

## INTERIM REPORT JANUARY–SEPTEMBER 2006

- **Rental revenue for the period** totaled SEK 131.8 M (127.7 pro forma for the corresponding period in 2005).
- **Income from property management for the period**, excluding listing expenses, totaled SEK 81.4 M (66.6 pro forma), or SEK 7.04 per share (5.76 pro forma). Income from property management for the period, including listing expenses of SEK 10.6 M, totaled SEK 70.8 (66.6 pro forma), corresponding to SEK 6.12 per share (5.76 pro forma).
- **Profit before tax for the period** was SEK 195.1 M (322.7 pro forma). Profit for the period includes unrealized value changes in property and financial instruments of SEK 124.3 M (256.1 pro forma) and expenses in conjunction with the stock exchange listing in the amount of SEK 10.6 M (0.0 pro forma).
- **Profit after tax for the period** amounted to SEK 143.4 M (232.1 pro forma) or SEK 12.40 per share (20.07 pro forma).
- **A shareholder contribution** was received during the period amounting to SEK 60.0 M.

### **PETER HALLGREN, CEO:**

*“The value of Catena’s properties continued to increase during the third quarter. That growth was due primarily to a strong market for commercial properties in Norway. Overall, the value of Catena’s properties increased by SEK 119.6 M during the first nine months of the year.”*

*“During the quarter, we continued to increase our renting. In that respect, our expertise in retailing has played a key role in our relationship with our tenant in Värnhem – a clothing outlet retailer. The customer has signed an agreement for leasing an additional 1,050 sq.m.”*

*“Investments in existing properties on behalf of our tenants continued according to plan. During the reporting period, investment decisions totaling SEK 57.1 M were made.”*

*“We continue to seek interesting possibilities for acquiring commercial properties. During the quarter we decided to exercise our option to acquire yet another well-situated property in Sisjön, in the municipality of Mölndal. The 5,000 sq.m. property, acquired for SEK 64 M, houses the Ford sales operation of Catena tenant Bilia Fordon.”*



**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.



### COMMENTS ON THE MARKET

Household consumption in Sweden is high, and it appears that 2006 will be a record year for retail trade. Interest is strong and liquidity high for commercial properties. Nor do we see any signs of a weakening. Neither the implemented or announced interest rate increases have had an impact on price trends for commercial properties. On the investor side, it can be noted that of those acquisitions implemented, an increasing number have involved buyers with commercial skills. The driving force behind this trend is their ability to add content and value to the properties through their expertise.

Most properties are sold as part of a package of several properties diveted in a single transaction. This type of package deal commands a premium – that is, the price level for combined properties is higher than the value of the property individually.

Due to the strong household consumption, an increasing number of commercial properties are being built. While new construction increases the supply, this is offset by the stronger business conditions. Catena's

properties are in attractive areas close to existing commercial developments and are, therefore, favored by the burgeoning commercial activity and the fact that available undeveloped land in attractive areas is limited.

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

### REVENUES, EXPENSES AND EARNINGS

#### Rental revenue

Rental revenue totaled SEK 131.8 M (127.7) and pertained primarily to rental revenue from the Bilia Group. The rise in rental revenue is attributable primarily to increases triggered by indexation, the signing of new long-term leases with Bilia and increased rental revenue from remodeling programs for tenants. The revenue-based occupancy rate totaled 98.8 per cent (98.7) as at September 30, 2006. The total rental value of vacant premises amounted to SEK 2.1 M on an annual basis.

#### Tyr 2, Värnhem, Malmö

Märkesoutlet – our new tenant



**Property expenses**

Property expenses totaled SEK 19.1 M (19.1). Of total property expenses, operating expenses rose by SEK 0.6 M. The deviation in operating expenses derives mainly from the Norwegian properties. Repair and maintenance fell by SEK 1.1 M, compared with the preceding year. In Sweden, repair and maintenance expenses were lower during the period under review compared with a year earlier.

