

## Interim Report, January–June 2014

- Property income grew by 45% to SEK 211.6m (146.0m).
- Operating surplus rose by 60% to SEK 160.4m (100.1m).
- Profit from asset management increased by 36% to SEK 102.1m (75.3m).
- Interim profit amounted to SEK 46.8m (72.8m), corresponding to earnings per share of SEK 1.85 (6.34), including changes totalling SEK 21.9m (9.9m) in property values. The fall in interim profit was due to changes of SEK –64.0m (0.0) in derivative values.

## Key events during the second quarter

- Catena acquired the property Varla 6:15 in Kungsbacka for SEK 82m and sold the property Jakobsberg22:16 in Järfälla for SEK 15m.
- Catena signed financing agreements for SEK 2.1 billion, including new financing of SEK 0.5bn.
- The Swedish Land and Environmental Court approved Catena's development plans for housing and business premises in the 'Haga North' part of Solna Project.



## Mission

Catena's mission is to own, efficiently manage and actively develop well-located properties with the capacity to generate a stable, growing cash flow and good value growth.

## Regions

SEK m	2014 Apr-Jun	2013 Apr-Jun	2014 Jan-Jun	2013 Jan-Jun	2013 Jan-Dec
<b>Property income</b>					
Stockholm	56.9	30.6	100.3	67.1	142.1
Gothenburg	29.1	21.7	58.5	43.2	90.9
Öresund	19.0	17.5	40.1	35.7	77.2
Solna Project	6.5	-	12.7	-	6.6
<b>Total</b>	<b>111.5</b>	<b>69.8</b>	<b>211.6</b>	<b>146.0</b>	<b>316.8</b>
<b>Operating profit</b>					
Stockholm	47.7	22.0	79.4	46.6	101.8
Gothenburg	22.2	15.5	42.0	28.5	62.0
Öresund	14.3	13.5	28.7	25.0	52.9
Solna Project	5.2	-	10.3	-	4.6
<b>Total</b>	<b>89.4</b>	<b>51.0</b>	<b>160.4</b>	<b>100.1</b>	<b>221.3</b>

<b>The Group in figures</b>	2014 Apr-Jun	2013 Apr-Jun	2014 Jan-Jun	2013 Jan-Jun	2013 Jan-Dec
Property income, SEK m	111.5	69.8	211.6	146.0	316.8
Operating surplus, SEK m	89.4	51.0	160.4	100.1	221.3
Profit from asset management, SEK m	59.4	37.9	102.1	75.3	147.0
Interim profit, SEK m	24.0	40.4	46.8	72.8	138.4
Earnings per share, SEK	1.0	3.5	1.9	6.3	9.8
Surplus ratio, %	80.2	73.1	75.8	68.6	69.9
Equity ratio, %	29.9	21.9	29.9	21.9	32.6
Letting ratio, %	89.1	86.5	89.1	86.5	87.2

## Focus on the Öresund Region

In terms of population, Öresund is the largest region in the Nordic area. It is also the gateway to the Continent. Heavy goods flows for exports, imports and local consumption are transported across Öresund Bridge and via numerous ports in Skåne and Blekinge (the two southernmost Swedish counties) and Denmark.

Catena's Öresund Region comprises 13 properties, with the majority located in Helsingborg and Malmö. The total floor space of these properties is some 172,000 sq.m., making this region Catena's smallest.

The regional office is located in Helsingborg, which also has the country's second-largest container port. On the spot in Helsingborg are a regional and a technical manager, who provide a local presence in the area and allow control of the letting process. This local presence also helps to make Catena a distinct and accessible landlord in one of the best areas for logistics in Sweden, where Helsingborg serves as a hub for rail transport and heavy goods transport along the E4 and E6 motorways.

The local plan for the two transport junctions of Flansbjerg and Sunnanå, which came into force during the late winter of 2014, now enables Catena to expand the region to the south by extending its industrial, logistics and office operations on the southern side of Highway 11, which has nearby connections with Öresund Bridge and the Port of Malmö. The location of this planning area, close to both the transport hubs, is strategic and, from the logistic point of view, affords excellent prospects for further transport operations in the main transport network.



Kopperverket 11, Helsingborg (cover picture)

# Catena's profits soar

**Catena shows a marked improvement both in profit from asset management and in operating cash flow during the first half-year. A sharp rise in income and only a marginal increase in property expense combined to make our performance highly satisfactory.**

Catena's growth emerges with the utmost clarity from our income statement. Profit from asset management has risen by as much as 36% to SEK 102m. This rise in profit is due partly to the fact that the company is bigger, but also to income increasing considerably more than property expense: 45% and 12% respectively. This favourable trend is noticeable in the key figures as well. The letting ratio has risen to 89%, from 88% in the previous quarter and 87% at year-end 2013. During the second quarter, we had a strong net inflow of more than SEK 9m. A raised letting ratio and an outstandingly good performance in terms of measures to improve energy efficiency boosted the surplus ratio to the high figure of 76%, against 71% at the end of March and 70% at year-end.

