

## INTERIM REPORT JANUARY – MARCH, 2011



View of Stora Frösunda, Solna

*Catena shall own, effectively manage and actively develop real estate offer the potential to generate steadily growing cash flow and healthy value growth. Catena's overriding objective, based on its focused orientation, is to provide shareholders with a favorable, long-term total return.*





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### Continuing operations

- **Rental revenue** during the year totaled SEK 6.9 M (7.1).
- **Operating profit** during the year amounted to SEK 30.0 M (2.1).
- **Profit before tax** for the year was SEK 31.8 M (loss: 0.3).
- **Profit after tax** for the year amounted to SEK 23.9 M ( 0.4) corresponding to SEK 2.07 per share (0.03).
- **Unrealized change in property value** amounted to SEK 29.0 M (0.0)
- **Investments** in continuing operations were SEK 1.0 M (0.1).

### Discontinued operations

- **Comprehensive income from discontinued operations after tax** amounted to SEK 67.1 M (124.4) or SEK 5.80 per share (10.76)

### Profit from continuing and discontinued operations

- **Profit after tax** for the year amounted to SEK 91.0 M (124.8) or SEK 7.87 per share (10.79)

### President and Chief Executive Officer Peter Hallgren comments:

- *The value of Catena's property at Stora Frösunda, Solna, continues to increase as work on the detailed development plan proceeds. The increase in value was SEK 29 M during the first quarter of 2011. The new detailed development plan is scheduled to be exhibited during the third quarter of 2011 and the City Planning Committee and the Municipal Council are expected to issue their decisions during the fourth quarter of 2011.*
- *The divestment of Catena's entire property portfolio, with the exception of the Stora Frösunda property, was implemented on February 15, 2011. Following the sale to Balder, Catena's Annual General Meeting has decided to change the company's registered office from Gothenburg to Solna.*

## **SUMMARY OF STRATEGY AND DIRECTION**

Catena shall:

- Actively manage the real estate portfolio, focusing on stimulating long-term customer relationships by offering attractive premises in close cooperation with its tenants.
- Actively improve and develop the real estate portfolio by identifying and implementing value-adding measures that increase the properties' attractiveness and yield, with due consideration of risk.
- Divest properties for which the potential to create additional value growth is deemed limited.

### **FINANCIAL TARGETS**

Over a business cycle, Catena aims to achieve the following targets:

- Return on shareholders' equity exceeding the risk-free interest rate by not less than 5 percentage points<sup>1</sup>.
- Interest-coverage ratio of not less than 1.75.
- Equity/assets ratio of not lower than 25% and not higher than 35%.

### **DIVIDEND POLICY**

Long-term, Catena's dividend shall amount to 75% of pretax profit<sup>2</sup>, excluding realized and unrealized changes in the value of properties and excluding unrealized changes in the value of derivative instruments.

## **REVENUES, EXPENSES AND EARNINGS**

The figures in parentheses show the result for the corresponding period in the preceding year.

### **GROUP**

#### **Continuing operations**

*Apart from the Parent Company, the data below pertains only to the property Stora Frösunda 2/Hagalund 2:2 in Solna and the operations conducted in Catena Byggnads AB.*

#### **Rental revenue**

Rental revenue amounted to SEK 6.9 M (7.1).

#### **Property expenses**

Property expenses totaled SEK 1.6 M (1.8).

#### **Operating surplus**

The operating surplus for the year was SEK 5.3M (5.3).

#### **Other operating revenues**

Other operating revenues, SEK 0.0 M (0.1), comprised consulting fees and invoicing forwarded to tenants in respect of work completed.

#### **Other operating expenses**

Other operating expenses of SEK 0.0 M (0.1) pertained to costs passed on to tenants for work performed.

#### **Central administration**

Costs for central administration amounted to SEK 4.3 M (3.2). The item comprises expenses for Group Management and other central functions.

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<sup>1</sup> Risk-free interest is defined as the interest on a five-year Swedish government bond.

<sup>2</sup> Pretax profit charged with 26.3% standard tax.

