

CASTELLUM



Castellum has received an architectural award for the property Varla 3:22 in Kungsbacka

Interim Report January-March 2010

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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 30 billion, and comprises of commercial properties.

The real estate portfolio is owned and managed by six completely owned subsidiaries with strong local roots in five growth regions: Greater Gothenburg (incl. Borås, Halmstad and 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 the period January-March 2010 amounted to SEKm 674 (SEKm 669 corresponding period previous year).
- Income from property management amounted to SEKm 234 (262), equivalent to SEK 1.43 (1.60) per share, a decrease of 11%.
- Changes in value on properties amounted to SEKm 46 (–397) and on interest rate derivatives to SEKm –53 (– 109).
- Net income after tax for the period amounted to SEKm 173 (–177), equivalent to SEK 1.05 (– 1.08) per share.
- The investments amounted to SEKm 255 (298).

	2010 Jan-March	2009 Jan-March	2009	2008	2007	2006	2005	2004	2003	2002
Income from property management, SEK/share	1.43	1.60	6.89	5.93	5.63	5.38	5.00	4.52	4.07	3.77
<i>Change previous year</i>	–11%	+17%	+16%	+5%	+5%	+8%	+11%	+11%	+8%	+14%
Net income after tax, SEK/share	1.05	– 1.08	0.98	–4.04	9.07	10.21	7.89	5.59	2.68	4.00
<i>Change previous year</i>	pos.	neg.	pos.	neg.	–11%	+29%	+41%	+108%	–33%	–30%
Dividend, SEK/share			3.50	3.15	3.00	2.85	2.62	2.38	2.13	1.88
<i>Change previous year</i>			+11%	+5%	+5%	+9%	+11%	+12%	+13%	+15%
Properties fair value, SEKm	29,511	29,066	29,267	29,165	27,717	24,238	21,270	19,449	18,015	17,348
Investments, SEKm	255	298	1,165	2,738	2,598	2,283	1,357	1,268	1,108	1,050
Loan to value	51%	51%	52%	50%	45%	45%	45%	45%	48%	48%

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

Strategy for Funding

Capital structure

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

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

Dividend

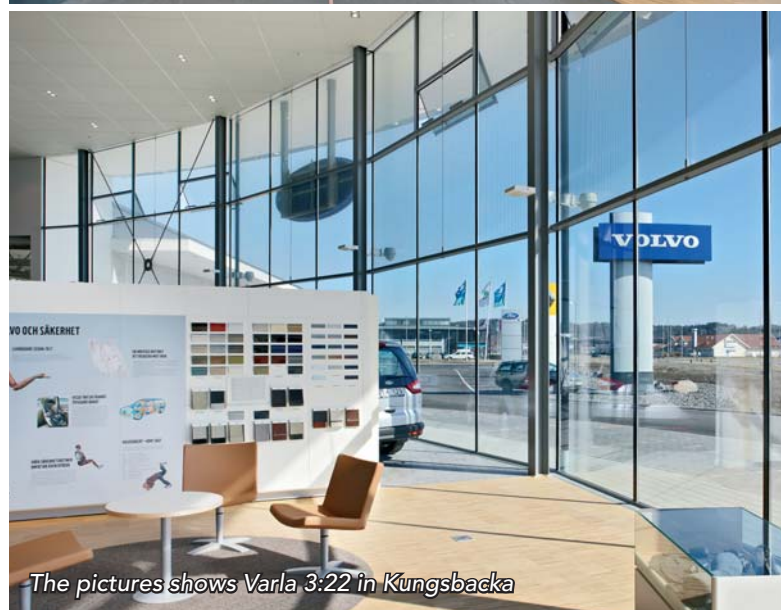
At least 60% of income from property management after full tax deduction will be distributed, however investment plans, consolidation needs, liquidity and financial position in general will be taken into account.

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.



The pictures shows Varla 3:22 in Kungsbacka

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 make 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.

The customers - a reflection of Swedish domestic economy

Castellum has approx. 4,400 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.

Satisfied customers

It is important that Castellum meets the customers' expectations. To follow up and evaluate efforts made, an external customer survey is carried out annually, Satisfied Customer Index.

The latest survey which was carried out 2009 and included warehouses, industry- and retail properties, continues to show consistently high marks for Castellum. A large portion of the surveyed customers replies willing to lease from Castellum again and gladly recommends Castellum as a landlord to others.

Commercial leases

Commercial leases are signed for a certain 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 connected to the inflation, and also additions for the tenant's share of the property's total costs for heating, cooling and property tax.

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 and the survey shows that the employees are pleased and have a great faith in the company and its management.

The group has approx. 230 employees.

Responsible business

Since 1995 Castellum has been working with sustainable issues such as developing the properties in those cities where the subsidiaries are present, a common set of values for actions towards employees, customers and vendors as well as active work on environmental issues.

The environmental work is focused on efficient energy consumption and improving the properties' environmental status. Two of Castellum's subsidiaries, Fastighets AB Brostaden and Harry Sjögren AB, have been assigned Green Building Corporate Partner by the EU, which can be seen as a receipt for long-term efficient work in decreasing the energy consumption. Eklandia Fastighets AB has during 2009 received the first BREEAM-certificate for Sweden in a new property in Gothenburg.



