

## INTERIM REPORT JANUARY-MARCH 2006

- **Rental revenue** for the period totaled SEK 44.1 M (42.3 pro forma for the corresponding period in 2005).
- **Income from property management** for the period totaled SEK 16.0 M (22.3 pro forma), or SEK 1.38 per share (1.93 pro forma). Expenses in conjunction with the stock exchange listing are included in earnings in the amount of SEK -9.4 M (0.0). Income from property management for the period, excluding these expenses, totaled SEK 25.4 M (22.3 pro forma), or SEK 2.20 per share (1.93 pro forma).
- **Profit after tax** for the period amounted to SEK 48.9 M (77.4 pro forma) or SEK 4.23 per share (SEK 6.69 pro forma).
- **Profit before tax** for the period was SEK 67.5 M (107.6 pro forma). Profit for the period includes unrealized value changes in property of SEK 51.5 M (85.3 pro forma) and expenses in conjunction with the stock exchange listing in the amount of SEK -9.4 M (0.0 pro forma).
- **A shareholder contribution** was received during the period amounting to SEK 53 M (0.0 pro forma)

### PETER HALLGREN, CEO:

*“Our first three months were dominated by preparations prior to the stock exchange listing. We can now work further with our aim of acquiring additional commercial properties, primarily in growth regions in which we are established.”*

*“We note the continuing, substantial interest in commercial property, notably from foreign investors. It is pleasing to see that retail activities remain strong in markets in which Catena is active.”*

*“The value of our properties has risen by SEK 51.5 M during the first quarter. The change in value is due primarily to the lower yield requirement imposed by investors, especially for our properties in the Oslo region. The properties were valued by independent appraisers.”*



**Catena** shall own, effectively manage and actively develop commercial real estate in prime locations that offers the potential to generate steadily growing cash flow and good growth. Catena's overriding objective is to provide shareholders with a favorable, long-term total return by being one of the leading players involved in commercial real estate in a number of strategic locations



## BACKGROUND AND ESTABLISHMENT OF THE GROUP

Catena AB (publ), ("the company") was a wholly owned subsidiary of the listed company Bilia AB.

The Board of Directors of Bilia decided to propose to the Annual General Meeting on April 19, 2006 that the property portfolio owned by Bilia in the Nordic region be distributed to the shareholders and listed under the name Catena AB.

In its current configuration, Catena was formally established on December 1, 2005. The company was established as a result of the Parent Company in the current Group, Catena, acquired three companies from the Bilia Group for a purchase price corresponding to the externally assessed market value as of December 1, 2005. The acquisition was financed by means of a seller promissory notes.

### Financial targets

Over a business cycle Catena shall report a:

- Return on shareholders' equity that exceeds the risk-free rate of interest by at least 5 percentage points.
- An interest coverage ratio that is not less than 1.75.
- An equity/assets ratio of a minimum 25 per cent and maximum 35 per cent.

### Dividend policy

Long term, Catena's dividend will represent 75 per cent of the real estate management result after taxes.

### Summary of business strategy and direction

Catena shall:

- Actively manage the real estate portfolio with the focus on stimulating long-term customer relations by offering attractive premises in close cooperation with Catena's tenants.
- Acquire commercial real estate with good prospects for long-term value growth and stable revenues.
- Actively manage and develop the real estate portfolio by identifying and implementing value-adding measures that raise the attractiveness of and return from property, with due consideration of risk.

Divest properties in which the potential to create additional value growth is deemed limited.

## COMMENTS ON THE MARKET

Catena owns, manages and develops commercial real estate. Premises are currently used primarily for car sales and compatible operations. Other commercial operations represent an alternative application. The development of the commercial real estate portfolio is largely dependent on trends in retail trading, since the supply and demand for commercial premises are primarily affected by turnover in trading and household consumption patterns. In recent years, the retail trade has enjoyed a positive trend, as reflected by the increase in the number of stores, shopping malls and out-of-town shopping centers. The rise in retail volume has been partly driven by low interest rates and rising disposable income, giving Catena good potential to develop its property operations. Interest in commercial real estate has risen significantly, in particular foreign investors have shown a major interest in this type of real estate.

