Domnarvet 18 and 36, Stockholm

CASTELLUM

Year-end Report 2012

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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 SEK 36 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), the Öresund Region (Malmö, Lund, Helsingborg and Copenhagen), 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 2012 amounted to SEKm 3,073 (SEKm 2,919 previous year).
- Income from property management amounted to SEKm 1,255 (1,173), corresponding to SEK 7.65 (7.15) per share, an increase of 7%.
- Changes in value on properties amounted to SEKm –69 (194) and on interest rate derivatives to SEKm –110 (–429). Reduced corporate tax has resulted in a non-recurring income of SEKm 647 in addition to the usual tax.
- Net income after tax amounted to SEKm 1,473 (711), corresponding to SEK 8.98 (4.34) per share.
- Net investments amounted to SEKm 2,545 (1,908) of which SEKm 1,279 (1,158) were new constructions, extensions and reconstructions.
- The Board proposes a dividend of SEK 3.95 (3.70) per share, equivalent to an increase of 7%.
- Deputy CEO Henrik Saxborn is appointed as new CEO after Håkan Hellström who leaves his position in connection with the Annual General Meeting March 21, 2013.

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Income from property management, SEK/share	7.65	7.15	6.96	6.89	5.93	5.63	5.38	5.00	4.52	4.07
Change previous year	*+7%*	*+3%*	*+1%*	*+16%*	*+5%*	*+5%*	*+8%*	*+11%*	*+11%*	*+8%*
Net income after tax, SEK/share	8.98	4.34	11.98	0.98	– 4.04	9.07	10.21	7.89	5.59	2.68
Change previous year	*+107%*	*–64%*	*+1,122%*	*pos.*	*neg.*	*–11%*	*+29%*	*+41%*	*+108%*	*–33%*
Dividend, SEK/share (for 2012 proposed)	3.95	3.70	3.60	3.50	3.15	3.00	2.85	2.62	2.38	2.13
Change previous year	*+7%*	*+3%*	*+3%*	*+ 11%*	*+5%*	*+5%*	*+9%*	*+11%*	*+12%*	*+13%*
Properties fair value, SEKm	36,328	33,867	31,768	29,267	29,165	27,717	24,238	21,270	19,449	18,015
Net investments, SEKm	2,545	1,908	1,279	1,129	2,710	2,559	1,823	889	774	711
Loan to value	53%	51%	50%	52%	50%	45%	45%	45%	45%	48%

CEO's Comments

For the 15th consecutive year since being listed, Castellum can demonstrate growth in both income from property management and dividend, provided that the AGM approves the latter.

Income from property management for 2012 was SEKm 1,255, which represents an increase of 7%. The main factors behind this growth are primarily related to investments and, to a lesser extent, to the rental market. As could be expected in an economic period featuring weak growth, the 2012 market was characterized by unchanged rental levels (other than indexation), a slight increase in vacancies, unchanged property costs and a slight decline in interest rate levels.

Growth in income from property management has enabled a higher dividend. The proposal of SEK 3.95 per share represents an increase of 7% compared with the previous year.

In addition to cash-flow-related income from property management, the income statement also reflects changes in the value of properties and interest rate derivatives as well as tax. In general, property values have been deemed stable throughout the year, which - after individual adjustments - led to a minor decrease in value. Similarly, there was a minor decrease in value regarding interest rate derivatives due to falling market interest rates in 2012. In addition to the usual tax costs, Castellum had a non-recurring income of SEKm 647 due to a lowering of the corporate tax rate in Sweden - to 22%. In all, the net income for 2012 amounts to SEKm 1,473, which more than doubles last year's result.

Castellum primarily focuses on investments in new construction, extension and reconstruction projects which promise to yield a high return. For 2012, these investments amounted to SEK 1.3 billion. Along with acquisitions - including subtracted property sales for a quarter of a billion SEK - net investments totalled SEK 2.5 billion. This, along with virtually unchanged property values, has led to a real estate portfolio of 635 properties comprising 3.6 million square metres and total more than SEK 36 billion. The asset side is primarily funded by shareholder equity and the long-term net asset value of SEK 16 billion, as well as interest-bearing liabilities of SEK 19 billion. This implies a loan-to-value ratio of 53%. During the year, Castellum supplemented its customary secured bank financing with an additional source of funding in corporate bonds through a MTN program.

Total yield on the Castellum share in 2012 was +13%, which is a few percentage points lower than that of both the Stockholm Stock Exchange and comparable property index. At year end, Castellum had approx. 60% foreign shareholders and it is the 16th largest listed real estate company in Europe, with a market capitalization of SEK 15 billion.

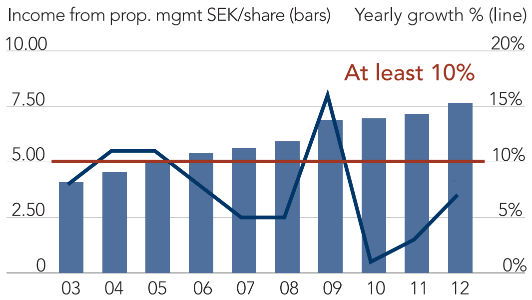
Castellum acts from a solid foundation by conducting a sustainable business. This means taking both economic and social responsibility with a strong focus on customers and employees. We're an established community builder, with a long-term strategy and a low-risk profile. Environmental issues have been high on the Group's agenda since 1995 and we have received numerous awards. Future efforts will continue to focus on reducing both energy consumption and CO_2 emissions.

I believe that 2013 will come to resemble 2012 to a great extent: declining growth in the Swedish economy leads to a stable-but-modest rental market, whereas cost structure will remain stable or - with short-term market interest rates - even decrease. A continued strong interest in investment properties has been confirmed by high transaction volumes in late 2012. This development, accompanied by a steady cash flow, means that I don't anticipate any risk for commercial property values, generally.

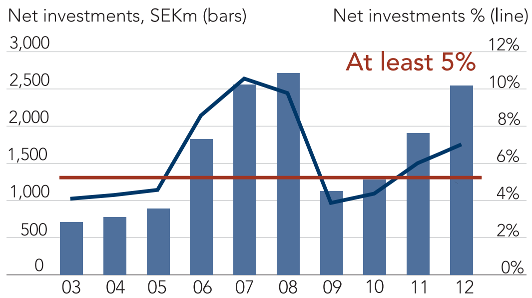
After more than 18 years with the company, I've informed the Board that I wish to leave my position at Castellum in connection with the Annual General Meeting on March 21, 2013, to spend more time on non-work-related activities. Within the strong corporate culture of Castellum, continuity has been a keyword - continuity built on dedicated and talented employees. Further, the excellent decision to appoint the current vice president, Henrik Saxborn, as new CEO makes me confident that Castellum will continue to develop in a positive direction.

Håkan Hellström
CEO

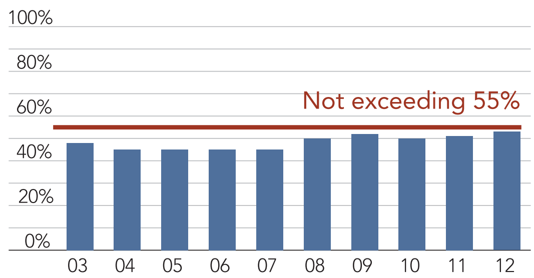
Growth in income from property management



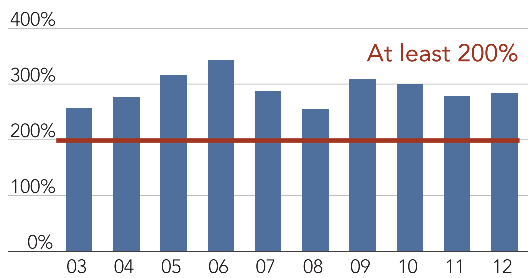
Net investments



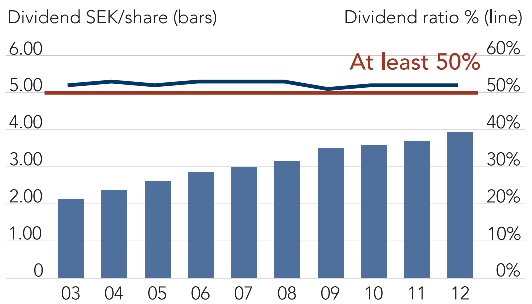
Loan to value ratio



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 growth in cash flow, which along with a low financial risk 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 1,800. All investments shall 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. In operations, there shall be an continuing focus on improved productivity and efficiency.

Strategy for Funding

Capital structure

Castellum shall have low financial risk, 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 short term 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.

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.

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.

Customers

Being close to the customers

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 needs.Customers can thereby be offered premises suited to their needs and benefit from optimal personal service and quick answers.

The customers - a reflection of Swedish domestic economy

Castellum has approx. 4,800 commercial contracts, with good risk exposure regarding both geography, type of premises, length of contracts and fields of industry of the customer.The single largest contract corresponds to 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 leases normally include a base-rent and an index clause, which provides for an adjustment of the rent corresponding to a certain percentage or linked 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

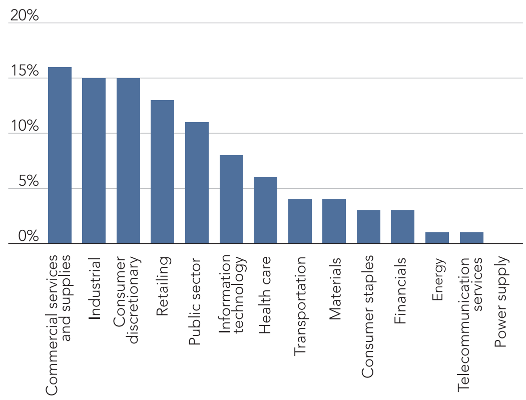
It is vital that Castellum meets customer expectations. To evaluate and follow up efforts made, an external customer survey is carried out annually: the Satisfied Customer Indexwhich shows how well Castellum performs in the areas of service, business relationships, indoor premises, property condition,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

The survey carried out in 2012 – which included offices, warehouses, industry and retail – continues to show consistently high marks for Castellum, with a weighted index of 75.This is higher than the industry benchmark.A significant portion of the surveyed customers – 95% – reply that they want to lease from Castellum again and gladly recommend Castellum as a landlord to others.

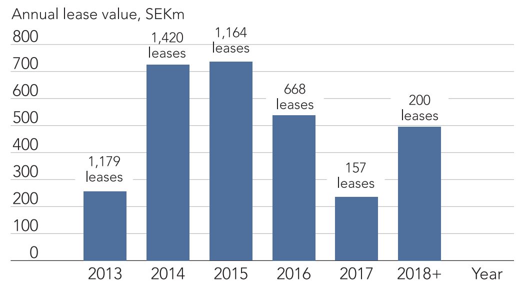
Leasing activity

Castellum's leasing activity is high. During 2012 the organization signed 699 new leases with a total annual value of SEKm 327. Robust leasing activities indicate the importance of taking care of customers and networks. Of the newly signed leasevolume, 67% came from Castellum's own networks, recommendations or existing customer expansions, while 22% originated from web pages, and the remainder 11% came through agents.

