



The picture shows a conceptual sketch of a new construction on the building right Lindholmen 30:5, Lindholmen Science Park in Gothenburg, which was acquired in December 2014.

CASTELLUM

Year-end report 2014

Year-end Report 2014

Castellum is one of the major listed real estate companies in Sweden. The fair value of the real estate portfolio amounts to SEK 38 billion, and comprises of 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 and Halmstad), the Öresund Region (Malmö, Lund, Helsingborg and Copenhagen), Greater Stockholm, Mälardalen (Örebro, Västerås and Uppsala) and Eastern Götaland (Jönköping and Linköping).

Castellum is listed on NASDAQ Stockholm Large Cap.

- Rental income for 2014 amounted to SEKm 3,318 (SEKm 3,249 previous year).
- Income from property management for 2014 amounted to SEKm 1,450 (1,346), corresponding to 8.84 SEK (8.21) per share, an increase of 8%.
- Changes in value on properties amounted to SEKm 344 (328) and on derivatives to SEKm –660 (429).
- Net income after tax amounted to SEKm 1,211 (1,707), corresponding to SEK 7.38 (10.41) per share.
- Net investments amounted to SEKm –529 (1,081) of which SEKm 1,378 (1,583) were new constructions, extensions and reconstructions, SEKm 1,147 (185) acquisitions and SEKm 3,054 (687) sales.
- The Board proposes a dividend of SEK 4.60 (4.25) per share, equivalent to an increase of 8%.

Key ratios

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Income from property management, SEK/share	8.84	8.21	7.65	7.15	6.96	6.89	5.93	5.63	5.38	5.00
<i>Change previous year</i>	+8%	+7%	+7%	+3%	+1%	+16%	+5%	+5%	+8%	+11%
Net income after tax, SEK/share	7.38	10.41	8.98	4.34	11.98	0.98	-4.04	9.07	10.21	7.89
<i>Change previous year</i>	-29%	+16%	+107%	-64%	+1,122%	pos.	neg.	-11%	+29%	+41%
Dividend, SEK/share (2013 proposed)	4.60	4.25	3.95	3.70	3.60	3.50	3.15	3.00	2.85	2.62
<i>Change previous year</i>	+8%	+8%	+7%	+3%	+3%	+11%	+5%	+5%	+9%	+11%
Properties fair value, SEKm	37,599	37,752	36,328	33,867	31,768	29,267	29,165	27,717	24,238	21,270
Net investments, SEKm	-529	1,081	2,545	1,908	1,279	1,129	2,710	2,559	1,823	889
Loan to value	49%	52%	53%	51%	50%	52%	50%	45%	45%	45%
Interest coverage ratio	318%	292%	284%	278%	299%	309%	255%	287%	343%	315%

For more detailed information see Castellum Annual Report.

Henrik Saxborn, CEO at Castellum

Castellum stands stronger than ever

"Dare to make changes – even when successful", was the main heading for my CEO's comments of last year.

2014 also turned out to be a year when Castellum carried out the largest changes in our real estate portfolio in a very long time. We implemented major sales for close to SEK 3 billion in markets where we ascertained that future growth will not be so high. Furthermore, we invested SEK 2.5 billion in markets where we believe growth will be considerable. During such a comprehensive change process, it is not uncommon for individual years to have a lower investment rate than targeted, which occurred this year.

However, Castellum still managed to deliver a 8% growth in income from property management in 2014 – slightly better than for 2013. In addition, Castellum also strengthened its financial position.

Due to the changes implemented, our good earnings capacity, low loan-to-value ratio and access to long-term credits, Castellum now has an investment capacity of SEK 6 billion.

The growth in income from property management can be explained by three main components: existing portfolio, investments and interest rate market. Our existing portfolio operates over several districts in a rental market with slightly lower vacancy rates and stable rents. Furthermore, rental income increased, due to leases being drawn up with an eye to protecting against a weaker macro-economic environment. Costs were reduced through efficiency actions, plus the fact that 2014 was warmer than the previous year. Investments and completed projects and falling interest rates also contributed to cash flow growth.

In light of Castellum's earnings and financial strength, the Board proposes raising the dividend to SEK 4.60, which corresponds to an increase of 8%. This means that we have enjoyed growth in property management income as well as increased dividends every year since the IPO in 1997, by an average of 12% per year.

In 2014, the real estate market was driven by strong demand and growth expectations, which increased turnover and slightly decreased required yield – especially in big-city regions. Turnover in the Swedish real estate market was the highest since 2008.

Castellum will continue to participate in the building of tomorrow's workplaces in our regions, and our project activity is high. At year-end, Semcon moved to its new head-quarter of 9,000 sq.m. at Lindholmen, Gothenburg, and we are currently planning for new environmentally classified office premises of just over 9,000 sq.m. in the same area. In Jönköping, the development of two new city blocks is almost completed, and we continue the construction of a flexible office building of more than 2,100 sq.m. In central Uppsala, we have completed the city's most modern office and are currently planning for another 7,000 – 8,000 sq.m. in

close proximity to the Travel Centre. When it comes to logistics facilities, we have constructed Puma's Nordic, fully automated distribution centre of 9,600 sq.m. in Helsingborg. We're also currently preparing for participation in the construction of a logistics centre

on Hisingen, Gothenburg, over the next few years. When completed, this major project will enable continued expansion of the port of Gothenburg where Castellum plans new facilities of approx. 75,000 sq.m. in total.

I'm convinced that proficient and committed employees generate satisfied customers, and we're happy to say that in 2014, our NKI (Satisfied Customer Index) rose to a level well above the sector benchmark.

Castellum also continued the important sustainability activities, which is a condition for the company's development and long-term economic growth. I am proud that we have offered apprentices, holiday workers, interns and trainees a chance to gain hands-on work experience. Castellum has the lead when it comes to environmentally classified buildings: For example, our portfolio includes 30% of all Swedish Green Building certified properties.

Castellum, currently one of the largest real estate companies in Sweden, has never had the goal of becoming the largest player, but has managed – in accordance with our ambitious cash-flow goals – to achieve continuous growth. The company continues to operate with lower financial risk than the industry average. It is pleasing to note that the Board once again proposes an increase in dividend, and that the long-term net asset value after dividend, increased by 7% in 2014.

I look forward to 2015 – a year with continued, if cautious, growth in Sweden. To achieve our growth objective in such an economy and against the background of Castellum's strategic sales during last autumn, it is important that we continue the high activity, focus on efficient and sustainable management as well as on investments.

I would like to take this opportunity to once again sincerely thank all our shareholders and stakeholders for your trust during 2014.


Henrik Saxborn
CEO



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.

Strategy for the property portfolio and its management

Development of commercial properties in growth regions

Geography and category

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

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

Property portfolio

The real estate portfolio shall be continuously enhanced and developed in order to improve cash flow. Castellum shall continue to grow with customers' demand, mainly through new constructions, extensions and reconstructions but also through acquisitions.

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.

Customer focus through local organizations

Customers

Castellum shall be perceived as a customer focused company. This is achieved by developing long-term relations and supplying premises and service meeting customer demands.

Organization and employees

Service and property management shall be delivered by a decentralized organization with wholly owned subsidiaries with strong local presence. Property management shall be carried out mainly by own personnel.

Castellum shall have skilled and committed employees, which is achieved by being an attractive workplace with good development possibilities.

The business shall contribute to a sustainable development, in view of ecological, social and economic aspects.

Strategy for funding

Strong balance sheet with low financial and operational risk

Capital structure

Castellum shall have low financial risk. The chosen risk key ratios are loan to value and interest coverage ratio. 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.

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.

Low operational risk

Castellum's real estate portfolio has a geographical distribution to five Swedish growth regions and shall consist of different types of commercial premises. The risk within in the customer portfolio shall be kept low.

Overall objective

Castellum's overall objective is an annual growth in cash flow, i.e. income from property management per share, of at least 10%

8%
growth 2014

Strategic tools

Investments

In order to achieve the overall objective of 10% growth, annual net investments of at least 5% of the property value will be made. This is currently equivalent to approx. SEK 2 billion.

Subsidiaries

One of the three largest real estate owners in each local market.

Outcome

SEKm – 529
net investments 2014

Lease value per region



Strategic tools

Customer and employee satisfaction

In order to develop the Group as well as customer relations, the customers' level of satisfaction shall be measured regularly. Customer and employee satisfaction shall constantly improve.

Sustainability

Focus on efficient energy usage, sustainable new constructions, good control and continuously improved status in the properties, green customer relations and social commitment and responsibility in our regions.

Outcome



NKI 79

Satisfied Customer Index 2014

NMI 85

Satisfied Employees Index 2014

Strategic tools

Capital structure

Loan to value ratio not permanently exceeding 55%. Interest coverage ratio of at least 200%.

Dividend

At least 50% of pre-tax property management income shall be distributed. Investment plans, consolidation needs, liquidity and financial position in general will be taken into account.

The stock and credit markets

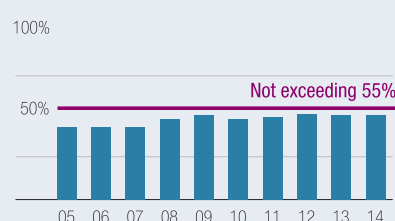
In the long term, Castellum shall be one of the largest listed real estate companies in Sweden.

Low operational risk

Commercial portfolio in five growth regions distributed on different categories with general, flexible premises. The customer risk shall be kept low using diversification over many fields of business, length and size of contracts.

