

## YEAR-END REPORT 2009



In March 2009, Vesta's new head office in Svågertorp, Malmö was completed

*Catena shall own, effectively manage and actively develop commercial real estate in prime locations that 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 by being one of the leading players focusing on commercial real estate in a number of strategic locations.*





## YEAR-END REPORT 2009

- **Rental revenue** during the period totaled SEK 203.3 M (189.3).
- **Income from property management** amounted to SEK 124.5 M (89.2), or SEK 10.77 per share (7.71).
- **Profit before tax** for the period was SEK 161.7 M (-200.2).
- **Profit after tax** for the period amounted to SEK 120.4 M (-131.9), or SEK 10.41 per share (-11.41).
- **Realized change in value** included in profit before tax amounted to SEK 3.2 M (4.3)
- **Unrealized change in value** amounted to a profit of SEK 34.0 M (loss: 293.7), for which property accounts for a profit of SEK 34.7 M (loss: 260.2) and derivatives for a loss of SEK 0.7 M (loss: 33.5).
- **Investments** in existing portfolio amounted to SEK 39 M (128) during the period.
- **The Board of directors proposes a dividend** of SEK 5.75 per share (5.25).

### **Peter Hallgren, President and CEO:**

- *Profit from management operations improved by 39.6%, primarily as a result of lower interest rates but also due to strong rental operations. Leases totalling SEK 14.2 million in annual rent were signed in 2009. These new contracts entailed an increased number of new tenants. However, car dealers remain the dominant tenants.*
- *Catena experienced favourable growth in its property portfolio as a result of the recovery in the Norwegian property market. New leases and completed investments in Sweden also had a favourable effect on the properties' values.*
- *The company's financial targets were achieved with a healthy margin. The interest-coverage ratio is currently at a multiple of 4.0 and equity/assets ratio at 34.1 %.*
- *Catena experiences strength in its long-term leases in times of uncertainty. The company deems the vacancy risk as minor, since its properties have strategic and attractive locations.*

## **FOCUS ON COMMERCIAL REAL ESTATE**

Catena is a real estate company that focuses on properties in external retailing locations. The real estate portfolio is located in four growth regions in the Nordic countries: Stockholm, Göteborg, Öresund and Oslo.

## **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 our tenants.
- Acquire commercial properties with good potential to achieve long-term growth and stable revenue.
- 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 that exceeds the risk-free interest by not less than 5 percentage points<sup>1</sup>.
- Interest coverage ratio not less than 1.75.
- Equity/assets ratio not lower than 25% and not higher than 35%.

## **DIVIDEND POLICY**

Long-term, Catena's dividend shall amount to 75% of the income from property management<sup>2</sup> after tax<sup>3</sup>.

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

<sup>2</sup> Profit after financial items excluding realized and unrealized changes in value.

<sup>3</sup> Profit after financial items charged with 26.3% standard tax.

## **REVENUES, EXPENSES AND EARNINGS**

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

### **GROUP**

#### **Rental revenue**

Rental revenue amounted to SEK 203.3 M (189.3). The increase from the preceding year is due primarily to upward indexation, new rental leases and higher rental revenue from remodeling for tenants. Some 85.7 percent (90.6) of rental revenue derives from the Bilia Group.

The revenue-based occupancy rate totaled 97.9 percent (96.3) on January 1, 2010. The total rental value of vacant premises was estimated to amount to an annual SEK 4.4 M (7.5). The average lease term was 8.8 years (9.3).

#### **Property expenses**

Property expenses totaled SEK 25.6 M (26.0). Of total property expenses, operating expenses increased by SEK 0.5 M compared to year 2008. Repair and maintenance expenses decreased by SEK 1.5 M compared with the preceding year. Property tax and leasehold fees increased by SEK 0.3 and SEK 0.1 M respectively. Property administration increased SEK 0.2 M compared with the preceding year.

#### **Operating surplus**

The operating surplus for the year was SEK 177.7 M (163.3).

#### **Other operating revenues**

Other operating revenues of SEK 4.9 M (4.9) consist primarily of consulting fees of SEK 0.2 M (1.0), and invoicing forwarded to tenants in respect of work completed, in the amount of SEK 2.9 M (3.9) and resolved lease supplements of SEK 1.1 M (-).

#### **Other operating expenses**

Other operating expenses consist of costs for work that were passed on to tenants in the amount of SEK 2.8 M (4.0) and consulting fees of SEK 0.0 M (2.0).

## Central administration

Expenses relating to central administration totaled SEK 14.1 M (17.6). This item includes costs for Group Management and other central functions. The change is primarily due to a savings program.