Örebro, Uppsala
and Västerås



Malmö, Lund and
Helsingborg



Greater Stockholm



Jönköping, Linköping,
Värnamo and Växjö



Central, Northern and Eastern
Gothenburg



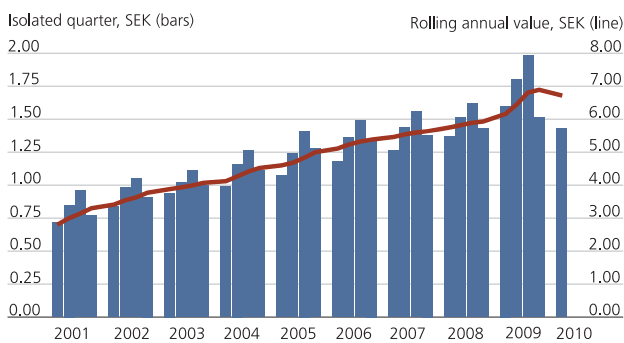
Southern Greater Gothenburg,
Borås, Halmstad and Alingsås

Income, Costs and Results

Comparisons, shown in brackets, are made with the corresponding period previous year except in parts describing assets and financing, where comparison are made with the end of previous year. For definitions see Castellum's website, www.castellum.se

Income from property management, i.e. net income excluding changes in value and tax, amounted to SEKm 234 (262), equivalent to SEK 1.43 (1.60) per share. The decrease is 11% and above all an effect of higher cost for snow removal and heating.

Income from Property Management per share

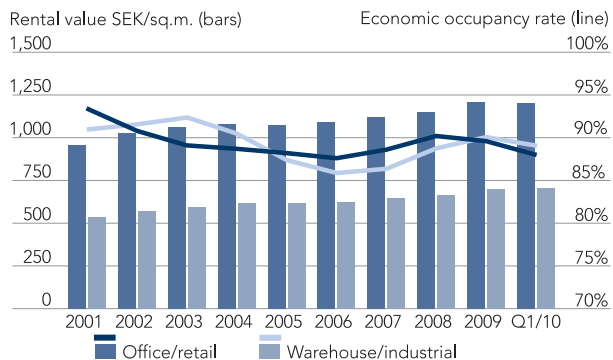


During the period, changes in value on properties amounted to SEKm 46 (-397) and on interest rate derivatives to SEKm -53 (-109). Net income for the period was SEKm 173 (-177), equivalent to SEK 1.05 (-1.08) per share.

Rental income

Group rental income amounted to SEKm 674 (669). For office and retail properties, the average contracted rental level, including charged heating, cooling and property tax, amounted to SEK 1,204 per sq.m., whereas it for warehouse and industrial properties amounted to SEK 706 per sq.m. Rental levels, which are considered to be in line with the market, have increased by approx. 0.2% in comparable portfolio compared with previous year.

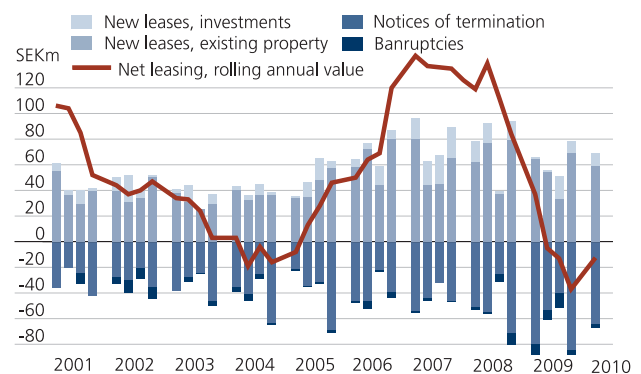
Rental value and occupancy rate



The average economic occupancy rate was 88.4%, which is 1.5% units lower than at the year-end. The total annual rental value for vacant premises during the period amounted to approx. SEKm 376 on annual basis.

The gross leasing (i.e. the annual value of total leasing) during the period was SEKm 69 (66), of which SEKm 10 (2) were leasing on new constructions, extensions and reconstructions. Notices of termination amounted to SEKm 67 (88), of which bankruptcies were SEKm 3 (8), hence net leasing for the year was SEKm 2 (-22). This quarter's net leasing includes a greater notice of termination of SEKm 15 with a possibility to move out in 21 months at the earliest. The time difference between reported net leasing and the effect in income thereof is estimated to between 9-18 months.

Net leasing



The demand for premises is still good in Castellum's markets. Although it is an early stage in an economic upswing, the tendency is that both notices of termination and bankruptcies among the customers have decreased. Rental levels are expected to remain stable.

Property costs

Property costs amounted to SEKm 280 (255) corresponding to SEK 352 per sq.m. (322). The increase is chiefly an effect of higher costs of approx. SEKm 25 for snow removal, but also higher heating costs due to a colder first quarter compared to last year. Energy consumption for heating during the period has been calculated to 117% (97%) of a normal year according to the degree day statistics.

Information on the general review of property tax assessment values for office and retail properties are expected to be obtained during the summer 2010. With an assumption of a 15% increase in the tax assessment values Castellum's net cost are expected to increase by SEKm 2 on an annual basis.



Motormannen 1, Örebro

Property costs, SEK/sq.m.