The Group had an occupancy rate of 98.0 per cent at March 31, 2006. The company continues to see favorable demand for premises in the company's market segment that is, commercial real estate, and thus a continuing high occupancy rate for the Group's real estate portfolio.

## TRENDS IN RETAIL TRADING

The retail trade in Sweden, Norway and Denmark has undergone and is continuing to undergo restructuring. During the past decade, the number of new openings in out-of-town shopping centers has been substantial. Particularly in Sweden, but also in Norway and Denmark, new shopping outlets continue to emerge outside the city centers, creating what is referred to as out-of-town shopping centers. These centers are characterized in particular by easy access, good parking facilities and spacious store spaces.

All comparative information in this interim report is pro forma, unless otherwise stated. The principles underlying the pro forma preparation are presented in a special section at the end of this report.

## REVENUES, EXPENSES AND EARNINGS

### Rental revenue

Rental revenue totaled SEK 44.1 M (42.3) and pertained primarily to rental revenue from the Bilia Group. The rise in rental revenue is attributable primarily to increases

1) Risk-free rate of interest is defined as the rate of interest on a 5-year Swedish government bond.

2) Income from property management charged with 28 per cent standard tax.

triggered by indexation, the signing of long-term rental leases, and increased rental revenue from remodeling programs for tenants.

The revenue-based occupancy rate totaled 98.0 per cent (98.3) as of March 31, 2006. The total rental value of vacant premises amounted to SEK 3.5 M on an annual basis.

#### Property expenses

Property expenses totaled SEK 7.4 M (5.9). Of total property expenses, operating expenses rose by SEK 0.3 M and repair and maintenance expenses by SEK 1.0 M, compared with the preceding year. The deviation in operating expenses derives mainly from the Norwegian properties. In Sweden, repair and maintenance expenses were more extensive during the period under review compared with a year earlier. All increases in expenses are largely attributable to a colder-than-normal winter.

#### Operating surplus

Operating surplus for the period totaled SEK 36.7 M (36.4).

#### Other operating revenues

Other operating revenues consist of intra-Group rental revenue for premises rented from external real estate owners, consisting of SEK 0.8 M (-) and intra-Group consulting fees of SEK 0.3 M (-).

#### Other operating expenses

Other operating expenses were SEK 0.8 M (-) and relate to the rented premises noted above.

#### Central administration

Expenses relating to central administration totaled SEK 11.9 M (4.0). The item covers expenses for Group management and other central functions. The amount includes costs of SEK 9.4 M (-) incurred in connection with the stock exchange listing.

#### Solna Stora Frösunda 2 and Hagalund 2:2

Stockholm and Mälardalen region



**Net financial items**

Net financial items for the period resulted in an expense of SEK -9.2 M (-10.1). The reduction in financing costs is primarily attributable to a lower interest rate on internal loans as well as a reduction in interest-bearing liabilities compared with the corresponding period a year earlier.

**Income from property management**

Income from property management, meaning income for the period, excluding value changes and tax, totaled SEK 16.0 M (22.3). Income includes costs of SEK -9.4 M (-) incurred in the stock exchange listing. Income from real estate management, excluding the costs of the stock exchange listing, totaled SEK 25.4 M (pro forma 22.3).

**Changes in value**

The properties are reported at fair value. This means that the properties were revalued in the amount of SEK 51.5 M (85.6). All properties have been valued on the basis of fair value by external appraisal institutions. The valuation was conducted by Forum Fastighetsekonomi AB, which in turn used sub-consultants in Denmark (Red Property Advisors) and Norway (Adgestein Takst & Eiendomsrådgivning AS). The yield lies in the range of 6.2per cent to 9.5per cent. The increase in market value is due primarily to the reduction in the yield requirement as a result of considerable interest in the type of commercial real estate that Catena owns, notably in the Oslo region. All properties were inspected in conjunction with the previous real estate valuation in October/November 2005.

**Change in reported value of properties, pro forma**

SEK M	2006	Pro forma
	Jan-March	2005 Jan-March
Book value, beginning of period	2,015.9	1,628.0
Change in value	51.5	85.6
Investments in existing portfolio	20.8	11.6
Currency effect	0.5	0.0
Book value at end of period	2,088.7	1,725.2

**Taxes**

Paid tax totaled SEK -3.9 M (-4,8) and deferred tax amounted to SEK -14.7 M (-25.4). The change in deferred tax is largely attributable to unrealized changes in value.

