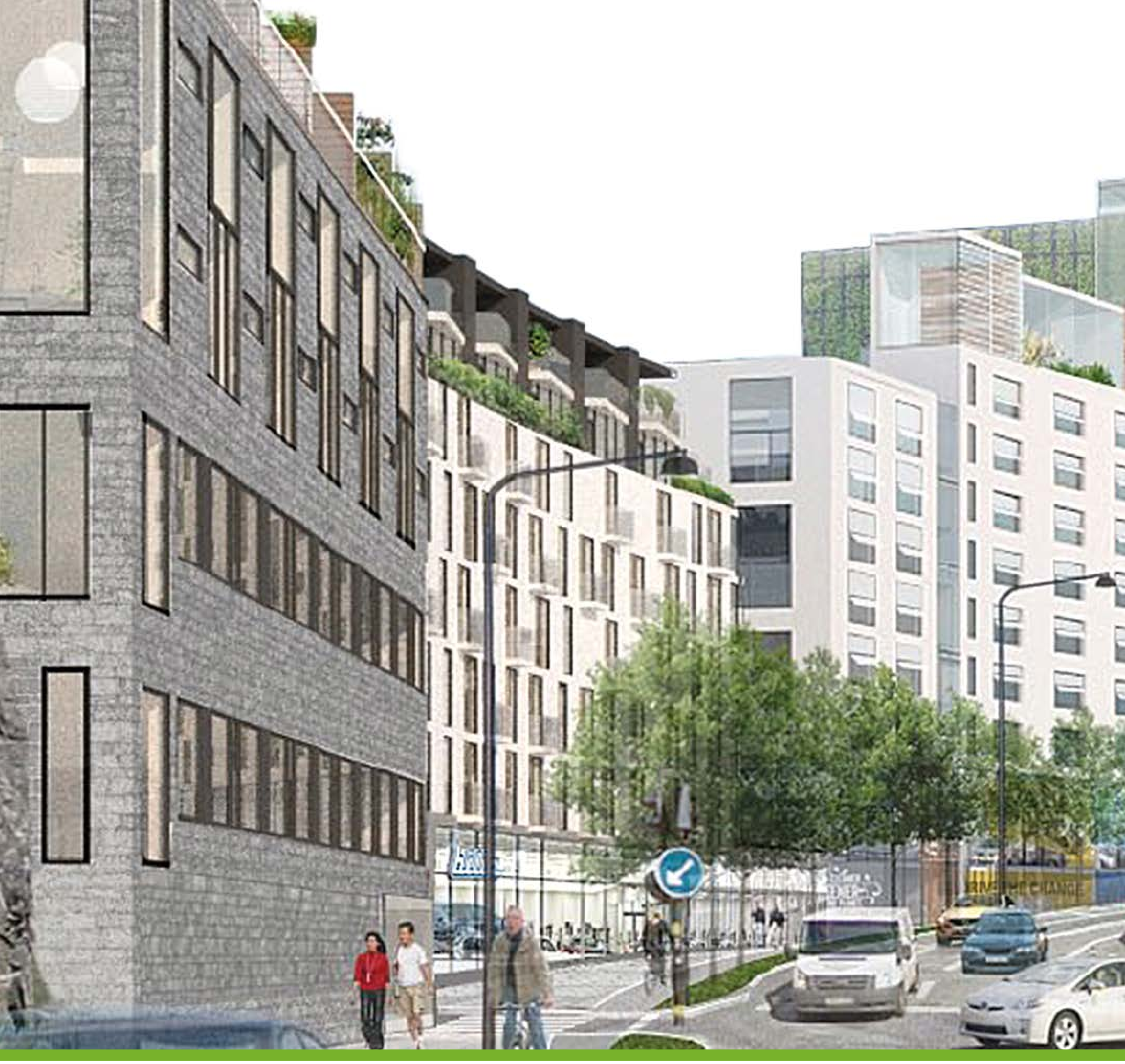
Annual Report 2012

CATENA



2012 in brief

- Rental revenues: SEK 26.6 M (27.0)
- Operating profit: SEK 255.3 M (94.5)
- Realized value changes on properties: SEK 0 M (2.6)
- Unrealized value changes on properties: SEK 238.5 M (86.7)
- Investments in continuing operations: SEK 1.4 M (3.4)
- Pre-tax profit: SEK 246.5 M (90.7)
- Profit after tax: SEK 206.6 M (129.6), corresponding to SEK 17.86/share (11.21)
- At December 31, the carrying amount of the property portfolio was SEK 850 M (610)
- In December, Solna's Municipal Council adopted the zoning plan proposal that encompasses Catena's properties in Haga Norra
- The Board proposes a dividend of SEK 1 per share (2.00)

Contents

Key data

Finansiella	2012	2011	2010	2009	2008
Return on equity, %	53.0	22.7	40.3	14.1	–14.6
Equity/assets ratio, %	52.0	41.8	39.0	34.1	33.3
Interest-coverage ratio, property management income, multiple	1.8	1.2	4.8	4.0	2.5
Loan-to-value ratio, properties, %	36.0	50.3	49.7	55.3	57.5

Share-related	2012	2011	2010	2009	2008
Earnings per share for the year, SEK	17.86	11.21	30.15	10.26	–11.41
Pre-tax profit per share for the year, SEK	21.31	8.07	33.56	13.98	–17.31
Equity per share, SEK	41.58	25.72	73.05	76.27	69.70
Dividend per share (2012: proposed dividend)	1.00	2.00	59.00	31.75	5.25

Catena in brief

Business concept and objectives

Catena's business concept is to own, effectively manage and proactively develop properties in prime locations that offer the potential to generate a steadily growing cash flow and favorable value growth.

Driven by a focused approach, Catena's overriding goal is to give shareholders a favorable long-term total return by streamlining, developing and managing attractively located properties.

Strategy

- Focus on project development for proprietary properties.
- Streamline and develop properties by identifying and implementing value-raising programs that enhance the appeal of the properties and their yield, with due consideration of risk.
- Proactively manage properties, with a focus on promoting long-term customer relations by offering attractive premises in close cooperation with Catena's tenants.
- Divest properties that offer only limited potential to create additional value growth.

Catena's history

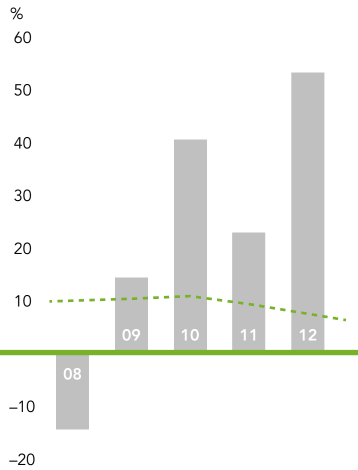
Catena's history began in 1967 when Volvo established AB Volvator as part of an effort to restructure its dealership network. The company was renamed AB Catena in conjunction with its initial public offering in 1984, when Volvo reduced its ownership share to 40 percent. Over the following decade, the company expanded in such areas as finance, properties and trading. In conjunction with a streamlining of operations to focus on vehicle distribution in 1994, most of the other operations were sold.

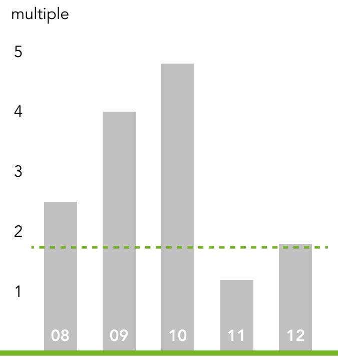
AB Catena was renamed Bilia in 1997. The property portfolio was gradually developed and by December 31, 2005, Bilia owned 34 properties through Catena with a combined market value of SEK 2,020 M. The 2006 Annual General Meeting resolved to spin off Catena to Bilia's shareholders and Catena was listed on the Stockholm Stock Exchange on April 26, 2006.

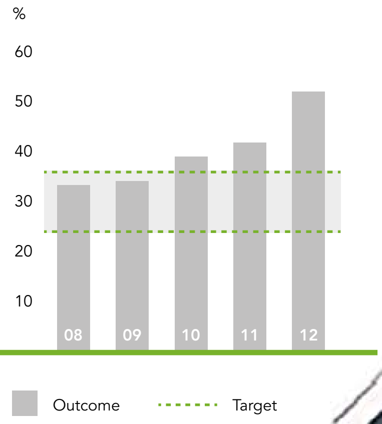
In 2010-2011, Catena divested essentially its entire property portfolio except for two properties in Haga Norra in Solna, outside Stockholm. Here, Catena plans to build an entirely new city district featuring housing, offices and commercial space.

The divestment was the result of Catena's strategic shift from a property management company with a focus on property development, to a company focusing on project properties for housing, offices, retail and service.

Financial targets







Financial targets over a business cycle

- The return on equity shall exceed the interest rate on a Swedish five-year treasury bond by at least 5 percentage points.
- The interest-coverage ratio shall not be less than a multiple of 1.75.
- The equity/assets ratio shall be a minimum of 25 percent and a maximum of 35 percent.

CEO's comments

This year's business activities focused on securing approval from the City of Solna for the zoning plan and the development agreement. We achieved these objectives just before year-end when the zoning plan was adopted and the agreement was approved. Catena is thus ready to proceed to the next phase in the development of the Haga Norra property.

I am very pleased that we secured approval for the zoning plan and that we reached an agreement with the City of Solna concerning the development agreement. The municipality has been accommodating throughout the process and we have enjoyed a productive partnership, for which we are grateful. Alongside work on the zoning plan, we also continued our letting activities, which included marketing ourselves to prospective commercial tenants.

A diverse and sustainable offering

In Haga Norra, we will offer solid local services, including restaurants, retail venues and quality grocery stores. In addition to owner-occupied apartments, we will build 75 rental apartments, five apartments for people with physical disabilities, a preschool with six departments and parking areas. People who live here and spend time here in the evenings will coexist with those who work here during the days. This will lend a cosmopolitan atmosphere and increase safety throughout the day. The aim is for people to want to be here.

We want to create an appealing atmosphere that offers the ability to grow your own herbs and other produce in the inner courtyards and on rooftops for residents to use in their cooking, which is also known as urban gardening. The difference here is that instead of urban gardening being an afterthought, we are planning for and encouraging it from the very beginning. We are convinced that this will contribute to Haga Norra's long-term sustainability.

Proximity to everything

The Haga Norra property has a prime location in one of Sweden's most dynamic and expansive areas that includes Solna, Stockholm and Sundbyberg. The level of activity has been and will remain high in the region in the next few years. The development of residential and commercial properties continued during the year in Frösunda, which is located just north of Haga Norra. Frösunda has been developed in phases since the 1990s and now houses thousands of residential units and about ten headquarters and regional offices for Swedish and foreign companies.

Swedbank plans to relocate its headquarters to Sundbyberg in late 2013. In Solna, the Friends Arena was inaugurated in late 2012. In early autumn 2012, Vattenfall merged about 2,000 employees from three offices to a new office in Arenastaden. The arena will have a new entrance to the Solna commuter train station just a kilometer northwest of Haga Norra. Under construction adjacent to the arena is the Mall of Scandinavia, which will become Northern Europe's largest mall featuring about 250 stores, all within walking distance of Haga Norra.

The ongoing development of Hagastaden, south of Haga Norra, is expected to add about 5,000 new residential units and 35,000 job opportunities at such organizations as the New Karolinska Solna Hospital. Kista, Arlanda and the city center are all easily accessible from the European route 4 (E4). A light railway is also being planned for the area. In short, Haga Norra is close to everything. Our letting activities during the year confirmed that the area is attractive to companies.

The combination of residential units and offices creates a round-the-clock city and appeals to commercial tenants and those seeking housing. We anticipate that a total of about 5,000 people will live and work in the area, 1,600 of whom will be residents. And if you want to escape for a while, all you have to do is walk over the pedestrian bridge across the E4 to Hagaparken. We believe that Catena's newly built apartments, between the city and the park, will be an attractive alternative to the inner city.

Environmental focus

Throughout the process, taking parklands, neighboring residents and other commercial operations into consideration has been important to us. Although we had already thoroughly examined noise and particle levels in the environmental impact assessment, we conducted new measurements and calculations of carbon monoxide levels in conjunction with the exhibition of the zoning plan in the aim of ensuring that we do not risk exceeding any limits.

The measurements confirmed that the construction plans do not risk creating environments with noise or particle levels that exceed the applicable limits. After reviewing the outcome of our measurements and assessments, I am completely confident that our continued development work will comply with the rules and norms, which was also confirmed by the municipality's decision. The zoning plan that was adopted by the City of Solna, was appealed around year-end. Appeals are more of a rule than an exception in zoning planning processes, particularly in densely developed major metropolitan areas. In light of the environmental considerations incorporated in the zoning plan and the control measurements that we have taken, I believe that we are well prepared to address any environmental aspects during the appeals process.

Outlook

It is all a matter of timing the start of construction just right, particularly in terms of the state of the property market. Although some uncertainty remains concerning the economy and global developments, our project organization should be in place in 2013 provided that nothing unforeseen happens. Among the ranks of our shareholders, there are several well-established players with extensive knowledge and experience of property development, which lays the foundation for a successful project.

Solna, March 2013

Andreas Philipson
CEO

Haga Norra—a place you want to be

Haga Norra is part of Stora Frösunda in Solna, outside Stockholm. To date, Haga Norra has mostly been known for the sales and service facility that Bilia has operated here for 40 years. Here, Catena will build modern offices, residential units, a park and local services based on a shared, climate smart concept for the entire city district. This will significantly improve the urban landscape in the area.

Catena has a relatively high level of ambition for its architectural design in a bid to achieve unique qualities in the built environment and resident units. It is meant to be a city district where people will want to be, because it will hallmarked by an atmosphere of inclusion and the ability to independently influence their space.

People are more inclined to pay a higher price for a new residence when they are the first to move in and can choose the color scheme, materials and equipment. Proximity to services, cultural offerings and nature also increases the propensity to pay. Here, the proximity to Hagaparken on the other side of the pedestrian bridge across the E4 adds to the attraction. Based on the combination of these factors, Catena believes that there is a high propensity to pay for residences in Haga Norra.

The concept includes more gardening options than have previously been available in newly built areas, both in terms of resident's own plants and to provide the herbs of neighborhood restaurants. This is the first time in Sweden that a newly built area is planning what is sometimes referred to as urban gardening from the very beginning.

The city district will have private neighborhoods with entrance ways that open to the local street and distinguish the private from the public.

Stora Frösunda and Haga Norra comprise a strong and established office location with relatively stable rents, even in weaker economic times. In the next few years, office rents are expected to remain relatively stable. Even if the economy were to weaken, rents are not expected to decline much more here than in many inner-city locations, which often have a more volatile rental trend.

A total of eight new blocks featuring a well-balanced combination of offices, residential units and services, in the heart of Haga Norra creates the preconditions for a vibrant city district during much of the day and a greater sense of security.

Residences, offices and leisure. The range of restaurants and other services will maintain a level that also attracts visitors to Haga Norra.

Zoning plan

Haga Norra: The new Haga Norra will comprise eight new properties. Today, the area is associated primarily with Bilia's car sales and servicing facilities, which have been here since 1973.

The zoning plan was approved by the City of Solna in December 2012.

Site area: about 53,600 square meters.

Development rights: Approximately 155,000 square meters in total, above ground.

Number of apartments: About 800, or about 85,000 square meters.

Commercial premises: Approximately 70,000 square meters.

Number of garage parking spaces: 1,600.

Urban gardening

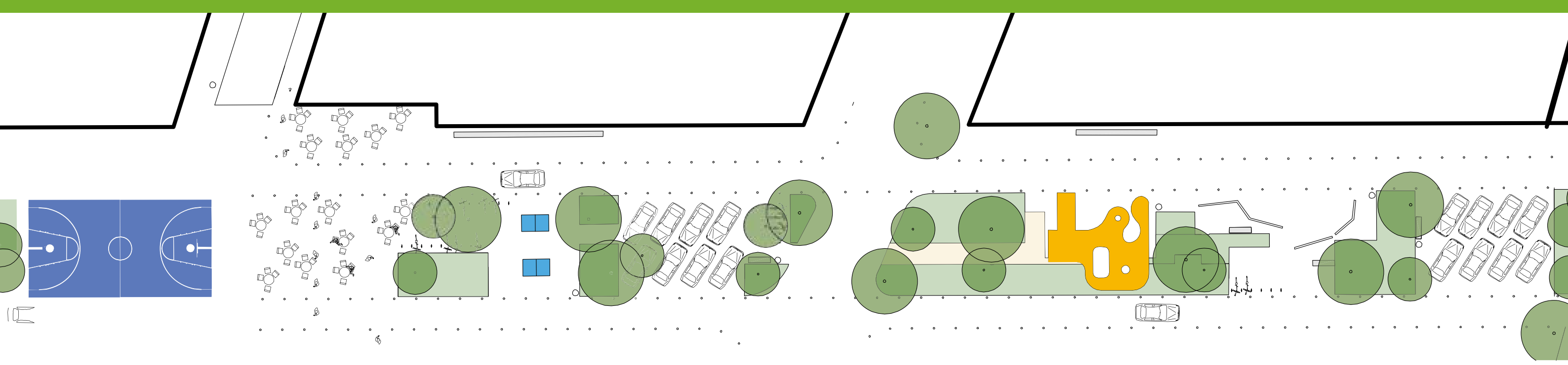
The interest in what we eat and what our groceries contain continues to grow. The transportation of groceries across long-distances is being called into greater question at the same time as the trend in locally produced food is growing. Today, people increasingly want to know origin of their food and how it is produced, both in Sweden and abroad.