	Office/ Retail	Warehouse/ Industrial	Total
Operating expenses	269	187	230
Maintenance	43	19	32
Ground rent	4	3	3
Real estate tax	62	17	41
Direct property costs	378	226	306
Leasing and property administration (indirect)	–	–	46
Total	378	226	352
Previous year	344	187	322

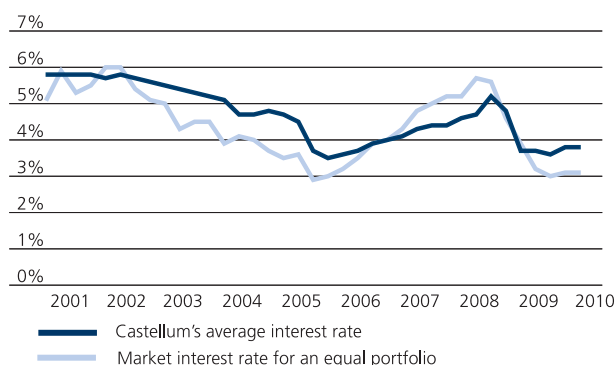
Central administrative expenses

Central administrative expenses were SEKm 17 (18). This includes costs for a profit and share price related incentive plan for 10 persons in executive management of SEKm 3 (3).

Net financial items

Net financial items were SEKm –143 (–134). The average interest rate level has increased 0.1% units to 3.8% (3.7%).

Interest rate levels



Changes in value

The transaction volume during the period with reference to larger sales was approx. SEK 16 billion which is a historically high level for a first quarter. Of the total volume, the share of commercial properties and international investors increased. The pricing of transactions carried out shows an increasingly stable market.

The total change in value of Castellum's portfolio during the period amounted to SEKm 46 (–397) of which SEKm 40 referring to profits in projects and changed future cash flow. No change in the required yield has been made during the first quarter.

The remaining SEKm 6 are due to result of properties sold where the sales price of SEKm 57 exceeded the valuation by the year-end with 12%.

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 sub value in the interest rate derivatives, where the non cash flow effecting changes in value are reported in the income statement. The value has changed, due to changes in long term market interest rates and the time factor, with SEKm –53 (–109) and the value was SEKm –918 (–865) at the end of the period.

Tax

The nominal corporate tax rate in Sweden is 26.3%. Due to the possibility to make depreciations for tax purposes, reconstructions deductible for tax purposes, and to use tax loss carry forwards there are in principle no paid tax costs. Paid tax occur because a few subsidiaries are not allowed to make fiscal group contributions.

Remaining tax loss carry forwards can be calculated to SEKm 1,931 (1,885), while the properties' fair value exceed their fiscal value by SEKm 12,864 (12,624). As deferred tax liability a full nominal 26.3% tax of the net difference is reported, SEKm 2,875 (2,824).

Tax Calculation 2010-03-31	Basis current tax	Basis deferred tax
SEKm		
Income from property management	234	
Deductions for tax purposes		
depreciations	– 148	148
reconstructions	– 55	55
reconstructions, adjustment previous years	– 23	23
Other tax allowances	8	– 9
Taxable income from property management	16	217
Properties sold	0	– 14
Changes in value on properties	–	40
Changes in value on interest rate derivatives	– 53	–
Taxable income before tax loss carry forwards	– 37	243
Tax loss carry forwards, opening balance	– 1,885	1,885
Tax loss carry forwards, closing balance	1,931	– 1,931
Taxable income	9	197
Of which 26.3% current/deferred tax	– 2	– 52

Accounting Principles

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



Brostaden has been awarded as the GreenBuilding Corporate Partner of the year in Europe which is a verification of the company's successful work with energy savings. The picture shows one of Brostaden's properties, Hammarby Smedby 1:454 in Upplands-Väsby.

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 approx. 75% of the portfolio is in the three major urban regions.

The commercial portfolio consists of 65% 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 830,000 sq.m. unutilized building rights. Castellum has ongoing projects with remaining investments of approx. SEKm 500.

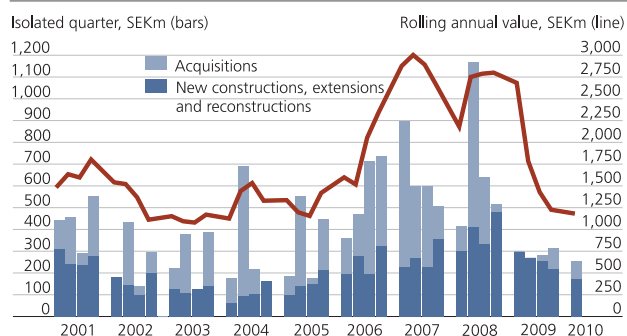
Investments

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, 2010	29,267	590
+ Acquisitions	83	1
+ New constructions, extensions and reconstructions	172	-
- Sales	- 51	- 4
+/- Unrealized changes in value	40	-
Real estate portfolio on 31 March, 2010	29,511	587

During the period investments totalling SEKm 255 (298) were made, of which SEKm 83 (0) were acquisitions and SEKm 172 (298) new constructions, extensions and reconstructions. Of the total investments SEKm 123 related to Greater Gothenburg, SEKm 55 to Mälardalen, SEKm 46 to Eastern Götaland, SEKm 19 to the Öresund Region and SEKm 12 to Greater Stockholm.

Investments



Property value

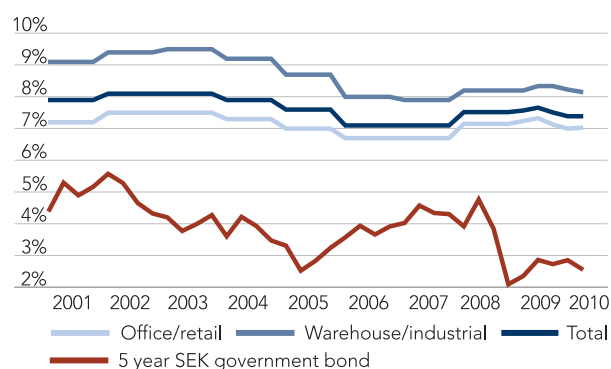
Internal valuations

Castellum assesses the value of the properties through internal valuations. These are based on a 10-year cash flow-based model with an individual valuation for each property of both its future earnings capacity and the required market yield. 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. In order to ensure and validate the quality of the internal valuations, an external valuation representing over 50% of the portfolio is made every year-end. The difference between the internal and external values has historically been insignificant.