**Profit after tax for the period**

Profit after tax for the period totaled SEK 48.9 M (77,4).

**PROPERTIES**

The Group's real estate portfolio consists of commercial premises located in Stockholm and the Mälars Valley region, Västra Götaland region, Öresund region and Oslo region. The real estate portfolio as of March 31, 2006 comprised 34 properties, of which 6 are held on leasehold, with a rentable area of 252,118 sq.m. The carrying value of the properties was SEK 2,089 M, which corresponds to the properties' estimated market value. The rental value totaled SEK 177.3 M and the contractual rental revenues were SEK 173.8 M on an annual basis. The revenue-related occupancy rate was 98.0 per cent.

**Investments in properties**

During the period, investments were made in existing properties in the amount of SEK 20.8 M. The amount pertains primarily to expenses incurred in procuring mortgage deeds and customization programs for tenants.

**Acquisition and sale of properties**

The Group did not conduct any acquisitions or sales during the reporting period under review.

**The property portfolio as of March 31, 2006 - segment information**

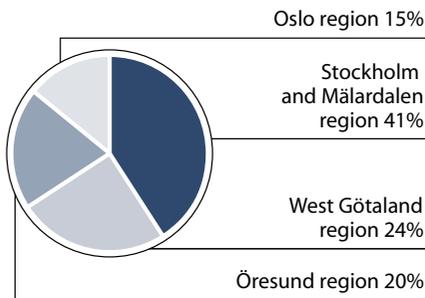
The compilation below is based on Catena's property portfolio as of March 31, 2006. Rental revenue consists of contractual rental revenue on an annual basis as of April 1, 2006. Operating and maintenance expenses as well as expenses incurred in property administration, which are included in operating surplus, consists of the pro forma result for April - December 2005 and the actual result for January - March 2006 for properties held as of March 31, 2006. Property tax and leasehold costs are calculated on the basis of the properties' current tax-assessed values and leasehold contracts.

**The property portfolio as of March 31, 2006 - segment information**

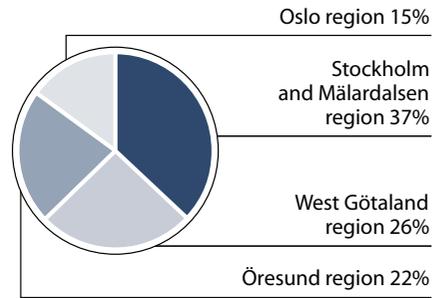
Segments	Number of properties	Lettable area sq.m.	Book value		Rental value		Economic occupancy rate, %	Rental revenue, SEK M	Net operating income, SEK M	Yield on properties, %	Surplus ratio, %
			SEK M	SEK/sq.m.	SEK M	SEK/sq.m.					
Stockholm and Mälardalen region	11	100,277	839	8,367	66.6	664	98.2	65.4	50.9	6.1	77.9
West Götaland region	12	69,309	503	7,257	45.7	659	100.0	45.7	38.9	7.7	85.1
Öresund region	7	53,137	426	8,017	39.4	741	95.7	37.7	32.8	7.7	86.9
Oslo region	4	29,395	321	10,920	26.7	908	97.4	26.0	23.0	7.2	88.6
<b>Total</b>	<b>34</b>	<b>252,118</b>	<b>2,089</b>	<b>8,286</b>	<b>178.4</b>	<b>708</b>	<b>98.0</b>	<b>174.8</b>	<b>145.6</b>	<b>7.0</b>	<b>83.3</b>

- 1) Contracted rental revenues at April 1, 2006, with addition of assessed value of vacant space on an annual basis
- 2) Contracted rental revenues at April 1, 2006.
- 3) Contracted rental revenues at April 1, 2006, less property expenses for comparable properties during the past 12 months

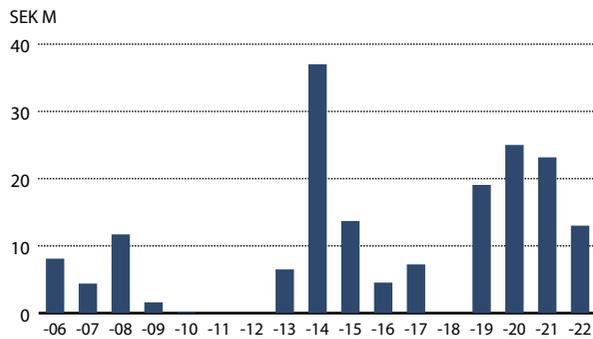
**Book value by region as of March 31, 2006**



**Rental value by region as of March 31, 2006**



**Maturity structure, Leases as of January 1, 2006<sup>1)</sup>**



<sup>1)</sup> Maturity structure, notwithstanding the departure clauses in general agreements with Bilia.