Urban agriculture contributes to a higher quality of goods, because it increases access to fruit and vegetables in the city and because those goods can be eaten when they are fresher. Locally produced goods also contribute to reduced emissions since no transportation is required, which is a sustainable form of agriculture.

Under one of New York's sustainability initiatives, local authorities must identify space that can be repurposed for urban gardening. These are trends on which Catena has seized. Haga Norra will offer the alternative of an environmentally friendly lifestyle. Instead of being implemented as an afterthought, gardening space will be available from the start.

Catena views urban gardening as a fundamental sustainability concept that contributes to increasing local involvement and strengthening social structures, thus also creating the conditions for the long-term sustainable management of Haga Norra, which contributes to a better economy for all.

The urban gardening concept enables companies, restaurants and other services to create an image around their offering. It should be uncomplicated and voluntary.



In addition to restaurants and cafés, the street will encourage activities by offering playground space and grounds for ball sports.

Environment and sustainability

During the year, environmental and sustainability matters comprised integrated elements of the work to secure approval for the zoning plan and construction agreement for Haga Norra. Catena has a high level of ambition for sustainability, which is a central theme in the development of the entire site. The aim is to minimize the environmental impact as much as possible and create the conditions for the city district's long-term sustainability.

In this case, sustainability is not just a matter of the environment, but also involves economic and social aspects. On offer will be an array of commercial premises, owner-occupied and rental apartments, and what is known as LSS-compatible housing, named after the Swedish Act on Support and Service for People with Disabilities. Long-term sustainable properties reduce operating expenses. From a sustainability perspective, the transformation is a significant improvement for the properties, which currently largely comprise automotive workshops and parking spaces.

While the buildings must fulfill the criteria for an established environmental-classification system, no such system had yet been decided on by year-end. Catena will also investigate whether an entire city district can receive sustainability certification.

Catena will minimize the environmental impact of its new properties through such measures as the choice of technology and materials. The buildings are to be designed to use 25 percent less energy than stipulated in the prevailing building code. Environmentally friendly materials must be selected and recyclability assigned priority when constructing new buildings.

Catena will focus on a number of actions for a long-term sustainable environment. Water consumption will be significantly lower than average by using low-flow water fixtures, cut-off valves and systems for monitoring water consumption and leakages. Surface water will be treated locally through man-made reservoirs or dams before being funneled to the surface-water network. Furthermore, waste management will be adapted to the ecocycle.

Catena bears ultimate environmental responsibility throughout the course of the project and is responsible for coordinating environmental efforts during the planning and construction phases. When planning and building, environmental responsibility will be delegated among the project managers and contractors, all of whom are individually responsible for their elements of the project. The environmental program that Catena has developed for Haga Norra is based on the City of Solna's environmental program for construction contractors that was adopted in April 2012.

Ongoing environmental effort

Catena seeks to minimize the company's environmental impact by working proactive to deal with environmental issues. The Board has adopted an environmental policy that lays the basis for planning, implementation and monitoring in the environmental area.

The activities that are being conducted in Catena's current properties are primarily aimed at the sale and servicing of vehicles. While responsibility for the operation of the facilities lies with tenants, Catena works proactively to assist tenants in their environmental efforts. Catena also ensures that its tenants conduct the necessary environmental remediation when a property is vacated. During the year, environmental efforts in existing properties were limited since they are going to be demolished.

Catena's environmental policy

The primary features of the environmental policy are that Catena shall:

- Comply with amendments to legislation, regulations and other stipulations that affect the environmental aspects of operations
- Ensure that employees are knowledgeable about environmental issues related to their operations and maintain this know-how through training and information programs
- Continuously and systematically assess any environmental risks in the property portfolio. These assessments are to lay the basis for measures and continual improvement programs to prevent environmental damage
- Conserve resources and prioritize renewable rather than non-renewable energy
- Assess the environmental impact in conjunction with extensive new construction, renovation and extension projects, and draw up environmental instructions to serve as requirements in tender documentation
- Establish and update environmental guidelines in lease contracts and property development.

The share

Catena's shares have been listed on the Nasdaq OMX Stockholm exchange since 2006, as part of the OMX Stockholm Small Cap list.

At December 31, 2012, the share capital in Catena AB totaled SEK 50,883,800, distributed among 11,564,500 shares. Each share confers one vote and each person entitled to vote at the Annual General Meeting of shareholders may vote for the full number of shares held and represented. All shares confer equal rights to participate in the company's assets and earnings.

Market capitalization

During the year, the Catena share price rose 9.5 percent, from SEK 57.5 to SEK 63, while the broad-based index, OMXSPI, increased by 12 percent and Carnegie's CREX property index rose 15 percent. The peak closing price for the Catena share was SEK 98, quoted on January 23 and 24. The lowest closing price was SEK 48.5 on July 3.

A total of 1,849,137 Catena shares were traded at a value of nearly SEK 120 M on the Nasdaq OMX Stockholm and Burgundy during the year. Additional share transactions were conducted outside the stock exchange, in which 5,180,499 shares were traded during the year. At year end, Catena's market capitalization was SEK 728 M.

Ownership structure

At December 31, 2012 the company had 16,011 shareholders (16,638). Major ownership changes were made around year-end. Accordingly, similar to the year-end report, Catena has opted to report the ownership structure as of January 31, 2013, at which time the company had 15,933 shareholders. Most shareholders, or 15,667, held 1,000 shares or fewer as of January 31. Swedish legal entities held 76.8 percent of the shares and thus votes.

The proportion of non-Swedish shareholders was 6.2 percent (6.2).

Dividend policy and dividend

Catena's dividend policy prescribes that, in the long term, the dividend should represent 75 percent of pre-tax profit*, but excluding realized and unrealized changes in the value of properties and excluding unrealized changes in the value of derivatives.

For the 2012 financial year, the Board proposes a dividend of SEK 1.00 per share.

The Board believes that the proposed dividend is warranted in consideration of the requirements stipulated in Chapter 17, Section 3, in the second and third paragraphs of the Swedish Companies Act. The Board is of the opinion that the proposed share dividend will not influence Catena's ability to fulfill its short or long-term obligations and that the company's and Group's shareholders' equity and liquidity are sufficient considering the operation's nature, scope and risks.

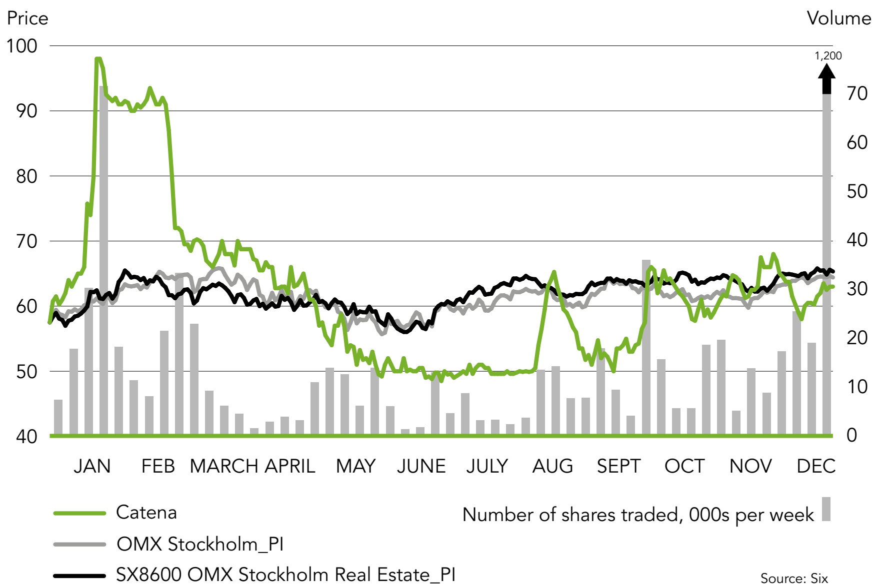
Insider trading

Trading in shares in a company by a person who has an inside position is referred to as insider trading. Such trading is illegal and must be reported to the Swedish Financial Supervisory Authority. Catena is obligated to notify the Swedish Financial Supervisory Authority of persons with inside knowledge at Catena. These individuals must provide notification of their shareholding and all changes to it.

Certain closely associated individuals and legal entities are also subject to registration requirements. Catena's executive management, Board and auditors are viewed as having an inside position at Catena. A link to a complete list of persons with inside positions is available at the Swedish Financial Supervisory Authority's website, www.fi.se.

* Profit after net financial items, charged with 26.3 percent standard tax.

Share performance in 2012

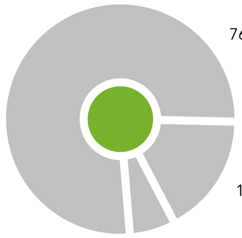


Stock market information

Catena's goal is to regularly provide the stock market, capital markets, media and other stakeholders with an accurate and fair account of the company's financial trends. The company's website, annual report, interim reports, press releases and presentations of Catena are the foundation for these efforts.

Up-to-date information – such as press releases and financial reports – is available on Catena's website (www.catenafastigheter.se). Financial information and press releases can be downloaded via the website.

Number of votes by country and category at January 31, 2013



Share information

ISIN code: SE0001664707
Short name: CATE

Shareholders at January 31, 2013

Shareholders	No. of shares	Votes, %
Endicott Sweden AB (CLS Holdings plc)	3,469,349	29.9
Fabege	2,469,342	29.9
Catella fondförvaltning	1,218,313	10.5
Livförsäkrings AB Skandia (publ)	277,374	2.4
Banque Carnegie Luxembourg SA	190,018	1.6
CBNY-DFA-INT SML CAP V	100,232	0.9
Swedbank Robur funds	60,208	0.5
Mellon US Tax Exempt Account	59,300	0.5
Handelsbanken funds	57,161	0.5
CBNY-DFA-CNTL SML	56,202	0.5
Total, ten largest	**8,957,499**	**77.2**
Others	2,607,001	22.8
Total	**11,564,500**	**100**

Ownership, distribution by size of shareholding at January 31, 2013

No. of shares	No. of shareholders
1–500	15,213
501–1,000	454
1,001–5,000	217
5,001–10,000	19
10,001–15,000	5
15,001–20,000	8
20,001–	17
Total	**15,933**

Organization

Catena is a small organization that is adapted to the activities that have been conducted during work on the zoning plan in recent years.

As a supplement to its central functions, Catena has retained specialist services in such areas as architecture, design and layout work on a project basis. As a result, Catena has been able to deploy its resources as needed while also limiting its costs.

The future project organization will handle overall project management, the procurement of contractors and subcontractors, the establishment of residents associations, the leasing of premises and continued marketing efforts.

Administration Report—operations

The Board of Directors and CEO of Catena AB, corporate registration number 556294-1715, hereby present their report for the 2012 financial year.

Operations and organization

Catena actively manages, enhances and develops its property portfolio by identifying and conducting value-enhancing programs that raise the attractiveness of the properties and their yield, with due consideration of risk. Catena also sells properties when the opportunity to create further growth is deemed to be limited.

After Catena's commercial properties were divested to Balder in 2011, its operations are limited to the Stockholm region. The Stora Frösunda 2/Hagalund 2:2 (Haga Norra) properties are recognized as continuing operations.

Summary of developments during the year

In 2012, the business focused on advancing and completing its zoning plan for approval by the Municipality of Solna, which was granted in December. Furthermore, Catena reached an agreement with the municipality concerning a development agreement. Catena also proactively marketed its commercial space to prospective tenants. Alongside the project development efforts, the company also conducted active management operations.

Earnings and financial position
Remaining and discontinued operations

Group	**2012**	2011
Earnings per share	17.86	11.21
Equity/assets ratio, %	52.0	41.8
Debt/equity ratio, multiple	0.64	1.0

Continuing operations

The presentation below refers to the continuing operations in the form of the Haga Norra property in Solna, near Stockholm. The weighted remaining average lease term was 8.7 years at December 31, 2012. Periods of notice vary from nine to 18 months, with extension periods ranging from three to five years.

Rental revenue amounted to SEK 26.6 M (27.0). Revenue from the Bilia Group represented 97.5 percent (97.5) of total rental revenue. Property expenses amounted to SEK 4.1 M (6.4).

Net operating income totaled SEK 22.5 M (20.6). Other operating revenue, amounting to SEK 0.0 M (0.1), consisted primarily of consultancy fees and invoicing of tenants for services rendered. Central administration expenses totaled SEK 5.7 M (12.9), and included expenses for group management and other central functions.

Changes in value

Properties

Catena's investment properties are recognized in the balance sheet at fair value and the changes in value of the properties are recognized in profit or loss. In all material respects, the fair value comprises an appraised value of the development rights for residential units and commercial space. In conjunction with the preparation of the financial statements, two independent appraisers conducted a gross appraisal with a value dated December 31, 2012. Reasonable development costs were deducted from the gross value.

Based on the appraisals, Catena assessed the fair value of the properties at SEK 850 M at year-end, compared with SEK 610 M in 2011. The increase was primarily attributable to continued work on the zoning plan, which was approved by the City of Solna in 2012. For further information, refer to Note 11.

Net financial items

Net financial items for the period amounted to an expense of SEK 8.9 M (neg: 3.8). The average annual interest rate, including derivative instruments, was 2.85 percent (4.14) on the balance-sheet date. Financial instruments limit the effect of interest rate fluctuations on the Group's borrowing costs. During the period, no loan expenses were capitalized (0), since no new construction was undertaken.

Operating profit

Operating profit amounted to SEK 255.3 M (94.5). Pre-tax profit was SEK 246.5 M (90.7). The improvement in profit was primarily attributable to unrealized value increases as a result of the approval of the zoning plan by the City of Solna. As a result of the corporate tax rate being reduced from 26.3 percent to 22 percent on January 1, 2013, deferred tax liabilities, which primarily comprise unrealized profits from properties, were calculated using the new tax rate, resulting in a positive effect of SEK 21 M on earnings in 2012. The current tax for the year was SEK 1.3 M (5.0), and deferred tax was SEK 38.7 M (24.7). Profit after tax from continuing operations was SEK 206.5 M (61.0).

Profit and financial position
Parent Company

The operations of the Parent Company, Catena AB, primarily comprise Group-wide functions and operating the Group's subsidiaries. Operating income for the Parent Company is 100 percent (100) attributable to invoicing for services rendered.

Multi-year overview

The Catena Group was established on December 1, 2005. The five-year period from 2008 to 2012 is summarized in the multi-year overview on page 45.

Remuneration of senior executives
The principles outlined below were set by the 2012 AGM as guidelines for the remuneration of senior executives. The Board shall be entitled to diverge from the guidelines whenever there are special reasons for doing so. The Board determines the CEO's remuneration. In accordance with the principles set by the Board, the CEO determines the remuneration of other senior executives. Board members who are also part of executive management, such as the CEO, will participate in work involving these issues. Remuneration of the Chairman of the Board and Board members is determined by the approval of the AGM.

Remuneration of the CEO
The CEO is paid a fixed, monthly salary, with additional overtime pay and pension provisions amounting to a maximum of 20 percent of the monthly salary. The pension age is 65. The reciprocal notice period is three months. In the event of the sale of Catena, the CEO is entitled to remuneration corresponding to twelve months' salary.

Remuneration of other senior executives
For other senior executives, the period of notice is three months from both parties. The pension age is 65 and pension provisions amount to a maximum of 20 percent of the monthly salary.

The Board's proposals for guidelines for the remuneration of senior executives
The Board's proposed that the 2013 AGM continue to observe the resolutions made at the 2012 AGM.

The Catena share
Catena AB (publ) is a listed company registered on NASDAQ OMX Stockholm, Small Cap.

At December 28, 2012, the final trading day for the year, the number of shares amounted to 11,564,500. The share capital in Catena AB totaled SEK 50,883,800. Each share provides entitlement to one vote and each person entitled to vote at the AGM may vote for the full number of shares held and represented. All shares confer equal rights to participate in the company's assets and earnings.

Shareholders, January 31, 2013

Shareholder	No. of shares	Votes, %
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The 2012 AGM authorized the Board to make decisions regarding acquisition of the company's own shares to a maximum amount of 10 percent of the total number of shares and to transfer these shares ahead of the 2013 AGM. This mandate was not exercised during the financial year.

Information on risks and uncertainties
Property values
The properties are recognized at fair value and changes in value are included in profit or loss. The fair value as recognized in the balance sheet is essentially the value of the potential development rights that can be realized through the zoning plan that was adopted by the City of Solna in December 2012.

Due to such factors as the ongoing appeals process and the fact that the zoning plan has yet to come into effect, the quantification of the assessments made are subject to uncertainty.

Rental revenue and rental trend
The supply of premises in a geographically limited market consists of existing space and any additional newly produced space. This may result in a generally rising vacancy rate, implying a risk of weak or declining occupancy rates. The occupancy rates for rented premises with leases exceeding three years are normally linked to the consumer price index. In Catena's remaining portfolio, almost 100 percent of the basic rental volume is subject to annual adjustments.

