

CATENA

Annual Report 2010



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Cover, Stora Frösunda, view from Kolonnvägen.
Below, Stora Frösunda, view from the E4 highway.



2010 in brief

Continuing operations

- Rental revenue totalled SEK 27.4m (27.2)
- Operating profit amounted to SEK 137.5m (6.0)
- Pre-tax profit for the year amounted to SEK 128.2m (-29.1)
- Net profit for the year amounted to SEK 93.3m (-21.4) corresponding to SEK 8.07 per share (-1.85)
- Unrealized changes in value for properties totalled SEK 130.0m (-3.0)
- Investments in remaining properties totalled SEK 3.1m (0.5)

Discontinued operations

- Comprehensive income from discontinued operations after tax amounted to SEK 255.3m (140.1) corresponding to SEK 22.07 per share (12.11)

Profit from continuing and discontinued operations

- Net profit amounted to SEK 348.6m (118.7) corresponding to SEK 30.14 per share (10.26)

Dividend

- The Board proposes an extraordinary dividend of SEK 53.00 (—) in addition to the ordinary dividend of SEK 6.00 (5.75) per share, totalling SEK 59.00 (5.75) per share

Important events after the end of 2010:

- Sale of 25 properties to Fastighets AB Balder took place on February 15, 2011
- Peter Hallgren will resign as CEO on April 30, 2011

Key data	2010	2009	2008	2007	2006
Financial					
Return on equity, %	40.3	14.1	-14.6	23.6	37.6
Equity/assets ratio, %	39.0	34.1	33.3	39.6	33.8
Interest coverage ratio, income from property management, multiples	4.8	4.0	2.5	2.4	3.2
Loan-to-value ratio, properties, %	49.7	55.3	57.5	49.4	55.6
Share-related					
Earnings per share for period, SEK	30.14	10.26	-11.41	18.70	22.05
Profit for calculating dividends for the period per share, SEK	8.99	10.77	7.71	6.38	8.60
Profit for calculating dividends for the period after standard tax per share, SEK	6.63	7.93	5.55	4.59	6.19
Equity per share, SEK	73.24	76.27	69.70	86.99	71.43
Dividend per share, SEK	31.75	5.25	5.25	5.00	—

See page 65 for additional key data in the multi-year review.

In brief about Catena

During 2010, Catena changed its strategy. As of the extensive sale in early 2011, the portfolio was concentrated on one property, Stora Frösunda in Solna, where Catena is planning to construct a completely new city district with housing, offices and commercial premises in the next few years.

Catena is thus changing from being a manager with long-term customer relations and a focus on gradual improvement into a company that focuses on project development of housing, offices and commercial properties with ongoing long-term customer relationships.

Business concept

Catena shall own, effectively manage and actively develop properties that

offer the potential to generate a steadily growing cash flow and good value growth.

Overriding objective

Based on its focused approach, Catena's overriding objective is to give shareholders a favourable long-term total return by streamlining, development and management of well-situated properties.

The share

The share is listed on NASDAQ OMX Stockholm Small Cap. The share is traded under the short name CAT and is included, inter alia, on the OMX Stockholm Real Estate index.

Dividend policy

In the long term, Catena's dividend is to represent 75 per cent of pre-tax profit¹⁾ excluding realized and unrealized changes in value of properties

and excluding unrealized changes in value of derivatives.

¹⁾ Profit after net financial items charged with 26.3 per cent standard tax.

Strategy

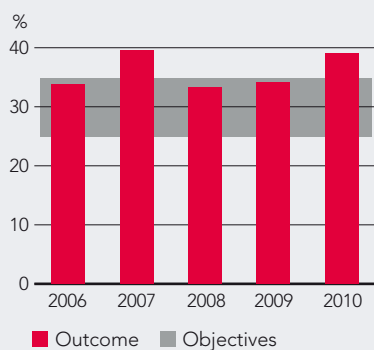
Catena shall:

- Actively manage the property portfolio with a focus on stimulating long-term customer relations by offering attractive premises in close cooperation with Catena's tenants.
- Actively improve and develop the property portfolio by identifying and implementing value-enhancing measures that increase the attractiveness of the properties and their return, with due consideration of risk.
- Divest properties for which it is considered that there are limited opportunities for further value growth.

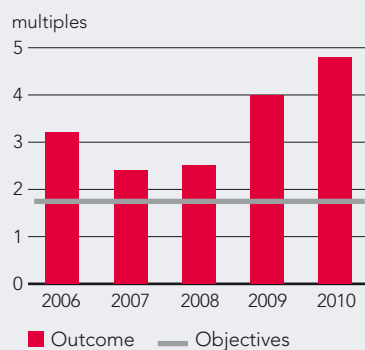


View over Stora Frösunda from Frösundaleden.

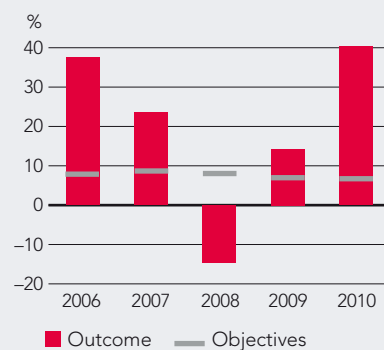
Equity/assets ratio



Interest-coverage ratio



Return on equity



Financial targets and outcome

Over a business cycle, Catena shall achieve:

- An equity/assets ratio of at least 25 per cent and at most 35 per cent.
- An interest-coverage ratio of not less than 1.75 multiples.
- A return on equity which exceeds the risk-free rate by at least five percentage points¹⁾.

¹⁾ The risk-free rate is defined as the yield on a five-year government bond.



From management to project development

During 2010, Catena changed its strategy, which has led to a large sale of properties.

The CEO Peter Hallgren looks back on a successful year.

How successful has the business been in 2010?

– We have secured long leases and the occupancy rate has continued to be high, almost 98 per cent. During the year, we have also carried out a number of successful property sales.

Have the financial targets been met?

– After the extraordinary dividend in October, the equity/assets ratio was over 35 per cent, which exceeds our target of 25–35 per cent. The interest coverage ratio is 4.8, which is definitely the highest the company has ever had. Catena is a stable and secure company with a loan-to-value of approximately 50 per cent. Income from property management has improved, greatly assisted by low interest rates.

What investments have you made during the year?

– Almedal in Gothenburg is a

good example. We are building a wholesale outlet of just over 2,000 square metres for Ahlsell AB, an investment of SEK 28 million. Moving-in is expected to take place in July 2011. Another example is Svågertorp in Malmö where we have started work converting ordinary repair shop space into attractive shop premises, wholly in line with our improvement strategy. This is an investment of approximately SEK 7 million kronor.

Catena sold properties in Norway and Denmark at the beginning of the year?

– In Norway, we had improved the properties to a relatively high extent, with investments of SEK 150 million. The recovery after the financial crisis was more rapid in Norway than in Sweden, which made it an advantageous time to sell. The location of the property on Jagtvej in Copenhagen became strategically important with the development of a new campus for Copenhagen University, which had a positive impact on the price level and made it a good time to sell. We can note that the sales were successful; we sold at considerably higher levels than the valuations.

98%

Catena's occupancy rate continues to be high – almost 98 per cent.

You changed strategy during the autumn?

– The difficulty of finding high-quality properties in good locations at the right price led us instead to assess the conditions for selling. The Board came to the conclusion that the conditions were favourable. After the financial crisis, the car industry developed well, not least Bilia, our largest customer. This has increased the property value. In September therefore, we made a decision to investigate the possibility of divesting parts of our portfolio and focusing more clearly on the property at Haga Norra. The company therefore changed its focus from management to project development.

The focus on Haga Norra was reinforced at the end of the year?

– In November, we decided to go further and sold all of the remaining portfolio. This process took place between December 2010 and January 2011.

You are resigning at the Annual General Meeting in 2011?

– I have been involved since the start in 1998. Catena has now been a listed company for five years and will now move into a new phase with more focus on project development of housing, offices and retail premises. It is a good time to hand over to someone else. However, I will remain as CEO until the end of April.

What are your most satisfied with during your period as CEO?

– Our strategic choices have been good and Catena has had a continuous improvement in income from property management and a healthy development of value. We have improved our properties in a good way and made divestments at the right time in the business cycle. There has been a favourable development for the shareholders, which is gratifying.





The right time for Catena's next phase

Catena is moving into a new era, characterised more by development than management.

The Chairman of the Board Henry Klotz is pleased about the future prospects and sees good opportunities for the company.

Has Catena changed after the sale of properties in January 2011?

