

Honoured shareholders,

With continuity and stability in strategy, organization and financing, Castellum has been able to deliver yet another year of steady growth.

Income statement

<i>SEKm</i>	2012		2011	
Rental income (fully let)	3,505	1,000 SEK/sq.m.	3,297	995 SEK/sq.m.
./. Vacancies	- 432	11%	- 378	11%
Property and adm. costs	- 1,135	300 SEK/sq.m.	- 1,086	300 SEK/sq.m.
Net interest rates	- 683	3.9% / 2.8 years	- 660	4.1% / 2.7 years
Income from property management	1,255	7.65 SEK/share	1,173	7.15 SEK/share
<i>Growth – objective</i>	7%		3%	
<i>Changes in value</i>				
Properties	- 69	- 0.2%	194	+ 0.6%
Interest rate derivatives	- 110		- 429	
Tax paid	- 7		- 10	
Deferred tax	404		- 217	
Net income for the year	1,473	8.98 SEK/share	711	4.34 SEK/share

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The top half of Castellum's income statement, i.e., the cash-flow-related part, is relatively stable – as it should be for a property management company.

Rental value increased by more than SEKm 200 or 6%, of which 4% is a direct effect of investments undertaken. Vacancies appear unchanged seen as percentages, but they are slightly larger in actual value. The same applies to costs, which remain stable at around 300 SEK/sq.m. Interest costs have increased by nearly SEKm 25. This figure reflects the net value of approximately SEKm 30 in reduced-interest expenses (from 4.1% to 3.9%) and increased interest expenses of SEKm 55, resulting from investments made during the year.

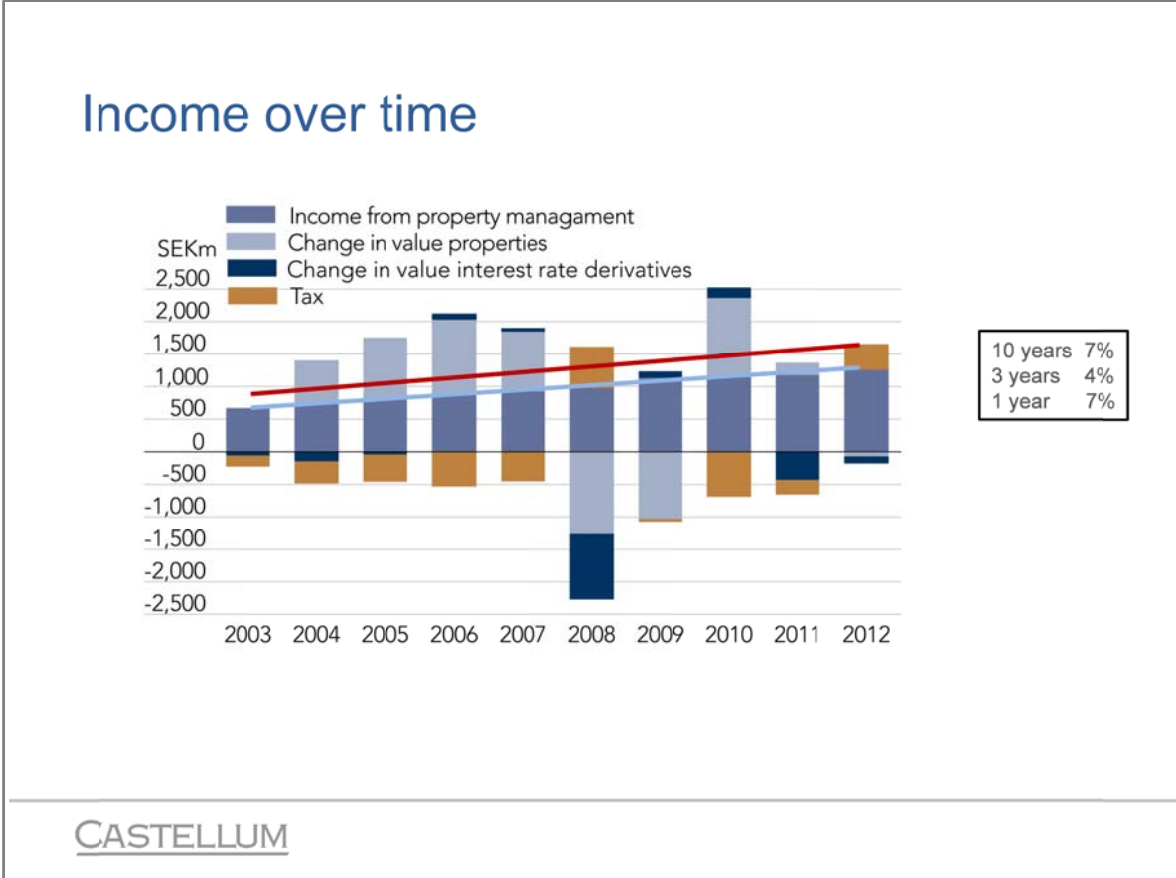
In all, this adds up to an income from property management totalling SEKm 1,255, or SEK 7.65 per share. Three of six subsidiaries achieved our ambitious goal of 10% growth, whereas the Group shows a 2012 growth of 7% —not quite our goal, but still positive!