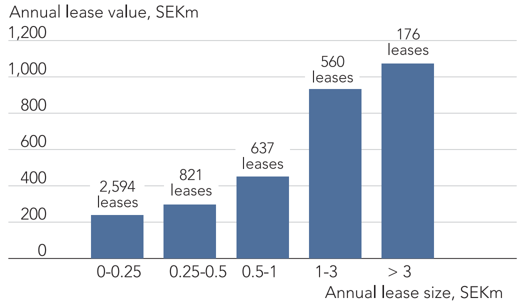
Distribution of leases by industry



Lease maturity structure



Lease size structure



Rental and renegotiation process

Existing customers
Castellum has 4,800 commercial contracts corresponding to a rental income of approx SEKm 3,200, of which approx. 21%-23% of the contracts matures each year.

Of Castellum's employees 55% works with customer relations and property management matters.

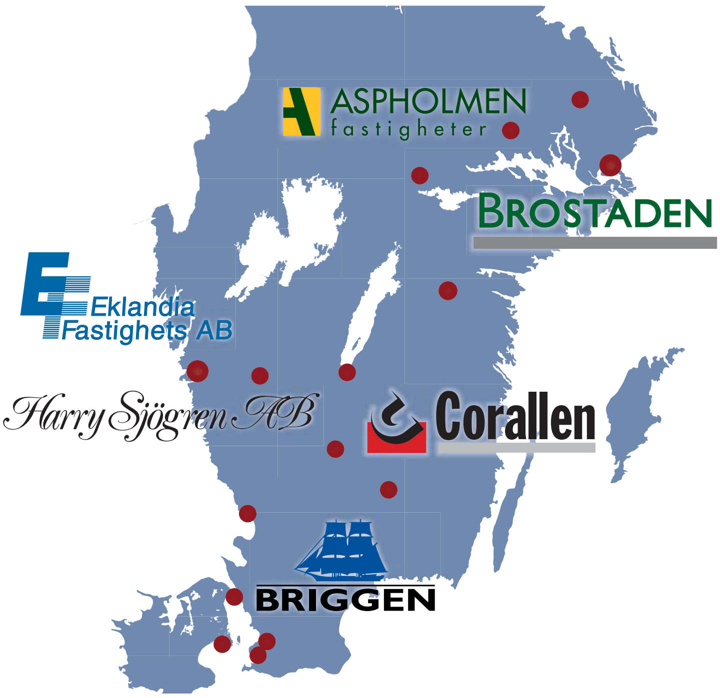
Of the contracts which mature every year is it over a business cycle usual that;
- approx. 11%-12% are prolonged on unchanged terms
- approx. 7%-8% are terminated by the customer
- approx. 2% are terminated for renegotiation by the customer
- approx. 1% are terminated for renegotiation by Castellum

During 2012 the organization signed 699 new leases with a total annual value of SEKm 327

New customers
13% of Castellum's employees works with leasing to new customers.

The new contracts signed 2012 comes from;
40% own network
22% web pages and advertisment
14% existing customer expansion
11% agents
9% recommendations
4% withdrawn terminations

Organization



Decentralized and small-scale organization

Castellum's operations are run in a small-scale organization consisting of six subsidiaries which own and manage the properties under their own brands. By having local roots, the subsidiaries forge close relationships with customers and develop thorough knowledge of the market situation and rental development within each market area.

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.

Subsidiaries with strong brands

Castellum has six wholly owned subsidiaries which each engage about 40 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 contact. The flat organization provides a short decision-making process and creates a customer oriented and active organization.

Castellum subsidiaries operate under their own names, which are strong brands on each local market.

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 regional development where local sub-sidiaries operate through co-operation with municipalities and universities/colleges.

Employees

Castellum works actively to hire and retain top-notch employees by offering a stimulating work environment, competence development and sharing of experiences both internally and externally.

A education initiative is underway, Collegium Castellum, where education in 2012 is carried out in the areas of investment and calculating, legal, and marketing and sales.

Employee viewpoints on Castellum are monitored regularly and the survey carried out in 2011 continues to show a very high index, 87 on a scale of 100 which shows that the employees enjoy their working situation and have a high confidence in the company and its management.

The group had 265 employees (239) at the year end. The increase in the number of employees is related to marketing and project development.

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
- Regulary 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

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 19 employees.

The parent company takes active part in operations through involvement in subsidiary Boards.

Measuring, comparing and controlling

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, Code of Conduct, environment, insurance and personnel, etc.

Responsible business

Since 1995, Castellum has systematically been working with sustainability, i.e., developing the properties in those cities where the subsidiaries are present, creating a common set of values for actions towards employees, customers and vendors as well as actively working with environmental issues.

Environmental efforts are focused on efficient energy consumption and improving the general environmental status of each property. Since the common Group objectives were set in 2007 (energy consumption to be reduced by at least 1% per sq.m. and year; carbon dioxide emissions reduced by at least 2.5% per sq.m.), decreases of 17% and 26% respectively have been achieved.

In 2011, a new common goal was adopted. All new constructions must be environmentally classified according to one of the following environmental classification systems: Green Building, "Miljöbyggnad", BREEAM or LEED. During 2012, approx. 64,000 sq.m. corresponding to 75% of the new produktion is environmentally classified. Castellum has 94 of Sweden's just over 260 Green Building classified building, one BREEAM certified building and one building which are certified according to the Swedish system "Miljöbyggnad".

Market comments

Swedish economy

The Swedish economy developed stronger than expected at the beginning of 2012. At the end of the year clear signs could be seen that growth dampened, mainly according to the weak performance in the euro area. Both Swedish households as well as companies are now more negative about the future and both consumption and investments are expected to have a weak development in the future. On the labor market the situation has deteriorated and the number of notices increased at the end of the year.

Macro	Sweden 2011	Sweden 2012 f	*EU 2012 f*	Sweden 2013 f
GDP growth	3.8%	1.2%	*– 0.3%*	0.8%
Unemployment	7.5%	7.7%	*10.5%*	8.3%
Inflation	3.0%	0.9%	*2.7%*	0.4%
Public debt / GDP	38.4%	37.4%	*86.8%*	36.2%

Source: National Institute of Economic Research and European Commission

Rental market

The demand on premises remains on a good level, especially for new constructions, extensions and reconstructions. This is valid for all Castellum's property types as well as regions, however, retail premises had a slightly weaker demand. Rental levels are expected to remain stable.

Property market

The transaction volume on the Swedish real estate market totalled 2012 approx SEK 111 billion (105), which are the highest annual turnover since 2008. The fourth quarter accounted for approx. SEK 48 (30) billion.

Commercial properties accounted for 79% and major urban regions for 61%. Both the buy and sell side were dominated by domestic institutions and real estate companies, where the institutions were the largest net buyers. A slight increase in the foreign buyers interest in the Swedish real estate market can be noted. Castellum assess that strong demand and limited supply in central parts of the major urban regions resulted in stable to rising prices. In Castellum's other growth regions, the demand is overall good, but prices in some areas have been stable to slightly decreasing due to limited access to bank financing.

Interest and credit market

To support the Swedish economy the Swedish Riksbank cut the repo rate three times during 2012 to an outgoing repo rate of 1%. The long-term interest rates have been highly volatile during the year and are now at historically low levels. Access to funding on the capital market, such as bonds and certificates improved during the year.

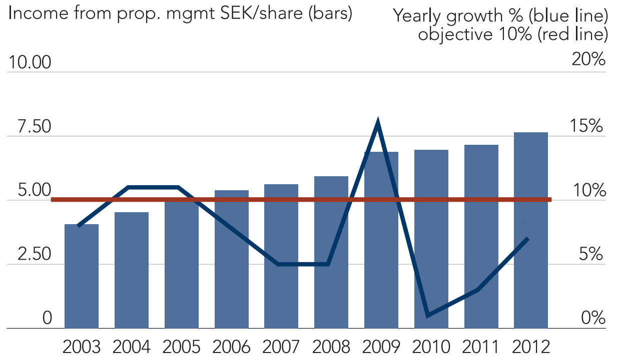
Access to credit for Castellum is considered to be good on both the credit and capital market.

Income, Costs and Results

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

Income from property management during the year, i.e. net income excluding changes in value and tax, amounted to SEKm 1,255 (1,173), equivalent to SEK 7,65 (7.15) per share - an increase with 7%.

Income from Property Management per share



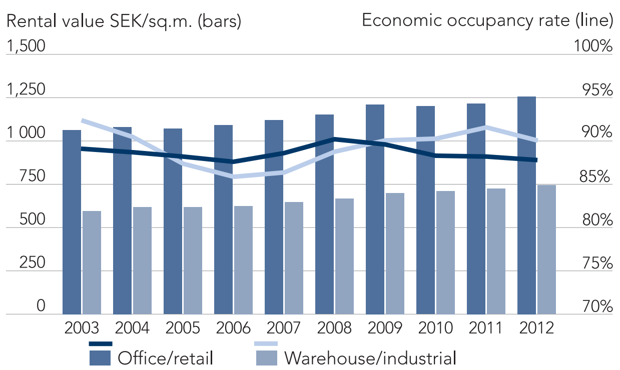
During the year, changes in value on properties amounted to SEKm –69 (194) and on interest rate derivatives to SEKm –110 (–429). Reduced corporate tax has resulted in a non-recurring income of SEKm 647 in addition to the usual tax. Net income for the year was SEKm 1,473 (711), equivalent to SEK 8.98 (4.34) per share.

Rental income

Group rental income amounted to SEKm 3,073 (2,919). For office and retail properties, the average contracted rental level, including charged heating, cooling and property tax, amounted to SEK 1,257 per sq.m., whereas for warehouse and industrial properties, it amounted to SEK 744 per sq.m. Rental levels, which are considered to be in line with the market, have in comparable portfolio increased by 2% compared with previous year, which mainly is an effect from indexation.

The average economic occupancy rate was 88.6% (89.3%). The total rental value for vacant premises during the year amounted to approx. SEKm 447 (371).

