

## INTERIM REPORT JANUARY – JUNE, 2010



HTH-kök – new tenant in Svågertorp, Malmö

*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.*





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- **Rental revenue** during the period totaled SEK 90.7m (99.8).
- **Income from property management** amounted to SEK 57.5m (53.9), or SEK 4.97 per share (4.66).
- **Profit before tax** for the period was SEK 186.2m (49.8).
- **Profit after tax** for the period amounted to SEK 195.1m (38.0), or SEK 16.87 per share (3.29).
- **Realized change in value** included in profit before tax amounted to SEK 57.2m (3.2)
- **Unrealized change in value** amounted to a profit of SEK 71.5m (loss: 7.3), for which property accounts for a profit of SEK 68.0m (loss: 1.9) and derivatives for a profit of SEK 3.5m (loss: 5.4).
- **Investments** in existing portfolio amounted to SEK 9m (32) during the period.

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

- *Catena reports its best income from property management and after-tax profit since the company's listing in 2006.*
- *On final settlement, the sale of the Norwegian properties and one property in Denmark generated a capital gain of SEK 57.2m. At the same time, the sales resulted in a reduction of approximately SEK 11m in rental revenue during the first six months of the year. For remaining properties, rental revenue increased by about SEK 2m.*
- *The unrealized change in value of SEK 68m was largely attributable to the property in Haga Norra, Solna, where Catena and the City of Solna are jointly implementing a new detailed development plan. Approval of the new detailed development plan is expected to occur during 2011.*
- *Catena's future focus, following the divestments in Denmark and Norway, will be on metropolitan regions in the Swedish market and on continuing to add value to the existing portfolio.*

## **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 three growth regions: Stockholm, Göteborg and Öresund.

## **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 90.7m (99.8). The decrease from the preceding year is due to the sale of the Norwegian properties. Some 83.6 percent (87.2) of rental revenue derives from the Bilia Group.

The revenue-based occupancy rate totaled 96.3 percent (96.9) on July 1, 2010. The total rental value of vacant premises was estimated to amount to an annual SEK 5.9m (6.5). The average lease term was 8.1 years (8.8).

#### **Property expenses**

Property expenses totaled SEK 13.4m (13.4). Of total property expenses, operating expenses increased by SEK 0.9m compared to year 2009, mainly due to increased expenses for snow clearing. Repair and maintenance expenses decreased by SEK 0.4m compared with the preceding year. Property tax and leasehold fees remained unchanged. Property administration decreased SEK 0.5m compared to year 2009.

#### **Operating surplus**

The operating surplus for the year was SEK 77.3m (86.4).

#### **Other operating revenues**

Other operating revenues of SEK 0.3m (0.8) consist of consulting fees of SEK 0.0m (0.1), and invoicing forwarded to tenants in respect of work completed, in the amount of SEK 0.3m (0.4). Preceding year also included sales of company cars SEK 0.3m .

#### **Other operating expenses**

Other operating expenses comprise SEK 0.3m (0.4) for work-related costs that were passed on to tenants and SEK 1.0m (0.0) in compensation paid for interruptions experienced by tenants. Preceding year also included consulting fees of SEK 0.3m .

#### **Central administration**

Expenses relating to central administration totaled SEK 6.8m (9.0). This item includes costs for Group Management and other central functions. The change is primarily due to the sale of

the Norwegian subsidiary and to the effects of a saving program.

### Net financial items

Net financial items amounted to an expense of SEK 12.0m (23.6). The annual average interest rate, including derivative instruments, was 2.15 percent (2.80) 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 0.0m (0.4) for current construction projects. During the second quarter all loans regarding the Danish properties have been solved.

Financial items				
	2010		2009	
SEK m	April-June	April-June	Jan-June	Jan-June
Interest income	1,8	0,1	1,9	0,9
Interest expenses	-6,4	-10,4	-15,0	-24,5
Net exchange rate fluctuations	-1,4	0,0	1,1	0,0
<b>Net financial items</b>	<b>-6,0</b>	<b>-10,3</b>	<b>-12,0</b>	<b>-23,6</b>

### Income from property management

Income from property management totaled SEK 57.5m (53.9).

