

Corporate Governance Report



Masthugget 3:6, Gothenburg

Corporate governance covers the different means of decision making by which the shareholders directly and indirectly control the company. A high level of transparency in the information to shareholders and the capital market helps the decision making process run efficiently and provide different owners good insight into the operations of the company. Corporate governance has evolved through laws, recommendations, the so called "code", and through self regulation.

Articles of association

The name of the company is Castellum Aktiebolag and the company is a public limited company. The registered office of the Board is in Gothenburg.

The objective of the company's activities is to acquire, administer, develop and sell real estate and securities – directly or indirectly through wholly or partially owned companies – and to carry out other activities compatible with these. Changes in Castellum's articles of association are made in accordance with the regulations in the Companies Act. The articles of association, which also includes information on share capital, number of board members and auditors as well as rules for summons and agenda for the annual general meeting is available as a whole on the company's web site.

Annual General Meeting 2011

According to the Companies Act the annual general meeting is the highest decision making forum in a public limited company. The annual general meeting elects the Board of Directors and the company's auditors as well as makes decisions on changes in the articles of association and on changes in the share capital.

The latest AGM was held on March 24, 2011 in RunAn, Chalmers Kårhus in Gothenburg. At the AGM approx. 369 shareholders were represented, representing 36.1% of the total number of shares and votes.

The AGM adopted the financial reports for 2010 and discharged the Board of Directors and the Chief Executive Officer from liability regarding the operations for 2010.

Dividend to the shareholders was decided according to the Board's proposal of SEK 3.60 per share.

The AGM decided to change the Articles of Association regarding notice procedures and auditors' term of office in accordance with amended legislation,

The AGM decided that the Board of Directors shall consist of six board members with no deputies and that the Board shall receive a fixed remuneration of SEK 1,700,000 of which SEK 500,000 to the Chairman of the Board and SEK 240,000 to each of the remaining board members. The remuneration includes work on the committees. To the Board of Directors Jan Kvarnström, Marianne Dicander Alexandersson, Per Berggren, Ulla-Britt Fräjdin-Hellqvist, Christer Jacobson and Johan Skoglund were re-elected. The AGM appointed Jan Kvarnström as Chairman of the Board.

The AGM decided on re-election of auditor Carl Lindgren, new election of auditor Magnus Fredmer and re-election of deputy auditor Conny Lysér and that fee to the auditors shall, during the term of office, should be based on approved account,

The AGM decided to approve the Board's proposed guidelines for remuneration to the executive management.

The AGM also decided to authorize the Board – in order to adjust the company's capital structure and be able to transfer own shares as a payment or financing of real property investments – to resolve on acquisition and transfer of own shares.

Minutes of the annual general meeting held on March 24 2011 are available on the company's web site.

Share capital

The share capital amounts to SEK 86,003,354, distributed among 172,006,708 shares with a par value of SEK 0.50. Each share, except the company's own repurchased shares of 8,006,708, entitles the holder to one vote and carries an equal right to a share in Castellum's capital. Castellum has no directly registered shareholder owning more than 10%.

Board of Directors

According to the articles of association, Castellum's Board shall consist of no less than four and no more than eight members. Board members are elected at the annual general meeting for the time until the end of the first annual general meeting held after the year the board member was elected. During 2011, the Board was made up of six regular members. The Board works according to a set of procedural rules containing instructions on the allocation of work between the Board and the CEO. No board member is entitled to remuneration if leaving the assignment.

New board members receive an introduction of the company and its operations and take the stock exchange's training program according to the agreement with the stock exchange. The Board receives regularly information of regulatory changes and issues concerning the operations and board responsibilities for a listed company.

For Board decisions the rules of the Companies Act applies, stating that at least half of the board members present and more than one third of the total number of board members

must vote in order for a decision to be made. On equal count the Chairman has the deciding vote.

The Board of Directors responsibility

The Board appoints the company's Chief Executive Officer and sets remuneration and other terms of employment benefits for the CEO. According to the Swedish Companies Act and the Board of Directors' rules of procedure the Board is responsible for outlining overall, longterm strategies and objectives, budgets and business plans, review and establish the accounts, as well as making decisions on issues regarding investments and significant changes in Castellum's organization and operations.