The lower half of the income statement is less cash-flow-related and more like pure accounting.

Property values have been stable for this year as well. Despite threats of a looming recession, high liquidity and high relative yields have resulted in stable property prices. When it comes to interest-rate derivatives, over time these always equal zero. However, in between times, they constitute a positive entry in the income statement when the long-term market interest rate goes up and—as for 2012—a negative entry when the market interest rate goes down.

The same could be said of taxes, which are not particularly cash-flow-related. As you can see, taxes are positive this year, which is an effect of resolving previously reserved future taxes through a corporate tax- rate reduction of more than 4%, to 22%.

Net income for 2012, including the more volatile second half of the income statement, amounted to SEKm 1,473.



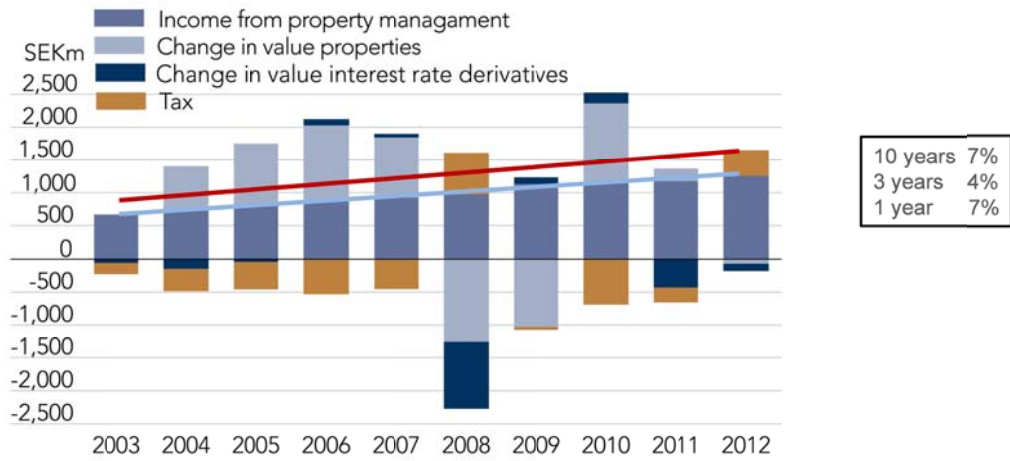
As a listed company, we are happy to report our activities quarterly. However, a real estate company must be analyzed over a longer time period.

As seen on the graph, income from property management shows great stability—an average of 7 % annually over a 10-year period, as illustrated by the blue curve, whereas other entries fluctuate greatly from year to year.