## Value change

### Properties

#### Valuation method applied

A combination of the location price method and the yield based method. When assessing value, a calculation technique has been used to assess the future cash flows of the property valued. These cash flows have been discounted to present value. The location price method has been applied to assess the size of the risk premium in the yield requirement used for assessment of residual value in the cash flow computations and when assessing the size of the discount rate used for present day computation of assessed future cash flows in the cash flow computation. The assessment of value has been made by an authorized property valuer at an external valuation company, Forum Fastighetsekonomi.

The assessment of value has been made by assessing the fair value of the property valued on the basis of a conceivable situation where the current use provides the greatest at best benefit for the owner. An addition to value has then been assessed for properties based on the potential building rights that may be possible through zoning plan work in process for the property. The value of the building rights has been assessed by comparisons with land allocation contracts and contracts on transfer of building rights in Stockholm's suburbs. A deduction has then been made taking into consideration costs, waiting periods, uncertainties etc. associated with construction.

The total fair value for the property including the assessed increase in value for the building rights amounts to SEK 550 million. The increase in value associated with the building rights has been assessed at SEK 170 million. Among other things, in the light of work with the zoning plan not yet being completed, great uncertainty is attached to the quantification of these assessments. If this uncertainty is considered to decrease there is probably a substantial potential in building rights.

For further information about the valuation, please see page 50 in the annual report 2010 of Catena.

#### Change in book value of the properties

SEK m	2011	2010
	Jan.-Mar.	Jan.-Mar.
Book value at the beginning of period	520	2,472
Value changes	29	5
Investments in existing portfolio	1	1
Divestments	-	-558
<b>Book value at the end of period</b>	<b>550</b>	<b>1,920</b>

### Operating profit

Operating profit amounted to SEK 137.5 M (5.9).

### Net financial items

Net financial items during the year amounted to a surplus of SEK 1.8 M (expense: 2.3). The annual average interest rate, including derivative instruments, on the balance-sheet date was 3.60% (2.19). The financial instruments limit the impact of interest rate fluctuations on the Group's borrowing costs. During the year, no interest was capitalized (2010: 0) in ongoing construction projects.

#### Financial items, continuing operations

SEK m	2011	2010
	Jan.-Mar.	Jan.-Mar.
Interest income	7.4	0.1
Interest expenses	-7.3	-4.4
Derivatives, unrel. changes in value	1.7	2.2
Net exchange rate fluctuations	-	-0.2
<b>Net financial items</b>	<b>1.8</b>	<b>-2.3</b>

### Financial derivative instruments

Catena deploys interest swaps to achieve the interest rate structure stipulated in the Group's finance policy. The value of interest-rate swaps increases or decreases in line with the divergence in the contracted interest rate from the corresponding market interest rate as well as with the remaining time to maturity. The unrealized value of the aforementioned interest-rate swaps was a negative SEK 1.9 M (neg: 11.2) on the balance-sheet date, of which the value change during the year was a positive SEK 1.7 M (pos: 2.2). Hedge accounting is not applied. The unrealized changes in value have no impact on the Group's cash flow.

### Tax

Current tax for the period amounted to an expense of SEK 1.0 M (expense: 0.6) and deferred tax to an expense of SEK 6.9 M (pos: 1.2).

### **Profit after tax for the year from continuing operations**

Profit after tax for the year from continuing operations totaled SEK 23.9 M (0.4).

### **Discontinued operations**

*The discontinued operations pertain for the current year all operations in the segments Gothenburg, Öresund, and Stockholm (sold to Balder), apart from the operations conducted at the property in Solna (Haga Norra). For the previous year the discontinued operations pertain all properties in the Oslo region.*

### **Profit from discontinued operations after tax**

Profit from discontinued operations amounted to SEK 0.0 M (25.7), of which tax accounted for an expense of SEK 0.0 M (expense: 9.2). This discontinued operation pertained all properties in the Oslo region.

### **Profit from remeasurement to fair value**

Profit from the remeasurement for the above mentioned operations to fair value amounted to SEK 0.0 M (3.4), of which tax accounted of SEK 0.0 M (expense: 1.2).