Taxes
Corporate taxation is subject to continuous legislative changes. Amendments to corporate tax legislation – entailing, for example, changes in the potential for tax-related depreciation, or changes in corporate tax rates, or the potential to utilize loss carryforwards – could result in a change in the tax situation for Catena.

Environmental risks
Environmental programs at Catena are long-term and target-oriented. These programs are pursued as an integral component of property management and project development.

Property management and development cause an environmental impact. Catena's tenants pursue operations that have an environmental impact that are subject to permit or notification requirements, such as the handling of fuels, oil and chemicals and gas station operations. Catena itself, however, does not pursue operations with a directly adverse environmental impact. According to the Swedish Environmental Code, those who conduct operations that contribute to contamination are primarily responsible for the ensuing treatment and remediation thereof. If the party that has conducted such operations cannot carry out or defray the cost of subsequent treatment and remediation, then the party that acquired the property – and who at the time of acquisition was aware of or should have been aware of the contamination – is liable.

Thus, under certain circumstances, claims may be addressed to Catena for subsequent treatment or decontamination regarding the presence or suspected presence of contamination in soil, watercourses or groundwater in order to restore the condition stipulated by the Environmental Code. Such claims may have a negative impact on Catena's earnings and financial position.

It cannot be precluded that environmental contamination exists that would result in costs and/or claims for compensation that would have an impact on Catena's earnings and financial position. However, there are currently no indications regarding major environmental claims that could be attributed to Catena.

Information on financial indicators
Catena regards compliance with the Group's environmental policy as an important factor. Among other points, Catena's environmental policy stipulates the continual monitoring of changes in legislation, regulations and other requirements that apply in conjunction with the environmental aspects of operations. Catena shall ensure compliance with the applicable legal and other requirements.

Financial instruments and risk management
Through its operations, the Group is exposed to financial risks. Risk management is governed by the financial policy adopted by Catena's Board. A more detailed description of risks and their management is presented in Note 21.

Future business prospects
Future development is focused entirely on the zoning plan for the Stora Frösunda 2 and Hagalund 2:2 properties, which, in the longer term, may offer major development opportunities for a future city district, with both residential and commercial facilities.

Catena believes that the housing shortage in the Greater Stockholm area will continue. This is because the imbalance of supply and demand is too great to be resolved in the long, or very long, term. The property is located alongside the E4 highway in one of Sweden's most dynamic and expanding areas that includes Sundbyberg, Solna and Stockholm.

With its proximity to the E4 and other services, Catena believes that Haga Norra is an attractive area both for housing and for future regional and business headquarters. Catena is planning phased development, which means that the development schedule and, thus, the extent of development can be optimized in accordance with the state of the economy.

No significant events occurred after the end of financial year.

Proposed appropriation of earnings
The Board of Directors proposes that the non-appropriated earnings be allocated as follows:

Dividend, SEK 1.00/share	11,564,500 kr
To be carried forward	95,879,265 kr
Total	**107,443,765 kr**

Statement by the Board of Directors pursuant to Chapter 18, Section 4 of the Swedish Companies Act
Proposal of the Board of Directors
In the proposed appropriation of earnings, the Board of Directors proposes to the 2013 Annual General Meeting that Catena pays a dividend of SEK 1.00 per share for the 2012 financial year, which entails a total dividend payment of SEK 11,564,500. According to the Annual Report, Catena's equity/assets ratio is 52.0 percent for the Group. Following the proposed dividend, the equity/ assets ratio is estimated to be approximately 51 percent. One of Catena's financial targets that the Group's equity/assets ratio should be between 25 and 35 percent.

Explanatory statement of the Board
In light of the aforementioned, the Board believes that the proposed dividend to shareholders is warranted considering the stipulations in Chapter 17, Section 3, in the second and third paragraphs of the Swedish Companies Act. The Board is of the opinion that there is full cover for the Company's restricted equity following the proposed dividend.

After the proposed dividend, the Board believes that the Company's and Group's equity and liquidity will be sufficient considering the nature, scope and risk of operations.

The Board is of the opinion that the proposed dividend will not affect Catena's capacity to meet its short or long-term commitments. Moreover, the Board believes that the investments required for operations will not be adversely impacted. While Catena's financial position enables a higher dividend, the Board took due consideration of the fact that Catena will ultimately enter a project implementation phase.

As regards the company's earnings and overall financial position, reference is made to the income statement, balance sheet and related financial notes.

Administration Report—corporate governance

Catena AB is a Swedish public limited liability company listed on the Nasdaq OMX Stockholm exchange. The applicable regulations for governance and control of the Group are primarily the Articles of Association, the Swedish Companies Act, OMX Nordic Exchange Regulations, the Swedish Corporate Governance Code, internal guidelines and policies, as well as other applicable laws and regulations.

Catena's Board and executive management endeavour to ensure that Catena complies with the requirements imposed by the stock exchange, shareholders and other stakeholders. The Swedish Corporate Governance Code is aimed at ensuring favourable conditions for active and responsible ownership. It is based on the principle of comply or explain. Deviations from the Code must be justified and explained.

The Corporate Governance Report describes how Catena applied the Code during 2012.

Annual General Meeting

The Annual General Meeting (AGM) is the company's highest decision-making body. The AGM appoints the Board and auditors and adopts principles for the remuneration of the Board, auditors and Group management. The AGM also makes decisions regarding the Articles of Association, dividends, and share capital. At the AGM, which must be held within six months of the close of the financial year, the balance sheets and income statements are to be approved and a decision made regarding the discharge of responsibility of the Board and the CEO.

The Annual General meeting was held on April 26, 2012. A total of 19 shareholders, representing 8,406,640 shares, attended, representing 72.7 percent of the total number of votes outstanding. The Board, CEO and executive management accountant attended the meeting.

The AGM approved the following:

- Approval of the income statements and balance sheets for the Parent Company and Group
- Approval of the appropriation of profit, entailing a dividend of SEK 2 per share
- Approval of the discharge from liability of the Board and CEO
- Election of an auditor and a deputy auditor
- Re-election of five sitting members of the Board, as well as their remuneration
- Guidelines regarding the remuneration of the CEO and senior executives
- Authorization of the Board to acquire the Company's own shares up to a maximum holding of 10 percent
- Authorization of the Board regarding the transfer of the company's treasury shares

The AGM for the 2012 financial year will be held on April 24, 2013 at IVA on Grev Turegatan 16 in Stockholm, Sweden.

Remuneration of the Board and senior executives

In line with the decision of the 2012 AGM, the Chairman of the Board receives SEK 200,000 and other members SEK 100,000 each. This was a cut of SEK 10,000 for the Chairman and SEK 5,000 for each member compared with previous fees. Salary, other remuneration and pension premiums for the CEO and other senior executives in 2012 are presented in Note 4 of the Annual Report. No variable pay was paid to the CEO or other senior executives.

Nomination Committee

The tasks of the Nomination Committee include preparing proposals for the Chairman of the AGM, the Chairman of the Board, Board fees and principles underlying the selection of the Nomination Committee, the Chairman at the AGM and, when applicable, auditors and auditors' fees.

The Nomination Committee, which consists of representatives of the company's four largest shareholders, has the following composition: Henry Klotz for CLS Holdings plc., Erik Paulsson for Fabege, Caroline af Ugglas for Skandia Liv, and Tomas Andersson for Peab AB. Caroline af Ugglas is the Chair of the Nomination Committee. The Chairman of the Board, Henry Klotz, convenes the Nomination Committee.

Erik Paulsson replaced Christian Hahne, representing Erik Selin Fastigheter AB, to reflect Fabege's new position as a major shareholder after Erik Selin Fastigheter sold its holding.

During the year, Caroline af Ugglas was appointed Skandia Liv's new representative on the Nomination Committee after Bo Jansson.

THE BOARD OF DIRECTORS AND ITS WORK

The Board of Directors

The overall task of the Board is manage the affairs of the Company and the Group on behalf of the shareholders in a manner that ensures optimization of the shareholders' interests in favorable long-term return on capital. The members of the Board are elected at the AGM for the period until the end of the next AGM. The work of the Board shall comply with legislation, the Articles of Association and the formal work plan. The formal work plan is discussed at the constituent Board meeting and is set annually.

The composition of the Board shall include competence and experience from the areas that are of major importance as part of efforts to support, monitor and control operations in a real estate company. Board members have expertise in properties, the real market, and financing and business development, for example.

Since the 2011 AGM, Catena's Board has consisted of five elected members, without deputies. The composition of the Board entails a deviation from the Swedish Corporate Governance Code's requirements regarding independence, since only one member is independent. The deviation is attributable to the fact that, following the sale of most of the real estate portfolio in January 2011, the company's operations are limited to a real estate development project in Solna, and thus the independence requirement in continuing Board work is not as urgent.

In December, an Extraordinary Meeting of Shareholders elected Bo Forsén as a Board member to succeed Erik Selin, who stepped down from the Board after Erik Selin Fastigheter divested its holding in Catena.

Formal work plan

The Board of Catena works in accordance with a formal work plan consisting of instructions in respect of the division of duties and financial reporting. The formal plan represents a complement to the provisions of the Swedish Companies Act and Catena's Articles of Association and is reviewed annually. The Board also assesses the CEO's work performance. The CEO does not attend this assessment.

The Board is responsible for continually monitoring and controlling the Company's operations. Consequently, it is the duty of the Board to ensure there is a functioning reporting system. Regular reports concerning the Company's and Group's economic and financial position, current issues, project reporting, and in certain cases information underlying information for investment decisions and property sales, are presented at Board meetings.

In addition to being responsible for the company's organization and administration, the Board's key task is to make decisions in strategic questions. Each year, the Board sets the overall goals for the Group's operations and decides on strategies to attain these goals. Also, the CEO's instructions and internal policy documents are reviewed annually.

The work of the Board of Directors

The Chairman of the Board is responsible for leading the work of the Board in an efficient and appropriate manner. In addition to leading the work, the Chairman of the Board monitors ongoing developments through contacts with the CEO in strategic issues.

During 2012, seven minuted Board meetings were held, two of which were statutory. The Group's CEO served as the Board secretary.

Composition of the Board of Directors

Name	Fee, SEK 000s	Elected	Independent	Attendance
Henry Klotz, Chairman	200	2007	No	7/7
Jan Johansson	100	2010	No	5/7
Christer Sandberg	100	2007	No	6/7
Lennart Schönning	100	2007	Yes	6/7
Bo Forsén (as of December)	–	2012	Yes	1/1
Erik Selin (stepped down in December)	100	2007	No	5/6

The issues in focus at Board meetings included:

February	The year-end report, annual financial statements, auditors' report and preparation for the AGM
April, two meetings	Interim report, statutory meeting
August	Interim report
September	Strategic discussions
October	Interim report
December	Statutory meeting

In addition to the above issues, Board meetings dealt with plans and strategies for the Group's development and the regular monitoring of earnings and the financial position, valuations of the Group's properties, liquidity, as well as financing and investment decisions.

The company's former auditor, Jan Malm, also attended the Board meeting in February. Catena's new auditor, Lars Wennberg, was co-opted at the Board meeting in October.

Auditors

Catena's auditors are appointed at the AGM. The 2012 AGM elected Lars Wennberg from PwC as the new auditor.

The auditor reports the results of his examination to the shareholders. This is presented at the AGM. In addition, the auditor presents a detailed report to the Board twice annually. In conjunction with this report, a discussion is also held concerning the observations of the audit. In addition to auditing, PwC has also provided services in the areas of taxes and accounting. Fees are paid as invoiced.

CEO and group management

The CEO leads operations on the basis of the set instructions drawn up by the Board. According to the instructions, the CEO shall ensure that the Board members receive regular information and reports on Catena's progress to enable them to make favorable assessments and sound decisions. The CEO must also ensure that Catena observes the obligations regarding information and so forth that arise from the listing agreement with the Nasdaq OMX Stockholm. The CEO shall also supervise the observance of the goals, policy and strategic plans established by the Board and ensure that they are submitted to the Board for updating or review whenever necessary.

The focus and scope of operations changed and were sharply reduced following the sale of the real estate portfolio to Balder. Accordingly, the need for management functions has decreased, at least temporarily. Consequently, group management consisted only of the CEO and the CFO during the financial year. Both of these have been registered with the Financial Supervisory Authority's insider trading register.

Board Committees

The Board has established two committees – the Remuneration Committee and the Audit Committee – from among its ranks. These are responsible for preparing questions in their respective areas of responsibility.

Remuneration Committee
The task of the Remuneration Committee is to prepare matters concerning remuneration and other conditions of employment for the CEO. The CEO, on the basis of principles established by the Board, determines remuneration of senior executives. The Remuneration Committee consists of all Board members, except the CEO.

Audit Committee
The task of the Audit Committee is to maintain and add to the efficiency in contacts with the Group's auditor and to supervise the procedures for auditing and financial reporting. The Committee shall also evaluate the work of the auditor and monitor how accounting principles and requirements are progressing. The Board has decided that all its members, with the exception of the CEO, shall be part of this committee.

Stock market information
Catena shall submit prompt, simultaneous, correct and reliable information to existing and potential shareholders and other stakeholders. The company submits an interim report on its activities each quarter, as well as a year-end report and annual report for the entire financial year.

Catena's website, www.catenafastigheter.se, presents current information on the company, such as press releases and financial statements. Shareholders can download financial information from the company via the website. This information can also be ordered directly from the company by telephone.

Internal control
The Board is responsible for internal control pursuant to the Swedish Companies Act and the Swedish Corporate Governance Code. This Corporate Governance Report is prepared in accordance with Chapter 6, Section 6 of the Annual Accounts Act and is thus limited to internal control and risk management related to financial reporting.

The basis of internal control is the control environment in which the work of the Board and executive management is set. The Board has adopted a number of important policies and basic guidelines for internal control programs, such as financial, environmental and information policies. The CEO presents regular reports to the Board on the basis of established routines and documents.

Catena's internal control structure is based on a clear division of responsibility and work between the Board and CEO, as well as within operational activities. Operational activities include business control and business planning processes. Examples of these include tools for monitoring operations, preparations ahead of the purchase and sale of properties/companies, and underlying data for property appraisals.

Control activities are performed at the individual property level, in the form of current results and investment monitoring, at the overall level, in the form of results analysis at the area level, analysis of key data and reviews of the Group's legal structure. In order to prevent and detect errors and deviations, there are, for example, systems for attestation rights, reconciliations, approval and reporting of business transactions, reporting templates, accounting and valuation policies. The systems are continuously updated.

Internal information and external communications are regulated at the overall level by means of the information policy, for example. Internal information in disseminated through regular information meetings.

Catena has a small organization, with all operations taking place in the Parent Company. The finance function in the Parent Company serves as the control function for all units. As a result, Catena has no special function for internal auditing. The Board and executive management believe that internal control is effective and suitable for a group of Catena's size, and, thus, there is no need for an internal auditing function. This decision will be reviewed annually.