Why are a good profit from asset management and a strong operating cash flow so important? With an average return of more than 7% on our logistics properties and a borrowing interest rate of just under 3%, our property operations generate a large surplus, which spells long-term stability. Our logistics properties require only small ongoing investments to maintain the level of rental income and our rental contracts are long-term ones, reducing the risk of vacancies. A strong operating cash flow therefore paves the way for us to keep growing, through both investments in existing properties and acquisitions of new ones; to give our shareholders high dividends; and finally, to be well prepared for fluctuations in financing costs. Personally, I think the ability to create good cash flows is set to be our trademark.

During the second quarter, above all, we strengthened our position in the Gothenburg region by acquiring the Varla 6:15 property in Kungsbacka for just over SEK 80 million, and continued with our investments in Högsbo 21:2 for new tenants with long, ten-year rental contracts.

During the quarter, we also strengthened our financial situation by signing new credit agreements for SEK 2.1 billion, including new credits of SEK 0.5bn. Since 30 June, we have renegotiated another SEK 1.4 billion, of which SEK 0.2bn relates to new financing. These agreements, along with previous ones, not only secure our current financing needs but also make it possible to achieve large-scale growth by means of new projects and acquisitions for some SEK 900 million.

We continue to favour the expansion of our logistics flows and, by the same token, establishment of new logistics properties. In May, for the fourth consecutive year, we held a well-attended one-day seminar in Helsingborg on 'Trends in Logistics'. The theme was sustainability, and speakers included Maud Olofsson, the former Minister for Enterprise and Energy, and Karin Schultz at The Natural Step, along with representatives of successful port and distribution companies. The day confirmed that the industry we operate in is an exciting one, with a bright future ahead.



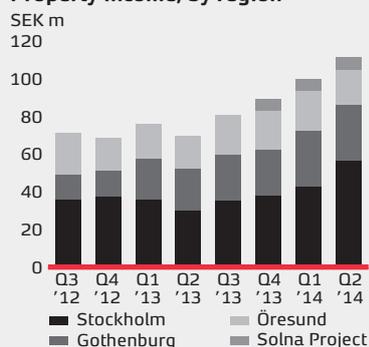
Ängelholm, July 2014  
Gustaf Hermelin, Chief Executive Officer

# Interim Report, January–June 2014

## Income statement

SEK m	2014	2013	2014	2013	Rolling	2013
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	12-month	Jan-Dec
Property income	111.5	69.8	211.6	146.0	382.4	316.8
Property costs	-22.1	-18.8	-51.2	-45.9	-100.8	-95.5
<b>Operating surplus</b>	<b>89.4</b>	<b>51.0</b>	<b>160.4</b>	<b>100.1</b>	<b>281.6</b>	<b>221.3</b>
Central administration	-6.9	-	-12.3	-	-20.9	-8.6
Other operating income	0.2	1.7	0.6	1.7	1.0	2.1
Other operating costs	-	-2.0	-	-2.0	-0.1	-2.1
Interest in joint-venture profits	0.1	0.2	0.5	0.3	4.8	4.6
Other financial income	0.2	4.9	0.4	10.0	8.8	18.4
Other financial costs	-23.6	-17.9	-47.5	-34.8	-101.4	-88.7
<b>Profit from asset management</b>	<b>59.4</b>	<b>37.9</b>	<b>102.1</b>	<b>75.3</b>	<b>173.8</b>	<b>147.0</b>
Realised changes in value of investment properties	-	-0.4	-	0.3	2.1	2.4
Unrealised changes in value of investment properties	10.1	5.3	21.9	9.6	43.2	30.9
Changes in value of derivatives	-38.7	-	-64.0	-	-59.6	4.4
<b>Pre-tax profit</b>	<b>30.8</b>	<b>43.6</b>	<b>60.0</b>	<b>85.2</b>	<b>159.5</b>	<b>184.7</b>
Tax paid	-	-	-	-	-	-
Tax deferred	-6.8	-3.2	-13.2	-12.4	-47.1	-46.3
<b>Interim profit</b>	<b>24.0</b>	<b>40.4</b>	<b>46.8</b>	<b>72.8</b>	<b>112.4</b>	<b>138.4</b>
Interim profit distributed among parent company's shareholders	24.1	40.9	47.2	73.3	114.1	140.2
Interim profit distributed among holdings without decisive influence	-0.1	-0.5	-0.4	-0.5	-1.7	-1.8
<b>Key figures before and after dilution</b>						
Shareholders' equity, SEK per share	65.6	67.7	65.6	67.7	65.6	65.0
Interim profit, SEK per share (earnings per share)	1.0	3.5	1.9	6.3	4.5	9.8
Number of shares outstanding, million	25.6	11.6	25.6	11.6	25.6	25.2
<b>Overall profit</b>						
Interim profit	24.0	40.4	46.8	72.8	112.4	138.4
Other overall interim profit	-	-	-	-	-	-
<b>Total overall interim profit</b>	<b>24.0</b>	<b>40.4</b>	<b>46.8</b>	<b>72.8</b>	<b>112.4</b>	<b>138.4</b>
Overall interim profit distributed among parent company's shareholders	24.1	40.9	47.2	73.3	114.1	140.2
Overall interim profit distributed among holdings without decisive influence	-0.1	-0.5	-0.4	-0.5	-1.7	-1.8

