CASTELLUM

Year-end Report 2008

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Castellum is one of the major listed real estate companies in Sweden. The fair value of the real estate portfolio amounts to approx. SEK 29 billion, and comprises commercial properties.

The real estate portfolio is owned and managed by six wholly owned subsidiaries with strong local roots in five growth regions: ***Greater Gothenburg*** *(incl. Borås, Halmstad, Alingsås), the* ***Öresund Region*** *(Malmö, Lund and Helsingborg),* ***Greater Stockholm***, ***Mälardalen*** *(Örebro, Västerås and Uppsala) and* ***Eastern Götaland*** *(Jönköping, Linköping, Värnamo and Växjö).*

Castellum is listed on NASDAQ OMX Stockholm AB Large Cap.

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

Data per share

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

CEO's Comments

Best result ever, but also the worst

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

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

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

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

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

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

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

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

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

What to think about 2009?

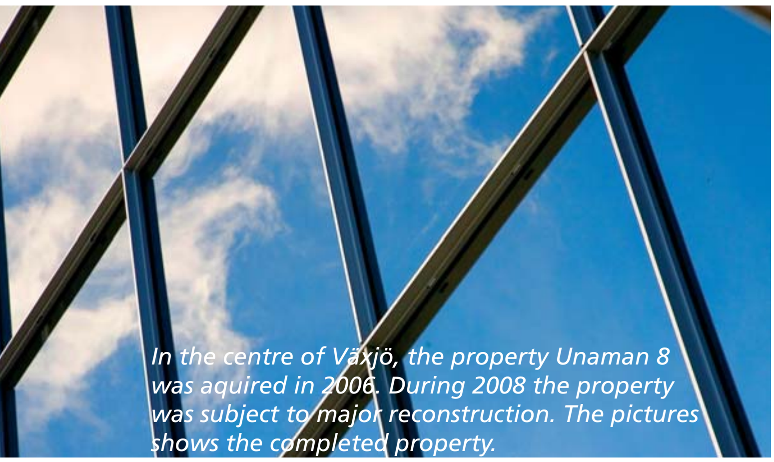
Castellum has committed and skilled employees always trying to satisfy the customer, but in the initial stages of a recession it cannot be ruled out that more leasing contracts will be terminated than signed. However, such a development will have limited influence on 2009, as notice normally must be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

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

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

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

Håkan Hellström
CEO



In the centre of Växjö, the property Unaman 8 was aquired in 2006. During 2008 the property was subject to major reconstruction. The pictures shows the completed property.

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 provide the preconditions for good growth in the company, while at the same time offering shareholders a competitive dividend.

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

Strategy for Funding

Capital structure

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

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

Dividend

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

The stock and credit markets

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

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

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

Customers

Being close to the customers

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

Castellum works with facility management services that can improve and facilitate the customer's day-to-day operations and improve the attractiveness of the area where the customer is operating.

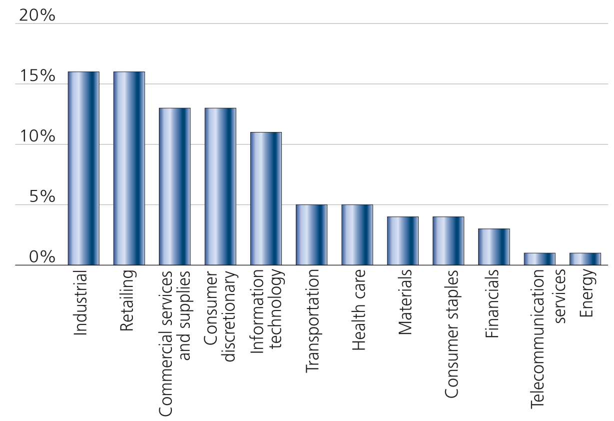
As one of the largest real estate owners on each of the local markets Castellum co-operate with municipalities and are active in local networks, such as company associations.

The subsidiaries regularly distribute information through customer news papers and the web.

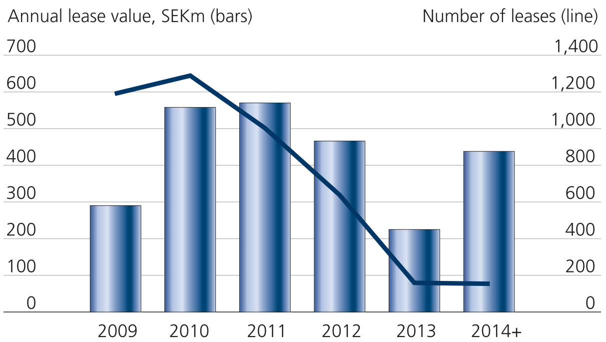
Castellum's customers reflects swedish economy

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

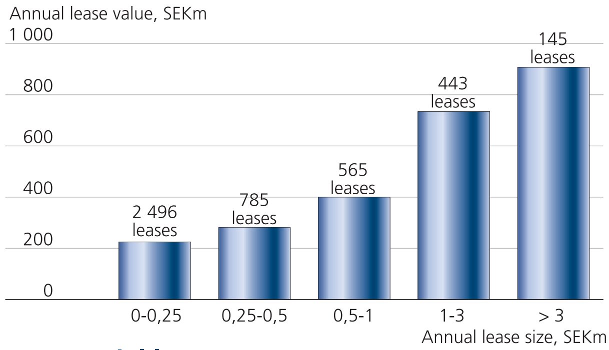
Distribution of leases by industry



Lease mauturity structure



Lease Mauturity Structure



Commercial leases

Commercial leases are signed for a certain period of time, generally 3-5 years, where the period of notice is 9 month. The leases normally include a so-called index clause, which provides for an adjustment of the rent corresponding to a certain percentage or connected to the inflation, and also additions for the tenant's share of the property's total cost for heating, cooling and property tax.