### Changes in value

#### Properties

The Group's Swedish and Danish properties were internally valued at closing date using externally obtained information on the Swedish and Danish property markets. The internal rate of return on net operating income and the yield applied in the calculation of residual value (residual value yield) were mostly unchanged in Sweden and Denmark. The internal rate of return on net operating income varies from 6.6 to 10.2 percent and for the residual value yield from 6.50 to 8.60 percent. Refer to Catena's Annual Report for 2009 for more detailed information on the valuation methods.

Change in book value of the properties			
	2010		2009
SEK m	Jan.-Jun.		Jan.-Jun.
Book value at the beginning of period	2 472		2 354
Value changes	68		-2
Investments in existing portfolio	9		32
Divestments	-604		-
Currency effect	-6		36
<b>Book value at the end of period</b>	<b>1 939</b>		<b>2 420</b>

### Divested properties

During the period, Catena divested all of its properties in Norway. The properties were trans-

ferred to the buyer on March 31, 2010. Final settlement was received on July 12 and is included in profit as of June 30. On June 1, a property at Jagtvej in Copenhagen was divested.

### 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 8.5m (loss: 24.5) on the closing date, of which, the change in value for the period resulted in an increase of SEK 3.5m (increase: 0.8). The unrealized changes of value have no impact on the cash flow statement.

### Value change

As a result of its property holdings in Denmark, the Group is exposed to the currency of this country.

### Taxes

Current tax paid for the period amounted to SEK -29.4m (-9.8) and deferred tax to a profit of SEK 38.3m (loss: 11.4). The positive change in deferred tax is largely attributable to the sale of properties in Norway and Denmark.

### Profit after tax for the period

The profit after tax for the period totaled SEK 195.1m (38.0).

### Other comprehensive income for the period

Other comprehensive loss for the period amounted to a loss of SEK 10.3m (income: 13.5) and comprised of revaluations of internal balances of SEK 9.9m (loss: 5.5), of the translation reserve in a negative amount of SEK 15.3m (pos: 19.0) and of the translation reserve transferred to net profit in a negative amount of SEK 4.9m (0.0).

### Total comprehensive income for the period

The comprehensive income of the period amounted to SEK 184.8m (51.5).

## **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 holding of properties in Denmark, the income statement and balance sheet can also be affected by fluctuations in the currency of this country against the Swedish krona. Included among other risks are risks in leases, changes in operation and maintenance expenses and interest and financing risks, valuation of properties 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**

For quarterly financial reports, the Group's investment properties are generally valued internally, with externally obtained yield requirements. For annual reports, valuation is external. The same valuation principles were used for the quarterly report as for year-end 2009. Property valuation is linked with assumptions about the future, meaning that the value interval can amount to +/- 5-10 percent at the property level.

The value of the Group's interest swaps is obtained externally. The value of these instruments varies with the agreed interest rate.

Beyond that stated in this interim report, no significant changes have occurred compared with that stated in the annual report.

For additional information about risks and uncertainty factors, refer to Catena's 2009 Annual Report, pages 18-19 and page 54.

### **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 (100) 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 June 30, 2010 has been determined in accordance with the following:

- Rental revenue is contractual rental revenue as of July 1, 2010 on an annual basis with the addition for estimated market rent for vacant premises. Given rent reduction have not been divided into periods.
- 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 June 30, 2010.
- Other operating revenues/expenses have not been taken into account.

#### **Current earnings capacity**

	2010
<b>SEK m</b>	June 30
Rental value	158
Vacancies	-6
Rental income	<b>152</b>
Property costs	-24
Net operation income	<b>128</b>
Central administration	-12
Net financial items	-20
Income from property management	<b>96</b>

## PROPERTIES

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

On June 30, 2010, the real estate portfolio consisted of 26 properties, of which five are held on leasehold, with a rentable area of 192,995 square meters.

The properties are booked at a carrying amount of SEK 1 939m, which corresponds to the properties' estimated market value. On July 1, 2010, the rental value totaled SEK 158.2m. Contracted rental revenue on a yearly basis amounted to SEK 157.5m, of which SEK 5.2m pertained to rental agreements that have not yet come into effect. The revenue-related occupancy rate was 96.3 percent.

### Property investments/acquisitions

Investments in current properties amounted to SEK 9m. This amount pertains primarily to construction and rebuilding.