### Property income, by region



Hästhagen 4, Helsingborg

## Property income

Property income rose by 45% to SEK 211.6m (146m), mainly owing to acquired properties and completed projects.

Of Catena's contractual annual rent, earnings from long-term contracts account for some 75% of the total annual figure. This means stable income with no substantial variation from one period to the next, apart from the effects of acquisitions and sales. The average remaining term of the rental contracts is just over five years.

## Property costs

Property costs rose by 12% to SEK -51.2m (-45.9m), mainly owing to properties acquired. In a comparable stock, property costs fell by some SEK 2m, very much thanks to successful measures to boost energy efficiency.

## Financial expense

Interim financial expense amounted to SEK -47.5m (-34.8m). This increase of SEK 12.7m was attributable mainly to a larger credit portfolio resulting from an increased property stock.

## Profit

Profit from asset management rose by 36% to SEK 102.1m (75.3m) during the period, thanks to a sharp rise in income and a limited rise in costs. Interim profit fell by SEK 26.0m to SEK 46.8m (72.8m) owing to negative changes in the value of derivatives. These changes were due to lower market rates but do not affect the existing cash flow.

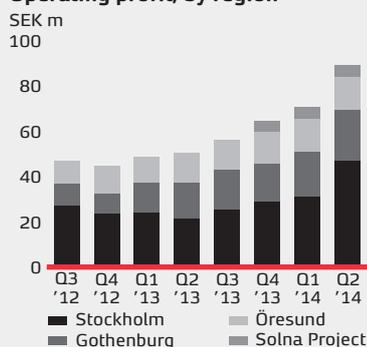
## Associated companies

The figure for interim profit includes transactions with three associated companies: Backahill AB, Hansan AB and TAM Group AB. These transactions, which relate to tenancies and consultancy services, do not amount to any substantial sum.

### Expiry of rental contracts

Year of expiry	No. of contracts	Contractual annual rent, SEK m	Contractual annual rent, %
2014	61	10.0	2
2015	41	12.0	3
2016	29	85.3	20
2017	45	78.7	19
2018	7	19.0	5
2019	5	8.1	2
2020+	35	207.8	49
<b>Total</b>	<b>223</b>	<b>420.9</b>	<b>100</b>

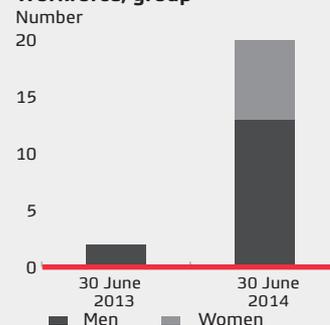
### Operating profit, by region



### Profit from asset management



### Workforce, group



## Cash flow

SEK m	2014	2013	2013
	Jan-Jun	Jan-Jun	Jan-Dec
Profit before tax	60.0	85.2	184.7
Adjustment for items not included in cash flow	41.7	-9.9	3.1
Tax paid	-	-	-
<b>Cash flow from current operations before changes in operating capital</b>	<b>101.7</b>	<b>75.3</b>	<b>187.8</b>
Change in operating receivables	-4.7	-8.9	3.9
Change in operating liabilities	-67.0	-82.3	-9.8
<b>Cash flow from current operations</b>	<b>30.0</b>	<b>1.9</b>	<b>181.9</b>
Acquisition of assets through subsidiaries	-145.3	-9.7	89.2
Sale of operations	-	-	-
Acquisition of investment properties	-64.6	-131.8	-268.9
Sale of investment properties	15.0	-	4.8
Acquisition of tangible assets	-0.1	-	-1.3
Change in financial assets	-	-	-230.9
<b>Cash flow from investment operations</b>	<b>-195.0</b>	<b>-141.5</b>	<b>407.1</b>
Change in loans	264.2	139.6	438.6
Dividend paid	-51.3	-	-
<b>Cash flow from financing operations</b>	<b>212.9</b>	<b>139.6</b>	<b>438.6</b>
<b>Interim cash flow</b>	<b>47.9</b>	<b>0.0</b>	<b>213.4</b>
<b>Opening liquid funds</b>	<b>213.6</b>	<b>0.2</b>	<b>0.2</b>
<b>Closing liquid funds</b>	<b>261.5</b>	<b>0.2</b>	<b>213.6</b>