### **Gain from divestment of discontinued operations**

Profit from the divestment of the discontinued operation, which for year 2011 includes all properties sold to Balder and for the year 2010 all the properties in the Oslo region, amounted to SEK 67.1 M (95.3), of which tax accounted for SEK 65.0 M (55.7).

### **Comprehensive income from discontinued operations after tax**

Comprehensive income from discontinued operations after tax was SEK 67.1 M (124.4).

### **Continued and discontinued operations**

#### **Profit for the year after tax**

Profit for the year after tax totaled SEK 91.0 M (124.8).

### **Other comprehensive income during the year**

Other comprehensive income during the year amounted to SEK 6.0 M (loss: 8.5), of which the remeasurement of expanded net investment accounted for SEK 0.0 M (loss: 3.6) and remeasurement of the translation reserve SEK 6.0 M (loss: 4.9).

### **Comprehensive income for the year**

Comprehensive income for the year amounted to SEK 97.0 M (116.3).

## **RISKS AND UNCERTAINTIES**

### **General**

Catena is exposed to a number of risks that could affect the company's business and earnings, and the value of property. Notable risks include the risks associated with leases, changes in operation and maintenance expenses, interest and financing risks and taxes. The properties are recognized in the balance sheet at fair value and changes in value of these properties are recognized in profit or loss. This means that the effects on Catena's income statements and balance sheets become more volatile, affecting in particular the Group's earnings, equity/assets ratio and loan-to-value ratio.

### **Value changes**

In this interim report, the valuation of the Group's management properties an independent property valuation was commissioned. The valuation of properties is associated with forward-looking assumptions, entailing a margin of error of +/- 5-10% at the property level.

The value of the Group's interest swaps is sourced externally. The value of these instruments varies in line with contractual interest rates and market interest rates.

Apart from what is stated in this interim report, no significant changes have occurred compared with the account made in the Annual Report.

For additional information concerning risks and uncertainties, refer to Catena's 2010 Annual Report, page 37 and page 50.

## Parent Company

The Parent Company is exposed to the aforementioned risks through liabilities to foreign subsidiaries and financial derivatives.

### PARENT COMPANY

The operations of the Parent Company, Catena AB, primarily consist of Group-wide functions and management of the Group's subsidiaries. The Parent Company's operating revenue derives 100% (100) from billing for internally provided services.

### PROPERTIES

#### Continuing operations

Following the completion of the divestment to Balder, the Group's real estate portfolio consists of one property (property object) in Solna (Haga Norra)

The property has 40,723 square meters of leasable floor space. The carrying amount for the property is SEK 550 M, corresponding to the property's estimated market value. On April 1, 2011, the rental value totaled SEK 28.7 M and contractual rental revenues amounted to SEK 27.8 M on an annual basis. The revenue-related occupancy rate was 96.9% and the average lease duration was 10.5 years.

#### Investments in properties

Investments in the remaining property amounted to SEK 1.0 M.

## FINANCING

### Interest-bearing liabilities

As of March 31, 2011, Catena had loan agreements amounting to SEK 306 M

As of March 31, 2011, interest-bearing liabilities totaled SEK 306 M (1,128). The average outstanding fixed credit period was 3.1 (1.1) years on March 31, 2011.

The average fixed-interest period at March 31, 2011 was 0.5 years (0.4). The average rate of interest was 3.60% (2.19).

This fixed-interest period was achieved by using swap agreements to extend outstanding loans with short fixed-interest periods.

A change in the market interest rate of  $\pm 1\%$  has an impact of  $\pm$  SEK 2.6 M, including swaps.

Catena only has loans in SEK.

### Provisions

Of provisions of SEK 59 M (135), provisions for deferred tax account for SEK 51 M (122).

