YEAR-END REPORT 2006

Mölndal Trombonen 3 – Catena acquired this property on November 1, 2006. The tenant is Bilia Frdon AB.

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 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.

CATENA

YEAR-END REPORT 2006

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.

- **Rental revenue** during the year totaled SEK 177.0 M (170.3).
- **Income from property management** for the year, excluding expenses for the stock exchange listing, amounted to SEK 110.2 M (86.6), or SEK 9.53 per share (7.49). Income from property management during the year, including listing expenses of SEK 10.7 M, totaled SEK 99.5 M (86.6), corresponding to SEK 8.60 per share (7.49).
- **Profit before tax** was SEK 352.5 M (426.6). Profit for the year includes unrealized value changes in property and financial instruments of SEK 235.0 M (340.0) and expenses of SEK 10.7 M (0.0) incurred in conjunction with the stock exchange listing.
- **Profit after tax** for the year amounted to SEK 255.0 M (307.1) or SEK 22.05 per share (26.56).
- **A shareholder contribution** of SEK 60.0 M (0.0) was received during the year.
- **The Board of Directors proposes a dividend** of SEK 5.00 (-) per share.

Peter Hallgren, CEO:

Catena's first year as a listed company has now come to a close. The focus, which was on the stock exchange listing during the first half of the year, has now switched to one of strategic development of the operation.

Catena pursues a clear-cut strategy for developing its real estate portfolio, as part of which the following activities were conducted during the year:

– Acquisition of the Trombonen property in Mölndal, where the tenant conducts automotive operations under the Ford make. The acquisition entailed continued establishment in a retail park that we believe in and an operation that we know well.

– Establishment of a retail clothing operation in Värnhem in Malmö is a good example of property development, whereby basic warehouse and production area is converted into retail space that generates higher rental revenue.

– Investments in existing facilities that result in the upgrade and modernization of our properties had a value-enhancing effect and reduced the tenants' operating expenses and our maintenance costs.

– A letter of intent was signed in December pertaining to the divestment of six properties located outside priority markets. The sale is expected to be completed during March 2007. Through this sale, we are pursuing our distinct strategy of becoming established in the four major growth regions in the Nordic region: Stockholm, Gothenburg, Öresund and Oslo.

COMMENTS ON THE MARKET

Household consumption in Sweden is high, and the retail trade posted record figures for 2006. It is estimated that the retail trade will report a sales increase of 7.4% for full-year 2006. In 2007, the market is not expected to show the same sharp growth as in 2006. The increase in current prices is forecast at 5%.[1]

In Sweden, new registration of cars rose by 3.1% in 2006 to approximately 283,000. During the same period, new registration of cars in Norway declined by 0.7% to 109,000, while a 5.3% increase to 157,000 cars was noted in Denmark.

Interest in commercial properties is strong and liquidity high. Transaction volume in the Swedish market exceeded SEK 150 billion in 2006, more than 15-20% higher than in 2005.

Most properties are sold as part of a package of several properties divested in a single transaction. This type of package deal commands a premium – that is, the price level for the combined properties exceeds the individual value of the properties

Due to the strong household consumption, interest in building retail properties is increasing. Although new construction is increasing the supply of retail properties, the strong business conditions are keeping vacancy rates low. Since Catena's properties are in attractive areas close to existing commercial developments, they are favored by the rise in commercial activity and the fact that the undeveloped land available for new production in attractive areas is limited.

REVENUES, EXPENSES AND EARNINGS

Rental revenue

Rental revenue totaled SEK 177.0 M (170.3) and pertained to 93% to rental revenue from the Bilia Group. The rise in rental revenue was mainly attributable to indexation, the signing of long-term leases and increased rental revenue from remodeling programs for tenants.

The revenue-based occupancy rate totaled 98.8% (98.6) at January 1, 2007. The total rental value of vacant premises amounted to SEK 2.3 M on an annual basis.

Property expenses

Property expenses totaled SEK 25.3 M (27.7). Of total property expenses, operating expenses declined by SEK 0.4 M and repair and maintenance by SEK 2.7 M, compared with the preceding year. The decrease in operating expenses derives mainly from the Norwegian properties. In Sweden, repair and maintenance expenses were less extensive during the current year compared with 2005.

Operating surplus

The operating surplus for the year totaled SEK 151.7 M (142.6).