**Operating surplus**

Operating surplus for the period totaled SEK 112.7 M (108.6).

**Other operating revenues**

Other operating revenues consist of intra-Group rental revenue for premises rented from external real estate owners, consisting of SEK 2.7 M (.) and consulting fees of SEK 1.0 M (-).

**Other operating expenses**

Other operating expenses consisted of SEK 2.6 M (-) in costs for the aforementioned leased premises.

**Central administration**

Expenses relating to central administration totaled SEK 19.2 M (12.1). The item covers expenses for Group management and other functions. The amount includes costs of SEK 10.6 M (-) incurred in connection with the stock exchange listing.

**Net financial items**

Net financial items for the period resulted in an expense of SEK 23.8 M (expense: 29.9). Net financial items for the period included realized exchange gains of SEK 2.3 M and unrealized exchange gains of SEK 6.1 M. The reduction in financing costs is primarily attributable to the above mentioned exchange rate differences.

**Income from property management**

Income from property management, excluding costs for the stock exchange listing, totaled SEK 81.4 M (66.6). Income from property management including SEK 10.6 M incurred in the stock exchange listing totaled SEK 70.8 M (66.6).

**Value changes****Change in reported property values**

SEK M	2006 Jan.-Sept.	Pro forma 2005 Jan.-Sept.
Book value at beginning of the period	2,016	1,628
Value changes	120	256
Investments in existing portfolio	31	35
Currency effect	-11	0
Book value at the end of the period	2,156	1,919

**Taxes**

Paid tax totaled SEK 13.5 M (14.4) and deferred tax amounted to SEK 38.2 M (76.2). 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 period**

Profit after tax for the period totaled SEK 143.4 M (232.1).

**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 as of September 30, 2006, consisted of 34 properties, of which six are held on leasehold, with a rentable area of 252,090 square meters. The carrying value of the properties was SEK 2,156 M, which corresponds to the properties' estimated market value. The rental value totaled SEK 179.2 M and the contractual rental revenues were SEK 177.1 M on an annual basis. The revenue-related occupancy rate was 98.8 per cent.

**Investments in properties**

During the period, investments were made in existing properties in the amount of SEK 31.4 M. The amount pertains primarily to expenses incurred in procuring mortgage deeds and customization programs for tenants, of which mortgage deeds comprised SEK 16.5 M.

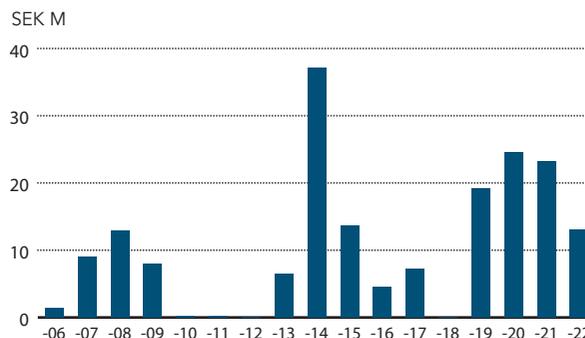
**Acquisition and sale of properties**

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

### The property portfolio as of September 30, 2006 - segment information

The compilation below is based on Catena's property portfolio as of September 30, 2006. Rental revenue consists of contractual rental revenue on an annual basis as of October 1, 2006. Operating and maintenance expenses as well as expenses incurred in property administration, which are included in operating surplus, consists of the pro forma result for October-December 2005 and the actual result for January-September 2006 for the properties held as of September 30, 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 October 1, 2006 <sup>1)</sup>