## Term structure of interest rates and loan-maturity structure at March 31, 2011

Term structure of interest rates at March 31, 2011				Loan-maturity structure at March 31, 2011		
Maturity, year	Loan amount SEK m	Av. interest rate %	Share %	Credit agreements SEK m	Utilized SEK m	Share %
Floating	46.4	2.78	15.2	-	-	-
2011	130.0	3.70	42.4	-	-	-
2012	130.0	3.79	42.4	-	-	-
2014	-	-	-	306.4	306.4	100.0
Summa	306.4	3.60	100.0	306.4	306.4	100.0

## Shareholders' equity

Shareholders' equity at March 31, 2011 totaled SEK 944 M (999) and the equity/assets ratio was 69.9% (42.7). Over the long term, the equity/assets ratio should remain in the range of 25 – 35%.

## Liquidity

At March 31, 2011, cash and cash equivalents, which comprise cash and bank deposits, totaled SEK 735 M (128).

## ORGANIZATION

### Legal structure

Catena AB, corporate registration number 556294-1715, is the Parent Company of the Catena Group. The Swedish property is owned by a wholly owned Swedish subsidiary.

### Personnel

Of the 3 (11) employees, 1 (3) are women.

Senior management and the finance function are at present located in Gothenburg. From the 1<sup>st</sup> of May the senior management and the finance function will be located in Solna/Stockholm.

## ACCOUNTING POLICIES

Catena applies the IFRS standards as adopted by the EU and the interpretations of them (IFRIC). This interim report was prepared in accordance with IAS 34 and the Swedish Annual Accounts Act for the Group and in accordance with the Swedish Annual Accounts Act for the Parent Company. IFRS 5, which addresses discontinued operations and available-for-sale fixed assets, has been applied. Otherwise, these accounting policies and computation methods comply with those applied in the most recent annual report.

## CATENA SHARE

The Catena share is listed on the Nasdaq OMX Stockholm – Nordic List Small Cap.

The last price paid on March 31, 2011 was SEK 208,00 per share, corresponding to market capitalization of about SEK 2.405 M.

At March 31, 2011, the number of shares in Catena was 11,564,500 distributed among 17 043 owners.

Shareholders on March 31, 2011	Number of shares	Voting rights (%)
Endicott Sweden AB (CLS Holding plc)	3,389,000	29.3
Erik Selin gruppen	2,394,687	20.7
PEAB AB	2,310,000	20.0
Livförsäkrings AB Skandia (publ)	289,400	2.5
Banque Carnegie Luxembourg SA	215,255	1.9
CBNY-DFA-INT SML CAP V	109,825	0.9
Swedbank Robur fonder	60,208	0.5
CBNY-DFA-CNTL SML CO S	56,762	0.5
Mellon US Tax Exempt Account	47,300	0.4
Försäkrings AB Avanza Pension	42,836	0.4
<b>Total, 10 largest shareholders</b>	<b>8,915,273</b>	<b>77.1</b>
Other shareholders	2,649,227	22.9
<b>Total</b>	<b>11,564,500</b>	<b>100.0</b>



## **CALENDAR**

Interim Report, January–June	August 24, 2011
Interim Report, January–September	October 27, 2011
Year-end report 2011	February 2012

## **EVENTS AFTER THE REPORT PERIOD**

At the general meeting on the 14<sup>th</sup> of April the meeting resolved in accordance with the Board's proposal to pay a dividend of total SEK 59 per share.

Senior management and the finance function will be located in Solna/Stockholm from the 1<sup>st</sup> of May 2011.

This year-end report has not been reviewed by the company's auditors.

Gothenburg, April 28, 2011

**Catena AB (publ)**

*Peter Hallgren*

This information contained in this report is such that Catena AB (publ) is obligated to disclose in accordance with the Swedish Securities and Clearing Operations Act and/or the Financial Instruments Trading Act. The information was released to the public on April 28, 2011 at 15.13 a.m.