## Net financial items

Net financial items amounted to an expense of SEK 41.2 M (55.4). The annual average interest rate, including derivative instruments, was 2.48 percent (4.95) on the closing date. Financial instruments limit the impact of interest-rate movements on the Group's borrowing costs. During the period, interest paid was capitalized in the amount of SEK 0.4 M (3.4) for current construction projects.

| Financial items                          |             |              |              |              |
|--|-------------|--------------|--------------|--------------|
| SEK M                                    | 2009        |              | 2008         |              |
|  | Sep-Dec     | Sep-Dec      | Jan-Dec      | Jan-Dec      |
| Interest income                          | 1.0         | 1.4          | 1.0          | 2.2          |
| Interest expenses                        | -9.2        | -14.2        | -42.2        | -57.7        |
| Net exchange rate fluctuations, realised | 0.0         | 1.8          | 0.0          | 0.1          |
| <b>Net financial items</b>               | <b>-8.2</b> | <b>-11.0</b> | <b>-41.2</b> | <b>-55.4</b> |

## Income from property management

Income from property management totaled SEK 124.5 M (89.2).

## Changes in value

### Properties

All of the Group's properties have been valued by external appraisers. In Sweden, the appraisal was conducted by Forum Fastighetsekonomi AB, in Norway by DTZ and in Denmark by RED Property Advisers. The internal rate of return on net operating income has decreased due to a lower estimated risk in the stock. The yield applied in the calculation of residual value (residual value yield) were mostly unchanged. The internal rate of return on net operating income varies from 6.4 to 10.2 percent and for the residual value yield from 6.50 to 9.75 percent. Refer to Catena's Annual Report for 2008 for more detailed information on the valuation methods.

### Change in book value of the properties

| SEK M                                  | 2009         |              | 2008      |           |
|--|--------------|--------------|-----------|-----------|
|  | Jan.-Dec.    | Jan.-Dec.    | Jan.-Dec. | Jan.-Dec. |
| Book value at the beginning of period  | 2,354        | 2,479        |           |           |
| Value changes                          | 35           | -243         |           |           |
| Investments in existing portfolio      | 39           | 127          |           |           |
| Investments in new properties          | -            | 8            |           |           |
| Currency effect                        | 44           | -17          |           |           |
| <b>Book value at the end of period</b> | <b>2,472</b> | <b>2,354</b> |           |           |

## Financial derivatives

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 interest rate from the corresponding market interest rate and with the remaining time to maturity. The unrealized value of the aforementioned interest-rate swaps resulted in a deficit of SEK 20.9 M (loss: 19.3) on the closing date, of which, the change in value for the period resulted in a decrease of SEK 0.7 M (decrease: 33.5). The unrealized changes of value have no impact on the cash flow statement.

## Value change

As a result of its property holdings in Norway and Denmark, the Group is exposed to the currencies of these countries. In an effort to reduce this exposure, the Group raises loans denominated in the currency of each country.

## Taxes

Current tax paid for the period amounted to SEK 2.1 M (1.3) and deferred tax to a loss of SEK 39.2 M (profit: 69.6).

## Profit after tax for the period

The profit after tax for the period totaled SEK 120.4 M (loss 131.9).

## Other comprehensive income for the period

Other comprehensive income for the period amounted to SEK 16.8 M (loss 7.0) and comprised of a change of translation reserve.

## Total comprehensive income for the period

The comprehensive income of the period amounted to SEK 137.2 M (loss 138.9).

## Earnings from operations under discontinuation

Catena has initiated negotiations regarding the divestment of all four properties in Norway. In 2009, these properties generated rental revenues of SEK 44.5 M. Net

operating income amounted to SEK 44.0 M, income from management was SEK 36.6 M and profit before tax was SEK 40.8 M.

Net cash flows from operating activities amounted to SEK 37.8 M; from investing activities, cash flow was a negative SEK 5.6 M and cash flow from financing activities was SEK 0 M.

## **RISKS AND UNCERTAINTY FACTORS**

### **General**

Catena is exposed to a number of risks that may affect the company's business and earnings, as well as the value of property. Through its holdings of properties in Denmark and Norway, the income statement and balance sheet can also be affected by fluctuations in the currencies of these countries against the Swedish krona. Included among other risks are risks in leases, changes in operation and maintenance expenses, interest and financing risks and taxes. Investment properties are reported on the balance sheet at fair value and changes in value of these properties are reported in the income statement. This means that the effects of Catena's income- and balance statements become more volatile, affecting in particular the Group's earnings, equity/assets ratio and loan-to-value ratio.

### **Value change**

Valuation of the Group's management properties was carried out by external appraisers. The same principles were used as for the valuation performed at the beginning of 2008/09. The valuation of properties is associated with forward-looking assumptions, entailing a margin of error of +/- 5-10 percent 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.