Satisfied customers

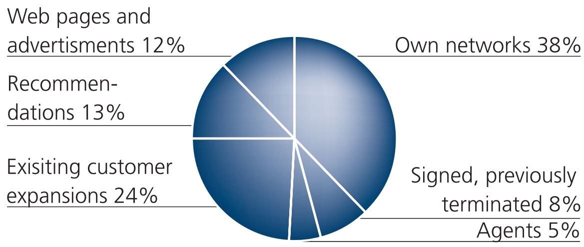
In order to measure how well Castellum meets the customers' expectations and to follow up and evaluate efforts made an external customer survey is carried out annually. The survey shows both the customers' general opinion about Castellum in a Satisfied Customer Index and specifically for the areas loyalty,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

The survey, which from this year besides offices also includes warehouses, industry and retail, continues to show consistently high marks for Castellum, with a weighted index of 73. A large portion of the surveyed customers replies willing to lease from Castellum again and gladly recommends Castellum as a landlord to others.

Leasing activity

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

Leasing activity



Organization

Decentralised and small-scale organization

Castellum's operations are run in a small-scale organization comprising six subsidiaries which own and manage the properties under their own brands. By having local roots the subsidiaries get close relations with the customers, and good knowledge of the market situation and rental development within each market area. Property management is mainly carried out by own personnel.

Subsidiaries with strong brands

Castellum has six wholly owned subsidiaries which each have about 35 employees. The subsidiaries organizations are not identical but are in principal made up of a Managing Director, 3-5 market areas, business developers and 3-5 employees within finance and administration. Each market area employs one property manager with one assistant, one person working with leasing and 2-4 facility managers, where everyone has customer contact. The flat organization gives 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 local market.

Measuring, comparing and controlling

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

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

Parent company

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

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

Employees

Castellum is working actively in order to hire and keeping good employees by offering a stimulating work environment, competence development and sharing of experiences both internally and externally

The employees' view on Castellum is regularly measured in a survey showing that the employees are pleased and show a great faith in the company and its management.

The group had 226 employees (208) at the year end.

Support systems

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

Responsible business

Castellum is working towards a sustainable development regarding social responsibility and environmental concern. The efforts include developing the properties in those cities were the subsidiaries are present, a common set of values for actions towards employees, customers and vendors as well as an active work on environmental issues.

The environmental work is focused on efficient energy consumption and improving the properties' environmental status.

ASPHOLMEN FASTIGHETER AB
Örebro, Uppsala and Västerås

BRIGGEN
Malmö, Lund and Helsingborg

BROSTADEN
Greater Stockholm

Corallen
Jönköping, Linköping, Värnamo and Växjö

Eklandia Fastighets AB
Centrala, Northern and Eastern Greater Gothenburg

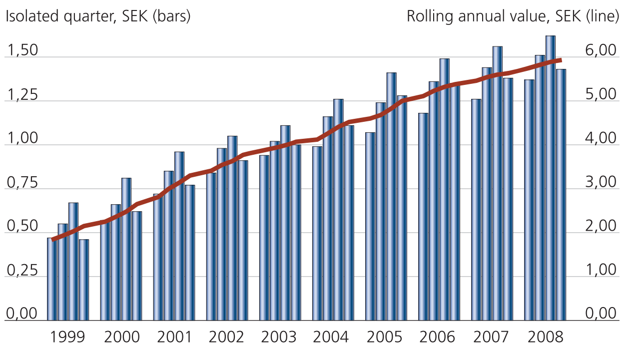
Harry Sjögren AB
Southern Greater Gothenburg, Borås, Alingsås and Halmstad

Income, Costs and Results

Comparisons, shown in brackets, are made with the corresponding amounts previous year. For definitions see Castellum's website, ***www.castellum.se***

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

Income from Property Management per share



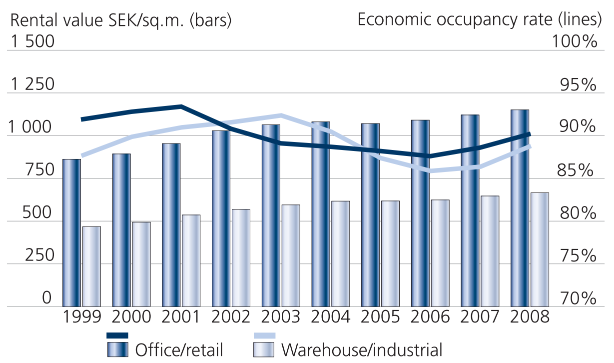
During the year, chages in value on properties and derivatives amounted to, respectively, SEKm –1,262 (920) and SEKm –1,010 (99). Net income for the year was SEKm –663 (1,487), equivalent to SEK –4.04 (9.07) per share.

Rental income

Group rental income amounted to SEKm 2,501 (2,259). The improvement is chiefly an effect of investments made but also higher rental levels and lower vacancies.

For office and retail properties, the average contracted rental level, including charged heating, cooling and property tax, amounted to SEK 1,151 per sq.m., whereas it for warehouse and industrial properties amounted to SEK 666 per sq.m. Rental levels have increased by approx. 3% compared with previous year. Contracted rental levels, on average approx. SEK 921 per sq.m., including charged heating, cooling and property tax, are assesed to be in line with the market.