## Consolidated income statement, condensed

SEK m	Result 2011 Jan.-Mar.	Result 2010 Jan.-Mar.	Result 2010 Jan.-Dec.
<b>Continuing operations</b>			
Rental revenue	6.9	7.1	27.4
Operating expense	0.0	-0.1	-0.2
Repair and maintenance expenses	-0.1	-0.2	-0.9
Property tax	-0.7	-0.6	-2.7
Ground rent	0.0	0.0	0.0
Property administration	-0.8	-0.9	-3.2
<b>Net operating income</b>	<b>5.3</b>	<b>5.3</b>	<b>20.4</b>
Other operating income	0.0	0.1	0.2
Other operating expenses	0.0	-0.1	-0.2
Central administration	-4.3	-3.2	-12.9
Properties, realized value change	0.0	0.0	0.0
Properties, unrealized value changes	29.0	0.0	130.0
<b>Operating profit</b>	<b>30.0</b>	<b>2.1</b>	<b>137.5</b>
Net financial items	1.8	-2.3	-9.3
<b>Profit before tax</b>	<b>31.8</b>	<b>-0.3</b>	<b>128.2</b>
<b>Profit before tax</b>	<b>31.8</b>	<b>-0.3</b>	<b>128.2</b>
Current tax	-1.0	-0.6	-1.5
Deferred taxes	-6.9	1.2	-33.4
<b>Profit after tax for the period from continuing operations</b>	<b>23.9</b>	<b>0.4</b>	<b>93.3</b>
<b>Discontinued operations</b>			
<b>Profit after tax from the discontinued operations</b>			
Revenue	0.0	44.7	140.6
Cost	0.0	-9.8	-26.4
<b>Profit before tax</b>	<b>0.0</b>	<b>34.9</b>	<b>114.2</b>
Taxes	0.0	-9.2	-35.2
<b>Profit after tax</b>	<b>0.0</b>	<b>25.7</b>	<b>79.0</b>
<b>Profit resulting from remeasurement to fair value</b>			
Properties, unrealized value changes	0.0	4.6	90.7
Tax attributable to the above value changes	0.0	-1.2	-23.9
<b>Profit resulting from remeasurement after tax</b>	<b>0.0</b>	<b>3.4</b>	<b>66.8</b>
<b>Capital gain/loss on divestment of the discontinued operations</b>			
Properties, realized value changes	2.1	39.6	55.0
Tax attributable to the above value changes	65.0	55.7	54.5
<b>Capital gain/loss from divestment after tax</b>	<b>67.1</b>	<b>95.3</b>	<b>109.5</b>
<b>Total gain from discontinued operations after tax</b>	<b>67.1</b>	<b>124.4</b>	<b>255.3</b>
<b>Profit for the period after taxes</b>	<b>91.0</b>	<b>124.8</b>	<b>348.6</b>
Earnings per share	7.87	10.79	30.14
Earnings per share from continuing operations	2.07	0.03	8.07

## Consolidated statement of comprehensive income

SEK m	Result	Result	Result
	2011	2010	2010
	Jan.-Mar.	Jan.-Mar.	Jan.-Dec.
Profit for the period after taxes	91.0	124.8	348.6
<i>Other comprehensive income for the period</i>			
Change in revaluation reserve	-	-	-
Foreign currency translation adjustment	-	-3.6	-12.3
Translation reserve transferred to net profit for the period	6.0	-4.9	-4.9
<i>Total other comprehensive income for the period</i>	6.0	-8.5	-17.2
<b>Total comprehensive income for the period</b>	<b>97.0</b>	<b>116.3</b>	<b>331.4</b>

## Consolidated balance statement, condensed

SEK m	Result	Result	Result
	Mar. 31, 2011	Mar. 31, 2010	Dec. 31, 2010
<b>Assets</b>			
Properties	550	1,920	520
Other tangible fixed assets	-	2	1
Current assets	65	292	2
Cash and cash equivalents	735	128	57
Assets held for resale	-	-	1,593
<b>Total assets</b>	<b>1,350</b>	<b>2,342</b>	<b>2,173</b>
<b>Equity and liabilities</b>			
Equity	944	999	847
Provisions	59	135	54
Long-term interest-bearing liabilities	306	1,128	987
Noninterest-bearing liabilities	41	80	56
Liabilities attributable to assets held for sale	-	-	229
<b>Total equity and liabilities</b>	<b>1,350</b>	<b>2,342</b>	<b>2,173</b>