During the 10-year period, property prices have gone up over 5 years, down for 2 years and remained essentially unchanged for 3 years. On average however, they have gone up 1.3% per year.

An average result is obtained by considering: fair-value income from property management, and an average value-change in property prices of 1.3%. 5% paid tax is also factored in, even if actual tax value has been significantly lower. As illustrated by the red line, the calculation results in a 10-year average growth of: 7%.

Income over time



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The asset side of the balance sheet: 635 properties totalling 3.6 million sq.m., valued at over SEK 36 billion. On average, this means SEK 10,000 per sq.m, including land.

Average valuation yield over time



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Also from a yield perspective, properties in general and Castellum's portfolio in particular are perceived as attractive compared with—as the diagram illustrates—the 5-year government bond yield.

Investments



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After having pulled the emergency brake during the financial crisis, Castellum has reached its goal levels for investments. Net investment totalled SEK 2.5 billion. Of these, prioritized new constructions, extensions and reconstructions amounted to SEK 1.3 billion.

Balance Sheet

<i>SEKm</i>	<i>Dec 31, 2012</i>	
Investment properties	36,328	SEK 9,916 / sq.m. 7.3% yield
Other assets	303	
	36,631	
Equity	12,065	NAV SEKm 16,480 SEKm / 100 SEK
Deferred tax liability	3,310	
Derivatives	1,105	
Interest-bearing liabilities	19,094	LTV 53% Strategy < 55%
Non-interest-bearing liabilities	1,057	
	36,631	

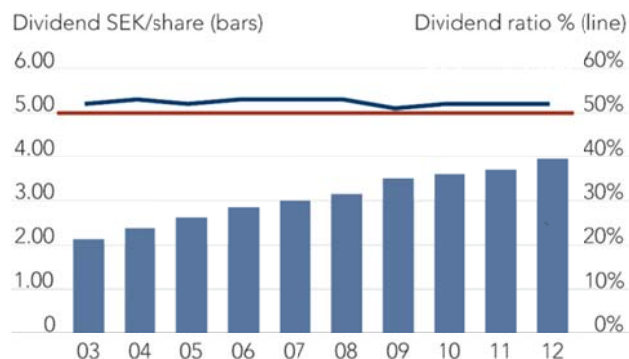
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Shareholders' equity amounted to SEK 12.1 billion and, if interest-free and amortization-free accounting liabilities are added, the long term net asset value amounts to approximately SEK 16.5 billion—equivalent to SEK 100 per share.

Financing—SEK 19.1 billion in interest-bearing liabilities equals a 53% loan-to-value ratio—well below the objective of 55%. It should be noted that in 2012 we started issuing corporate bonds, a MTN-program- which further broadened our funding base.

Castellum's access to credits are considered to be stable.

Dividend



- Proposal 3.95 SEK/share – a dividend yield of 52%
- Growth every year since IPO 1997
- Average growth per year last 10 years 8%

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Castellum's dividend policy states that at least 50% of the income from property management is to be distributed to shareholders.

With a historically stable dividend payout ratio of 51-53% it means that dividends have increased at roughly the same rate as for income from property management.

The proposed SEK 3.95 per share represents a 7% increase, which roughly represents average growth over the past 10 years.

The Castellum share

	SEK/ share	% of share- price 97 SEK	Growth		
			1 year	3 years average/year	10 years average/year
Income from property management	7.65	7.9%	7%	4%	7%
Dividend	3.95	4.1%	7%	4%	8%
Net income of the year	8.98	9.3%	107%	110%	8%
<i>D:o 1.3% growth in value and 5% tax</i>	10.15	10.5%	7%	4%	7%
Long term net asset value	100	103%	3%	7%	7%
Total yield of the share (incl. dividend)			13%	13%	16%

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If Castellum's numbers are translated to the stock market and set in relation to the latest share price, a number of key ratios are obtained as shown in the figure.