### **Parent Company**

The Parent Company is exposed to the aforementioned risks through liabilities to foreign subsidiaries, loans 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 is 100 percent (99) derived from billing for internally provided services.

### **Current earnings capacity**

With the aim of providing a current view of the Catena Group's earnings capacity regarding income from property management on a 12-month basis, the income statement below was prepared. It is important to note that this income statement is not to be equated with a forecast. For example, the income statement does not contain any assessments regarding future occupancy rate, rent and interest-rate trends or changes in value.

Earnings capacity on a 12-month basis at December 31, 2009 has been determined in accordance with the following:

- Rental revenue is contractual rental revenue as of January 1, 2010 on an annual basis with the addition for estimated market rent for vacant premises.
- Property expenses pertain to operating and maintenance expenses, property taxes and leasehold fees with the addition of property administration based on actual outcome in the past year adjusted for holding period.
- Central administration has been based on actual outcome for the most recent 12 months.
- Net financial items have been calculated based on interest-bearing liabilities and assets. Expenses for interest-bearing liabilities are based on the Group's average interest-rate level at December 31, 2009.
- Other operating revenues/expenses have not been taken into account.

#### **Current earnings capacity**

| <b>SEK M</b>                    | 2009<br>Dec. 31 | 2008<br>Dec. 31 |
|---------------------------------|-----------------|-----------------|
| Rental value                    | 209             | 205             |
| Vacancies                       | -4              | -7              |
| Rental income                   | <b>205</b>      | <b>198</b>      |
| Property costs                  | -26             | -26             |
| Net operation income            | <b>179</b>      | <b>172</b>      |
| Central administration          | -14             | -18             |
| Net financial items             | -34             | -66             |
| Income from property management | <b>131</b>      | <b>88</b>       |

## PROPERTIES

The Group's real estate portfolio consists of commercial premises located in the Stockholm, Gothenburg, Öresund and Oslo regions.

On December 31, 2009, the real estate portfolio consisted of 31 properties, of which five are held on leasehold, with a rentable area of 231,314 square meters.

The properties are booked at a carrying amount of SEK 2,472 M, which corresponds to the properties' estimated market value. On January 1, 2010, the rental value totaled SEK 209.0 M and the contractual rental revenues totaled SEK 204.6 M on an annual basis. The revenue-related occupancy rate was 97.9 percent.

### Property investments/acquisitions

Investments in current properties amounted to SEK 39 M. This amount pertains primarily to the renovation and rebuilding.

### Sale of properties

During the period Catena has sold parts of land at the property in Lilleström, Norway. The realized change in value was 3.2 M.

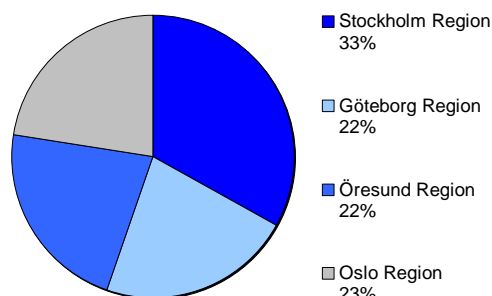
### Lease-duration structure as of January 1, 2010

| Expiry, year | No. of agreements | Leased floor space, sq.m | Contracted rental revenue |               |
|--------------|-------------------|--------------------------|---------------------------|---------------|
|              |                   |                          | SEKm                      | Proportion, % |
| 2010         | 10                | 5,450                    | 5.4                       | 2.6           |
| 2011         | 5                 | 3,894                    | 2.7                       | 1.3           |
| 2012         | 18                | 10,222                   | 9.4                       | 4.6           |
| 2013         | 5                 | 11,668                   | 8.1                       | 4.0           |
| 2014         | 8                 | 35,097                   | 28.8                      | 14.1          |
| 2015         | 4                 | 14,459                   | 14.6                      | 7.1           |
| 2016         | 3                 | 3,830                    | 4.1                       | 2.0           |
| 2017         | 3                 | 15,181                   | 11.3                      | 5.5           |
| 2018         | 1                 | 3,688                    | 6.4                       | 3.1           |
| 2019         | 2                 | 22,034                   | 19.0                      | 9.3           |
| 2020         | 3                 | 19,951                   | 27.0                      | 13.2          |
| 2021         | 2                 | 45,734                   | 33.3                      | 16.3          |
| 2022         | 3                 | 27,010                   | 23.1                      | 11.3          |
| 2023         | 1                 | 7,627                    | 11.4                      | 5.6           |
| <b>Total</b> | <b>68</b>         | <b>225,845</b>           | <b>204.6</b>              | <b>100.0</b>  |

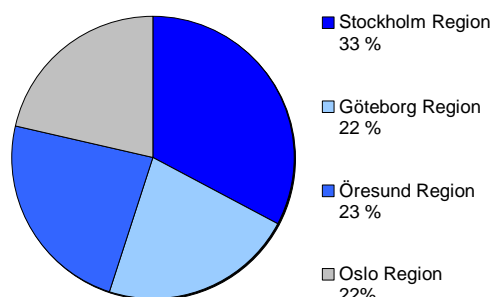
Average lease-duration is 8.8 years

In the tables Contracted rental revenues and the Maturity structure, leases, signed leases, which have not yet entered into effect, are included. Given rent reduction have not been divided into periods.