The Board of Directors' rules of procedure

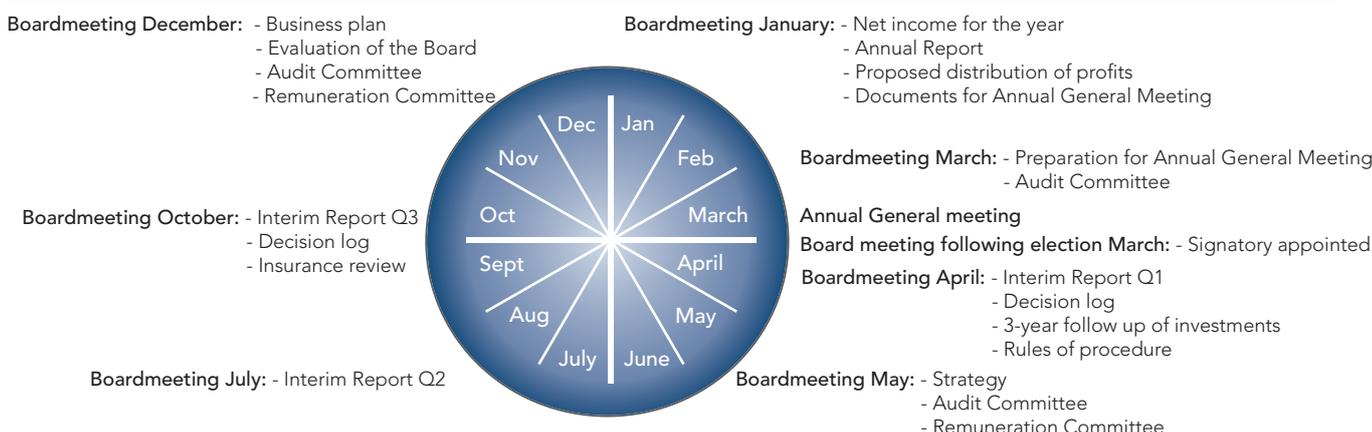
The Board of Directors' rules of procedure is set annually. The rules of procedure describes the work of the Board and the distribution of responsibility between the Board and the Chief Executive Officer. The rules of procedure also states topics which should be dealt with at each board meeting and instructions regarding the financial reporting to the Board of Directors.

The rules of procedure also prescribes that the Board shall have an audit committee and a remuneration committee made up of all members of the Board who are not employed by the company. The Chairman of the committees shall be the Chairman of the Board of Directors.

The Chairman of the Board of Directors

The Chairman of the Board of Directors is responsible for making sure that the members of the Board regularly receive information needed from the Chief Executive Officer in order to follow up on company's financial position, results, liquidity, financial planning and development. The Chairman of the Board of Directors is also obliged to fulfil decisions made by the Annual General Meeting regarding establishing an Election Committee and to take part in the work of the committee.

The Board's year - issues besides current state of operations, prospects, investments, sales och financing



The Board of Directors' activities during 2011

During 2011, Castellum's Board has held ten meetings of which one was a board meeting following election. According to the prevailing procedural rules, the Board must hold at least seven scheduled board meetings each calendar year, of which one is a board meeting following election.

Board meetings are held in connection with the publication of the company's reports, the year-end, proposed appropriation of profits and issues relating to the AGM are being dealt with in January, interim accounts in April, July and October, strategy in May and the business plan for the next year at the meeting held in December.

At each of the scheduled board meetings, matters of significance for the company, such as investments and sales of properties as well as funding are covered. Furthermore, the Board is informed about the current state of operations, the rental and real estate markets as well as the credit and stock markets. The regular matters dealt with by the Board during 2011 included the business plan, company-wide policies, overall strategies, the procedural rules for the Board, the capital structure and funding needs, and the company's insurance situation.