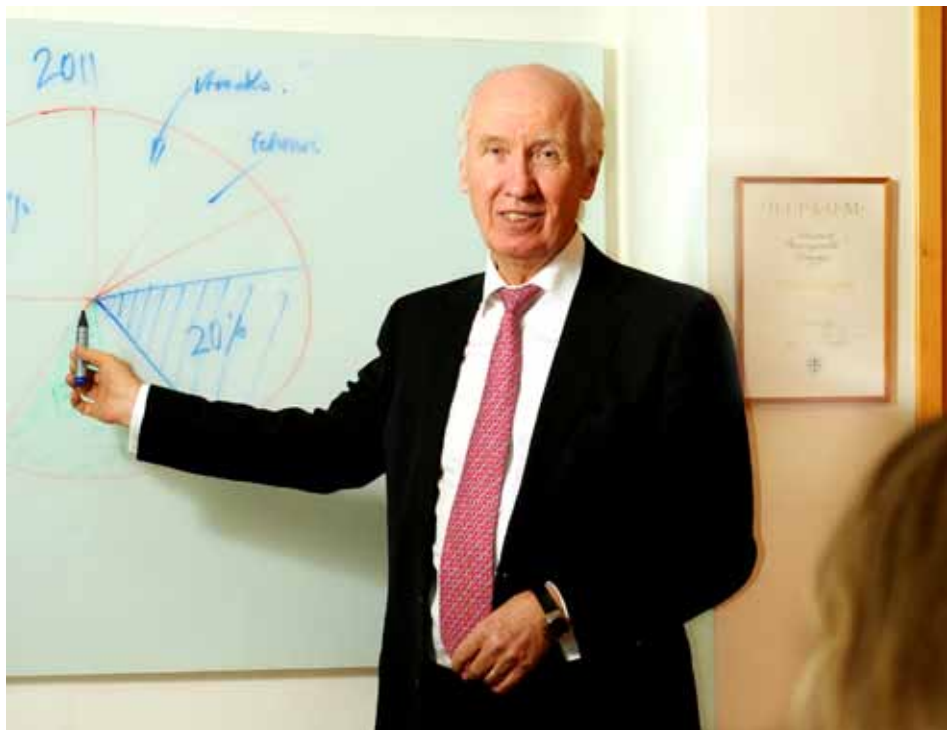
– There is a big difference. The property portfolio is now enormously concentrated. From having had a presence in several regions to a single city neighbourhood in Solna. This will mean a change of direction for Catena, moving from management and gradual improvement to development.

Are you well prepared?

– Yes, I've been involved in similar projects before. When Solna Business Park was developed from a rundown industrial area into a modern and contemporary office area, the properties were owned by CLS Holdings where I am now Executive Vice Chairman. I was responsible for implementation of Solna Business Park.

In terms of size – how much is now left of Catena?

– Approximately 25 per cent of the value that we had before the sale. When the development of Haga Norra is completed, the prerequisites will be met to become as large a company as we were before the sale. If we achieve our aims in the zoning plan work, we will have about 100,000 square metres of housing and around 50,000 square metres of retail space. Bilva will continue to be a large customer, with a completely new modern



3-5

Three to five years is the estimated time span for developing Haga Norra's 100,000 square metres of housing and 50,000 sq.m. of office space.

facility. Otherwise, we have not come so far in our discussions with possible tenants, although there is substantial interest and we have been in contact with a number of potential tenants.

When will the development of Haga Norra be completed?

– We hope that the zoning plan will have been approved before the end of 2011. The process of building 150,000 square metres will then follow. It will take three to five years at a rough estimate.

How do you view the time of the sale?

– The timing was very good, the properties were by and large completely developed and the state of the market was good. Concentrating on Haga Norra will be a completely new phase for us. Instead of new acquisitions, we will concentrate on our own property. Catena is

very strong and stable, with a low loan-to-value ratio.

What will the company's organization be like in future?

– A slimmer organization focused on project development. We will then purchase caretaking and specialist services. A number of our permanent staff are retiring this spring, including our CFO and CEO, which means that we have to recruit replacements for these posts.

Peter Hallgren has been CEO since 1998.

– He has led the company in an excellent way with a competent and efficient organization. Peter is a skilled negotiator and has done well in creating a positive atmosphere with good relations with existing tenants. The occupancy rate and value development of the properties have been very good over the years.

Mostly sales in 2010

In 2010, the price level for properties in the regions of interest to the company continued to be high. The value of Catena's own properties rose during the year due to increased demand and as an effect of long-term improvement processes in the metropolitan areas.

Norway

The trend towards high price levels was particularly clear in Norway where the economy rapidly recovered after the financial crisis. The situation was therefore favourable when a constellation of Norwegian property companies in early 2010 made an offer for the whole of Catena's

Norwegian portfolio, totalling 32,200 square metres. Catena had made large investments in these properties and the improvement process was considered to have been completed, which, together with an offer that was favourable for the company, led to the Board deciding to sell.

The portfolio was sold with transfer of possession on April 22 for SEK 575m, 8 per cent above the valuation as at December 31, 2009.

Copenhagen

Catena's property on Jagtvej in Copenhagen was sold during the spring of 2010 to the Danish University and Property Agency (UBST) with transfer of possession on June 1. The University and Property Agency is

developing a new campus in the city district which has increased the value of the property.

The property, which has 5,300 square metres and is let to Bilja, was sold for DKK 53m.

The price is considerably above the valuation as at December 31, 2009. The high value of the Danish krone made the sale even more favourable for Catena.

New focus

Due to the difficulty of finding properties at good prices in regions of interest, Catena's Board decided during the autumn to change focus. Instead of looking for new investment properties, the Board investigated the prospects for selling part of Catena's

Change in book value of investment properties as at January 1, 2010–December 31, 2010

SEKm	
Opening book value	2,472
Investments in remaining properties	3
Changes in value, remaining properties	130
Discontinued properties	–497
Reclassification of assets held for sale	–1,588
Closing book value	520

Property portfolio as at December 31, 2010

Segment	No. of properties	Lettable area, sq.m.	Rental value, SEKm
Discontinued operations			
Stockholm Region	8	47,885	40.5
Gothenburg Region	10	55,823	47.2
Öresund Region	7	48,563	44.9
Total	25	152,721	132.6
Continuing operations			
Stockholm Region	1	40,723	28.7
Total	26	192,994	161.3

portfolio and to increase the focus on the company's property of greatest interest, Stora Frösunda 2 in Solna.

During the late autumn, the plans became more concrete and Catena decided to sell the whole of the property holding except Hagalund 2:2 and Stora Frösunda 2 in Solna. At present, Bilia has its Haga Norra facility, named after the adjacent traffic interchange, at Stora Frösunda 2. In collaboration with the City of Solna, Catena will design a completely new city district there with housing, office and retail premises.

Bilia will continue to be an important customer in the future Stora Frösunda with a new facility that better serves its purpose.

The building right in Solna is expected to amount to around 150,000 square

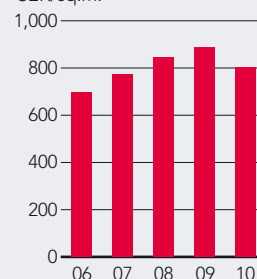
metres after completion of work on the zoning plan.

Divestment in 2011

Catena commissioned the company Catella Corporate Finance for the divestment for qualification of bidders and obtaining offers. After evaluation, the Board established that the most favourable offer was from Fastighets AB Balder. The sale took place on February 15, 2011. The property portfolio consists of over 154,000 square metres with 35 tenants and rental revenue of over SEK 135m. The largest tenant is Bilia which accounts for 75 per cent of the total revenue of the portfolio sold.

Catena's rental development – the whole portfolio

SEK/sq.m.



Catena's occupancy rate – the whole portfolio



The property portfolio, key data – the whole portfolio

	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008	Dec 31, 2007
No. of properties	26	31	31	30
Book value of properties, SEKm	2,108	2,472	2,354	2,479
Yield, %	6.2	7.2	7.3	6.1
Lettable area, sq.m.	192,994	231,314	230,529	227,500
Rental revenue, SEK/sq.m.	803	886	846	772
Net operating income, SEK/sq.m.	674	775	734	663
Economic occupancy rate, %	97.6	97.9	96.3	98.3
Surplus ratio	84.8	87.4	86.3	85.9



Reshaping Stora Frösunda

Catena and the City of Solna are developing a new city

Catena is planning to build a completely new city district with modern housing, offices and retail premises at the Stora Frösunda property block in Solna.

The proposal that Catena and the City of Solna are now working on is concentrated on the property where Bilia now has its largest sales and service facility together with parking space. The area is framed by the roads Frösundaleden in the south and Kolonnvägen in the west, by the ÅF-huset building in the east and by the former country estate Stora Frösunda Gård in the north.

The land is owned by Catena and consists of 53,000 sq.m. Altogether, Stora Frösunda will have around 1,000 apartments and 50,000 square metres of commercial area when it is completed. It will have a daytime population of 5,000 residents and employees.

5,000

The daytime population of residents and employees in Stora Frösunda.

The work process

The zoning plan is expected to be adopted in during 2011-2012. Development can then start on the new area. The first tenants are expected to move in in about four years' time.

The design

A square at the intersection of Frösundaleden and Kolonnvägen flanked by character buildings will form the visual entrance to the new city district. Already here, the city district's broad content of public urban spaces, commercial activities and housing will be clearly visible.

An activity street where cars and pedestrians both use a shared space will lead into the district. The activity zone will be equipped with zones for events, play, sporting activities and rest. The shops, cafés, restaurants and service facilities for those working and living



Stora Frösunda, view from Frösundaleden.

district



in the new city neighbourhood will also be concentrated here. There will be a large block with one or two office buildings between the activity street and Frösundaleden. Buildings will have the same scale and density as inner city Stockholm.

A new park in the district

A public city park will be created adjacent to the existing park around Stora Frösunda Gård.

Bilia

Bilia's facility will be located to the west of its current location in what is now a large car park, referred to as the Pit. The new car showrooms will be visible from the intersection of Frösundaleden and Kolonnvägen and the city district's entrance square. Repair shops and premises for personnel will be located in the socle storeys abutting on Kolonnvägen.