Consolidated income statement

SEK 000s	Note	**2012**	2011
Continuing operations			
Rental revenue		26,647	26,994
Operating expenses		–656	–693
Repair and maintenance expenses		–809	–343
Property tax		–2,670	–2,670
Property administration	6	–	–2,730
Net operating income		**22,512**	**20,558**
Other operating income	3	–	87
Central administration	6	–5,694	–12,828,
Properties, unrealized changes in value		238,512	86,708
Operating profit	4, 5, 23	**255,330,**	**94,525**
Financial income		1,029	13,385
Financial expenses		–9,882	–17,175,
Net financial items	7	**–8,853**	**–3,790**
Pre-tax profit		**246,477**	**90,735**
Tax	9	–39,936	–29,693
Net profit for the year after tax from continuing operations		**206,541**	**61,042**
Net profit after tax from discontinued operations	2	**–**	**68,601**
Net profit for the year		**206,541**	**129,643**
Earnings per share (SEK)	15	17.86	11.21
Earnings per share from continuing operations (SEK)		17.86	5.28

Consolidated statement of comprehensive income

SEK 000s	**2012**	2011
Net profit for the year	206,541	129,643
Other comprehensive income for the year		
Change in translation reserves, foreign operations	–	10,130
Tax on change in translation reserve, foreign operations	–	–2,664
Actuarial gains/losses	26	–2,107
Comprehensive income for the year	**206,567**	**135,002**

Consolidated balance sheet

SEK 000s	Note	**2012**	2011
ASSETS	22		
Investment properties	11	850,000	610,000
Other property, plant and equipment	10	–	16
Total non-current assets		**850,000**	**610,016**
Accounts receivable		8,476	386
Other receivables		7,940	5,528
Prepaid expenses and accrued income	13	158	463
Cash and cash equivalents		57,690	94,369
Total current assets		**74,264**	**100,746**
TOTAL ASSETS		**924,264**	**710,762**
EQUITY	14		
Share capital		50,884	50,884
Other capital contributed		10,000	10,000
Profit brought forward, including net profit for the year		419,981	236,543
Total equity		**480,865**	**297,427**
Liabilities	22		
Liabilities to credit institutions	16	306,400	306,400
Other long-term liabilities	12	–	497
Provisions for pensions	17	12,058	12,113
Other provisions	18	938	1,087
Deferred tax liabilities	9	106,957	68,293
Total long-term liabilities		**426,353**	**388,390**
Accounts payable		650	7,450
Other liabilities	19	1,686	1,594
Accrued expenses and prepaid income	20	14,710	15,901
Total current liabilities		**17,046**	**24,945**
Total liabilities		**443,399**	**413,335**
TOTAL EQUITY AND LIABILITIES		**924,264**	**710,762**
Assets pledged	25	731,400	731,400
Contingent liabilities	25	182	180

Statement of changes in consolidated equity

SEK 000s	Note 14	Share capital	Other capital contributions	Translation reserve	Profit brought forward, incl., net profit for the year	Total equity
		Equity attributable to Parent Company shareholders				
Opening equity, Jan 1, 2011		**50,884**	**571,454**	**–7,466**	**229,858**	**844,730**
Comprehensive income for the year						
Net profit for the year					129,643	129,643
Change in translation reserve, foreign operations						10,130
Tax on translation reserve transferred to net profit for the year						–2,664
Actuarial gains/losses					–2,107	–2,107
Comprehensive income for the year				**7,466**	**127,536**	**135,002**
Dividend			–561,454		–120,851	–682,305
Closing equity, Dec. 31, 2011		**50,884**	**10,000**	**0**	**236,543**	**297,427**
Opening equity, Jan 1, 2012		**50,884**	**10,000**	**0**	**236,543**	**297,427**
Comprehensive income for the year						
Net profit for the year					206,541	206,541
Actuarial gains/losses					26	26
Comprehensive income for the year					**206,567**	**206,567**
Dividend					–23,129	–23,129
Closing equity, Dec. 31, 2012		**50,884**	**10,000**	**0**	**419,981**	**480,865**

Consolidated cash-flow statement

SEK 000s	Not	2012	2011
Operating activities			
Operating profit		255,330	94,525
Adjustment for items not included in cash flow	29	–239,171	–90,796
Interest payments received		1,029	13,385
Interest paid		–9,882	–17,175
Income tax paid		–1,272	–4,968
Cash flow from operating activities before changes in working capital		**6,034**	**–5,029**
Cash flow from changes in working capital			
Increase (–)/Decrease (+) in operating receivables		–10,197	–5,088
Increase (+)/Decrease (–) in operating liabilities		–7,899	–27,718
Cash flow from operating activities		**–12,062**	**–37,835**
Investing activities			
Investments in investment properties		–1,488	–3,292
Sale of property plant and equipment		–	1,141
Cash flow from investing activities		**–1,488**	**–2,151**
Financing activities			
Amortization (–) of liabilities to credit institutions		–	–680,336
Dividend paid		–23,129	–682,306
Cash flow from financing activities		**–23,129**	**–1,362,642**
Cash flow for the year from continuing operations		**–36,679**	**–1,402,628**
Cash flow from discontinued/divested operations			
Cash from operating activities		–	76,068
Cash from investing activities		–	1,364,186
Net cash flow from discontinued/divested operations		**–**	**1,440,254**
Cash flow for the year		**–36,679**	**37,626**
Cash and cash equivalents at the beginning of the year		94,369	56,743
Cash and cash equivalents at year-end		**57,690**	**94,369**

Parent Company income statement

SEK 000s	Note	**2012**	2011
Other operating income	3	4,060	4,136
Central administration	6	–5,827	–16,618
Operating profit/loss	4, 5, 23	**–1,767**	**–12,482**
Loss from the sale of participations in subsidiaries		–	–10,770
Group contributions		5,171	15,772
Other interest income and similar profit/loss items	7	15,789	21,880
Interest expense and similar profit/loss items	7	–12,592	–15,365
Profit after financial items		**6,601**	**–965**
Appropriations	8	–	77
Pre-tax profit/loss			**–888**
Tax	9	–1,656	–1,757
Net profit for the year		**4,945**	**–2,645**

Comprehensive income statement for the Parent Company

SEK 000s	**2012**	2011
Net profit for the year	4,945	–2,645
Other comprehensive income for the year		
Fair value reserve, transferred to net profit for the year	–	646
Tax on fair value reserve, transferred to net profit for the year	–	–170
Other comprehensive income for the year	**4,945**	**476**
Comprehensive income/loss for the year	**4,945**	**–2,169**

Parent Company balance sheet

SEK 000s	Note	**2012**	2011
ASSETS	22		
Non-current assets			
Property, plant and equipment			
Other property, plant and equipment	10	–	16
Total property, plant and equipment		**–**	**16**
Financial fixed assets			
Participations in Group companies	27	56,526	56,526
Deferred tax asset	9	1,057	1,465
Total financial assets		**57,583**	**57,991**
Total non-current assets		**57,583**	**58,007**
Current assets			
Current receivables			
Accounts receivable		44	276
Receivables from Group companies		439,775	422,809
Other receivables		2,181	1,796
Prepaid expenses and accrued income	13	158	463
Total current assets		**442,158**	**425,344**
Cash and bank balances		42,607	85,146
Total current assets		**484,765**	**510,490**
TOTAL ASSETS		**542,348**	**568,497**
EQUITY AND LIABILITIES			
Equity			
Restricted equity	14		
Share capital (11,564,500 shares)		50,884	50,884
Statutory reserve		10,000	10,000
Unrestricted equity	14		
Profit brought forward		102,499	128,273
Net profit for the year		4,945	–2,645
Total equity		**168,328**	**186,512**
Untaxed reserves	28	**–**	**–**
Provisions			
Provisions for pensions and similar commitments	17	9,105	8,997
Other provisions	18	938	1,087
Total provisions		**10,043**	**10,084**
Long-term liabilities	22		
Other long-term liabilities	12	–	497
Total long-term liabilities		**–**	**497**
Current liabilities			
Accounts payable		125	5,795
Liabilities to Group companies		356,056	357,321
Current tax liabilities	19	355	449
Other liabilities	20	7,441	7,839
Accrued expenses and prepaid income		**363,977**	**371,404**
TOTAL CURRENT LIABILITIES		**542,348**	**568,497**
Pledged assets	25	inga	inga
Contingent liabilities	25	182	180

Statement of changes in the Parent Company's equity

		Restricted equity		Unrestricted equity			
SEK 000s	Note 14	Share capital	Statutory reserve	Fair value reserve	Profit brought forward	Net profit for the year	Total equity
Opening equity, Jan 1, 2011		**50,884**	**10,000**	**–476**	**92,864**	**718,191**	**871,463**
Net loss for the year						–2,645	–2,645
Other comprehensive income for the year				476			476
Comprehensive loss for the year				**476**		**–2,645**	**–2,169**
Net profit/loss for the preceding year					718,191	–718,191	0
Dividend					–682,306		–682,306
Closing equity, Dec. 31, 2011		**50,884**	**10,000**	**0**	**128,273**	**–2,645**	**186,512**
Opening equity, Jan 1, 2012		**50,884**	**10,000**	**0**	**128,273**	**–2,645**	**186,512**
Net profit for the year						4,945	4,945
Other comprehensive income for the year							
Comprehensive income for the year						**4,945**	**4,945**
Net profit/loss for the preceding year					–2,645	2,645	0
Dividend					–23,129		–23,129
Closing equity, Dec. 31, 2012		**50,884**	**10,000**	**0**	**102,499**	**4,945**	**168,328**

Parent Company's cash-flow statement

SEK 000s	Note	2012	2011
Operating activities			
Operating profit/loss		–1,767	–12,482
Adjustment for items not included in cash flow	29	–482	–4,801
Sale of participations in subsidiaries		–	–10,770
Group contributions received		5,171	15,772
Interest payments received		15,789	21,880
Interest paid		–12,592	–15,365
Income tax paid		–1,656	–1,757
Cash flow from operating activities before changes in working capital		**4,463**	**–7,523**
Cash flow from changes in working capital			
Increase (–)/Decrease (+) in operating receivables		–16,405	2,106,678
Increase (+)/Decrease (–) of operating liabilities		–7,468	–396,016
Cash flow from operating activities		**–19,410**	**1,703,139**
Investing activities			
Shareholder contribution granted		–	–5,694
Cash flow from investing activities		**–**	**–5,694**
Financing activities			
Reduction in long-term liabilities		–	–986,736
Dividend paid		–23,129	–682,306
Cash flow from financing activities		**–23,129,**	**–1,669,042**
Cash flow for the year		**–42,539**	**28,403**
Cash and cash equivalents at the beginning of the year		85,146,	56,743
Cash and cash equivalents at year-end		**42,607**	**85,146**

Notes to the financial statements

Note 1 Accounting policies

(A) Compliance with standards and legal requirements
The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), which have been approved by the EU. In addition, the Swedish Financial Reporting Board's recommendation no. RFR 1, Supplementary accounting rules for corporate groups has been applied.

The Parent Company applies the same accounting policies as the Group except in the cases stated below in the section entitled "Parent Company accounting policies."

Amended accounting policies arising from amended or new IFRSs
During the year, changes in standards and new interpretations came into effect. However, these did not entail any significant effect for the Group's financial statements.

Voluntary switch of accounting policy
Effective January 1, 2011, the Group switched from reporting actuarial gains and losses according to the corridor method to reporting them in their entirety in other comprehensive income for the period during which they arise. The amendment was applied retroactively in line with IAS 8.

New IFRS that do not yet apply
A number of new standards and changes in standards as well as interpretations come into effect during the coming financial year. None of these new policies have been applied in advance in the financial statements for 2012. IFRS 13 applies as of 2013 and is a new standard for calculating the fair value of investment properties. The introduction of this standard is not expected to have any significant effect on Catena's financial reports.

(B) Assumptions underlying the preparation of the Parent Company's and the consolidated financial statements
The Parent Company's functional currency is the Swedish krona (SEK), which is also the reporting currency for the Parent Company and the Group. This means the financial statements are presented in (SEK). All amounts unless otherwise stated, are rounded off to the nearest SEK thousand. Assets and liabilities are recognized at historical cost, except for properties, which are recognized at fair value. See Note 14 for Investment Properties. Noncurrent assets held for sale are recognized at the lower of the previously recognized value and the fair value after deduction of selling expenses. See Section (R) below.

Preparing the financial statements in accordance with IFRS requires that senior management makes assessments, estimates and assumptions that affect the application of accounting policies and the recognized amounts of assets, liabilities, income and expenses. The estimates and the assumptions are based on historical experience and on a number of factors that under current circumstances seem reasonable. The result of these estimates and assumptions is then used to assess the carrying amounts for assets and liabilities that are otherwise not clearly specified from other sources. The actual outcome may deviate from these estimates and assessments.

The estimates and assumptions are reviewed on a regular basis. Changes in estimates are recognized in the period in which the change is made if the change only affected that particular period or in the period the change was made and subsequent periods if the change affected both that period and subsequent periods.

The accounting principles presented below for the Group have been applied consistently for all periods presented in the consolidated financial statements, unless otherwise stated below.

(C) Segment reporting
A segment is part of the Group that engages in activities that can generate income and incur expenses and which is identifiable for reporting purposes. Also, the results for a business segment are monitored by the company's senior executives – group management – in order to assess performance and be able to allocate resources to the segment. As of 2011, the Group only has one segment, the Stockholm region, which is why segments are not recognized separately.

(D) Classification, etc.
Non-current assets and long-term liabilities in the Parent Company and the Group essentially consist of amounts expected to be recovered or paid after more than twelve months of the balance-sheet date. Current assets and current liabilities in the Parent Company and the Group essentially consist only of amounts expected to be recovered or paid within 12 months of the balance-sheet date.

(E) Consolidation principles
Subsidiaries
Subsidiaries are companies in which Catena AB has a controlling influence. A controlling influence implies directly or indirectly a right to determine a company's financial and operational strategies in order to gain financial benefits. In assessing the existence of a controlling influence, potential voting shares that can be utilized or converted promptly are taken into consideration.

Subsidiaries are recognized in accordance with the acquisition method. This method entails that the acquisition of a subsidiary is treated as a transaction through which the Group indirectly acquires the subsidiary's assets and assumes its liabilities and contingent liabilities. The consolidated cost is established through an acquisition analysis in conjunction with the acquisition of operations. The analysis establishes the cost of the participation rights or the business, the fair value of the identifiable assets acquired and liabilities and the contingent liabilities assumed. Transaction costs are expensed directly.

A subsidiary's financial statements are incorporated in the consolidated accounts as of the time of the acquisition until the date when the controlling influence ceases. Intra-Group receivables and liabilities, income or expenses and unrealized gains or losses arising from intra-Group transactions among Group companies are entirely eliminated in the preparation of the consolidated accounts.

Classification of acquisitions
An acquisition of a property or properties, directly or indirectly, may be classified either as an asset acquisition or as a business acquisition. All acquisitions to date have been classified as asset acquisitions. This means that the entire purchase consideration is divided among the properties and that no goodwill will arise. No deferred tax is recognized initially on any difference between the acquisition price and the tax value of the asset.

(F) Foreign currency
Financial statements of foreign subsidiaries
Assets and liabilities in foreign operations are translated to SEK at the closing exchange rate. Revenue and expenses of foreign operations are translated to SEK at the average exchange rate representing an approximation of the rates on the various transaction dates. Translation differences arising in currency translation of foreign operations are recognized under other comprehensive income as a translation reserve. When a foreign operation is divested, the accumulated exchange rate differences are recognized in profit or loss along with the gain or loss from the divestment.

Transactions in foreign currency
Transactions in foreign currency are translated to the functional currency at the exchange rate on the transaction date. The functional currency is the currency in the primary economic environments where the companies conduct their operations. Monetary assets and liabilities in foreign currency are translated to the functional currency at the closing exchange rate. Exchange-rate differences arising in translation are recognized in profit or loss, apart from long-term intra-Group transactions, which are treated as part of the next investment in subsidiaries and are recognized under other comprehensive income. Non-monetary assets and liabilities recognized at historic costs are translated at the exchange rate on the

transaction date. Non-monetary assets and liabilities at fair values are translated to the functional currency at the exchange rate at the time of valuation of fair value.

(G) Revenues

Rental revenue

Rental revenue consists mainly of basic rents and reimbursement of property tax as well as additional rent for tenant customization. Rental revenue from investment properties is recognized on a straight-line basis in profit or loss, based on the terms and conditions of the lease.

Other operating income

Other operating income consists primarily of various services provided to tenants as well as onward invoicing for services purchased.

Income from property sales

Income from property sales (realized change in value) is normally recognized on the occupancy date unless the risks and benefits have been transferred to the purchaser at an earlier date. Control of the property may have been transferred at a date earlier than the occupancy date. If this is the case, income will be recognized from the property sale on the earlier date.

(H) Operating expenses and financial income and expenses

Other operating expenses

Other operating expenses refer mainly to purchase of the aforementioned services and consultancy fees.

Payments for financial leases

Minimum lease fees are allocated between interest expense and amortization of the outstanding debt. The interest expense is distributed over the lease period so that an amount corresponding to a fixed interest-rate is charged for each accounting period for the debt recognized in the period. Variable fees are expensed in the periods during which they arise.

Financial income and expenses

Financial income and expenses consist of interest income on bank funds/current investments and receivables and interest expense on loans, exchange-rate differences and changes in value of financial derivatives.

Interest expense for liabilities is calculated using the effective interest method. Effective interest is the interest-rate at which the present value of all future incoming and outgoing payments during the fixed interest term is equal to the carrying value of the receivable or liability.

Operational leasing agreements

Expenses relating to operational leasing agreements are recognized in profit or loss on a straight-line basis over the term of the lease. Benefits received in connection with the signing of a leasing agreement are recognized in profit or loss as a reduction of the leasing fees on a straight-line basis over the term of the lease. Variable fees are expensed in the periods during which they arise.

(I) Financial instruments

Financial instruments are measured and recognized in the Group in line with the rules of IAS 39 Financial instruments recognized in the balance sheet include such assets as cash and cash equivalents, accounts receivable, loan receivables and derivatives. Equity and liabilities include accounts payable, loan liabilities and derivatives.

Financial instruments are initially recognized at cost, corresponding to the fair value of the instrument with a supplement for transaction expenses. This applies to all financial instruments except those categorized as financial assets recognized at fair value via profit or loss, which are recognized at their fair value excluding transaction expenses. Subsequent reporting depends on their classification in accordance with what is outlined below. In conjunction with every report, the company makes an assessment of whether there are objective indications that a group of financial assets requires impairment.

IAS 39 classifies financial instruments in categories. This classification is based on the purpose of the acquisition of the financial instrument. Senior management determines the classification on the original acquisition date. Hedge accounting in accordance with IAS 39 is not applied.

Financial assets measured at fair value via profit or loss

Catena has conducted interest-rate swap agreements. This category includes these derivatives when they have a positive value. These agreements are measured on an ongoing basis at fair value, with changes in value recognized directly in profit or loss under the item Net financial items. It is recognized in the balance sheet under the item Long-term assets.

Loan receivables and accounts receivable

Loan receivables and accounts receivable are financial assets that are not derivatives with fix payments or payments than can be determined, and are not listed on an active market. The receivables arise when companies provide money and services directly to the credit recipient without intending to trade in the receivables. This category also includes acquired receivables. Assets in this category are measured at their accrued cost. Accrued cost is determined on the basis of the effective interest calculated at the time of acquisition.

Long-term receivables and other current receivables are receivables that arise when the company provides money without intending to trade in the receivable. If the expected holding period exceeds one year, they are treated as long-term receivables, otherwise as other receivables. These receivables are categorized as loan receivables and accounts receivable.