## Balance sheet

SEK m	2014	2013	2013
	30 Jun	30 Jun	31 Dec
<b>Assets</b>			
<b>Fixed assets</b>			
Investment properties	5,270.9	3,541.6	4,722.3
Tangible assets	1.1	-	1.1
Financial assets	27.1	27.2	31.3
Deferred tax claim	37.8	7.8	16.1
<b>Current assets</b>			
Current receivables	43.4	29.6	53.6
Liquid funds	261.5	0.2	213.6
<b>Total assets</b>	<b>5,641.8</b>	<b>3,606.4</b>	<b>5,038.0</b>
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity attributable to parent company's owners	1,682.3	783.1	1,636.5
Shareholders' equity attributable to holdings without decisive influence	5.1	6.8	5.4
<b>Long-term liabilities</b>			
Debts to credit institutions	2,869.1	2,414.3	2,954.5
Deferred tax liability	292.0	228.7	272.6
Other long-term liabilities	60.3	-	0.8
<b>Current liabilities</b>			
Debts to credit institutions	594.0	10.8	8.5
Other current liabilities	139.0	162.7	159.7
<b>Total shareholders' equity and liabilities</b>	<b>5,641.8</b>	<b>3,606.4</b>	<b>5,038.0</b>

## Analysis of cash flow

Interim cash flow amounted to SEK 47.9m. This cash flow was adversely affected by the acquisitions of the Haninge and Nässjö properties, for the part of the payment not consisting of the new share issue to the property vendors, and also by the acquisition of the Kungsbacka property. Investments in existing properties and, in addition, dividend paid also had the effect of reducing cash flow. The acquisitions were partly funded by taking out new loans, while further loans were also taken out for continued investments.



Barnarps Kråkebo 1:44, Jönköping



Vindtunneln 1, Borås

## Debts to credit institutions

Debts to credit institutions amounted to SEK 3,463.1 m (2,963.0m) and the loan limit was SEK 4,008.9m at 30 June.

During the period under review, Catena signed financing agreements for SEK 2.1 billion: SEK 1.5bn with a three-year term and the remainder with a one-year term. This has extended the loan limit by SEK 0.5bn.

### Debts to credit institutions

Year of maturity	SEK m	Interest, % <sup>1</sup>	Percentage
2014	2,463.1	2.4	71.2
2021	500.0	4.3	14.4
2022	500.0	3.7	14.4
<b>Total</b>	<b>3,463.1</b>	<b>2.9</b>	<b>100.0</b>

<sup>1</sup> Average interest rate concerned at 30 June 2014. Rates vary with overall rates, subject to current rate-cap limits.

## Derivative instruments

Financial instruments consist of derivative instruments in category 2 of the valuation hierarchy.

The nominal value of these derivatives corresponds to 30% of the group's debts to credit institutions.

### Interest-rate hedging through interest-rate caps

Start year	End year	Interest, %	SEK m
2009	2014	4.5	28.0
<b>Total</b>			<b>28.0</b>

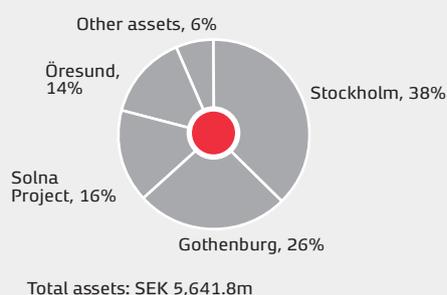
### Interest-rate hedging through interest-rate swaps

Start year	End year	Interest, %	SEK m
2011	2021	2.9	500.0
2012	2022	2.3	500.0
<b>Total</b>			<b>1,000.0</b>

## Change in shareholders' equity

SEK m	2014 30 Jun	2013 30 Jun	2013 31 Dec
<b>Opening balance</b>	<b>1,641.9</b>	<b>735.0</b>	<b>735.0</b>
Dividend paid to shareholders	-51.3	-28.0	-28.0
Reverse acquisition of Catena	-	-	616.3
Capital contribution	50.0	10.1	180.2
Overall interim profit attributable to holdings without decisive influence	-0.4	-0.5	-1.8
Overall interim profit attributable to parent company's shareholders	47.2	73.3	140.2
<b>Closing balance</b>	<b>1,687.4</b>	<b>789.9</b>	<b>1,641.9</b>
Attributable to:			
Parent company's shareholders	1,682.3	783.1	1,636.5
Holdings without decisive influence	5.1	6.8	5.4