Parking

Access parking is available at street level. Underground garage space is available for business and residential parking.

New strategies

For Catena, the investment at Stora Frösunda means a change of strategy. The company has concentrated its ownership wholly on the development project in Solna. Other properties have been sold to Balder in February 2011. Geographically as well, the development of Stora Frösunda is a strategic investment. The new city district is only a kilometre east of the new Arena stadium in Solna, the first

stage of which will be completed in 2013. Besides a new national football stadium, Arenastaden will also have offices, housing, a hotel and a shopping centre, "Mall of Scandinavia". Communications to Stora Frösunda are good. The E4 highway passes close by and the area is served by a number of bus routes. There are also plans to extend the light rail line Tvärbanan to pass in the vicinity of Haga Norra.

Haga Norra

The area around Stora Frösunda is called Haga Norra, after the adjacent traffic interchange. Bilia also uses the name Haga Norra for its facility. It is close to central Stockholm, being only 4.5 kilometres from Sergels torg in the heart of the city.

Just to the north of the area being developed is Stora Frösunda Gård, a late eighteenth century country house surrounded by a park. The large expanse of Haga Park lies to the east of Stora Frösunda, on the other side of the E4 highway.

4.5

This is the distance in kilometres from Haga Norra to Sergels torg.

Background

- The area has a long history with settlements from the bronze age. There were a number of farms during the middle ages and Frösunda was the largest village in Solna. New construction has taken place in the Stora Frösunda area at various periods from the end of the nineteenth century.
- The area obtained its present character when Volvo built its sales facility in the early 1970s, the building which is currently leased by Bilia. The present buildings in the area are considered to make a fragmented impression with buildings of different heights and direction.



HAGA NORRA:

- **10 000 BC.** Solna is a landscape in the outer archipelago, with a nomadic population of hunters.
- **1700–500 BC.**

During the bronze age, the first known settlement appeared in Solna.

- **500–1500.** During the middle ages, Frösunda village, with its five farms,

is Solna's largest village.

- **1650–1750.** From the mid-seventeenth century until around 1750, Övre Frösunda was owned by the

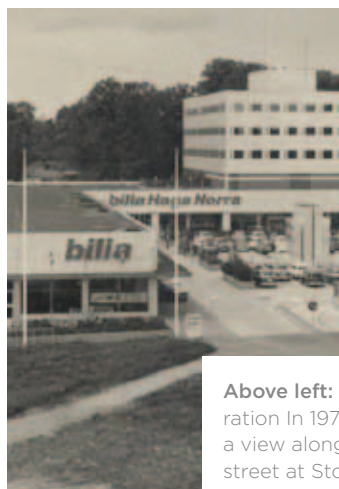
aristocratic family Brahe, related to the astronomer Tycho Brahe.

- **1800s.** The area changes. Land from Stora Frösunda is parcelled for the

main railway line to the north. Building starts on the older area of Hagalund, Gamla Hagalund.

- **1900s.** At the beginning of the century, a tramway

is built passing through the area – from Norra Bantorget to Sundbyberg. An industrial area is established at Gårdsvägen and a start is made on



Above left: Bilia's inauguration in 1973. **Above right** a view along the activity street at Stora Frösunda.



Below: View from the intersection of Frösundaleden and Kolonnvägen. **Below left:** Overview picture of Haga Norra.



developing a residential area south of Råsundavägen.

- **1967.** Volvo signs a contract to purchase part of the site.
- **1973.** Volvo starts

to construct its car sale facility.

- **2000.** Work on planning the Stora Frösunda property block is carried out at the start of the decade.

- **2003.** A zoning plan for housing and offices at the properties Stora Frösunda 2 and 3 is approved by the city planning committee, although

changing conditions lead to the plan not being adopted in its entirety.

- **2005.** Part of the plan from 2003 covering Stora Frösunda 3 is adopted and

Skanska builds the ÅF-huset building.

- **2006.** In Solna's outline plan, major changes are envisaged for the area with mixed urban development. The plan

is adopted in May.

- **2010.** On 17 March, the Solna city planning department starts work on planning part of the Stora Frösunda2 property block.

Three regions

At year-end 2010, Catena had 26 (31) properties with a total lettable area of 192,994 square metres (231,314). The continuing operations comprise of one property unit with a total lettable area of 40,723 square metres.

The property portfolio is allocated to three geographic areas: The Stockholm Region, the Gothenburg Region and the Öresund Region.

On December 31, 2010, Catena's properties had a book value of SEK 2,108 m (2,472), of which continuing operations had a book value of SEK 520m. On January 1, 2011, the rental value was SEK 161.3 million (209.0), of which the continuing operations had a rental value of SEK 28.7m.

The continuing operations consist of the properties Stora Frösunda 2 and Hagalund 2:2 (property unit 4 in the list).



The Stockholm Region – continuing operations and properties for sale

	Property unit	Municipality	Address
1	Kidet 3	Botkyrka	Olvonvägen 10
2	Söderby 2:771	Haninge	Kilowattvägen 11
3	Myren 2 och 3	Huddinge	Häradsvägen 255
4	Stora Frösunda 2 and Hagalund 2:2	Solna	Frösundaleden 4
5	Grenå 2	Stockholm	Danmarksvägen 52
6	Skutkrossen 13	Stockholm	Krossgatan 37
7	Spiselhällen 5 and 7	Stockholm	Drottningsholmsvägen 185–193
8	Släpvnagen 1	Södertälje	Morabergsvägen 12
9	Tändstiftet 4	Täby	Enhagsvägen 6

Total Stockholm Region

Of which continuing operations

The Gothenburg Region – properties for sale

	Property unit	Municipality	Address
10	Backa 166:1	Gothenburg	Norra Deltavägen 7
11	Backa 166:2	Gothenburg	Norra Deltavägen 5
12	Högsbo 35:1	Gothenburg	Norra Långebergsgatan 3
13	Skår 57:13	Gothenburg	Almedalsvägen 13
14	Trombonen 3	Mölndal	Jolengatan 15
15	Verkmästaren 6	Kungsbacka	Lantmannagatan 2
16	Verkmästaren 7	Kungsbacka	Varbergsvägen 28
17	Skruben 1	Kungälv	Bultgatan 38
18	Ugglum 7:40	Partille	Göteborgsvägen 36
19	Doteröd 1:65	Stenungsund	Doterödsvägen 40

Total Gothenburg Region

The Öresund Region – properties for sale

	Property unit	Municipality	Address
20	Fältspaten 2	Lund	Fältspatsvägen 2
21	Hästkraften 1&2	Malmö	Agnesfridsvägen 119
22	Tyr 2	Malmö	Lundavägen 19
23	Urnes 1	Malmö	Grophusgatan 3
24	Urnes 2	Malmö	Grophusvägen 5

Total Malmö Region

25	Brändbyvester 24	Brändby	Vallenbaeksvej 5–11/ Hesselager 4
26	Roskilde Jorder 1	Roskilde	Bytoften 7

Total Copenhagen Region

Total, Öresund Region

TOTAL ALL REGIONS

Total

Of which continuing operations



Site leasehold (S)/ Rented (R)	Construc- tion/Renov- ation year	Land area	Lettable area, sq.m.						Tax assess- ment value, SEK 000s
			Office	Shop/ Showroom	Ware- house	Industry	Other	Total	
	1966/2000	2,206	0	9	90	212	57	368	1,063
	1979/2009	11,163	142	1,125	410	790	572	3,039	11,374
	1983/2005	39,715	2,627	5,067	2,259	4,108	1,982	16,043	102,818
	1973/2000	53,571	4,033	5,995	2,048	5,824	22,823	40,723	267,000
S	1978/–	5,763	41	305	507	990	2,641	4,484	20,787
S	1970/–	19,026	181	317	1,317	4,899	2,105	8,819	30,329
R	1948/1969	3,342	45	1,101	419	844	418	2,827	9,246
S	1979/2007	29,968	193	2,916	1,137	4,153	915	9,314	27,798
	1971/2000	9,034	67	1,375	410	560	579	2,991	13,237
		173,788	7,329	18,210	8,597	22,380	32,092	88,608	483,652
		53,571	4,033	5,995	2,048	5,824	22,823	40,723	267,000

Site leasehold (S)/ Rented (R)	Construc- tion/Renov- ation year	Land area	Lettable area, sq.m.						Tax assess- ment value, SEK 000s
			Office	Shop/ Showroom	Ware- house	Industry	Other	Total	
	1988/2005	5,367	0	232	116	333	158	839	5,230
	1979/2008	21,408	171	1,320	2,316	0	807	4,614	17,460
	1973/2006	63,483	3,157	5,181	1,183	5,055	5,444	20,020	95,927
	1960/2008	23,997	253	460	451	4,126	1,279	6,569	47,000
	2002/–	17,165	199	2,044	717	1,422	645	5,027	27,835
	1970/2001	14,379	162	964	550	1,610	271	3,557	12,572
	1975/1977	3,835	0	331	78	314	114	837	3,075
	1988/2005	28,075	640	1,948	857	2,415	689	6,549	18,048
	1986/2001	10,130	0	1,515	428	834	1,015	3,792	15,471
	1967/2000	15,283	0	727	543	1,482	1,267	4,019	11,220
		203,122	4,582	14,722	7,239	17,591	11,689	55,823	253,838

