981	–	–	1,150	–	–	–	1,150	8,025	3,383	ASP T
71 Elkraften 7	Energigatan 3 A	Västerås	2005	1976	250	–	–	1,070	–	–	1,320	5,073	3,325	ASP T
72 Elledningen 1	Tunbytorpsgratan 29	Västerås	1999	1982	–	1,200	710	–	–	–	1,910	8,300	5,394	ASP T
73 Frieledningen 8	Tunbytorpsgratan 6	Västerås	2005	1971	235	–	599	1,534	–	–	2,368	11,243	6,026	ASP T
74 Frieledningen 9	Tunbytorpsgratan 8	Västerås	2005	1968	647	990	2,115	1,400	–	–	5,152	9,995	15,316	ASP
75 Fälmätaren 29	Fälmätargatan 9	Västerås	2007	1960	536	–	–	2,571	–	25	3,132	10,173	8,279	ASP T
77 Järnåldern 6	Brandthovdagatan 11	Västerås	2008	1982	234	–	262	1,277	–	45	1,818	5,967	5,743	ASP T
78 Krista 1	Saltängsvägen 59	Västerås	2004	2005	–	–	–	2,980	–	–	2,980	11,500	13,078	ASP
79 Köpmannen 8	Lundby Gårdsgata 4	Västerås	2004	1988	–	–	880	1,805	–	–	2,685	9,957	8,208	ASP
80 Ledningstråden 1	Tunbytorpsgratan 1, 3	Västerås	2005	1967	520	1,011	4,541	–	–	–	6,072	27,410	15,736	ASP T
81 Ledningstråden 6	Tunbytorpsgratan 23	Västerås	2005	1970	–	–	–	620	–	–	620	8,000	2,412	ASP T/B
82 Lufthammaren 1	Ånghammargatan 2-4	Västerås	1996	1977	3,894	–	1,803	1,646	–	–	7,343	17,055	22,000	ASP T
83 Tunbytorp 2	Tunbytorpsgratan 4	Västerås	2005	1970	–	–	1,548	1,825	–	647	4,020	19,191	9,117	ASP
84 Tunbytorp 8	Frieledningsgatan 3 A	Västerås	2005	1970	–	–	830	–	–	–	830	5,825	2,669	ASP
85 Tunbytorp 10	Tunbytorpsgratan 4 A	Västerås	2005	1978	623	–	6,682	–	–	211	7,516	24,663	15,439	ASP
86 Voltmätaren 3	Lågspänningsgatan 7	Västerås	2006	1990	–	–	–	760	–	–	760	2,254	2,080	ASP
87 Ånghammaren 2	Ånghammargatan 1-9	Västerås	1996	1972/1994	1,181	520	4,739	6,996	–	135	13,571	35,738	25,119	ASP T
88 Bleckslagaren 6	Handelsgratan 1	Örebro	2008	1982	–	–	–	4,326	–	–	4,326	22,243	12,635	ASP B
89 Bleckslagaren 8	Vattenverksgatan 8	Örebro	2006	1978/2001	–	–	–	4,750	–	–	4,750	24,878	15,968	ASP B
90 Chauffören 2	Stuvargatan 3	Örebro	1997	1991	500	–	6,600	–	–	–	7,100	16,974	20,147	ASP
91 Chauffören 3	Pikullagatan 9	Örebro	2006	1991	–	–	–	1,577	–	–	1,577	5,442	4,613	ASP
92 Däcket 1	Dialoggatan 14	Örebro	2008	1991	–	–	750	1,128	–	–	1,878	7,184	5,550	ASP
93 Grosshandlaren 2	Nastagatan 6-8	Örebro	2001	1977	2,008	1,955	19,170	–	–	–	23,133	61,695	58,811	ASP B



Kopparlunden, Västerås



Verkstaden 14, Västerås

Mälardalen

Name of property	Address	Municipality	Acquis year	Build/ Recon. year	Square metres per type of premises					Total	Site sq.m.	Tax Mgmt.		Note
					Office	Retail	Warehouse	Industrial	Residential	Oth.		assessment value	Sub-sidiary	
94 Gällersta-Gryt 4:9	Gällerstavägen	Örebro	<1995	1969	–	–	–	11,625	–	–	11,625	42,143	20,247	ASP
95 Konstruktören 9	Söderleden 10	Örebro	1996	1987	–	–	1,260	–	–	–	1,260	3,573	4,212	ASP
96 Konstruktören 10	Söderleden 12	Örebro	<1995	1987	–	–	–	3,665	–	–	3,665	10,649	11,886	ASP
98 Rörläggaren 2	Aspholmsvägen 6	Örebro	2004	1984	–	–	2,955	–	–	–	2,955	4,960	10,098	ASP
100 Ånsta 20:148	Berglunda 208	Örebro	2007	1971/1999	–	–	4,205	–	–	–	4,205	44,237	17,148	ASP B
122 Boländerna 12:1	Danmarksgatan 24	Uppsala	2011	1979	4,601	–	1,892	–	–	–	6,493	14,136	17,720	ASP B
102 Husbyborg 1:83	Gamla Börjevägen 2-16	Uppsala	2008	1972/1988	–	218	747	5,755	–	–	6,720	14,543	23,217	ASP
104 Årsta 38:1	Möllersvärdsgatan 5	Uppsala	<1995	1979	–	–	–	2,960	–	–	2,960	8,572	10,140	ASP B
105 Broby 11:2	Östra Bangatan 6	Sigtuna	2007	1990	302	–	2,430	–	–	–	2,732	21,344	12,318	ASP B