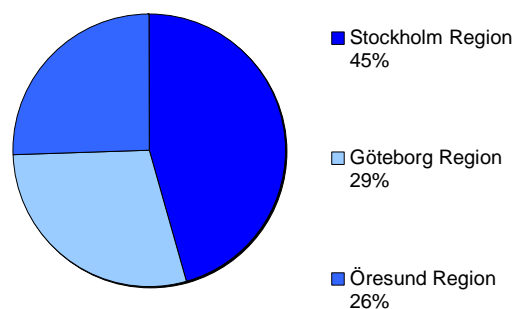
### Lease-duration structure as of July 1, 2010

Expiry, year	No. of agreements	Leased floor space, sq.m	Contracted rental revenue	
			SEKm	Proportion, %
2010	5	914	0.8	0.5
2011	8	4,089	2.9	1.8
2012	18	10,222	9.7	6.2
2013	5	11,668	8.0	5.1
2014	7	35,097	28.2	17.9
2015	2	6,516	4.7	3.0
2016	3	3,830	4.1	2.6
2017	5	17,052	13.7	8.7
2018	1	3,688	6.4	4.1
2019	2	22,034	19.0	12.1
2020	0	0	0.0	0.0
2021	3	47,855	36.1	22.8
2022	3	27,710	23.9	15.2
<b>Total</b>	<b>62</b>	<b>190,675</b>	<b>157.5</b>	<b>100.0</b>

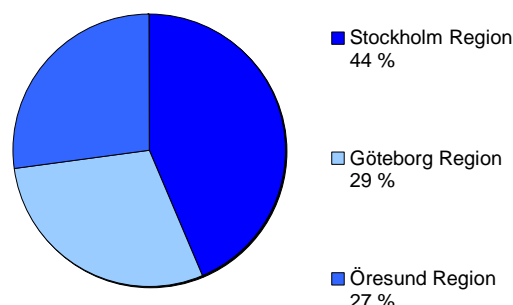
Average lease-duration is 8.1 years

In the tables, the items Contracted rental revenue and Maturity structure include granted rent discounts and signed leases, which have not yet entered into effect. However, the granted rent discounts have not been accrued over the lease term.

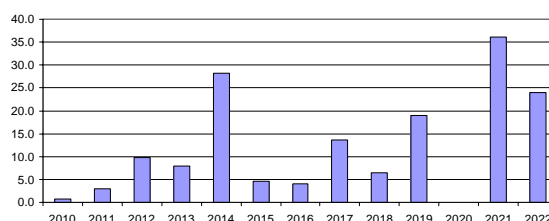
### Book value (totalled SEK 1 939m) by region as of June 30, 2010



### Rental value (totalled SEK 158.2m) by region as of July 1, 2010



### Maturity structure, leases, as of July 1, 2010 (SEKm)<sup>1)</sup>



Maturity structure excluding deviation possibilities in general agreements with Bilia.

1) The framework agreement covers seven properties, which combined comprise 18.0% of the total rental value at July 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 June 30, 2010 totaled SEK 1 001m (797) and equity/assets ratio was 43.5 percent (32.7). 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 June 30, 2010 totaled SEK 359m (2). In addition to cash and cash equivalents, the Group has SEK 75m (71) in unutilized overdraft facilities.

### Interest-bearing liabilities

As of June 30, 2010 Catena had long-term loan agreements amounting to SEK 1,052m. In addition to these credit agreements, Catena also has an overdraft facility of SEK 75m (75).

As of June 30, 2010, interest-bearing liabilities totaled SEK 1,052m (1,367). The average outstanding fixed credit period was 1.6 (1.8) years on June 30, 2010.

The average fixed-interest period at June 30, 2010 was 0.4 years (1.0). The average rate of interest was 2.15 percent (2.80).

This fixed-interest period was achieved by using swap agreements 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 8.0m.

Catena only has loans denominated in SEK.

### Provisions

Provisions of SEK 152m (212) consist of provisions for deferred tax of SEK 139m (198).

## CATENA SHARE

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

The last price paid on June 30, 2010 was SEK 110.50 per share, corresponding to a market capitalization of about SEK 1,278m.

As of June 30, 2010, the number of shares in Catena was 11,564,500 distributed among 17,114 owners.