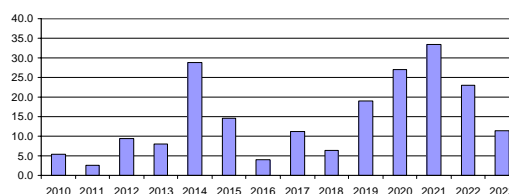
### Book value (totalled SEK 2,472 M) by region as of December 31, 2009



### Rental value (totalled SEK 209.0 M) by region as of January 1, 2010



### Maturity structure, leases, as of January 1, 2010 (SEK M)<sup>1)</sup>



Maturity structure excluding deviation possibilities in general agreements with Bilia.

- 1) Today the framework agreement covers six properties, which combined comprise 13,4% of the total rental value at January 1, 2010. This agreement gives Bilia the possibility of vacating spaces corresponding to a maximum of two thirds of the aggregate base rent payable as of December 31, 2011 and all spaces covered by the framework agreement as of December 31, 2014. The framework agreement thereby expires. Under the framework agreement, the tenant is not entitled to leave spaces at times other than those stated above.

## FINANCING

### Shareholders' equity

Shareholders' equity at December 31, 2009 totaled SEK 882 M (806) and equity/assets ratio was 34.1 percent (33.3). Over the long term, the equity/assets ratio should remain in the range of 25 – 35 percent.

### Liquidity

Cash and cash equivalents and short-term investments as of December 31, 2009 totaled SEK 103 M (45). In addition to cash and cash equivalents, the Group has SEK 75 M (62) in unutilized overdraft facilities of totally SEK 75 M (75).

### Interest-bearing liabilities

As of December 31, 2009 Catena had long-term loan agreements amounting to SEK 1,367 M. In addition to these credit agreements, Catena also has an overdraft facility of SEK 75 M (75).

As of December 31, 2009, interest-bearing liabilities totaled SEK 1,367 M (1,354). The average outstanding fixed credit period was 1,3 (2.3) years on December 31, 2009.

The average fixed-interest period at December 31, 2009 was 0.8 years (1.2). The average rate of interest was 2.48 percent (4.95). Referring only to the Swedish part of the interest costs, they amounted to 2.21 percent.

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

A change in market rate of interest of  $\pm 1$  percent impacts on Catena's interest expenses  $\pm$  SEK 8.7 M.

Interest-bearing liabilities are distributed as per the following: 77.5 percent loans in SEK, 16.8 percent loans in NOK and 5.7 percent loans in DKK.

### Provisions

Provisions of SEK 241 M (195) consist of provisions for deferred tax of SEK 228 M (182).

## ORGANIZATION

### Legal structure

Catena AB, corporate registration number 556294-1715, is the Parent Company of the Catena Group. The Norwegian and Danish properties are wholly owned by the Norwegian and Danish companies. The Swedish properties, except one, are owned by 13 wholly owned Swedish subsidiaries.

### Personnel

Of the 11 (14) employees, 3 (3) are women.

Senior management and the finance function are located in Göteborg and consist of a total of seven employees. In addition, there are administrative personnel in Göteborg, Stockholm, and Malmö. In Oslo the property management has been transferred to an external property management company as per April 2009.

#### Term structure of interest rates at Dec. 31, 2009

| Maturity, year | Loan amount<br>SEK M | Av. interest rate<br>% |
|----------------|----------------------|------------------------|
| Floating       | 865.3                | 1.27                   |
| 2010           | 130.0                | 4.01                   |
| 2011           | 130.0                | 4.16                   |
| 2012           | 130.0                | 4.25                   |
| 2014           | 111.9                | 6.03                   |
| <b>Summa</b>   | <b>1,367.2</b>       | <b>2.48</b>            |

#### Loan-maturity structure at Dec. 31, 2009

| Share<br>%   | Credit agreements<br>SEK M | Utilized<br>SEK M | Share<br>%   |
|--------------|----------------------------|-------------------|--------------|
| 63.3         | -----                      | -----             |              |
| 9.5          | 386.2                      | 386.2             | 28.2         |
| 9.5          | 626.0                      | 626.0             | 45.8         |
| 9.5          | 355.0                      | 355.0             | 26.0         |
| 8.2          | -----                      | -----             |              |
| <b>100.0</b> | <b>1,367.2</b>             | <b>1,367.2</b>    | <b>100.0</b> |



## CATENA SHARE

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

The last price paid on December 30, 2009 was SEK 87.75 per share, corresponding to a market capitalization of about SEK 1,015 M.