Accounts receivable are classified in the category loan receivables and accounts receivable. Accounts receivable are recognized in the amount expected to be received after deduction of doubtful claims, which are assessed on a case-by-case basis. The expected maturity of accounts receivable is short, and the value is accordingly recognized at a nominal amount without discounting. Impairments of accounts receivable are recognized in operating expenses.

Financial liabilities measured at fair value via profit or loss

This category includes the Group's derivatives with a negative fair value. Catena has concluded interest-rate swap agreements. This category includes these derivatives when they have a negative value. These agreements are measured on an ongoing basis at fair value, with changes in value directly recognized in profit or loss under the item Net financial items. It is recognized in the balance sheet under the item Long-term liabilities.

Other financial liabilities

This category includes loans and other financial liabilities, for example, accounts payable. The liabilities are measured at the accrued cost.

Liabilities are classified as other financial liabilities, meaning that they are initially recognized in the amounts received after deductions for transaction expenses. After the acquisition date, the loan is measured at the accrued cost in line with the effective interest method. Long-term liabilities have an expected maturity exceeding a year, while current liabilities have a maturity of less than one year.

Accounts payable are classified in the category entitled Other financial liabilities. Accounts payable have a short expected maturity and are measured without discounting nominal amounts.

(J) Investment properties

Investment properties are those held with a view to obtaining rental revenues or value appreciation or a combination of these two aims. Investment properties are initially recognized at cost, which includes expenses attributable to the acquisition. After acquisition, investment properties are recognized at fair value. Fair value is entirely based on appraisals by independent, external appraisers with recognized qualifications and relevant expertise in the valuation of properties of a particular type and location. This valuation is normally carried out in connection with the closing of accounts. Revaluation of the portfolio takes place in conjunction with quarterly reporting for the properties in question. This revaluation of fair value takes place through an internal valuation over the course of the year, with external information obtained from the property markets. Fair values are based on market values, which are the assessed amount that would be received in a transaction on the valuation date between knowledgeable parties that are independent of each other and who have an interest in the transaction being conducted via customary marketing, where both parties are assumed to have acted with insight and prudence, and not under duress.

Both unrealized and realized changes in value are recognized in profit or loss. Rental revenue and income from property sales are recognized in accordance with the principles described in the section on revenue reporting.

Loan expenses
Loan expenses attributable to the creation of "qualified assets" are capitalized as part of the cost of the qualified asset. A qualified asset is an asset that of necessity takes a considerable time to complete. Firstly, loan expenses are capitalized that have arisen for loans that are specific to the qualified asset. Secondly, loan expenses are capitalized that have arisen from general loans that are not specific to any qualified asset.

Additional expenses for investment properties recognized in accordance with the fair value method:
The Group's properties are divided into components. Additional expenses are added to the recognized value only if it likely that the future financial advantage associated with the asset will benefit the company and the cost can be estimated in a reliable manner. All other additional expenses are recognized as costs in the period they arise. A key factor in assessing when additional expense to the recognized value is whether the expense refers to the replacement of identified components of parts thereof, in which case expenses are capitalized. Also in cases in which a new component has been created, the expense is added to the recognized value. Repairs are expensed as expenditure arises.

(K) Property, plant and equipment
Proprietary assets
The item Property, plant and equipment consists of expenses incurred at properties belonging to another party, as well as equipment, tools and fittings and fixtures, and are recognized as assets in the balance sheet if it is likely that future economic benefit will accrue to the company, and the cost of the assets can reliably be determined.

Accrued expenses at properties belonging to another party in the Parent Company consist of a property owned by a subsidiary.

The item Property, plant and equipment is recognized at cost after the deduction of accumulated depreciation and impairment, if any. The cost includes the purchase price and expenses directly attributable to the asset, and required to take it to its current location and transform it into a condition in which it can be utilized in line with the aim of the acquisition.

Additional expenses
Additional expenses are added to the cost only if it is likely that the future economic benefits associated with the asset will accrue to the company, and that the cost can be reliably determined. All other additional expenses are recognized as a cost in the period they arise.

Estimated service life:

– Accrued expenses on property of another party	10 years
– Equipment, tools and installations	5–10 years

(L) Impairment
The carrying amounts for the Group's assets, with the exception of investment properties and deferred tax assets – are reviewed on each closing date to access the possible impairment requirement. If such a requirement exists, the recoverable amount of the asset is estimated. The valuation of the excepted assets as noted above is assessed in accordance with the applicable standard.

(M) Earnings per share
Calculation of earnings per share is based on net profit for the year in the Group attributable to the Parent Company's shareholders and the number of shares outstanding at year-end.

N) Employee benefits
Defined-contribution plan
Commitments as regards fees for defined-contribution plans are recognized as an expense in profit or loss as they arise.

Defined-benefit plans
The Group's net commitment as regards defined-benefit plans is calculated separately for each plan by estimating the future benefit that the employees have earned from their employment in previous periods in which Catena has offered a defined-benefit plan. The compensation is discounted at present value with a discount factor of 3.6 percent and the fair value of any managed assets is deducted. The discount interest rate calculated on the basis of the yield on the balance-sheet date of a high-grade corporate bond with a term that corresponds to the Group's pension commitments. If an active market for such corporate bonds does not exist, the market rate on government bonds of a corresponding term is used instead. The calculation is done by an accredited actuary.

When the benefits of a plan improve, the portion of the increased benefit that relates to the employee's employment during previous periods is recognized as an expense in profit or loss and distributed on a straight-line basis over the average period until the benefits have been fully vested. If the benefit is fully vested, an expense is recognized directly in profit or loss.

Actuarial gains and losses can arise in determining the present value of the pension commitments and the fair value of managed assets. These arise either because the fair value deviates from previous assumptions, or because of changes in assumptions. Actuarial gains and losses are recognized as an income or an expense in other comprehensive income.

When there is a difference between how the pension expense is determined for a legal entity and for the Group, a provision or receivable pertaining to the special employer's contribution is recognized based on this difference. The present value of the provision or receivable is not calculated.

(O) Provisions
A provision is recognized in the balance sheet when the Group has an existing legal or informal commitment due to an event that has occurred and it is likely that an outflow of financial resources will be required to meet the commitment, and a reliable estimate of the amount can be made.

(P) Taxes
Income taxes consist of current tax and deferred tax. Income tax is recognized in profit or loss except where the underlying transaction is recognized in other comprehensive income or equity when the underlying tax effect is recognized in other comprehensive income or equity.

Current tax is tax that is to be paid or received for the current year, in accordance with the tax rates decided on or for all practical purposes decided upon at the balance-sheet date. This also includes adjustment of current tax relating to previous periods.

Deferred tax is calculated in accordance with the balance sheet method, based on temporary differences between the accounting values and tax values of assets and liabilities. The following temporary differences are not are not taken into consideration: the initial reporting of assets and liabilities that are not acquisitions of operations and that at the time of the transaction do not affect the carrying amount or the taxable earnings. Nor are temporary differences attributable to participation in subsidiaries that are not expected to be reversed within the foreseeable future taken into account. The valuation of deferred tax is based on how the carrying amounts of assets or liabilities are expected to be realized or settled.

Deferred tax is calculated by applying the tax rates and tax rules that have been decided or have for all practical purposes been decided at the balance-sheet date. Deferred tax assets pertaining to deductible temporary differences and loss carry-forwards are recognized only insofar as they are likely to be utilized. The value of deferred tax assets is reduced when it is no longer considered that they can be utilized.

As of 2013, the corporate tax rate has been lowered from 26.3 percent to 22 percent. Accordingly, Catena recognizes estimated deferred tax liabilities and tax assets at the new tax rate. The change in the tax rate had a positive impact of SEK 21 M on earnings for the year.

(Q) Contingencies (contingent liabilities)
A contingency is recognized when there is a potential commitment that could result from events that have occurred and whose existence is confirmed only by one or more uncertain future events or when there is a commitment that is not recognized as a liability or provision because it is unlikely that an outflow of resources will be required.

(R) Parent Company accounting policies
The Parent Company has prepared its Annual Report in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation no. RFR 2 Accounting for legal entities, which entails that the Parent Company in its annual report for the legal entity shall apply as far as possible all of the EU-approved IFRS and recommendations as far as possible within the framework of the Annual Accounts Act, and taking into consideration the connection between accounting and taxation. Recommendations indicate the exceptions and the supplements to IFRS that are to be made. The difference between the Group's and the Parent Company's accounting principles are shown below.

The accounting policies for the Parent Company have been applied consistently for all periods presented in the Parent Company's financial reports. The same policies have been applied as last year.

Classification and format
The Parent Company's income statement and balance sheet are presented in accordance with the schedule presented in the Annual Accounts Act. The difference with IAS 1, Presentation of Financial Statements, which is applied in the presentation of the Group's financial statements, mainly involves the reporting of financial income and expenses, property, plant and equipment, equity, and provisions being separate headings in the balance sheet.

Subsidiaries
Participation rights in subsidiaries are recognized in the Parent Company in accordance with the cost method.

Financial instruments
The Parent Company applies the measurement rules in Chapter 4, Section 14 a–e of the Annual Accounts Act, which permit the measurement of certain financial instruments at fair value.

Financial guarantees – Parent Company
The Parent Company's financial guarantee agreements consist of surety undertakings in the role of part-owner of the mutual Försäkringsbolaget PRI Pensionsgaranti. This financial guarantee entails a commitment to contribute funds to PRI in the event that its assets are insufficient to meet its commitments, but to the maximum amount of the assumed contingent liability. For reporting financial guarantee agreements, the Parent Company applies a rule in RFR, which entails a relaxation compared with the rules in IAS 39, as regards financial guarantee agreements issued in favor of subsidiaries.

The Parent Company reports financial guarantee agreements as a provision in the balance sheet when the company has an undertaking for which payment will probably be required to settle the undertaking.

Employee benefits
Defined-benefit plans
In the Parent Company, the grounds for the calculation of defined-benefit plans are different from those specified in IAS 19. The Parent Company complies with the provisions of the Income Security Act and the recommendation of the Swedish Financial Supervisory Authority, since this is a prerequisite of eligibility for tax deductions. The most significant differences from rules in IAS 19 are the manner in which the discount interest-rate is determined, that the calculation of the defined-benefit commitment is based only on the current salary level without any assumption of future salary increases, and the fact that actuarial gains and losses are recognized in profit or loss when they arise.

Taxes
In the Parent Company, untaxed reserves are recognized including the deferred tax liability. In the consolidated accounts, however, untaxed reserves are divided up into deferred income tax liability and equity.

Group contributions and shareholder contributions
Received and granted Group contributions are recognized as financial income and expense. Shareholder contributions are recognized as an investment in shares in subsidiaries, whereby impairment testing is conducted of the share item.

Note 2 Discontinued operations

Pertains only to the Group.

During 2010, property sales comprising a total of five properties with a lettable area of 37,546 square meters were completed. The sales entailed that the Oslo region and part of the Öresund region were discontinued.

During the latter half of 2010, an action plan was initiated to divest the property portfolio in the Gothenburg region, the remainder of the Östersund region and a major share of the Stockholm region.

The criteria of IFRS 5 for reporting a discontinued operation were deemed fulfilled as of December 31, 2010.

In line with the current accounting policies, the properties were recognized in the 2010 closing accounts at the estimated fair price, with deductions for deferred tax. The sale of the properties in 2011 was undertaken through the Parent Company divesting the shares of the subsidiaries. As a result, a minor change in value was recognized in 2011 for the properties sold, based on the purchase price received. The deferred tax liability in respect of temporary differences for the properties was reversed during 2011, resulting in a tax income of SEK 65,961,000.

Discontinued operations	**2012**	2011
Net profit from discontinued operations		
Income	–	–
Expenses	–	–
Pre-tax profit	**–**	**–**
Tax	–	–
Pre-tax profit	**–**	**–**
Net profit from the divestment of discontinued operations		
Properties, realized changes in value	–	2 640
Tax attributable to the above value changes	–	65 961
Profit from divestment after tax	**–**	**68 601**
Change in fair value for the year		
Properties, unrealized changes in value	–	–
Tax attributable to the above changes in value	–	–
Profit after tax from the change during the year	**–**	**68 601**
Total profit from discontinued operations after tax	**–**	**68 601**

Note 3 Other operating income

GROUP

SEK 000s	2012	2011
Invoiced services, external	–	87
	–	**87**

PARENT COMPANY

SEK 000s	2012	2011
Management fees/consultancy fees, Intra-Group	4,060	4,049
Invoiced services, external	–	87
	4,060	**4,136**

Note 4 Employee and personnel costs

Pertains to both remaining and discontinued operations.

Expenses for employee remuneration

GROUP

SEK 000s	2012	2011
Wages, salaries and other remuneration	1,468	3,225
Pension costs, defined benefit plans (See Note 21)	83	1,277
Pension costs, defined-contribution plans	–	2,159
Social security contributions	423	2,841
	1,974	**9,502**

Average number of employees SEK 000s	2012	Of whom men, %	2011	Of whom men, %
Parent Company, Sweden	2	100	5	80
Total, Parent Company	**2**	**100**	**5**	**80**
Group total	**2**	**100**	**5**	**80**

Wages, salaries, other remuneration and social security contributions

	2012		2011	
SEK 000s	Parent Company	Social security contri-butions	Wages, salaries and other remunera-tion	Social security contri-butions
(of which pension costs)	1,468	643	3,225	7,337
(varav pensionskostnad)	–	83	–	6,421

Wages, salaries and other remuneration distributed by country and among senior executives and other employees

	2012		2011	
SEK 000s	Senior executives	Other employ-ees	Senior executives	Other employ-ees
Parent Company				
Sweden	1,468	–	2,509	716
Group	1,468	–	2,509	716
Total	**1,468**	**–**	**2,509**	**716**

Benefits to senior executives, Parent Company Remuneration and other benefits during 2011

SEK 000s	Basic salary/ Board fee	Variable remun-eration	Other benefits	Pension expenses	Total
Chairman of the Board	210	–	–	–	210
Board members, six persons	472	–	–	–	472
CEO	852	–	38	3,865	890
Other senior executives*	975	–	82	429	971
Total	**2,509**	**–**	**120**	**4,294**	**2,543**

Benefits to senior executives, Parent Company Remuneration and other benefits during 2012

SEK 000s	Basic salary/ Board fee	Variable remun-eration	Other benefits	Pension expenses	Total
Chairman of the Board	200	–	–	–	200
Board members, six persons	100	–	–	–	400
CEO	600	–	–	–	600
Other senior executives*	268	–	–	–	268
Total	**1,468**	**–**	**–**	**–**	**1,468**

* In 2012, this pertained to one person (two).

Note 5 Fees and cost reimbursement for auditors

	Group		Parent Company	
SEK 000s	**2012**	2011	**2012**	2011
PwC/KPMG				
Auditing assignments KPMG	167	140	167	140
Auditing assignments PwC	115	–	115	–
Audit activities in addition to auditing assignments KPMG	–	532	–	532
Audit activities in addition to auditing assignments PwC	32	–	32	–
Tax advisory services KPMG	–	64	–	64
	314	**736**	**314**	**736**

Note 6 Operating expenses distributed by type of cost

Specification of expenses distributed by type of cost for property administration and central administrative functions.

	Group		Parent Company	
SEK 000s	**2012**	2011	**2012**	2011
Property administration				
External expenses	–	2,730	–	–
	–	**2,730**	**–**	**–**
Central administration				
Depreciation	–	201	–	201
Personnel expenses	1,974	10,719	2,111	10,719
External expenses	3,720	1,908	3,716	5,698
	5,694	**12,828**	**5,827**	**16,618**
Total expenses distributed by type of cost	**5,694**	**15,558**	**5,827**	**16,618**

Note 7 Net financial items

GROUP

SEK 000s	**2012**	2011
Interest income, other	1,029	10,315
Financial derivatives, changes in value measured at fair value via profit/loss	–	3,070
Financial income	**1,029**	**13,385**
Interest expenses, other	–9,882	–17,175
Financial expenses	**–9,882**	**–17,175**
Net financial items	**–8,853**	**–3,790**

Interest income and similar profit/loss
PARENT COMPANY

SEK 000s	**2012**	2011
Interest income, Group companies	14,875	9,382
Interest income, other	914	9,428
Financial derivatives, change in value	–	3,070
	15,789	**21,880**

Interest expense and similar profit/loss items
PARENT COMPANY

SEK 000s	**2012**	2011
Interest expenses, Group companies	12,215	7,956
Interest expenses, other	377	7,409
	12,592	**15,365**

All interest-rate income derives from financial assets measured at accrued cost.

Interest-rate expenses are primarily attributable to financial liabilities measured at accrued cost.