### Asset distribution, %



Mosås 4:66, Örebro

## Property stock by region

Regions	No. of properties	Lettable space, '000 sq.m.	Book value, SEK m	Rental value, SEK m	Economic letting ratio	Contractual annual rent, SEK m	Surplus ratio
Stockholm	21	311.1	2,115.0	210.5	91%	190.7	79%
Gothenburg	12	234.3	1,462.3	150.9	86%	129.2	72%
Öresund	13	172.7	808.6	84.6	89%	75.0	72%
Solna Project	1	40.7	885.0	26.6	98%	26.0	81%
<b>Total, properties</b>	<b>47</b>	<b>758.8</b>	<b>5,270.9</b>	<b>472.6</b>	<b>89%</b>	<b>420.9</b>	<b>76%</b>

## Changes in property stock

Investments in existing properties during the period amounted to SEK 64.5m (131.8m), most of which related to investments in new building at two properties: Högsbo 21:1 in Gothenburg and Ättehögen 2 in Jönköping.

In February, Catena acquired two properties for SEK 396m in Haninge and Nässjö. These properties comprise 48,000 sq.m. of logistics space. The income from these properties is expected to total some SEK 32m a year.

In May, Varla 6:15 in Kungälv was acquired for SEK 82m. This property contains 25,000 sq.m. of logistics space and the property income is expected to amount to some SEK 15m a year.

The land consolidation regarding the Dikartorp 3:6 property in Järfälla has been completed and this property was thereafter included in the property designation Dikartorp 3:12.

The Jakobsberg 22:16 property in Järfälla was sold in May. This property had floor space of 2,455 sq.m. and was sold at a book value of SEK 15m.

## Property valuation

The unrealised value changes in Catena's properties during the period under review amounted to SEK 21.9m, as an effect of well-implemented projects and good asset management.

Every quarter, Catena implements internal valuations of all its investment properties. These internal valuations then form the basis for the book values disclosed in the balance sheet. To verify the internal valuations, external valuations of a selection of our properties are also carried

## Property acquisitions

Property designation	Completion date	Region	Municipality	Space, sq.m
Lagret 1	13 February 2014	Gothenburg	Nässjö	24,404
Jordbromalm 4:33	13 February 2014	Stockholm	Haninge	23,547
Varla 6:15	28 May 2013	Gothenburg	Kungälv	25,006
<b>Total</b>				<b>72,957</b>

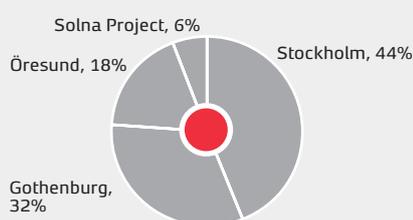
## Property stock

SEK m	Fair value	No. of properties
Property stock at 1 January 2014	4,722.3	45
Acquisitions	477.2	3
Investments in existing properties	64.5	
Sales	-15.0	-1
Unrealised value changes	21.9	
<b>Total, investment properties</b>	<b>5,270.9</b>	<b>47</b>

out. During the third quarter of 2013, external valuations of the entire stock were implemented.

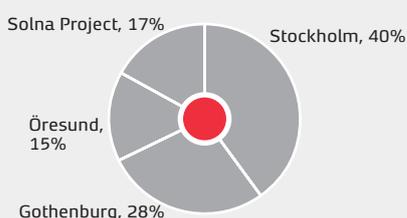
Some leeway is allowed between the value according to the internal valuation and fair value before the adjustment of fair value is carried out. The deviation must lie within a range governed by the permitted deviation,  $\pm 0.25\%$ , from the set yield requirement. Only when the deviation exceeds or falls short of this range is the fair value adjusted. This deviation is accepted since there is always some uncertainty in estimated figures.

Rental value by region, %



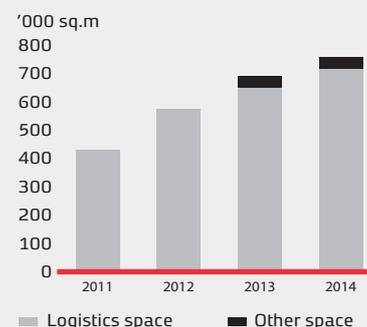
Rental value: SEK 472.6m

Property stock by region, %



Fair value: SEK 5,270.9m

Logistics space



## Catena shares

On the annual accounts date, Catena's shares were registered on the Nasdaq OMX Stockholm Nordic Mid Cap List. The closing price on 30 June 2014 was SEK 102.00, against the opening price of SEK 100.00 on 2 January 2014, representing a rise of 2% during the first half-year. In these six months, the highest price noted for Catena's shares was SEK 115.00 and the lowest SEK 98.00.