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

### The property portfolio as of September 30, 2006 - segment information

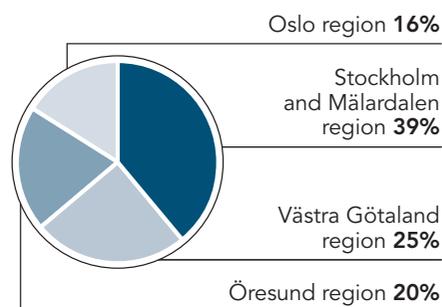
Segment	Number of properties	Rentable area sq.m.	Book value		Rental value <sup>1)</sup>			Economic occupancy rate %	Rental revenue <sup>2)</sup> SEK M	Operating surplus <sup>3)</sup> SEK M	Yield on properties, %	Surplus ratio, %
			SEK M	SEK/sq.m.	SEK M	SEK/sq.m.						
Stockholm and Mälardalen region	11	100,237	848	8,460	66.8	666	98.2	65.6	51.9	6.1	79.1	
Västra Götaland region	12	69,307	529	7,633	45.8	661	100.0	45.8	39.1	7.4	85.4	
Öresund region	7	53,151	430	8,090	39.6	745	97.7	38.7	33.6	7.8	86.9	
Oslo region	4	29,395	349	11,873	27.0	919	100.0	27.0	24.8	7.1	91.9	
<b>Total</b>	<b>34</b>	<b>252,090</b>	<b>2,156</b>	<b>8,553</b>	<b>179.2</b>	<b>711</b>	<b>98.8</b>	<b>177.1</b>	<b>149.4</b>	<b>6.9</b>	<b>84.4</b>	

1) Contracted rental revenues at October 1, 2006, with addition of assessed value of vacant space on an annual basis.

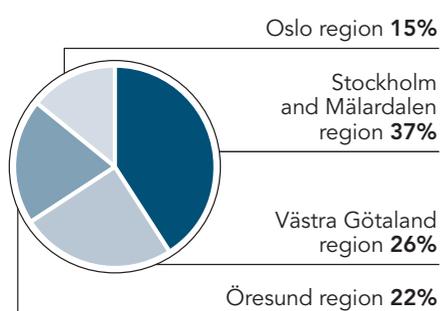
2) Contracted rental revenues at October 1, 2006 on an annual basis.

3) Contracted rental revenues at October 1, 2006, less property expenses for comparable properties during the past 12 months.

### Book value by region as of September 30, 2006



### Rental value by region as of October 1, 2006



**Skår 57:13, Almedal, Göteborg**

Almedal – a centrally located service facility in Gothenburg.

**FINANCING****Shareholders' equity**

Shareholders' equity as of September 30, 2006, totaled SEK 722 M (512) and the equity/assets ratio was 32.0 per cent (25.2). The equity assets ratio should remain over the long term within the interval of 25–35 per cent.

**Liquidity**

Cash and cash equivalents as of September 30, 2006 totaled SEK 79.2 M (-). Over and above cash and cash equivalents, the Group had SEK 75 M (-) in unutilized lines of credit and SEK 80.0 M (-) in binding credits. Pro forma as of September 30, 2005, cash and cash equivalents amounted to SEK 73 M.

**Interest-bearing liabilities**

As of September 30, 2006, Catena had long-term credit agreements of SEK 1,346 M, of which SEK 1,266 was utilized. These credits were raised on April 20, 2006.

Interest-bearing liabilities at the close of the period totaled SEK 1,266 M (1,355). The average remain-

ing fixed credit period at September 30, 2006 was 4.6 years (-). The average remaining fixed-interest period at September 30, 2006, amounted to 1.85 years (-). This fixed-interest period was achieved through the extension of outstanding loans with short fixed-interest periods through swap agreements. The average interest at September 30, 2006, amounted to 3.59 per cent (-).