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



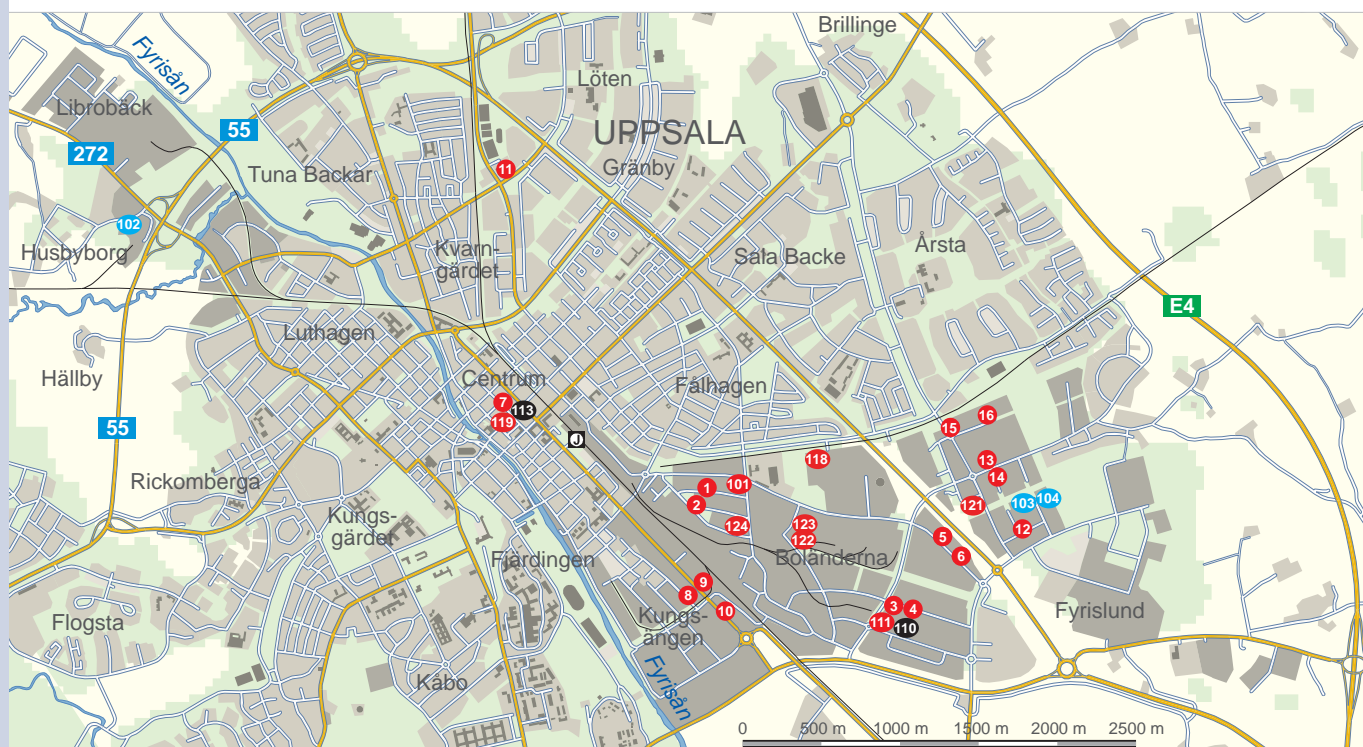
Gjutjärnet 7, Västerås



Boländerna 30:2, Uppsala

Mälardalen

Name of property	Address	Municipality	Acquis year	Build/ Recon. year	Square metres per type of premises						Total	Site sq.m.	Tax Mgmt. assessment value	Sub-sidiary	Note
					Office	Retail	Warehouse	Industrial	Residential	Oth.					
106 Broby 11:8	Östra Bangatan 14	Sigtuna	<1995	1989	248	–	583	–	–	–	831	1,859	2,764	ASP	
107 Märsta 16:2	Maskingatan 5-7	Sigtuna	1997	1989	600	–	1,013	–	–	–	1,613	3,500	5,507	ASP	
108 Märsta 17:6	Maskingatan 8	Sigtuna	<1995	1970/1988	751	–	–	1,907	–	–	2,658	5,318	7,972	ASP	
109 Märsta 21:54	Elkraftsgatan 11-13	Sigtuna	<1995	1990	–	–	–	2,200	–	–	2,200	6,517	9,043	ASP	
Total warehouse/industrial					17,130	5,894	68,410	67,327	0	1,063	159,824	555,809	442,971		
UNDEVELOPED LAND															
116 Försäljaren 3	Nastagatan 7	Örebro	2007	–	–	–	–	–	–	–	–	3,167	712	ASP	B
117 Högsplaningen 1	Lågspänningsgatan 8	Västerås	2007	–	–	–	–	–	–	–	–	22,500	3,901	ASP	B
110 Boländerna 28:3	Verkstadsgatan 9	Uppsala	2004	–	–	–	–	–	–	–	–	3,347	1,171	ASP	
Total undeveloped land					0	0	0	0	0	0	0	29,014	5,784		
Total Mälardalen					210,375	117,220	127,360	97,526	2,188	5,536	560,205	1,507,641	2,615,882		