The Board has during 2011 made an external evaluation of its work. The evaluation has been handed over to the Election Committee and the Board for discussion. The evaluation covers topics such as working climate, working procedures in the business process, crisis management, follow-up and control systems, moral, ethics and communication.

No other compensation beside the remuneration has been paid.

Remuneration Committee

The Remuneration Committee has, in relation to the Board, a preparatory function in matters of remuneration principles, remuneration and other employment terms. The Remuneration Committee shall monitor and evaluate the application of the guidelines for compensation, remuneration structures

and levels of remuneration of senior executives that the Annual General Meeting decided on, as well as prepare proposals for new guidelines on remuneration policies and other terms of employment.

Decisions are made by the Remuneration Committee regarding the outcome during the current incentive program. The Committee shall monitor and evaluate ongoing and ended incentive plans and prepare proposals for new incentive program for the AGM. Further, drawing up proposals for the Board's accounting of the remuneration committee's evaluation of variable remuneration, the application of guidelines and compensation structures and levels. The evaluation shall be presented on the company's website. The Remuneration Committee shall annually evaluate the work of the Chief Executive Officer and, where appropriate, deal with issues concerning appointing CEO.

The Remuneration Committee shall meet at least twice a year. During 2011, the Committee has held three meetings.

Audit Committee

The Audit Committee has, in relation to the Board of Management, a preparatory function in matters of auditing and financial reporting. The Audit Committee's role is to monitor the company's financial reporting and the effectiveness of the internal controls, internal audit and risk management, keep informed about the audit of financial statements and meeting regularly with the auditors to obtain information on auditing and the company's risks. The Audit committee shall review and monitor the auditor's impartiality and independence, and evaluate the audit work and inform the Nomination Committee of the outcome of the evaluation. The Audit Committee shall also assist the committee in preparing proposals for auditors and compensation to them.

The Audit Committee shall meet at least three times a year, of which the auditors must attend at least twice. At one of those times when the audit committee meets with the auditors, no one from the corporate management shall be present. In 2011, the committee met on three occasions.

Board of Directors, number of meetings and attendance during 2011 in Castellum AB

Name	Elected/resigned	Independent	Attendance of the total number of meetings			Remuneration SEK thousand
			Board meetings	Audit Committee	Remuneration Committee	
Jan Kvarnström	1994	No*	10/10	3/3	3/3	500
Per Berggren	2007	Yes	10/10	3/3	3/3	240
Marianne Dicander Alexandersson	2005	Yes	9/10	3/3	3/3	240
Ulla-Britt Fräjdin-Hellqvist	2003	Yes	10/10	3/3	3/3	240
Christer Jacobson	2006	Yes	10/10	3/3	3/3	240
Johan Skoglund	2010	Yes	10/10	3/3	3/3	240

* As Jan Kvarnström has been a member of the Board of Directors in Castellum since 1994 he is considered to be dependent.

Board of Directors



Johan Ljungberg, Per Berggren, Johan Skoglund, Jan Kvarnström, Marianne Dicander Alexandersson, Ulla-Britt Fräjdin-Hellqvist, Christer Jacobson

Jan Kvarnström, Chairman of the Board

Born 1948, Master of Business Administration and Economics and MBA. Business-owner, von Deska GmbH and Kvarnström & Kvarnström.

Has been CEO of Securum AB, Esselte AB and Dresdner Bank AG and various executive positions in the Bonnier-group and PK-banken (now Nordea).

Other assignments: Chairman of the Board of Collector AB and board member in companies in the Genworth Financial Group. Shareholdings: 36,620

Per Berggren, Board member

Born 1959, Master of Science and economic education from Stockholm University. CEO of Hemsö Fastighets AB.

Previously CEO of Jernhusen AB, division manager in Fabege AB, CEO of Drott Kontor AB and property manager in Skanska Fastigheter Stockholm AB.

Shareholdings: 2,500

Marianne Dicander Alexandersson, Board member

Born 1959, Master of Science. CEO of Sjätte AP-fonden.