As of December 30, 2009, the number of shares in Catena was 11,564,500 distributed among 17,413 owners.

| Shareholders on Dec. 30, 2009         | Number of shares  | Voting rights (%) |
|---------------------------------------|-------------------|-------------------|
| Endicott Sweden AB (CLS Holding plc)  | 3,361,000         | 29.1              |
| Erik Selin gruppen                    | 2,476,688         | 21.4              |
| Catella fonder                        | 1,493,950         | 12.9              |
| Länsförsäkringar fonder               | 749,884           | 6.5               |
| Skandia Liv                           | 289,400           | 2.5               |
| Banque Carnegie Luxembourg SA         | 117,398           | 1.0               |
| CBNY-DFA-INT SML CAP V                | 109,825           | 0.9               |
| Mellon US Tax Exempt Account          | 75,250            | 0.7               |
| Verdipapirfondet Odin Eiendom         | 70,400            | 0.6               |
| Swedbank Robur fonder                 | 60,208            | 0.5               |
| <b>Total, 10 largest shareholders</b> | <b>8,804,003</b>  | <b>76.1</b>       |
| Other shareholders                    | 2,760,497         | 23.9              |
| <b>Total</b>                          | <b>11,564,500</b> | <b>100.0</b>      |

## EVENTS AFTER THE REPORT PERIOD

Catena has initiated negotiations regarding the divestment of all four properties in Norway. The due diligence process has begun with the objective of completing the transaction during spring 2010.

Catena has also signed an agreement with the Danish University and Property Agency (DUPA) regarding the divestment of Catena's property on Jagtvej road in Copenhagen. The property was sold for DKK 53 million (about SEK 73 million). The property will be transferred to the buyer on 1 June 2010. The divestment will be recognised in the second quarter of 2010.

Göteborg, February 23, 2010

## Catena AB (publ)

*The Board of directors*

This information is such that Catena AB (publ) must release it publicly 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 February 23, 2010 at 08.45 a.m.

## ACCOUNTING PRINCIPLES

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 and for the Parent Company in accordance with the Swedish Annual Accounts Act.

### New accounting principles 2009

Revised IAS 1 Presentation of financial statements is applied from January 1, 2009. Among other effects, the change results in revenues and expenses that were previously recognized directly in shareholders' equity are now reported in a separate statement directly after the income statement. Values for the preceding year are adjusted.

Other accounting principles and computation methods comply with those applied in the most recent annual report.

## CALENDAR

The Annual Report for 2009 is expected to be available at Catena's website as of March 18, 2010 and at Catena's office from March 29 2010. It is expected to be distributed to shareholders, who have requested an Annual Report, by late March.

|                                   |                  |
|-----------------------------------|------------------|
| Annual General Meeting            | April 28, 2010   |
| Interim Report, January-March     | April 28, 2010   |
| Interim Report, January-June      | August 18 2010   |
| Interim Report, January-September | October 27, 2010 |
| Year-end report 2010              | February 2011    |

## PROPOSED DIVIDEND

The Board of Directors proposes a dividend of SEK 5.75 (5.25) per share. The dividend entails a direct return of 6.6 percent based on the share price at December 30, 2009.