Site leasehold (S)/ Rented (R)	Construction/ Renovation year	Land area	Lettable area, sq.m.						Tax assess- ment value, SEK 000s
			Office	Shop/ Showroom	Ware- house	Industry	Other	Total	
	1979/2004	28,798	0	2,906	464	2,344	1,811	7,525	29,945
	1972/2001	30,710	1,207	6,175	1,585	3,044	8,274	20,285	53,311
	1987/2007	21,714	0	1,937	1,227	3,732	700	7,596	31,689
	2006/2010	8,539	0	1,471	0	0	605	2,076	10,967
	2009/–	10,950	3,688	0	0	0	0	3,688	2,463
		100,711	4,895	12,489	3,276	9,120	11,390	41,170	128,375
	1962/2009	8,427	517	884	0	0	4,062	5,463	—
	1971/1985	7,932	0	495	0	1,311	124	1,930	—
		16,359	517	1,379	0	1,311	4,186	7393	
		117,070	5,412	13,868	3,276	10,431	15,576	48,563	

		493,980	17,323	46,800	19,112	50,402	59,357	192,994	865,865
		53,571	4,033	5,995	2,048	5,824	22,823	40,723	267,000



The Stockholm Region

– continuing operations and properties for sale

As at December 31, 2010, the Stockholm Region was Catena's largest segment in terms of value. The book value amounted to SEK 966m, corresponding to 46 per cent of the total property portfolio's book value. The book value for continuing operation amounted to SEK 520m.

Catena's portfolio in the region consists of nine property units with a total lettable area of 88,608 square metres, of which continuing operations consist of 40,723 square

metres. Three of the units are site leaseholds and one rented. The portfolio consists of properties located adjacent to the approach roads to Stockholm at Segeltorp, Solna and Alvik and part of properties in Täby, Kista, Vinsta, Haninge, Tumba and Södertälje.

Rental value as at January 1, 2011 amounted to SEK 69.2m, and rental revenue to SEK 67.3m, corresponding to an economic occupancy rate of 97.3 per cent. Rental value as at

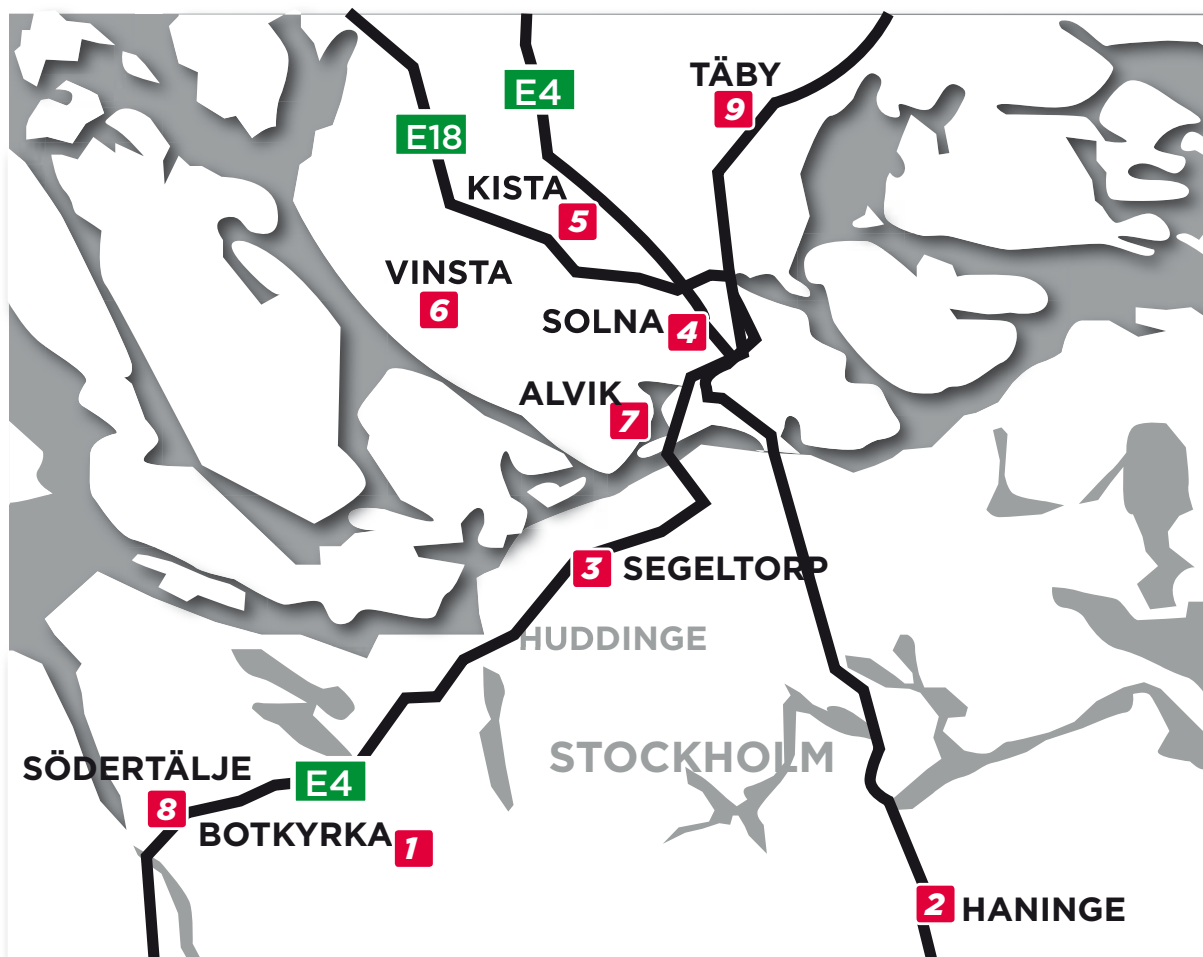
46

This is how many per cent the Stockholm Region makes up of the total property portfolio's book value.

January 1, 2011 for continuing operations amounted to SEK 28.7m and rental revenue to SEK 27.8m, corresponding to an economic occupancy rate of 96.7 per cent.

Trends during 2010

The letting operation performed well during 2010. Catena has been able to welcome several new tenants, including Bilcentralen in Stockholm, Efficient and KTI Sverige AB.





The Gothenburg Region

– properties for sale

The book value of the property portfolio in the Gothenburg Region amounted on December 31, 2010 to SEK 618m, corresponding to 29 per cent of the total property portfolio's book value.

Catena owns ten property units in the region with a total lettable area of 55,823 square metres. The portfolio consists of properties in the municipalities Gothenburg, Partille, Kungälv, Kungälv, Kungälv and Stenungsund.

The rental value as at January 1, 2011 amounted to SEK 47.2m and rental revenue to SEK 45.5m, corresponding to an economic occupancy rate of 96.3 per cent.

The whole region was wound up in February 2011.

Trends during 2010

During the year, a ten-year lease was signed with the wholesale company Ahl-sell which moves into

29

This is how many per cent the Gothenburg Region makes up of the total property portfolio's book value.

newly-produced premises in Almedal on 1 July 2011.

To enable new construction, around 3,000 square metres, which were previously let to Bilia, has been demolished. Bilia is still at Almedal, in newly constructed and renovated premises.



The Öresund Region

– properties for sale

On December 31, 2010, the book value of the property portfolio in the Öresund Region amounted to SEK 524m, corresponding to 25 per cent of the total property portfolio's book value.

Catena has seven properties in the Öresund Region with a total lettable area of 48,563 square metres. The portfolio consists of properties in Malmö and Lund as well as Brøndby and Roskilde in Denmark.

The property portfolio in the Öresund Region consists of two

market segments: the Malmö Region and the Copenhagen Region.

The rental value as at January 1, 2011 amounted to SEK 44.9m and rental income to SEK 44.6m, corresponding to an economic occupancy rate of 99.3 per cent.

The whole region was wound up in February 2011.

Trends during 2010

Catena has renovated the property Urnes 1 in the Svågertorp area outside Malmö. During