Deputy CEO of Apoteket AB. Previous positions within Kronans Droghandel, Volvo, ICI, Pharmacia and most recently as CEO Apoteket AB.

Other assignments: Director of Chalmers University of Technology and Mölnlycke Healthcare AB.

Shareholdings: 3,030

Ulla-Britt Fräjdin-Hellqvist, Board member

Born 1954, Master of Science. Business-owner, Fräjdin & Hellqvist AB.

Previous executive positions within Volvo Personvagnar and Head of Department in Confederation of Swedish Enterprise. Other assignments: Chairman of the Board in Kongberg Automotive ASA, SinterCast AB and Stiftelsen för Strategisk Forskning. Boardmember of Data Respons ASA, Rymdbolaget, Fouriertransform, Stockholm Environment Institute, Tällberg Foundation and e-man.

Shareholdings: 800

Christer Jacobson, Board member

Born 1946, Master of Business Administration and Economics DHS. Business-owner, Bergsrådet Kapital AB.

Previously stock commen-tator and market manager at Affärsvärlden and Head of Analysis and CEO of the Alfred Berg group. Other assignments: Director in Viscogel AB and Max Matthiessen Värdepapper AB.

Shareholdings: 40,000

Johan Skoglund, Board member

Born 1962, Master of Science KTH and the program of Master of Science Handelshögskolan, Stockholm. CEO JM.

Has experience since 1986 from JM AB in various positions.

Other assignments: Boardmember of Sveriges Bygginindustrier and Mentor Sverige.

Shareholdings: 1,000

Johan Ljungberg, Secretary to the Board

Born 1974. Secretary to the Board since 2008. Lawyer, Mannheimer Swartling Advokatbyrå.

Shareholdings: 0

The information above refers to the situation at the end of January 2012. Shareholdings include own holdings and those of spouse, minors or children living at home and associated companies and holdings through capital assurance.



Carl Lindgren
Born 1958
Company's auditor
since 2007



Magnus Fredmer
Born 1964
Company's auditor
since 2011



Conny Lysér
Born 1962
Company's deputy
auditor since 2003

Audit

Castellum's auditors are elected by the AGM for a period of four years. The present period began in 2011 and the next election will therefore take place at the AGM in 2015. The company's auditors are Carl Lindgren, working at KPMG, Magnus Fredmer, working at Ernst & Young and deputy auditor Conny Lysér, working at KPMG. All of them are authorized public accountants.

Remuneration to auditors

Remuneration to auditors during the year was SEK 4,583,000 (4,379,000) of which SEK 2,881,000 (2,682,000) related to auditing assignments, SEK 103,000 (287,000) audit in addition to the auditing assignment and SEK 1,599,000 (1,410,000) to tax consultation. The corresponding amounts for the parent company were SEK 1,084,000 (1,136,000) and SEK 864,000 (795,000) related to the auditing assignment and SEK 220,000 (341,000) tax consultation. Of the group's total remuneration of SEK 4,583,000 (4,397,000), SEK 4,184,000 (4,103,000) refer to KPMG and the remainder to Ernst & Young.

Election Committee

The Annual General Meeting 2011 decided that an Election Committee should be appointed for the AGM 2012 in order to present proposals for the number of members of the Board of Directors, election of members of the Board of Directors, chairman of the Board of Directors, remuneration to members of the Board of Directors and election of auditors and their remuneration.

The Election Committee is appointed according to the AGM's decision that the Election Committee should be established by the Chairman contacting the three largest shareholders at the end of the third quarter in order for them to each appoint one member to the Election Committee. The appointed members, together with the Chairman of the Board of Directors as convener, should constitute the Election Committee. The Election Committee would appoints chairman amongst its members.

The Election Committee includes: Maj-Charlotte Wallin representing AFA Försäkring, Rutger van der Lubbe representing Stichting Pensioenfonds ABP, Lars-Åke Bokenberger representing AMF Pension, and the Chairman of the Board Jan Kvarnström. Maj-Charlotte Wallin is the chairman of the Election Committee.

The Election Committee has held three meetings with minutes where all the issues the Election Committee are obliged to address according to the Swedish Code for corporate governance has been dealt with.