Outcome

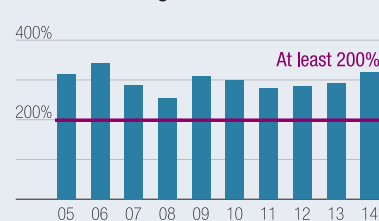
Loan to value ratio



52%

Dividend ratio 2014

Interest coverage ratio



49%

Loab-to-value ratio 2014

4,400

commercial contracts where the single largest contract accounts for approx. 2%

Customers and Organization

Customers - a reflection of Swedish economy

Castellum has approx. 4,400 commercial contracts, with good risk diversification regarding geography, type of premises, length of contracts and fields of industry of the customer. The single largest contract corresponds to approx. 2% of Castellum's total rental income.

Satisfied customers

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

The survey carried out in 2014 - which included offices, warehouses, industry and retail - showed continued consistently high marks for Castellum, with a weighted index of 79. This is higher than the industry benchmark of 73. A significant portion of the surveyed customers - 88% - 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 2014 the organization signed 728 new leases with a total annual value of SEKm 304. Robust leasing activities indicate the importance of taking care of customers and networks. Of the newly signed lease volume, 69% came from Castellum's own networks, recommendations or existing customer expansions, while 19% originated from web pages, and the remaining 12% came through agents.

Decentralized and small-scale organization near the customers

Castellum's operations are run by six subsidiaries which own and manage the properties. By having local roots, the subsidiaries forge close relationships with customers and short decision making processes. Customers can thereby be offered premises suited to their needs and benefit from optimal personal service and quick response.

The subsidiary organizations are not identical but are in principle made up of a Managing Director, 2-4 market areas, project developers and 4-8 employees within finance and administration. Each market area employs one property manager with one assistant, one person working with leasing and 3-9 facility managers. Everyone has customer contact.

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

Subsidiaries with strong brands

Castellum's subsidiaries operate under their own names, which are strong brands on each local market. Each subsidiary is 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 each local market, also contributes to the regional development where local subsidiaries operate through co-operation with municipalities and universities/colleges.

Employees

Castellum is actively working to recruit and retain top notch employees by offering a stimulating work environment, competence development and sharing experiences. Employees viewpoint on Castellum is regularly measured and the survey conducted in 2014 shows a continued high index, 85 on a 100-point scale, which means that employees are satisfied with their work situation and have a high confidence in the company and its management.

Castellum had at year-end 295 (293) employees.

Sustainable business

Castellum's sustainability efforts focus on the efficient use of resources, a sustainable real estate portfolio and sustainable collaborations, as well as on social commitment and responsibility.

Today, Castellum's energy consumption is less than 40% of the business-sector average. In addition, a growing 20% of the real estate portfolio is environmentally classified according to the Green Building, Miljöbyggnad or the BREEAM criteria.

Our contribution to positive development in the communities where Castellum is active involves various forms of ongoing collaborations. These include joint projects with customers, business colleagues, municipalities and educational institutions. In 2014, 60 young people received their introduction to working life through our apprenticeship program, as holiday workers, interns or trainees.

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 human resource. Castellum AB has 23 (19) employees.

Castellum is responsible for capital allocation and measures and compares subsidiary management efficiency and asset value growth in the real estate portfolio. Castellum develops best practice for the Group. As a part of this, a business development manager was appointed during the year. The parent company takes active part in operations through involvement in subsidiary Boards.

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 security, Code of Conduct, sustainability, insurance and personnel, etc.

Market comments

Swedish economy

The Swedish economy continues to improve, although recovery is somewhat modest. The current economy continues to be divided into two parts: a strong domestic demand driving growth, and a sluggish export market. Exports usually comprise the major driving force behind a Swedish economic recovery. The latter can partially be attributed to the fact that economic development has been weak in some parts of the world – particularly in the Euro zone – where geopolitical turmoil has further dampened the economy. Here one might add that the parliamentary situation in Sweden has been uncertain.

The economic situation in Sweden and abroad, along with sharply falling oil prices, has resulted in very low inflation, which is expected to remain low in the coming year.

Despite the economic situation, the labour market continues to develop positively and the employment rate is rising in most sectors, with the exception of manufacturing.

Macro indicators

Unemployment	7.4%	(November 2014)
Inflation	-0.3%	(December 2014 compared to December 2013)
GDP growth	2.1%	(Q3 2014 compared to Q3 2013)

Source: SCB

Rental market

During the year, the rental market has been solid or positive in all markets and segments, featuring high demand for both new constructions and existing premises. Rental levels generally remained unchanged. However, a slight increase in rental levels was noted for office rents in markets where the demand was higher and the vacancy rate was low. Compared with 2013, the supply of newly constructed office space has remained relatively stable in Gothenburg and Stockholm, but decreased in Malmö. An increase in new constructions in a number of Castellum's markets outside the big cities could also be seen. However, this increase started from a low level and is not considered to result in excess supply.

Property market

In 2014, the Swedish real estate market was characterized by strong demand and high turnover. In total, the transaction volume amounted to approximately SEK 160 billion (100), in line with record years 2006–2008. Turnover was particularly high in the fourth quarter when it amounted to nearly SEK 70 billion (35). In addition to continued strong domestic interest, increased foreign interest was also noted: Foreign buyers accounted for 17% (13%) of the volume. Commercial properties accounted for about 76% (69%) of the volume. The interest in office properties was stable and still accounts for the largest segment. However, interest in community properties and hotels also increased.

Big-city regions accounted for 62% (58%) of the volume. However, in absolute terms, significantly increased interest was demonstrated for markets outside major cities.

Castellum estimates that the overall increase in value noted earlier in 2014 has been sustained. Price structure has generally remained unchanged from the previous quarter.

Interest and credit market

At its meeting in October, the Riksbank decided to cut the repo rate from 0.25% to 0%. At that time, the interest rate path was also revised downwards. At the December meeting, the interest rate path was revised downwards even further, by postponing an initial increase to the second half of 2016.

The 3-month STIBOR rate – of major significance for Castellum – was halved to just under 0.25% after the Riksbank's repo-rate decision in October. It has since remained stable on that level, whereas long-term rates have continued to fall.

Access to credit is considered favourable in both credit and capital markets, and credit margins were stable.

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 1,450 (1,346), equivalent to SEK 8.84 (8.21) per share – an increase with 8%.

During the year changes in value on properties amounted to SEKm 344 (328) and on derivatives to SEKm –660 (429). Net income after tax for the year was SEKm 1,211 (1,707), equivalent to SEK 7.38 (10.41) per share.

Rental income

Group's rental income amounted to SEKm 3,318 (3,249). For office and retail properties, the average contracted rental level, including charged heating, cooling and property tax, amounted to SEK 1,295 per sq.m., whereas for warehouse and industrial properties, it amounted to SEK 791 per sq.m. Rental levels, which are considered to be in line with the market, have in comparable portfolio increased by 1% compared with previous year, which mainly is an effect from indexation and can be compared with the usual industry index clause (October to October), which was –0.1% in 2014. Castellum's higher indexation is due to the Groups focus on index clauses with minimum upward adjustment in the contract portfolio, which offers protection against deflation / inflation.

The average economic occupancy rate was 88.7% (88.4%). The total rental value for vacant premises on yearly basis amounted to approx. SEKm 417 (467).

The rental income for the period includes a lump sum of SEKm 10 (11) as a result of early termination of leases.

Gross leasing (i.e. the annual value of total leasing) during the year was SEKm 304 (366), of which SEKm 55 (96) were leasing of new constructions, extensions and reconstructions. Notices of termination amounted to

SEKm 246 (261), of which bankruptcies were SEKm 12 (23) and SEKm 36 (18) were notices of termination with more than 18 months remaining length of contract.

Net lease for the year was hence SEKm 58 (105) and for the fourth quarter isolated SEKm –17 (24). The quarter's net lease includes two major terminations of SEKm 32 where the tenants leave in 16 and 24 months respectively.

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

Property costs

Property costs amounted to SEKm 1,096 (1,105) corresponding to SEK 307 per sq.m. (307). Consumption for heating during the year has been calculated to 81% (96%) of a normal year according to the degree day statistics.

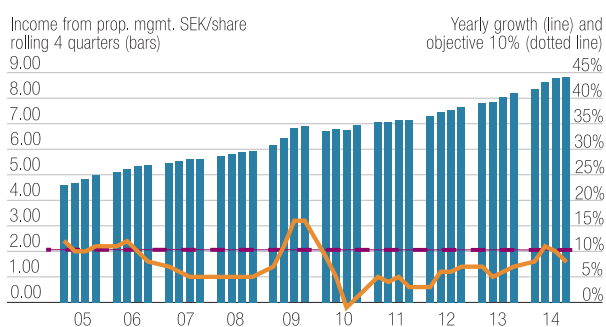
The increased costs for leasing and property administration SEK per sq.m. can partly be explained by the sales completed by the end of the year.