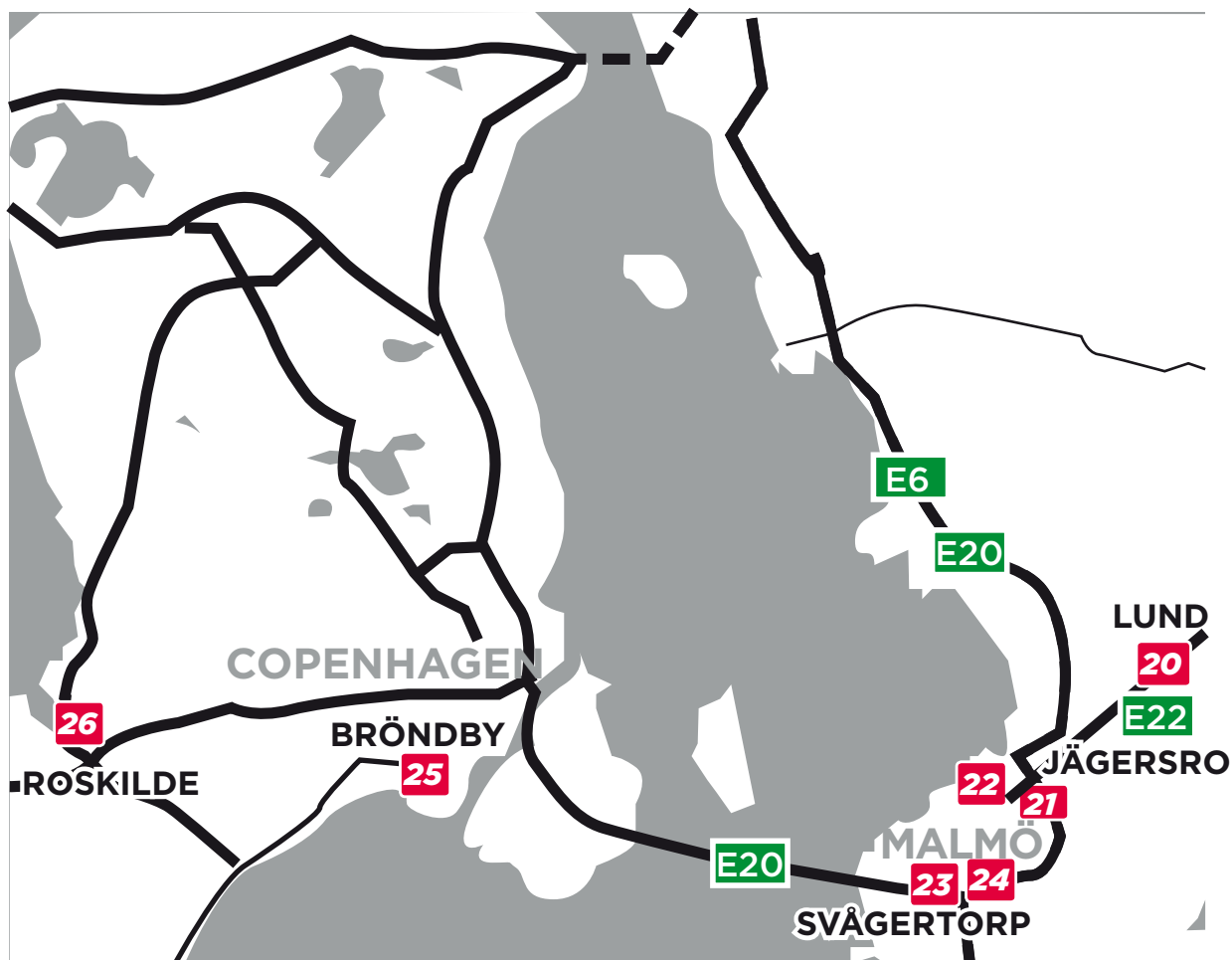
25

This is how many per cent the Öresund Region makes up of the total property portfolio's book value.

the year, a new zoning plan was approved, which permits retail trade and in August/September HTH-kök and Myresjökök moved in. Carspect – a new player offering vehicle road-worthiness inspection – moved in in January 2011.

Catena will invest a total of SEK 7m in the property in connection with customization for the new tenants.

The property on Jagtvej in Copenhagen was sold for a price substantially above the valuation.





Risk and sensitivity analysis

Catena has concentrated its property portfolio on the major urban regions in Sweden (Stockholm, Gothenburg and Malmö) and Denmark (Copenhagen).

The following information concerns both continuing operations and non-current assets/liabilities, which are for sale.

Rents and tenants

Over time, the rental trend for retail premises is governed by supply and demand. Demand for Catena's retail premises is affected by cyclical factors, structural changes and the development of the location in question in terms of population and employment.

The supply of premises in a geographically defined market is determined by the existing floor space and by any additional new construction. In locations with a declining population, the demand for premises tends to decline in the long term, which may result in a higher overall vacancy rate, with a risk of poor or negative development of rents.

Catena's properties are in well-located areas in the urban area concerned. Bilia, which is still the largest tenant, accounts for 81 per cent of rental revenue, and the average term for Catena's leases is 7.7 years. Almost 100 per cent of the base rent in Catena's portfolio is subject to annual adjustment. For the most part, rents change in line with index clauses, and largely correspond to 100 per cent of the consumer price index (CPI). The risk of rental losses is regarded as minimal. There were no rental losses during 2010.

Operating and maintenance expenses

Catena's tenants tend to have relatively extensive responsibility for operation and maintenance, and they are normally liable for all interior maintenance, and for operating expenses subject to a tariff structure (heat, water, electricity, etc.). In other words, Catena's exposure to changes in operating expenses is very limited. In the event of vacancies, however, the company's income is affected by costs such as heating, previously defrayed by the tenant. An increase in the vacancy rate in Catena may have a negative effect on operating expenses in 2011.

Property tax

The majority of Catena's properties in Sweden are taxed as industrial properties, for which property tax represents 0.5 per cent of the tax assessment value.

The majority of Catena's leases include a clause under which Catena is entitled to bill property tax to the tenant, and this entitlement also forms part of Catena's leases in Denmark in cases where property tax is debited to the property owner. Here too, an increased vacancy rate can have a negative effect on the Group's expenses.

Net financial items

Catena's largest single cost item is interest expense for borrowed capital. During 2010, Catena's Board established a financial policy stipulating rules for the way in which Catena's Finance unit is to handle borrowing, loan terms, fixed interest terms and the way in which the risks in financing operations are to be controlled. Because of the pending sales, Catena has chosen not to extend the interest swap agreements, which have expired during 2010. The fixed-interest term amounted to 0.3 years as at December 31, 2010.

Catena has 75 per cent of its loans financed with variable interest – in general with a fixed-interest term of three months.

Capital structure (financing risk)

Catena's capital-structure objective is an equity/assets ratio in the 25-35 per cent range, and an interest coverage ratio of not less than 1.75. As at December 31, 2010, the equity/assets ratio amounted to 39.0 per cent, and the interest coverage ratio was 4.8.

Currency risk

Catena owns properties via subsidiaries in Denmark. Due to the sales that have taken place, all loans have been redeemed in Denmark and exposure to the Danish currency has accordingly increased. Changes in foreign exchange rates may have a negative impact on the Income Statement and the Balance Sheet due to the exchange risk in these foreign investments. This means that changes in

exchange rates have an effect on recalculation of comprehensive income.

Environmental risks

Property management and property development entail an environmental impact. Catena's tenants have operations with an environmental impact and which are subject to permit and notification requirements – for example, the handling of motor fuels, oil and chemicals. On the other hand, Catena does not conduct any operations which have a directly negative environmental impact.

The Swedish Environmental Code stipulates that a party that has conducted an operation which has contributed to contamination has primary liability for subsequent treatment and decontamination. If the party that has conducted such operations cannot defray the cost of subsequent treatment and decontamination, liability lies with the party that acquired the property and which, at the time of acquisition, was aware of, or should have discovered, such contamination. Hence, in certain circumstances, claims may be addressed to Catena for subsequent treatment of decontamination regarding the presence or suspicion of contamination in soil, water areas or the ground water, in order to put the property in a condition stipulated by the Environmental Code. Claims of this nature may have a negative impact on Catena's income and financial position.

Catena's environmental processes are long term and goal-oriented, and are pursued as an integrated aspect of both property management and project development. All properties underwent an environmental audit in the course of the review that took place in connection with Catena's stock exchange listing in 2006, and it was noted that certain properties have a limited degree of contamination. The possibility of the presence of other environmental contamination which might lead to costs and/or claims for compensation with an impact on Catena's income and financial position cannot be eliminated.

Currently, however, there is no information regarding any major environmental claims on Catena.

Financing

Catena is financed by agreement with three major commercial banks. As at 31 December 2010, the average credit term was 1.1 years (1.3).

The average fixed-interest term was 0.3 years (0.8) and the average interest rate 3.02 per cent (2.48) including interest rate derivatives.

The following information concerns both continuing operations and non-current assets/liabilities, which are for sale.

Financial policy

Catena's financial operations are governed by the guidelines and rules in the financial policy determined each year by the Board. The financial policy stipulates how the various risks in financial activity are to be limited as well as stipulating the risks that Catena may take. Financial policy is dealt with by Catena's Finance unit, which is a Group function responsible for the Group's financing, liquidity planning and management of financial risks. The principle objectives for the Finance unit are to:

- Safeguard the company's short-term and long-term access to capital.
- Adjust the financial strategy and the management of financial risks in line with Catena's operations in order to achieve

and maintain a capital structure that is stable in the long term.

- Achieve the best possible net financial items within the framework established.
- Maintain a good reputation with participants in the financial market.

Capital structure

Catena's operations are financed by equity and debt, in which the major proportion of debt consists of interest-bearing liabilities. The relationship between equity and debt is determined partly by the level of financial risk selected and partly by the volume of equity called for to meet the creditors' requirements for borrowing on reasonable terms. The capital structure target is designed to provide a satisfactory return on equity, to permit the required degree of loan financing, to ensure adequate scope for investment, and to maintain flexibility as regards divestments. This target is defined as an equity/assets ratio of not less than 25 per cent and not more than 35 and an interest coverage ratio of not less than 1.75 over a business cycle.

As at December 31, 2010, group equity amounted to SEK 847m (883), which means an equity/assets ratio of 39.0 per cent (34.1). Interest-bearing liabilities amounted to SEK 1,046m (1,367), which indicates a debt/equity ratio of 1.2 (1.5). Catena's

39.0

This was the Group's equity/assets ratio in per cent as at December 31, 2010.

cash and cash equivalents and short-term investments totalled SEK 57m (103). Catena also has a line of credit of SEK 75m (75), of which SEK 0m (0) had been utilized. The loan-to-value ratio amounted to 49.7 per cent (55.3). Taken as a whole, this is considered to enable Catena to finance current property management operations and to implement approved investments and investments in progress.