**Interest and loan maturity structure  
as of September 30, 2006**

Maturity, year	Interest term			Loan maturity		
	Loan principal, SEK M	Average interest, %	Percentage, %	Credit agreements, SEK M	Utilized, SEK M	Percentage, %
2006	615.8	3.16	48.5	–	–	
2008	130.0	3.10	10.3	–	–	
2009	130.0	3.38	10.3	–	–	
2010	130.0	3.55	10.3	387.8	387.8	30.6
2011	130.0	3.70	10.3	552.4	472.4	37.4
2012	130.0	3.79	10.3	405.6	405.6	32.0
<b>Total</b>	<b>1,265.8</b>	<b>3.59</b>	<b>100.0</b>	<b>1,345.8</b>	<b>1,265.8</b>	<b>100.0</b>

### Catena shares

Catena shares listed on the O List of the Stockholm Stock Exchange since April 26. Last price paid – September 29, 2006 – was SEK 94.50, corresponding to a market capitalization of approximately SEK 1,093 M. As of September 29, 2006, the number of shares in Catena was 11,564,500, distributed among 20,544 owners.

Shareholders on September 29, 2006	Number of shares	Voting rights (%)
Investment AB Öresund	1,400,968	12.1
Robur fonder	982,485	8.5
Catella fonder	925,200	8.0
HQ fonder	735,010	6.4
SSB CL OMNIBUS AC OM07	432,070	3.7
RAM One fond	380,000	3.3
Arne Bergström	310,000	2.7
Astrid Ohlin	300,000	2.6
SOFA	295,200	2.6
SEB Fonder	247,750	2.1
<b>Total, 10 largest shareholders</b>	<b>6,008,683</b>	<b>52.0</b>
Other shareholders	5,555,817	48.0
<b>Total</b>	<b>11,564,500</b>	<b>100.0</b>

### Financial targets

Catena aims to achieve the following over one complete business cycle:

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

### Dividend policy

Long term, Catena's dividend shall amount to 75 per cent of the income from property management after tax.

### Summary of strategy and direction

Catena shall:

- Actively manage the property 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 property portfolio by identifying and implementing value-adding measures that increase the properties' attractiveness and return, with due consideration or 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 in a Group with three wholly owned subsidiaries, one Swedish, one Norwegian and one Danish. The Norwegian and Danish companies own the Norwegian and Danish real estate, respectively. In turn, the Swedish subsidiary has a group relationship with 15 companies that own the Group's Swedish real estate portfolio. In addition, there are two dormant Swedish companies.

### Operational structure

Catena's organization consists primarily of the Real Estate Management and Business Development functions. In addition, there are the joint Group functions, Accounting/ Finance and Communications. Group management consists of the CEO, CFO and Controller. Group management has overall responsibility for such areas as business development, financial control and result monitoring, as well as information issues.

### Personnel

The number of employees was 13 (12), of whom 2 are women (2). Most of the employees work at the company's headquarters in Gothenburg.

### Real estate management

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

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

<sup>2)</sup> Income from property management less 28 per cent standard tax.

### Business development

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

### PARENT COMPANY

The 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 loss before tax of SEK 12.1 M (loss: 3.0) for the period. Of this loss, SEK 10.6 M (0.0) related to expenses for the company's stock exchange listing. The company's revenue for the period—consisting mainly of rental revenue of SEK 0.2 M (0.2) and intra-Group services of SEK 16.2 M (15.1) – totaled SEK 16.4 M (15.3). Net investments in tangible fixed assets amounted to SEK 1.7 M (0.0). During the period, 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, Hans Hedström, HQ Fonder, Åsa Nisell, Robur and Ulf Strömsten, Catella.

Stefan Dahlbo was named Chairman of the Nomination Committee.

### Trombonen 3, Sisjön, Mölndal

Bilia Fordon – Ford retailer



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

- The property Trombonen 3 in Sisjön in Mölndal municipality was acquired on November 1, 2006 through the exercising of Catena's option agreement with Skandrenting AB. The acquisition occurred in company form.