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



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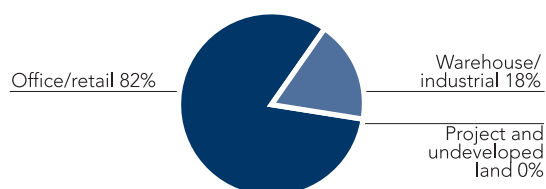


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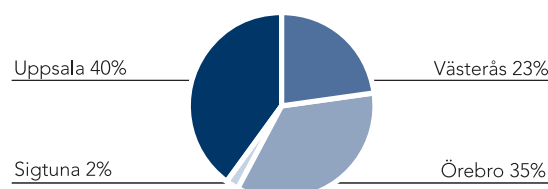
Castellum's Real Estate Portfolio in Mälardalen 31-12-2011

	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	25	152	190	1,241	89.2%	169	53	346	116
Örebro	31	143	146	1,020	97.7%	143	45	314	98
Västerås	21	98	93	949	89.7%	83	28	287	55
Sigtuna	2	7	7	1,077	95.7%	7	3	531	4
Total office/retail	79	400	436	1,088	92.3%	402	129	323	273
Warehouse/industrial									
Västerås	19	67	45	675	88.9%	40	13	202	27
Örebro	11	67	44	660	98.8%	43	7	111	36
Uppsala	3	16	18	1,092	94.1%	17	5	246	12
Sigtuna	5	10	7	742	92.4%	7	3	289	4
Total warehouse/industrial	38	160	114	715	93.7%	107	28	174	79
Total	117	560	550	982	92.6%	509	157	281	352
Leasing and property administration							33	59	- 33
Total after leasing and property administration							190	340	319
Development projects	-	-	-	-	-	-	-	-	-
Undeveloped land	3	-	0	-	-	0	0	-	0
Total	120	560	550	-	-	509	190	-	319

Property value by property type



Property value by municipality



Property related key ratios

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Rental value, SEK/sq.m.	982	934	928	859	807	778	766	794	762	737
Economic occupancy rate	92.6%	90.6%	92.4%	93.0%	89.3%	88.4%	87.5%	87.8%	91.0%	90.3%
Property costs, SEK/sq.m.	340	325	329	268	247	258	244	262	241	231
Net operating income, SEK/sq.m.	570	521	528	531	474	429	427	435	453	435
Number of properties	120	116	115	117	101	91	86	75	71	71
Lettable area, thousand sq.m.	560	545	516	519	432	410	384	338	333	335