Based on these internal valuations the value of the properties was assessed to SEKm 29,511 (29,267), corresponding to almost SEK 9,000 per sq.m.

Average valuation yield (excl. project/land and building rights)	
	SEKm
Net operating income properties	433
Adjusted for:	
Real occupancy rate, 94% at the lowest	60
Property costs to a normal year	41
Property administration, 30 SEK/sq.m.	- 24
Normalized net operating income	510
Valuation excl. building rights of SEKm 437	27,986
Average valuation yield	7,3%

Average valuation yield over time

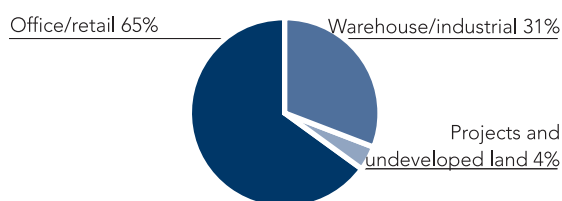


Castellum's real estate portfolio 31-03-2010

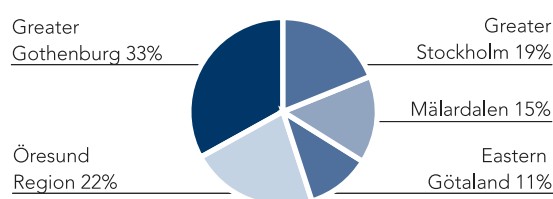
	31-03-2010				January-March 2010						
	No. of properties	Area thous. sq.m.	Property value SEKm	Property value SEK/sq.m.	Rental value SEKm	Rental value SEK/sq.m.	Economic occupancy rate	Rental income SEKm	Property costs SEKm	Property costs SEK/sq.m.	Net operating income SEKm
Office/retail											
Greater Gothenburg	75	396	5,201	13,131	125	1,266	95.2%	119	36	372	83
Öresund Region	52	324	4,705	14,518	114	1,411	86.5%	98	33	412	65
Greater Stockholm	45	314	3,631	11,567	102	1,298	77.5%	79	29	364	50
Mälardalen	70	325	3,196	9,833	86	1,060	90.1%	78	29	355	49
Eastern Götaland	49	296	2,429	8,198	71	952	90.2%	64	29	391	35
Total office/retail	291	1,655	19,162	11,576	498	1,204	88.0%	438	156	378	282
Warehouse/industrial											
Greater Gothenburg	99	646	4,364	6,759	116	716	92.1%	106	34	213	72
Öresund Region	42	295	1,615	5,464	50	672	84.3%	42	16	215	26
Greater Stockholm	38	202	1,632	8,077	47	931	88.7%	42	17	325	25
Mälardalen	40	170	931	5,490	29	696	90.8%	27	10	235	17
Eastern Götaland	35	186	719	3,861	23	489	84.5%	19	8	173	11
Total warehouse/industrial	254	1,499	9,261	6,178	265	706	89.2%	236	85	226	151
Total	545	3,154	28,423	9,010	763	967	88.4%	674	241	306	433
Leasing and property administration									36	46	-36
Total after leasing and property administration									277	352	397
Development projects	10	61	698	-	8	-	-	3	3	-	0
Undeveloped land	32	-	390	-	-	-	-	-	-	-	-
Total	587	3,215	29,511	-	771	-	-	677	280	-	397

The table above relates to the properties owned by Castellum at the end of the period and reflects the income and costs of the properties as if they had been owned during the whole period. The discrepancy between the net operating income of SEKm 397 accounted for above and the net operating income of SEKm 394 in the income statement is explained by the deduction of the net operating income of SEKm 1 on properties sold during the period, as well as the adjustment of the net operating income of SEKm 3 on properties acquired/completed during the period, which are recalculated as if they had been owned or completed during the whole period.

Property value by property type



Property value by region



Property related key ratios

	2010 Jan-March	2009 Jan-March	2009 Jan-Dec
Rental value, SEK/sq.m.	967	953	969
Economic occupancy rate	88.4%	89.5%	89.8%
Property costs, SEK/sq.m.	352	322	300
Net operating income, SEK/sq.m.	503	531	571
Property value, SEK/sq.m.	9,010	8,937	9,036
Number of properties	587	587	590
Lettable area, thousand sq.m.	3,215	3,171	3,199

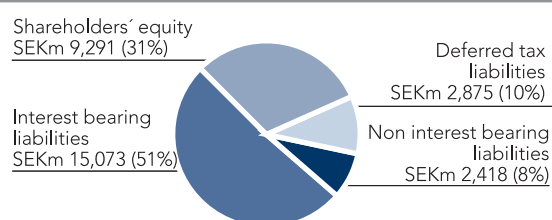
Segment information

SEKm	Rental income		Income from property management	
	2010 Jan-March	2009 Jan-March	2010 Jan-March	2009 Jan-March
Greater Gothenburg	223	217	93	94
Öresund Region	141	141	54	58
Greater Stockholm	121	122	40	48
Mälardalen	105	107	31	37
Eastern Götaland	84	82	23	28
Total	674	669	241	265

The discrepancy between the income above from property management of SEKm 241 (265) and the groups accounted income before tax of SEKm 227 (-244) consists of unallocated income from property management of SEKm -7 (-3), changes in property value of SEKm 46 (-397) and changes in values of interest rate derivatives of SEKm -53 (-109).