The Election Committee has decided to propose re-election of the board members Mr. Per Berggren, Mrs. Marianne Dicander Alexandersson, Mrs. Ulla-Britt Fräjdin-Hellqvist, Mr. Christer Jacobson and Mr. Johan Skoglund. Mr. Jan Kvarnström, who has been chairman of the board since 1994, has declined re-election. In addition to this Mrs. Charlotte Strömberg and Mr. Jan Åke Jonsson are proposed to be elected as members of the board of directors. Mrs. Charlotte Strömberg is proposed to be elected as new chairman of the board of directors. The proposed Board of Directors is considered to possess the versatility and competence, experience and background required with respect to Castellum's business, phase in the development and other circumstances.

In order to be able to judge the proposed board member's independency in relation to Castellum and its executive management as well as to the larger shareholders in Castellum, the Election Committee has gathered information on the proposed members of the Board of Directors.

Remuneration to the Board of Directors is proposed to SEK 510,000 to the Chairman and SEK 245,000 for each of the remaining board

members, SEK 1,980,000 in total. Finally, the Election Committee has informed Castellum about the work of the Election Committee and which proposals the Election Committee has decided to put forward.

The annual general meeting 2012

For the AGM on March 22, 2012 the Board of Directors proposes:

- a dividend of SEK 3.70 per share and March 27, 2012 as record day,
- 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.

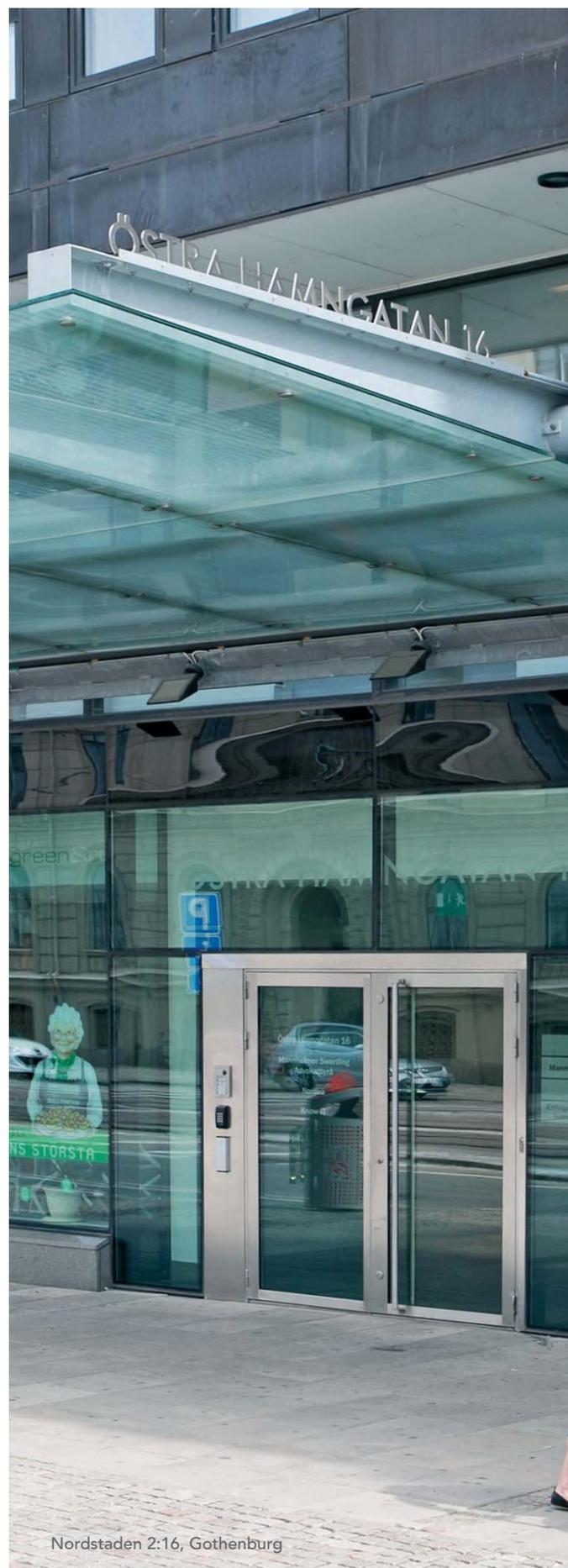
The election committee proposes for the AGM;