**Solna Stora Frösunda 2 and Hagalund 2:2**  
Stockholm and Mälardalen region

## FINANCING

### Shareholders' equity

Shareholders' equity as of March 31, 2006 totaled SEK 633 M (354 pro forma) and the equity/assets ratio was 29.8 per cent (19.3 pro forma). Shareholders' equity at December 31, 2005 totaled SEK 530 M (583 pro forma) and the equity/assets ratio was 25.8 per cent (27.4 pro forma).

### Liquidity

Cash and cash equivalents as of March 31, 2006 totaled SEK 0 M (-). Pro forma as of December 31, 2005, cash and cash equivalents amounted to SEK 73 M, in addition to which the Group has an unutilized overdraft facility of SEK 75 M. Cash and cash equivalents in the form of a Group account are treated in line with the customary accounting practice, that is, as a receivable/liability to Group companies up until April 20, 2006.

### Interest-bearing liabilities

Group interest-bearing liabilities as of March 31, 2006 totaled SEK 1,233 M (1,370) and consisted primarily of promissory notes due to the Parent Company/Group companies for the acquisition of subsidiaries and Group account credit. The average rate of interest is 2.73 per cent. The interest-bearing liabilities fell due for payment on April 20, 2006, when bank financing through signed loan agreements was received. Refer to the section "Significant events after the end of the reporting period"

## ORGANIZATION

### Legal structure

Catena AB, corporate registration number: 556294-1715, is the Parent Company in a Group with three wholly owned subsidiaries, one Swedish, one Norwegian and one Danish. The Norwegian and Danish companies own the Norwegian and Danish real estate, respectively. In turn, the Swedish subsidiary has a group relationship with 15 companies who own the Group's Swedish real estate portfolio. In addition, there are two dormant Swedish companies.

### Operational structure

Catena's organization consists primarily of the Real Estate Management and Business Development functions. In addition, there are the joint Group functions, Accounting/Finance and Communications Group management

consists of the CEO, CFO and Controller. Group management has overall responsibility for such areas as business development, financial control and result monitoring as well as information issues.

### Workforce

The workforce consists of 14 employees, (12) of whom 2 are women (2). Most of the employees work at the company's headquarters in Gothenburg.

### Real estate management

Real estate management is adjusted to suit the geographical location of the properties, with a real estate manager for each region. In addition to the real estate managers, there are real estate engineers for each region (with the exception of the Öresund region) as well as a project manager in the Stockholm and Mälars Valley region. Catena also outsources real estate maintenance.

### Business development

The function of the Business Development unit is to handle projects and development as well as transactions conducted by Catena. The Project and Development unit manages new construction and refurbishment projects as well as procurements and monitoring. The Transactions unit is responsible for all Group acquisition and sale of properties.

## PARENT COMPANY

The Parent Company Catena AB reported a loss before tax of SEK 18.1 M (loss: 0.5) for the period. Of this loss, SEK 9.4 M (0.0) related to expenses for the company's stock exchange listing and interest expenses for the financing of the purchase of subsidiaries in the amount of SEK 8.3 M (0.0). The company's revenue – consisting mainly of rental revenue of SEK 0.06 M (0.06) and intra-Group services of SEK 1.2 M (4.5) – totaled SEK 1.3 M (4.6) for the period. The change in revenues is attributable primarily to rental leases with external real estate owners, which were taken over by Bilja as of year-end 2005. Net investments in tangible fixed assets totaled SEK 0.5 M (0.0). During the period, the company received a shareholder contribution of SEK 53.0 M (0,0), which is reported directly against shareholders' equity.

### Accounting principles

Catena observes the IFRS-standards adopted by the EU.