### CALENDAR

Year-end report, 2006	Feb. 8, 2007
Annual General Meeting	April 23, 2007

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

### FOR FURTHER INFORMATION, PLEASE CONTACT

Peter Hallgren, CEO, or Rune Jonsson, CFO, at phone: +46-31-760 09 30

Gothenburg, November 9, 2006

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

## Consolidated income statement

SEK M	Result 2006 July-Sept.	Pro forma 2005 July-Sept.	Result 2006 Jan.-Sept.	Pro forma 2005 Jan.-Sept.	Pro forma 2005 Jan.-Dec.
Rental revenue	43.7	43.3	131.8	127.7	170.3
Operating expense	-0.2	-0.6	-1.6	-1.0	-1.7
Repair and maintenance expenses	-1.8	-3.2	-6.4	-7.5	-12.0
Property tax	-1.4	-1.4	-4.2	-4.2	-5.5
Ground rent	-0.5	-0.5	-1.5	-1.3	-1.8
Property administration	-1.8	-1.7	-5.4	-5.1	-6.7
<b>Net operating income</b>	<b>38.0</b>	<b>35.9</b>	<b>112.7</b>	<b>108.6</b>	<b>142.6</b>
Other operating income	1.0	-	3.7	-	-
Other operating expenses	-0.9	-	-2.6	-	-
Central administration	-1.5	-4.0	-19.2	-12.1	-16.2
Net financial items	-8.6	-9.6	-23.8	-29.9	-39.8
<b>Income from property management</b>	<b>28.0</b>	<b>22.3</b>	<b>70.8</b>	<b>66.6</b>	<b>86.6</b>
<b>Changes in value</b>					
Properties, realized	60.2	85.2	119.6	256.1	340.0
Financial derivatives, unrealized	-2.8	-	4.7	-	-
<b>Profit before tax</b>	<b>85.4</b>	<b>107.5</b>	<b>195.1</b>	<b>322.7</b>	<b>426.6</b>
Current tax	-4.5	-4.8	-13.5	-14.4	-18.4
Deferred taxes	-18.4	-25.4	-38.2	-76.2	-101.1
<b>Profit for the period after taxes</b>	<b>62.5</b>	<b>77.3</b>	<b>143.4</b>	<b>232.1</b>	<b>307.1</b>
Earnings per share	5.40	6.68	12.40	20.07	26.56
Number of shares at end of period, thousands <sup>1)</sup>	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.

## Information by segment

SEK M	Rental revenue		Net operating income		Book value		Investments	
	2006 Jan.-Sept.	Pro forma 2005 Jan.-Sept.	2006 Jan.-Sept.	Pro forma 2005 Jan.-Sept.	2006 Sept. 30	Pro forma 2005 Sept. 30	2006 Jan.-Sept.	Pro forma 2005 Jan.-Sept.
Stockholm and Mälardalen region	48.6	49.3	39.5	40.2	848	795	13.7	25.1
Västra Götaland region	34.2	32.5	29.5	28.0	529	467	10.9	3.5
Öresund region	28.7	26.4	24.9	23.0	430	379	6.0	5.2
Oslo region	20.3	19.5	18.8	17.4	349	278	0.8	0.9
<b>Total</b>	<b>131.8</b>	<b>127.7</b>	<b>112.7</b>	<b>108.6</b>	<b>2,156</b>	<b>1,919</b>	<b>31.4</b>	<b>34.7</b>

## Consolidated balance statement

SEK M	Result Sept. 30 2006	Pro forma Sept. 30 2005	Result Dec. 31 2005	Pro forma Dec. 31 2005
<b>Assets</b>				
Properties	2,156	1,919	2,016	2,016
Other tangible fixed assets	8	8	8	8
Financial fixed assets	6	4	4	3
Current assets	5	25	25	25
Cash and cash equivalents	79	73	0	73
<b>Total assets</b>	<b>2,254</b>	<b>2,029</b>	<b>2,053</b>	<b>2,125</b>
<b>Equity and liabilities</b>				
Equity	722	512	530	583
Provisions	175	115	140	139
Interest-bearing liabilities	1,266	1,355	1,336	1,356
Noninterest-bearing liabilities	91	47	47	47
<b>Total equity and liabilities</b>	<b>2,254</b>	<b>2,029</b>	<b>2,053</b>	<b>2,125</b>