- re-election of the present board members Mr. Per Berggren, Mrs. Marianne Dicander Alexandersson, Mrs. Ulla-Britt Fräjdin-Hellqvist, Mr. Christer Jacobson and Mr. Johan Skoglund, as members of the board of directors. Mr. Jan Kvarnström, who has been chairman of the board since 1994, has declined re-election. In addition to this Mrs. Charlotte Strömberg and Mr. Jan Åke Jonsson are proposed to be elected as members of the board of directors. Mrs. Charlotte Strömberg is proposed to be elected as new chairman of the board of directors,
- that remuneration to the Board of Directors should be SEK 1,980,000 out of which SEK 510,000 should be allocated to the Chairman of the Board and SEK 245,000 to each one of the remaining members of the Board of Directors. Compared with last year, the proposal entails an increase of the total remuneration with SEK 280,000 since the board of directors is increased with one member and the individual board remuneration is increased with approx. 2%. The remuneration include work on the committees,
- for AGM to decide on appointing an election committee for the AGM 2013 and for the Chairman to contact the three largest registered or in an other way known shareholders at the end of the third quarter 2012 and invite them to each 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 will appoint a chairman amongst its members.

Swedish code for corporate governance

Castellum applies the code which purpose is to create good preconditions for practicing the role of an active and responsible ownership. The code is meant to make up one step in the self-regulation of the Swedish business environment. It is based upon the principle comply or explain, meaning that all rules must not always be followed and there is no crime in deviating from one or more particular rules of the code if there are motives and explanations. Swedish code for corporate governance is conducted by the Swedish Corporate Governance Board and is found on www.bolagsstyrning.se.

Castellum deviates from the paragraph, “making the members of the Election Committee public”, which according to the code shall be made six month prior to the AGM. The AGM 2011 decided, according to previous practice, that an Election Committee should be established at the end of the third quarter, and that the names of the members of the Election Committee should be published in the company's third interim report for the year. According to this composition of the Election Committee was published approximately five months prior to the AGM.



Nordstaden 2:16, Gothenburg



Internal control

According to the Swedish Companies Act and Swedish code for corporate governance the Board of Directors is responsible for the internal control. This report has been drawn up in accordance with the Swedish Annual Accounts Act and the code for corporate governance and is hence limited to internal control regarding the financial reporting.

The internal control in Castellum follows an established framework, Internal Control – Integrated Framework, "COSO", comprising the following five components: control environment, risk assessment, control activities, information and communication, and monitoring.

Control environment

The basis for the internal control regarding the financial reporting is made up of the control environment, which consists of different parts that together form the culture and values Castellum is managed from. The fundamentals for Castellum's internal control is the decentralized small-scale organization with over 600 properties, as well as cost centres, which are managed by six subsidiaries, each with approx. 30-40 employees. The decision making processes, authorizations and responsibilities which have been drawn up and communicated in documents such as the Board of Directors' rules of procedure, rules for decision making, rules for authorization, accounting and reporting manuals, internal policies and manuals are also important for the internal control. Documents in use are updated regularly to changes in legislation, accounting standards or listing requirements etc.

Risk assessment

In Castellum risk management is built into the processes and different methods are used to evaluate and limit risks and to secure that the risks Castellum is exposed to are managed in accordance with set policies and guidelines. In accordance with the rules of procedure, the Board of Directors, also the audit committee, reviews the internal control once a year. Identified risks are assessed and measures are set to reduce these risks. The important risks Castellum has identified in the financial reporting are errors in the accounting and valuation of properties, interest bearing liabilities, taxes and VAT, as well as the risk of fraud, loss or embezzlement of assets.