Other operating revenues

Of other operating revenues, which totaled SEK 7.9 M (-), rental revenues for premises rented from external real estate owners accounted for SEK 3.0 M (-), consulting fees for SEK 2.0 M (-) and invoicing passed on to tenants for SEK 2.9 M (-).

Other operating expenses

Other operating expenses consisted of SEK 3.0 M (-) in costs for the aforementioned leased premises and SEK 2.9 M (-) for purchases for which invoicing was passed on to tenants.

Central administration

Expenses relating to central administration totaled SEK 24.1 M (16.2). The item covers expenses for Group management and other corporate functions. The amount includes costs of SEK 10.7 M (-) incurred in connection with the stock exchange listing. The decrease in expenses for central administration excluding costs for stock exchange listing is due to Catena not being listed during the whole of 2006, which was expected according to pro forma accounting for 2005 (see page 14).

Net financial items

Net financial items for the year resulted in an expense of SEK 30.1 M (expense: 39.8). They also included realized exchange gains of SEK 2.5 M (-) and unrealized exchange gains of SEK 11.2 M (-). The reduction in financing costs was primarily attributable to the exchange rate differences mentioned above.

[1] Source: The Swedish Wholesale and Retail Research Institute.

Income from property management

Income from property management, excluding costs for the stock exchange listing, totaled SEK 110.2 M (86.6).

Income from property management, including costs for the stock exchange listing of SEK 10.7 M (-), totaled SEK 99.5 M (86.6).

Changes in value

All of the Group's properties have been valued by independent real estate appraisers. In Sweden, the valuation was conducted by Forum Fastighetsekonomi AB, in Norway by Agdestein Takst & Eiendomsrådgivning AS and in Denmark by Thurö, Bjarne Jensen & Winther-Petersen. For the valuations, which were conducted on the basis of a multi-year return analysis, the interest used for costing purposes ranged from 5.1% - 10.2%. The costing period is 5-20 years.

Change in reported property values

SEK M	2006 Jan.-Dec.	Proforma 2005 Jan.-Dec.
Book value at beginning of the period	2,016	1,628
Value changes	242	340
Investments in existing portfolio	53	48
Investments in new properties	65	-
Currency effect	-24	-
Book value at the end of the period	**2,352**	**2,016**

To achieve the interest rate structure stipulated in the Group's finance policy, Catena utilizes interest swaps. The value of these interest swaps increases or decreases to the extent that the agreed interest rate deviates from the corresponding market interest rate. The unrealized value of the aforementioned interest swaps was SEK 8.0 M on the balance-sheet date.

Through its holdings of properties in Norway and Denmark, the Group is exposed to the exchange rates for these countries' currencies. To reduce this exposure, the Group raises loans in the currencies of these two countries. In those cases where Catena has yet to utilize the opportunity to issue binding credits, the Group has instead utilized currency forward contracts to reduce this exposure. The unrealized change in value of currency forward contracts amounted to SEK 3.0 M on the balance-sheet date.

Taxes

Current tax paid for the year amounted to SEK 19.4 M (18.4) and deferred tax to SEK 78.1 M (101.1). The change in deferred tax is largely attributable to unrealized changes in value. Catena has no unutilized loss carry-forwards.

Profit after tax for the year

Profit after tax for the year totaled SEK 255.0 M (307.1).

PROPERTIES

The Group's real estate portfolio consists of commercial premises located in Stockholm and the Mälardalen, Västra Götaland, Öresund and Oslo regions. The real estate portfolio at December 31, 2006 consisted of 35 properties, of which six are held on leasehold, with a rentable area of 258,462 square meters. The properties are booked at a carrying amount of SEK 2,352 M, which corresponds to the properties' estimated market value. The rental value totaled SEK 188.0 M and the contractual rental revenues totaled SEK 185.7 M on an annual basis. The revenue-related occupancy rate was 98.8%.

Investments in properties

During the year, investments in existing properties amounted to SEK 53 M, which pertained primarily to expenses incurred in procuring mortgage deeds and customization programs for tenants.