Property costs	Office/ Retail	Warehouse/ Industrial	2014 Total	2013 Total
SEK/sq. m				
Operating expenses	177	109	146	161
Maintenance	44	29	37	35
Ground rent	9	7	8	7
Real estate tax	69	22	48	47
Direct property costs	299	167	239	250
Leasing and property administration	–	–	68	57
Total	299	167	307	307
Previous year	317	171	307	

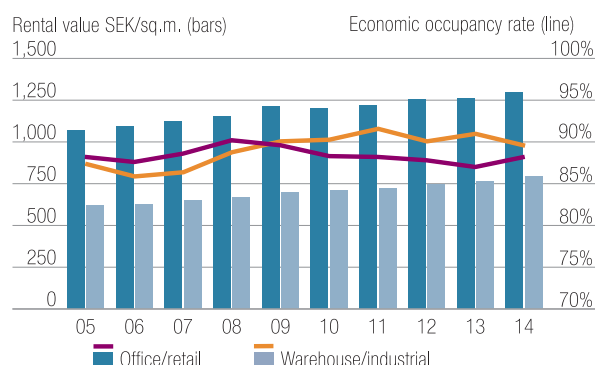
Central administrative expenses

Central administrative expenses totalled SEKm 108 (96). This includes costs for a profit-and-share-price related incentive plan for 10 persons in executive management of SEKm 15 (8).

Income from Property Management per share



Rental value and economic occupancy rate



Net interest

Net interest items were SEKm -664 (-702). The average interest rate level was 3.3% (3.7%). Net financial income was positively affected by approx. SEKm 70 due to the average interest rate level decrease by 0.4%-units. Other effects on the interest cost can be explained by a larger credit portfolio.

Changes in value

The real estate market 2014 is characterized by high activity and strong demand. The general increase in prices that was noted during the first half year remains, and the downward adjustment of the average valuation yield of 0.1% in the internal valuations remains firm. This, together with acquisition gains, project gains and individual adjustments on property level has resulted in a change in value totaling SEKm 488. Realized sale of real estate has resulted in a change in value of SEKm -144. Net sales price amounted to SEKm 3,054 after reduction for assessed deferred tax and transaction costs of SEKm 163. Hence the underlying property value, which amounted to SEKm 3,217, exceeded last valuation of SEKm 3,198 with SEKm 19.

The value in the interest derivatives portfolio has changed by SEKm -657 (429). Castellum's currency derivatives has during the period changed SEKm -17 (-7) where the effective part of the value changes of SEKm -14 (-7) is accounted for in other total net income.

Tax

The nominal corporate tax rate in Sweden is 22%. Due to the possibility to deduct depreciation and reconstructions for tax purposes, and to utilize tax loss carry forwards, the paid tax is low. Indirect property sales through companies are usually not taxable as reflected in this year's tax. Paid

tax occurs since a few subsidiaries have no possibilities to group contributions for tax purpose.

Remaining tax loss carryforwards can be calculated to SEKm 1,193 (921). Fair values for the properties exceed their fiscal value by SEKm 18,602 (18,570) of which SEKm 991 (830) relates to the acquisition of properties 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 3,612 (3,700).

Castellum has no current tax disputes.

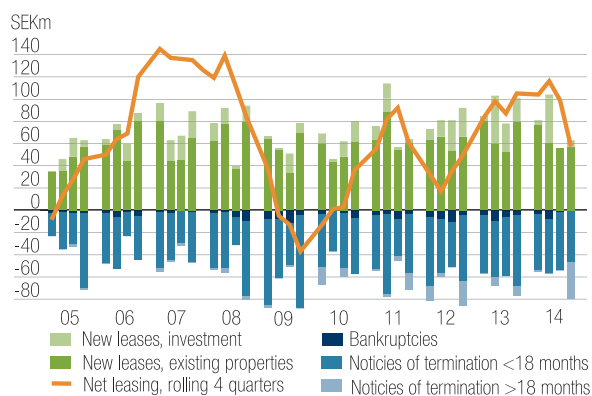
Tax calculation 2014

SEKm	Basis current tax	Basis deferred tax
Income from property management	1,450	
Deductions for tax purposes		
depreciations	- 718	718
reconstructions	- 322	322
Other tax allowances	24	37
Taxable income from property management	434	1,077
Properties sold	6	- 1,695
Changes in value on properties	-	488
Changes in value on interest rate derivatives	- 660	-
Taxable income before tax loss carry forwards	- 220	- 130
Tax loss carry forwards, opening balance	- 921	921
Tax loss carry forwards, closing balance	1,193	- 1,193
Taxable income	52	- 402
Tax according to the income statement	- 11	88

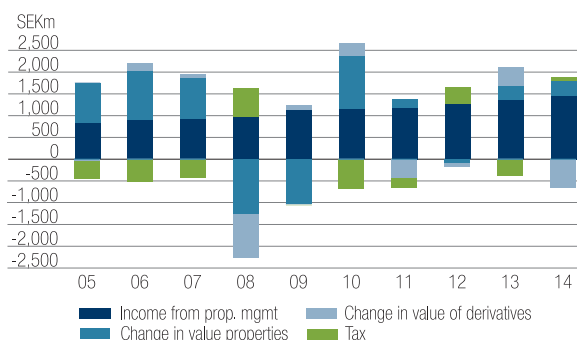
Income over time

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 1.1% per year which is in line with the inflation.

Net leasing



Income over time



Real Estate Portfolio

The real estate portfolio is located in Greater Gothenburg, the Öresund Region, Greater Stockholm, Mälardalen and Eastern Götaland. The main focus, which represents approx. 76% 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. The remaining 4% consist of projects and undeveloped land.

Castellum owns approx. 800,000 sq.m. of unutilized building rights and ongoing projects with remaining investments of approx. SEKm 750.

Investments

During the year, investments totalling SEKm 2,525 (1,768) were carried out, of which SEKm 1,378 (1,583) were new constructions, extensions and reconstructions and SEKm 1,147 (185) were acquisitions. Of the total investments SEKm 1,275 refers to Greater Gothenburg, SEKm 393 to Mälardalen, SEKm 361 to Greater Stockholm, SEKm 248 to Eastern Götaland and SEKm 248 to the Öresund Region.

After sales of SEKm -3,054 (687) net investments amounted to SEKm -529 (1,081).

Larger investments and sales

Algen 1 in Jönköping

Location Munksjön in central Jönköping
Area 4,321 sq.m.
Time plan Completed Q1 2015

In central Jönköping Castellum started during 2013 the second phase in the development in the Atollen-area, which is carried out together

with several partners. Castellum's part consists of 10,470 sq.m. in total. The new construction comprises of 4,321 sq.m. office, retail and restaurant premises. The reconstruction and extension will be completed in accordance with the environmental system Miljöbyggnad. The investment is calculated to SEKm 136 and has an occupancy rate of 35%.



Jägmästaren 1 in Linköping

Location Djurgården in Linköping
Area 7,750 sq.m.
Time plan Completed Q1 2015

During 2013 Castellum started an investment in Djurgården area, Linköping, which is an urban

construction project in the new district Djurgården. Castellum constructs a retail building of 7,750 sq.m. in accordance with the environmental system Miljöbyggnad. The investment is calculated to SEKm 109 and has an occupancy rate of 92%.



Drottningparken in Örebro

Location South entrance of Örebro
Area 4,280 sq.m.
Time plan Completed Q3 2016

In central Örebro Castellum has during 2014 started a new construction of a fully let office building

of 4,280 sq.m. flexible office premises. The new construction is located at the south entrance of Örebro and will be completed in accordance with the environmental system Miljöbyggnad, silver level. The investment is calculated to SEKm 100 and has an occupancy rate of 36%.

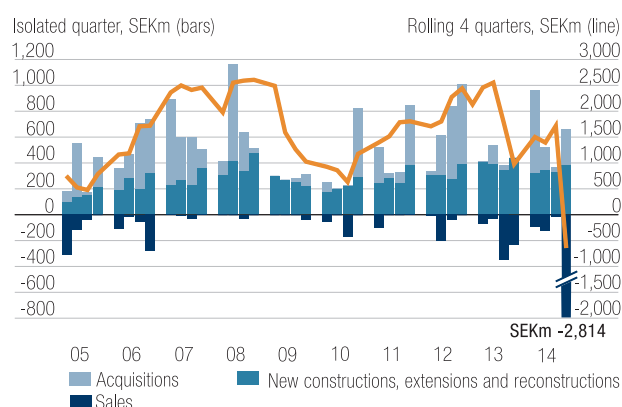


During the period the real estate portfolio has changed according to the table below.

Changes in the real estate portfolio

	Value, SEKm	Number
Real estate portfolio on 1 January, 2014	37,752	626
+ Acquisitions	1,147	24
+ New constructions, extensions and reconstructions	1,378	-
- Sales	- 3,198	- 67
+/- Unrealized changes in value	488	-
+/- Currency translation	32	-
Real estate portfolio on 31 December, 2014	37,599	583

Investments



Fanan 26, 30, 39, 43, 47, 49, 51 and Fanborgen 3 and 4 in Halmstad

Location Halmstad Campus area

Area 43,485 sq.m.

Time plan March 2014

In March 2014 Castellum acquired nine properties in Halmstad Campus area. The largest tenant is

Halmstad University with approx. 10,000 students and 600 employees. The portfolio comprises of 30,850 sq.m. office and the remainder are retail, education facilities, warehouse and library.

The investment has an occupancy rate of 94% and is calculated to SEKm 637.