Control activities

The risks identified regarding the financial reporting are taken care of by the company's structure for control resulting in a number of control measures. The control measures aim to prevent, discover and correct errors and deviations and comprise analytical reviews on many levels in the organization and comparisons of income statement items, reconciliation of accounts, follow-up and reconciliation of board decisions and policies set by the board, authorization and reporting of business transactions, structure for proxy and authorization, authorized signatory, compliance officer function, group-wide definitions, templates, tools for reporting as well as accounting and valuation principles.

Inom Vallgraven 33:9, Gothenburg

Castellum's subsidiaries have their own financial functions which take part in the planning and follow-up of their units' financial results. Their regular analysis of their own units' financial reporting are together with the analysis made at group level an important part of the internal control in order to ensure that the financial reporting do not contain any significant errors.

Information and communication

Castellum has ways for information and communication that aim to ensure an effective and correct distribution of information regarding the financial reporting. This demands that all parts of the operation communicate and share relevant and important information. Policies and guidelines regarding the financial reporting as well as updates and changes are made available and aware to the personnel concerned. The executive management as well as the Board of Directors regularly receive financial information about the subsidiaries with comments on financial results and risks. The Board of Directors also receives additional information regarding risk management, internal control and financial reporting from the auditors through the audit committee. In order to ensure that the external distribution of information is correct and complete there are both a policy for communicating with the stock market and an information security policy.

Monitoring

Regular follow-ups take place on many levels in the group, on both property level and subsidiary level as well as group level. The Board of Directors, which also makes up the audit committee, regularly evaluates the information provided by the company management and the auditors. The company's auditors also report in person directly to the audit committee at least twice a year of their observations from the audit and their assessment of the internal control. In addition the audit committee makes an annual review of the risk assessments and the decided measures. The audit committee's and the Board of Directors' monitoring are of particular importance for the development of the internal control and for ensuring that measures are taken for possible shortcomings and suggestions that emerge.

The need for internal audits

Castellum has a small scale organization with approx. 30-40 employees in each company which together manages over 600 cost centres. All property management are run by the subsidiaries while financial management is taken care of by the parent company's treasury department, meaning that Castellum AB is not a profit centre. This gives the financial function of the parent company the role of a controlling function for the subsidiaries and a compliance officer function for the treasury department. In all this provides for the assessment that there is no need for a special unit for internal audits.



Masthugget 26:1, Gothenburg



St Clemens 27, Lund

Executive Group Management

The executive group management includes the Chief Executive Officer, the Deputy Chief Executive Officer with responsibility for business development, the Financial and Finance Directors of Castellum AB and the six Managing Directors of the subsidiaries. Each member of the executive group management has their own area of responsibility and at the meetings mostly issues of overall operations are covered. The executive management has had 10 meetings in 2011.

The Chief Executive Officer and the Deputy Chief Executive Officer together with Managing Director of each subsidiary is the Board in each local subsidiary.

The Chief Executive Officer

The Chief Executive Officer is responsible for the company's day-to-day operations and for leading the operations according to the guidelines and directives submitted by the Board of Directors and for providing the Board with information and necessary basis for decision making. The Chief Executive Officer also reports at the Board meetings and shall make sure that members of the Board regularly receive the information needed in order to follow the company's and the group's financial position, results, liquidity, and development.

Guidelines for remuneration for Senior Executives

The AGM 2011 decided on the following guidelines for remuneration for senior executives:

Castellum shall uphold the remuneration levels and terms of employment required in order to recruit and maintain a good management with competence and capacity to achieve set objectives. A fixed salary will be paid for work performed in a satisfactory manner. In addition, flexible remunerations under an incentive plan may also be offered. Such flexible remuneration shall aim to promote long-term value creation within The Group. Flexible remuneration, which generally can not exceed the fixed salary is determined by how far in advance its objectives for growth in property management earnings per share and share price development are achieved, and how soft factors such as customer and employee satisfaction are developed. Flexible remuneration is paid as non pensionable salary. Executives who receive flexible remuneration is committed to acquire Castellum-shares for at least half the amount of flexible remuneration after tax.