Income from property management over share price SEK 97 gives 7.9%, or conversely, a cash-flow multiple of 13. The share's dividend yield is 4.1%.

This year's net income is 9.3%, or conversely, it indicates an earnings multiple of 11. If the average-value-changes result is used, the yield is 10.5%, which in turn provides an earnings multiple of 10.

The share is currently traded on its long-term asset value.

Total yield of the share (incl. dividend) for 2012 was 13%, which is slightly below comparable indexes, whereas the average return for the past 10 years surpasses most of the comparable indexes.

This was Castellum's 16th year as a listed company. Provided that we receive approval of the Annual General Meeting, we can now put fiscal year 2012 to bed.

This will also be my last CEO speech.

Thank you
Thank you very much, Madam Chairman.

I would like to start by thanking my predecessor Håkan, whom I now succeed as CEO of a very well-managed, stable and continuously growing company.

Thank you, Håkan.



Castellum is symbolized by its four cornerstones. Håkan has mentioned two of them and he has shown that we have a continued strong balance sheet and low financial risk, as well as a strong cash-flow focus, which permeates the organization.

Commercial properties in growth regions



Customer focus through local organizations



Cash flow focus



Strong balance sheet and low financial risk



If we focus on our real estate portfolio, which represents a mix due to specific customer requirements at our locations, we'll note the following:

Real Estate Portfolio

- SEK 36 billion
- 3.6 million sq.m.



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The Real Estate Portfolio

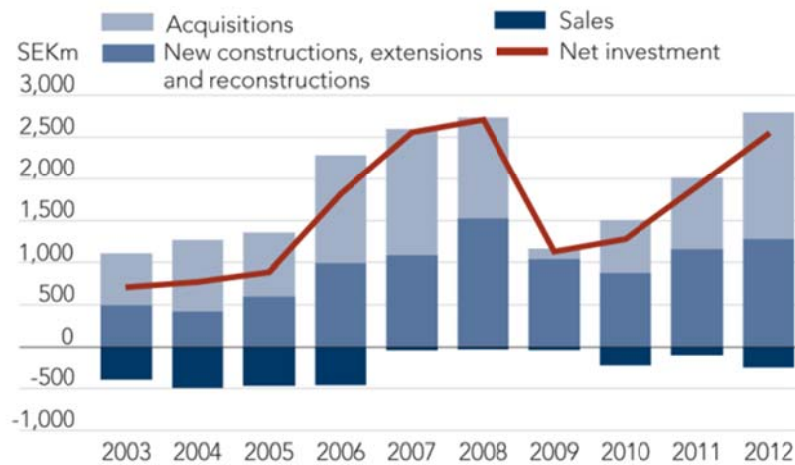
Our properties are located in 15 growth areas, i.e., where Sweden is growing and where approximately 6.3 million of the population live. Since our objective is to grow, it's necessary to be located in emerging Scandinavian market areas, and we are.

Today, Sweden is the country in Europe with the strongest urbanization trend, and cities with more than 100,000 inhabitants are growing faster than the rest of Sweden.

Today, through subsidiaries, we own 635 properties, totalling 3.6 million sq.m. This makes Castellum one of the largest real estate companies in the EU in terms of square metres.

In terms of value, the distribution between the two categories office/retail and warehouse/industrial is two-thirds for office/retail and one-third for warehouse/industrial. This distribution is based upon customer requirements at our locations.