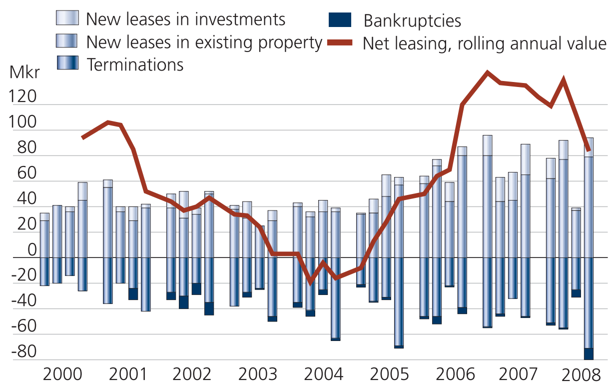
Rental value and occupany rate



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

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

Net leasing



The rental market during the last quarter was characterized by a relatively good demand for premises but also an increased number of terminations. Since there are generally low vacancy rates on Castellum's submarkets the rental levels, apart from the upward index adjustments of approx. 3% in the beginning of 2009, are considered stable. With normally a nine months notice for termination of a lease, changes in the market rental levels have only limited effect on total rental income in the short term.

Property costs

Property costs amounted to SEKm 831 (771) corresponding to SEK 268 per sq.m. (262). The increase is chiefly an effect of higher energy prices. Energy consumption for heating during the period has been caluclated to 85% (84%) of a normal year according to degree day statistics.

Property costs, SEK/sq.m.	Office/Retail	Warehouse/ Industrial	Total
Operating expenses	187	100	146
Maintenance etc.	40	21	31
Ground rent	8	5	7
Real estate tax	57	16	37
Direct property costs	292	142	221
Leasing and property administration (indirect)	–	–	47
Total	**292**	**142**	**268**
Previous year	*284*	*142*	*262*

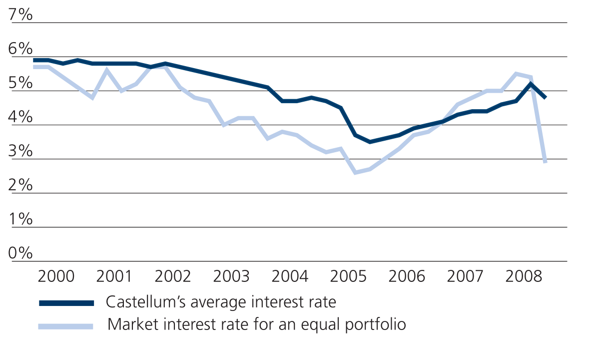
Central administrative expenses

Central administrative expenses were SEKm 71 (69). This includes costs for a profit and share price related incentive plan for 10 persons in executive management of SEKm 8 (7).

Net financial items

Net financial items were SEKm –626 (–495). The increase of SEKm 131 is partly due to a larger real estate portfolio and partly due to that the average interest rate level during the period has increased 0.5%-units to 4.7% (4.2%), giving higher costs in net financial items of approx. SEKm 60.

Rental levels



Changes in value

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

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

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

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

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

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

Tax

Current tax has been calculated from a nominal 28% tax, while deferred tax has been calculated from the lower tax rate 26,3% applied from 2009. Due to the possibility to make depreciations for tax purposes, reconstructions deductible for tax purposes, and to use tax loss carry forwards there is in principle no paid tax costs. Payed tax occur because a few subsidiaries do not meet the conditions for group contributions.

The total tax cost shown in Castellum's income statement is however less than the nominal tax rate. This depends on tax decuctable write-downs on shares in subsidiaries, revaluation of tax loss carry forwards due to the lower nominal tax rate.

Remaining tax loss carry forwards can be calculated to SEKm 1,830 (539), while the properties' fair value exceed their fiscal value by SEKm 12,419 (12,359). As deferred tax liability a full nominal 26,3% tax of the net difference is reported, SEKm 2,785.

Tax Calculation 2008-12-31 SEKm	Basis current tax	Basis deferred tax
Income from property management	973	
Deductions for tax purposes		
depreciation	– 532	532
reconstructions	– 295	295
Other tax allowances	– 27	34
Taxable income from property management	119	861
Gain on properties sold	0	– 17
Changes in value on properties	–	– 1,262
Changes in value on derivatives	– 966	– 44
Taxable income for the year	– 847	– 462
Tax loss carry forwards, opening balance	– 539	539
Deductions for tax purposes		
write-downs on shares	– 319	–
refurbishments previous years	– 73	73
Tax loss carry forwards, closing balance	1,830	– 1,830
Taxable income	**52**	**– 1,680**
Of which 28% current/deferred tax	– 14	470
Revaluation deferred tax 26.3%	–	180
Tax according to the income statement	**– 14**	**650**

Real Estate Portfolio

The real estate portfolio, which consists entirely of swedish properties, is found in Greater Gothenburg, the Öresund Region, Greater Stockholm, Mälardalen and Eastern Götaland. The main focus with 75% of the portfolio is in the three major urban regions.

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

Castellum owns 876,000 sq.m. unutilized building rights.

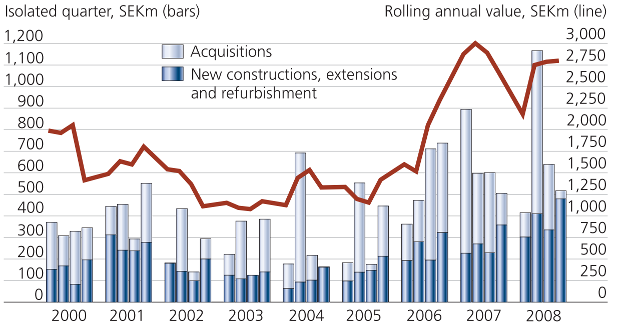
Investments

During the year the real estate portfolio has changed as below.

Changes in the real estate portfolio	Value, SEKm	Number
Real estate portfolio on 1 January, 2008	27,717	549
+ Acquisitions	1,212	39
+ New construction, extensions and refurbishment	1,526	–
– Sales	– 28	– 1
+ Unrealized changes in value	– 1,262	–
Real estate portfolio on 31 December, 2008	29,165	587

During the year investments totalling SEKm 2,738 (2,598) were made, of which SEKm 1,212 (1,514) were acquisitions and SEKm 1,526 (1,084) new construction, extensions and refurbishment. Of the total investments, SEKm 1,086 related to Mälardalen, SEKm 685 to Greater Gothenburg, SEKm 379 to Eastern Götaland, SEKm 296 to Greater Stockholm and SEKm 292 to Öresund Region.