Shareholders on Jun. 30, 2010	Number of shares	Voting rights (%)
Endicott Sweden AB (CLS Holding plc)	3,361,000	29.1
Erik Selin gruppen	2,476,688	21.4
PEAB AB	2,240,900	19.4
Skandia Liv	289,400	2.5
Banque Carnegie Luxembourg SA	171,921	1.5
CBNY-DFA-INT SML CAP V	109,825	0.9
Mellon US Tax Exempt Account	75,250	0.7
Swedbank Robur fonder	60,208	0.5
CBNY-DFA-CNTL SML CO S	56,762	0.5
Verdipapirfondet Odin Eiendom	53,621	0.5
<b>Total, 10 largest shareholders</b>	<b>8,895,575</b>	<b>76.9</b>
Other shareholders	2,668,925	23.1
<b>Total</b>	<b>11,564,500</b>	<b>100.0</b>

## ORGANIZATION

### Legal structure

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

### Personnel

Of the 10 (12) employees, 2 (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.

#### Term structure of interest rates at June 30, 2010

Maturity, year	Loan amount SEK m	Av. interest rate %	Share %
Floating	791.7	1.63	75.2
2010	-	-	-
2011	130.0	3.70	12.4
2012	130.0	3.79	12.4
2013	-	-	-

#### Loan-maturity structure at June 30, 2010

Credit agreements SEK m	Utilized SEK m	Share %
-----	-----	
60.0	60.0	5.7
396.7	396.7	37.7
350.0	350.0	33.3
245.0	245.0	23.3



## **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.

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

## **CALENDAR**

Interim report Jan-Sept. 2010      October 27, 2010

Year-end report                      February, 2011

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

The Board of Directors and the President certify that the six-month interim report provides a fair overview of the operations, position and result of the parent company and the group, and describes the significant risks and uncertainty factors facing the company and the companies belonging to the group.

Göteborg, August 18, 2010

## **Catena AB (publ)**

*Henry Klotz*  
*Chairman of the Board*

*Peter Hallgren*  
*Board Member and President*

*Christer Sandberg*  
*Board Member*

*Lennart Schönning*  
*Board member*

*Erik Selin*  
*Board member*

*Svante Wadman*  
*Board member*

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 August 18, 2010 at 08.15 a.m.

## Consolidated income statement

SEK m	Result	Result	Result	Result	Result
	2010	2009	2010	2009	2009
	Apr.-Jun.	Apr.-Jun.	Jan.-Jun.	Jan.-Jun.	Jan.-Dec.
Rental revenue	39.0	50.2	90.7	99.8	203.3
Operating expense	-0.6	-1.1	-2.6	-1.7	-2.8
Repair and maintenance expenses	-1.7	-1.9	-3.6	-4.0	-7.4
Property tax	-2.0	-1.9	-3.9	-3.8	-7.6
Ground rent	-0.5	-0.6	-1.1	-1.2	-2.3
Property administration	-1.1	-1.2	-2.2	-2.7	-5.5
<b>Net operating income</b>	<b>33.1</b>	<b>43.5</b>	<b>77.3</b>	<b>86.4</b>	<b>177.7</b>
Other operating income	0.1	0.5	0.3	0.8	4.9
Other operating expenses	-0.2	-0.4	-1.3	-0.7	-2.8
Central administration	-3.4	-4.6	-6.8	-9.0	-14.1
<b>Operating profit</b>	<b>29.6</b>	<b>39.0</b>	<b>69.5</b>	<b>77.5</b>	<b>165.7</b>
Net financial items	-6.0	-10.3	-12.0	-23.6	-41.2
<b>Income from property management</b>	<b>23.6</b>	<b>28.7</b>	<b>57.5</b>	<b>53.9</b>	<b>124.5</b>
<b>Changes in value</b>					
Properties, realized	17.6	0.6	57.2	3.2	3.2
Properties, unrealized	63.4	-13.3	68.0	-1.9	34.7
Financial derivatives, unrealized	2.7	3.9	3.5	-5.4	-0.7
<b>Profit before tax</b>	<b>107.3</b>	<b>19.9</b>	<b>186.2</b>	<b>49.8</b>	<b>161.7</b>
Current tax	-19.6	-0.3	-29.4	-0.4	-2.1
Deferred taxes	-17.4	-5.8	38.3	-11.4	-39.2
<b>Profit for the period after taxes</b>	<b>70.3</b>	<b>13.8</b>	<b>195.1</b>	<b>38.0</b>	<b>120.4</b>
Earnings per share	6.08	1.19	16.87	3.29	10.41
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
	2010	2009	2010	2009	2009
	Apr.-Jun.	Apr.-Jun.	Jan.-Jun.	Jan.-Jun.	Jan.-Dec.
Profit for the period after taxes	70.3	13.8	195.1	38.0	120.4
<i>Other comprehensive income for the period</i>					
Change in revaluation reserve	-	-	-	-	-
Foreign currency translation adjustment	-1.8	-2.9	-5.4	13.5	16.8
Translation reserve transferred to net profit for the period	-	-	-4.9	-	-
<i>Total other comprehensive income for the period</i>	<i>-1.8</i>	<i>-2.9</i>	<i>-10.3</i>	<i>13.5</i>	<i>16.8</i>
<b>Total comprehensive income for the period</b>	<b>68.5</b>	<b>10.9</b>	<b>184.8</b>	<b>51.5</b>	<b>137.2</b>