Eastern Götaland

Eastern Götaland

Name of property	Address	Municipality	Acquis year	Build/ Recon. year	Square metres per type of premises						Total	Site sq.m.	Tax Mgmt. assessment Sub-value		Note
					Office	Retail	Warehouse	Industrial	Residential	Oth.					
OFFICE/RETAIL															
1 Droskan 12	Slottsgatan 14	Jönköping	1998	1990	9,370	–	–	–	–	–	9,370	4,951	81,000	COR	
2 Elektronen 1	Datorgatan 6	Jönköping	2008	2000	524	–	1,168	–	–	–	1,692	4,237	5,284	COR B	
3 Hotellet 8	V Storgatan 9-13	Jönköping	<1995	1963/1999	2,986	15,715	262	–	–	–	18,963	5,121	178,000	COR	
4 Vagnmakaren 7	Hästhovsvägen 2	Jönköping	<1995	1983/2001	–	9,531	–	–	–	14	9,545	19,226	61,600	COR	
5 Valutan 11	Kompanigatan 1-2	Jönköping	<1995	1992/2001	3,116	2,091	256	–	–	5	5,468	7,763	66,000	COR	
94 Varuhuset 1	Batterigatan 2	Jönköping	2009	2009	–	11,041	–	–	–	–	11,041	42,500	77,000	COR	
6 Vattenpasset 6	Kungsängsvägen 7	Jönköping	<1995	1971/1990	1,517	–	632	–	–	–	2,149	4,894	6,270	COR	
7 Vilan 7	Huskvarnavägen 58-64	Jönköping	2000	1955/1999	9,564	565	4,584	–	–	–	14,713	25,577	70,650	COR	
85 Visionen 3	Bataljonsgatan 10,12	Jönköping	2004	2010	7,342	–	363	–	–	–	7,705	12,269	80,600	COR	
8 Visionen 3 fd 1	Bataljonsgatan 10	Jönköping	2004	1996/1995	9,341	–	423	–	–	236	10,000	27,568	31,470	COR	
9 Vågskålen 3	Huskvarnavägen 40	Jönköping	2003	1983	6,583	387	8,693	–	–	–	15,663	42,536	30,529	COR B	
10 Vägporten 5	Vasavägen 4	Jönköping	2003	1955/2004	251	2,076	–	–	–	–	2,327	8,458	10,945	COR	
11 Ögongloben 5	Gräshagsgatan 11	Jönköping	2006	1961	3,512	–	–	–	–	–	3,512	7,346	5,094	COR	
12 Örontofsen 5	Granitvägen 7, 9	Jönköping	2006	1976	996	900	3,698	–	–	–	5,594	15,061	22,200	COR	
13 Almen 9	Malmövägen 12-14	Värnamo	1997	1957/1989	1,075	11,329	–	–	–	78	12,482	23,702	41,447	COR	
14 Bodarna 2	Myntgatan 8, 10	Värnamo	<1995	1934/1991	1,433	373	–	–	–	–	1,806	1,186	11,455	COR	
15 Bokbindaren 20	Västbovägen 56	Värnamo	<1995	1975/1991	2,167	–	394	–	–	–	2,561	11,386	6,183	COR	
16 Drabanten 1	Nydalavägen 16	Värnamo	1997	1940/1986	230	1,028	–	–	–	–	1,258	2,972	2,963	COR	
17 Gamla Gåsen 4	Boagatan 1	Värnamo	<1995	1907	–	–	–	–	–	200	200	1,903	1,298	COR B	
18 Gillet 1	Flanaden 3-5	Värnamo	1996	1974	2,410	925	103	–	1,704	–	5,142	3,475	31,018	COR	
19 Golvläggaren 2	Silkesvägen 30	Värnamo	2000	1991	734	–	–	–	–	–	734	5,190	2,066	COR	
20 Golvläggaren 3	Silkesvägen 30	Värnamo	2000	2008	–	8,800	1,620	–	–	–	10,420	37,879	38,478	COR	
21 Jungfrun 11	Köpmansg 3-7/ Luddög 1	Värnamo	<1995	2001/1982	315	3,878	158	–	601	–	4,952	5,849	27,610	COR	
22 Karpen 3	Jönköpingsvägen 105-107	Värnamo	1997	1956/1990	545	835	405	888	–	–	2,673	7,930	5,053	COR	
23 Knekten 15	Jönköpingsvägen 21	Värnamo	1997	1971/1989	424	559	31	240	–	6	1,260	4,323	4,482	COR	
24 Lejonet 11	Lasarettsg 1-5/ Storgatsb 23	Värnamo	2000	1987/1987	4,089	948	160	–	51	–	5,248	2,433	32,512	COR	
25 Linden 3	Växjövägen 24-26	Värnamo	<1995	1960/1989	2,350	560	2,264	–	–	–	5,174	9,286	13,784	COR	
26 Ljuset 8	Nydalavägen 1-9	Värnamo	<1995	2003	–	2,590	–	–	–	–	2,590	9,674	12,109	COR	
27 Mon 13	Karlsdalsgatan 2	Värnamo	1997	1983	1,986	–	–	–	–	–	1,986	2,294	8,652	COR	
28 Plattläggaren 1	Silkesvägen 18	Värnamo	2008	1989	1,180	–	–	–	–	–	1,180	5,994	2,884	COR	
29 Rågen 1	Expovägen 6	Värnamo	<1995	1965/1990	2,361	–	2,836	–	–	–	5,197	8,919	10,479	COR	
30 Vindruvan 4	Storgatsb 14-20/Myntg 13 m fl	Värnamo	<1995	1982	1,163	11,047	30	–	2,163	5	14,408	10,855	77,842	COR	
31 Vindruvan 15	Storgatsbacken 12	Värnamo	1997	1989	904	1,110	–	–	–	–	2,014	695	10,774	COR	
32 Värnamo 14:11	Jönköpingsvägen 41-43	Värnamo	<1995	1917/1982	2,209	–	1,972	–	–	–	4,181	5,686	12,365	COR	
33 Bagaren 10	Ljungdalsg 2/Hejareg 10	Växjö	2007	1987	25,923	–	3,835	–	–	1,170	30,928	85,022	152,669	COR B	
34 Båken 1	Systratorpsvägen 16	Växjö	2006	1983	1,410	–	25	–	–	–	1,435	5,125	4,243	COR	
35 Garvaren 4	Hjälmar Petris väg 32	Växjö	1999	1981	2,526	–	44	–	–	–	2,570	6,901	8,634	COR B	
36 Glasmästaren 1	Arabygatan 80	Växjö	1999	1988	6,202	886	187	–	–	549	7,824	11,297	39,200	COR	
37 Nordstjärnan 1	Kronobergsgatan 18-20	Växjö	2002	1971/2000	5,098	994	15	–	–	23	6,130	2,381	47,400	COR	