## Consolidated income statement

| SEK M  | Result      | Result        | Result       | Result        | Result       |
|--|-------------|---------------|--------------|---------------|--------------|
|  | 2009        | 2008          | 2009         | 2008          | 2007         |
|  | Oct.-Dec.   | Oct.-Dec.     | Jan.-Dec.    | Jan.-Dec.     | Jan.-Dec.    |
| Rental revenue                               | 51.5        | 48.9          | 203.3        | 189.3         | 179.7        |
| Operating expense                            | -0.5        | -0.7          | -2.8         | -2.3          | -1.5         |
| Repair and maintenance expenses              | -1.4        | -2.6          | -7.4         | -8.9          | -8.7         |
| Property tax                                 | -1.9        | -1.9          | -7.6         | -7.3          | -7.0         |
| Ground rent                                  | -0.5        | -0.5          | -2.3         | -2.2          | -2.0         |
| Property administration                      | -1.4        | -1.4          | -5.5         | -5.3          | -6.1         |
| <b>Net operating income</b>                  | <b>45.8</b> | <b>41.8</b>   | <b>177.7</b> | <b>163.3</b>  | <b>154.4</b> |
| Other operating income                       | 4.1         | 1.0           | 4.9          | 4.9           | 6.4          |
| Other operating expenses                     | -2.1        | -2.3          | -2.8         | -6.0          | -3.6         |
| Central administration                       | -3.0        | -4.9          | -14.1        | -17.6         | -17.3        |
| <b>Operating profit</b>                      | <b>44.8</b> | <b>35.6</b>   | <b>165.7</b> | <b>144.6</b>  | <b>139.9</b> |
| Net financial items                          | -8.2        | -11.0         | -41.2        | -55.4         | -66.1        |
| <b>Income from property management</b>       | <b>36.6</b> | <b>24.6</b>   | <b>124.5</b> | <b>89.2</b>   | <b>73.8</b>  |
| <b>Changes in value</b>                      |             |               |              |               |              |
| Properties, realized                         | -           | -             | 3.2          | 4.3           | 37.7         |
| Properties, unrealized                       | 35.0        | -198.0        | 34.7         | -260.2        | 167.3        |
| Financial derivatives, unrealized            | 2.0         | -30.1         | -0.7         | -33.5         | 1.1          |
| <b>Profit before tax</b>                     | <b>73.6</b> | <b>-203.5</b> | <b>161.7</b> | <b>-200.2</b> | <b>279.9</b> |
| Current tax                                  | -1.6        | -0.3          | -2.1         | -1.3          | -5.3         |
| Deferred taxes                               | -16.3       | 65.9          | -39.2        | 69.6          | -58.4        |
| <b>Profit for the period after taxes</b>     | <b>55.7</b> | <b>-137.9</b> | <b>120.4</b> | <b>-131.9</b> | <b>216.2</b> |
| Earnings per share                           | 4.82        | -11.92        | 10.41        | -11.41        | 18.70        |
| Number of shares at end of period, thousands | 11,565      | 11,565        | 11,565       | 11,565        | 11,565       |
| Average number of shares, thousands          | 11,565      | 11,565        | 11,565       | 11,565        | 11,565       |

1) The company has no warrants or convertibles outstanding.

## Consolidated statement of comprehensive income

| SEK M  | Result      | Result        | Result       | Result        | Result       |
|--|-------------|---------------|--------------|---------------|--------------|
|  | 2009        | 2008          | 2009         | 2008          | 2007         |
|  | Oct.-Dec.   | Oct.-Dec.     | Jan.-Dec.    | Jan.-Dec.     | Jan.-Dec.    |
| Profit for the period after taxes                      | 55.7        | -137.9        | 120.4        | -131.9        | 216.2        |
| <i>Other comprehensive income for the period</i>       |             |               |              |               |              |
| Foreign currency translation adjustment                | 4.7         | -7.6          | 16.8         | -7.0          | 21.6         |
| <i>Total other comprehensive income for the period</i> | <i>4.7</i>  | <i>-7.6</i>   | <i>16.8</i>  | <i>-7.0</i>   | <i>21.6</i>  |
| <b>Total comprehensive income for the period</b>       | <b>60.4</b> | <b>-145.5</b> | <b>137.2</b> | <b>-138.9</b> | <b>237.8</b> |

## Consolidated balance statement

| SEK M                                  | Result        | Result        | Result        |
|--|---------------|---------------|---------------|
|  | Dec. 31, 2009 | Dec. 31, 2008 | Dec. 31, 2007 |
| <b>Assets</b>                          |               |               |               |
| Properties                             | 2,472         | 2,354         | 2,479         |
| Other tangible fixed assets            | 2             | 3             | 4             |
| Financial fixed assets                 | -             | -             | 15            |
| Current assets                         | 7             | 17            | 10            |
| Cash and cash equivalents              | 103           | 45            | 35            |
| <b>Total assets</b>                    | <b>2,584</b>  | <b>2,419</b>  | <b>2,543</b>  |
| <b>Equity and liabilities</b>          |               |               |               |
| Equity                                 | 882           | 806           | 1,006         |
| Provisions                             | 241           | 195           | 265           |
| Long-term interest-bearing liabilities | 1,362         | 1,341         | 1,224         |
| Current interest-bearing liabilities   | 5             | 13            | -             |
| Noninterest-bearing liabilities        | 94            | 64            | 48            |
| <b>Total equity and liabilities</b>    | <b>2,584</b>  | <b>2,419</b>  | <b>2,543</b>  |

## Changes in consolidated equity

| SEK M                                     | Result     | Result     | Result       |
|---|------------|------------|--------------|
|   | 2009       | 2008       | 2007         |
|   | Jan.-Dec.  | Jan.-Dec.  | Jan.-Dec.    |
| Opening shareholders' equity              | 806        | 1,006      | 826          |
| Dividend                                  | -61        | -61        | -58          |
| Total comprehensive income for the period | 137        | -139       | 238          |
| <b>Closing shareholders' equity</b>       | <b>882</b> | <b>806</b> | <b>1,006</b> |