Larger investments and sales

Larger projects

Property	Area, sq.m	Econ. occup. Jan 2015	Total investment, incl. land SEKm	Remaining investm. SEKm	Completed	Comment
Algen 1, Jönköping	4,321	35%	136	32	Q1 2015	New construction retail/office/restaurant
Jägmästaren 1, Linköping	7,750	92%	109	21	Q1 2015	New construction retail
Drottningparken, Örebro	4,280	36%	100	94	Q3 2016	New construction office
Verkstaden 14, Västerås	6,100	100%	78	75	Q1 2016	Reconstruction and extension school
Visionen 3, Jönköping	2,472	88%	59	51	Q3 2015	New construction office
Varla 3:22, Kungsbacka	5,000	100%	42	1	Q1 2015	Reconstruction and extension warehouse
Boländerna 35:1, Uppsala	8,716	98%	38	2	Q2 2015	Reconstruction retail
Godståget 1, Stockholm	6,568	100%	31	23	Q2 2015	Reconstruction and extension warehouse
Projects completed / partly moved in						
Lindholmen 28:3, Gothenburg	9,453	100%	275	5	Q2 2013	New construction office
Dragarbrunn 20:4, Uppsala	10,020	90%	242	4	Q4 2014	Reconstruction and extension office
Lundbyvassen 8:1, Gothenburg	8,990	100%	221	23	Q1 2015	New construction office
Fullriggaren 4, Malmö	5,593	61%	157	16	Q1 2013	New construction office*
Atollen 3, Jönköping	5,963	78%	153	2	Q4 2013	New construction office/retail/residentials
Spejaren 3, Huddinge	6,391	100%	83	1	Q4 2014	New construction retail
Kulan 3, Helsingborg	9,689	100%	83	5	Q2 2014	New construction logistic
Solsten 1:108, Härryda	6,534	100%	62	0	Q3 2014	New construction warehouse
Högspänningen 1, Västerås	3,911	70%	48	3	Q3 2014	New construction logistic/office
Kärra 74:3, Gothenburg	9,305	0%	33	0	Q4 2014	Reconstruction and extension logistic

Larger acquisitions during 2014

Property	Area sq.m	Econ. occup Jan 2015	Acquisition-SEKm	Access	Category
Fanan 26, 30, 39, 43, 47, 49, 51 and Fanborgen 3 and 4, Halmstad	43,485	94%	637	March 2014	Office/retail/education facilities/warehouse and library
Rosersberg 11:94, Sigtuna	9,353	100%	105	Dec 2014	Warehouse/office and building right
Solsten 1:155 and Solsten 1:118, Härryda	4,860	100%	85	June 2014	Warehouse/office and building right
Dumpern 7, Huddinge	6,792	100%	70	June 2014	Logistic
Lindholmen 30:5, Gothenburg	–	–	51	Dec 2014	Land
Part of Olaus Petri 3:329, Örebro	–	–	43	Dec 2014	Land
Marielundvej 10, Herlev, Denmark	2,561	100%	34	Jan 2015	Office

Larger sales during 2014

Property	Area sq.m	Underlying prop. price, SEKm	Transaction costs and deferred tax, SEKm	Net sales price, SEKm	Access	Category
The entire Växjö portfolio	127,921	905	– 46	859	Dec 2014	Office/retail/warehouse/industry
The entire Värnamo portfolio	143,525	878	– 43	835	Dec 2014	Office/retail/warehouse/industry
Lybeck 10, Stadt Hamburg 14, Malmö	40,714	633	– 24	609	Oct 2014	Retail/office/residential/garage
Guldheden 8:11, Gothenburg	10,500	241	– 11	230	Dec 2014	Office
Kampen 25, Malmö	40,669	255	– 20	235	Maj 2015	Warehouse/office
St Botulf 11, Lund	4,878	118	– 9	109	Oct 2014	Office/residential
Renseri 25, Stockholm	4,215	79	– 4	75	Feb 2014	Office/warehouse
Instrumentet 1, Solna	3,673	35	– 2	33	Nov 2014	Industry

* The remaining investment volume will be used as the vacant spaces are rented.

Property value

Internal valuations

Castellum assesses the value of the properties through internal valuations, as at the year end, corresponding to IFRS 13, level 3.

The valuations 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. In the valuation of a property's future earnings capacity, consideration has been taken of potential changes in rental levels, occupancy rates and property costs – as well as an assumed inflation level of 1.5%.

Projects in progress have been valued using the same principle, but with deductions for remaining investments. Properties with building rights have been valued on the basis of an estimated market value per square metre, on average approx. SEK 1,500 (1,100) per sq.m.

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	4.5% - 12.5%	6.9% - 14.0%
Return on equity	9.0% - 17.0%	11.4% - 18.5%
Interest rate	5.5%	5.5%
Loan to value ratio	35%	45%
Return on total capital	6.7% - 9.5%	8.1% - 11.3%
Weighted d.o. disc. factor year 1-9	7.8%	8.9%
Weighted disc. factor residual value*	6.3%	7.4%

**(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 37,599 (37,752), corresponding to SEK 11,118 per sq.m. (10,285).

Average valuation yield

The average valuation yield for Castellum's real estate portfolio, excluding development projects and undeveloped land, can be calculated to 6.9% (7.2%). The lower valuation yield can partly be explained by major reallocations in the property portfolio.

Average valuation yield, Mkr

(excl. project/land and building rights)	2014	2013
Net operating income properties	2,286	2,341
+ Estimated index adjustment 2015, 1% (1%)	25	35
+ Real occupancy rate, 94% at the lowest	251	279
- Property administration, 30 SEK/sq.m.	- 99	- 107
Normalized net operating income	2,463	2,548
Valuation (excl. building rights of SEKm 559)	35,506	35,613
Average valuation yield	6.9%	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 the property portfolio of +/- SEKm 1,880, corresponding to SEKm 35,719 - 39,479.

External valuation

In order to provide further assurance and validation of the valuation, 154 properties – representing 57% of the value of the portfolio – have been valued externally by Forum Fastighetsekonomi AB. 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. Forum's valuation of the selected properties amounted to SEKm 21,109, 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 21,383, i. e., a net deviation of SEKm -274, corresponding to -1%. The gross deviation was SEKm +620 and SEKm -894 respectively, with an average deviation of 7%.

In addition, NAI Svefa made a desk-top valuation of 41 properties corresponding in value to 25% of the portfolio. Forum's valuation of the selected properties amounted to SEKm 9,105. Castellum's valuation of the same properties amounted to SEKm 9,348, i.e. a net deviation of SEKm -243 corresponding to -3%. Forum's valuation of the same properties amounted to SEKm 9,216, i.e. a net deviation of SEKm -132 corresponding to -1% 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%.

Castellums' real estate portfolio 31-12-2014

	31-12-2014				January-December 2014						
	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	86	478	7,604	15,924	635	1,330	91.6%	582	134	281	448
Öresund Region	63	362	5,269	14,549	483	1,334	84.6%	408	111	307	297
Greater Stockholm	50	343	4,610	13,435	469	1,367	83.5%	391	102	298	289
Mälardalen	72	399	4,899	12,263	471	1,178	91.5%	431	120	299	311
Eastern Götaland	23	176	2,202	12,521	219	1,247	89.0%	195	59	335	136
Total office/retail	294	1,758	24,584	13,983	2,277	1,295	88.2%	2,007	526	299	1,481
Warehouse/industrial											
Greater Gothenburg	103	659	5,316	8,068	505	766	91.7%	463	97	146	366
Öresund Region	43	284	1,874	6,594	213	752	86.8%	185	50	176	135
Greater Stockholm	52	288	2,871	9,993	287	998	88.6%	254	59	205	195
Mälardalen	38	187	1,190	6,362	139	746	88.4%	123	36	193	87
Eastern Götaland	11	68	230	3,375	30	442	92.0%	28	6	93	22
Total warehouse/industrial	247	1,486	11,481	7,728	1,174	791	89.7%	1,053	248	167	805
Total	541	3,244	36,065	11,118	3,451	1,064	88.7%	3,060	774	239	2,286
Leasing and property administration									221	68	-221
Total after leasing and property administration									995	307	2,065
Development projects	18	85	1,267	-	76	-	-	50	17	-	33
Undeveloped land	24	-	267	-	-	-	-	-	-	-	-
Total	583	3,329	37,599	-	3,527	-	-	3,110	1,012	-	2,098

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 year. The discrepancy between the net operating income of SEKm 2,098 accounted for above and the net operating income of SEKm 2,222 in the income statement is explained by the deduction of the net operating income of SEKm 193 on properties sold during the year, as well as the adjustment of the net operating income of SEKm 69 on properties acquired/completed during the year, which are recalculated as if they had been owned or completed during the whole period.

Property related key ratios

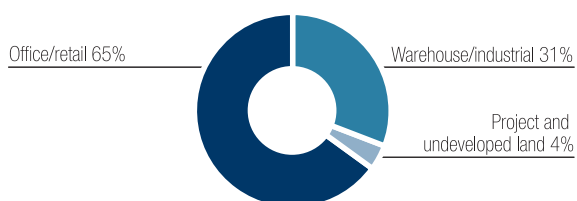
	2014	2013
Rental value, SEK/sq.m.	1,064	1,036
Economic occupancy rate	88.7%	88.4%
Property costs, SEK/sq.m.	307	307
Net operating income, SEK/sq.m.	637	608
Property value, SEK/sq.m.	11,118	10,285
Number of properties	583	626
Lettable area, thousand sq.m.	3,329	3,623

Segment information

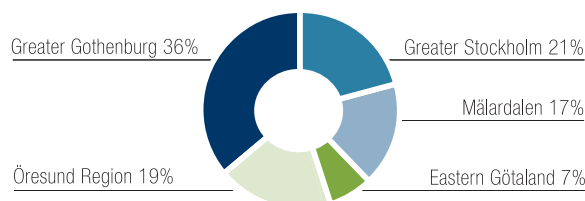
SEKm	Rental income		Income from property management	
	2014 Jan-Dec	2013 Jan-Dec	2014 Jan-Dec	2013 Jan-Dec
Greater Gothenburg	1,050	1,014	524	493
Öresund Region	673	669	278	263
Greater Stockholm	637	623	299	263
Mälardalen	556	548	235	213
Eastern Götaland	402	395	166	152
Total	3,318	3,249	1,502	1,384

The difference between the income from property management of SEKm 1,502 (1,384) above and the groups accounted income before tax of SEKm 1,134 (2,103) consists of unallocated income from property management of SEKm -52 (-38), changes in property value of SEKm 344 (328) and changes in values of interest rate derivatives of SEKm -660 (429).