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

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Varuhuset 1, Jönköping

8



Visionen 1, Jönköping



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



Hotellet 8, Jönköping



Droskan 12, Jönköping

Eastern Götaland

Eastern Götaland													Tax Mgmt.		
Name of property	Address	Municipality	Acquis year	Build/ Recon. year	Square metres per type of premises							Site sq.m.	assessment Sub-		Note
					Office	Retail	Warehouse	Industrial	Residential	Oth.	Totalt		value	sidary	
38 Plåtslagaren 4	Verkstadsgatan 5	Växjö	2002	1967/1988	2,243	780	636	1,893	–	50	5,602	10,000	13,389	COR	
39 Rimfrosten 1	Solängsvägen 4	Växjö	2000	1972	42	6,686	1,922	–	–	–	8,650	58,671	26,200	COR B	
40 Segerstad 4	Segerstadsvägen 7	Växjö	1998	1990	910	–	–	–	–	–	910	3,911	–	COR	
41 Sotaren 4	Arabygatan 82	Växjö	2002	1992	2,318	457	204	–	–	–	2,979	4,007	19,062	COR	
42 Svea 8	Lineborgsplan 3	Växjö	1998	1982	2,061	–	–	–	–	–	2,061	3,938	14,140	COR	
43 Unaman 8	Klosterg 6/Kungsg 3/ Sandgårdsg 6-8	Växjö	2006	1969	1,180	3,707	300	–	422	–	5,609	2,185	29,286	COR	
44 Ödman 15	Storgatan 29	Växjö	2001	1972	2,380	1,941	–	–	–	–	4,321	2,661	39,200	COR	
45 Idémannen 1	Teknikringen 16	Linköping	2007	1990	580	–	–	–	–	–	580	4,212	5,279	COR	
46 Idémannen 2, Collegium	Teknikringen 7	Linköping	2007	1989	13,578	4,136	–	–	–	298	18,012	26,823	124,000	COR	
47 Idémannen 2, Datalinjen	Datalinjen 1	Linköping	2007	1989/1994	1,591	–	–	–	–	–	1,591	11,306	11,083	COR	
48 Idémannen 2, Teknikringen	Teknikringen 1 A-F	Linköping	2007	1984/1996	6,653	–	–	–	–	54	6,707	19,720	52,546	COR	
49 Idémannen 2, Vita Huset	Universitetsvägen 14	Linköping	2007	2002	8,210	–	–	–	–	–	8,210	29,597	83,600	COR B	
96 Magnetjärnet 6	Finnögatan 5 C	Linköping	2010	1996	2,388	–	–	–	–	–	2,388	8,328	8,644	COR B	
Total office/retail					165,970	105,875	37,220	3,021	4,941	2,682	319,715	685,223	1,758,671		

WAREHOUSE/INDUSTRIAL

50 Elefanten 3	Rådjursvägen 6	Växjö	<1995	1988	–	–	1,384	934	–	–	2,318	8,940	5,863		COR	
51 Illern 5	Isbjörnsvägen 11-13	Växjö	<1995	1987	885	–	406	855	–	–	2,146	5,276	7,460		COR	
52 Isbjörnen 4	Isbjörnsvägen 6	Växjö	<1995	1993	–	–	–	10,933	–	–	10,933	30,505	31,067		COR	
53 Sjömärket 3	Annavägen 3	Växjö	1998	1989	1,828	341	763	6,523	–	–	9,455	26,853	30,703		COR B	
54 Snickaren 12	Smedjegatan 10, 20	Växjö	1998	1976/1989	3,705	5,218	15,027	–	–	143	24,093	45,018	64,598		COR B	
55 Draken 1	Ingelundsvägen 1	Värnamo	<1995	1968/1988	–	–	1,750	–	–	–	1,750	21,396	3,393		COR B	
56 Flundran 4	Runemovägen 1	Värnamo	<1995	1963/1992	–	–	4,109	7,497	–	–	11,606	34,524	18,170		COR	
58 Matläggaren 1	Silkesvägen 24	Värnamo	2008	1997	–	–	–	2,700	–	–	2,700	8,655	6,703		COR B	
59 Matläggaren 2	Silkesvägen 24	Värnamo	2000	1997	–	–	3,100	–	–	–	3,100	8,542	7,006		COR	
60 Posten 4	Postgatan 3-5	Värnamo	<1995	1929	455	733	321	2,516	159	–	4,184	2,991	10,942		COR	
61 Rödspättan 1	Runemovägen 10	Värnamo	2004	1973	645	–	4,060	–	–	–	4,705	12,975	7,786		COR	
62 Rödspättan 4	Runemovägen 4	Värnamo	<1995	1980	–	–	2,960	–	–	–	2,960	7,122	4,516		COR	
63 Sandskåddan 4	Margretelundsvägen 7	Värnamo	<1995	1982	–	–	2,780	–	–	–	2,780	8,005	4,424		COR	
64 Sjötungan 3	Margretelundsvägen 6	Värnamo	1999	1989	–	–	2,570	–	–	–	2,570	14,524	4,907		COR B	
65 Takläggaren 4	Rörläggarev 8/Silkesv 39	Värnamo	<1995	1991	–	–	9,067	–	–	–	9,067	39,349	17,573		COR B	
66 Takläggaren 8	Silkesvägen 43	Värnamo	2008	1999	–	–	–	6,995	–	–	6,995	17,833	21,519		COR B	
67 Värnamo 14:2	Myntgatan 2	Värnamo	<1995	1982	–	–	–	–	–	–	0	1,000	–		COR A	
68 Yxan 4	Fabriksgratan 10, 12	Värnamo	2005	1975	–	–	5,595	–	–	–	5,595	10,017	11,749		COR	
69 Yxan 6	Fabriksgratan 4	Värnamo	<1995	1978/1990	–	–	1,477	–	–	–	1,477	11,699	3,134		COR B	
70 Flahult 21:3	Momarken 42	Jönköping	2001	1980	–	–	3,824	–	–	170	3,994	24,177	12,284		COR B	
71 Flahult 78:2	Momarken 12	Jönköping	<1995	1986/1990	–	–	2,136	1,531	–	–	3,667	16,143	11,394		COR B	
72 Vargön 4	Vasavägen 5	Jönköping	2003	1989	–	–	–	4,070	–	–	4,070	6,694	8,803		COR	
73 Vattenpasset 2	Ekhagsringen 17	Jönköping	<1995	1980	428	–	2,552	1,073	–	–	4,053	17,885	–		COR	
74 Vingen 4	Linnegatan 1	Jönköping	<1995	1970	520	530	–	2,815	–	–	3,865	17,281	11,264		COR B	
75 Ögongloben 6	Kindgrensgatan 4	Jönköping	2008	1997	–	–	3,108	–	–	–	3,108	7,500	4,452		COR B	
76 Österbotten 4	Skeppsbrogatan 6	Jönköping	<1995	1930/1991	385	–	72	2,369	–	118	2,944	6,972	6,305		COR	
77 Överlappen 13	Kalkstensgatan 6-8	Jönköping	2004	1977/1995	2,105	–	275	3,376	–	–	5,756	22,576	21,582		COR	
78 Översycket 25	Kindgrensgatan 3	Jönköping	2008	1981	–	–	6,356	1,182	–	–	7,538	16,342	10,217		COR B	
79 Marås 1:12	Maråsliden 7	Gnosjö	<1995	1960	–	–	–	1,140	–	–	1,140	3,335	402		COR	