## Consolidated cash-flow statement

| SEK M   | Result     | Result      | Result      |
|---|------------|-------------|-------------|
|   | 2009       | 2008        | 2007        |
|   | Jan.-Dec.  | Jan.-Dec.   | Jan.-Dec.   |
| Management result   | 125        | 89          | 74          |
| Adjustments for non-cash items                            | -3         | 4           | 15          |
| Tax paid  | -2         | -1          | -26         |
| Change in working capital                                 | 39         | -2          | -55         |
| <b>Cash-flow from operating activities</b>                | <b>159</b> | <b>90</b>   | <b>8</b>    |
| Change in tangible fixed assets                           | -36        | -149        | 115         |
| <b>Cash-flow from investing activities</b>                | <b>-36</b> | <b>-149</b> | <b>115</b>  |
| Paid dividend   | -61        | -61         | -58         |
| Change in interest-bearing liabilities                    | -8         | 130         | -93         |
| <b>Cash-flow from financing activities</b>                | <b>-69</b> | <b>69</b>   | <b>-151</b> |
| <b>Cash-flow for the period</b>                           | <b>54</b>  | <b>10</b>   | <b>-28</b>  |
| Cash and cash equivalents at the beginning of the period  | 45         | 35          | 63          |
| Exchange difference in cash                               | 4          | -           | -           |
| <b>Cash and cash equivalents at the end of the period</b> | <b>103</b> | <b>45</b>   | <b>35</b>   |

## Key ratios, Group

|  | Result<br>2009<br>Jan.-Dec. | Result<br>2008<br>Jan.-Dec. | Result<br>2007<br>Jan.-Dec. |
|--|-----------------------------|-----------------------------|-----------------------------|
| <b>Financial</b>   |                             |                             |                             |
| Return on shareholders' equity, %  | 14.3                        | -14.6                       | 23.6                        |
| Return on total capital, %   | 8.2                         | -5.6                        | 13.4                        |
| Equity/assets ratio, %   | 34.1                        | 33.3                        | 39.6                        |
| Interest coverage ratio, management result, multiple                     | 4.0                         | 2.5                         | 2.4                         |
| Loan-to-value ratio, properties, %                                       | 55.3                        | 57.5                        | 49.4                        |
| Debt/equity ratio, multiple  | 1.5                         | 1.7                         | 1.2                         |
| <b>Share-related (pertains to number of shares at the end of period)</b> |                             |                             |                             |
| Net profit for the period per share, SEK                                 | 10.41                       | -11.41                      | 18.70                       |
| Pre-tax profit for the period per share, SEK                             | 13.98                       | -17.31                      | 24.20                       |
| Management result for the period per share, SEK                          | 10.77                       | 7.71                        | 6.38                        |
| Management result for the period after standard tax per share, SEK       | 7.93                        | 5.55                        | 4.59                        |
| Shareholders' equity per share, SEK                                      | 76.27                       | 69.70                       | 86.99                       |
| Dividend per share, SEK  | 5.25                        | 5.25                        | 5.00                        |
| Number of shares at the end of the period, thousands                     | 11,565                      | 11,565                      | 11,565                      |
| Average number of shares at the end of the period, thousands             | 11,565                      | 11,565                      | 11,565                      |
| <b>Property-related</b>  |                             |                             |                             |
| Book value of properties, SEK M  | 2,472                       | 2,354                       | 2,479                       |
| Direct yield, %  | 7.2                         | 7.3                         | 6.1                         |
| Rentable area, sq.m.   | 231,314                     | 230,529                     | 227,500                     |
| Rental revenue per sq.m., SEK  | 886                         | 846                         | 772                         |
| Operating surplus, per sq.m., SEK  | 775                         | 734                         | 663                         |
| Revenue-based occupancy rate, %  | 97.9                        | 96.3                        | 98.3                        |
| Surplus ratio, %   | 87.4                        | 86.3                        | 85.9                        |
| <b>Employees</b>   |                             |                             |                             |
| Number of employees at the end of the period                             | 11                          | 14                          | 14                          |