**Kungälv Skruven 1**  
West Götaland region



This interim report was prepared in accordance with IAS 34. The accounting principles and computation methods comply with those applied in the most recent annual report.

**SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD**

- On April 26, 2006 Catena was listed on the O-List of the Stockholm Stock Exchange.
- Group financing was conducted in accordance with signed loan agreements. The capital tie-up period is 4-6 years. The fixed interest term for loans has been extended by means of interest-rate swaps, resulting in an average fixed interest term of 2.16 years. The average rate of interest on the Group's loans, including interest-rate swaps, is 3.50 per cent. An overdraft facility of SEK 75 M was received.
- A shareholder contribution of SEK 7 M was received from Bilia.
- All financial commitments to the Bilia Group have been

dissolved.

This interim report has not been examined by the company's auditors.

**CALENDAR FOR FINANCIAL REPORTS**

Six-month report, Jan.–Jun. 2006	Aug. 17, 2006
Interim report Jan.–Sept. 2006	Nov. 9, 2006
Year-end report 2006:	Feb. 8, 2007

**FOR FURTHER INFORMATION,  
PLEASE CONTACT**

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+46-31-760 09 30

Gothenburg May 17, 2006

**Catena AB (publ)**  
*Board of Directors*

## Consolidated income statement

SEK M	Result	Pro forma	Pro forma
	2006 Jan-March	2005 Jan-March	2005 Jan-Dec
Rental revenue	44.1	42.3	170.3
Operating expense	-0.6	-0.3	-1.7
Repair and maintenance expense	-3.1	-2.1	-12.0
Property tax	-1.4	-1.4	-5.5
Ground rent	-0.5	-0.4	-1.8
Property administration	-1.8	-1.7	-6.7
Net operating income	36.7	36.4	142.6
Other operating income	1.1	-	-
Other operating expenses	-0.8	-	-
Central administration	-11.9	-4.0	-16.2
Net financial items	-9.2	-10.1	-39.8
Income from property management	16.0	22.3	86.6
Changes in value			
Properties, realised	-	-	-
Properties, unrealised	51.5	85.3	340.0
Profit before tax	67.5	107.6	426.6
Current tax	-3.9	-4.8	-18.4
Deferred taxes	-14.7	-25.4	-101.1
Profit for the period after taxes	48.9	77.4	307.1
Earnings per share	4.23	6.69	26.56
Number of shares at end of period, thousands <sup>1)</sup>	11,565	11,565	11,565
Average number of shares, thousands	11,565	11,565	11,565

<sup>1)</sup> The company has no warrants or convertibles outstanding.

## Information by segment pro forma

	Rental revenue		Net operating income		Book value		Investments	
	2006 Jan-March	Pro forma 2005 Jan-March	2006 Jan-March	Pro forma 2005 Jan-March	2006 March 31	Pro forma 2005 March 31	2006 Jan-March	Pro forma 2005 Jan-March
Stockholm and Mälardalen region	16.3	16.4	12.7	13.5	839	732	11.4	8.4
West Götaland region	11.4	10.8	9.8	9.4	503	399	5.3	1.2
Öresund region	9.6	8.7	8.2	7.6	426	328	4.1	1.7
Oslo region	6.8	6.5	6.1	5.9	321	267	-	-
Total	44.1	42.4	36.7	36.4	2,089	1,726	20.8	11.7

## Consolidated balance statement

SEK M	Result 31 March 2006	Pro forma 31 March 2005	Result 31 Dec 2005	Pro forma 31 Dec 2005
<b>Assets</b>				
Properties	2,089	1,725	2,016	2,016
Other tangible fixed assets	8	8	8	8
Financial fixed assets	1	4	4	3
Current assets	28	25	25	25
Cash and cash equivalents	0	73	0	73
<b>Total assets</b>	<b>2,126</b>	<b>1,835</b>	<b>2,053</b>	<b>2,125</b>
<b>Equity and liabilities</b>				
Equity	633	354	530	583
Provisions	154	64	140	139
Interest-bearing liabilities	1,233	1,370	1,336	1,356
Noninterest-bearing liabilities	106	47	47	47
<b>Total equity and liabilities</b>	<b>2,126</b>	<b>1,835</b>	<b>2,053</b>	<b>2,125</b>