Property value by property type



Property value by region



Financing

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%. Castellum's assets had on December 31, 2014, a value of SEKm 38,088 (38,113) and are financed by shareholders's equity of SEKm 13,649 (13,127), deferred tax liabilities of SEKm 3,612 (3,700), interest bearing liabilities of SEKm 18,446 (19,481) and other liabilities of SEKm 2,381 (1,805).

Interest bearing liabilities

At the end of the year Castellum had binding credit agreements totalling SEKm 26,065 (24,300) of which SEKm 22,357 (21,859) was long term binding and SEKm 3,708 (2,441) short term binding.

During the year MTN of SEKm 1 500 were issued and SEKm 500 repurchased. A new credit agreement of SEKm 500 has added and agreements for a total of SEKm 11 500 have been renegotiated. Along with the year's completed sales, Castellum stands financially strong and has long-term unutilized credit facilities of approx. SEK 4 billion. After deduction of cash of SEKm 47 (70), net interest bearing liabilities were SEKm 18,399 (19,411), of which SEKm 4,200 (3,200) were MTN and SEKm 1,280 (1,014) 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. Bonds issued under the MTN program and the commercial papers are a complement to the existing funding in banks and broadens the funding base. At the end of the period the fair value of the liabilities is in principle in line with the value accounted for.

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

Net interest bearing liabilities amounted to SEKm 18,399 (19,411) of which SEKm 12,919 (15,197) were secured by

the company's properties and SEKm 5,480 (4,214) unsecured. The proportion of used secured financing was thus 34% 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, 49% and 318% respectively. The average duration of Castellum's long-term credit agreements was years 3.3 (3.4). Margins and fees on long-term credit agreements had an average duration of 2.7 years (2.4).

Credit maturity structure 31-12-2014

SEKm	Credit agreements	Utilized in		Total
		Bank	MTN/Cert	
0-1 year	3,708	904	2,480	3,384
1-2 years	4,708	3,266	500	3,766
2-3 years	8,308	2,208	1,000	3,208
3-4 years	6,708	4,408	1,000	5,408
4-5 years	1,570	1,070	500	1,570
> 5 years	1,063	1,063	-	1,063
Total	26,065	12,919	5,480	18,399

Unutilized credit in long term credit agreements **3,958**

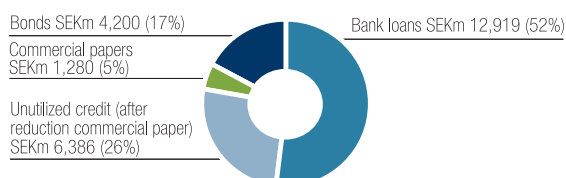
Interest rate maturity structure

In order to secure a stable and low net interest cash flow the interest rate maturity structure is distributed over time. The average fixed interest term on the same date was 2.8 years (2.7). The average effective interest rate as per December 31, 2014 was 3.4% (3.5%).

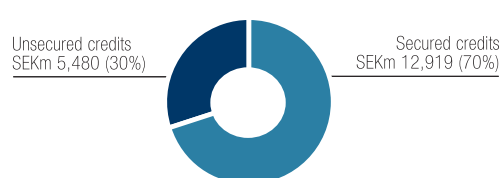
Castellum utilizes interest rate derivatives to achieve the desired interest rate maturity structure. Interest rate derivatives is a cost effective and flexible way to manage the interest terms. In the interest rate maturity structure, interest rate derivatives are accounted for in the earliest time segment in which they can mature.

Credit margins are distributed in the interval of the underlying loans.

Distribution of interest bearing financing 31-12-2014



Secured credit facilities 31-12-2014



Interest rate maturity structure 31-12-2014

	Credit. SEKm	Interest rate derivatives SEKm	Net. SEKm	Closing interest rate
0-1 year	18,399	- 9,750	8,649	3.4%
1-2 years	-	650	650	2.4%
2-3 years	-	900	900	2.9%
3-4 years	-	1,600	1,600	3.3%
4-5 years	-	1,600	1,600	3.3%
5-10 years	-	5,000	5,000	3.5%
Total	18,399	-	18,399	3.4%

Currency

Castellum owns properties in Denmark with a value of SEKm 530 (466), which means that the Group is exposed to 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 and currency derivatives

Castellum utilizes interest rate derivatives to achieve the desired interest rate maturity structure. According to the

accounting standard IAS 39, derivatives are subject to market valuation. If the agreed interest rate deviates from the market interest rate, there is a surplus or sub-value in the interest rate derivatives where the non-cash flow changes in value are reported in the income statement. At maturity, a derivative's market value is dissolved and the change in value over time has thus not affected equity. Castellum also has derivatives in order to hedge currency fluctuation in its investment in Denmark. As for currency derivatives, a surplus or sub-value occurs if the agreed exchange rate deviates from the current exchange rate, where the effective portion of value changes is accounted for in other total income.

To calculate the market value of derivatives, market rates for each term and, where appropriate, exchange rates, as quoted on the market at the closing date are used. Interest rate swaps are valued by discounting future cash flows to present value while instruments containing options are valued at current repurchase price.

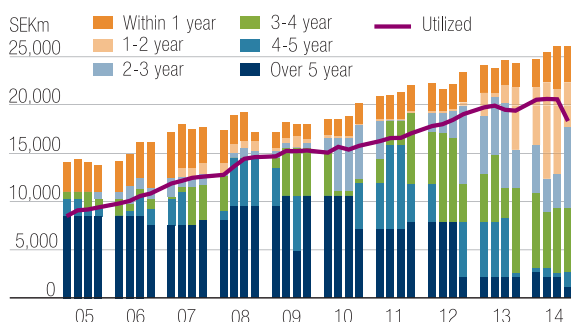
As of December 31, 2014, the market value of the interest rate derivatives portfolio amounted to SEKm -1,344 (-687) and the currency derivative portfolio to SEKm -13 (4). All derivatives are classified according to IFRS 13, level 2.

Castellum's financial policy and commitments in credit agreements

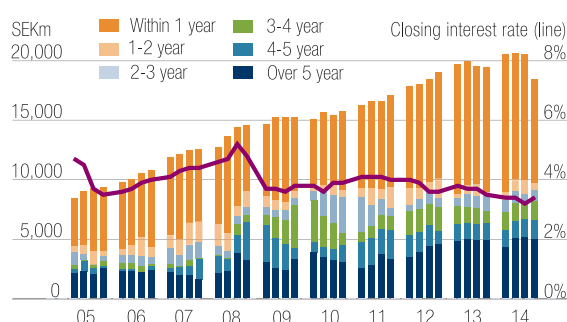
	Policy	Commitment	Outcome
Loan to value ratio	Not in the long run exceeding 55%	No more than 65%	49%
Interest coverage ratio	At least 200%	At least 150%	318%
Interest rate risk			
- average fixed interest term	1-4,5 years*	-	2.8 years
- proportion maturing within 6 months	No more than 50%	-	39%
Currency risk			
- investment	60%-100% funded in local currency	-	72%
- other currency risks	Not allowed	-	No exposure
Funding risk			
	At least 50% of interest bearing liabilities have a duration of at least 2 years	-	96%
Counterparty risk	Credit institutions with high ratings, at least "investment grade"	-	Satisfied
Liquidity risk	Liquidity reserve in order to fulfill payments due	-	SEKm 3,958 unutilized credit agreements

* Mandate in financial policy have, in accordance with the Board's decision, changed during the year from 0.5-3 years to 1-4.5 years.

Credit agreement maturity structure



Interest rate maturity structure



Consolidated statement of Comprehensive Income

SEKm	2014 Oct–Dec	2013 Oct–Dec	2014 Jan–Dec	2013 Jan–Dec
Rental income	822	818	3,318	3,249
Operating expenses	– 139	– 146	– 542	– 583
Maintenance	– 44	– 37	– 136	– 125
Ground rent	– 7	– 7	– 27	– 26
Property tax	– 41	– 41	– 170	– 169
Leasing and property administration	– 67	– 55	– 221	– 202
Net operating income	524	532	2,222	2,144
Central administrative expenses	– 29	– 29	– 108	– 96
Net interest costs	– 157	– 172	– 664	– 702
Income from property management	338	331	1,450	1,346
<i>Changes in value</i>				
Properties	– 10	27	344	328
Derivatives	– 162	– 11	– 660	429
Income before tax	166	347	1,134	2,103
Current tax	– 1	6	– 11	– 6
Deferred tax	273	– 51	88	– 390
Net income for the period/year	438	302	1,211	1,707
Other total net income				
Items that will be reclassified into net income				
Translation difference of currencies	11	9	22	10
Change in value derivatives, currency hedge	– 7	– 6	– 14	– 7
Total net income for the period/year	442	305	1,219	1,710

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

Data per Share

	2014 Oct–Dec	2013 Oct–Dec	2014 Jan–Dec	2013 Jan–Dec
Average number of shares, thousand	164,000	164,000	164,000	164,000
Income from property management, SEK	2,06	2,02	8,84	8,21
Income from prop. management after tax (EPRA EPS*), SEK	1,99	2,14	8,26	8,04
Earnings after tax, SEK	2,67	1,84	7,38	10,41
Outstanding number of shares, thousand	164,000	164,000	164,000	164,000
Property value, SEK	229	230	229	230
Long term net asset value (EPRA NAV*), SEK	114	107	114	107
Actual net asset value (EPRA NNAV*), SEK	100	97	100	97

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

Financial Key Ratios

	2014 Oct–Dec	2013 Oct–Dec	2014 Jan–Dec	2013 Jan–Dec
Net operating income margin	64%	65%	67%	66%
Interest coverage ratio	315%	292%	318%	292%
Return on actual net asset value	6,3%	9,2%	7,6%	13,2%
Return on total capital	4,9%	5,6%	6,5%	6,4%
Net investments, SEKm	– 2,141	207	– 529	1,081
Loan to value ratio	49%	52%	49%	52%

*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, e.g. the key ratios EPRA EPS (Earnings Per Share), EPRA NAV (Net Asset Value) and EPRA NNAV (Triple Net Asset Value).