## Changes in consolidated equity

SEK m	Result	Result	Result
	2011	2010	2010
	Jan.-Mar.	Jan.-Mar.	Jan.-Dec.
Opening shareholders' equity	847	883	883
Dividend	-	-	-367
Total comprehensive income for the period	97	116	331
<b>Closing shareholders' equity</b>	<b>944</b>	<b>999</b>	<b>847</b>

## Consolidated cash-flow statement

SEK m	Result 2011 Jan.-Mar.	Result 2010 Jan.-Mar.	Result 2010 Jan.-Dec.
Management result	32	-	128
Adjustments for non-cash items	-33	2	-142
Tax paid	-	-1	-5
Change in working capital	-106	8	-31
<b>Cash-flow from operating activities</b>	<b>-107</b>	<b>9</b>	<b>-50</b>
Change in tangible fixed assets	1,525	-1	-
<b>Cash-flow from investing activities</b>	<b>1,525</b>	<b>-1</b>	<b>-</b>
Paid dividend	-	-	-367
Change in interest-bearing liabilities	-740	-	-5
<b>Cash-flow from financing activities</b>	<b>-740</b>	<b>-</b>	<b>-372</b>
<b>Cash-flow for the period from continuing operations</b>	<b>678</b>	<b>8</b>	<b>-422</b>
<b>Cash-flow for the period from divested operation</b>			
Cash-flow from operating activities	-	10	126
Cash-flow from investing activities	-	7	550
Cash-flow from financing activities	-	-	-300
<b>Net cash-flow from divested operation</b>	<b>-</b>	<b>17</b>	<b>376</b>
<b>Total cash-flow for the period</b>	<b>678</b>	<b>25</b>	<b>-46</b>
Cash and cash equivalents at the beginning of the period	57	103	103
Exchange difference in cash	-	-	-
<b>Cash and cash equivalents at the end of the period</b>	<b>735</b>	<b>128</b>	<b>57</b>

## Key ratios, Group

	Result 2011 Jan.-Mar.	Result 2010 Jan.-Mar.
<b>Financial (incl discontinued operations)</b>		
Return on shareholders' equity, %	40.6	0.1
Return on total capital, %	8.7	1.3
Equity/assets ratio, %	69.9	42.7
Interest coverage ratio, management result, multiple	6.0	1.0
Loan-to-value ratio, properties, %	55.6	58.8
Debt/equity ratio, multiple	0.3	1.1
<b>Share-related (pertains to number of shares at the end of period)</b>		
Net profit for the period per share, continued operations, SEK	2.07	0.03
Pre-tax profit for the period per share, continued operations, continued operations, SEK	2.75	-0.02
Management result for the period per share, continued operations, SEK	2.59	0.18
Shareholders' equity per share, SEK	81.63	86.39
Dividend per share, SEK	-	-
Number of shares at the end of the period, thousands	11,565	11,565
Average number of shares at the end of the period, thousands	11,565	11,565
<b>Property-related, continued operations</b>		
Book value of properties, SEK m	550	390
Direct yield, %	3.85	5.44
Rentable area, sq.m.	40,723	40,689
Rental revenue per sq.m., SEK	678	698
Operating surplus, per sq.m., SEK	521	521
Revenue-based occupancy rate, %	96.9	96.1
Surplus ratio, %	76.8	74.6
<b>Employees</b>		
Number of employees at the end of the period	3	11

## Information per segment/region, continued operations

SEK m	Rental revenue		Net operating income		Book value		Investments		Rentable area sq. m.	
	2011 Jan.-Mar	2010 Jan.-Mar	2011 Jan.-Mar	2010 Jan.-Mar	2011 31 March	2010 31 March	2011 Jan.-Mar	2010 Jan.-Mar	2011 31 March	2010 31 March
Stockholm	6.9	7.1	5.3	5.3	550	390	1.0	0.1	40,723	40,689
<b>Total</b>	<b>6.9</b>	<b>7.1</b>	<b>5.3</b>	<b>5.3</b>	<b>550</b>	<b>390</b>	<b>1.0</b>	<b>0.1</b>	<b>40,723</b>	<b>40,689</b>