Financing

Financing 31-03-2010



Shareholders' equity and net asset value

Shareholders' equity was SEKm 9,291 (9,692). The AGM of Castellum decided on March 25, for a total dividend of SEKm 574. Since the payment is made at the beginning of April, the debt is reported in the interim report as a non-interest bearing liability.

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

Net asset value 31-03-2010

	SEKm	SEK/share
Equity according to the balance sheet	9,291	57
Reversed		
Interest rate derivatives, balance sheet	918	6
Deferred tax, balance sheet 26,3%	2,875	17
Long term net asset value (EPRA NAV*)	13,084	80
Deduction		
Interest rate derivatives as above	- 918	- 6
Estimated real liability, deferred tax 5%	- 547	- 3
Net asset value (EPRA NNAV*)	11,619	71

*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 NNAV (Triple Net Asset Value).

Interest-bearing liabilities

The beginning of the year was characterized by the increase in short term interest rates depending on expectations that the Swedish "Riksbank" will increase the interest rate during the year, while the long-term market interest rates have decreased.

The access to funding and credit margins is considered stable and Castellum's prospect to obtain long term credits is continuously good.

Loan maturity structure

During the period Castellum has signed new agreements of SEKm 600. As of 31 March, 2010 Castellum had long term binding credit agreements totalling SEKm 16,762 (16,262), long term bonds totalling SEKm 200 (500), short term binding credit agreements totalling SEKm 820 (1,220) and a commercial paper program of SEKm 4,000 (4,000). After deduction of liquid assets of SEKm 12 (8), net interest bearing liabilities were SEKm 15,061 (15,286), of which SEKm 698 (0) refers to outstanding commercial papers.

Loans in banks are secured by pledged mortgages and/or financial covenants. Bonds and in cases when there are outstanding commercial papers, these are unsecured. The financial covenants state a loan to value ratio not exceeding 65% and an interest coverage ratio of at least 150% which Castellum fulfil with good margin, 51% respectively 264%.

The average duration of Castellum's long term credit agreements was 5.2 years (5.5). Margins and fees on long term credit agreements had an average duration of 2.9 years (3.2).

Loan maturity structure 31-03-2010

Long term, SEKm	Credit agreements	Utilized
1 - 2 years	400	200
2 - 3 years	1,500	1,000
3 - 4 years	4,500	4,000
4 - 5 years	-	-
> 5 years	10,562	8,762
Total long term credit agreements	16,962	13,962
Total short term credit agreements (0-1 year)	1,518	1,099
Total credit agreements	18,480	15,061
Unutilized credit in long term credit agreements		1,901

Interest rate maturity structure

The average effective interest rate as of 31 March 2010 was 3.8% (3.8%). The market interest rate for an equal portfolio, regarding both current market rate and credit margin, can be assessed to 3.1% (3.1). The average fixed interest term on the same date was 2.9 years (2.8).

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.

Interest rate maturity structure 31-03-2010

SEKm	Amount, SEKm	Average interest rate
0 - 1 year	5,411	2.1%
1 - 2 years	600	4.5%
2 - 3 years	800	4.5%
3 - 4 years	3,450	4.8%
4 - 5 years	900	4.8%
5 - 10 years	3,900	4.9%
Total	15,061	3.8%

Interest rate derivatives

According to the accounting standard IAS 39 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.

As of 31 March, 2010, the market value of the interest rate derivative portfolio amounted to SEKm -918 (-865).

Consolidated Income Statement

SEKm	2010 Jan - March	2009 Jan - March	Rolling 12 months April 09 - March 10	2009 Jan-Dec
Rental income	674	669	2,699	2,694
Operating expenses	- 186	- 155	- 543	- 512
Maintenance	- 23	- 24	- 126	- 127
Ground rent	- 3	- 5	- 19	- 21
Real estate tax	- 32	- 31	- 128	- 127
Leasing and property administration	- 36	- 40	- 151	- 155
Net operating income	394	414	1,732	1,752
Central administrative expenses	- 17	- 18	- 80	- 81
Net financial items	- 143	- 134	- 550	- 541
Income from property management	234	262	1,102	1,130
Changes in value				
Properties	46	- 397	- 584	- 1,027
Interest rate derivatives	- 53	- 109	158	102
Income before tax	227	- 244	676	205
Current tax	- 2	- 7	- 5	- 10
Deferred tax	- 52	74	- 161	- 35
Net income for the period/year	173	- 177	510	160

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

Data per Share

	2010 Jan - March	2009 Jan - March	Rolling 12 months April 09 - March 10	2009 Jan-Dec
<i>Average number of shares, thousand</i>	164,000	164,000	164,000	164,000
Income from property management, SEK	1.43	1.60	6.72	6.89
Income from property management after tax (EPRA EPS), SEK	1.40	1.54	6.79	6.93
Earnings after tax, SEK	1.05	- 1.08	3.11	0.98
<i>Outstanding number of shares, thousand</i>	164,000	164,000	164,000	164,000
Property value of properties, SEK	180	177	180	178
Long term net asset value (EPRA NAV), SEK	80	80	80	82
Net asset value (EPRA NNNAV), SEK	71	70	71	73