Acquisition and sale of properties

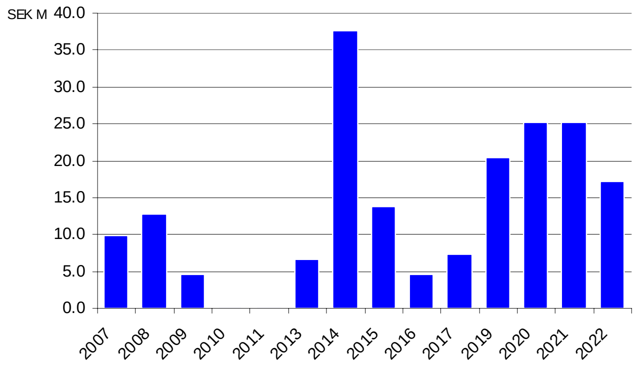
The Trombonen 3 property in the municipality of Mölndal was acquired on November 1, 2006 by exercising an option agreement with Skandrenting AB. The purchase price was approximately SEK 65 M. The acquisition was implemented in the form of a company. The size of the property, which was built in 2002 and contains an automotive facility, is approximately 5,000 square meters. The tenant is Bilia Fordon AB.

The Group did not sell any properties during the year.

The property portfolio at December 31, 2006 – segment information

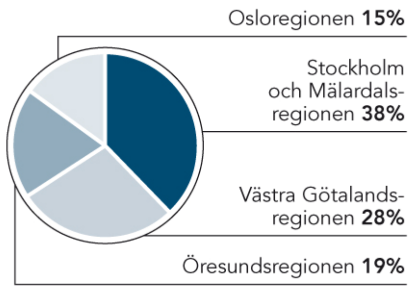
The compilation below is based on Catena's real estate portfolio at December 31, 2006. Rental revenue consists of contractual rental revenue on an annual basis as of January 1, 2007. Operating and maintenance expenses as well as expenses incurred in property administration, which are included in the operating surplus, consist of the actual result for January–December 2006 for the properties held at December 31, 2006. Property tax and leasehold costs are calculated on the basis of the properties' current tax-assessed values and leasehold contracts.

Maturity structure, leases, as of January 1, 2007[1)]

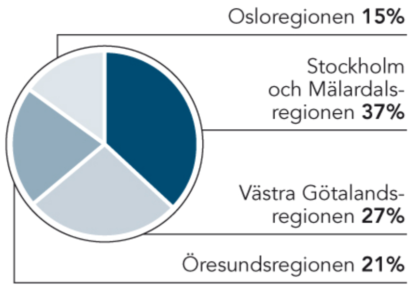


1) Maturity structure, notwithstanding the departure clauses in general agreements with Bilia.

Book value by region as of December 31, 2006



Rental value[1)] by region as of January 1, 2007



Contracted rental revenues as of January 1, 2007

Maturity, year	Number of contracts	Contracted area, sq.m	SEK M	Percentage, %
2007	11	13,152	9.8	5.3
2008	20	18,684	12.8	6.9
2009	9	5,658	4.6	2.5
2010	1	335	0.2	0.1
2011	1	300	0.2	0.1
2013	2	11,329	6.6	3.6
2014	9	54,092	37.6	20.2
2015	4	18,641	13.8	7.4
2016	3	5,949	4.6	2.5
2017	3	10,640	7.4	4.0
2019	2	27,745	20.5	11.0
2020	4	29,193	25.2	13.6
2021	1	39,139	25.2	13.6
2022	2	19,740	17.2	9.3
Total	**72**	**254,597**	**185.7**	**100.0**

Segment	Number of properties	Rentable area sq.m.	Book value SEK M	Book value SEK/sq.m.	Rental value[1)] SEK M	Rental value[1)] SEK/sq.m.	Economic occupancy rate %	Rental revenue[2)] SEK M	Operating surplus[3)] SEK M	Yield on properties[4)] %	Surplus ratio %
Stockholm och Mälardalsregionen	11	100,260	889	8,867	69.2	690	97.8	67.7	55.3	6.2	81.7
Västra Götalandsregionen	13	75,656	656	8,671	51.6	682	100.0	51.6	45.4	6.9	87.9
Öresundsregionen	7	53,151	459	8,636	39.9	751	98.0	39.1	33.8	7.4	86.5
Osloregionen	4	29,395	348	11,839	27.3	929	100.0	27.3	25.4	7.3	93.2
Total	**35**	**258,462**	**2,352**	**9,100**	**188.0**	**727**	**98.8**	**185.7**	**160.0**	**6.8**	**86.1**

1) Contracted rental revenues at January 1, 2007, with addition of assessed value of vacant space on an annual basis.
2) Contracted rental revenues at January 1, 2007 on an annual basis.
3) Contracted rental revenues at January 1, 2007, less property expenses for comparable properties during the past 12 months.
4) Calculated yield on properties 2007.