Interest and loan structure, interest strategy

The remaining time to maturity on closing date was 1.1 years (1.3). Loans are mainly raised with a short fixed-interest term. The desired fixed interest strategy can be attained and the goals of financial activities met by using interest-rate swaps. The average remaining fixed interest term amounted to 0.3 years (0.8) on closing date.

Currency strategy

Catena's currency strategy is designed to limit the risk of negative impact on Catena's Income Statement and Balance Sheet as a result of a change in exchange rates.

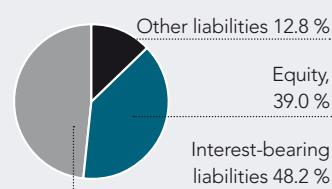
Catena owns properties in Denmark for which revenues are reported in local currency.

Due to coming sales, the properties in Denmark are not mortgaged as at December 31, 2010.

Interest and loan maturity structure as at December 31, 2010

Maturity, year	Loan amount, SEKm	Interest maturity, Av. interest, %	Proportion, %	Credit agreements, SEKm	Loan maturity utilized, SEKm	Proportion, %
Variable	786.7	2.78	75.2	—	—	—
2011	130.0	3.70	12.4	451.7	451.7	43.2
2012	130.0	3.79	12.4	350.0	350.0	33.4
2013	—	—	—	245.0	245.0	23.4
Total	1,046.7	3.02	100.0	1,046.7	1,046.7	100.0

Capital structure





Organization and personnel

Catena is a small but efficient organization with ten employees. Catena's organization consists mainly of the Administration and Business Development functions.

In addition, there are the common group functions Accounting/Finance and Communications.

The group management consists of the CEO, CFO, Controller and Head of Business Development. The group management has overall responsibility for business development, financial control, follow-up of results and information-related issues.

Administration close to the customer

Close collaboration with customers is very important for Catena. Customers shall feel that Catena is easy to contact and that Catena's personnel have a genuine interest in the questions that they raise. The company's property managers and property engineers have an important part to play here.

The Business Development function handles purchases and sales of properties. Potential deals are continuously evaluated by the CEO, the CFO and the Head of Business Development, often together with the

administrative function to benefit from the whole of Catena's expertise.

When evaluating transactions, an analysis is made of, among other things, the property's tenant structure, long-term yield, technical standard, alternative use and development potential. The Business Development function together with the respective property manager, CEO and CFO also deals with new construction and renovation projects as well as procurements and follow-ups.

Group functions

The accounting and finance function is led by the CFO. This function is responsible, among other things, for Catena's financing. The guidelines for the financing function are, on the basis of the adopted financial policy, to minimize interest expenses and maintain good liquidity, while taking into risk into consideration.

The function is also responsible for planning assistance, analysis and monitoring of operating activities. The controller is responsible for all current accounting.

Catena works actively with communications. Among the most important target groups are the tenants, potential tenants, shareholders, the capital market

10

With ten employees, Catena is a small but efficient organization.

and the mass media. Catena has an information policy which presents its view on communications, the division of responsibility, and how external and internal communications are to take place.

Committed personnel

Catena has ten employees, six of whom work at the head office in Gothenburg. Catena's corporate culture is characterized by it being a small flexible organization able to take swift decisions. The goal is for Catena to be an attractive workplace which offers stimulating and developing tasks.

For Catena to be able to achieve its goals, it must strive to have committed, competent and customer-focused employees. Development of skills and expertise is based on regular development interviews.

Health is a resource both for the company and the individual employee. All employees have access to company health care. The company also subsidizes staff participation in keep-fit activities, which the great majority of staff use.

Personnel changes

Seven of the company's ten employees are expected to transfer to Balder in connection with the purchase of the major part of the Group's property portfolio. The other staff, three persons, including the CEO, will retire during the spring of 2011. A new CEO and a new CFO will be recruited during April 2011.

Key data, personnel

	2010	2009	2008
Average no. of employees	10	12	14
No. of employees at year-end	10	11	14
Proportion of women, %	20	27	21

Environment

Catena aims to minimize the company's impact on the environment through active work with environmental issues. Planning, implementation and follow-up in the environmental sphere are based on the environmental policy adopted by the Board.

The activities at Catena's properties primarily involve car sales and accompanying operations.

The tenants are responsible for the operation of facilities although Catena works actively to support them with environmental measures.

Catena can affect the burden on the environment by, for example, choice of technical systems and material. Renovations and extensions provide an opportunity to make good choices in these areas where the ability to recycle is made a priority. During renovations and extensions, worn-out material

is also recycled to the greatest possible extent. Where possible, district heating is also used instead of oil for heating. Catena also checks that tenants carry out the requisite decontamination when a property is vacated.

At present, the focus is on energy savings in the existing portfolio. Environmental aspects are always taken into account in new construction.

Catena also regards it as important that activities at the Head Office and in



management take place in as responsible way as possible from an environmental perspective.

Examples of energy and environmental measures during 2010

Stockholm: The tenant Bilia has replaced the automatic control facility at the property Släpvagnen 1 in Södertälje to reduce energy costs and reduce the burden on the environment. During the year, energy declarations were carried out at the properties

80

This is how little the energy consumption is in kWh per square metre and year at the office building that Catena built for the company Vestas.

where these were required. Catena also made preparations for a conversion of Bilia's oil-heating facility at Täby to district heating, which is planned to take place during 2011.

Gothenburg: In conjunction with the demolition of the former property in Almedal, land was decontaminated, which had been industrial land since the end of the nineteenth century.

The automatic control facility has been replaced at the property Skruven 1 in Kungälv,

where Bilia has a facility for sales and repair services.

Öresund: A system for continuous monitoring of energy costs has been installed at the property Urnes 2 in Malmö, where Catena built an office building in 2009 for the Danish company Vestas. Energy consumption at the property is only 80 kWh per square metre and year, 20 per cent below the norm for new construction. All electricity to the building is moreover produced with wind power.



Stora Frösunda, view over the city park.

Catena's environmental policy

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

- Comply with the changes in the laws, ordinances, and other requirements that may be made in connection with the environmental aspects of operations.
- Ensure that all of the company's personnel have the knowledge about environmental matters that are associated with the operation and maintain this knowledge by providing training and information.
- Assess environmental aspects and environmental risks that can be related to the company's properties in a systematic and responsible way. The result of these assessments is to serve as the basis for continuous improvement work and measures that aim to prevent environmental damage.
- Make economical use of resources and give priority to use of renewable energy in preference to non-renewable.
- Assess the environmental impact of extensive new construction, renovation and extension projects and prepare environmental provisions as requirements in tendering documentation.
- Prepare, and keep updated, environmental guidelines when acquiring, divesting, and developing properties, and guidelines for regulation of environmental issues in leases.



The Catena share was listed on April 26, 2006 on NASDAQ OMX Nordic Stockholm and is traded on the “Stockholm Stock Exchange” among smaller companies, OMX Stockholm Small Cap.

On December 31, 2010, the share capital of Catena AB amounted to SEK 50,883,800 distributed in 11,564,500 shares. Every share confers one vote and each person entitled to vote may vote at general meetings of shareholders for the full number of shares owned and represented by him. All shares confer the same right to a share in the company's assets and profits.

Market value and turnover

During the year, the Catena rose by 74 per cent, from SEK 87.75 to SEK 153.00, while the broad stock exchange index OMXSPI rose by 23 per cent and Carnegie's Real Estate Index, CREX, went up by 43 per cent.

The year's highest closing price for the Catena share was SEK 179.50 on September 30. The lowest closing price was SEK 87.25 on January 14. At year-end, Catena's market value was SEK 1,769m.

In all, 3,198,415 Catena shares were traded at a value of SEK 365m.

Dividend policy and dividend

Catena's dividend policy prescribes that 75 per cent of the pre-tax profit¹⁾ excluding

realized and unrealized changes in value of properties and excluding unrealized changes in value of derivatives. The Board is proposing a dividend of SEK 6.00 per share (5.75) for the 2010 financial year and an extraordinary dividend of SEK 53.00. The ordinary dividend entails a yield of 3.9 per cent, based on the share price on December 30, 2010. The total dividend entails a yield of 38.6 per cent.

If the Annual General Meeting approves the Board's proposal of a dividend of SEK 59.00 per share and the record date as April 19, 2011, payment of dividend will take place on April 26, 2011.

Ownership structure

At the end of 2010, the company had 16,828 shareholders (17,413). Most of the shareholders, 16,600 (17,159), owned 1,000 shares or less. Institutional ownership totalled 83 per cent (82). The proportion of foreign owners was 5.8 per cent (5.3).

Endicott Sweden AB, the Erik Selin Group and Peab AB are currently the three largest shareholders with a total of 70.7 of the votes.

Insider trading

Trading with shares in a company where a person has an insider position is called insider dealing. This trade is subject to notification by law and must be reported to the Financial Supervisory Authority, Finansinspektionen.

59.00

The Board is proposing a dividend of SEK 59.00 per share for the 2010 financial year.