Investments



Net investment SEKm 2,545

- of which new constructions, extensions and reconstructions SEKm 1,279
- SEKm 1,519 acquisitions

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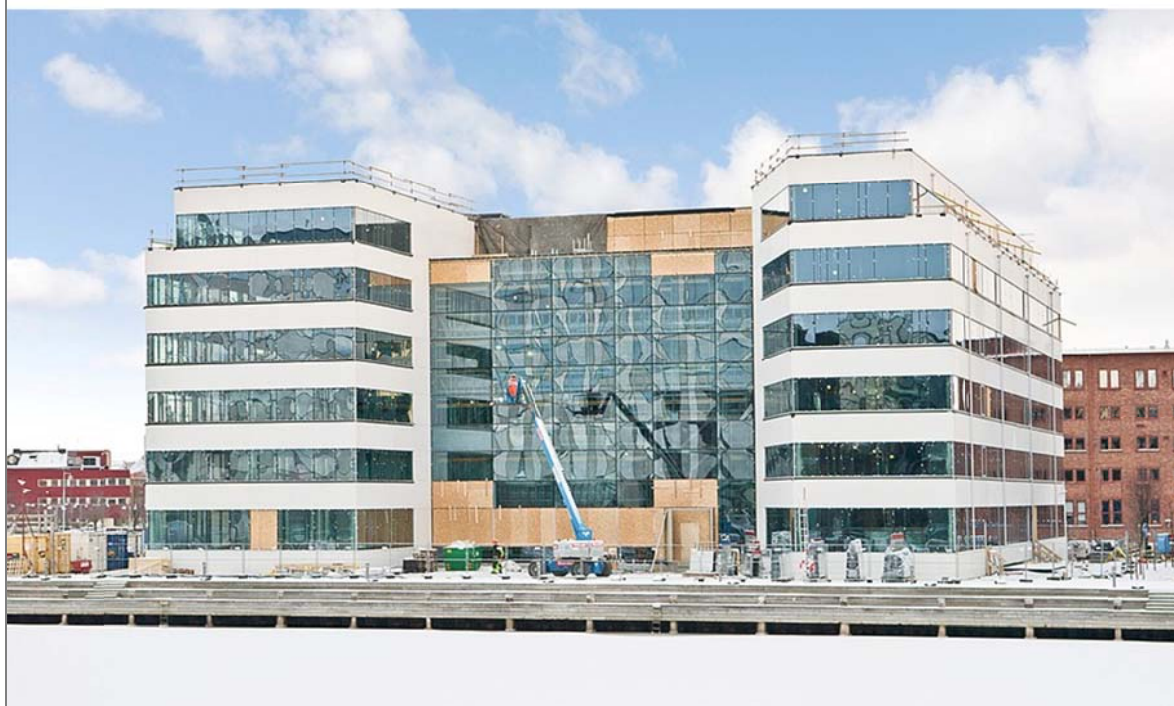
Investments

At year end we had SEK 1.1 billion contracted out for ongoing projects that are to be completed over the next two years.

We intend to continue net-investing about 5% of the balance per year. The net investment volume is to consist of a mix of projects and acquisitions of interesting objects that create future cash-flow growth – as well as sales of fully developed properties.

Some of the current projects include:

Investments



Aurora

Aurora will add another 10,000 sq.m in close proximity to the water at Lindholmen in Gothenburg. So we can offer companies new efficient premises without having to wait for at least two years.

Investments



Dragarbrunn

In 2010, we acquired a property right in the centre of Uppsala. The property consisted of offices and the former EPA department store, which we are now rebuilding, by creating another 9,200 sq.m of effective office space.

Investments



Atollen

In downtown Jönköping there is an ongoing production of the first part of the three “building blocks” that are to change the future skyline of the city centre. We are currently producing the first part of the two blocks together with Jönköping municipality and two other partners.

Investments



Fullriggaren

At last we can mention that we have completed Sweden's building project with one of the most beautiful views over Öresund and Denmark – 5,400 sq.m. in Västra Hamnen in Malmö.

Commercial properties in growth regions



Customer focus through local organizations



Cash flow focus



Strong balance sheet and low financial risk



The next cornerstone is customer focus – through our local presence.

Customer focus

- Satisfied customers
- 4,800 customers distributed in
 - size
 - geography
 - sectors
 - length of contracts

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Today, Castellum serves 4,800 customers. We're working to attract more of them – while taking the best possible care of those customers we already have. We know that this can only be achieved through positive and long-term relationship building.