Note 8 Appropriations

PARENT COMPANY

SEK 000s	**2012**	2011
Difference between recognized depreciation and depreciation according to plan:		
Equipment	–	77
	–	**77**

Note 9 Taxes

Recognized in profit or loss
GROUP

SEK 000s	**2012**	2011
Current tax expense/tax revenue	–1,272	–4,968
Deferred tax for temporary differences	–38,664	–24,725
Tax expense recognized in the Group	**–39,936**	**–29,693**
Recognized tax in discontinued operations		
Tax on capital gain from divestment of discontinued operations	–	65,961
Recognized tax in discontinued operations	**–**	**65,961**
Total tax cost for remaining and discontinued operations	**–39,936**	**36,268**

PARENT COMPANY

SEK 000s	**2012**	2011
Current tax expense (–)/tax revenue (+)		
Tax expense/tax revenue for the period	–1,249	–1,762
	–1,249	**–1,762**
Deferred tax for temporary differences	–407	–165
	–407	**–165**
Total recognized tax expense/ tax revenue in the Parent Company	**–1,656**	**–1,927**

Tax recognized via comprehensive income
GROUP

SEK 000s	**2012**	2011
Tax on change in translation reserve	–	–2,664

PARENT COMPANY

SEK 000s	**2012**	**2011**
Tax on change in fair value reserve	–	–170

Reconciliation of effective tax
GROUP

SEK 000s	**2012**	2011
Pre-tax profit, continuing and discontinued operations	246,477	93,375
Tax according to current rate for Parent Company, 26.3%	–64,823	–24,558
Tax relating to previous years	–	168
Sale of discontinued and divested operations	–	62,816
Non-deductible expenses	–4	–3,148
Income not subject to tax	508	990
Change in corporate tax rate	20,905	–
Tax attributable to preceding year	3,478	–
Recognized effective tax	**–39,936**	**36,268**

Reconciliation of effective tax
PARENT COMPANY

SEK 000s	**2012**	2011
Pre-tax profit	6,601	–888
Tax according to current rate for Parent Company, 26.3%	–1,736	233
Non-deductible expenses	–3	–3,148
Income not subject to tax	490	990
Tax for preceding year	–	168
Translation difference, foreign currency	–	–170
Recognized effective tax	**–1,249**	**–1,927**
Recognized as tax in		
– Parent Company Income Statement	–1,249	–1,757
– Statement of Comprehensive Income for the Parent Company	–	–170
	–1,249	**–1,927**

Deferred tax assets and liabilities
Deferred tax assets and liabilities pertain to the following:

GROUP	Deferred tax assets		Deferred tax liabilities		Net	
SEK 000s	**2012**	2011	**2012**	2011	**2012**	2011
Investment properties	–	–	–108,015	–69,758	–	–69,758
Pension provisions	1,057	1,465	–	–	–	1,465
Tax assets/liabilities	**1,057**	**1,465**	**–108,015**	**–69,758**	**–**	**–68,293**
Offsetting	–1,057	–1,465	1,057	1,465	–	–
Tax assets/liabilities, net	**0**	**0**	**–106,958**	**–68,293**	**–**	**–68,293**

PARENT COMPANY	Deferred tax assets		Deferred tax liabilities		Net	
SEK 000s	**2012**	2011	**2012**	2011	**2012**	2011
Pension provisions	1,057	1,465	–	–	–	1,465
Tax assets/liabilities, net	**1,057**	**1,465**	**–**	**–**	**–**	**1,465**

Note 10 Property, plant and equipment

GROUP 2011 SEK 000s	Equipment, tools, fixtures and fittings	Total
Cost		
Opening balance, Jan 1, 2011	4,228	4,228
Divestments	–1,967	–1,967
Closing balance, Dec. 31, 2011	**2,261**	**2,261**
Depreciation and impairment		
Opening balance, Jan. 1, 2011	–2,870	–2,870
Divestments	826	826
Depreciation for the year	–201	–201
Closing balance, Dec. 31, 2011	**2,245**	**2,245**
Carrying amount		
Jan. 1, 2011	**1,358**	**1,358**
Dec. 31, 2011	**16**	**16**

GROUP 2012 SEK 000s	Equipment, tools, fixtures and fittings	Total
Cost		
Opening balance, Jan. 1, 2012	2,261	2,261
Divestments	–2,261	–2,261
Closing balance, Dec. 31, 2012	**–**	**–**
Depreciation and impairment		
Opening balance, Jan. 1, 2012	–2,245	–2,245
Divestments	2,245	2,245
Depreciation for the year	–	–
Closing balance, Dec. 31, 2012	**–**	**–**
Carrying amounts		
Jan. 1, 2012	**16**	**16**
Dec. 31, 2012	**–**	**–**

Depreciation is distributed over the following lines in profit or loss.

GROUP SEK 000s	**2012**	2011
Depreciation		
Central administration	–	201
Total depreciation and impairment for property, plant and equipment	**–**	**201**

PARENT COMPANY SEK 000s	Expenses paid for property belonging to another party	Equipment, tools and fixtures and fittings	Total
Cost			
Opening balance, Jan. 1, 2011	190	2,071	2,261
Acquisitions	**190**	**2,071**	**2,261**
Closing balance, Dec. 31, 2011			
Depreciation			
Opening balance, Jan. 1, 2011	–122	–1,922	–2,044
Depreciation for the year	–68	–133	–201
Closing balance, Dec. 31, 2011	**–190**	**–2,055**	**–2,245**
Carrying amount			
Jan. 1, 2011	**68**	**149**	**217**
Dec. 31, 2011	**0**	**16**	**16**

PARENT COMPANY SEK 000s	Expenses paid for property belonging to another party	Equipment, tools and fixtures and fittings	Total
Cost			
Opening balance, Jan. 1, 2012	190	2,071	–2,261
Acquisitions	–190	–2,071	2,261
Closing balance, Dec. 31, 2012	**0**	**0**	**0**
Depreciation			
Opening balance, Jan. 1, 2012	–190	–2,055	–2,245
Depreciation for the year	190	2,055	2,245
Closing balance, Dec. 31, 2012	**0**	**0**	**0**
Carrying amount			
Jan. 1, 2012	**0**	**16**	**16**
Dec. 31, 2012	**0**	**0**	**0**

Depreciation is distributed over the following lines in profit or loss.

PARENT COMPANY SEK 000s	**2012**	2011
Depreciation		
Central administration	–	201
Total depreciation and impairment for property, plant and equipment	**–**	**201**

Note 11 Investment properties

Group
Information concerning changes in carrying amounts of investment properties. Investment properties are recognized in accordance with the fair value method.

SEK 000s	**2012**	2011
Opening fair value	610,000	520,000
Investments in properties	1,488	3,292
Unrealized change in value	238 512	86,708
Closing fair value	**850,000**	**610,000**

Investment properties are recognized in the balance sheet at fair value and changes in value of these properties are recognized in profit or loss.

Investment properties consist of one property with a lettable area of 40,723 square meters. The leases have a remaining weighted duration of 8.7 years. The required notice periods vary from nine to 18 months, with extension periods ranging from three to five years. The rental level for leased premises with longer leases than three years is normally linked to the consumer price index. Nearly 100 percent of the basic rental volume in Catena's portfolio is subject to annual adjustment.

Appraisal method applied
The fair value recognized in the balance sheet comprises, in all material respects, an estimated value of the development rights that can be realized through the zoning plan that has been completed for the properties. The development rights pertain to residential and commercial premises for the Stora Frösunda 2 and Hagalund 2:2 properties located in the City of Solna.

The applied appraisal method for the development rights is based on a location price method, through which the value is estimated via comparisons with land allocation agreements and agreements governing the transfer of development rights in Stockholm and the Stockholm suburbs. Following an assessment in which Catena's development rights status in comparison with comparative facilities was included, deductions were made for the estimated costs in terms of demolition, plan preparation and so forth. Moreover, deductions were made for waiting times and the calculated risk associated with development rights. A minor portion of the total estimated fair value pertains to the net operating income generated in the existing use of the property.

In conjunction with the preparation of the financial statements, two independent appraisers conducted a gross appraisal with a value dated December 31, 2012. Reasonable development costs were deducted from the gross value. Based on the appraisals, Catena assessed the overall fair value of the properties at SEK 850 M.

Investment properties
All properties generate rental income.

Note 12 Financial investments and changes in value of derivatives

GROUP, remaining operations

SEK 000s	**Dec. 31, 2012**	Dec. 31, 2011
Interest-rate swaps		
Opening balance	–497	–3,567
Interest-rate swaps, change in value via profit or loss	497	3,070
Closing balance	**–**	**–497**

The above closing balance is recognized in the balance sheet as specified below:

GROUP

SEK 000s	**Dec. 31, 2012**	Dec. 31, 2011
Other long-term liabilities	–	–497
Closing balance	**–**	**–497**

PARENT COMPANY

SEK 000s	**Dec. 31, 2012**	Dec. 31, 2011
Interest-rate swaps		
Opening balance	–497	–3,567
Interest-rate swaps, change in value via profit or loss	497	3,070
Closing balance	**–**	**–497**

The Parent Company conducts all transactions with derivative instruments, with changes in value recognized via profit or loss. Financial derivative instruments are recognized at fair value in line with IAS 39. Catena does not utilize hedge accounting.

PARENT COMPANY

SEK 000s	**Dec. 31, 2012**	Dec. 31, 2011
Other long-term liabilities	–	–497
Closing balance	**–**	**–497**

Note 13 Prepaid expenses and accrued income

	Group		Parent Company	
SEK 000s	**Dec. 31, 2012**	Dec. 31, 2011	**Dec. 31, 2012**	Dec. 31, 2011
Prepaid rent	–	182	–	182
Prepaid insurance premiums	110	167	110	167
Prepaid expenses, Stockholm Stock Exchange	48	52	48	52
Other prepaid expenses	–	62	–	62
	158	**463**	**158**	**463**

Note 14 Equity

For specification of changes in equity during the year, refer to the Summary of changes in equity.

GROUP
Share capital
At December 31, 2012, the registered share capital amounted to 11,564,500 shares (11,564,500) with a quotient value of SEK 4.40 each.

Other contributed capital
Refers to equity contributed by shareholders. Includes a portion of the share premium reserve that was transferred to the statutory reserve at December 31, 2005. Allocations to the share premium fund on and after January 1, 2006, are also recognized as contributed capital.

Translation reserve
The translation reserve includes all exchange differences that arise from the translation of financial statements from foreign operations that have prepared their own reports in a currency other the currency in which the Group's financial statements are presented. The Parent Company and the Group present their financial statements in Swedish kronor. Effective January 1, 2008, exchange-rate differences attributable to internal transactions included in the company's net investment in foreign operations are also included.

Profit brought forward, including comprehensive income for the year
Profit brought forward, including comprehensive income for the year, includes profit earned by the Parent Company and its subsidiaries. Previous appropriations to statutory reserves, excluding share premium reserves, are included in the equity item. An unconditional shareholder contribution is also included.

According to the Board's policy, the Group's financial goal is to have a sound capital structure and financial stability, and thus retain the confidence of investors, creditors and the market, and to serve as a basis for continued development of the business. Equity is defined as total equity according to the consolidated balance sheet.

The aim of the Board is to maintain a balance between high yield, which can be attained by higher borrowing, and the benefits and security offered by a sound capital structure.

The Group's target is to achieve a return on equity that exceeds the yield on a five-year treasury bond by at least five percentage points. In 2012, the yield was 53.0 percent (22.7).

In the long term, the Group's dividend is to amount to 75 percent of the income from property management after 26.3 percent of standard tax, but excluding realized and unrealized changes in the value of properties and excluding unrealized changes in the value of derivatives. In the proposed appropriation of earnings, the Board will propose to the 2013 AGM that Catena pays a dividend of SEK 1.00 per share for the 2012 financial year, amounting to a total dividend of SEK 11,465,500.

According to the annual report, Catena's equity/assets ratio amounts to 52.0 percent for the Group.

One of Catena's financial targets is for the equity/assets ratio for the Group to range from 25 to 35 percent.

PARENT COMPANY
Share capital
At December 31, 2012, the share capital amounted to 11,564,500 shares (11,564,500), with a quotient value of SEK 4.40 each.

Restricted equity
Statutory reserve
The statutory reserve consists of previously appropriated net profit.

Unrestricted equity
Profit brought forward
Consists of unrestricted equity for the previous year after prior appropriation to a statutory reserve and after distribution of profit, and together with net profit for the year, totals unrestricted equity, that is, the amount available for distribution to shareholders.

Proposed dividend
After the balance-sheet date, the Board proposed the following dividend. The dividend will be proposed for approval by the AGM on April 24, 2013.

SEK 000s	**2012**	2011
SEK 1.00 per share (2.00), ordinary	11,564	23,129
	11,564	**23,129**

Note 15 Earnings per share

The Company has no outstanding subscription options or convertibles that can cause dilution effects. The total number of shares is 11,564,500.

Earnings per share are calculated according to the average number of shares.

GROUP

SEK	**2012**	2011
Earnings per share	17.86	11.21
Earnings per share, remaining operations	17.86	5.28
Earnings per share, discontinued operations	–	5.93

Note 16 Interest-bearing liabilities

GROUP

SEK 000s	**2012**	2011
Long-term liabilities		
Liabilities to credit institutions	306,400	306,400
	306,400	**306,400**

PARENT COMPANY

SEK 000s	**2012**	2011
Long-term liabilities		
Liabilities to credit institutions	–	–
	–	**–**

Terms and conditions
Collateral posted for bank loans amounts to SEK 306,400,000 (306,400,000) in the company's properties.

Refer to Note 23 for more information about the Company's exposure to interest-rate risk and the risk of exchange-rate fluctuations.

Loan maturity structure
The loan falls due for payment in its entirety in May 2014.

Interest maturity structure
The loan has an average fixed-rate period of three months (three months) and the average interest rate was 2.85 percent (4.14). Interest payments for the current loan are estimated to be SEK 7.2 M in 2013 and SEK 3.6 M in 2014.

Note 17 Pensions

Defined-benefit plans
Defined benefit plans pertain solely to previously employed personnel and, thus, defined-benefit plans are no longer vested.

GROUP

SEK 000s	**2012**	2011
Present value of net commitment	**12,058**	**12,113**
Net amount in the balance sheet	**12,058**	**12,113**

Changes in the balance sheet in the recognized net commitment for defined-benefit plans

GROUP

SEK 000s	**2012**	2011
Net commitment for defined-benefit plans, at Jan. 1	12,113	9,514
Benefits paid	–456	–112
Expense recognized in profit or loss	427	604
Actuarial gains recognized in comprehensive income	–26	2,107
Net commitment for defined-benefit plans as of Dec. 31	**12,058**	**12,113**

Expenses recognized in profit or loss

GROUP

SEK 000s	**2012**	2011
Expenses relating to employment during the current period	–110	–217
Interest expense for commitment	–317	–387
Total net expenses in profit or loss	**–427**	**–604**

Expenses recognized in comprehensive income

GROUP

SEK 000s	**2012**	2011
Actuarial gains (+) and losses (–)	26	–2,107
Total	**26**	**–2,107**

The accumulated actuarial loss amounted to	2,081	2,107

Expense recognized in the following items in profit or loss

GROUP

SEK 000s	**2012**	2011
Central and property administration	–110	–217
Financial expenses	–317	–387
Total	**–427**	**–604**

Assumptions for defined-benefit commitments
The most important actuarial assumptions on the balance-sheet date.

GROUP/PARENT COMPANY

%	**2012**	2011
Discount rate at Dec. 31	3.60	3.60
Future increase in salaries	0	0
Income base amount	0	0
Future increase in pensions	2.00	2.00
Annual increase in paid-up policies	0	0
Severance intensity	0	0

Parent Company pension commitment

SEK 000s	**Dec. 31, 2012**	Dec. 31, 2011
FPG/PRI	9,105	8,997
For which pension commitment provided by FPG/PRI	9,105	8,997

SEK 000s	**2012**	2011
Opening value	8,997	7,832
Benefits paid	–456	–112
Expense recognized in profit or loss	564	1,277
Closing value	**9,105**	**8,997**

Expense recognized in the following item in profit or loss

SEK 000s	**2012**	2011
Central administration	190	1,277
Interest	374	–

Defined-contribution plans
In Sweden, the Group has defined-contribution plans for employees, which are fully funded by the company.

Payment to these plans is made continuously according to the rules of each plan.