## Parent Company income statement

SEK m	Result	Result
	2011 Jan.-Mar.	2010 Jan.-Mar.
Rental revenue	-	0.8
Operating expense	-	-0.7
<b>Net operating income</b>	<b>-</b>	<b>0.1</b>
Other operating income	1.0	4.8
Other operating expenses	-	-0.1
Central administration	-5.3	-4.7
<b>Operating profit</b>	<b>-4.3</b>	<b>0.1</b>
Net financial items	1.9	-3.1
<b>Profit/loss after financial items</b>	<b>-2.4</b>	<b>-3.0</b>
Income from sale of subsidiary	-10.3	238.9
<b>Pre-tax profit</b>	<b>-12.7</b>	<b>235.9</b>
Taxes	0.6	-1.7
<b>Net profit for the period</b>	<b>-12.1</b>	<b>234.2</b>

## Parent Company balance statement

SEK m	Result	Result
	Mar. 31 2011	Mar. 31 2010
<b>Assets</b>		
Investment properties	-	2
Financial fixed assets	473	1,852
Other current assets	64	288
Cash and cash equivalents	735	127
<b>Total assets</b>	<b>1,272</b>	<b>2,269</b>
<b>Equity and liabilities</b>		
Equity	864	781
Provisions	8	13
Long term debt	-	990
Short term debt	400	485
<b>Total equity and liabilities</b>	<b>1,272</b>	<b>2,269</b>

## Definitions

### **Average number of shares**

Weighted average of number of shares at the beginning and end of the period.

### **Book value of properties**

Book value of properties, land, construction in progress and building fixtures and fittings.

### **Cash flow for the period from operating activities per share**

Property management income for the period divided by the number of shares outstanding at year-end.

### **Debt/equity ratio**

Interest-bearing liabilities divided by equity.

### **Economic occupancy rate**

Rental revenue as a percentage of rental value.

### **Equity per share**

Equity at the end of the period in relation to the number of shares at the end of the period.

### **Equity/assets ratio**

Equity as a percentage of total assets.

### **Interest coverage ratio, current management**

Income from property management after reversing interest expense, divided by interest expense.

### **Lettable area**

Total area available for letting.

### **Loan-to-value ratio, properties**

Interest-bearing liabilities as a percentage of the book value of properties.

### **Management income for the period after standard tax per share**

Management income for the period less 28 per cents tax, divided by the average number of shares.

### **Net letting**

New lease contracts during the period less leases with notice of vacation.

### **Net operating income per sq.m.**

Net operating income on an annual basis divided by lettable area.

### **Net profit for the period per share**

Net profit for the period divided by the number of shares outstanding at year-end.

### **Number of properties**

Total number of properties owned by the Catena Group.

### **Number of shares**

Registered number of shares on a particular date.

### **Pre-tax profit for the period per share**

Profit before tax divided by the number of shares outstanding at year-end.

### **Property expenses**

Operating expense, repair and maintenance costs, site leasehold charges/ground rents, property tax and property administration.

### **Real estate property**

One or more registered properties that comprise a management unit.

### **Rental revenue**

Rents charged including supplements such as payment for property tax, etc.

### **Rental revenue per sq.m.**

Rental revenue on an annual basis divided by lettable area.

### **Rental value**

Contracted rental revenue and potential rental revenue for vacant premises assessed by Catena.

### **Return on equity**

Net profit for the period as a percentage of average equity.

### **Return on total capital**

Profit before tax for the period plus interest expense as a percentage of average total assets.

### **Surplus ratio**

Net operating income as a percentage of rental revenue.

### **Yield**

Net operating income on an annual basis as a percentage of the properties' book value at the end of the period.

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N.B. This is a translation from Swedish. The Swedish version shall always take precedence.