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Idémannen 2, Linköping

49



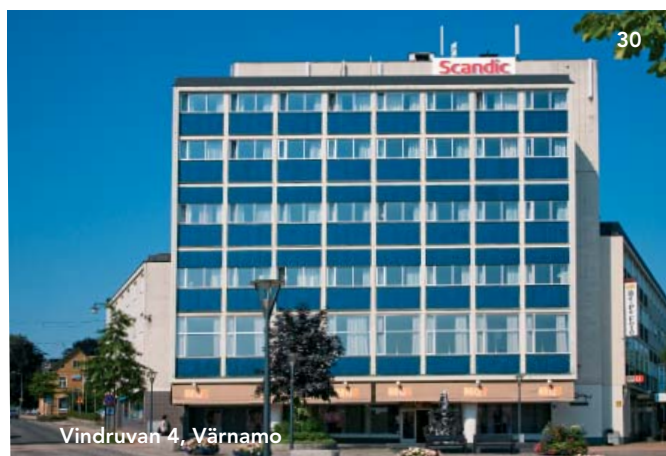
Idémannen 2, "Vita huset", Linköping

Eastern Götaland

Name of property	Address	Municipality	Acquis year	Build/ Recon. year	Square metres per type of premises					Totalt	Site sq.m.	Tax Mgmt. assessment Sub-		Note
					Office	Retail	Warehouse	Industrial	Residential	Oth.		value	sidary	
80 Töllstorp 1:561	Mobäcksvägen 2	Gnosjö	<1995	1946	–	–	–	4,290	–	–	4,290	7,995	5,632	COR
81 Törestorp 2:51	Kulltorpsvägen 25	Gnosjö	<1995	1946	–	–	–	14,310	–	–	14,310	55,273	15,912	COR B
82 Källemo 1	Källemogatan 12	Vaggeryd	<1995	1956/1988	–	–	7,552	–	–	–	7,552	48,347	9,056	COR B
83 Yggen 1	Krokvägen 1	Vaggeryd	<1995	1985/1989	–	–	–	6,303	–	–	6,303	18,598	8,422	COR
84 Pagoden 1	Ottargatan 10	Linköping	2008	1972/2002	–	–	1,668	1,732	–	–	3,400	9,000	6,634	COR B
Total warehouse/industrial					10,956	6,822	82,912	83,144	159	431	184,424	593,342	393,872	