## Changes in consolidated equity

SEK M	Jan-March 2006-03-31	Pro forma Jan-March 2005-03-31	Jan-Dec 2005-03-31
Opening shareholders' equity	530	277	60
Adjustment for changed accounting principle	-	-	-1
Net changes in hedging reserve	-	-	1
Net changes in translation reserve	1	-	-5
Group contributions	-	-	-44
Tax attributable to Group changes	-	-	12
Shareholder contribution	53	-	502
Profit at the end of the period	49	77	5
<b>Closing shareholders' equity</b>	<b>633</b>	<b>354</b>	<b>530</b>

A bonus issue was carried out during the period through the issue of 8,838 new shares and a 500:22 share split. Subsequently, the total number of shares amounts to 11,564,500.

## Consolidated cash-flow statement

SEK M	Result 2006 Jan-March	Pro forma 2005 Jan-March	Pro forma 2005 Jan-Dec
Management result	16.0	22.3	87.0
Adjustments for non-cash items	-2.0	-	-
Change in working capital	-49.0	-	-
Tax paid	-	-4.8	-18.0
Cash-flow from operating activities	-35.0	17.5	69.0
Change in financial fixed assets	2.0	-	-
Change in other tangible fixed assets	-20.0	-11.6	-48.0
Cash flow from investing activities	-18.0	-11.6	-48.0
Shareholder contribution	53.0	-	-
Change in interest-bearing liabilities	-	-5.9	-21.0
Cash flow from financing activities	53.0	-5.9	-21.0
Cash flow for the period	0.0	0.0	0.0
Cash and cash equivalents at beginning of the period	0.0	73.0	73.0
Cash and cash equivalents at end of the period	0.0	73.0	73.0

## Key Ratios

	Result 2006 Jan-March	Pro forma 2005 Jan-March	Pro forma 2005 Jan-Dec
<b>Financial</b>			
Return on shareholders' equity, %	-	-	71.5
Return on total capital, %	-	-	24.1
Equity/assets ratio, %	29.8	19.3	27.4
Interest coverage ratio before taxes, multiple	8.3	11.2	11.4
Interest coverage ratio, management result, multiple	2.7	3.1	3.1
Loan-to-value ratio, properties, %	57.8	79.4	67.3
Debt/equity ratio, multiple	1.9	3.9	2.3
<b>Share related (pertains to number of shares at end of period)</b>			
Net profit for the period per share, SEK	4.23	6.69	26.56
Pre-tax profit for the period per share, SEK	5.84	9.3	36.89
Management result for the period after standard tax per share, SEK	1.00	1.39	5.39
Management result for the period per share, SEK	1.38	1.93	7.49
Shareholders' equity per share, SEK	54.74	30.61	50.41
Dividend per share, SEK	-	-	-
Number of shares at end of period, thousands	11,565	11,565	11,565
Average number of shares at end of period, thousands	11,565	11,565	11,565
<b>Property related</b>			
Book value of properties, SEK M	2,089	1,725	2,016
Direct yield, %	7.0	8.4	7.1
Rentable area, sq.m.	252,118	252,118	252,118
Rental revenue, per sq.m., SEK	700	671	676
Operating surplus, per sq.m.,	582	578	566
Revenue-based occupancy rate, %	98.0	98.3	98.6
Surplus ratio, %	83	86	84
<b>Employees</b>			
Number of employees at end of period	14	12	12

## Shareholders at December 31, 2005

Shareholders	Number of shares, thousands	Number of votes and capital, %
Bilia	11,565	100
Total	11,565	100

## **PRINCIPLES FOR PREPARATION OF THE PRO FORMA ACCOUNTING**

Since the Group was formed on December 1, 2005, there is no comparison with the preceding fiscal year. To provide comparable information, pro forma accounting has been prepared for these periods in accordance with the principles described below.