Investments



Larger acquisitions	Area, thous. sq.m.	Acq value SEKm
Borgaren 1, Däcket 1, Stinsen 18, Tryckeriet 2, 13, Tågmästaren 25, Ölstånkan 11, 14, 15, Örebro	50	565
Boländerna 8:11, 8:6, 9:1 and Husbyborg 1:83, Uppsala	18	193
Spjutet 2, Helsingborg	7	74
Elenergin 1, Västerås	5	60
Takläggaren 8, Värnamo	7	58

Larger completed projects	Area, thous sq.m.	Total inv, SEKm	of which 2008 SEKm
Forskaren 2, Lund	7	191	63
Kärra 74:2, Gothenburg	15	110	105
Varla 3:22, Kungsbacka	6	93	75
Lindholmen 28:2, Gothenburg	5	91	21
Kärra 75:3, Gothenburg	5	77	77

Larger ongoing development projects	Area thous sq.m.	Total inv SEKm	Remain inv SEKm.	Comp-leted
Betongblandaren 10, Stockholm	15	130	101	Q 4/09
Visionen 3, Jönköping	7	115	107	Q 3/09
Boländerna 28:3 och 30:2, Uppsala	12	96	96	Q 1/10
Visiret 2, Huddinge	4	95	61	Q 4/09
Dragarbrunn 20:2, Uppsala	3	49	35	Q 3/09

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

Property value

Internal valuations

Castellum assesses the value of the properties through internal valuations. These are based on a 10-year cash flow-based model with an individual assessment for each property of both its future earnings capacity and the required yield. In assessing a property's future earnings capacity has, besides an assumed level of inflation of 1.5%, consideration been taken to potential changes in rental levels from each contract's rent and expiry date compared with the estimated current market rent, as well as changes in occupancy rate and property cost.

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

The required market yield can be calculated according to the following.

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

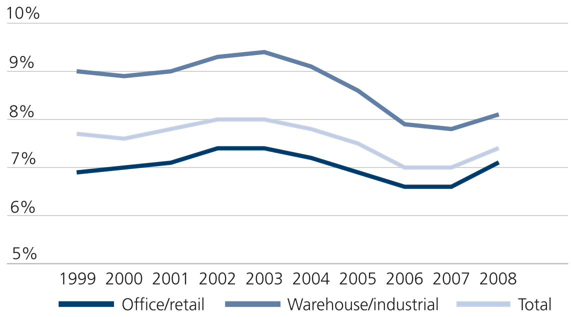
Based on these internal valuations the value of the properties at the year-end was assessed to SEKm 29,165 (27,717), corresponding to almost SEK 9,000 per sq.m.

Normalized yield

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

Normalized yield SEKm	2008	2007
Net operating income properties	1,870	1,670
Adjusted for:		
Index adjustment following year	82	51
Real occupancy rate, 94% at the lowest	190	215
Expected cost increase following year	– 14	– 9
Degree day adjustments to a normal year	– 7	– 8
Property administration, 30 SEK/sq.m.	– 92	– 88
Normalized net operating income	**2,029**	**1,831**
Valuation excl. projects/land	27,343	26,278
excl. building rights in office/retail and warehouse/industrial	*387*	*328*
Normalized yield	**7.4%**	**7.0%**

Normalized yield over time



External valuation

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

Uncertainty range

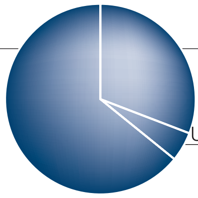
A property's market value can only be confirmed when it is sold. The value range of +/- 5-10% often used in property valuations on a normal market should be seen as an indication of the uncertainty that exists in assumptions and calculations. In a market with lower liquidity the range may be wider. For Castellum, an uncertainty range of +/- 5%, means a range in value of +/- SEKm 1,458 corresponding to SEKm 27,707 - 30,623.

Castellum's real estate portfolio 31-12-2008

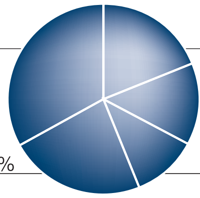
	31-12-2008				January-December 2008						
	No. of properties	Area thous. sq.m.	Fair value SEKm	*Fair value SEK/sq.m.*	Rental value SEKm	*Rental value SEK/sq.m.*	Economic occupancy rate	Rental income SEKm	Property costs SEKm	*Property costs SEK/sq.m.*	Net operating income SEKm
Office/retail										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

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

Fair value by property type



Fair value by region



Property realted key ratios

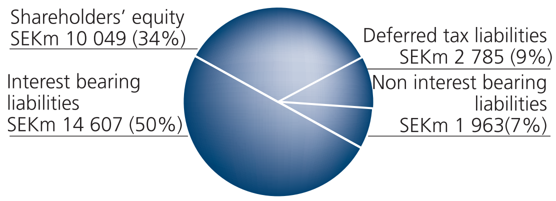
	2008 Jan-Dec	2007 Jan-Dec
Rental value, SEK/sq.m.	921	896
Economic occupancy rate	89.7%	87.9%
Property costs, SEK/sq.m.	268	262
Net operating income, SEK/sq.m.	559	527
Fair value, SEK/sq.m.	8,985	9,098
Number of properties	587	549
Lettable area, thousand sq.m.	3,172	3,003

Segment information

	Rental income		Net operating income incl. changes in value on properties	
SEKm	2008 Jan-Dec	2007 Jan-Dec	2008 Jan-Dec	2007 Jan-Dec
Greater Gothenburg	806	746	199	856
Öresund Region	539	498	– 296	672
Greater Stockholm	478	432	415	485
Mälardalen	367	296	82	204
Eastern Götaland	311	287	8	191
Total	**2,501**	**2,259**	**408**	**2,408**

Financing

Financing 31-12-2008



Shareholders' equity and net asset value

Shareholders' equity was SEKm 10,049 (11,204). In order to adjust the company's capital structure the company may repurchase 9.2 million own shares in addition to the eight million shares which were repurchased earlier.