Consolidated Balance Sheet

SEKm	31 Dec 2014	31 Dec 2013
Assets		
Investment properties	37,599	37,752
Other fixed assets	28	31
Current receivables	414	260
Cash and bank	47	70
Total assets	38,088	38,113
Shareholders' equity and liabilities		
Shareholders' equity	13,649	13,127
Deferred tax liability	3,612	3,700
Other provisions	23	–
Derivatives	1,357	683
Long term interest-bearing liabilities	18,446	19,481
Non interest-bearing liabilities	1,001	1,122
Total shareholders' equity and liabilities	38,088	38,113
Pledged assets (property mortgages)	18,222	18,375
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 31-12-2012	164,000	86	4,096	–12	8	7,887	12,065
Dividend, March 2013 (3.95 SEK/share)	–	–	–	–	–	–648	–648
Net income 2013	–	–	–	–	–	1,707	1,707
Other total net income 2013	–	–	–	10	–7	–	3
Shareholders equity 31-12-2013	164,000	86	4,096	–2	1	8,946	13,127
Dividend, March 2014 (4.25 SEK/share)	–	–	–	–	–	–697	–697
Net income 2014	–	–	–	–	–	1,211	1,211
Other total net income 2014	–	–	–	22	–14	–	8
Shareholders equity 31-12-2014	164,000	86	4,096	20	–13	9,460	13,649

Cash Flow Statement

SEKm	2014 Oct-Dec	2013 Oct-Dec	2014 Jan-Dec	2013 Jan-Dec
Net operating income	524	532	2,222	2,144
Central administrative expenses	–29	–29	–108	–96
Reversed depreciations	3	3	12	11
Net interest rates paid	–161	–190	–689	–701
Tax paid	2	5	–7	–12
Currency translation difference	–6	–4	–10	–5
Cash flow from operating activities before change in working capital	333	317	1,420	1,341
Change in current receivables	47	1	88	–22
Change in current liabilities	–225	–28	–118	56
Cash flow from operating activities	155	290	1,390	1,375
Investments in new constructions, refurbishments and extensions	–380	–438	–1,378	–1,583
Property acquisitions	–293	0	–1,147	–185
Change in liabilities at acquisitions of property	11	–2	18	14
Property sales	2,837	231	3,077	687
Change in receivables at sales of property	–141	13	–242	–6
Other investments	–1	–5	–9	–18
Cash flow from investment activities	2,033	–201	319	–1,091
Change in long term liabilities	–2,315	–195	–1,035	387
Change long term receivables	–	–	–	3
Dividend paid	–	–	–697	–648
Cash flow from financing activities	–2,315	–195	–1,732	–258
Cash flow for the period/year	–127	–106	–23	26
Cash and bank opening balance	174	176	70	44
Cash and bank closing balance	47	70	47	70

Quarterly Summary

	Jan-March 2014	Apr-June 2014	July-Sept 2014	Oct-Dec 2014	2014	Jan-March 2013	Apr-June 2013	July-Sept 2013	Oct-Dec 2013	2013
Income Statement, SEKm										
Rental income	820	843	833	822	3,318	814	808	809	818	3,249
Property costs	- 302	- 262	- 234	- 298	- 1 096	- 317	- 269	- 233	- 286	- 1,105
Net operating income	518	581	599	524	2,222	497	539	576	532	2,144
Central administrative expenses	- 26	- 30	- 23	- 29	- 108	- 21	- 28	- 18	- 29	- 96
Net interest costs	- 169	- 171	- 167	- 157	- 664	- 176	- 177	- 177	- 172	- 702
Income from property management	323	380	409	338	1,450	300	334	381	331	1,346
Changes in value. properties	52	305	- 3	- 10	344	32	87	182	27	328
Changes in value. derivatives	- 170	- 196	- 132	- 162	- 660	166	221	53	- 11	429
Current tax	- 3	- 1	- 6	- 1	- 11	- 2	- 4	- 6	6	- 6
Deferred tax	- 31	- 99	- 55	273	88	- 93	- 139	- 107	- 51	- 390
Net income for the period/year	171	389	213	438	1,211	403	499	503	302	1,707
Other total net income	0	4	0	4	8	0	3	- 3	3	3
Total net income for the period/year	171	393	213	442	1,219	403	502	500	305	1,710
Balance Sheet, SEKm										
Investment properties	38,668	39,385	39,733	37,599	37,599	36,683	37,301	37,505	37,752	37,752
Other fixed assets	255	408	350	442	442	283	276	303	291	291
Cash and bank	185	177	174	47	47	18	59	176	70	70
Total assets	39,108	39,970	40,257	38,088	38,088	36,984	37,636	37,984	38,113	38,113
Shareholders' equity	12,601	12,994	13,207	13,649	13,649	11,820	12,322	12,822	13,127	13,127
Deferred tax liability	3,731	3,830	3,885	3,612	3,612	3,403	3,542	3,649	3,700	3,700
Other provisions	-	-	-	23	23	-	-	-	-	-
Derivatives	853	1,055	1,188	1,357	1,357	932	721	666	683	683
Long term interest-bearing liabilities	20,730	20,802	20,761	18,446	18,446	19,773	19,988	19,676	19,481	19,481
Non-interest-bearing liabilities	1,193	1,289	1,216	1,001	1,001	1,056	1,063	1,171	1,122	1,122
Total shareholders' equity and liabilities	39,108	39,970	40,257	38,088	38,088	36,984	37,636	37,984	38,113	38,113
Financial key ratios										
Net operating income margin	63%	69%	72%	64%	67%	61%	67%	71%	65%	66%
Interest rate, average	3.5%	3.4%	3.3%	3.2%	3.3%	3.8%	3.7%	3.7%	3.6%	3.7%
Interest coverage ratio	291%	322%	345%	315%	318%	270%	289%	315%	292%	292%
Return on actual net asset value	5.2%	12.2%	6.6%	6.3%	7.6%	12.3%	15.5%	14.3%	9.2%	13.2%
Return on total capital	5.6%	8.7%	5.7%	4.9%	6.5%	5.5%	6.4%	7.8%	5.6%	6.4%
Investments in properties, SEKm	960	523	369	673	2 525	413	538	379	438	1,768
Sales, SEKm	96	125	19	2,814	3,054	80	25	351	231	687
Loan to value ratio	54%	53%	52%	49%	49%	54%	54%	52%	52%	52%
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	1.97	2.32	2.49	2.06	8.84	1.83	2.04	2.32	2.02	8.21
Income prop mgmt after tax (EPRA EPS), SEK	1.80	2.13	2.34	1.99	8.26	1.77	1.96	2.17	2.14	8.04
Earnings after tax, SEK	1.04	2.37	1.30	2.67	7.38	2.46	3.04	3.07	1.84	10.41
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	236	240	242	229	229	224	227	229	230	230
Long term net asset value (EPRA NAV), SEK	105	109	111	114	114	99	101	104	107	107
Actual net asset value (EPRA NNAV), SEK	94	97	99	100	100	88	92	95	97	97
Dividend, SEK (2014 proposed)					4,60					4.25
Dividend ratio					52%					52%
Property related key ratios										
Rental value, SEK/sq,m,	1,045	1,047	1,040	1,070	1,064	1,025	1,032	1,029	1,042	1,036
Economic occupancy rate	87.9%	89.0%	88.3%	88.8%	88.7%	89.3%	87.6%	89.0%	88.6%	88.4%
Property costs, SEK/sq,m,	334	289	256	340	307	353	299	258	322	307
Property value, SEK/sq,m,	10,394	10,552	10,621	11,118	11,118	10,006	10,081	10,170	10,285	10,285

Multi-Year Summary

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Income Statement, SEKm										
Rental income	3,318	3,249	3,073	2,919	2,759	2,694	2,501	2,259	2,014	1,907
Property costs	-1,096	-1,105	-1,042	-1,003	-960	-942	-831	-771	-700	-637
Net operating income	2,222	2,144	2,031	1,916	1,799	1,752	1,670	1,488	1,314	1,270
Central administrative expenses	-108	-96	-93	-83	-84	-81	-71	-69	-67	-68
Net interest costs	-664	-702	-683	-660	-574	-541	-626	-495	-364	-382
Income from property management	1,450	1,346	1,255	1,173	1,141	1,130	973	924	883	820
Changes in value, properties	344	328	-69	194	1,222	-1,027	-1,262	920	1,145	932
Changes in value, derivatives	-660	429	-110	-429	291	102	-1,010	99	178	-40
Current tax	-11	-6	-7	-10	-5	-10	-14	-22	-10	-1
Deferred tax	88	-390	404	-217	-685	-35	650	-434	-522	-417
Net income for the year	1,211	1,707	1,473	711	1,964	160	-663	1,487	1,674	1,294
Other total net income	8	3	-4	0	-	-	-	-	-	-
Total net income for the year	1,219	1,710	1,469	711	1,964	160	-663	1,487	1,674	1,294