To show the financial development of the Group's property portfolio at March 31, 2006, pro forma accounts are presented. Acquisition or divestments during the pro forma period are not reported in the pro forma accounting. The pro forma accounting presents the result of the properties that the Group owns as of March 31, 2006 as if they had been owned at January 1, 2005. The pro forma accounting is based on and has been prepared in accordance with the principles applicable pursuant to the International Financial Reporting Standards (IFRS)

### **Income statements**

The pro forma income statement for 2005 is based on historic information for the property portfolio included in the Group at March 31, 2006. Consequently, rental revenues, operating and maintenance costs, property tax and leasehold fees are essentially based on the actual results. For buildings newly constructed and properties acquired from other than Group companies during 2005, access to historical information has been limited. In cases in which full-year results are not available, adjustment was made based on the estimated full-year result 2005 regarding rental revenues and property expenses.

Costs for central administration are calculated costs for central administration in 2006 for the new Group. Estimated costs are based on the company operating as an independent exchange-listed company. The calculated full-year cost is distributed evenly over the four quarters for 2005.

Unrealized change in value is the difference in the property's book value between 2004 and 2005, adjusted for investments carried out in 2005. The basis for the property's book value is the assessed fair value at the close of each year. The difference in the assessed values is distributed evenly over the four quarters for 2005.

Interest expenses are calculated based on the Group's current interest-bearing liabilities at December 31, 2005. Interest expense per quarter is based on current market interest rates at the beginning of each quarter pertaining to that portion of the loan portfolio on which is interest is paid.

Tax has been dividend among current and preferred taxes in the pro forma accounting. Current tax has been based on the year's taxable result, which is charged with taxable depreciation of 4.0 percent of the assessed taxable depreciation base as of March 31, 2005, which is adjusted during the pro forma period for investments made. Deferred tax is the difference between 28 percent of the reported profit before tax and current tax. The total reported tax expenses pro forma amounts to 28 percent of profit after financial items.

### **Balance sheets**

The balance sheet for the Group pro forma as of March 31, 2005 is based on the assessed fair values at that time. This fair value is based on appraisal carried out by Forum Fastighetsekonomi and its partners and which was the basis for the company's acquisition of companies from Bilia AB and its subsidiaries. The valuation date for this appraisal was December 1, 2005, that is, the date of transfer of the shares in the aforementioned acquisitions.

The pro forma balance sheet at March 31, 2005 has been adjusted for the assessed property values at that date. Shareholders' equity has been reported after adjusted for assessed pro forma earnings in the first quarter of 2005. Provisions have been adjusted for deferred tax during the period. Interest-bearing liabilities have been adjusted for liquidity surpluses. Other balance sheet items are assumed to be constant during the pro forma period.

### **Cash-flow statements**

No assumptions of changes in working capital or dividends were made in the cash-flow statements. The investments reported in the pro forma cash-flow statements pertain to all investments in the property portfolio, excluding investments in new production and property acquisitions.

## DEFINITIONS

### SHARE-RELATED

#### Average number of shares

Weighted average of the number of shares at the opening and closing of the period.

#### Shareholders' equity per share

Shareholders' equity at the end of the period in relation to the number of shares at the end of the period.

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

Profit after financial items for the period divided by the average number of shares

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

Profit after financial items for the period divided by the average number of shares.

#### Net profit for the period per share

Net profit for the period divided by the average number of shares.

### PROPERTY RELATED

#### Number of properties

Total number of properties owned by Catena at March 31, 2006.

#### Direct yield

Operating surplus on an annual basis as percentage of the property's book value at end of period.

#### Operating surplus, per sq.m.

Operating surplus on an annual basis divided by rentable area.

#### Revenue-based occupancy rate

Rental revenue as percentage of rental revenue.

#### Book value of properties

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

#### Rental revenue, per sq.m.

Rental revenue on an annual basis divided by rentable area.

#### Rental value

Current rental revenues and the potential rental revenue for vacant premises as assessed by the Company

#### Rentable area

Total area available for renting.

#### Surplus ratio

Operating surplus as percentage of rental revenue.

### FINANCIAL

#### Return on shareholders' equity

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

#### Return on total capital

Profit after financial items plus interest expenses as a percentage of average total assets.

#### Interest coverage ratio

Profit after financial items after reversing interest expense, divided by interest expense.

#### Debt/equity ratio

Interest-bearing divided by shareholders' equity.

#### Equity/assets ratio

Shareholders' equity as a percentage of total assets.

Figures in this interim report have been rounded off, while calculations were carried out without rounding off. Consequently, some tables do not appear to total correctly.

# CATENA

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