The net asset value, using an estimated dicounted real deferred tax liability of 5%, can be calculated as follows.

Net asset value

	SEKm	SEK/share
Equity according to the balance sheet	10,049	61
Reversed 26,3% deferred tax	2,785	17
Net asset value excluding tax	12,834	78
Estimated real liability, deferred tax 5%	– 529	– 3
Net asset value	**12,305**	**75**
Uncertainty range valutation of properties		
+/- 5% after tax	*+/– 1,385*	*+/– 8*

Interest-bearing liabilities

The increased credit crunch has so far not directly affected Castellum's access to long-term funding. The turbulence during the year, which from time to time has been heavy, has however lead to large changes in market interest rates.

Loan maturity structure

As of 31 December, 2008 Castellum had long term binding credit agreements totalling SEKm 15,800 (13,300), long term bonds totalling SEKm 650 (650), short term binding credit agreements totalling SEKm 770 (776) and a commercial paper program of SEKm 4,000 (4,000). After deduction of liquid assets of SEKm 9 (7), net interest bearing liabilities were SEKm 14,598 (12,575). There are currently no outstanding commercial papers. During the year Castellum has signed new credit agreements totalling SEKm 2,500 and extended credit agreements totalling SEKm 9,000.

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

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

Loan maturity structure 31-12-2008

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

Interest rate maturity structure

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

In order to secure a stable and low net cash flow of interest income/costs over time, Castellum has chosen a relatively long fixed interest term. Castellum has also chosen to work with interest rate derivatives, which is a cost effective and flexible way of extending loans with short term interest rates to achieve the desired fixed interest term. Castellum's interest costs consist of the market interest rate at the time of the loan and a credit margin to the lender consisting of both a margin for utilized credits and a fee for the granted credit volume.

Interest rate maturity structure 31-12-2008

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

Derivatives

According to the accounting standard IAS39 interest rate derivatives are subject to market valuation, which means that there is a theoretical surplus / sub value if the stipulated interest rate varies from the current market rate, where the change in value, for Castellum, should be accounted for in the income statement. When the calculation is made, the actual market rate is expected to remain unchanged during the entire fixed interest term. By securing interest rates for a longer period of time the risk in cash flow from interest income/cost is decreased, while the risk for accounting changes in valuations increase. Make note that loans with long term interest rates, which are less flexible but from a risk and interest rate point of view are equal to extending the interest rate term by interest rate derivatives, are not subject to market valuation according to the accounting standards.

At the year-end, the market value of the interest rate derivative portfolio amounted to SEKm -966 as an effect of that the market interest rate for obtaining an interest portfolio equal to Castellum's interest rate structure was 2.9% compared to Castellum's average interest rate of 4.8%.

Consolidated Income Statement

SEKm	2008 Oct-Dec	2007 Oct-Dec	2008 Jan-Dec	2007 Jan-Dec
Rental income	652	590	2,501	2,259
Operating expenses	– 125	– 117	– 455	– 414
Maintenance	– 23	– 27	– 96	– 96
Ground rent	– 6	– 5	– 21	– 20
Real estate tax	– 25	– 28	– 115	– 110
Leasing and property administration	– 44	– 36	– 144	– 131
Net operating income	**429**	**377**	**1,670**	**1,488**
Central administrative expenses	– 19	– 16	– 71	– 69
Net financial items	– 176	– 135	– 626	– 495
Income from property management	**234**	**226**	**973**	**924**
Changes in value				
Properties	– 471	545	– 1,262	920
Interest rate derivatives	– 815	– 5	– 1,010	99
Income before tax	**– 1,052**	**766**	**– 1,299**	**1,943**
Current tax	– 3	– 11	– 14	– 22
Deferred tax	564	– 116	650	– 434
Net income for the period/year	**– 491**	**639**	**– 663**	**1,487**

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

Data per Share

	2008 Oct-Dec	2007 Oct-Dec	2008 Jan-Dec	2007 Jan-Dec
Average number of shares, thousand	*164,000*	*164,000*	*164,000*	*164,000*
Earings after tax, SEK	– 2.99	3.90	– 4.04	9.07
Income from property management, SEK	1.43	1.38	5.93	5.63
Outstanding number of shares, thousand	*164,000*	*164,000*	*164,000*	*164,000*
Fair value of properties, SEK	178	169	178	169
Net asset value (5% deferred tax), SEK	75	85	75	85
Shareholders' equity, SEK	61	68	61	68

Since there is no potential common stock (e.g. convertibles), there is no effect of dilution.