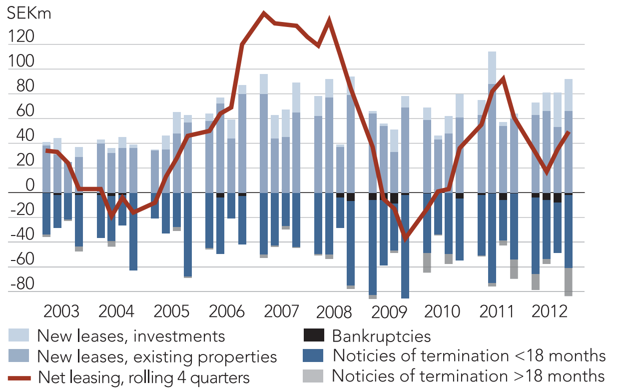
Rental value and economic occupancy rate



Gross leasing (i.e. the annual value of total leasing) during the year was SEKm 327 (310), of which SEKm 79 (45) were leasing of new constructions, extensions and reconstructions. Notices of termination amounted to SEKm 278 (249), of which bankruptcies were SEKm 28 (18) and SEKm 40 (24) were notices of termination with more than 18 months remaining length of contract. Hence net leasing for the year was SEKm 49 (61) of which SEKm 6 (–8) relates to the fourth quarter isolated.

The time difference between reported net leasing and the effect in income thereof is estimated to be between 9-18 months.

Net leasing



Property costs

Property costs amounted to SEKm 1,042 (1,003) corresponding to SEK 298 per sq.m. (300). Consumption for heating during the year has been calculated to 97% (87%) of a normal year according to the degree day statistics.

Property costs, SEK/sq.m.

	Office/ Retail	Warehouse/ Industrial	2012 Total	*2011 Total*
Operating expenses	190	118	156	165
Maintenance	48	25	37	35
Ground rent	7	7	7	7
Real estate tax	66	18	44	44
Direct property costs	311	168	244	251
Leasing and property administration (indirect)	–	–	54	49
Total	**311**	**168**	**298**	**300**
Previous year	*319*	*168*	*300*	

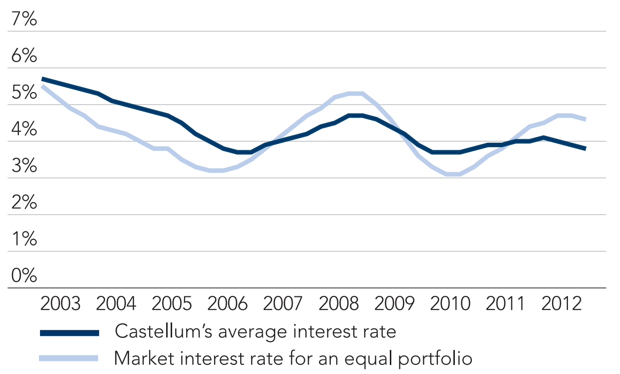
Central administrative expenses

Central administrative expenses totalled SEKm 93 (83). This includes costs for a profit-and-share-price related incentive plan for 10 persons in executive management of SEKm 11 (14).

Net interest

Net interest items were SEKm –683 (–660). The average interest rate level was 3.9% (4.1%).

Interest rate levels



Changes in value

No general yield change has been made in the internal valuations since the prices have been generally stable.

The change in value in Castellum's portfolio during the year amounted to SEKm –69 (194) and includes SEKm 245 which refers to acquisitions and project gains, SEKm –334 individual adjustments on property level which mainly refers to cash flow but also yield and SEKm 20 from the sale of 15 properties. Net sales price amounted to SEKm 253 after reduction for assessed deferred tax and transaction costs of SEKm 13. Hence the underlying property price, which amounted to SEKm 266, exceeded the latest valuation of SEKm 233 with SEKm 33.

The value in the derivatives portfolio has changed by SEKm –110 (–429), mainly due to changes in long-term market interest rates. The value of Castellum's currency derivatives, with the purpose to hedge currency fluctuations in Danish investment, has during the period changed SEKm 8 (0) where the value changes is accounted for in the other total net income.

Tax

The nominal corporate tax rate in Sweden is 26.3% for 2012 but will be cut to 22% with effect from 1 January 2013. Due to the possibility to deduct depreciation and reconstructions for tax purposes, and to utilize tax loss carry-forwards, there are in principle no paid tax costs.

Remaining tax loss carryforwards can be calculated to SEKm 1,610 (1,772). Fair value for the properties exceed their fiscal value by SEKm 17,412 (16,197) of which SEKm 758 relates to properties acquired and accounted for as asset acquisitions. As deferred tax liability, a full nominal 22% tax of the net difference is reported, reduced by the deferred tax relating to asset acquisitions, i.e., SEKm 3,310 (3,714). As a result of the reduced income tax, Castellum reports a non-recurring income of 647 SEKm due to reassessment of deferred tax liability. During the year Castellum has entered into an agreement on extended co-operation with the Swedish Tax Authority. Castellum has no current tax disputes.

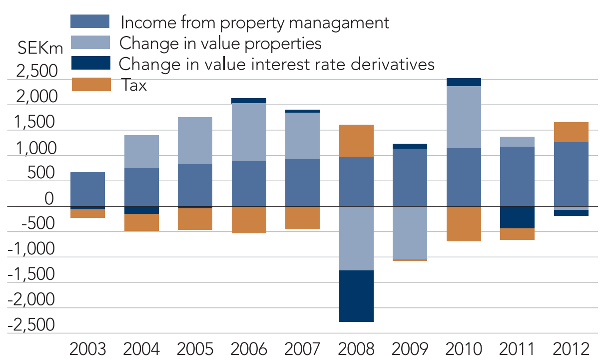
Tax Calculation

SEKm	Basis current tax	Basis deferred tax
Income from property management	1,255	
Deductions for tax purposes		
depreciations	– 679	679
reconstructions	– 289	289
Other tax allowances	– 48	27
Taxable income from property management	239	995
Properties sold	58	– 145
Changes in value on properties	–	– 89
Changes in value on interest rate derivatives	– 110	–
Taxable income before tax loss carry forwards	187	761
Tax loss carry forwards, opening balance	– 1,772	1,772
Tax loss carry forwards, closing balance	1,610	– 1,610
Taxable income	**25**	**923**
Of which 26.3% current/deferred tax	– 7	– 243
Restatement of deferred tax to 22%	–	647
In accordance with the income statement	**– 7**	**404**

Income over time

Income from property management over the past 10 years shows stable development and has grown by an average of 7% per year. Property values have been volatile over the past 10 years with average growth of. 1.3% per year.

Income over time



Real Estate Portfolio

The real estate portfolio are located in Greater Gothenburg, the Öresund Region, Greater Stockholm, Mälardalen and Eastern Götaland. The main focus, which represents approx. 73% 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 adequate means of communication and services. The remaining 5% consist of projects and undeveloped land. Castellum owns approx. 770,000 sq.m. of unutilized building rights and ongoing projects with remaining investments of approx. SEKm 1,100.

Investments

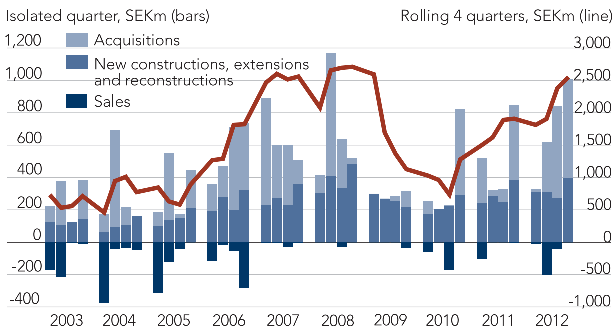
During the year the real estate portfolio has changed according to the table below.

Changes in the real estate portfolio	Value, SEKm	Number
Real estate portfolio on 1 January, 2012	33,867	617
+ Acquisitions	1,519	33
+ New constructions, extensions and reconstructions	1,279	–
– Sales	– 233	– 15
+/– Unrealized changes in value	– 89	–
+/– Currency translation	– 15	–
Real estate portfolio on 31 December, 2012	36,328	635

During the year investments totalling SEKm 2,798 (2,015) were made, of which SEKm 1,279 (1,158) were new constructions, extensions and reconstructions and SEKm 1,519 (857) were acquisitions. Of the total investments SEKm 692 related to Mälardalen, SEKm 605 to Greater Stockholm, SEKm 597 to the Öresund Region, SEKm 584 to Greater Gothenburg, and SEKm 320 to Eastern Götaland.

After sales of SEKm 253 (107) net investments amounted to SEKm 2,545 (1,908).

Investments




Dragarbrunn 20:4, Uppsala


Lindholmen 28:3, Gothenburg


Revolversvarven 12, Malmö


Dragarbrunn 21:5, Uppsala

Larger investments and sales

Larger projects Property	Area sq.m	Econ. occup. Jan 2013	Total inv., land incl. SEKm	Remain. inv. SEKm	Completed	Comment
Ongoing projects						
Lindholmen 28:3, Gothenburg	9,400	21%	262	100	Q2 2013	New construction office
Dragarbrunn 20:4, Uppsala	9,200	33%	190	158	Q3 2014	Extension and reconstruction office
Atollen, Jönköping	6,019	10%	170	73	Q4 2013	New construction office/retail/residentials
Fullriggaren 4, Malmö	5,400	17%	151	34	Q1 2013	New construction office
Sändaren 1, Malmö	14,000	87%	111	102	Q4 2013	Extension and reconstruction office
Visiret 2, Huddinge	12,357	100%	71	48	Q2 2013	New construction car park
Åby 1:223, Haninge	6,550	0%	67	53	Q1 2014	New construction warehouse/logistic
Högspänningen 1, Västerås	4,040	23%	47	43	Q1 2014	New construction logistic/office
Rosersberg 11:34, Sigtuna	4,080	0%	40	8	Q1 2013	New construction warehouse/office
Ättehögen 18, Jönköping	3,220	100%	39	8	Q1 2013	New construction production premises
Boländerna 35:1, Uppsala	8,750	62%	38	38	Q3 2013	Reconstruction retail
Grusbacken 3, Helsingborg	2,450	100%	36	26	Q3 2013	New construction office/warehouse
Projects completely / partly moved in						
Forskaren 2, Lund	9,000	30%	142	46	Q4 2012	New construction office
Gården 15, Linköping	9,705	62%	106	7	Q1 2013	New construction office/retail/warehouse
Inköparen 1, Örebro	4,300	100%	68	4	Q1 2013	New construction office
Trucken 5, Borås	9,100	100%	58	3	Q4 2012	New construction warehouse
Kärra 28:18, Gothenburg	5,440	100%	47	0	Q3 2012	New construction warehouse
Elementet 4, Sollentuna	3,404	100%	34	0	Q3 2012	New construction warehouse/logistic