FINANCING

Shareholders' equity

Shareholders' equity at December 31, 2006 totaled SEK 825 M (583) and the equity/assets ratio was 33.8% (27.4). Over the long term, the equity/assets ratio should remain within the interval of 25–35%.

Liquidity

Cash and cash equivalents and short-term investments at December 31, 2006 totaled SEK 63.4 M (-). In addition to cash and cash equivalents, the Group had SEK 75 M (-) in unutilized lines of credit and SEK 77.8 M (-) in binding credits. Pro forma as of December 31, 2005, cash and cash equivalents amounted to SEK 73 M.

Interest-bearing liabilities

At December 31, 2006, Catena had long-term credit agreements of SEK 1,385 M, of which SEK 1,308 M had been utilized. During the final quarter of 2006, a new loan of SEK 52 M was raised.

Interest-bearing liabilities at the close of the period totaled SEK 1,308 M (1,356). The average remaining fixed credit period at December 31, 2006 was 4.4 years (-).

The average remaining fixed-interest period at December 31, 2006 was 1.69 years (-). This fixed-interest period was achieved by using swap agreements to extend outstanding loans with short fixed-interest periods.

The average interest rate at December 31, 2006 as 3.84% (-).

Provisions

Of total provisions of SEK 213 M (140), SEK 204 M (130) are deferred taxes.

Interest and loan maturity structure as of December 31, 2006

	Interest term			Loan maturity		
Maturity, year	Loan principal, SEK M	Average interest, %	Percentage, %	Credit agreements, SEK M	Utilized, SEK M	Percentage, %
2007	657.6	3.58	50.5%	-----	-----	
2008	130.0	3.55	9.9%	-----	-----	
2009	130.0	3.83	9.9%	-----	-----	
2010	130.0	4.00	9.9%	386.1	386.1	29.5%
2011	130.0	4.15	9.9%	598.6	520.9	39.9%
2012	130.0	4.24	9.9%	400.6	400.6	30.6%
Summa	**1,307.6**	**3.84**	**100.0%**	**1,385.3**	**1,307.6**	**100.0%**

Financial targets

Catena aims to achieve the following objectives over a complete business cycle:

- Return on shareholders' equity that exceeds the risk-free interest by not less than 5 percentage points. [1]
- Interest coverage ratio not less than 1.75.
- Equity/assets ratio not lower than 25% and not higher than 35%.

[1] Risk-free interest is defined as interest on a five-year Swedish Government bond.

Dividend policy

Long term, Catena's dividend shall amount to 75% of the income from property management[2] after tax[3].

[2] Profit after financial items excluding realized and unrealized changes in value.
[3] Profit after financial items charged with 28% standard tax.

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 Catena's 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 return, with due consideration of risk.
- Divest properties for which the potential to create additional value growth is deemed limited.

ORGANIZATION

Legal structure

Catena AB, corporate registration number 556294-1715, is the Parent Company of 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 17 companies that own the

Group's Swedish real estate portfolio. In addition, there is one dormant Swedish company.

Operational structure

Catena's organization consists primarily of the Real Estate Management and Business Development functions. In addition, there are the joint Group functions for 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.

Personnel

The number of employees was 14 (12), of whom 3 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 responsible 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).

Business development

The Business Development function handles projects and development activities as well as the 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 acquisitions and sales of properties by the Group.

PARENT COMPANY

The operations of the Parent Company, Catena AB, consist primarily of Group-wide functions, as well as the operation of the Group's subsidiaries. The Parent Company reported a pre-tax gain of SEK 7.8 M (loss: 5.9) for the year. Of this gain, SEK 10.6 M (0.0) related to expenses for the company's stock exchange listing. The company's revenues, deriving mainly from rental revenue of SEK 3.1 M (8.2), intra-Group services of SEK 19.4 M (14.0) and other external services of SEK 0.6 M (0.6), totaled SEK 23.1 M (22.8) during the year. Net investments in tangible fixed assets amounted to SEK 1.6 M (0.0). During the year, the company received a shareholders' contribution of SEK 60.0 M (0.0), which was reported directly against shareholders' equity.

Accounting principles

Catena observes the IFRS standards adopted by the EU. 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.

Nomination Committee

At the Annual General Meeting on March 1, 2006, it was decided that the company's Nomination Committee should comprise one representative from each of the four largest shareholders.