Catena is obliged to notify Finansinspektionen of the persons with insider knowledge at Catena. These individuals must notify their holding of shares and all changes in their holding. Certain close-related natural persons and legal entities are also subject to a duty of notification. Catena's group management, Board of Directors and auditors are considered as having insider information at Catena. A link to a complete list of persons with insider information is available at Finansinspektionen's website www.fi.se.

Stock market information

Catena's goal is to continuously provide the stock and capital market, media and other stakeholders with open and correct reports of the company's financial development. Interim reports, annual accounts, press releases and presentations of Catena serve as the basis for this work.

Up-to-date information is available on Catena's website, www.catenafastigheter.se, such as press releases, financial reports and a list of properties. Printed financial information can be ordered via the website and information by e-mail subscribed to.

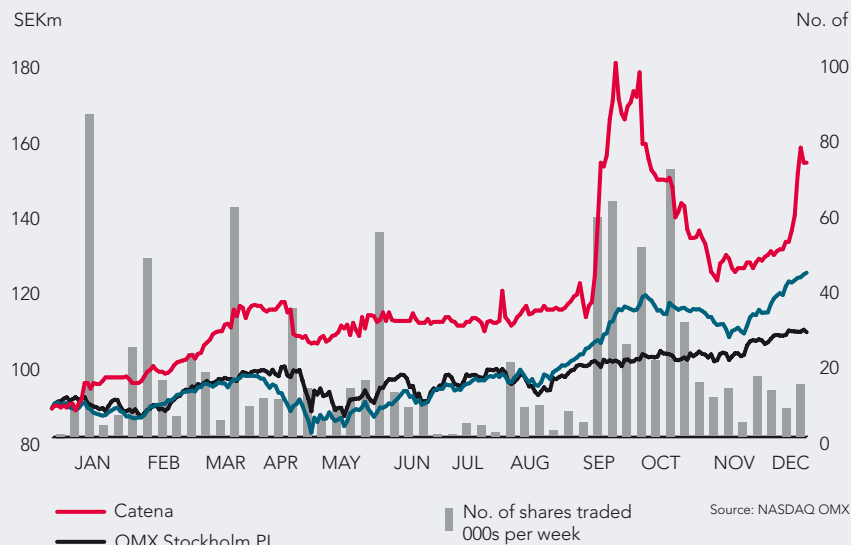
Information about the share

ISIN code: SE0001664707

Short name: CATE

¹⁾ Profit after net financial items has been charged with 26.3 per cent standard tax.

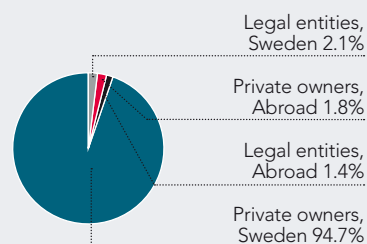
Share price development 2010 and number of shares traded



Shareholders as at December 30, 2010

	No. of shares	Votes, %
Endicott Sweden AB (CLS Holdings plc)	3,389,000	29.3
Erik Selin groupn	2,476,688	21.4
Peab AB	2,310,000	20.0
Skandia Liv	289,400	2.5
Banque Carnegie Luxembourg SA	197,747	1.7
CBNY-DFA-INT SML CAP V	109,825	0.9
Mellon US Tax Exempt Account	74,984	0.6
Swedbank Robur fonder	60,208	0.5
CBNY-DFA-CNTL SML CO S	56,762	0.5
Verdipapirfondet Odin Eiendom	41,150	0.4
Total ten largest shareholders	9,005,764	77.8
Other shareholders	2,558,736	22.2
Total	11,564,500	100.0

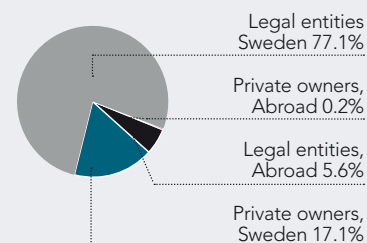
No. of shareholders by country and category



Share data, distribution by shareholding, as at December 30, 2010

	No. of shareholders	Shareholding, %
1-500	16,132	11.6
501-1,000	468	3.1
1,001-5,000	181	3.4
5,001-10,000	17	1.0
10,001-15,000	6	0.6
15,001-20,000	6	0.9
20,001-	18	79.4
Total	16,828	100.0

No. of votes by country and category



Development of share capital

Transaction	Year	Change in no. of shares	Total no. of shares	Change in share capital, SEK 000s	Total share capital, SEK 000s
Opening balance	2005	—	500,000	—	50,000
Bonus issue	2006	8,838	508,838	884	50,884
Split	2006	11,055,662	11,564,500	—	50,884



Report of the Board of Directors

The Board of Directors and the CEO of Catena AB, corporate reg. no. 556294-1715 hereby present their report for the 2010 financial year.

Operations and organization

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

As at December 30, 2010 (the last trading day of the year), the number of shares amounted to 11,564,500 distributed among 16,828 shareholders.

Catena shall actively manage, improve and develop its property portfolio by identifying and carrying out measures to generate value growth, which increase the attractiveness of the properties and their yield, while taking into account risk. Catena shall also divest properties where there is considered to be limited potential for further value creation.

The Catena Group has operated in the Stockholm Region, the Gothenburg Region, the Öresund Region and the Oslo Region during the year. Due to the sales that have taken place and which will take place, the continuing operations will be limited to the Stockholm Region. The continuing operations are the properties Sora Frösunda 2/Hagalund 2:2 (Haga Norra). The discontinued operations consist of the sales of the four properties in the Oslo Region and Jagtvej in the Öresund Region as well as the coming 25 property sales to Balder. These 25 properties consist of the whole of the Gothenburg and Öresund Regions and parts of the Stockholm Region.

Earnings and position

Continuing and discontinued operations

<i>The Group</i>	2010	2009
Earnings per share, SEK	30.14	10.26
Equity/assets ratio, %	39.0	34.1
Debt-equity ratio, multiples	1.2	1.5

Continuing operations

The following description concerns the continuing operation at the property in Solna (Haga Norra). The average remaining economic duration of these leases was 10.7 years on January 1, 2011. Required periods of notice vary between 9 and 18 months with extension periods of between three and five years.

Rental revenue

Rental revenue amounted to SEK 27.4m (27.2). 97.5 per cent (98.5) of the rental revenue is from the Bilia Group.

Property expenses

Property expenses amounted to SEK 7.0m (7.1).

Net operating income

Net operating income for the period totalled SEK 20.4m (20.1).

Other operating income

Other operating income, SEK 0.2m (0.2), consists primarily of consultancy fees and invoicing to tenants for work performed.

Other operating expenses

Other operating expenses consist of expenses for work which has been invoiced to tenants and consultancy fees of SEK 0.2m (0.4).

Central administration

Expenses for central administration totalled SEK 12.9m (11.0). This item included expenses for the group management and other central functions.

Changes in value

Properties

See note 14.

Net financial items

Net financial items for the period amounted to SEK -9.3m (-35.1). The annual average interest rate including derivative instruments amounted on closing date to 3.02 per cent (2.23). The financial instruments limit the effect of interest rate fluctuations on the Group's borrowing cost. During the period, no loan expenses have been capitalized (previous year 0) in construction in progress as no new construction has taken place in the continuing operations. As from this report, unrealized changes in value of derivatives are included in the Group's net financial items. The comparative figures for the previous year have been reworked.

Financial derivatives

Catena uses interest-rate swaps to obtain the interest rate structure provided for in the Group's financial policy. The value of these interest-rate swaps increases or decreases apace with the agreed interest rate deviating from the corresponding market rate as well as with the remaining time to maturity. The unrealized value of the aforesaid interest-rate swaps amounted to SEK -3.6m (-13.4) on closing date, of which change in value for the period amounted to SEK 9.8m (-1.7). Hedge accounting is not applied. The unrealized change in value has not effect on the Group's cash flow.

Operating profit

The operating profit totalled SEK 137.5m (6.0).

Pre-tax profit

Pre-tax profit totalled SEK 128.2m (-29.1).

Tax

Current tax for the period amounted to SEK -4.7m (0.8) and deferred tax to SEK -30.3m (6.9).

Net profit for the year from continuing operations

Net profit for the year from continuing operations totalled SEK 93.3m (-21.4).

Discontinued operations

Capital gain from the discontinued operations

Capital gain from the discontinued operations totalled SEK 79.0m (109.1), of which tax accounted for SEK -35.2m (-40.8).

Change in fair value for the year

The change in fair value for the year, which includes the 25 properties which are going to be sold to Balder, amounted to SEK 66.8m (27.8) of which tax accounted for SEK -23.8m (-9.9).

Profit on divestment of discontinued operations

Profit on divestment of discontinued operations, which consists of all properties in the Oslo Region and the property on Jagtvej in Copenhagen, amounted to SEK 109.5m (3.2) of which tax accounted for SEK 54.5m (0.0).

Net profit for the year from discontinued operations

Comprehensive income from discontinued operations after tax totalled SEK 255.3m (140.1).

Net profit for the year

Net profit for the year totalled SEK 348.6m (118.7).

Other comprehensive income for the year

Other comprehensive income for the year amounted to SEK -17.2m (18.6) and consisted of change in the translation reserve and tax.

Comprehensive income for the year

Comprehensive income for the year totalled SEK 331.3m (137.3).