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

Financial Key Ratios

	2010 Jan - March	2009 Jan - March	Rolling 12 months April 09 - March 10	2009 Jan-Dec
Net operating income margin	58%	62%	64%	65%
Interest coverage ratio	264%	296%	300%	309%
Return on net asset value	7.3%	- 7.6%	5.7%	1.6%
Return on total capital	5.7%	- 0.0%	3.6%	2.1%
Investments, SEKm	255	298	1,122	1,165
Loan to value ratio	51%	51%	51%	52%

Consolidated Balance Sheet

SEKm	31 March 2010	31 March 2009	31 Dec 2009
Assets			
Investment properties	29,511	29,066	29,267
Other fixed assets	15	14	13
Current receivables	119	169	188
Cash and bank	12	70	8
Total assets	29,657	29,319	29,476
Shareholders' equity and liabilities			
Shareholders' equity	9,291	9,355	9,692
Deferred tax liability	2,875	2,711	2,824
Interest rate derivatives	918	1,075	865
Long term interest-bearing liabilities	15,073	14,750	15,294
Non interest-bearing liabilities	1,500	1,428	801
Total shareholders' equity and liabilities	29,657	29,319	29,476
Pledged assets (property mortgages)	17,846	16,073	18,281
Contingent liabilities	-	-	-

Changes in Equity

SEKm	Number of outstanding shares, thousand	Share capital	Reserves	Retained earnings	Total equity
Shareholders' equity 31-12-2008	164,000	86	20	9,943	10,049
Dividend, March 2009	-	-	-	- 517	- 517
Net income January-March 2009	-	-	-	- 177	- 177
Shareholders' equity 31-03-2009	164,000	86	20	9,249	9,355
Net income April-December 2009	-	-	-	337	337
Shareholders' equity 31-12-2009	164,000	86	20	9,586	9,692
Dividend, March 2010	-	-	-	- 574	- 574
Net income January-March 2010	-	-	-	173	173
Shareholders' equity 31-03-2010	164,000	86	20	9,185	9,291

Cash Flow Statement

SEKm	2010 Jan - March	2009 Jan - March	2009 Jan - Dec
Net operating income	394	414	1,752
Central administrative expenses	- 17	- 18	- 81
Reversed depreciations	2	2	7
Net financial items paid	- 107	- 169	- 611
Tax paid	- 3	- 16	- 10
Cash flow from operating activities before change in working capital	269	213	1,057
Change in current receivables	40	46	62
Change in current liabilities	90	- 36	- 129
Cash flow from operating activities	399	223	990
Investments in new construction, refurbishments and extensions	- 172	- 298	- 1,039
Property acquisitions	- 83	-	- 118
Change in liabilities at acquisitions of property	0	- 6	3
Property sales	54	-	36
Change in receivables at sales of property	27	-	- 35
Other net investments	0	- 1	- 8
Cash flow from investment activities	- 174	- 305	- 1,161
Change in long term liabilities	- 221	143	687
Dividend paid	-	-	- 517
Cash flow from investment activities	- 221	143	170
Cash flow for the period / year	4	61	- 1
Cash and bank, opening balance	8	9	9
Cash and bank closing balance	12	70	8

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 +/- 1% (units)	Probable scenario	
		Boom	Recession
Rental level	+27/-27	+	-
Vacancies	+31/-31	+	-
Property costs	-11/+11	-	0
Interest costs	-44/+6*	-	+

* with the assumption that the interest rate level never goes below 0%

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 mainly depends 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%
Changes in value, SEKm	-5,902	-2,951	0	+2,951	+5,902
Loan to value ratio	64%	57%	51%	46%	43%

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.

	2010 Jan-March	2009 Jan-March	2009 Jan-Dec
INCOME STATEMENT, SEKm			
Income	4	4	14
Operating expenses	-12	-14	-63
Net financial items	1	7	13
Dividend	-	-	563
Changes in value, interest rate derivatives	-53	-109	102
Income before tax	-60	-112	629
Tax	15	29	-18
Net income for the period	-45	-83	611

	31 March 2010	31 March 2009	31 Dec 2009
BALANCE SHEET, SEKm			
Participations in group companies	4,087	4,087	4,087
Receivables, group companies	16,021	15,941	16,608
Other assets	243	274	230
Cash and bank	0	58	0
Total	20,351	20,360	20,925

Shareholders' equity	3,072	3,001	3,691
Interest bearing liabilities	13,698	14,446	14,082
Interest bearing liabilities, group companies	1,884	1,120	2,109
Interest rate derivatives	918	1,075	865
Other liabilities	779	718	178
Total	20,351	20,360	20,925

Pledged assets (receivables group companies)	14,816	14,681	15,214
Contingent liabilities (guaranteed commitments for subsidiaries)	1,362	300	1,362

Annual General Meeting

At the Annual General Meeting on March 25, 2010 decisions were made on;

- a dividend of SEK 3.50 per share,
- re-election of all present members of the Board, new election of Johan Skoglund and that remuneration to the Board of Directors should be SEK 1,825,000,
- guidelines for remuneration to members of the executive management and a new incentive plan for members of the executive management,
- a renewed mandate for the Board to decide on purchase and transfer of the company's own shares.

Gothenburg 20 April, 2010


Håkan Hellström
Chief Executive Officer

This Interim Report has not been examined by the company's auditors.