We carefully monitor how our delivery of premises and service is perceived. The survey conducted in 2012 showed continued high results, but we don't allow ourselves to feel complacent about this. Instead, the improvement potential found in survey answers is analyzed and, when possible, areas that require attention are improved. The survey is an important tool in our quest to continuously improve customer service.

Our customers represent a broad risk spread in that they vary, ranging over:

- Size – e.g. our largest customer, who represents 1 percent of the total rental flow
- Our geographical spread
- Customers – who now constitute the average range of Swedish domestic enterprises
- Leases – usually signed for 3 to 5 years and today the remaining duration is 3.2 years.

In conclusion, we have a low-risk rental portfolio.

Service management with customer focus

- Decentralized and small scale organization with local brands
- Local presence gives knowledge about the customers and local enterprise
- One of the three largest



Service management with a customer focus

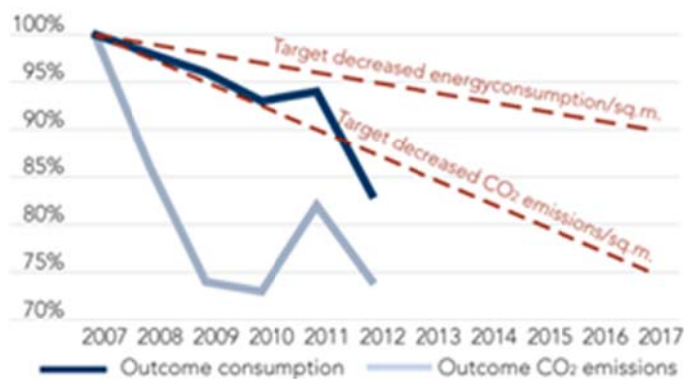
To succeed in serving our customers every day, every week, year after year, it is essential that we are present – where they are.

We provide this service, and make it possible through a strong local organization that dares to face the customer. We do this through our six local subsidiaries which collectively sign nearly 700 new contracts per year or, if you prefer, more than three per day.

We know that we need to be one of the major players in each location in order to deliver the service requested as well as being frequently present in the market. We do achieve this in most of “our” locations.

Responsible and sustainable business

- Economic
- Social
- Environmental



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Responsible and sustainable Business

Castellum's driving force is to stand for responsible business conduct and contribute to a sustainable society. By being one of the major players in each respective location, this is conducted via co-operation with municipalities and universities/colleges.

One example of our social responsibility that could be mentioned is that we decided to implement a youth campaign in 2012, which meant that we offered at least 10-15 unemployed young people apprentice posts, to help introduce them into working life.

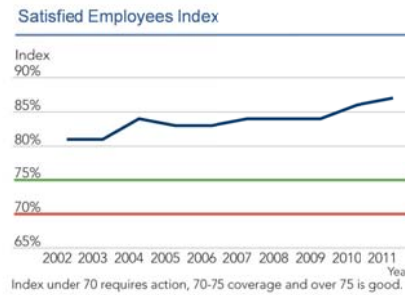
We continue to develop our environmental efforts.

Since Castellum was founded in the mid-1990s, there has been a genuine interest within the organization to conduct effective management, which is why energy efficiency has been high up on the agenda. This has contributed to Castellum being the real estate company with the most Green-Building-classified properties in Sweden today—with 94 out of a total of 267 buildings. The past years' focus on energy issues, as well as the implementation of a new environmental system in more and more properties, has resulted in a 17 % reduction of energy consumption today, compared to 5 years ago.

Furthermore, all of our new projects are environmentally certified and during the past year we have won a number of awards—but we will get back to that.

Employees

- Satisfied employees
- Low absence due to illness
- Equal workplace



Employees

To achieve our best results, Castellum has to be an attractive workplace in order to retain competent and motivated employees. Therefore we work with professional development in a number of ways. Most notable is a leadership program, initially for 45 people, and for another 18 people in 2013. We also offered further education in rental law and sales during 2012. Today I have the privilege of working together with 265 highly competent colleagues (106 women and 159 men).