### Ownership structure at 30 May 2014

	Number of, shares, '000	Votes, %
Backahill Kil AB	11,680	45.6
Endicott Sweden AB (CLS Holdings plc)	3,469	13.5
Fabege AB (publ)	2,619	10.2
SFU Sverige AB	1,851	7.2
Länsförsäkringar fondförvaltning	978	3.8
Catella Fondförvaltning	895	3.5
JPM Chase NA	642	2.5
Livförsäkringsbolaget Skandia	277	1.1
Banque Carnegie Luxembourg SA	214	0.8
Handelsbanken Fonder AB	126	0.5
Alfred Berg	125	0.5
Caesar Åfors	100	0.4
CBNY-DFA-INT SML CAP V	97	0.4
Swedbank Robur Fonder	89	0.4
Gamla Livförsäkringsbolaget	80	0.3
Other shareholders	2,400	9.3
<b>Total</b>	<b>25,642</b>	<b>100.0</b>

## Market prospects

Demand for business premises in Catena's market segments is good. Rents are unchanged compared with previous quarters. Completed contract negotiations show slightly raised rent levels compared with previous quarters, if with shorter agreed periods. Catena sees opportunities to expand over the next few years. The market for efficient, correctly located logistics properties remains attractive owing to raised requirements in terms of environmentally efficient and cost-effective deliveries. As for the Solna property, demand for building rights relating mainly to housing remains high. The local planning process for the area is still under way. See also 'Other major events during the period'.

## Net asset value

Net asset value per share amounted to SEK 76.55 (86.92).

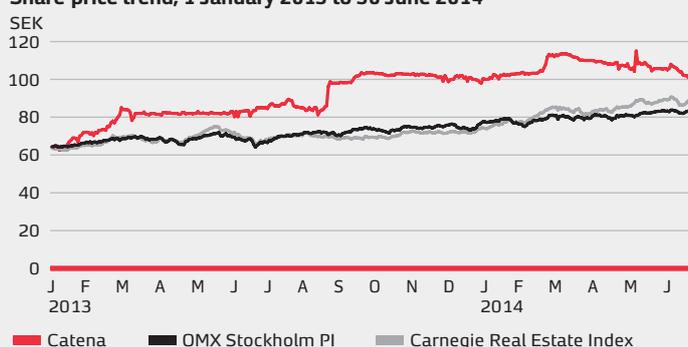
## Dividend policy

The intention is that Catena's dividend will, in the long term, amount to 50% of profit from asset management, less standard tax.

### Surplus ratio



### Share-price trend, 1 January 2013 to 30 June 2014



Key figures<sup>1</sup>

For definitions of key figures, see the last page.	2014 Jan-Jun	2013 Jan-Jun	2013 Jan-Dec	Rolling 12-month
<b>Financial</b>				
Return on shareholders' equity, %	2.8	9.6	11.7	9.1
Return on total capital, %	2.0	3.4	6.3	6.9
Interest coverage ratio, times	2.3	3.4	3.2	2.6
Equity ratio, %	29.9	21.9	32.6	29.9
Profit from asset management, SEK m	102.1	75.3	147.0	173.8
Pre-tax profit, SEK m	60.0	85.2	184.7	159.5
Interim profit, SEK m	46.8	72.8	138.4	112.4
Balance-sheet total, SEK m	5,641.8	3,606.4	5,038.0	5,641.8
<b>Share-related</b>				
<b>Before and after dilution</b>				
Shareholders' equity, SEK per share	65.61	67.72	64.95	65.61
Earnings per share, SEK	1.85	6.34	9.81	4.48
Cash flow per share, SEK	1.88	0.00	14.93	10.26
Number of shares outstanding, million	25.6	11.6	25.2	25.6
<b>Property-related</b>				
Property income, SEK m	211.6	146.0	316.8	382.4
Operating surplus, SEK m	160.4	100.1	221.3	281.6
Rental value, SEK m	472.6	359.2	419.3	472.6
Economic letting ratio, %	89.1	86.5	87.2	89.1
Surplus ratio, %	75.8	68.6	69.9	73.6
Lettable space, '000 sq.m.	758.8	589.2	690.6	758.8

<sup>1</sup> On properties still held at 30 June.

## Other major events during the period

Since 2 January 2014, Catena's shares have been traded on the Nasdaq OMX Stockholm Nordic Mid Cap List.