Financial Key Ratios

	2008 Oct-Dec	2007 Oct-Dec	2008 Jan-Dec	2007 Jan-Dec
Net operating income margin	66%	64%	67%	66%
Interest coverage ratio	233%	267%	255%	287%
Return on equity	– 18.6%	24.2%	– 6.1%	14.9%
Return on net asset value	– 29.6%	22.9%	– 8.3%	16.2%
Return on total capital	– 0.8%	13.4%	1.2%	9.1%
Investments, SEKm	517	505	2,738	2,598
Equity/assets ratio	34%	40%	34%	40%
Loan to value ratio	50%	45%	50%	45%

Consolidated Balance Sheet

SEKm	31 Dec 2008	31 Dec 2007
Assets	29,165	27,717
Investment properties	15	13
Other fixed assets	215	110
Current receivables	–	44
Interest rate derivatives	9	7
Cash and bank	**29,404**	**27,891**
Total assets		
Shareholders' equity and liabilities		
Shareholders' equity	10,049	11,204
Deferred tax liability	2,785	3,322
Long term interest-bearing liabilities	14,607	12,582
Interest rate derivatives	966	–
Non interest-bearing liabilities	997	783
Total shareholders' equity and liabilities	**29,404**	**27,891**

Changes in Equity

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

Cash Flow Statement

SEKm	Jan-Dec 2008	Jan-Dec 2007
Net operating income	1,670	1,488
Central administrative expenses	– 71	– 69
Reversed depreciations	6	6
Net financial items paid	– 499	– 476
Tax paid	– 26	– 12
Cash flow from operating activities before change in working capital	**1,080**	**937**
Change in current receivables	– 108	68
Change in current liabilities	106	101
Cash flow from operating activities	**1,078**	**1,106**
Investments in new construction, refurbishments and extensions	– 1,526	– 1,084
Property acquisitions	–1,096	– 1,349
Change in liabilities at acquisitions of property	– 7	6
Property sales	25	39
Change in receivables at sales of property	3	9
Other net investments	– 8	– 6
Cash flow from investment activities	**– 2,609**	**– 2,385**
Change in long term liabilities	2,025	1,745
Dividend paid	– 492	– 467
Cash flow from investment activities	**1,533**	**1,278**
Cash flow for the period/year	**2**	**– 1**
Cash and bank, opening balance	7	8
Cash and bank closing balance	**9**	**7**

Multi year Summary

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

Opportunities and Risks

Opportunities and risks in the cash flow

Increasing market interest rates is normally over time an effect of economic growth and increasing inflation, which is thought to give higher rental income. This is in part due to that the demand for premises is thought to increase, leading to reduced vacancies and hence the potential for increasing market rents and in part due to that the index clause in the commercial contracts is compensating the increasing inflation.

An economic boom therefore means higher interest costs but also higher rental income, while the opposite relationship is true during a recession. The change in rental income and interest costs does not take place at the exact same time, why the effect on income in the short term may occur at different points in time.

Sensitivity analysis - cash flow

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

Opportunities and risks in property values

Castellum reports its properties at fair value with changes in value in the income statement. This means that the result in particular but also the financial position may be more volatile. The values of the properties are determined by supply and demand, where the prices are mainly depending on the properties' expected net operating income and the buyer's required yield. An increasing demand gives lower required yields and hence an upward adjustment in prices, while a weaker demand has the opposite effect. In the same way, a positive real development in net operating income gives an upward adjustment in prices, while a low real growth has the opposite effect.

In property valuations consideration should be taken to an uncertainty range of +/- 5-10%, in order to reflect the uncertainty that exist in the assumptions and calculations made.

Sensitivity analysis - change in value

Properties	– 20%	– 10%	0	+10%	+20%
Change in value, SEKm	– 5 833	– 2 917	–	+2 917	+5 833
Loan to value ratio	63%	56%	50%	46%	42%

Financial risk

Ownership of properties presumes a working credit market. Castellum's greatest financial risk is to lack access to funding. The risk is reduced by low loan to value ratio and long term credit agreements.

The 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.

The parent company takes part in property related operations through involvement in the Board of the subsidiaries.

INCOME STATEMENT, SEKm	2008 Oct-Dec	2007 Oct-Dec	2008 Jan-Dec	2007 Jan-Dec
Income	5	4	12	11
Operating expenses	– 15	– 12	– 52	– 52
Net financial items	– 5	– 1	7	9
Group contribution/dividend	410	550	410	550
Changes in value, derivatives	– 815	– 5	–1,010	99
Income before tax	**– 420**	**536**	**– 633**	**617**
Tax	217	4	276	– 19
Net income for the period	**– 203**	**540**	**– 357**	**598**

BALANCE SHEET, SEKm	31 Dec 2008	31 Dec 2007
Participations in Group comp.	4,087	4,087
Receivables, Group comp.	15,555	12,960
Other assets	244,	3
Interest rate derivatives	–	44
Cash and bank	0	0
Total	**19,886**	**17,094**
Shareholders' equity	3,601	4,368
Interest bearing liabilities	14,304	12,276
Interest bearing liabilities, Group companies	775	331
Derivatives	966	–
Other liabilities	240	119
Total	**19,886**	**17,094**
Pledged assets	13,680	10,872
Contingent liabilities	300	300

Accounting Principles

Castellum follows the by the EU adopted IFRS standards and the interpretations of them (IFRIC). This year-end report has been prepared according to IAS 34 Interim Financial Reporting. Accounting principles and methods for calculations have remained unchanged compared to the Annual Report previous year.

Proposed Dividend

The Board intends to propose the Annual General Meeting a dividend of SEK 3.15 (3.00) per share, which is an increase of 5% compared to previous year. The dividend ratio is 74% (74%) of income from property management after deduction of tax. As record day for dividend 31 March, 2009 is proposed.

The Board will also propose the Annual General Meeting to decide on a renewed mandate for repurchase of the company's own shares.

Election Committee Proposals

The election committee has decided to propose re-election of the Board of Directors Jan Kvarnström, Per Berggren, Marianne Dicander Alexandersson, Ulla-Britt Fräjdin-Hellqvist, Christer Jacobson and Göran Lindén. Jan Kvarnström is proposed as chairman of the Board. Mats Wäppling has declined re-election.

Further, remuneration is proposed to remain unchanged, SEK 450,000 to the chairman and SEK 215,000 to each one of the remaining boardmembers.