Satisfied Employees surveys are regularly conducted and show high results. A new survey will be conducted in 2013.

Today, Castellum is an attractive workplace that we will continue to develop to maintain the highest quality in our operations.

Executive Group Management



Harry Sjögren AB



BROSTADEN

ASPHOLMEN
fastigheter



Tage Christoffersson
Managing Director,
Ekländia Fastighets AB



Christer Sundberg
Managing Director,
Harry Sjögren AB



Gunnar Östenson
Managing Director,
Fastighets AB Briggen



Anders Nilsson
Managing Director,
Fastighets AB Brostaden



Claes Larsson
Managing Director,
Aspholmen Fastigheter AB



Claes Junefelt
Managing Director,
Fastighets AB Corallen



Ufika Danielsson
Finance Director,
Castellum AB



Anette Asklin
Financial Director,
Castellum AB



Henrik Saxborn
Chief Executive Officer,
Castellum AB

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Presentation of the Executive Group Management

Now that we are talking about organization and employees I would also like to introduce the executive group management of Castellum.

- My name is Tage Christoffersson. I am CEO of Ekländia which has 44 employees and manages properties worth SEK 6 billion in Gothenburg.
- My name is Christer Sundberg and I am CEO of Harry Sjögren. We have 30 employees and own properties worth SEK 5 billion in Gothenburg, Mölndal, Kungsbacka, Borås, Alingsås and Halmstad.
- Gunnar Östenson, CEO of Briggen – 46 employees – with properties in Malmö, Lund, Helsingborg and now also in Copenhagen, totalling SEK 7.6 billion.
- I am Anders Nilsson and CEO of Brostaden. Brostaden manages properties worth SEK 7.2 billion in Greater Stockholm and has 45 employees.
- My name is Claes Larsson, CEO of Aspholmen, with 46 employees and properties worth SEK 5.8 billion in Örebro, Västerås and Uppsala.
- And my name is Claes Junefelt, CEO of Corallen with 35 employees. We manage properties in Värnamo, Jönköping, Växjö and Linköping, for a total of SEK 4 billion.

At the parent company, Castellum AB, there are two more members of Executive Group Management:

- My name is Ulrika Danielsson, Finance Director. Among other things, I'm responsible for Castellum's sound financial monitoring system and the highest quality assurance for information provided to the stock market.
- I am Anette Asklin – Financial Director with responsibility for funding and financial risk management for Castellum's credit portfolio – which covers approximately SEK 23 billion.



How will the near future unfold?

Development

Income

Vacancies

Property costs

Interest rate costs

Property prices



Sweden currently stands on solid ground, but with low growth it presently becomes somewhat more challenging for Castellum to grow.

Inflation was low from October 2011 to October 2012—just 0.4%—but Castellum has a sound lease structure and can thus expect approximately 1 % growth in gross rent as a result of the index.

Concerning vacancies, Castellum has a stable backlog, which lines up with conditions as they were twelve months ago. However, it takes slightly longer to close rental deals. Hence our vacancy potential will possibly improve somewhat during the year, even if there is no drastic change.

We expect operating costs to remain stable, with no significant variation.

There are many contributing factors affecting interest costs, but on the whole financing costs appear to remain relatively stable for us.

Property costs are currently stable.

Development

Income

Vacancies

Property costs

Interest rate costs

Property prices



The sum of these parts indicates that there will be no free lunch in the near future, but that companies will have to be competent and well positioned to manage growth. My assessment is that Castellum has got what it takes.

Commercial properties in growth regions



Customer focus through local organizations



Cash flow focus



Strong balance sheet and low financial risk



Future

As you've gathered from my speech, the Castellum cornerstones will prevail and we will continue to further develop the company.

Thank you for your attention!