The pension terms of the executive management shall be set according to general market practice and shall be based on pension plans with fixed payments.

Such period of notice shall, upon termination by the Company not exceeding 24 months for the Chief Executive Officer and 12 months for other executives, with the obligation to work the first six months. During the notice period full salary and other benefits is paid, less pay and compensation received from other employment.

Castellum has followed the guidelines decided by the AGM 2011.

The proposed guidelines for remuneration for senior executives which will be put forward at the AGM on March 22, 2012 are on principle unchanged compared to those put forward at the AGM in 2011.

For further information regarding remuneration for the management see note 10.

Executive Group Management



Claes Junefelt, Gunnar Östenson, Anette Asklin, Christer Sundberg, Tage Christoffersson, Ulrika Danielsson, Håkan Hellström, Henrik Saxborn, Anders Nilsson, Claes Larsson

Håkan Hellström

Chief Executive Officer, Castellum AB

Born 1956, Master of Business Administration and Economics. Employed since 1994 as Financial and Finance Director. CEO since 2006. Has previously worked as Authorized Public Accountant. Other assignments: Member of the Board of West Sweden Chamber of Commerce and Industry.

Shareholdings: 126,300

Henrik Saxborn

Deputy Chief Executive Officer, Castellum AB, with responsibility for business development

Born 1964, Master of Science. Previous experience from management and acquisitions of properties. Employed since 2006.

Shareholdings: 23,800

Anette Asklin

Financial Director, Castellum AB

Born 1961, Master of Business Administration and Economics. More than 20 years experience from bank and finance. Employed since 2000 and Financial Director since 2006.

Shareholdings: 31,010

Tage Christoffersson

Managing Director, Eklandia Fastighets AB

Born 1952, upper secondary schooling and real estate/economy at KTH. Has been working in the real estate business since 1976. Employed since 1994 and Managing Director of Eklandia since 1995.

Shareholdings: 54,000

Ulrika Danielsson

Finance Director, Castellum AB

Born 1972, Master of Business Administration and Economics. Experience within the financial and controlling function. Employed since 1998 and Finance Director since 2006.

Shareholdings: 8,100

Claes Junefelt

Managing Director, Fastighets AB Corallen

Born 1960, Master of Science. More than 15 years experience from building construction as team manager/district manager. Employed and Managing Director of Corallen since 2005.

Shareholdings: 12,210

Claes Larsson

Managing Director, Aspholmen Fastigheter AB

Born 1957, Master of Science. More than 10 years experience from building construction as team manager/district manager. Employed and Managing Director of Aspholmen since 2002.

Shareholdings: 24,200

Anders Nilsson

Managing Director, Fastighets AB Brostaden

Born 1967, Master of Science. More than 15 years experience from the real estate business. Employed since 1993 and Managing Director of Brostaden since 2006.

Shareholdings: 10,534

Christer Sundberg

Managing Director, Harry Sjögren AB

Born 1955, Master of Science. More than 25 years experience from banks and real estate companies. Employed and Managing Director of Harry Sjögren AB since 1993.

Shareholdings: 49,225

Gunnar Östenson

Managing Director, Fastighets AB Briggen

Born 1956, Master of Business Administration and Economics. Previous experience from real estate management and the construction industry. Employed and Managing Director of Briggen since 2006.

Shareholdings: 10,750

The information above refers to the situation in the end of January 2012. Shareholdings include own holdings and those of spouse, minors or children living at home and associated companies and holding through capital assurance.

Audit Report

To the annual meeting of the shareholders of Castellum AB (publ) corporate identity number 556475-5550

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of Castellum AB for the year 2011. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 4-110.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts and consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company

Gothenburg February 3, 2012



Carl Lindgren
Authorized Public Accountant



Magnus Fredmer
Authorized Public Accountant

as of 31 December 2011 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act, and the consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2011 and of their financial performance and cash flows in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the statement of comprehensive income and statement of financial position for the group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have examined the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Castellum AB for the year 2011.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.