In accordance with the instructions determined at the Annual General Meeting, the following members were selected to serve on Catena's Nomination Committee: Stefan Dahlbo, Investment AB Öresund, Åsa Nisell, Robur, Gunnar Lindberg, Länsförsäkringar, and Ulf Strömsten, Catella.

Stefan Dahlbo was named Chairman of the Nomination Committee.

Catena shares

Catena shares are registered on OMX - Nordiska listan Small cap. Last price paid - December 29, 2006 - was SEK 100.75 per share, corresponding to a market capitalization of approximately SEK 1,165 M. As of December 29, 2006, the number of shares in Catena was 11,564,500, distributed among 20,051 owners.

Shareholders on December 29, 2006	Number of shares	Voting rights (%)
Investment AB Öresund	1,400,968	12.1%
Catella fonder	1,196,700	10.3%
Swedbank Robur fonder	1,090,012	9.4%
Länsförsäkringar fonder	778,600	6.7%
Lannebo fonder	471,000	4.1%
RAM One fond	360,000	3.1%
Arne Bergström	310,000	2.7%
Astrid Ohlin	300,000	2.6%
Skandia Liv	287,000	2.5%
SOFA	230,000	2.0%
Total, 10 largest shareholders	**6,424,280**	**55.6%**
Other shareholders	5,140,220	44.4%
Total	**11,564,500**	**100%**

Motion concerning dividends

The Board proposes that the Annual General Meeting approve a dividend of SEK 5.00 (-) per share. The dividend is equal to a dividend yield of 5.0% based on the share price at December 29, 2006. The payout ratio corresponds to 81% of income from property management less 28% standard tax.

The Board will also propose that the Annual General Meeting authorize it to make decisions concerning the buyback of treasury shares.

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

CALENDAR

Annual General Meeting	April 23, 2007
Interim report January–March	April 23, 2007
Interim report January–June	August 9, 2007
Interim report January–September	October 24, 2007
Year-end report	February 2008

Gothenburg, February 7, 2007

Catena AB (publ)

Board of Director

Consolidated income statement

SEK M	Result 2006 Okt.-Dec.	Pro forma 2005 Okt.-Dec.	Result 2006 Jan.-Dec.	Pro forma 2005 Jan.-Dec.
Rental revenue	45.2	42.6	177.0	170.3
Operating expense	0.3	-0.7	-1.3	-1.7
Repair and maintenance expenses	-2.9	-4.5	-9.3	-12.0
Property tax	-1.4	-1.3	-5.6	-5.5
Ground rent	-0.4	-0.5	-1.9	-1.8
Property administration	-1.8	-1.6	-7.2	-6.7
Net operating income	**39.0**	**34.0**	**151.7**	**142.6**
Other operating income	4.2	0.0	7.9	0.0
Other operating expenses	-3.3	0.0	-5.9	0.0
Central administration	-4.9	-4.1	-24.1	-16.2
Net financial items	-6.3	-9.9	-30.1	-39.8
Income from property management	**28.7**	**20.0**	**99.5**	**86.6**
Changes in value				
Properties, unrealized	122.4	83.9	242.0	340.0
Financial derivatives, unrealized	6.3	0.0	11.0	0.0
Profit before tax	**157.4**	**103.9**	**352.5**	**426.6**
Current tax	-5.9	-4.0	-19.4	-18.4
Deferred taxes	-39.9	-24.9	-78.1	-101.1
Profit for the period after taxes	**111.6**	**75.0**	**255.0**	**307.1**
Earnings per share	9.65	6.49	22.05	26.56
Number of shares at end of period, thousands [1]	11,565	11,565	11,565	11,565
Average number of shares, thousands	11,565	11,565	11,565	11,565

1) The company has no warrants or convertibles outstanding.

Information per segment

	Rental revenue		Net operating income		Book value		Investments	
		Pro forma		Pro forma		Pro forma		Pro forma
	2006	2005	2006	2005	2006	2005	2006	2005
	Jan.-Dec.	Jan.-Dec.	Jan.-Dec.	Jan.-Dec.	Dec. 31	Dec. 31	Jan.-Dec.	Jan.-Dec.
Stockholm och Mälardalsregionen	65.1	66.5	52.9	52.9	889	827	20.4	30.2
Västra Götalandsregionen	46.8	43.3	40.7	36.8	656	500	18.2	7.7
Öresundsregionen	38.6	34.6	33.4	29.9	459	405	7.1	7.5
Osloregionen	26.5	25.9	24.7	23.0	348	284	7.3	2.4
Total	**177.0**	**170.3**	**151.7**	**142.6**	**2,352**	**2,016**	**53.0**	**47.8**