Balance Sheet, SEKm

Investment properties	37,599	37,752	36,328	33,867	31,768	29,267	29,165	27,717	24,238	21,270
Other fixed assets	442	291	259	207	156	201	230	123	200	103
Cash and bank	47	70	44	97	12	8	9	7	8	5
Total assets	38,088	38,113	36,631	34,171	31,936	29,476	29,404	27,847	24,446	21,378
Shareholders' equity	13,649	13,127	12,065	11,203	11,082	9,692	10,049	11,204	10,184	8,940
Deferred tax liability	3,612	3,700	3,310	3,714	3,502	2,824	2,785	3,322	2,723	2,126
Other provisions	23	-	-	-	-	-	-	-	-	-
Derivatives	1,357	683	1,105	1,003	574	865	966	-44	55	233
Long term interest-bearing liabilities	18,446	19,481	19,094	17,160	15,781	15,294	14,607	12,582	10,837	9,396
Non-interest-bearing liabilities	1,001	1,122	1,057	1,091	997	801	997	783	647	683
Total shareholders' equity and liabilities	38,088	38,113	36,631	34,171	31,936	29,476	29,404	27,847	24,446	21,378

Financial key ratios

Net operating income margin	67%	66%	66%	66%	65%	65%	67%	66%	65%	67%
Interest rate, average	3.3%	3.7%	3.9%	4.1%	3.7%	3.7%	4.7%	4.2%	3.7%	4.3%
Interest coverage ratio	318%	292%	284%	278%	299%	309%	255%	287%	343%	315%
Return on actual net asset value	7.6%	13.2%	7.9%	6.4%	21.5%	1.6%	-8.3%	16.2%	20.7%	18.2%
Return on total capital	6.5%	6.4%	5.3%	6.2%	9.8%	2.1%	1.2%	9.1%	10.4%	10.4%
Net investments in properties, SEKm	2,525	1,768	2,798	2,015	1,506	1,165	2,738	2,598	2,283	1,357
Sales, SEKm	3,054	687	253	107	227	36	28	39	460	468
Loan to value ratio	49%	52%	53%	51%	50%	52%	50%	45%	45%	45%

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	8.84	8.21	7.65	7.15	6.96	6.89	5.93	5.63	5.38	5.00
Income prop mgmt after tax (EPRA EPS), SEK	8.26	8.04	7.27	7.01	6.62	6.93	5.85	5.50	5.09	4.49
Earnings after tax, SEK	7.38	10.41	8.98	4.34	11.98	0.98	-4.04	9.07	10.21	7.89
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	229	230	222	207	194	178	178	169	148	130
Long term net asset value (EPRA NAV), SEK	114	107	100	97	92	82	84	88	79	69
Actual net asset value (EPRA NNAV), SEK	100	97	90	87	85	73	75	85	76	65
Dividend, SEK (2014 proposed)	4.60	4.25	3.95	3.70	3.60	3.50	3.15	3.00	2.85	2.62
Dividend ratio	52%	52%	52%	52%	52%	51%	53%	53%	53%	52%

Property related key ratios

Rental value, SEK/sq,m,	1,064	1,036	1,015	995	974	969	921	896	864	851
Economic occupancy rate	88.7%	88.4%	88.6%	89.3%	89.0%	89.8%	89.7%	87.9%	87.1%	88.1%
Property costs, SEK/sq,m,	307	307	298	300	298	300	268	262	259	247
Property value, SEK/sq,m	11,118	10,285	9,916	9,835	9,499	9,036	8,984	9,098	8,466	7,930

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 capital allocation and involvement in subsidiary Boards.

Income statement				
SEKm	2014 Oct-Dec	2013 Oct-Dec	2014 Jan-Dec	2013 Jan-Dec
Income	8	6	21	18
Operating expenses	-26	-22	-84	-71
Net financial items	-2	3	11	15
Dividend/group contributions	897	718	897	718
Change in derivatives	-162	-11	-660	429
Income before tax	715	694	185	1,109
Tax	-65	-28	51	-119
Net income for the period/year	650	666	236	990

Comprehensive income for the parent company

Net income for the period/year	650	666	236	990
Items that will be reclassified into net income				
Translation difference foreign operations	7	6	14	7
Unrealized change, currency hedge	-7	-6	-14	-7
Total net income for the period/year	650	666	236	990

Balance sheet, SEKm

	31 Dec 2014	31 Dec 2013
Participations in group companies	6,030	5,869
Receivables, group companies	17,990	18,137
Other assets	181	119
Cash and bank	16	52
Total	24,217	24,177
Shareholders' equity	4,577	5,038
Derivatives	1,357	683
Interest bearing liabilities	16,280	17,315
Interest bearing liabilities, group companies	1,883	998
Other liabilities	120	143
Total	24,217	24,177
Pledged assets (receivables group companies)	15,200	14,928
Contingent liabilities (guaranteed commitments for subsidiaries)	2,165	2,166

Accounting Principles

Castellum follows the EU-adopted IFRS standards. This interim report has been prepared according to IAS 34 Interim Financial Reporting and the Annual Accounts Act. Accounting principles and methods for calculations have remained unchanged compared with the Annual Report of the previous year except for IFRIC 21. IFRIC 21 states that levies, for Castellum property tax, shall be recognized when the obligation arises which occurs annually, January 1. Unconsumed share of the liability is recognized as pre-paid costs. The change has no effect on profit.

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 +/- 1% (units)	Probable scenario	
		Boom	Recession
Rental level / Index	+ 31/- 31	+	-
Vacancies	- 35/+ 35	-	+
Property costs	- 10/+ 10	-	0
Interest costs	- 67/+ 17*	-	+

* With the assumption that the interest rate can't fall 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. 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 upward 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

	- 20%	- 10%	0%	+ 10%	+ 20%
Properties					
Changes in value, SEKm	-7,520	-3,760	-	3,760	7,520
Loan to value ratio	61%	55%	49%	45%	41%

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.

Annual General Meeting

For the AGM on March 19, 2015 the Board of Directors proposes:

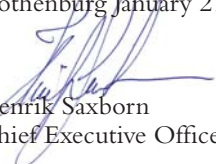
- a dividend of SEK 4.60 per share and March 23, 2015 as record day. The proposal is an increase of 8% compared to previous year,
- guidelines for remuneration to members of the executive management,
- a renewed mandate for the Board to decide on purchase or transfer of the company's own shares.

The election committee, which consists of Björn Franzon (chairman) representing the Szombatfalvy family and Stiftelsen Global Challenges Foundation, Mr. Rutger van der Lubbe representing Stichting Pensioenfonds ABP, Mr. 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. Nina Linander, Mr. Christer Jacobson, Mr. Jan Åke Jonsson, and Mr. Johan Skoglund, as members of the board of directors. Mrs. Marianne Dicander Alexandersson, board member since 2005, has declined re-election. Mrs. Anna-Karin Hatt is proposed to be elected as a new member 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 is proposed to be the following. The chairman of the board of directors: SEK 640,000, other members of the board of directors: SEK 300,000, member of the board of directors' remuneration committee, including the chairman: SEK 30,000, chairman of the board of directors' audit and finance committee: SEK 50,000, other members of the board of directors' audit and finance committee: SEK 35,000. The proposed total remuneration to the members of the board of directors, including remuneration for committee work, accordingly amounts to SEK 2,650,000 (SEK 2,445,000 previous year).
- for AGM to decide on appointing an election committee for the AGM 2016 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 2015 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 2016.

Gothenburg January 21, 2015



Henrik Saxborn
Chief Executive Officer

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

Board of Directors



Charlotte Strömberg
Chairman of the Board



Per Berggren
Board member



Marianne Dicander Alexandersson
Board member



Christer Jacobson
Board member



Jan Åke Jonsson
Board member



Nina Linander
Board member



Johan Skoglund
Board member

Executive Group Management



Henrik Saxborn
Chief Executive Officer



Ulrika Danielsson
Finance Director



Tage Christoffersson
Head of Business Development



Cecilia Fasth
MD Eklandia Fastighets AB



Claes Junefelt
MD Fastighets AB Corallen



Claes Larsson
MD Aspholmen Fastigheter AB



Anders Nilsson
MD Fastighets AB Brostaden



Ola Orsmark
MD Fastighets AB Briggen



Christer Sundberg
MD Harry Sjögren AB

The Castellum Share

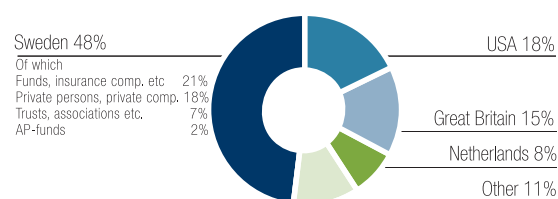
The Castellum share is listed on NASDAQ Stockholm Large Cap. At the end of the period the company had about 16,270 shareholders. Shareholders registered abroad cannot be broken down in terms of directly held and nominee registered shares except for two foreign shareholders who has flagged for holding over 5%, Stichting Pensioenfond ABP and Black rock. In addition, SEB Investment Management AB has flagged for holding over 5%. Blackrock has declared that they have decreased their holdings to under 5% after the year-end. Castellum has no direct registered shareholders with holdings exceeding 10%. The ten single largest Swedish shareholders are presented in the table below.