Larger acquisitions during 2012 Property	Area sq.m	Econ. occup. Jan 2013	Acquisition SEKm	Access	Cathegory
Litografen 1 and 2, Elektrikern 3, Bleckslagaren 1, Kontrollanten 12, Distributören 2, Örebro	62,881	85%	299	Sept 2012	Warehouse/office/retail
Elektronen 1 and 4, Elementet 3, Sollentuna Rosteriet 3 in Stockholm, Segersby 1 in Botkyrka and Slipstenen 1 in Huddinge	26,672	94%	213	Dec 2012	Warehouse/office/retail
Revolversvarven 10 and 12, Krukskärvan 6, Malmö	13,574	100%	167	Dec 2012	Office/warehouse
Veddesta 2:68, Domnarvet 18 and 36, Ostmästaren 2, Stockholm	15,500	96%	155	Sept 2012	Office/warehouse
Högsbo 17:7, 36:6 and 36:7, Gothenburg	17,540	94%	148	Apr 2012	Office/warehouse
Dragarbrunn 21:1 and 21:5, Uppsala	7,260	61%	120	Dec 2012	Office
Helgeshøj Allé 38, Copenhagen	17,078	96%	111	June 2012	Warehouse/office
Nejlikebuketten 4, Malmö	6,565	100%	83	Dec 2012	Office
Riggen 2, Huddinge	5,457	100%	56	Sept 2012	Office
Transformervej 14-16, Copenhagen	5,900	100%	46	June 2012	Office
Flahult 21:5, Jönköping	9,023	100%	44	Sept 2012	Warehouse

Larger sales during 2012 Property	Area sq.m	Underlying prop. price, SEKm	Trans. costs deferred tax, SEKm	Net sales price, SEKm	Access	Cathegory
Märsta 16:2, 17:6, 21:54, 16:3, 1:219 and Broby 11:2, Sigtuna	16,620	123	– 7	116	June 2012	Industrial/office/warehouse
Lorensberg 46:5, Gothenburg	970	44	– 4	40	May 2012	Office
Vindruvan 21, Värnamo	3,140	37	0	37	Oct 2012	Retail
Lindome 2:40 and 2:47, Mölndal	12,430	33	– 2	31	June 2012	Warehouse

Property value

Internal valuations

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 asumed 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 990 per sq.m. (980).

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

Required yield	Office/ Retail	Warehouse/ Industrial
Real interest rate	3.0%	3.0%
Inflation	1.5%	1.5%
Risk	4.8% - 11.4%	6.3% - 12.6%
Return on equity	9.3% - 15.9%	10.8% - 17.1%
Interest rate	5.5%	5.5%
Loan to value ratio	65%	55%
Return on total capital	6.8% - 9.1%	7.9% - 10.7%
Weighted d:o, disc. factor year 1-9	8.0%	9.1%
Weighted disc. factor residual value *	6.5%	7.6%

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

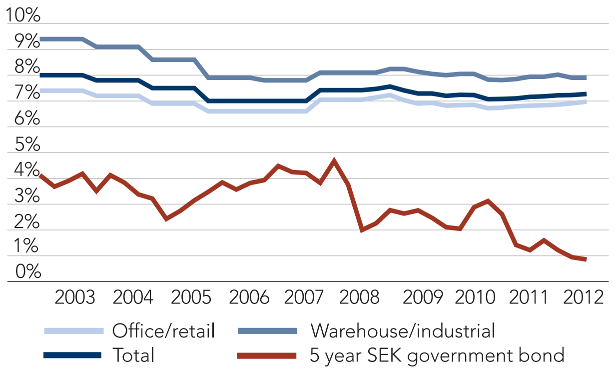
Based on these internal valuations, the value of the properties at year-end were assessed to SEKm 36,328 (33,867), corresponding to SEK 9,916 per sq.m. (9,835).

Average valuation yield

The average valuation yield for Castellum's real estate portfolio, excluding development projects and undeveloped land, can be calculated to 7.3% (7.2%).

Average valuation yield (excl. project/land and building rights) SEKm	2012	2011
Net operating income properties	2,293	2,142
+ Estimated index adjustment 2013, 1.0% (2.0%)	34	64
+ Real occupancy rate, 94% at the lowest	268	229
+/- Property costs to a normal year	–	–
– Property administration, 30 SEK/sq.m.	– 105	– 102
Normalized net operating income	**2,490**	**2,333**
Valuation (excl. building rights of SEKm 443)	34,245	32,594
Average valuation yield	**7.3%**	**7.2%**

Average valuation yield over time



Uncertainty range

A property's market value can only be confirmed when sold. 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 +/– SEKm 1,816, corresponding to SEKm 34,512 - 38,144.

External valuation

In order to provide further assurance and validation of the valuation, 144 properties - representing 51% of the value of the portfolio - have been valued externally by NAI Svefa. The properties were selected on the basis of the largest properties in terms of value, but they also 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 18,527, 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 18,904, i. e., a net deviation of SEKm –377, corresponding to –2%. Gross deviation was SEKm +324 and SEKm –701 respectively, with an average deviation of 5%.

In addition, Forum Fastighetsekonomi AB made a desktop valuation of 30 properties corresponding in value to 19% of the portfolio. Forum's valuation of the selected properties amounted to SEKm 7,153. Castellum's valuation of the same properties amounted to SEKm 7,036, i.e. a net deviation of SEKm 117 corresponding to 2%. NAI Svefa's valuation of the same properties amounted to SEKm 6,853, i.e. en net deviation of SEKm –183 corresponding to –3% compared to Castellum's valuation.

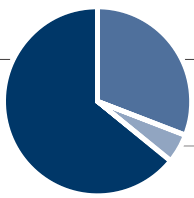
It can be noted that Castellum's deviation from the two external valuers accommodated well within the uncertainty range of +/–5-10%.

Castellum's real estate portfolio 31-12-2012

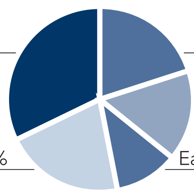
	31-12-2012				January-December 2012						
	No. of properties	Area thous. sq.m.	Property value SEKm	*Property value SEK/sq.m.*	Rental value SEKm	*Rental value SEK/sq.m.*	*Economic occupancy rate*	Rental income SEKm	Property costs SEKm	*Property costs SEK/sq.m.*	Net operating income SEKm
Office/retail											
Greater Gothenburg	78	432	6,170	*14,297*	555	*1,287*	*94.0%*	522	130	*302*	392
Öresund Region	63	379	5,580	*14,706*	541	*1,426*	*83.7%*	453	128	*337*	325
Greater Stockholm	51	336	4,306	*12,822*	469	*1,398*	*79.8%*	374	109	*325*	265
Mälardalen	75	379	4,156	*10,964*	424	*1,117*	*92.0%*	389	116	*305*	273
Eastern Götaland	54	319	3,055	*9,583*	329	*1,031*	*90.0%*	296	91	*287*	205
Total office/retail	**321**	**1,845**	**23,267**	***12,613***	**2,318**	***1,257***	***87.8%***	**2 034**	**574**	***311***	**1,460**
Warehouse/industrial											
Greater Gothenburg	102	669	5,137	*7,680*	498	*745*	*92.7%*	461	104	*156*	357
Öresund Region	43	316	1,899	*6,014*	228	*724*	*86.5%*	198	55	*173*	143
Greater Stockholm	50	266	2,400	*9,013*	255	*957*	*88.5%*	226	58	*216*	168
Mälardalen	39	216	1,220	*5,654*	152	*703*	*94.8%*	144	40	*186*	104
Eastern Götaland	33	186	765	*4,099*	98	*524*	*83.2%*	82	21	*111*	61
Total warehouse/industrial	**267**	**1,653**	**11,421**	***6,908***	**1,231**	***744***	***90.2%***	**1 111**	**278**	***168***	**833**
Total	**588**	**3,498**	**34,688**	***9,916***	**3,549**	***1,015***	***88.6%***	**3 145**	**852**	***244***	**2,293**
Leasing and property administration									192	*54*	-192
Total after leasing and property administration									**1,044**	***298***	**2,101**
Development projects	18	123	1,346	–	88	–	–	45	24	–	21
Undeveloped land	29	–	294	–	–	–	–	–	–	–	–
Total	**635**	**3,621**	**36,328**	**–**	**3,637**	**–**	**–**	**3,190**	**1,068**	**–**	**2,122**

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 2,122 accounted for above and the net operating income of SEKm 2,031 in the income statement is explained by the deduction of the net operating income of SEKm 9 on properties sold during the year, as well as the adjustment of the net operating income of SEKm 100 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

	2012	2011
Rental value, SEK/sq.m.	1,015	995
Economic occupancy rate	88.6%	89.3%
Property costs, SEK/sq.m.	298	300
Net operating income, SEK/sq.m.	601	589
Property value, SEK/sq.m.	9,916	9,835
Number of properties	635	617
Lettable area, thousand sq.m.	3,621	3,411

Segment information

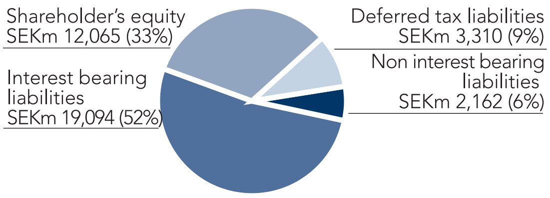
	Rental income		Income from property management	
SEKm	2012 Jan-Dec	2011 Jan-Dec	2012 Jan-Dec	2011 Jan-Dec
Greater Gothenburg	976	953	460	455
Öresund Region	621	567	255	236
Greater Stockholm	569	547	235	210
Mälardalen	526	487	192	168
Eastern Götaland	381	365	151	136
Total	**3,073**	**2,919**	**1,293**	**1,205**

The discrepancy between the income from property management of SEKm 1,293 (1,205) above and group income before tax of SEKm 1,076 (938) consists of unallocated income from property management of SEKm –38 (–32), changes in property value of SEKm –69 (194) and changes in values of interest rate derivatives of SEKm –110 (–429).

Financing

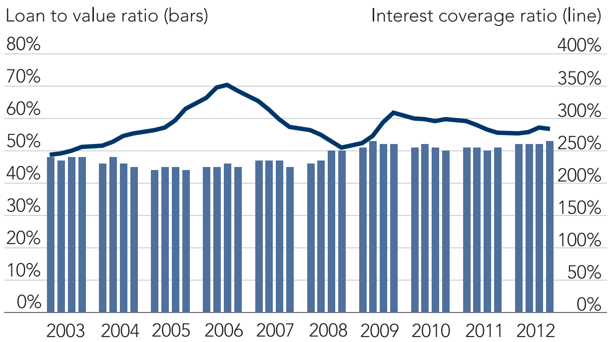
Castellum's assets had a value of SEKm 36,631 (34,171) on December 31, 2012 and these are financed as follows.

Financing 31-12-2012



Castellum shall have a low financial risk, meaning a loan to value ratio not permanently exceeding 55% and an interest coverage ratio of at least 200%

Loan to value ratio and interest coverage ratio



Loan maturity structure

At the end of the year Castellum had binding credit agreements totalling SEKm 23,361 (22,029) of which SEKm 20,262 (19,374) were long term binding and SEKm 3,099 (2,655) short term binding.