	Group		Parent Company	
SEK 000s	**2012**	2011	**2012**	2011
Expenses for defined- benefit Plans	–	2,159	–	1,360

Historic information on defined-benefit plans

GROUP

SEK 000s	**2012**	2011	2010	2009	2008
Present value of net commitment	12,058	12,113	9,514	9,612	8,937
Unrecognized actuarial gains (+)/losses (–)	–	–	–	–2,801	–2,24
Net recognized for defined-contribution plans	**12,058**	**12,113**	**9,514**	**6,811**	**6,713**

Note 18 Other provisions

GROUP

SEK 000s	**Dec. 31, 2012**	Dec. 31, 2011
Special payroll tax	938	1 087
Total	**938**	**1 087**

PARENT COMPANY

SEK 000s	**Dec. 31, 2012**	Dec. 31, 2011
Special payroll tax	938	1 087
Total	**938**	**1 087**

Payments

SEK 000s	**Dec. 31, 2012**	Dec. 31, 2011
GROUP		
Amount at which provision is expected to be paid after more than 12 months	788	938
PARENT COMPANY		
Amount at which provision is expected to be paid after more than 12 months	788	938

GROUP

SEK 000s	**2012**	2011
Opening balance	1,087	2,884
Settled commitments	–149	–2,884
Provisions	–	1,087
Closing balance	938	1,087
Provisions on the balance-sheet date pertain to payroll tax	**938**	**1,087**

PARENT COMPANY

SEK 000s	**2012**	2011
Opening balance	1,087	2,884
Settled commitments	–149	–2,884
Provisions	–	1,087
Closing balance	938	1,087
Provisions on the balance-sheet date pertain to payroll tax	**938**	**1,087**

Note 19 Other liabilities

GROUP

SEK 000s	**Dec. 31, 2012**	Dec. 31, 2011
Liabilities		
Value-added tax	1,492	1,566
Employee withholding tax	27	28
Other current liabilities	167	–
Total	**1,686**	**1,594**

PARENT COMPANY

SEK 000s	**Dec. 31, 2012**	Dec. 31, 2011
Liabilities	167	–
Value-added tax	161	421
Employee withholding tax	27	28
Total	**355**	**449**

Note 20 Accrued expenses and prepaid income

SEK 000s	Group Dec. 31, 2012	Group Dec. 31, 2011	Parent Company Dec. 31, 2012	Parent Company Dec. 31, 2011
Accrued holiday pay, including social security contributions	51	5	51	5
Accrued social security contributions	–	19	–	19
Accrued interest expense	572	1,232	–	288
Accrued auditing fees	50	40	50	40
Accrued expenses, annual report	700	500	700	500
Accrued consultancy fees	334	49	334	49
Accrued selling expenses	5,715	6,386	5,715	6,386
Accrued construction and renovation expenses	–	112	–	–
Prepaid rental revenue	6,697	6,651	–	–
Accrued property tax	–	303	–	–
Board fees, including social security contributions	591	552	591	552
Other	–	52	–	–
	14,710	**15,901**	**7,441**	**7,839**

Note 21 Financial risks and financial policies

As a result of its operations, the Group is exposed to various types of financial risks.

Financial risk refers to fluctuations in the company's earnings and cash flow due to changes in exchange rates, interest rates, and refinancing and credit risks. All financial risk management is managed by Catena AB's finance function, which is thereby also responsible for the Catena Group's financial risk management. Risk management is governed by a finance policy that is adopted on an annual basis by Catena's Board.

Counterparty risk
Counterparty risk is defined as the risk that Catena's counterparties will not be able to meet their undertakings to Catena. Counterparty risk arises in financial activities, though, for example, investment of surplus liquidity, interest-rate swap agreements, as well as via long-and short-term credit contracts and credit undertakings. As regards credit risk, Catena's financial policy stipulates that only counterparties with a satisfactory credit rating are acceptable in financial transactions.

Liquidity risk
Liquidity risk (also referred to as financing risk) refers to the risk that financing cannot be obtained, or can only be obtained at a sharply increased cost. The major portion of the Group's financing consists of long-term bank loans. Catena runs the risk that loans fall due for payment without being able to finance them. With a view to reducing this risk, Catena has reached agreement with the company's creditors on pre-determined tied-up capital. In return, Catena has undertaken to maintain a particular interest coverage and equity/assets ratio. The average remaining tied-up capital period was 1.3 years at year-end.

Borrowing risk
In addition to equity, Catena's operations are financed largely by borrowing from credit institutions. The borrowing risk refers to the risk that it will not be possible to refinance outstanding loans and raise new loans, or only possibly on unfavourable terms, at a particular point in time. To reduce the borrowing risk, Catena endeavours to obtain loans with long maturities, as well as having a broad creditor base.

Interest-rate risk
The interest-rate risk is the risk that the value of a financial instrument will vary on account of changes in market interest rates. Interest-rate risk may consist of a change in fair value, price risk and changes in cash flow – cash flow risk. A significant factor affecting interest-rate risk is the fixed interest term. Long fixed interest terms primarily affect the cash flow risk whereas shorter fixed interest terms affect the price risk. The Group is financed by bank loans, which fluctuate with the three-month Stibor. All previously entered derivative instruments were discontinued in 2012.

Credit risk in accounts receivable
Customer credit risk is the risk that the Group's/Company's customers do not perform their undertakings, meaning that payment is not received for accounts receivable. Credit checks are performed on the Group's customers, which involve retrieving information on the customer's financial position from credit rating agencies. Most of the Group's income, SEK 26 M or 97.5 percent, derives from the Bilia Group. The Parent Company, Bilia AB, has provided surety for all of its subsidiaries' rental leases with Catena.

Fair value
Calculation of fair value
The following presentation summarizes the methods and assumptions used primarily to calculate fair value.

Investment properties
See Note 11.

Accounts receivable and accounts payable
Catena has no accounts receivable and accounts payable that are older than six months. The recognized value is intended to reflect the fair value. There were no reserve requirements this year or last year.

Interest-bearing liabilities
Liabilities to credit institutions usually have a fixed-interest term of three months. The liabilities are recognized in nominal amounts

Note 22 Valuation of financial assets and liabilities

Financial instruments recognized in the balance sheet include assets such as cash and cash equivalents, accounts receivable, and other receivables; while liabilities include liabilities to credit institutions, accounts payable and other long-term liabilities. Financial instruments are recognized at cost corresponding to fair value with a supplement for transaction expenses, with the exception of the category of financial instruments recognized at fair value via profit or loss and for which transaction expenses are not included. Subsequent reporting takes place depending on classification, as outlined below.

Receivables
Financial assets that are not interest-rate derivatives, and which have determined or determinable payments and are not listed on an active market, are recognized as receivables. The Group has rent claims and prepaid expenses and accrued income – the latter consist mainly of rental discounts, prepaid rents and insurance premiums. Following individual valuation, receivables are recognized in the amounts expected to be received, meaning they are recognized at cost, with provision for doubtful claims. Provision for doubtful claims is made when objective risk assessments indicate that the Group will not receive the entire claim. Catena has no receivables in foreign currency. Receivables in the Parent Company consist mainly of receivables from subsidiaries, which are recognized at cost.

Liabilities
Liabilities refer to loans and operating liabilities such as accounts payable. The major share of Catena's loan contracts is long-term. Loans are recognized in the balance sheet on the payment date and are taken up at cost. Accrued unpaid interest is recognized under the item Accrued expenses. Liabilities in foreign currency are recognized at the closing rate. A liability is recognised when the counterparty has performed and a contractual obligation to pay exists, even if an invoice has not yet been received. A liability is removed from the balance sheet when the contractual obligation has been performed or has otherwise been extinguished. Accounts payable and other operating liabilities with short maturities are recognized at nominal value.

Other long-term liabilities – interest-rate derivatives
Catena has previously entered into interest-rate derivative contracts to manage fluctuations in the market rate, in accordance with the financial policy. Interest-rate derivatives are initially recognized in the balance sheet at cost on the payment date, with the absolute majority pertaining to an interest rate entailing a cost of zero, and are subsequently valued at fair value, with changes in value recognized in profit or loss.

At year-end, Catena no longer had any interest-rate derivatives. An unrealized change in value is recognized and calculated for interest-rate derivative contracts redeemed during the year, based on the valuation in the most recent quarterly report before redemption compared with the valuation at the end of the previous year.

Fair value and carrying amount in the balance sheet

GROUP 2012

SEK 000s	Loan and accounts receivable	Financial liabilities valued at fair value via profit or loss	Other liabilities	Total carrying amount
Accounts receivable	8,476	–	–	8,476
Other receivables	7,940	–	–	7,940
Total	**16,416**	**–**	**–**	**16,416**
Liabilities to credit institutions	–	–	306,400	306,400
Accounts payable	–	–	650	650
Other liabilities	–	–	1,686	1,686
Total	**–**	**–**	**308,736**	**308,736**

Fair value equals the total carrying amount.

Fair value and carrying amount in the balance sheet

GROUP 2011

SEK 000s	Loan and accounts receivable	Financial liabilities valued at fair value via profit or loss	Other liabilities	Total carrying amount
Accounts receivable	386	–	–	386
Other receivables	5,528	–	–	5,528
Total	**5,914**	**–**	**–**	**5,914**
Liabilities to credit institutions	–	–	306,400	306,400
Other long-term liabilities, derivatives	–	497	–	497
Accounts payable	–	–	7,450	7,450
Other liabilities	–	–	1,594	1,594
Total	**–**	**497**	**315,444**	**631,385**

Fair value equals the total carrying amount.

Fair value and carrying amount in the balance sheet

PARENT COMPANY 2012

SEK 000s	Loan and accounts receivable	Financial liabilities valued at fair value via profit or loss	Other liabilities	Total carrying amount
Accounts receivable	44	–	–	44
Other receivables	441,956	–	–	441,956
Total	**442,000**	**–**	**–**	**442,000**
Accounts payable	–	–	125	125
Other liabilities	–	–	356,411	356,411
Total	**–**	**–**	**356,536**	**356,536**

Fair value equals the total carrying amount.

Fair value and carrying amount in the balance sheet

PARENT COMPANY 2011

SEK 000s	Loan and accounts receivable	Financial liabilities valued at fair value via profit or loss	Other liabilities	Total carrying amount
Accounts receivable	276	–	–	276
Other receivables	424,605	–	–	424,605
Total	**424,881**	**–**	**–**	**424,881**
Other long-term liabilities, derivatives	–	497	–	497
Accounts payable	–	–	5,795	5,795
Other liabilities	–	–	357,770	357,770
Total	**–**	**497**	**363,365**	**364,062**

Fair value equals the total carrying amount.

Note 23 Operational leasing

Leasing contracts with the company as the lessee. Leasing payments for which notice cannot be given amount to:

	Group		Parent Company	
SEK 000s	**2012**	2011	**2012**	2011
Within one year	–	–	–	–
Between one and five years	–	–	–	–
Longer than five years	–	–	–	–
	–	**–**	**–**	**–**
Less future leasing payments for discontinued operations	–	–	–	–
	–	**–**	**–**	**–**

Fees paid:	Group		Parent Company	
SEK 000s	**2012**	2011	**2012**	2011
Minimum leasing fees	–	76	–	76
Variable fees	–	–	–	–
Total leasing expenses	**–**	**76**	**–**	**76**
Leasing revenue for sublet properties totals	–	–	–	–
Less paid leasing fees for discontinued operations	–	–	–	–
	–	**76**	**–**	**76**

Leasing contracts with the company as the lessor
The Group lets its leasing properties on the basis of operational leasing contracts. The annual future leasing payments for which notice cannot be served are as follows:

	Group		Parent Company	
SEK 000s	**2012**	2011	**2012**	2011
Within one year	–	–	–	–
Between one and five years	–	–	–	–
Longer than five years	26,647	26,994	–	–
	26,647	**26,994**	**–**	**–**

Note 24 Investment commitments

Group
At December 31, 2012, the Group had investment commitments for new construction/renovation of SEK 0 (0), and commitments for repairs of SEK 0 (0) relating to assets sold.

Parent Company
At December 31, 2012, the Parent Company had no investment commitments (0).

Not 25 Pledged assets, contingent liabilities and contingent assets

	Group		Parent Company	
SEK 000s	**Dec. 31, 2012**	Dec. 31, 2011	**Dec. 31, 2012**	Dec. 31, 2011
Pledged assets				
In the form of pledged assets for own liabilities and provisions				
Mortgages	306,400	306,400	–	–
Participations in subsidiaries	425,000	425,000	–	–
Total pledged assets	**731,400**	**731,400**	**–**	**–**
Contingent liabilities				
Guarantee commitments, FPG/PRI	182	180	182	180
Total contingent liabilities	**182**	**180**	**182**	**180**

Note 26 Related parties

Related-party transactions
PARENT COMPANY

Related-party transaction, SEK 000s	Year	Rental income/ services	Liabilities to related parties, Dec. 31	Receivables from related parties, Dec 31
Catena Group/ own subsidiaries	2011	4,049	357,321	422,809
Catena Group/ own subsidiaries	2012	4,060	356,056	439,775

Transactions with key persons in executive positions
In addition to salary, the senior executives receive non-cash benefits from the Group, which pays premiums for defined benefit and defined-contribution pensions for these persons. The total payments are included in "Employees and personnel expenses" (see Note 4).

During the year, the Group purchased services from related companies that are not Group companies, in the following amounts:

Catena AB from Tam Retail AB	SEK 67,000
Catena AB from TAM Hood Consulting AB	SEK 8,000
Catena AB from T.A.M Group AB	SEK 168,000
Catena Byggnads AB from TAM Hood Consulting AB	
Catena Byggnads AB from TAM	SEK 52,000
Assets Management AB	SEK 24,000
Catena Byggnads AB from T.A.M Group AB	SEK 625,000

Note 27 Participations in Group companies

PARENT COMPANY

SEK 000s	**Dec. 31, 2012**	Dec. 31, 2011
Accumulated cost		
At the beginning of the year	56 526	50 832
Shareholder contribution	–	8 456
Sale	–	–2 762
Closing balance	**56 526**	**56 526**

Specification of the Parent Company's direct participation in subsidiaries

Subsidiary/Corp. Reg. No./Domicile	No. of shares	Hold-ing, %	**Dec. 31, 2012** Carrying amount	Dec. 31, 2011 Carrying amount
Catena Byggnads AB, 556048–4726, Solna	50,000	100	47,670	47,670
Catena i Partille AB, 556754–0843, Solna	1,000	100	100	100
Catena i Stenungsund, 556754–0835, Solna	1,000	100	100	100
Catena i Vinsta AB, 556754–0868, Solna	1,000	100	8,556	8,556
Catena i Täby AB, 556754–7509, Solna	1,000	100	100	100
			56,526	**56,526**

List of companies
The following company is a subsidiary of Catena i Vinsta AB.

Company name	Corp. reg. no	Registered office
Catena i Solna AB	556112-7571	Solna

Note 28 Untaxed reserves

PARENT COMPANY

SEK 000s	**2012**	2011
Accumulated additional depreciation		
Equipment and installations		
Opening balance, Jan. 1	–	77
Additional depreciation for the year	–	–77
Total untaxed reserves	**–**	**–**

Note 29 Cash-flow statement

Adjustments for non-cash items

	Group		Parent Company	
SEK 000s	**2012**	2011	**2012**	2011
Depreciation/disposals	15	201	15	201
Pension provisions	–	–2,107	–	1,165
Other adjustments	–177	888	–	–3,097
Properties, unrealized changes in value	–238,512	–86,708	–	–
Derivatives, unrealized changes in value	–497	–3, 070	–497	–3,070
	–239,171	**–90,796**	**–482**	**–4,801**

Note 30 Significant estimates and assumptions

The financial statements were prepared in accordance with IFRS. This means that the Board and senior management make assessments, estimates and assumptions. Combined, these affect the accounting policies applied by Catena and, thus, the amounts at which assets, liabilities, revenue and expenses are recognized in the financial statements. The assessments and estimates made by the Board and senior management that have had a significant effect on the financial statements pertain to the valuation of investment properties, as described in greater detail in Note 11. Problems with the sale and servicing of vehicles may also affect Catena, since the majority portion of Catena's rental revenues derive from the automotive industry. This can also result in adjustments in financial statements for subsequent years.

Note 31 Events after the balance-sheet date

This Annual Report was signed by the Board and CEO on March 30, 2013. The Annual Report will be presented for approval of the AGM on April 24, 2013.

Note 32 Information about the Parent Company

Catena AB is a Swedish-registered limited company with its registered office in Solna. The visiting address of the headquarters is Birger Jarlsgatan 31, SE-111 45 Stockholm, Sweden. The consolidated financial statements for 2012 encompass the Parent Company and its subsidiaries, along with the aforementioned Group. The Catena share is listed on Nasdaq OMX Nordic Stockholm – Small cap.

Signatures

The Board of Directors and the CEO certify that the annual report has been prepared in accordance with generally accepted accounting principles in Sweden and that the consolidated accounts have been prepared in accordance with the international accounting standards referred to in regulation (EC) No. 1606/2002 of the European Parliament and of the Council of July 19, 2002 on the application of international accounting standards. The annual accounts and consolidated accounts provide a true and fair view of the financial position and performance of the Parent Company and Group. The Administration Report for the Parent Company and the Group, respectively, provide a true and fair view of the development of the Parent Company's and Group's operations, financial position and performance and describes significant risks and uncertainty factors for the Parent Company and the companies that make up the Group.

The annual accounts and consolidated accounts were approved for release by the Board on March 30, 2013. The Group's income statement and balance sheet and the Parent Company's income statement and the balance sheet will be presented for the approval of the Annual General Meeting on April 24, 2013.

Solna 28 March 2013

Henry Klotz
Chairman of the Board

Jan Johansson
Board member

Christer Sandberg
Board member

Lennart Schönning
Board member

Bo Forsén
Board member

Andreas Philipson
Chief Executive Officer

Our auditors' report was submitted on April 2, 2013
Öhrlings PricewaterhouseCoopers AB

Lars Wennberg
Authorized Public Accountant

Auditors’ Report

To the Annual General Meeting of Catena AB Corporate Registration Number: 556294-1715

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

We have audited the annual accounts and consolidated accounts for Catena AB for the 2012 financial year. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 12–43.

The Board’s responsibility for the annual accounts and consolidated accounts

The Board of Directors is responsible for preparing the annual accounts and consolidated accounts that provide a true and fair representation, pursuant to the Annual Accounts Act, and consolidated accounts that provide a true and fair representation pursuant to the international accounting standards, IFRS, as adopted by the EU, and the Annual Accounts Act and for the internal control that the Board believes is necessary for preparing annual accounts and consolidated accounts that do not contain significant misstatements, irrespective of whether they are due to irregularities or errors.