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



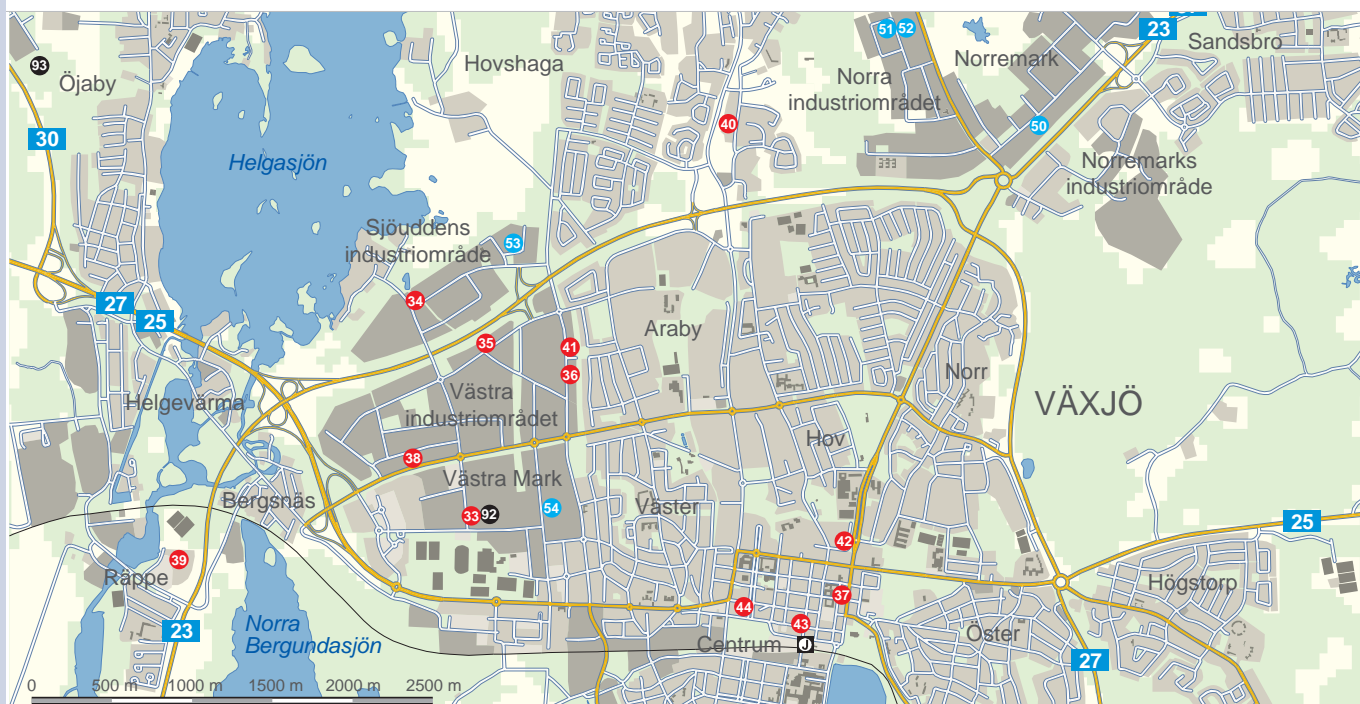
Vindruvan 4, Värnamo



Jungfrun 11, Värnamo

Eastern Götaland

Eastern Götaland												Tax Mgmt.				
Name of property	Address	Municipality	Acquis. year	Build/ Recon. year	Square metres per type of premises						Total	Site sq.m.	assessment	Sub-value	Mgmt. subsidiary	Note
					Office	Retail	Warehouse	Industrial	Residential	Oth.						
DEVELOPMENT PROJECTS																
7	Atollen	V Storgatan 9-13	Jönköping	2011	–	–	–	–	–	–	–	870	–	COR		
5	Gården 15	Gillbergagatan	Linköping	2009	–	9,855	–	–	–	–	9,855	37,372	7,400	COR		
	Linden 1	Malmövägen 3	Värnamo	2001	–	–	1,140	–	–	–	1,140	3,728	80	COR		
Total development projects						9,855	1,140	0	0	0	0	10,995	41,970	7,480		
UNDEVELOPED LAND																
6	Bleckslagaren 1	Repslagarevägen 5	Värnamo	2004	–	–	–	–	–	–	–	5,587	558	COR B		
	Bredasten 1	Värnamo	Värnamo	2008	–	–	–	–	–	–	–	19,915	–	COR		
8	Bredasten 2	Värnamo	Värnamo	2008	–	–	–	–	–	–	–	10,030	–	COR		
0	Värnamo 14:86	Myntgatan 6	Värnamo	<1995	–	–	–	–	–	–	–	2,641	–	COR B		
2	Bagaren 11	Ljungadalsg 2/Hejareg 10	Växjö	2007	–	–	–	–	–	–	–	8,160	–	COR		
8	Postiljonen 2	Växjö	Växjö	2009	–	–	–	–	–	–	–	19,597	1,959	COR B		
Total undeveloped land						0	0	0	0	0	0	65,930	2,517			
Total Eastern Götaland						186,781	113,837	120,132	86,165	5,100	3,119	515,134	1,386,465	2,162,540		



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



Snickaren 12, Växjö

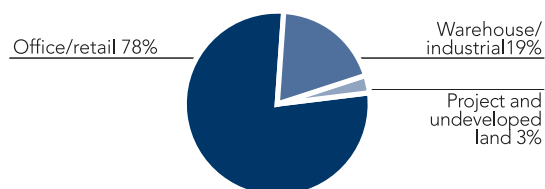


Bagaren 10, Växjö

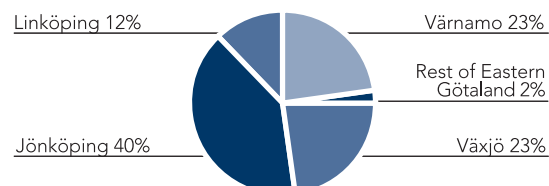
Castellum's Real Estate Portfolio in Eastern Götaland 31-12-2011