During the year, Castellum has signed new agreements of SEKm 1,000, renegotiated agreements of SEKm 5,000 and terminated an unutilized credit facility of SEKm 500. During 2012 Castellum also established a MTN-program with a limit of SEKm 5,000 where bonds of SEKm 1,200 were issued.

After deduction of liquid assets of SEKm 44 (97), net interest bearing liabilities were SEKm 19,050 (17,063), of which SEKm 1,200 (0) were MTN and SEKm 1,872 (2,235) outstanding commercial papers.

Most of Castellum's loans are short-term revolving loans, utilized in long-term binding credit agreements in the largest nordic banks. This means great flexibility in the choice of interest rate base, interest rate period and tied up capital. The MTN-program is a complement to the existing bank funding and will broaden the funding base.

Long-term loan commitments in banks are secured by pledged mortgages in poperties and/or financial covenants. Outstanding commercial papers and the MTN-program are unsecured.

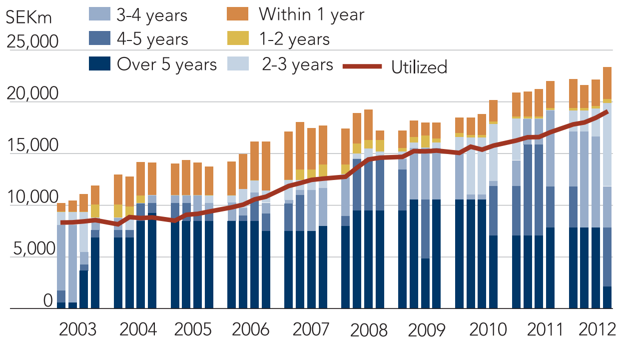
Net interest bearing liabilities amounted to SEKm 19,050 (17,063) of which SEKm 15,917 (14,797) were secured by the company's properties and SEKm 3,133 (2,266) unsecured. The proportion of used secured financing was thus 44% of the property value. The financial covenants state a loan-to-value ratio not exceeding 65% and an interest coverage ratio of at least 150%, which Castellum fulfils with comfortable margins, 53% and 284% respectively. The average duration of Castellum's long-term credit agreements was 4.1 years (5.1). Margins and fees on long-term credit agreements had an average duration of 2.8 years (3.5).

Credit maturity structure 31-12-2012

		Utilized in		
SEKm	Credit agreements	Bank	MTN/Cert	Total
0 - 1 year	3,099	– 34	1,872	1,838
1 - 2 years	407	7	–	7
2 - 3 years	8,007	4,857	1,200	6,057
3 - 4 years	4,007	3,907	–	3,907
4 - 5 years	5,707	5,107	–	5,107
> 5 years	2,134	2,134	–	2,134
Total	**23,361**	**15,978**	**3,072**	**19,050**

Unutilized credit in long term credit agreements	**1,212**

Credit agreement maturity structure



Interest rate maturity structure

The average effective interest rate as per December 31, 2012 was 3.6% (4.0%). The market interest rate for an equal portfolio, regarding both current market rate and credit margin, can be assessed to 4.2% (4.7%). In order to secure a stable and low net cash flow of interest net the interest rate maturity structure is distributed over time. The average fixed interest term on the same date was 2.8 years (2.7).

Castellum utilizes interest rate derivatives to achieve the desired interest rate maturity structure. Interest rate derivatives is a cost effective and flexible way of extending loans with short term interest rates to achieve the desired fixed interest term. 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.

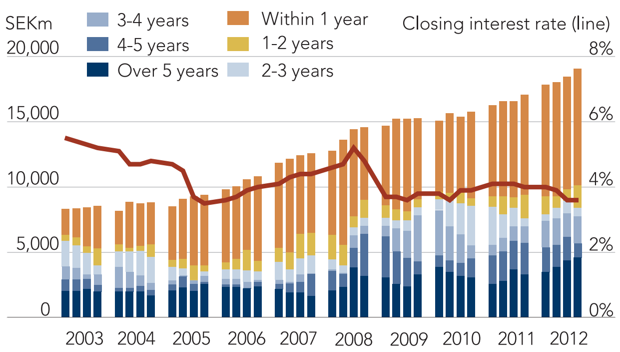
Interest rate maturity structure 31-12-2012

	Credit SEKm	Interest rate derivatives SEKm	Net, SEKm	Closing interest rate
0 - 1 year	17,925	– 9,000	8,925	3.6%
1 - 2 years	1,000	700	1,700	2.4%
2 - 3 years	125	550	675	4.2%
3 - 4 years	–	2,050	2,050	4.3%
4 - 5 years	–	1,100	1,100	3.5%
5 - 10 years	–	4,600	4,600	3.8%
Total	**19,050**	**–**	**19,050**	**3.6%**

Currency

Castellum own properties in Denmark with a value of SEKm 435 (254) in Denmark, which means that the Group is exposed to a currency risk. The currency risk is primarily related to when income statement and balance sheet in foreign exchange are translated into Swedish currency. In accordance with the financial policy, between 60-100% of investments in foreign subsidiaries are to be financed in local currency.

Interest rate maturity structure



Interest rate and currency derivatives

According to the accounting standard IAS 39, derivatives are subject to market valuation. Castellum utilizes interest rate derivatives 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 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 derivatives in order to hedge currency fluctuation in its investment in Denmark. As for currency derivatives, a theoretical surplus / sub value occurs if the agreed exchange rate deviates from the current exchange rate, where the effective part of value changes is accounted for in other total income. At maturity, the market value of the derivative is dissolved and the change in value over time thus has not affected shareholder's equity.

As of December 31, 2012, the market value of the interest rate and the currency derivative portfolio amounted to SEKm –1,105 (–1,003).

Castellum's financial policy and committments in credit agreements

	Policy	Committment	Outcome
Loan to value ratio	Not in the long run exceeding 55%	No more than 65%	53%
Interest coverage ratio	At least 200%	At least 150%	284%
Interest rate risk			
– average fixed interest term	0.5-3 years	–	2.8 years
– proportion maturing within 6 months	No more than 50%	–	33%
Currency risk			
– investment	60%-100% funded in local currency	–	82%
– 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 fulfill payments due	–	SEKm 1,212 unutilized credit agreements

Consolidated statement of Comprehensive Income

SEKm	2012 Oct-Dec	2011 Oct-Dec	2012 Jan-Dec	2011 Jan-Dec
Rental income	788	738	3,073	2,919
Operating expenses	– 147	– 137	– 544	– 553
Maintenance	– 40	– 38	– 130	– 115
Ground rent	– 6	– 6	– 24	– 24
Real estate tax	– 38	– 40	– 152	– 148
Leasing and property administration	– 58	– 44	– 192	– 163
Net operating income	**499**	**473**	**2,031**	**1,916**
Central administrative expenses	– 27	– 20	– 93	– 83
Net interest rates	– 170	– 169	– 683	– 660
Income from property management	**302**	**284**	**1,255**	**1,173**
Changes in value				
Properties	– 125	– 242	– 69	194
Derivatives	– 27	– 64	– 110	– 429
Income before tax	**150**	**– 22**	**1,076**	**938**
Current tax	2	– 4	– 7	– 10
Deferred tax	607	18	404	– 217
Net income for the period/year	**759**	**– 8**	**1,473**	**711**
Other total net income				
Translation difference of currencies	8	0	– 12	0
Change in value derivatives, currency risk hedge	– 6	0	8	0
Total net income for the period/year	**761**	**– 8**	**1,469**	**711**

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

Data per Share

	2012 Oct-Dec	2011 Oct-Dec	2012 Jan-Dec	2011 Jan-Dec
Average number of shares, thousand	*164,000*	*164,000*	*164,000*	*164,000*
Income from property management, SEK	1.84	1.73	7.65	7.15
Income from property management after tax (EPRA EPS*), SEK	1.88	1.90	7.27	7.01
Earnings after tax, SEK	4.63	– 0.05	8.98	4.34
Outstanding number of shares, thousand	*164,000*	*164,000*	*164,000*	*164,000*
Property value, SEK	222	207	222	207
Long term net asset value (EPRA NAV*), SEK	100	97	100	97
Actual net asset value (EPRA NNNAV*), SEK	90	87	90	87

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

Financial Key Ratios

	2012 Oct-Dec	2011 Oct-Dec	2012 Jan-Dec	2011 Jan-Dec
Net operating income margin	63%	64%	66%	66%
Interest coverage ratio	278%	268%	284%	278%
Return on actual net asset value	7.0%	– 0.8%	7.9%	6.4%
Return on total capital	3.8%	2.5%	5.3%	6.2%
Net investments, SEKm	1,009	842	2,545	1 908
Loan to value ratio	53%	51%	53%	51%

**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 that is key ratios EPRA EPS (Earnings Per Share), EPRA NAV (Net Asset Value) and EPRA NNNAV (Triple Net Asset Value).*

Consolidated Balance Sheet

SEKm	31 Dec 2012	31 Dec 2011
Assets		
Investment properties	36,328	33,867
Other fixed assets	27	15
Current receivables	232	192
Cash and bank	44	97
Total assets	**36,631**	**34,171**
Shareholders' equity and liabilities		
Shareholders' equity	12,065	11,203
Deferred tax liability	3,310	3,714
Derivatives	1,105	1,003
Long term interest-bearing liabilities	19,094	17,160
Non interest-bearing liabilities	1,057	1,091
Total shareholders' equity and liabilities	**36,631**	**34,171**
Pledged assets (property mortgages)	18,764	18,986
Contingent liabilities	–	–

Changes in Equity

SEKm	Number of outstanding shares, thousand	Share capital	Other capital contribution	Currency transl. reserve	Currency hedge reserve	Retained earnings	Total equity
Shareholders' equity 31-12-2010	*164,000*	**86**	**4,096**	**–**	**–**	**6,900**	**11,082**
Dividend, March 2011	–	–	–	–	–	– 590	– 590
Net income January-December 2011	–	–	–	–	–	711	711
Other total net income 2011	–	–	–	0	0	–	0
Shareholders' equity 31-12-2011	*164,000*	**86**	**4,096**	**0**	**0**	**7,021**	**11,203**
Dividend, March 2012	–	–	–	–	–	– 607	– 607
Net income January-December 2012	–	–	–	–	–	1,473	1,473
Other total net income 2012	–	–	–	– 12	8	–	– 4
Shareholders' equity 31-12-2012	*164,000*	**86**	**4,096**	**– 12**	**8**	**7,887**	**12,065**