Auditors’ responsibility

Our responsibility is to express an opinion on the annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. These standards require that we plan and perform the audit to attain reasonable assurance that the annual accounts and consolidated accounts are free of material errors.

An audit encompasses obtaining audit evidence concerning amounts and other information in the annual accounts and consolidated accounts using various measures. The auditor selects the measures to be conducted through, among other actions, assessing the risks of material errors in the annual accounts and consolidated accounts, irrespective of whether these are due irregularities or errors. In this risk assessment, the auditor takes into account those features of internal controls that are relevant to how the company prepares the annual accounts and consolidated accounts to provide a true and fair representation for the purpose of planning appropriate auditing measures, with due consideration of the circumstances, but not for the purpose of making a statement concerning the efficacy of the company’s internal controls. An audit also involves an evaluation of the appropriateness of the accounting policies applied and of the reasonableness of the Board’s estimates in the accounts, as well as an evaluation of the overall presentation in the annual report and consolidated accounts.

We believe that the auditing evidence that we have obtained is sufficient and appropriate as the basis for our statements.

Opinion

In our opinion, the annual accounts have been prepared in compliance with the Annual Accounts Act and provide in all significant respects a true and fair representation of the Parent Company’s and the Group’s financial position at December 31, 2012 and of its financial results and cash flow for the year pursuant to the Annual Accounts Act, and that the consolidated accounts have been prepared in accordance with the Annual Accounts Act and provide in all significant respects a true and fair representation of the Group’s financial position at December 31, 2012 and of its earnings and cash flows pursuant to international accounting standards, such as those adopted by the EU, and the Annual Accounts Act. The statutory Administration Report is consistent with the other parts of the annual accounts and consolidated accounts.

Thus, we recommend that the Annual General Meeting approves the income statements and balance sheets for the Parent Company and Group.

REPORT ON OTHER REQUIREMENTS PURSUANT TO LEGISLATION AND OTHER ORDINANCE

In addition to our audit of the annual accounts and consolidated accounts, we have also examined the proposal for the appropriation of profit or loss, as well as the administration by the Board of Catena AB for 2012.

Responsibility of the Board and the CEO

The Board is responsible for the proposed appropriation of the company’s profit or loss and the Board and CEO are responsible for administration, pursuant to the Swedish Companies Act.

Auditors’ responsibility

Our responsibility is to provide an opinion, with reasonable certainty, regarding the proposed appropriation of profit or loss and in relation to the administration on the basis of our audit. We have conducted our audit in accordance with generally accepted auditing standards in Sweden.

As the basis for our statement regarding the Board’s proposal for the appropriation of profit or loss, we have examined the Board’s explanatory statement and a selection of documents underlying this in order to assess whether the proposal is consistent with the Swedish Companies Act.

As the basis for our statement concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we have examined significant decisions, measures and the circumstances in the company in order to determine the liability of any Board member to the company. We have also examined whether any Board member has in any other manner contravened the Swedish Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence that we obtained is sufficient and appropriate as the basis of our statements.

Opinion

We recommend that the Annual General Meeting appropriates the profit in accordance with the proposal in the administration report and grants the Board of Directors discharge from liability for the financial year.

Stockholm, April 2, 2013

Öhrlings PricewaterhouseCoopers AB

Lars Wennberg

Authorized Public Accountant

Multi-year overview

(incl. discontinued operations)

	2012	2011	2010	2009	2008
Income statement, SEK M					
Rental revenue	26.6	27.0	168.0	203.3	189.3
Property expenses	–4.1	–6.4	–25.6	–25.6	–26.0
Net operating income	22.5	20.6	142.4	177.7	163.3
Other operating income/expenses	0	0.1	–0.9	2.1	–1.1
Central administration	–5.7	–12.8	–13.4	–14.1	–17.6
Properties, changes in value	239	86.7	275.7	37.9	–255.9
Operating profit	255.3	94.5	403.8	203.6	–111.3
Net financial items	–8.9	–3.8	–15.6	–41.9	–88.9
Pre-tax profit	246.5	90.1	388.2	161.7	–200.2
Current tax	–1.3	–5.0	–40.3	–2.1	–1.3
Deferred tax	–38.7	–24.7	0.8	–40.9	69.6
Net profit for the year	206.5	129.6	348.7	118.7	–131.9
Balance sheet, SEK M					
Investment properties	850	610	2,108	2,472	2,354
Other assets	16	7	8	9	20
Cash and bank balances	58	94	57	103	45
Total assets	924	711	2,173	2,584	2,419
Equity	481	297	845	883	806
Provisions	120	82	192	241	195
Interest-bearing liabilities	306	306	1,047	1,367	1,354
Non-interest bearing liabilities	17	26	89	93	64
Total equity and liabilities	924	711	2,173	2,584	2,419
Financial					
Return on equity, %	53.0	22.7	40.3	14.1	–14.6
Return on total capital, %	31.3	7.7	17.5	8.2	–5.6
Equity/assets ratio, %	52.0	41.8	39.0	34.1	33.3
Interest coverage ratio, income from property management, multiple	1.8	1.2	4.8	4.0	2.5
Loan-to-value ratio, properties, %	36.0	50.3	49.7	55.3	57.5
Debt-to-equity ratio, multiple	0.64	1.0	1.2	1.5	1.7
Share-related (pertains to the number of shares the end of the period)					
Earnings per share for the period, SEK	17.86	11.21	30.15	10.26	–11.41
Earnings per share before tax for the period, SEK	21.31	8.07	33.56	13.98	–17.31
Equity per share, SEK	41.58	25.72	73.05	76.27	69.70
Dividend per share, SEK	2.00	59.00	31.75	5.25	5.25
Number of shares at end of period, 000s	11,565	11,565	11,565	11,565	11,565
Average number of shares, 000s	11,565	11,565	11,565	11,565	11,565
Property-related					
Book value of properties, SEK m	850	610	2,108	2,472	2,354
Yield, %	2.6	3.4	6.2	7.2	7.3
Lettable area, sq.m.	40,723	40,723	192,994	231,314	230,529
Rental revenue, SEK per sq.m.	654	663	803	886	846
Net operating income, SEK per sq.m.	553	506	674	775	734
Rental value-based occupancy rate, %	96.9	96.9	97.6	97.9	96.3
Surplus ratio, %	84.5	76.3	84.8	87.4	86.3

Board of Directors

1.	2.	3.
4.	5.	

1. Henry Klotz Chairman of the Board

London, born 1944. Elected to the Board: 2007. **Education:** Engineer. **Primary employment:** Executive Vice-Chairman in CLS Holdings plc. **Other commissions:** Board member of several companies in the CLS Group and NOTE AB. **Holding in Catena:** 0. **Independence status in accordance with the Swedish Corporate Governance Code:** Independent in relation to the company and executive management. Dependent in relation to major shareholders

2. Bo Forsén

Ljunghusen, born 1948. Elected to the Board in December 2012. **Education:** M.Sc. in Economics from Lund University. **Primary employment:** Board work. **Other commissions:** Chairman of Victoria Park AB, Scandinavian Resort AB and Norén Fastigheter AB. **Board member of Roxtec AB and Cale AB. Holding in Catena:** 0. Independence status in accordance with the Swedish Corporate **Governance Code:** Independent in relation to the company and executive management. Independent in relation to major shareholders.

3. Jan Johansson

Helsingborg, born 1959. Elected to the Board: 2010. **Education:** M.Sc. in Engineering from Lund Institute of Technology. **Primary employment:** President and CEO of Peab. **Other commissions:** Chairman of the Board and Board member of a large number of companies in the Peab Group. **Holding in Catena:** 0. **Independence status in accordance with the Swedish Corporate Governance Code:** Independent in relation to the company and executive management. Dependent in relation to major shareholders.

4. Christer Sandberg

Stockholm, born 1952. Elected to the Board: 2007. **Education:** LLB, B.Sc. **Primary employment:** Lawyer. **Other commissions:** Chairman of the Board of HQ AB and Board member in a number of subsidiaries of CLS Holdings plc. H**olding in Catena:** 0. **Independence status in accordance with the Swedish Corporate Governance Code:** Independent in relation to the company and executive management. Dependent in relation to major shareholders..

5. Lennart Schönning

Bromma, born 1948. Elected to the Board: 2007. **Education:** M.Sc. in Engineering from Chalmers Institute of Technology and AMP from Harvard Business School. **Primary employment:** CEO of Property Dynamics AB. **Other commissions:** Chairman of the Board of Nordic Mines AB (publ) and Lönnbacken Fastigheter AB. **Holding in Catena:** 0. **Independence status in accordance with the Swedish Corporate Governance Code:** Independent in relation to the company and executive management. Independent in relation to major shareholders.

Erik Selin (Stepped down from the Board in December 2012)
Gothenburg, born 1967. Elected to the Board: 2007. **Education:** Upper Secondary School Economist. **Primary employment:** CEO of Fastighets AB Balder. **Other commissions:** Board member of Fastighets AB Balder, RL Nordic AB and Corem Property Group. **Holding in Catena:** 0. **Independence status in accordance with the Swedish Corporate Governance Code:** Independent in relation to the company and executive management. Dependent in relation to major shareholders.

Management

1.

2.

1. Andreas Philipson, Chief Executive Officer

Born 1958, **Education:** M.Sc. in Engineering from Chalmers Institute of Technology, Gothenburg. **Employed since:** 2011. **Other commissions:** President and Board member in TAM Group AB and Board member of the TAM Group's subsidiaries. **Previous experience:** CEO of Tyréns Temaplan AB/President of Temaplan Asset Management AB, CEO and partner in Temaplan AB, Property Manager at Näckebro AB. **Holding in Catena:** 1,000.

2. Lars Lindvall, CFO

Born 1949. **Education:** Upper Secondary School Economist. **Employed since:** 2012. **Other commissions:** –. **Previous experience:** Internal Chief Auditor for Norsk Hydro in Sweden and CFO of Norsk Hydro in the UK. **Holding in Catena:** 280.

Information on the Annual General Meeting and financial calendar

Catena's Annual General Meeting will be held on April 24, 2013, at 4:00 p.m. in the Rausingrummet room at the IVA conference center on Grev Turegatan 16 in Stockholm, Sweden. Registration procedures for the AGM will commence at 3:15 p.m., when coffee will be served.

Registration in the share register
Shareholders wishing to participate in the AGM must be registered by April 18, 2013 in the share register managed by Euroclear Sweden AB, and provide notice of intention to attend no later than the same date. Only shareholdings registered by the owner are listed under the shareholder's own name in the share register.

To be entitled to participate in the AGM, shareholders whose shares are registered with a trustee must re-register the shares in their own name. Shareholders whose shares are registered with a trustee, and who wish to participate in the meeting, must request the bank or stockbroker to undertake temporary shareholder registration. Requests for voting-right registration must be undertaken in good time prior to April 18, 2013. A trustee may charge a fee for this measure.

Registration
Registration of participation at the AGM can be made:

- Registration of participation at the AGM can be made:
- by telephone: +46 771-24 64 00
- or by post to Catena AB, c/o Computershare AB, Box 610, SE-182 16 Danderyd, Sweden.

Registration should include the name, date of birth, personal identity number (corporate registration number) and a telephone number.

Representatives and assistants
Shareholders who do not attend in person may exercise their rights through a representative who must have a signed and dated power of attorney. The power of attorney must not be more than one year old, unless the power of attorney has a longer period of validity, but never more than for five years. A power of attorney issued by a legal entity must also be accompanied by documents certifying authorization (registration certificate or similar). These documents must be received by Catena in good time ahead of the AGM. Forms for power of attorney are available at www.catenafastigheter.se.

A shareholder or representative may be accompanied by at most two assistants at the AGM. Shareholders wishing to bring an assistant should notify this to the company at the latest by the date noted above.

Dividend
The Board of Directors proposes an ordinary dividend of SEK 1.00 for the 2012 financial year. The proposed record date is April 29, 2013 and the payment date May 3, 2013.

Report calendar

• Interim report, January – March:	April 24, 2013
• Interim report, January – June:	August 9, 2013
• Interim report January – September:	October 25, 2013
• Year-end report:	February 2014

Distribution policy
Catena's annual report is available in Swedish and English and both versions can be downloaded at www.catenafastigheter.se.

The printed version of the Swedish Annual Report is posted to shareholders and stakeholders who specifically request it.

Definitions

Carrying amount of properties
Carrying amount of buildings, land, construction in progress and building fixtures and fittings.

Cash flow from remaining operations per share
The period's income divided by the number of shares outstanding at year-end.

Debt/equity ratio
Interest-bearing liabilities divided by equity.

Rental value-based occupancy rate
Rental revenue as a percentage of rental value.

Equity/assets ratio
Recognized equity as a percentage of total assets.

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

Interest-coverage ratio
Profit before tax plus financial expenses, plus/less unrealized changes in value divided by financial expenses.

Lettable area
Total area available for letting.

Loan-to-value ratio, properties
Interest-bearing liabilities as a percentage of the properties' carrying amount.

Management income after standard tax
Management income for the period less 28 percent tax, divided by the number of shares.

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

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

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

Rental revenue per square metre
Rental revenue on an annual basis, divided by lettable area.

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

Return on total capital
Pre-tax profit plus interest expense as a percentage of total assets.

Rental value
Contracted rental revenue and potential revenue for vacant premises assessed by the company.

Surplus ratio
Net operating income as a percentage of rental revenue.

Yield
Net operating income as a percentage of the properties' carrying amount at the end of the period.

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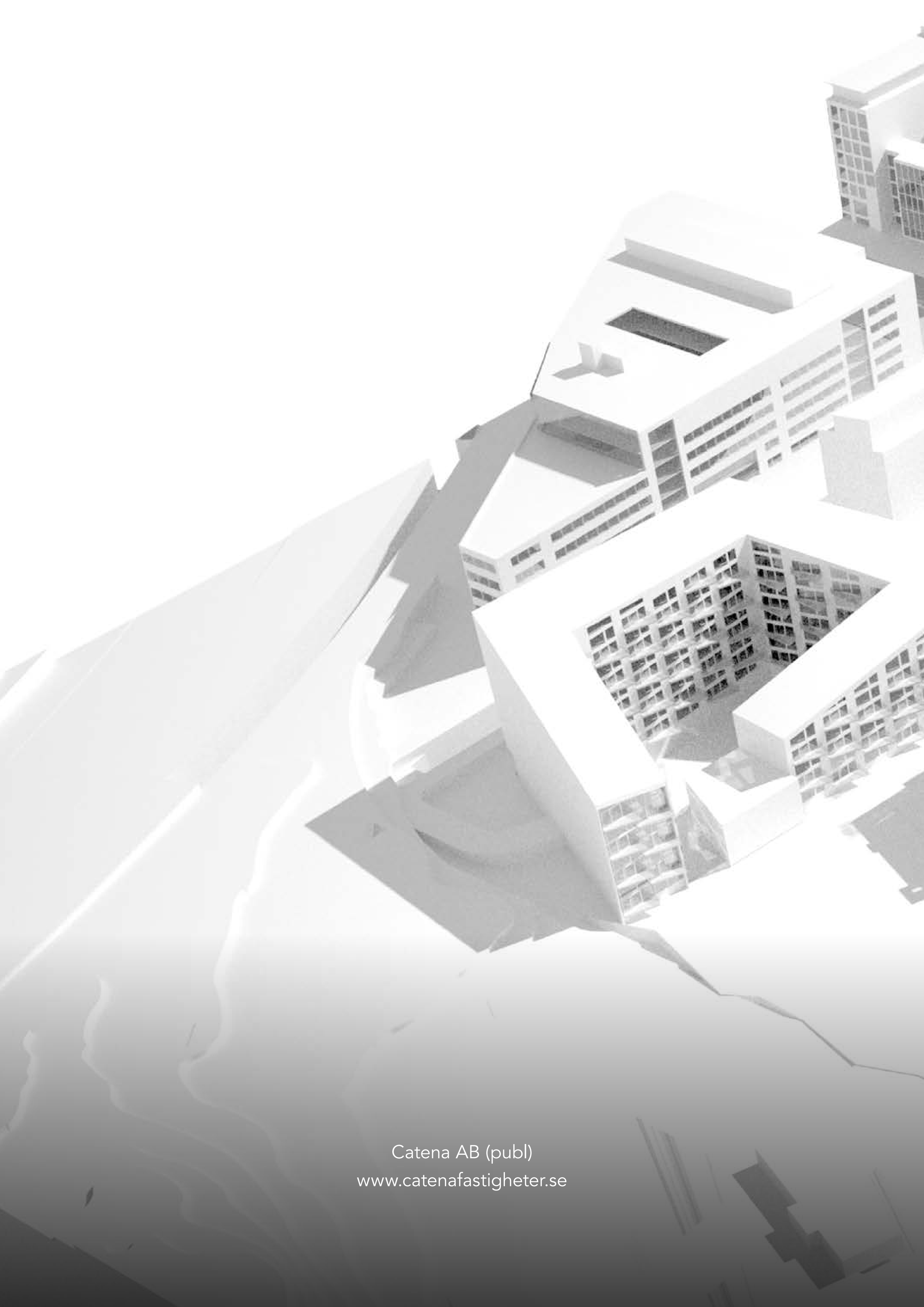

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