## Changes in consolidated equity

SEK M	Result 2006 Jan.-Sept.	Pro forma 2005 Jan.-Sept.	Result 2005 Jan.-Dec.
Opening shareholders' equity	530	277	60
Adjustment for changed accounting principle	-	-	-1
Net changes in hedging reserve	-	-	1
Net changes in translation reserve	-11	3	-5
Group contributions	-	-	-44
Tax attributable to Group changes	-	-	12
Shareholder contribution	60	-	502
Profit at the end of the period	143	232	5
<b>Closing shareholders' equity</b>	<b>722</b>	<b>512</b>	<b>530</b>

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

## Consolidated cash-flow statement

SEK M	Result 2006 Jan.-Sept.	Pro forma 2005 Jan.-Sept.	Pro forma 2005 Jan.-Dec.
Management result	71	67	87
Adjustments for non-cash items	2	0	0
Change in working capital	54	0	0
Tax paid	-4	-14	-18
<b>Cash flow from operating activities</b>	<b>123</b>	<b>53</b>	<b>69</b>
Change in financial fixed assets	2	0	0
Change in other tangible fixed assets	-35	-35	-48
<b>Cash flow from investing activities</b>	<b>-33</b>	<b>-35</b>	<b>-48</b>
Shareholder contribution	60	0	0
Change in interest-bearing liabilities	-71	-18	-21
<b>Cash flow from financing activities</b>	<b>-11</b>	<b>-18</b>	<b>-21</b>
<b>Cash flow for the period</b>	<b>79</b>	<b>0</b>	<b>0</b>
Cash and cash equivalents at the beginning of the period	0	73	73
Cash and cash equivalents at the end of the period	79	73	73

## Key ratios, Group

	Result 2006 Jan.-Sept.	Pro forma 2005 Jan.-Sept.	Pro forma 2005 Jan.-Dec.
<b>Financial</b>			
Return on shareholders' equity, %	30.5	78.4	71.4
Return on total capital, %	14.1	25.0	24.2
Equity/assets ratio, %	32.0	25.2	27.4
Interest coverage ratio before taxes, multiple	7.0	11.4	11.4
Interest-coverage ratio, management result, multiple	3.2	3.2	3.1
Loan-to-value ratio, properties, %	58.7	70.6	67.3
Debt/equity ratio, multiple	1.8	2.6	2.3
<b>Share-related (pertains to number of shares at end of period)</b>			
Net profit for the period per share, SEK	12.40	20.07	26.56
Pre-tax profit for the period per share, SEK	16.87	27.90	36.89
Management result for the period after standard tax per share, SEK	4.41	4.15	5.39
Management result for the period per share, SEK	6.12	5.76	7.49
Shareholders' equity per share, SEK	62.43	44.27	50.41
Dividend per share, SEK	-	-	-
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	2,156	1 919	2 016
Direct yield, %	7.0%	7.5%	7.1%
Rentable area, sq.m.	252,090	252,118	252,118
Rental revenue per sq.m., SEK	697	675	675
Operating surplus, per sq.m.	596	574	566
Revenue-based occupancy rate, %	98.8	98.7	98.6
Surplus ratio, %	85.5	85.0	83.7
<b>Employees</b>			
Number of employees at the end of the period	13	12	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 September 30, 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 assessed fair value at the close of each year. The difference in the assessed values is distributed evenly over the four quarters for 2005.

Interest expenses are calculated based on the Group's current interest-bearing liabilities at December 31, 2005. Interest expense per quarter is based on current market interest rates at the beginning of each quarter pertaining to that portion of the loan portfolio on which 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 September 30, 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 September 30, 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 Bilja 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 September 30, 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 third 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.

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

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