## Consolidated balance statement

SEK m	Result	Result	Result
	Jun. 30, 2010	Jun. 30, 2009	Dec. 31, 2009
<b>Assets</b>			
Properties	1,939	2,420	2,472
Other tangible fixed assets	2	2	2
Current assets	3	15	7
Cash and cash equivalents	359	2	103
<b>Total assets</b>	<b>2,303</b>	<b>2,439</b>	<b>2,584</b>
<b>Equity and liabilities</b>			
Equity	1,001	797	883
Provisions	152	212	241
Long-term interest-bearing liabilities	1,047	1,358	1,362
Current interest-bearing liabilities	5	9	5
Noninterest-bearing liabilities	98	63	93
<b>Total equity and liabilities</b>	<b>2,303</b>	<b>2,439</b>	<b>2,584</b>

## Changes in consolidated equity

SEK m	Result	Result	Result
	2010	2009	2009
	Jan.-Jun.	Jan.-Jun.	Jan.-Dec.
Opening shareholders' equity	883	806	806
Dividend	-66	-61	-61
Total comprehensive income for the period	184	52	138
<b>Closing shareholders' equity</b>	<b>1,001</b>	<b>797</b>	<b>883</b>

## Consolidated cash-flow statement

SEK m	Result 2010 Jan.-Jun.	Result 2009 Jan.-Jun.	Result 2009 Jan.-Dec.
Management result	57	54	125
Adjustments for non-cash items	1	1	-3
Tax paid	-29	-	-2
Change in working capital	21	-7	39
<b>Cash-flow from operating activities</b>	<b>50</b>	<b>48</b>	<b>159</b>
Change in tangible fixed assets	576	-29	-36
<b>Cash-flow from investing activities</b>	<b>576</b>	<b>-29</b>	<b>-36</b>
Paid dividend	-67	-61	-61
Change in interest-bearing liabilities	-303	-4	-8
<b>Cash-flow from financing activities</b>	<b>-370</b>	<b>-65</b>	<b>-69</b>
<b>Cash-flow for the period</b>	<b>256</b>	<b>-46</b>	<b>54</b>
Cash and cash equivalents at the beginning of the period	103	45	45
Exchange difference in cash	-	3	4
<b>Cash and cash equivalents at the end of the period</b>	<b>359</b>	<b>2</b>	<b>103</b>

## Key ratios, Group

	Result 2010 Jan.-Jun.	Result 2009 Jan.-Jun.	Result 2009 Jan.-Dec.
<b>Financial</b>			
Return on shareholders' equity, %	41.4	9.5	14.3
Return on total capital, %	16.4	6.1	8.2
Equity/assets ratio, %	43.5	32.7	34.2
Interest coverage ratio, management result, multiple	4.9	3.2	4.0
Loan-to-value ratio, properties, %	54.3	56.5	55.3
Debt/equity ratio, multiple	1.1	1.7	1.5
<b>Share-related (pertains to number of shares at the end of period)</b>			
Net profit for the period per share, SEK	16.87	3.29	10.41
Pre-tax profit for the period per share, SEK	16.10	4.31	13.98
Management result for the period per share, SEK	4.97	4.66	10.77
Management result for the period after standard tax per share, SEK	3.66	3.44	7.93
Shareholders' equity per share, SEK	86.56	68.92	76.35
Dividend per share, SEK	5.75	5.25	5.25
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	1,939	2,420	2,472
Direct yield, %	6.7	7.3	7.2
Rentable area, sq.m.	192,995	233,930	231,314
Rental revenue per sq.m., SEK	804	867	886
Operating surplus, per sq.m., SEK	673	752	775
Revenue-based occupancy rate, %	96.3	96.9	97.9
Surplus ratio, %	85.2	86.6	87.4
<b>Employees</b>			
Number of employees at the end of the period	10	12	11