	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	14	118	137	1,165	91.4%	125	36	314	89
Värnamo	20	85	72	844	90.7%	66	26	295	40
Växjö	12	79	66	841	87.9%	58	21	267	37
Linköping	6	38	44	1,161	86.0%	37	17	458	20
Total office/retail	52	320	319	999	89.8%	286	100	314	186
Warehouse/industrial									
Växjö	5	49	32	652	87.6%	28	7	142	21
Värnamo	14	59	28	479	82.6%	24	5	78	19
Jönköping	9	39	21	526	77.1%	16	7	187	9
Rest of Eastern Götaland	6	37	12	328	86.0%	10	4	114	6
Total warehouse/industrial	34	184	93	504	83.6%	78	23	125	55
Total	86	504	412	818	88.4%	364	123	245	241
Leasing and property administration							14	27	- 14
Total after leasing and property administration							137	272	227
Development projects	3	11	-	-	-	-	0	-	0
Undeveloped land	6	-	-	-	-	-	-	-	-
Total	95	515	412	-	-	364	137	-	227

Property value by property type



Property value by municipality



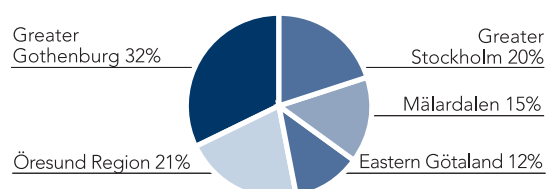
Property related key ratios

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Rental value, SEK/sq.m.	818	795	775	745	748	688	675	659	617	598
Economic occupancy rate	88.4%	88.0%	90.0%	90.8%	90.4%	90.6%	90.0%	89.8%	91.3%	90.0%
Property costs, SEK/sq.m.	272	268	275	261	269	239	213	198	193	173
Net operating income, SEK/sq.m.	451	432	422	416	407	384	395	393	370	365
Number of properties	95	96	95	93	82	76	73	76	74	71
Lettable area, thousand sq.m.	515	505	501	480	452	375	366	380	370	347

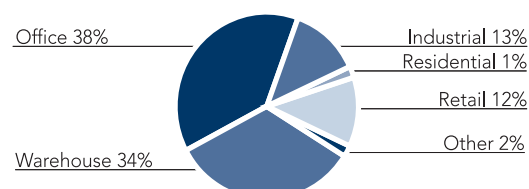
Castellum's Real Estate Schedule 2011, Summary

	Square metres per type of premises						Total	Site sq.m.	Tax assessment value
	Office	Retail	Warehouse	Industrial	Residential	Other			
Greater Gothenburg	392,728	58,795	448,831	165,323	8,246	11,133	1,085,056	2,105,131	5,982,871
Öresund Region	256,389	66,139	275,500	27,492	9,258	42,858	677,636	1,308,787	3,884,771
Greater Stockholm	259,098	43,508	193,498	69,725	–	7,416	573,245	923,432	3,795,113
Mälardalen	210,375	117,220	127,360	97,526	2,188	5,536	560,205	1,507,641	2,615,882
Eastern Götaland	186,781	113,837	120,132	86,165	5,100	3,113	515,134	1,386,465	2,162,540
Total Castellum	1,305,371	399,499	1,165,321	446,231	24,792	70,056	3,411,276	7,231,456	18,441,177

Distribution by region and sq.m.



Distribution by type of premises and sq.m.



Properties sold in 2011

Name of property	Address	Municipality	Acquis. year	Build/ Recon. year	Square metres per type of premises						Totalt Site sq.m.	Tax	Mgmt.	Note
					Office	Retail	Warehouse	Industrial	Residential	Other.		assessment value	Sub-sidiary	
GREATER GOTHENBURG														
Kallebäck 2:5	Grafiska vägen 2-4	Gothenburg	<1995	–	–	–	–	–	–	–	17,330	54,000	EKL	B
Total Greater Gothenburg					–	–	–	–	–	–	17,330	54,000		
GREATER STOCKHOLM														
Haifa 1	Tegeluddsvägen 97	Stockholm	1996	1962	3,749	–	–	–	–	–	3,749	2,733	0	BRO
Total Greater Stockholm					3,749	–	–	–	–	–	3,749	2,733	0	
EASTERN GÖTALAND														
Krummakaren 6	Silkesvägen 2	Värnamo	<1995	1961	–	140	748	950	–	–	1,838	4,209	2,744	COR
Värnamo Torp 1:11	Skogsmark	Värnamo	<1995	–	–	–	–	–	–	–	760,703	1,868	COR	
Total Eastern Götaland					–	140	748	950	–	–	1,838	764,912	4,612	
Total Castellum					3,749	140	748	950	–	–	5,537	784,975	58,612	

Definitions

Actual net asset value (EPRA NNAV)

Reported equity according to the balance sheet, adjusted for 5% deferred tax instead of nominal deferred tax.

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.

EPRA EPS (Earnings Per Share)

Income from property management adjusted for nominal tax attributable to income from property management, divided with the average number of shares. With taxable income from property management means income from property management with a deduction for tax purposes of depreciation and reconstruction.

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.

Long term net asset value (EPRA NAV)

Reported equity according to the balance sheet, adjusted for interest rate derivatives and deferred tax.

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 actual net asset value

Income after tax as a percentage of average $((\text{opening balance} + \text{closing balance} - \text{income after tax}) / 2)$ actual net asset value, but with 5% deferred tax instead of nominal tax. In the interim accounts the return has been recalculated on an annual basis, disregarding seasonal variations normally occurring in operations.

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

Share price development with addition of the dividends during the period which was reinvested in shares that day shares traded ex-dividend.

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