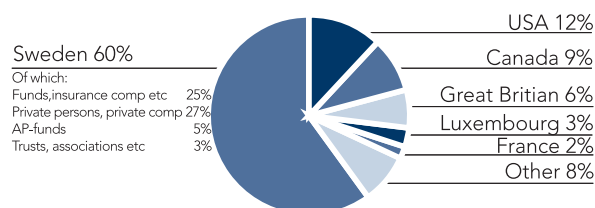
The Castellum Share

The Castellum share is listed on NASDAQ OMX Stockholm AB Large Cap. At the end of the year the company had about 8,900 shareholders. Shareholders registered abroad cannot be broken down in terms of directly held and nominee registered shares except for two foreign shareholders who have flagged for holding over 5%, Stichting Pensioensfonds ABP and BlackRock 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 31-03-2010	Number of shares thousand	Percentage of voting rights and capital
AMF Pensionsförsäkrings AB	9,663	5.9%
AFA Sjukförsäkrings AB	8,670	5.3%
László Szombatfalvy	5,000	3.1%
Magdalena Szombatfalvy	4,935	3.0%
Sec Lend Support	4,776	2.9%
Handelsbanken	4,687	2.9%
Andra AP-fonden	3,554	2.2%
Tredje AP-fonden	2,164	1.3%
AFA Trygghetsförsäkring AB	1,871	1.1%
Fjärde AP-fonden	1,697	1.0%
Other shareholders registered in Sweden	50,857	31.0%
Shareholders registered abroad	66,126	40.3%
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 31-03-2010



The Castellum share price as at 31 March, 2010 was SEK 72.75 (46.30) equivalent to a market capitalization of SEK 11,9 billion (7.6), calculated on the number of outstanding shares.

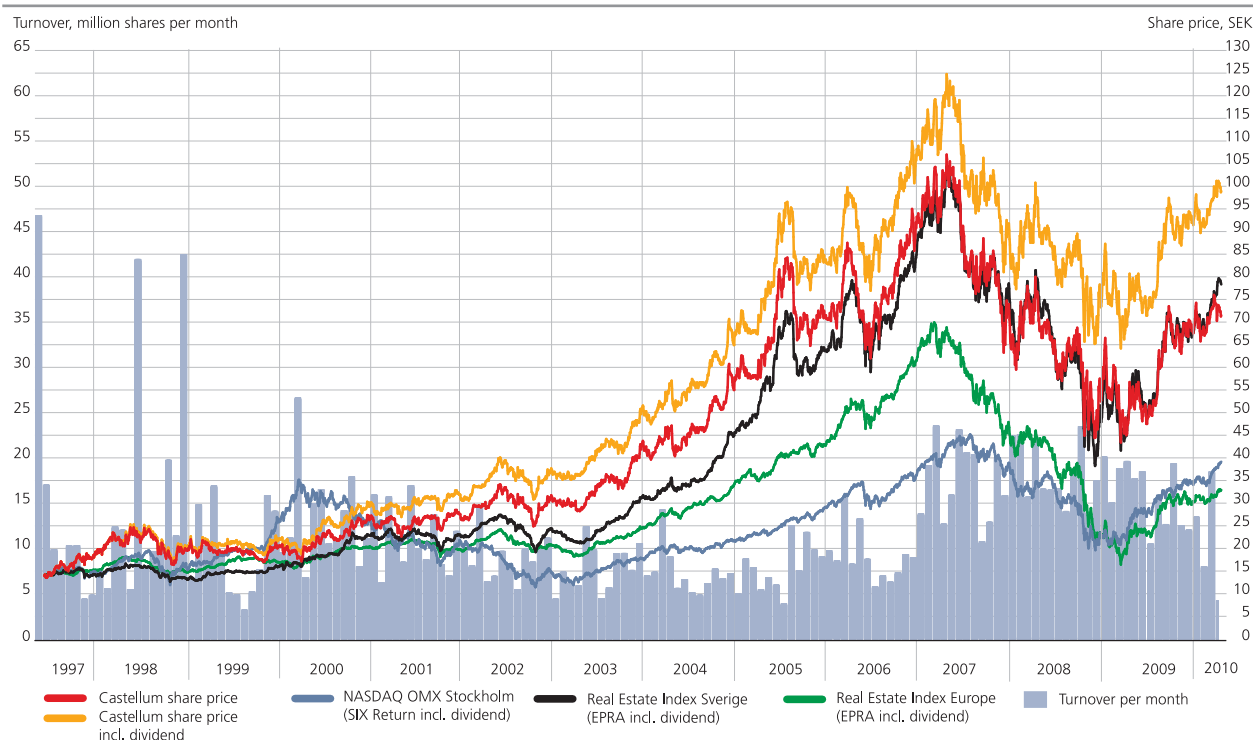
During the year a total of 40 million (54) shares were traded, equivalent to an average of 639,000 shares (864,000) per day, corresponding on an annual basis to a turnover rate of 98% (133%).

Growth, yield and financial risk

During the last 12-month period the total yield of the Castellum share has been 65% (-5%), including dividend of SEK 3.50 (3.15).

	April 09 - March 10	3 years average/year	10 years average/year
Total yield of the share (incl. dividend)			
Castellum	+65%	-7%	+17%
NASDAQ OMX Stockholm (SIX Return)	+69%	-3%	+2%
Real Estate Index Sweden (EPRA)	+71%	-8%	+16%
Real Estate Index Europe (EPRA)	+67%	-21%	+7%

The Castellum share's price trend and turnover since IPO may 23, 1997 until April 15, 2010



Valuation - share price related key figures

Earnings Capacity

Income from property management before tax amounted on rolling annual basis to SEK 6.72 per share (6.16), which compared to the share price at the end of the period gives a multiple of 11 (8).