On 13 February 2014, Catena acquired two properties for SEK 396m in Haninge and Nässjö. These properties comprise logistics space measuring 48,000 sq.m. The property income is expected to total some SEK 32m a year.

A new issue of 446,469 shares was implemented in conjunction with the above acquisitions, boosting the number of shares in Catena to 25,641,921 and the share capital by SEK 2m to SEK 112.8m.

Johan Franzén was appointed the new regional manager in Gothenburg, succeeding Mikael Halling, who had been serving as the acting regional manager. Mikael Halling is retaining his role as Deputy CEO.

Catena has signed a new rental contract for 20,490 sq.m. in Jönköping. The new tenant is replacing the current one, who moved out at the end of June. The contract will run until year-end 2015, with an annual rent of some SEK 8.2m.

The Swedish Land and Environment Court rejected all appeals concerning the local plan for Catena's project properties in Haga North, Solna. The county administrative board's decision on the local plan therefore stands unchanged, and Catena will proceed with plans to realise a new, modern city district containing both housing and business premises.

The decision may be appealed to the Land and Environment Court (under the aegis of the Svea Court of Appeal).

## Events since 30 June

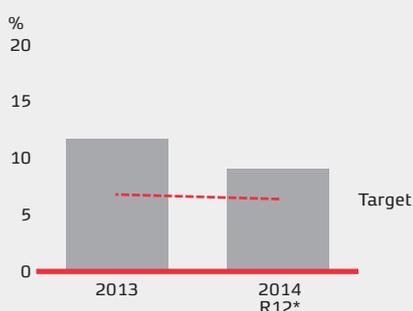
Since the end of June, Catena has renegotiated the financing of SEK 1.2 billion with terms of two to three years and, at the same time, extended the loan limit by SEK 0.2bn. Contracts will be signed during the third quarter.

Comments on the bar chart below:

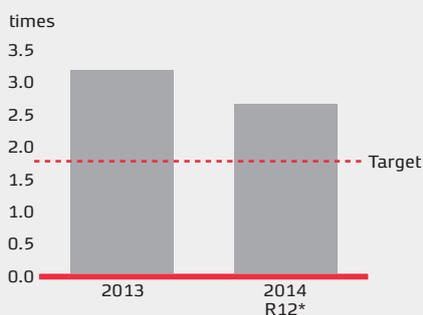
## Financial targets

The target return on equity is to be at least 5 percentage points higher than the interest rate on a Swedish five-year government bond, while the interest coverage ratio should not fall below 1.75 times and the equity ratio should be at least 30%.

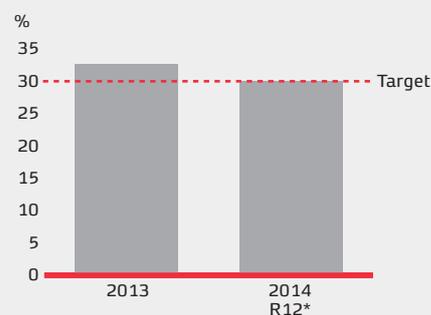
Return on equity



Interest coverage ratio



Equity ratio



\* R12 = Rolling 12-month basis

## Parent company's financial statements

Income statement	2014	2013	2013
SEK m	Jan– Jun	Jan– Jun	Jan– Dec
Net turnover	14.0	2.0	9.9
Cost of services performed	-25.3	-3.0	-21.4
<b>Operating profit or loss</b>	<b>-11.3</b>	<b>-1.0</b>	<b>-11.5</b>
<b>Financial income and expense</b>			
Other interest income and similar income	19.9	1.5	26.5
Profits from interests in group companies	-	-	-11.1
Interest costs and similar expense	-93.2	-	-24.6
<b>Pre-tax profit</b>	<b>-84.6</b>	<b>0.5</b>	<b>1.5</b>
Tax	9.8	-0.1	-2.9
<b>Interim profit</b>	<b>-74.8</b>	<b>0.4</b>	<b>-1.4</b>
<b>Overall profit</b>			
Interim profit	-74.8	0.4	-1.4
Other overall interim profit	-	-	-
<b>Total overall interim profit</b>	<b>-74.8</b>	<b>0.4</b>	<b>-1.4</b>

Balance sheet	2014	2013	2013
SEK m	30 Jun	30 Jun	31 Dec
<b>Assets</b>			
<b>Fixed assets</b>			
Tangible fixed assets	1.1	-	1.1
Financial assets	1,227.3	57.0	1,227.3
Deferred tax claim	15.5	-	2.4
<b>Current assets</b>			
Long-term claims	1.5	-	4.7
Claims on group companies	1,424.1	-	1,200.7
Current receivables	2.6	450.0	16.5
Liquid funds	261.3	26.0	209.9
<b>Total assets</b>	<b>2,933.4</b>	<b>533.0</b>	<b>2,662.6</b>
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity	1,221.4	157.0	1,297.5
<b>Long-term liabilities</b>			
Other long-term liabilities	60.3	10.0	1.8
<b>Current liabilities</b>			
Debts to group companies	1,612.3	-	1,315.3
Debts to joint ventures	14.8	-	14.1
Other current liabilities	24.6	366.0	33.9
<b>Total shareholders' equity and liabilities</b>	<b>2,933.4</b>	<b>533.0</b>	<b>2,662.6</b>