Cash Flow Statement

SEKm	2012 Oct-Dec	2011 Oct-Dec	2012 Jan-Dec	2011 Jan-Dec
Net operating income	499	473	2 031	1 916
Central administrative expenses	– 27	– 20	– 93	– 83
Reversed depreciations	3	2	9	6
Net interest rates paid	– 174	– 185	– 700	– 651
Tax paid	7	– 4	– 1	– 14
Translation difference of currencies	– 3	0	3	0
Cash flow from operating activities before change in working capital	**305**	**266**	**1,249**	**1,174**
Change in current receivables	2	– 13	– 32	– 51
Change in current liabilities	164	65	33	184
Cash flow from operating activities	**471**	**318**	**1,250**	**1,307**
Investments in new constructions, refurbishments and extensions	– 393	– 383	– 1,279	– 1,158
Property acquisitions	– 616	– 463	– 1,519	– 857
Change in liabilities at acquisitions of property	– 82	53	– 56	– 95
Property sales	–	4	253	102
Change in receivables at sales of property	34	0	– 8	3
Other investments	– 3	1	– 18	– 6
Cash flow from investment activities	**– 1,060**	**– 788**	**– 2,627**	**– 2,011**
Change in long term liabilities	622	421	1 934	1 379
Change long term receivables	– 3	–	– 3	–
Dividend paid	–	–	– 607	– 590
Cash flow from investment activities	**619**	**421**	**1,324**	**789**
Cash flow for the period/year	**30**	**– 49**	**– 53**	**85**
Cash and bank, opening balance	14	146	97	12
Cash and bank closing balance	**44**	**97**	**44**	**97**

Quarterly Summary

	Jan-March 2012	Apr-June 2012	July-Sept 2012	Oct-Dec 2012	2012	Jan-March 2011	Apr-June 2011	July-Sept 2011	Oct-Dec 2011	2011
Income Statement, SEKm										
Rental income	753	768	764	788	3,073	717	730	734	738	2,919
Property costs	284	– 200	– 229	– 289	– 1,042	– 288	– 238	– 212	– 265	– 1,003
Net operating income	469	528	535	499	2,031	429	492	522	473	1,916
Central administrative expenses	– 23	– 24	– 19	– 27	– 93	– 20	– 25	– 18	– 20	– 83
Net interest rates	– 173	– 171	– 169	– 170	– 683	– 159	– 162	– 170	– 169	– 660
Income from property management	**273**	**333**	**347**	**302**	**1,255**	**250**	**305**	**334**	**284**	**1,173**
Changes in value. properties	10	18	28	– 125	– 69	97	291	48	– 242	194
Changes in value. derivatives	206	– 97	– 192	– 27	– 110	171	– 104	– 432	– 64	– 429
Current tax	– 2	– 4	– 3	2	– 7	– 1	– 1	– 4	– 4	– 10
Deferred tax	– 125	– 32	– 46	607	404	– 123	– 128	16	18	– 217
Net income for the period/year	**362**	**218**	**134**	**759**	**1,473**	**394**	**363**	**– 38**	**– 8**	**711**
Other total net income	0	0	– 6	2	– 4	0	0	0	0	0
Total net income for the period/year	**362**	**218**	**128**	**761**	**1,469**	**394**	**363**	**– 38**	**– 8**	**711**
Balance Sheet, SEKm										
Investment properties	34,200	34,632	35,433	36,328	36,328	32,284	32,896	33,273	33,867	33,867
Other fixed assets	176	264	292	259	259	192	181	192	207	207
Cash and bank	22	59	14	44	44	113	104	146	97	97
Total assets	**34,398**	**34,955**	**35,739**	**36,631**	**36,631**	**32,589**	**33,181**	**33,611**	**34,171**	**34,171**
Shareholders' equity	10,958	11,176	11,304	12,065	12,065	10,886	11,249	11,211	11,203	11,203
Deferred tax liability	3,839	3,871	3,917	3,310	3,310	3,620	3,747	3,731	3,714	3,714
Derivatives	796	894	1,072	1,105	1,105	403	508	941	1,003	1,003
Long term interest-bearing liabilities	17,839	18,066	18,472	19,094	19,094	16,370	16,677	16,739	17,160	17,160
Non-interest-bearing liabilities	966	948	974	1,057	1,057	1,310	1,000	989	1,091	1,091
Total shareholders' equity and liabilities	**34,398**	**34,955**	**35,739**	**36,631**	**36,631**	**32,589**	**33,181**	**33,611**	**34,171**	**34,171**
Financial key ratios										
Net operating income margin	62%	69%	70%	63%	66%	60%	67%	71%	64%	66%
Interest rate, avarage	4.1%	3.9%	3.9%	3.7%	3.9%	4.0%	4.0%	4.2%	4.1%	4.1%
Interest coverage ratio	258%	295%	305%	278%	284%	257%	288%	296%	268%	278%
Return on actual net asset value	13.3%	6.0%	4.8%	7.0%	7.9%	14.3%	13.5%	– 1.4%	– 0.8%	6.4%
Return on total capital	5.3%	6.0%	6.2%	3.8%	5.3%	6.3%	9.3%	6.6%	2.5%	6.2%
Investments in properties, SEKm	331	615	843	1,009	2,798	522	319	328	846	2,015
Sales, SEKm	8	203	42	–	253	103	–	–	4	107
Loan to value ratio	52%	52%	52%	52%	53%	51%	51%	50%	51%	51%
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	1.66	2.03	2.12	1.84	7.65	1.52	1.86	2.04	1.73	7.15
Income prop mgmt after tax (EPRA EPS), SEK	1.59	1.87	1.93	1.88	7.27	1.47	1.76	1.88	1.90	7.01
Earnings after tax, SEK	2.21	1.33	0.82	4.63	8.98	2.40	2.21	– 0.23	– 0.05	4.34
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	209	211	216	222	222	197	201	203	207	207
Long term net asset value (EPRA NAV), SEK	95	97	99	100	100	91	95	97	97	97
Actual net asset value (EPRA NNNAV), SEK	86	87	88	90	90	84	87	87	87	87
Dividend, SEK (2012 proposed)					3.95					3.70
Dividend ratio*					52%					52%
Property related key ratios										
Rental value, SEK/sq,m,	1,011	1,015	1,020	1,032	1,015	991	993	989	1,002	995
Economic occupancy rate	88.5%	89.4%	88.2%	88.8%	88,6%	88.7%	89.4%	90.0%	89.0%	89.3%
Property costs, SEK/sq,m,	335	281	267	325	298	352	287	255	313	300
Property value, SEK/sq,m,	9,903	9,971	9,927	9,916	9,916	9,621	9,778	9,845	9,835	9,835

Multi Year Summary

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Income Statement, SEKm										
Rental income	3,073	2,919	2,759	2,694	2,501	2,259	2,014	1,907	1,856	1,758
Property costs	– 1,042	– 1,003	– 960	– 942	– 831	– 771	– 700	– 637	– 628	– 595
Net operating income	2,031	1,916	1,799	1,752	1,670	1,488	1,314	1,270	1,228	1,163
Central administrative expenses	– 93	– 83	– 84	– 81	– 71	– 69	– 67	– 68	– 69	– 67
Net interest rates	– 683	– 660	– 574	– 541	– 626	– 495	– 364	– 382	– 418	– 428
Income from property management	**1,255**	**1,173**	**1,141**	**1,130**	**973**	**924**	**883**	**820**	**741**	**668**
Changes in value, properties	– 69	194	1,222	– 1,027	– 1,262	920	1,145	932	660	– 43
Changes in value, derivatives	– 110	– 429	291	102	– 1,010	99	178	– 40	– 146	– 13
Current tax	– 7	– 10	– 5	– 10	–14	– 22	– 10	–1	– 5	– 1
Deferred tax	404	– 217	– 685	– 35	650	– 434	– 522	– 417	– 334	– 171
Net income for the year	**1,473**	**711**	**1,964**	**160**	**– 663**	**1,487**	**1,674**	**1,294**	**916**	**440**
Other total net income	– 4	0	–	–	–	–	–	–	–	–
Total net income for the year	**1,469**	**711**	**1,964**	**160**	**– 663**	**1,487**	**1,674**	**1,294**	**916**	**440**
Balance Sheet, SEKm										
Investment properties	36,328	33,867	31,768	29,267	29,165	27,717	24,238	21,270	19,449	18,015
Other fixed assets	259	207	156	201	230	123	200	103	94	167
Cash and bank	44	97	12	8	9	7	8	5	7	33
Total assets	**36,631**	**34,171**	**31,936**	**29,476**	**29,404**	**27,847**	**24,446**	**21,378**	**19,550**	**18,215**
Shareholders' equity	12,065	11,203	11,082	9,692	10,049	11,204	10,184	8,940	8,035	7,467
Deferred tax liability	3,310	3,714	3,502	2,824	2,785	3,322	2,723	2,126	1,659	1,294
Derivatives	1,105	1,003	574	865	966	– 44	55	233	391	245
Long term interest-bearing liabilities	19,094	17,160	15,781	15,294	14,607	12,582	10,837	9,396	8,834	8,598
Non-interest-bearing liabilities	1,057	1,091	997	801	997	783	647	683	631	611
Total shareholders' equity and liabilities	**36,631**	**34,171**	**31,936**	**29,476**	**29,404**	**27,847**	**24,446**	**21,378**	**19,550**	**18,215**
Financial key ratios										
Net operating income margin	66%	66%	65%	65%	67%	66%	65%	67%	66%	66%
Interest rate, average	3.9%	4.1%	3.7%	3.7%	4.7%	4.2%	3.7%	4.3%	4.9%	5.4%
Interest coverage ratio	284%	278%	299%	309%	255%	287%	343%	315%	277%	256%
Return on actual net asset value	7.9%	6.4%	21.5%	1.6%	– 8.3%	16.2%	20.7%	18.2%	14.6%	7.2%
Return on total capital	5.3%	6.2%	9.8%	2.1%	1.2%	9.1%	10.4%	10.4%	9.6%	5.9%
Net investments in properties, SEKm	2,798	2,015	1,506	1,165	2,738	2,598	2,283	1,357	1,268	1,108
Sales, SEKm	253	107	227	36	28	39	460	468	494	397
Loan to value ratio	53%	51%	50%	52%	50%	45%	45%	45%	45%	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	164,000	164,000
Income from property management, SEK	7.65	7.15	6.96	6.89	5.93	5.63	5.38	5.00	4.52	4.07
Income prop mgmt after tax (EPRA EPS), SEK	7.27	7.01	6.62	6.93	5.85	5.50	5.09	4.49	4.15	3.82
Earnings after tax, SEK	8.98	4.34	11.98	0.98	– 4.04	9.07	10.21	7.89	5.59	2.68
Number of outstanding 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	222	207	194	178	178	169	148	130	119	110
Long term net asset value (EPRA NAV), SEK	100	97	92	82	84	88	79	69	61	55
Actual net asset value (EPRA NNNAV), SEK	90	87	85	73	75	85	76	65	57	52
Dividend, SEK (2012 proposed)	3.95	3,70	3,60	3.50	3.15	3.00	2.85	2.62	2.38	2.13
Dividend ratio*	52%	52%	52%	51%	53%	53%	53%	52%	53%	52%
Property related key ratios										
Rental value, SEK/sq,m,	1,015	995	974	969	921	896	864	851	859	829
Economic occupancy rate	88.6%	89.3%	89.0%	89.8%	89.7%	87.9%	87.1%	88.1%	89.6%	90.7%
Property costs, SEK/sq,m,	298	300	298	300	268	262	259	247	255	246
Property value, SEK/sq,m,	9,916	9,835	9,499	9,036	8,984	9,098	8,466	7,930	7,706	7,296

Opportunities and Risks for Group and Parent Company

Opportunities and risks in the cash flow

Over time, increasing market interest rates normally constitute an effect of economic growth and increasing inflation, which is expected to result in higher rental income. This is partly due to the fact that the demand for premises is thought to increase. This leads, in turn, to reduced vacancies and hence to the potential for increasing market rents. It is also partly due to the fact that the index clause in commercial contracts compensates for increased inflation.