Annual General Meeting

The annual general meeting of shareholders to be held on Thursday 26 March 2009, at 5 pm at the Chalmers Kårhus, RunAn, at Chalmersplatsen 1 in Gothenburg. The entrance opens at 4 pm. Shareholders wishing to attend the annual general meeting must be registered as shareholders in the share register kept by the Swedish Companies Registration Office (VPC AB) by Friday 20 March 2009 and must also have notified their attendance to the company no later than 4 pm on Friday 20 March 2009.

Summons to the annual general meeting will be around 23 February and the summons will be available at www.castellum.se. Also Castellum's annual report and other documents which will be presented at the AGM will be available on the webside then. The summons will include the items to be adressed at the AGM. Shareholders who wish to attend the AGM are already welcome to notify their attendance as described below.

Notification of attendance at the annual general meeting can be made by post to Castellum AB (publ), Box 2269, 403 14, Gothenburg, by phone +46 (0)31-60 74 00, by fax +46 (0)31-13 17 55, by e-mail info@castellum.se, or by filling out a notification form on www.castellum.se. The notification must state name/business name, personal identification number/company registration number, address and telephone number. For those shareholders, who wish to be represented by proxy, the company provides a proxy form on www.castellum.se.

Shareholders with nominee registered shares must temporarily register such nominee shares in their own name in order to have the right to participate at the annual general meeting. Such registration must have been carried out at VPC AB no later than Friday 20 March 2009. Shareholders must, in good time before this date, instruct their nominees to effect such registration.

Gothenburg 21 January 2009

Håkan Hellström
Cheif Executive Officer

This Year-end report has not been examined by the company's auditors.

Board of Directors

Jan Kvarnström
Chairman of the Board

Per Berggren
Board member

Marianne Dicander Alexandersson
Board member

Ulla-Britt Fräjdin-Hellqvist
Board member

Christer Jacobson
Board member

Göran Lindén
Board member

Mats Wäppling
Board member

Johan Ljungberg
Secretary to the Board

Executive Group Management

Håkan Hellström
Cheif Executive Officer

Henrik Saxborn
Deputy Cheif Executive Officer

Tage Christoffersson
MD Eklandia Fastighets AB

Ulrika Danielsson
Finance Director

Anette Engström
Financial Director

Claes Junefelt
MD Fastighets AB Corallen

Claes Larsson
MD Aspholmen Fastigheter AB

Anders Nilsson
MD Fastighets AB Brostaden

Christer Sundberg
MD Harry Sjögren AB

Gunnar Östensson
MD Fastighets AB Briggen

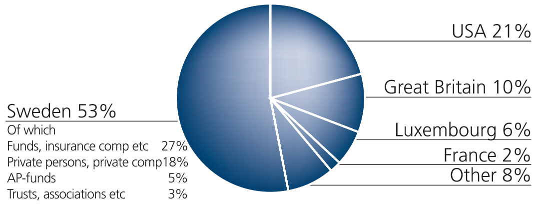
The Castellum Share

The Castellum share is listed on NASDAQ OMX Stockholm AB Large Cap. At the end of the year the company had about 7,300 shareholders. Shareholders registered abroad cannot be broken down in terms of directly held and nominee registered shares. The ten single largest Swedish shareholders can be seen in the table below.

Shareholders on 31-12-2008	Number of shares thousand	Percentage of voting rights and capital
László Szombatfalvy	10,000	6.1%
AFA Sjukförsäkrings AB	8,670	5.3%
AMF Pensionsförsäkrings AB	7,500	4.6%
Andra AP-fonden	6,624	4.0%
Kåpan Pensioner Försäkringsförening	2,040	1.2%
AFA TFA Försäkrings AB	1,957	1.2%
Fjärde AP-fonden	1,926	1.2%
Swedbank Robur Realinvest	1,587	1.0%
Bengt Norman	1,215	0.7%
Swedbank Robur Småbolagsfond Sverige	1,065	0.6%
Other shareholders registered in Sweden	43,883	26.8%
Shareholders registered abroad	77,533	47.3%
Total outstanding shares	164,000	100.0%
Repurchased shares	8,007	
Total registered shares	172,007	

There is no potential common stock (eg. convertibles.)