## Accounting and valuation principles

Catena AB draws up its consolidated accounts in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and also with interpretive statements from the International Financial Interpretations Committee (IFRIC), as approved by the European Commission for application in the EU. The parent company applies the same accounting principles as the group, but taking into consideration the recommendations from the Swedish Financial Reporting Board in RFR 2, *Accounting for Legal Entities*. This interim report was drawn up in accordance with IAS 34, *Interim Financial Reporting*, for the group and according to the Swedish Annual Accounts Act for the parent company. None of the new standards and statements that have entered into force have had any influence on the financial reports and the accounting principles applied are therefore the same as in the previous year.

### Risks and uncertainty factors

In order to draw up the accounts according to generally accepted accounting principles, the company management must make assessments and assumptions that affect the asset and liability items and the income and expense items disclosed in the annual accounts, and also other information disclosed. The actual outcome may diverge from these assessments. Catena's risks are described, in Swedish, on pages 36–39 of the Annual Report for 2013 (*Årsredovisningen 2013*). No essential changes have occurred since then.

Solna, July 2014  
Catena AB (publ)  
The Board

## Auditor's examination report on overview examination of summary financial interim information (interim report) drawn up in accordance with IAS 34 and Chapter 9 of the Swedish annual Accounts Act

### Introduction

We have performed an overview examination of the interim report for Catena AB (publ) for the period from 1 January to 30 June 2014. It is the Board and Chief Executive Officer who are responsible for drawing up and presenting this financial interim information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion concerning this financial interim information, based on our overview examination.

### Focus and scope of the overview examination

We have conducted our overview examination in accordance with the International Standard on Review Engagements (ISRE) 2410, *Overview*

### Examination of Financial Interim Information

Performed by the Company's Chosen Auditor. An overview examination consists of making inquiries, primarily addressed to people responsible for financial and accounting matters; performing an analytical examination; and taking other overview examination measures. An overview examination has a different focus from, and is on a considerably smaller scale than, the focus and scale of an audit according to the International Standards on Auditing (ISAs) and generally accepted auditing standards in other respects. The examination measures taken in an overview examination do not enable us to obtain such certainty as to be aware of all key circumstances that might have been identified if an audit had been carried out. The explicit

conclusion based on an overview examination therefore lacks the certainty of a stated conclusion based on an audit.

### Conclusion

On the basis of our overview examination, no circumstances have emerged that give us grounds for considering that this interim report is not, in all essentials, drawn up for the Catena group's part in accordance with IAS 34 and the Annual Accounts Act, and for the parent company's part in accordance with the Annual Accounts Act.

Stockholm, 7 July 2014  
Öhrlings PricewaterhouseCoopers AB  
Lars Wennberg, Authorised Public Accountant

# Definitions

## Earnings per share

Profit for the period under review attributable to the parent company's shareholders, in relation to the average number of shares outstanding.

## Economic letting ratio

Contractual annual rent for rental contracts in force at the end of the period under review, as a percentage of rental value.

## Equity per share

Shareholders' equity attributable to the parent company's owners, in relation to the number of shares at the end of the period under review.

## Equity ratio

Shareholders' equity, including minority interests, as a percentage of the balance-sheet total.

## Interest coverage ratio

Pre-tax profit with adding-back of financial expense, in relation to financial expense.

## Net asset value per share

Shareholders' equity attributable to the parent company's owners, with adding-back of deferred tax on the surplus values of the properties, in relation to the number of shares at the end of the period under review.

## Profit from asset management

Pre-tax profit with adding-back of value changes.

## Profit from asset management per share

Profit from asset management in relation to the average number of shares outstanding.

## Rental value

Closing rent on an annual basis with the addition of estimated market rent for vacant floor space.

## Return on equity

Profit for the period under review as a percentage of average shareholders' equity.

## Return on total assets

Pre-tax profit with the addition of financial expense, as a percentage of the average balance-sheet total.

## Surplus ratio

Operating surplus as a percentage of property income.

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## Financial reporting

Interim Report, January–September

Year-End Report 2014

Annual General Meeting 2015, in Stockholm, 4.00 pm

7 November 2014

26 February 2015

28 April 2015



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