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

Sensitivity analysis - cash flow

Effect on income next 12 months

	Effect on income, SEKm	Probable scenario	
	+/– 1% (units)	Boom	Recession
Rental level / Index	+ 32/– 32	+	–
Vacancies	+ 36/– 36	+	–
Property costs	– 11/+ 11	–	0
Interest costs	– 53/+ 48	–	+

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. Property values are determined by supply and demand, where prices mainly depend on the properties' expected net operating incomes and the buyers' required yield. An increasing demand results in lower required yields and hence an upwarded adjustment in prices, while a weaker demand has the opposite effect. In the same way, a positive development in net operating income results in an upward adjustment in prices, while a negative development has the opposite effect.

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

Sensitivity analysis - change in value

Properties	–20%	–10%	0	+10%	+20%
Changes in value, SEKm	– 7,266	– 3,633	0	3,633	7,266
Loan to value ratio	66%	58%	53%	48%	44%

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 a 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, as well as the credit market, such as funding and financial risk management.

The parent company takes part in property-related operations through involvement in subsidiary Boards.

INCOME STATEMENT, SEKm	2012 Oct-Dec	2011 Oct-Dec	2012 Jan-Dec	2011 Jan-Dec
Income	4	8	15	19
Operating expenses	– 21	– 17	– 68	– 61
Net financial items	1	1	15	10
Dividend / Group contributions	645	772	645	772
Changes in value, interest rate derivatives	– 27	– 64	– 110	– 429
Income before tax	**602**	**700**	**497**	**311**
Tax	– 76	– 24	– 49	78
Net income for the period	**526**	**676**	**448**	**389**
Comprehensive income for the parent company				
Net income for the period	526	676	448	389
Other total net income				
Translation diff. foreign operations	6	– 2	– 10	0
Unrealized change, currency hedge	– 6	2	8	0
Total net income for the period	**526**	**676**	**446**	**389**

BALANCE SHEET, SEKm	31 Dec 2012	31 Dec 2011
Participations in group companies	5,338	5,338
Receivables, group companies	18,628	18,204
Other assets	234	280
Cash and bank	27	0
Total	**24,227**	**23,822**
Shareholders' equity	4,696	4,857
Derivatives	1,105	1,003
Interest bearing liabilities	16,924	15,909
Interest bearing liabilities, group companies	1,361	1,899
Other liabilities	141	154
Total	**24,227**	**23,822**
Pledged assets (receivables group companies)	15,090	16,103
Contingent liabilities (guaranteed commitments for subsidiaries)	2,170	1,174

Accounting Principles

Castellum follows the EU-adopted IFRS standards and interpretations (IFRIC). This interim report has been prepared according to IAS 34 Interim Financial Reporting and Annual Accounts Act. Castellum has changed its accounting principles for properties sold through companies and the transaction is now net accounted regarding underlying property price and calculated deduction for deferred tax. The change from previous gross accounting principles have no impact on income, but is only an offset between changes in value and deferred tax. Previous years have not been restated as the amounts are immaterial. Accounting principles and methods for calculations have otherwise remained unchanged compared with the Annual Report of the previous year.

CEO change

Håkan Hellström, who has worked in the company since 1994 and as CEO since 2006, announced October 16, 2012, that he will leave his position and retire at the next AGM March 21, 2013.

The Board has appointed Henrik Saxborn as new CEO. Henrik Saxborn has been deputy CEO in Castellum since 2006.

Annual General Meeting

For the AGM on March 21, 2013 the Board of Directors proposes:

– a dividend of SEK 3,95 per share and March 26, 2013 as record day. The proposal is an increase of 7% compared to previous year,
– guidelines for remuneration to members of the executive management,
– a renewed incentive program to the executive management,
– a renewed mandate for the Board to decide on purchase or transfer of the company's own shares.

The election committee, which consists of Rutger van der Lubbe representing Stichting Pensioenfonds ABP, Maj-Charlotte Wallin representing AFA Försäkring, Johan Strandberg representing SEB Fonder and Castellum's Chairman of the board Charlotte Strömberg, proposes for the AGM;

– re-election of the present board members Mrs. Charlotte Strömberg, Mr. Per Berggren, Mrs. Marianne Dicander Alexandersson, Mrs. Ulla-Britt Fräjdin-Hellqvist, Mr. Christer Jacobson, Mr. Jan Åke Jonsson and Mr. Johan Skoglund, as members of the board of directors. Mrs. Charlotte Strömberg is proposed to be re-elected as chairman of the board of directors.
– that remuneration to the Board of Directors should be SEK 2,025,000 out of which SEK 525,000 should be allocated to the Chairman of the Board and SEK 250,000 to each one of the remaining members of the Board of Directors (incl remuneration for work in the audit committee). Remuneration for the remuneration comittee´s three members is proposed to SEK 30,000 to each member. The proposal entails a total remuneration of SEK 2,115,000.
– for AGM to decide on appointing an election committee for the AGM 2014 and for the Chairman to contact the three largest registered or in an other way known shareholders at the end of the last day of share trade in August 2013 and invite them each to 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 appoints a chairman amongst its members. The names of the members of the election committee shall be made public no later than six months before the next annual general meeting 2014.

Gothenburg 22 January 2013

Håkan Hellström
Chief Executive Officer

Board of Directors

Charlotte Strömberg
Chairman of the Board

Per Berggren
Board member

Marianne Dicander Alexandersson
Board member

Ulla-Britt Fräjdin-Hellqvist
Board member

Christer Jacobson
Board member

Jan Åke Jonsson
Board member

Johan Skoglund
Board member

Johan Ljungberg
Secretary to the Board

Executive Group Management

Håkan Hellström
Chief Executive Officer

Henrik Saxborn
Deputy Chief Executive Officer

Anette Asklin
Financial Director

Tage Christoffersson
MD Eklandia Fastighets AB

Ulrika Danielsson
Finance 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 Östenson
MD Fastighets AB Briggen

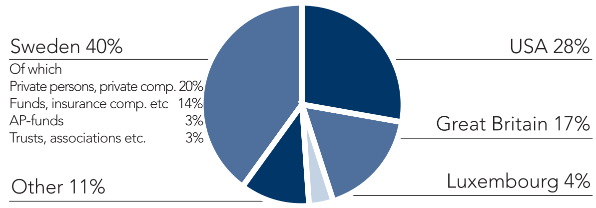
The Castellum Share

The Castellum share is listed on NASDAQ OMX Stockholm AB Large Cap. At the end of the year the company had about 9,900 shareholders. Shareholders registered abroad cannot be broken down in terms of directly held and nominee registered shares except for two foreign shareholders who has flagged for holding over 5%, Stichting Pensioenfonds ABP and European Invests Holding Company, Inc. Castellum has no direct registered shareholders with holdings exceeding 10%. The ten single largest Swedish shareholders can be seen in the table below.

Shareholders on 31-12-2012	Number of shares thousand	Percentage of voting rights and capital
László Szombatfalvy	5,000	3.0%
Magdalena Szombatfalvy	4,935	3.0%
AFA Sjukförsäkrings AB	3,831	2.3%
Lannebo Småbolag	2,104	1.3%
Fjärde AP-fonden	2,051	1.3%
Länsförsäkringar Fastighetsfond	1,822	1.1%
Caceis Bank France	1,784	1.1%
KAS Depositary Trust Company	1,639	1.0%
Tredje AP-fonden	1,600	1.0%
Andra AP-fonden	1,491	0.9%
Board and executive management Castellum	416	0.3%
Other shareholders registered in Sweden	38,310	23.3%
Shareholders registered abroad	99,017	60.4%
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 31-12-2012



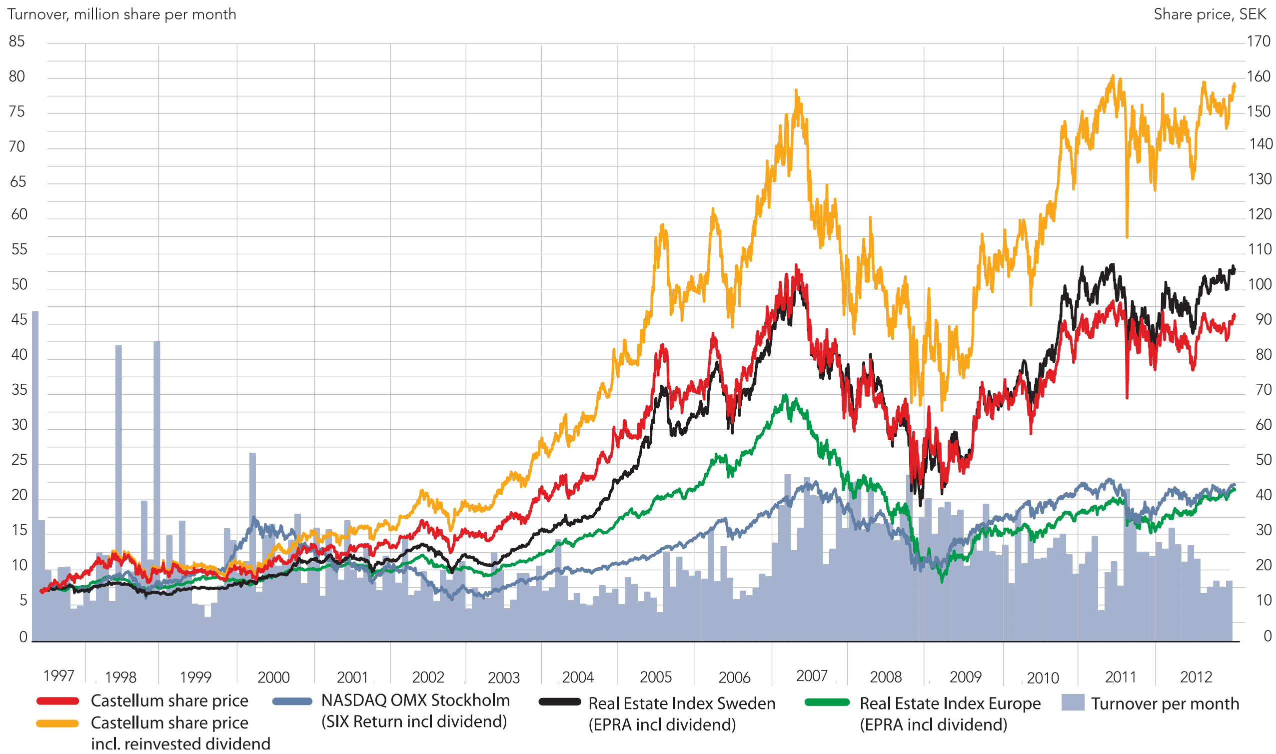
The Castellum share price as at 31 December, 2012 was SEK 92.30 (85.30) equivalent to a market capitalization of SEK 15.1 billion (14.0), calculated on the number of outstanding shares.