Shareholders on 31-12-2014

Shareholders	Number of shares thousand	Percentage of voting rights and capital
Stiftelsen Global Challenges Foundation	5,000	3.0%
Lannebo Småbolag	4,000	2.4%
Länsförsäkringar Fastighetsfond	3,231	2.0%
AMF Pensionsförsäkring AB	2,350	1.4%
Kåpan Pensioner	2,180	1.3%
Magdalena Szombafalvy	1,935	1.2%
Susanna Lööv	1,627	1.0%
SEB Swedish Value Fund	1,525	0.9%
SEB Sverigefond	1,476	0.9%
SEB Sverigefond Småbolag	1,441	0.9%
Board and executive management Castellum	267	0.2%
Other shareholders registered in Sweden	53,164	32.5%
Shareholders registered abroad	85,804	52.3%
Total registered 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 31-12-2014



The Castellum share price as at 31 December, 2014 was SEK 122.10 (100.10) equivalent to a market capitalization of SEK 20.0 billion (16.4), calculated on the number of outstanding shares.

During the year a total of 133 million (106) shares were traded, equivalent to an average of 532,000 shares (425,000) per day, corresponding on an annual basis to a turnover rate of 81% (65%). The share turnover is based on statistics from NASDAQ, Chi-X, Burgundy, Turquoise and BATS Europe.

Net asset value

Net asset value is the total equity which the company manages to its owners by creating return and growth given a certain level of risk.

The long term net asset value (EPRA NAV) can be calculated to SEK 114 per share (107). The share price at the end of the year was thus 107% (94%) of the long term net asset value.

Net asset value	SEKm	SEK/share
Equity according to the balance sheet	13,649	83
Reversed		
Derivatives according to balance sheet	1,357	9
Deferred tax according to balance sheet	3,612	22
Long term net asset value (EPRA NAV)	18,618	114
Deduction		
Derivatives as above	-1,357	- 9
Estimated real liability, deferred tax 5.0%*	-829	- 5
Actual net asset value (EPRA NNAV)	16,432	100

* Estimated real deferred tax liability net has been calculated to 5% based on a discount rate of 3%. Further, assessments have been made that tax loss carry forwards are realized in 2 years with a nominal tax of 22%, giving a present value of deferred tax liability of 21%, 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 6%.

Earnings

Income from property management adjusted for nominal tax attributable to income from property management (EPRA EPS) amounted to 8.26 (8.04) on rolling annual basis. This results in a share price yield of 6.8% (8.0%) corresponding to a multiple of 15 (12). Income from property management must be adjusted by a long-term increase in the property value.

Earnings per share amounted in 2014 to SEK 7.38 (10.41), which based on the share price provides a return on 6.1% (10.4%), corresponding to a multiple of 17 (10).

Dividend yield

The latest carried dividend of SEK 4.60 (4.25) corresponds to a yield of 3.8% (4.2%) based on the share price at the end of the year.

Total share yield

During the last 12-month period the total yield of the Castellum share has been 27% (13%), including a dividend of SEK 4.25.

Net asset yield including long-term change in value

In companies managing real assets, such as real estate, the income from property management only reflects part – albeit a large part – of the overall result. The definition of a real asset is that its value is protected. This means that over time – and with proper maintenance – the real asset increases in value to compensate for inflation.

The net asset value – i.e., the denominator of the yield ratio

income/capital – is adjusted annually in accordance with IFRS regulations for changes in value. In order to provide an accurate figure of the yield, the numerator – i.e., income – must be similarly adjusted. Therefore, the recorded net income has to be supplemented with a component of value changes as well as with effective tax to provide an accurate view of income and yield.

One problem is that changes in value can vary greatly between years and quarters, thus leading to volatile results. However, by being a long-term player with stable cash flow and a balanced real estate portfolio, Castellum is able to make use of long-term value changes to adjust the numerator of the equation.

Net asset yield and earnings including long-term change in value

		Sensitivity analysis	
		-1%-unit	+1%-unit
Income from property management 2014	1,450	1,450	1,450
Change in property value (on average 10 years)	410	37	782
<i>D:o</i> %	1.1%	0.1%	2.1%
Current tax, 5%	-77	-77	-77
Earnings after tax	1,783	1,410	2,155
Earnings SEK/share	10.87	8.60	13.14
Return on share	8.9%	7.0%	10.8%
Return on actual long-term net asset value	10.5%	8.3%	12.7%

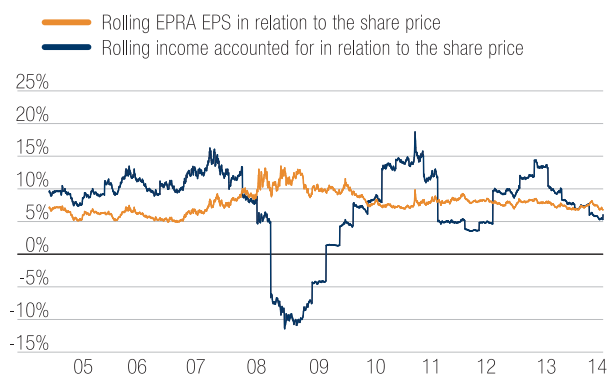
Growth, yield and financial risk

	2014	3 years average/year	10 years average/year
Growth			
Rental income SEK/share	2%	4%	6%
Income from prop. management SEK/share	8%	7%	7%
Net income for the year after tax SEK/share	neg	19%	3%
Dividend SEK/share	8%	8%	7%
Long term net asset value SEK/share	7%	5%	7%
Actual net asset value SEK/share	4%	4%	6%
Real estate portfolio SEK/share	6%	6%	8%
Change in property value	0.9%	0.5%	1.1%
Yield			
Return on actual long term net asset value	10.5%	9.2%	11.1%
Return on actual net asset value	7.6%	8.9%	11.1%
Return on total capital	6.5%	5.9%	7.0%
Total yield of the share (incl. dividend)			
Castellum	27%	17%	11%
NASDAQ Stockholm (SIX Return)	16%	20%	12%
Real Estate Index Sweden (EPRA)	37%	24%	14%
Real Estate Index Europe (EPRA)	26%	22%	5%
Real Estate Index Eurozone (EPRA)	23%	19%	7%
Real Estate Index Great Britain (EPRA)	21%	25%	3%
Financial risk			
Loan to value ratio	49%	52%	49%
Interest coverage ratio	318%	298%	298%

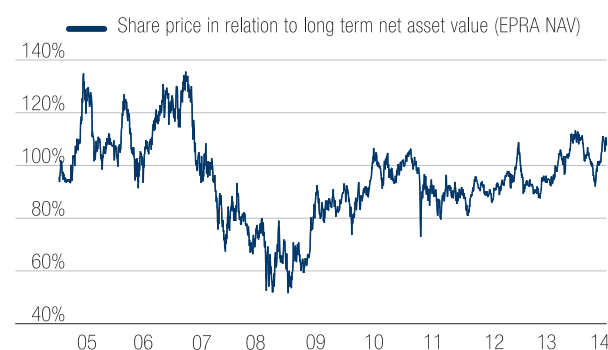
The share's dividend yield



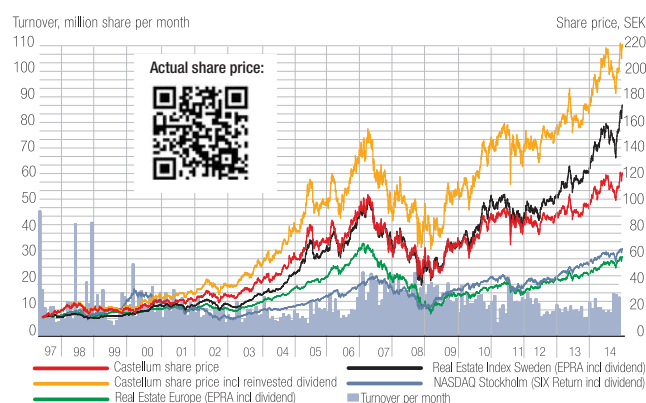
Yield earnings per share



Share price/net asset value



The Castellum share's price trend and turnover since the IPO May 23, 1997 until December 31, 2014



Calendar

Annual Report 2014	mid-February 2015	The Board of Directors in Castellum proposes a dividend to the shareholders of SEK 4.60 per share.
Annual General Meeting 2015	19 March 2015	
Interim Report January-March 2015	15 April 2015, around 1 pm	Record date for AGM 13 March 2015
Half-year Report January-June 2015	15 July 2015	Annual General Meeting 19 March 2015
Interim Report January-September 2015	15 October 2015	Ex-dividend date 20 March 2015
Year-end Report 2015	20 January 2016	Record date for dividend 23 March 2015
Annual General Meeting	17 March 2016	Dividend payment 26 March 2015

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 Henrik Saxborn, CEO, tel +46 705 60 74 50 or Ulrika Danielsson, CFO, tel +46 706 47 12 61.

Invitation to Annual General Meeting 2015

The Annual General Meeting of shareholders will be held on Thursday 19 March 2014 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 13 March 2015 and must also have notified their attendance to the company no later than 4 pm on Friday 13 March 2015.

Summons to the annual general meeting will be around 12 February 2015 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 13 March 2014. 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 30 January, 2015. The request should be addressed to Castellum AB, Att: Henrik Saxborn, 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.

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