Distribution of shareholders by country 31-12-2008



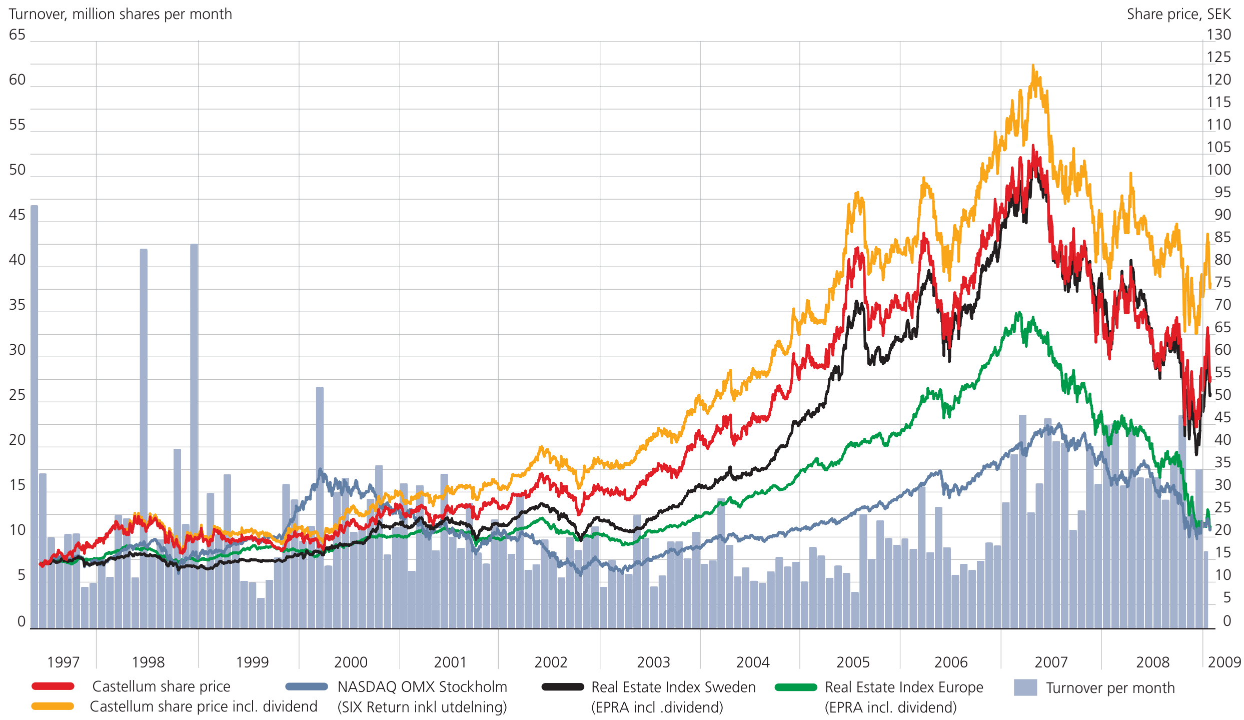
The Castellum share price as at 31 December, 2008 was SEK 60.75 equivalent to a market capitalization of SEK 10 billion, calculated on the number of outstanding shares.

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

Growth, yield and financial risk

During the last 12-month period the total yield of the Castellum share has been -5%, including dividend of SEK 3.00. Since IPO on 23 May, 1997 the total yield of the Castellum share has been on average 17% per year. The following table shows growth, yield, financial risk and total yield for 2008 and averages for three and ten years.

The Castellum share's price trend and turnover since IPO may 23, 1997 until January 16, 2009



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

Valuation - share price realted key figures

Earnings Capacity

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

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

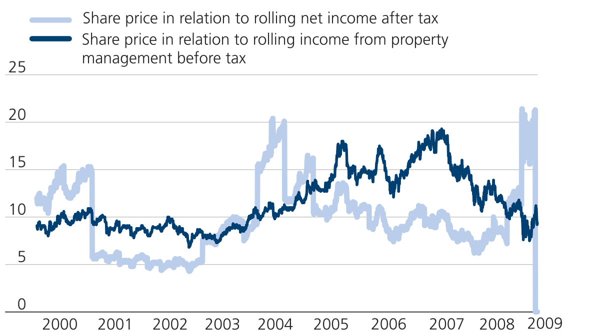
Net asset value

The net asset value, using an estimated dicounted real deferred tax liability of 5%, can be calculated to SEKm 12,305, corresponding to 75 SEK/share. The share price at the year-end was thus 81% of the net asset value. An uncertainty range of +/- 5% in property valuations has an affect on net asset value of +/- SEKm 1,385, corresponding to SEK 8 per share.

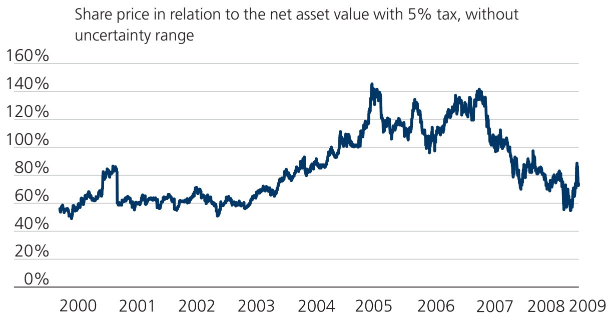
Dividend Yield

The proposed dividend of SEK 3.15 corresponds to a yield of 5,2% based on the share price at the year-end.

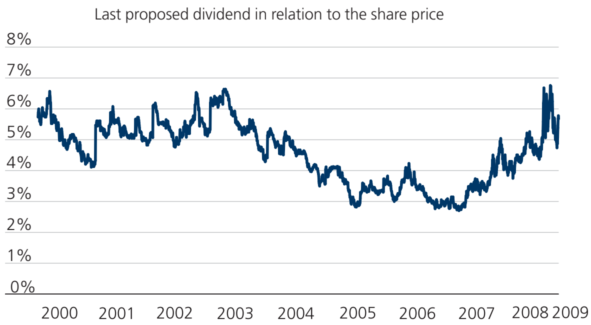
The share's earnings multiple



Share price/net asset value



The share's dividend yield



Calendar

Annual General Meeting	26 March, 2009
Interim Report January-March 2009	15 April, 2009
Half-year Report January-June 2009	14 July, 2009
Interim Report January-September 2009	15 October 2009
Yera-end Report 2009	20 January, 2010

Information

For further information please contact Håkan Hellström, CEO, or Ulrika Danielsson, Finance Director, telephone +46 31-60 74 00 or visit Castellum's website.

www.castellum.se

On Castellum's website it is possible to download as well as subscribe to Castellum's Pressreleases and Interim Reports.

Sending out printed information

Castellum has previously sent out both the Annual Report and the Interim Reports to all shareholders. As a result of today's information technology and a wish to save costs and resources, Castellum will from now on only send out the Year-end Report. For those who want to continue to follow Castellum with regard to financial reports and press releases, there is an electronic subscription service available on Castellum's website www.castellum.se. Shareholders who wish to receive printed information are welcome to contact Castellum. Please see below for phone and mail details.

As a result, no separate invitation to the Annual General Meeting will be sent out by post. An invitation to the Annual General Meeting can be found on page 17 in this Year-end report, where also information about notification of participation can be found.

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

CASTELLUM

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