During the year a total of 129 million (150) shares were traded, equivalent to an average of 517,000 shares (595,000) per day, corresponding on an annual basis to a turnover rate of 79% (92%). The share turnover is based on statistics from NASDAQ OMX, Chi-X, Burgundy, Turquoise and BATS Europe.

Growth, yield and financial risk

During the last 12-month period the total yield of the Castellum share has been 13% (–3%), including dividend of SEK 3.70.

The Castellum share's price trend and turnover since IPO may 23, 1997 until December 31, 2012



	2012	3 years average/ year	10 years average/ year
Growth			
Rental income SEK/share	5%	4%	6%
Income from prop. management SEK/share	7%	4%	7%
Net income for the year after tax SEK/share	107%	110%	8%
Dividend SEK/share	7%	4%	8%
Long term net asset value SEK/share	3%	7%	7%
Actual net asset value SEK/share	3%	7%	6%
Real estate portfolio SEK/share	7%	8%	8%
Change in property value	0%	1%	1%
Yield			
Return on actual long term net asset value	7.5%	11.3%	11.2%
Return on actual net asset value	7.9%	12.1%	10.8%
Return on total capital	5.3%	6.9%	7.2%
Total yield of the share (incl. dividend)			
Castellum	13%	13%	16%
NASDAQ OMX Stockholm (SIX Return)	16%	8%	13%
Real Estate Index Sweden (EPRA)	16%	15%	16%
Real Estate Index Europe (EPRA)	29%	12%	8%
Financial risk			
Interest coverage ratio	284%	287%	291%
Loan to value ratio	53%	51%	48%
Unutilized long term credit agreements	1,212	1,707	1,527

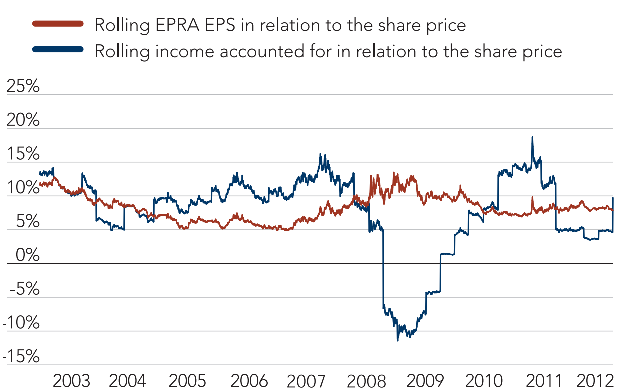
Valuation - share price related key figures

Earnings

Post-tax inome from property management relating to income from property management (EPRA EPS) amounted to SEK 7.27 (7.01) at the year-end. This results in a share price yield of 7.9% (8.2%).

Net income after tax amounted to SEK 8.98 per share (4.34), which from the share price gives a yield of 9.7% (5.1%).

Yield earnings per share



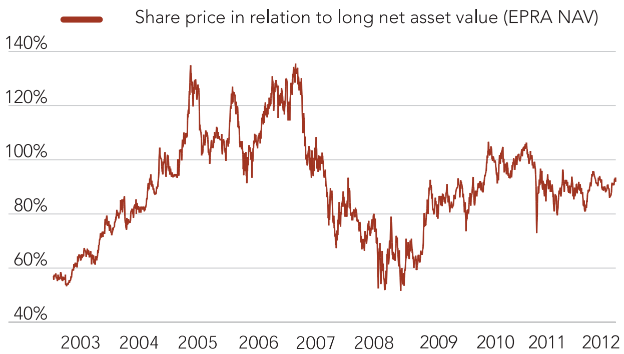
Net asset value

The long term net asset value (EPRA NAV) can be calculated to SEK 100 per share (97). The share price at the end of the year was thus 92% (88%) of the long term net asset value.

Net asset value 31-12-2012	SEKm	SEK/share
Equity according to the balance sheet	12,065	74
Reversed		
Derivatives according to balance sheet	1,105	6
Deferred tax according to balance sheet	3,310	20
Long term net asset value (EPRA NAV)	**16,480**	**100**
Deduction		
Derivatives as above	– 1,105	– 6
Estimated real liability, deferred tax 4,3%*	– 686	– 4
Actual net asset value (EPRA NNNAV)	**14,689**	**90**

* Estimated real deferred tax liability net has been calculated to 4.3% based on a discount rate of 3%. Further, assessments have been made that tax loss carry forwards are realized in 5 years with a nominal tax of 22%, giving a present value of deferred tax liability of 20.2%, and that the properties are realized in 50 years where 33% are sold directly with a nominal tax of 22% and that 67% are sold indirect through company disposals where the buyers tax discount is 6%, which gives a present value of deferred tax liability of 5.8%.

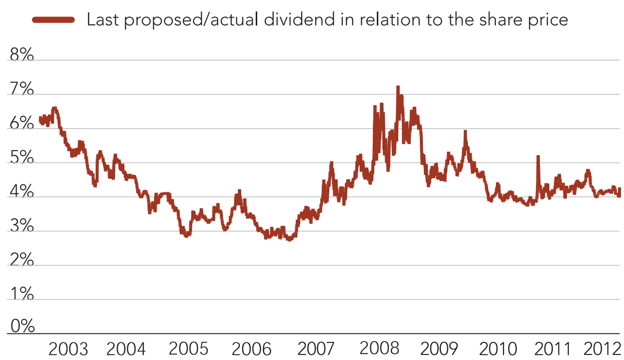
Share price/net asset value



Dividend Yield

The proposed dividend of SEK 3.95 (3.70) corresponds to a yield of 4.3% (4.3%) based on the share price at the end of the year.

The share's dividend yield



Calendar

Annual Report 2012	mid-February 2013
Annual General Meeting	21 March, 2013
Interim Report January-March 2013	17 April, 2013, around 2 pm
Half-year Report January-June 2013	16 July, 2013
Interim Report January-September 2013	16 October, 2013
Year-end Report 2013	22 January, 2014
Annual General Meeting	20 March, 2014

The Board of Directors in Castellum proposes a dividend to the shareholders of SEK 3.95 per share.

Record date for AGM	15 March 2013
Annual General Meeting	21 March, 2013
Ex-dividend date	22 March 2013
Record date for dividend	26 March 2013
Dividend payment	2 April 2013

www.castellum.se

On Castellum's website it is possible to download as well as subscribe to Castellum's Pressreleases and Interim Reports. For further information please contact Håkan Hellström, CEO, tel +46 705 60 74 56 or Ulrika Danielsson, Finance Director, tel +46 706 47 12 61.

Invitation to Annual General Meeting 2012

The Annual General Meeting of shareholders will be held on Thursday 21 March 2013, at 5 pm at 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 Euroclear Sweden AB by Friday 15 March 2013 and must also have notified their attendance to the company no later than 4 pm on Friday 15 March 2013.

Summons to the annual general meeting will be around 18 February 2013 and the summons will be available at www.castellum.se. Also Castellum's annual report and other documents which will be presented at the Annual General Meeting will be available on the website by then. The summons will include the items to be addressed at the Annual General Meeting. Shareholders who wish to attend the Annual General Meeting 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 Euroclear Sweden AB no later than Friday 15 March 2013. Shareholders must, in good time before this date, instruct their nominees to effect such registration.

A shareholder have the right to have a matter addressed at the coming Annual General Meeting. For practical reasons the request should be received by the company no later than 1 February, 2013. The request should be addressed to Castellum AB, Att: Håkan Hellström, Box 2269, 403 14 Göteborg.

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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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PRESS RELEASE No 2 - January 22, 2013

Castellum's Year-end Report 2012:

7% growth in income from property management and dividend

- **Rental income for 2012 amounted to SEKm 3,073 (SEKm 2,919 corresponding period previous year).**
- **Income from property management amounted to SEKm 1,255 (1,173), equivalent to SEK 7.65 (7.15) per share, a increase with 7%.**
- **The changes in value on properties amounted to SEKm –69 (194) and on interest rate derivatives to SEKm –110 (–429). Reduced corporate tax has resulted in a non-recurring income of SEKm 647 in addition to the usual tax.**
- **Net income after tax for the year amounted to SEKm 1,473 (711), equivalent to SEK 8.98 (4.34) per share.**
- **The net investments amounted to SEKm 2,545 (1,908) of which SEKm 1,279 (1,158) were new constructions, extensions and reconstructions.**
- **The Board proposes a dividend of SEK 3.95 (3.70) per share, corresponding to an increase of 7%.**
- **Deputy CEO Henrik Saxborn is appointed as new CEO after Håkan Hellström who leaves his position in connection with the Annual General Meeting March 21, 2013.**

Gross leasing (i.e. the annual value of total leasing) during the year was SEKm 327 (310), of which SEKm 79 (45) were leasing of new constructions, extensions and reconstructions. Notices of termination amounted to SEKm 278 (249), of which bankruptcies were SEKm 28 (18) and SEKm 40 (24) were notices of termination with more than 18 months remaining length of contract. Hence net leasing for the year was SEKm 49 (61) of which SEKm 6 (–8) relates to the fourth quarter isolated.

"It is pleasant to show 7% growth in both income from property management as well as dividend, especially since this is my last report as CEO of Castellum" comments CEO Håkan Hellström.

Enclosure: Year-end Report 2012

For further information, please contact
Håkan Hellström, CEO, phone +46 31 60 74 00 / mobile +46 705-60 74 56
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www.castellum.se

Castellum is one of the major listed real estate companies in Sweden. The fair value of the real estate portfolio amounts to approx. SEK 36 billion, and comprises premises for office, retail, warehouse and industrial purposes with a total lettable area of approx 3.6 million sq.m. The real estate portfolio is owned and managed by six wholly owned subsidiaries with strong local roots in five growth regions: Greater Gothenburg, the Öresund Region, Greater Stockholm, Mälardalen and Eastern Götaland.
Castellum is listed on NASDAQ OMX Stockholm AB Large Cap.