Income from property management after tax relating to income from property management (EPRA EPS) amounted on rolling annual basis to SEK 6.79 (5.99) which gives a multiple of 11 (8).

Net income after tax amounted on rolling annual basis to SEK 3.11 per share (-5.18), which gives a multiple of 23 (negative).

Net asset value

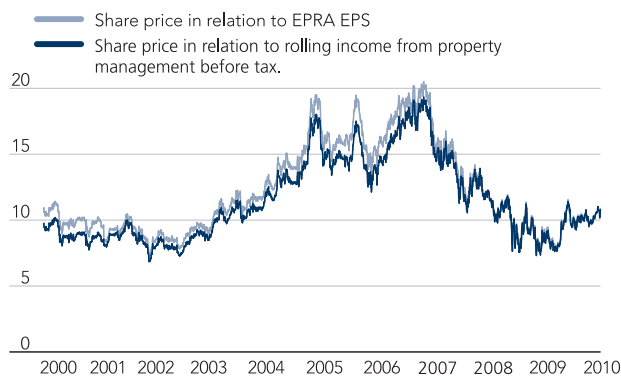
The long term net asset value (EPRA NAV) can be calculated to SEKm 13,084 (13,381) corresponding to 80 SEK per share (82). The share price at the end of the period was thus 91% (88%) of the net asset value.

The net asset value (EPRA NNNAV) can be calculated to SEKm 11,619 (11,979), corresponding to 71 SEK per share (73). The share price at the end of the period was thus 102% (90%) of the net asset value.

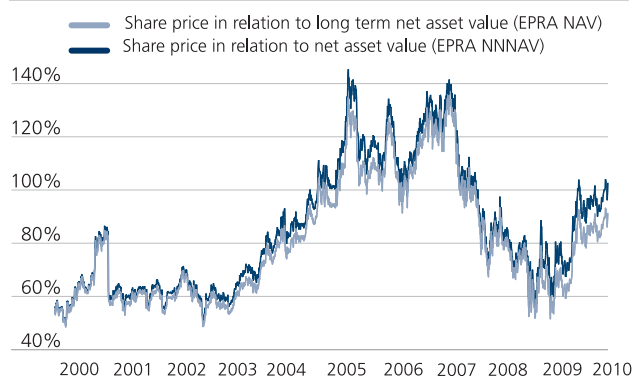
Dividend Yield

The proposed dividend of SEK 3.50 (3.15) corresponds to a yield of 4.8% (6.8%) based on the share price at the end of the period.

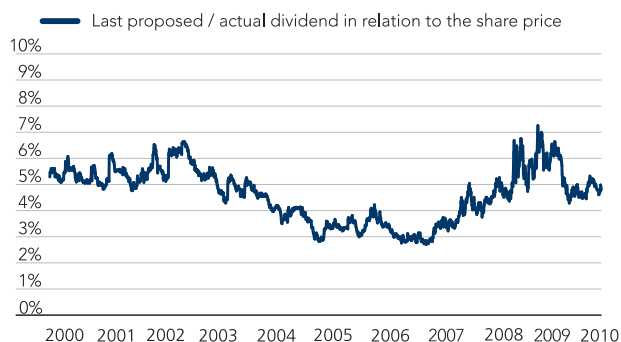
The share's earnings multiple



Share price/net asset value



The share's dividend yield



www.castellum.se

Calendar

Half-year Report January-June 2010	13 July, 2010
Interim Report January-September 2010	19 October 2010
Year-end Report 2010	25 January, 2011
Annual General Meeting 2011	24 mars 2011

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, or Ulrika Danielsson, Finance Director, telephone +46 31-60 74 00 or visit Castellum's website.

Subsidiaries

Aspholmen Fastigheter AB

Nastagatan 2, SE-702 27 Örebro
Telephone +46 19-27 65 00 Fax +46 19-27 65 19
orebro@aspholmenfastigheter.se
www.aspholmenfastigheter.se

Fastighets AB Briggen

Fredriksbergsgatan 1, Box 3158, SE-200 22 Malmö
Telephone +46 40-38 37 20 Fax +46 40-38 37 37
fastighets.ab@briggen.se
www.briggen.se

Fastighets AB Brostaden

Bolidenvägen 14, Box 5013, SE-121 05 Johanneshov
Telephone +46 8-602 33 00 Fax +46 8-602 33 30
info@brostaden.se
www.brostaden.se

Fastighets AB Corallen

Lasarettsgatan 3, Box 148, SE-331 21 Värnamo
Telephone +46 370-69 49 00 Fax +46 370-475 90
info@corallen.se
www.corallen.se

Eklandia Fastighets AB

Theres Svenssons gata 9, Box 8725, SE-402 75 Gothenburg
Telephone +46 31-744 09 00 Fax +46 31-744 09 50
info@eklandia.se
www.eklandia.se

Harry Sjögren AB

Kråketorpsgatan 20, SE-431 53 Mölndal
Telephone +46 31-706 65 00 Fax +46 31-706 65 29
info@harrysjogren.se
www.harrysjogren.se

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

CASTELLUM

Castellum AB (publ) • Box 2269, SE-403 14 Gothenburg, Sweden • Visiting address Kaserntorget 5
Telephone +46 31-60 74 00 • Fax +46 31-13 17 55 • E-mail info@castellum.se • www.castellum.se
Org nr 556475-5550