Consolidated balance statement

SEK M	Result Dec. 31, 2006	Result Dec. 31, 2005	Pro forma Dec. 31, 2005
Assets			
Properties	2,352	2,016	2,016
Other tangible fixed assets	6	8	8
Financial fixed assets	11	4	3
Current assets	7	25	25
Cash and cash equivalents	63	-	73
Total assets	**2,439**	**2,053**	**2,125**
Equity and liabilities			
Equity	825	530	583
Provisions	213	140	139
Interest-bearing liabilities	1,308	1,336	1,356
Noninterest-bearing liabilities	93	47	47
Total equity and liabilities	**2,439**	**2,053**	**2,125**

Changes in consolidated equity

SEK M	Result 2006 Jan.-Dec.	Result 2005 Jan.-Dec.	Pro forma 2005 Jan.-Dec.
Opening shareholders' equity	530	60	277
Adjustment for changed accounting principle	-	-1	-
Net changes in hedging reserve	-1	1	-
Net changes in translation reserve	-19	-5	-1
Group contribution	-	-44	-
Tax attributable to Group changes	-	12	-
Shareholder contribution	60	502	-
Profit at the end of the period	255	5	307
Closing shareholders' equity	**825**	**530**	**583**

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.-Dec.	Pro forma 2005 Jan.-Dec.
Management result	100	87
Adjustments for non-cash items	-17	0
Tax paid	-14	-18
Change in working capital	59	0
Cash-flow from operating activities	**128**	**69**
Change in financial fixed assets	4	0
Change in other tangible fixed assets	-101	-48
Cash-flow from investing activities	**-97**	**-48**
Shareholder contribution	60	0
Change in interest-bearing liabilities	-28	-21
Cash-flow from financing activities	**32**	**-21**
Cash-flow for the period	**63**	**0**
Cash and cash equivalents at the beginning of the period	0	73
Cash and cash equivalents at the end of the period	63	73

Key ratios, Group

Financial	Result 2006 Jan.-Dec.	Pro forma 2005 Jan.-Dec.
Return on shareholders' equity, %	37.6	71.4
Return on total capital, %	17.7	24.2
Equity/assets ratio, %	33.8	27.4
Interest coverage ratio before taxes, mutiple	8.8	11.4
Interest coverage ratio, management result, mutiple	3.2	3.1
Loan-to-value ratio, properties, %	55.6	67.3
Debt/equity ratio, multiple	1.6	2.3
Share-related (pertains to number of shares at the end of period)		
Net profit for the period per share, SEK	22.05	26.56
Pre-tax profit for the period per share, SEK	30.48	36.89
Management result for the period after standard tax per share, SEK	6.19	5.39
Management result for the period per share, SEK	8.60	7.49
Shareholders' equity per share, SEK	71.34	50.41
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
Property-related		
Book value of properties, SEK M	2,352	2,016
Direct yield, %	6.6	7.1
Rentable area, sq.m.	258,462	252,118
Rental revenue per sq.m., SEK	697	675
Operating surplus, per sq.m., SEK	599	566
Revenue-based occupancy rate, %	98.8	98.7
Surplus ratio, %	85.7	83.7
Employees		
Number of employees at the end of the period	14	12

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 December 31, 2005, pro forma accounts are presented. Acquisitions 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 December 31, 2005, 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 December 31, 2005. 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 2005 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 assed 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 interest is paid.

Tax has been divided among current and deferred 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 per cent of the assessed taxable depreciation base as of December 31, 2005, which is adjusted during the pro forma period for investments made. Deferred tax is the difference between 28 per cent of the reported pro forma profit before tax and current tax. The total reported tax expenses pro forma amounts to 28 per cent of profit after financial items.

Balance sheets

The balance sheet for the Group pro forma as of December 31, 2005, is based on the assessed fair values at that time. This fair value is based on an appraisal that was carried out by Forum Fastighetsekonomi and its partners and that 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 December 31, 2005, has been adjusted for the assessed property values at that date. Shareholders' equity has been reported after adjustment for assessed pro forma earnings in the fourth 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.

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.

Property expenses
Property expenses consist of operating, repair and maintenance costs, property tax, leasehold fees and property administration.

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.

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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.