## Information per segment/region

|              | Rental revenue    |                   | Net operating income |                   | Book value     |                | Investments       |                   | Rentable area sq. m. |                |
|--------------|-------------------|-------------------|----------------------|-------------------|----------------|----------------|-------------------|-------------------|----------------------|----------------|
|              | 2009<br>Jan.-Dec. | 2008<br>Jan.-Dec. | 2009<br>Jan.-Dec.    | 2008<br>Jan.-Dec. | 2009<br>31/Dec | 2008<br>31/Dec | 2009<br>Jan.-Dec. | 2008<br>Jan.-Dec. | 2009<br>31/Dec       | 2008<br>31/Dec |
| SEK M        |                   |                   |                      |                   |                |                |                   |                   |                      |                |
| Stockholm    | 64.6              | 65.8              | 52.9                 | 53.7              | 819            | 803            | 5.5               | 3.5               | 88,566               | 88,903         |
| Göteborg     | 46.9              | 47.8              | 41.4                 | 42.4              | 551            | 556            | 1.1               | 16.9              | 56,569               | 59,194         |
| Öresund      | 47.1              | 41.4              | 40.1                 | 35.2              | 548            | 529            | 25.8              | 46.4              | 53,957               | 50,211         |
| Oslo         | 44.7              | 34.3              | 43.3                 | 32.0              | 554            | 466            | 6.6               | 61.1              | 32,222               | 32,221         |
| <b>Total</b> | <b>203.3</b>      | <b>189.3</b>      | <b>177.7</b>         | <b>163.3</b>      | <b>2,472</b>   | <b>2,354</b>   | <b>39.0</b>       | <b>127.9</b>      | <b>231,314</b>       | <b>230,529</b> |

## Parent Company income statement

| SEK M                                    | Result       | Result       |
|--|--------------|--------------|
|  | 2009         | 2008         |
|  | Jan.-Dec.    | Jan.-Dec.    |
| Rental revenue                           | 3.6          | 5.2          |
| Operating expense                        | -3.4         | -5.4         |
| <b>Net operating income</b>              | <b>0.2</b>   | <b>-0.2</b>  |
| Other operating income                   | 21.4         | 21.2         |
| Other operating expenses                 | -0.1         | -0.5         |
| Central administration                   | -18.7        | -22.1        |
| <b>Operating profit</b>                  | <b>2.8</b>   | <b>-1.6</b>  |
| Net financial items                      | -27.5        | -41.2        |
| <b>Profit/loss after financial items</b> | <b>-24.7</b> | <b>-42.8</b> |
| Financial derivatives, unrealized        | -1.7         | -26.5        |
| <b>Pre-tax profit</b>                    | <b>-26.4</b> | <b>-69.3</b> |
| Appropriations                           | -            | 0.1          |
| <b>Pre-tax profit</b>                    | <b>-26.4</b> | <b>-69.2</b> |
| Taxes                                    | 10.4         | 21.6         |
| <b>Net profit for the period</b>         | <b>-16.0</b> | <b>-47.6</b> |

## Parent Company balance statement

| SEK M                               | Result        | Result        |
|-------------------------------------|---------------|---------------|
|                                     | Dec. 31, 2009 | Dec. 31, 2008 |
| <b>Assets</b>                       |               |               |
| Investment properties               | 2             | 2             |
| Other tangible fixed assets         | -             | 1             |
| Financial fixed assets              | 2,061         | 2,069         |
| Other current assets                | 3             | 5             |
| Cash and cash equivalents           | 97            | -             |
| <b>Total assets</b>                 | <b>2,163</b>  | <b>2,077</b>  |
| <b>Equity and liabilities</b>       |               |               |
| Equity                              | 512           | 533           |
| Provisions                          | 13            | 13            |
| Long term debt                      | 1,008         | 1,012         |
| Short term debt                     | 630           | 519           |
| <b>Total equity and liabilities</b> | <b>2,163</b>  | <b>2,077</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 26.3 per cents tax, divided by the average number of shares.

### **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.

**CATENA AB (publ)**

Corp. Re. no:556294-1715  
Box 262  
SE-401 24 Göteborg  
Visitors: Lilla Bommen 6  
Telephone:+46 31 760 09 30  
Fax: +46 (0)31 700 89 88  
www.catenafastigheter.se

**Göteborg region**

Box 262  
SE-401 24 Göteborg  
Visitors: Lilla Bommen 6  
Telephone:+46 31 760 09 30  
Fax: +46 31 700 89 88

**Stockholm region**

Box 262  
SE-401 24 Göteborg  
Visitors: Häradsvägen 255, Segeltorp  
Telephone:+46 31 760 09 30  
Fax: +46 31 700 89 88

**Öresund region**

Box 21007  
SE-200 21 Malmö  
Visitors: Agnesfridsvägen 121  
Telephone: +46)31 760 09 30  
Fax: +46 (0)40 671 03 30

**Oslo region**

c/o Malling Forvaltning as  
Postboks 1883 Vika  
NO-0124 Oslo  
Telephone: +47 24 02 80 00  
Fax +47 24 02 80 01

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

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