## Information per segment/region

	Rental revenue		Net operating income		Book value		Investments		Rentable area sq. m.	
	2010 Jan.-Jun.	2009 Jan.-Jun.	2010 Jan.-Jun.	2009 Jan.-Jun.	2010 30/Jun	2009 30/Jun	2010 Jan.-Jun.	2009 Jan.-Jun.	2010 30/Jun	2009 30/Jun
SEK m										
Stockholm	32.8	32.3	25.5	26.6	881	807	1.5	4.4	88,566	88,877
Göteborg	22.6	23.4	20.1	21.0	562	553	2.1	0.3	55,864	58,875
Öresund	23.9	22.1	20.9	18.2	496	550	4.9	23.7	48,565	53,957
Oslo	11.4	22.0	10.8	20.6	-	510	-	3.5	-	32,221
<b>Total</b>	<b>90.7</b>	<b>99.8</b>	<b>77.3</b>	<b>86.4</b>	<b>1,939</b>	<b>2,420</b>	<b>8.5</b>	<b>31.9</b>	<b>192,995</b>	<b>233,930</b>

## Parent Company income statement

SEK m	Result	Result	Result
	2010 Jan.-June	2009 Jan.-June	2009 Jan.-Dec.
Rental revenue	1.6	1.9	3.6
Operating expense	-1.5	-1.8	-3.4
<b>Net operating income</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>
Other operating income	10.3	9.1	21.4
Other operating expenses	-0.1	-	-0.1
Central administration	-9.6	-10.1	-18.7
<b>Operating profit</b>	<b>0.7</b>	<b>-0.9</b>	<b>2.8</b>
Net financial items	10.7	-12.7	-27.5
<b>Profit/loss after financial items</b>	<b>11.4</b>	<b>-13.6</b>	<b>-24.7</b>
Financial derivatives, unrealized	4.9	-4.5	-1.7
Income from sale of subsidiary	238.3	-	-
<b>Pre-tax profit</b>	<b>254.6</b>	<b>-18.1</b>	<b>-26.4</b>
Taxes	-1.5	7.8	10.4
<b>Net profit for the period</b>	<b>253.1</b>	<b>-10.3</b>	<b>-16.0</b>

## Parent Company balance statement

SEK m	Result	Result	Result
	June 30, 2010	June 30, 2009	Dec. 31, 2009
<b>Assets</b>			
Investment properties	2	2	2
Other tangible fixed assets	-	1	-
Financial fixed assets	2,097	2,069	2,061
Other current assets	2	8	3
Cash and cash equivalents	357	-	97
<b>Total assets</b>	<b>2,458</b>	<b>2,080</b>	<b>2,163</b>
<b>Equity and liabilities</b>			
Equity	753	480	512
Provisions	13	13	13
Long term debt	988	995	1,008
Short term debt	704	592	630
<b>Total equity and liabilities</b>	<b>2,458</b>	<b>2,080</b>	<b>2,163</b>

## Definitions

### **Average number of shares**

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

### **Book value of properties**

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

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

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

### **Debt/equity ratio**

Interest-bearing liabilities divided by equity.

### **Economic occupancy rate**

Rental revenue as a percentage of rental value.

### **Equity per share**

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

### **Equity/assets ratio**

Equity as a percentage of total assets.

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

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

### **Lettable area**

Total area available for letting.

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

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

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

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

### **Net letting**

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

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

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

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

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

### **Number of properties**

Total number of properties owned by the Catena Group.

### **Number of shares**

Registered number of shares on a particular date.

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

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

### **Property expenses**

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

### **Real estate property**

One or more registered properties that comprise a management unit.

### **Rental revenue**

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

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

Rental revenue on an annual basis divided by lettable area.

### **Rental value**

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

### **Return on equity**

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

### **Return on total capital**

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

### **Surplus ratio**

Net operating income as a percentage of rental revenue.

### **Yield**

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

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

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.