Earnings and position*Parent company*

The operations in the Parent Company Catena AB consist mainly of group functions and operation of the Group's subsidiaries. 100 per cent (100) of the operating income of the Parent Company consists of invoicing for internally provided services.

Multi-year overview

The Catena Group was established on December 1, 2005. The five years 2006–2010 are compiled in a multi-year overview on page 65.

Remuneration to senior executives

The following principles were adopted by the Annual General Meeting for 2010. Remuneration to the CEO is decided upon by the Board. Remuneration for other senior executives is decided upon by the CEO, in accordance with principles established by the Board. A board member who is, at the same time, a member of the executive management, for instance, the CEO, may not participate in the work on such matters. A fee is paid to the Chairman and members of the Board in accordance with the decision of the Annual General Meeting.

The CEO receives, in addition to a fixed monthly salary, a bonus with a ceiling of SEK 350,000 per year. The period of notice on the part of Catena is 12 months and on the part of the CEO six months. If the company terminates employment, and this termination is not based on grave breach of contract by the CEO, the CEO is also entitled to a severance payment corresponding to 12-months salary with deduction for what he receives from other employment during the period. Severance pay shall also be paid if the prerequisites for the post have been changed by an owner or a group of owners acquiring at least 50% of the total number of votes for all shares in the company. The retirement age for the CEO is 60. Pension is paid between the age of 60 and 65 at an amount of 70% of the pensionable final salary on an annual basis and the average of the CEO's bonus during the last three years of employment. After the age of 65, the CEO receives a pension in accordance with the corresponding ITP scheme. In addition, the CEO has the right to pension insurance for a base amount which Catena has previously taken out with the CEO as beneficiary. The CEO has the right to a company car, free telephone and free daily newspaper.

For the other three senior executives, the period of notice on the part of Catena is between six and twelve months and on the part of the employees between three and six months. The retirement age for the other senior executives is 65. They are covered by a pension agreement corresponding to the ITP scheme. All other senior executives have a right to a company car.

The Board's proposed guidelines for remuneration to senior executives**The Board's proposal**

The Board proposes that the General Meeting of Shareholders decide to adopt the following guidelines for remunera-

tion to senior executives. This proposal is completely new in comparison with the guidelines applied by the Company during 2010. The Board shall have the right to deviate from the guidelines if there are special reasons for so doing in individual cases.

Remuneration to the CEO is decided upon by the Board. Remuneration to other senior executives is decided upon by the CEO, in accordance with principles established by the Board. A board member, who is at the same time, a member of the executive management, for example, the CEO, may not participate in the work on such matters. A fee is paid to the Chairman and members of the Board in accordance with the decisions of the Annual General Meeting.

Remuneration to the CEO

The CEO receives a fixed monthly salary with a supplement for overtime and pension contributions of at most 20 per cent of the monthly salary. The retirement age is 65. There is a mutual period of notice of three months.

Compensation to other senior executives

The period of notice for other senior executives is three months for both parties. The retirement age is 65. Pension contribution at most 20 per cent of the monthly salary.

The Catena share

On December 31, 2010, the share capital of Catena AB amounted to SEK 50,883,800 distributed over 11,564,500 shares. Every share confers entitlement to one vote and every person entitled to vote may vote for the full number of shares owned and represented. All shares have an equal right to the company's assets and profits.

Shareholders as at December 30, 2010

Shareholder	No. of shares	Votes, %
Endicott Sweden AB	3,389,000	29.3
Erik Selin Group	2,476,688	21.4
Peab AB	2,310,000	20.0
Skanda Liv	289,400	2.5
Banque Carnegie Luxembourg SA	197,747	1.7
CNBY-DFA-INT SML CAP V	109,825	0.9
Mellon US Tax Exempt Account	74,984	0.6
Swedbank Robur fonder	60,208	0.5
CBNY-DFA-CNTL SML CO S	56,762	0.5
Verdipapirfondet Odin Eiendom	41,150	0.4
Total ten largest shareholders	9,005,764	77.8
Other shareholders	2,558,736	22.2
Total	11,564,500	100.0

The Annual General Meeting of April 28, 2010, authorized the Board to make decisions of acquisitions of Catena's own shares, corresponding to at most 10 per cent of the total number of shares and to transfer these shares before the 2011 Annual General Meeting.

Information about risks and uncertainty factors*Rental revenue and rental trend*

The supply of premises in a geographically separate market consists of the current space and of the possible addition of newly produced space. This may mean an increase in the general vacancy rates and thus lead to the risk of weak or declining rents. Rents on premises with leases that are longer than three years are normally linked to the Consumer Price Index. In Catena's portfolio, almost 100 per cent of the rent volume is subject to annual adjustment.

Sensitivity analysis

The table below shows the effect on pre-tax profit on Catena's current earning capacity as at January 1, 2011 of the full impact of an isolated change in each variable.

	Change	Impact on pre-tax profit SEKm
Change in yield requirement for residual value assessment	+ 1 percentage point	-21.0
Change in yield requirement residual value assessment	- 1 procentenhet	30.0
Change in discount rate for present day computation of net operating income	- 1 percentage point	-12.0
Change in discount rate for present day computation of net operating income	- 1 percentage point	15.0
Rental revenue	+/- 5 percentage point	1.4
Occupancy rate	+/- 1 percentage point	0.4
Property expenses	+/- 5 percentage point	0.2
Interest rate level for property loan	+/- 1 percentage point	7.9

Tax

Continuous work takes place on changes in corporate tax legislation. A change in tax legislation entailing, for instance, deterioration in the depreciation for tax purposes, changed corporate tax or the ability to use loss carry forwards, can change the future tax situation for Catena.

Environmental risks

Property management and property development entail an environmental impact. Catena's tenants engage in operations that have an impact on the environment and which are subject to licence or a duty of notification, such as handling fuel, oil and chemicals, and running petrol stations. However, Catena does not engage in any activities of its own which have a direct negative impact on the environment. According to the Environmental Code, a party that has conducted an operation that has contributed to contamination has primary liability for subsequent treatment and decontamination. If the party that has conducted such operations cannot carry out or defray the cost of subsequent treatment and decontamination, liability lies with the party that acquired the property and, which, at the time of acquisition, was aware of, or should have discovered, such contamination. Hence, in certain circumstances, claims may be addressed to Catena for subsequent treatment or decontamination regarding the presence or suspicion of contamination in soil, water areas or the groundwater in order to put the property in a condition stipulated by the Environmental Code. Claims of this nature may have a negative impact on Catena's earnings and financial position.

Environmental work at Catena is long term and goal-focused. This work is carried out as an integrated part of property management and project development.

All properties have been environmentally certified in conjunction with listing in 2006, whereupon it was noted that there was limited contamination at certain properties. It cannot be excluded that other environmental contamination exists which could lead to costs being incurred and/or claims which would have an impact on Catena's earnings and financial position. However, at present there is no information regarding any major environmental claims that can be addressed to Catena.

Information about non-financial performance indicators

Catena regards compliance with the Group's environmental policy as important. This environmental policy stipulates, among other things, that changes in legislation, regulations

and other requirements relating to the environmental aspects of operations should be continuously reviewed. Catena shall ensure that the legal and other requirements applicable to operations are complied with. It is therefore of the greatest importance that all personnel in the Group are informed about the environmental issues associated with Catena's activities.

Catena works actively with the Group's gender equality and working environment policy with the aim of striving for a good working environment. Not least priority is given to training and exchange of experience to increase the knowledge of personnel.

Financial instruments and risk management

See Note 27.

Expectations on future development

As the major part of the Group's properties were sold in February 2011, administration of the Group's property portfolio will be of considerable smaller extent. The focus will be on the future zoning plan for the properties Stora Frösunda 2 and Hagalund 2:2 which can in time lead to expanded development potential.

Important events that have occurred during the financial year or after its end

In April 2010, all four properties in the Oslo Region were sold to Bileiendom Invest AS. In June the same year, the property on Jagtvej in Copenhagen was sold to the Danish University and Property Agency. The total realized change in value for these transactions amounted to SEK 55,049,000.

An extraordinary general meeting of shareholders was held on January 28, 2011 where it was decided to sell 25 properties to Balder fjorton AB. This transaction took place as a corporate transaction. The same day, a purchase agreement was signed for the above-mentioned sale. Transfer of shares took place on February 15, 2011. All loans on the properties were redeemed at this time. It was agreed in the purchase agreement that the net operating income from property management would pass to Balder from January 1, 2011.

Catena's CEO, Peter Hallgren, will make use of his pension agreement and resign on April 30, 2011.

Proposed appropriation of the Company's profit

The Board of the Directors and the CEO propose that the unappropriated earnings SEK 810,578,843 be allocated as follows:

Dividend SEK 6.00/share	SEK 69,387,000
Extraordinary dividend SEK 53.00/share	SEK 612,918,500
To be carried forward	SEK 128,273,343
Total	SEK 810,578,843

Statement by the Board of Directors in accordance with Chapter 18, section 4, of the Companies Act Proposal by the Board of Directors

In the proposed allocation of profits, the Board of Directors proposes to the Annual General Meeting for 2011 that Catena shall pay a dividend totalling SEK 59 per share for the 2010 financial year, which entails a total dividend of SEK 682,305,500. The proposed dividend amounts to 91.8 per cent of the pre-tax profit from continuing and discontinued operations, excluding realized and unrealized changes in value of properties and derivatives after 26.3 per cent stand-ard tax.

According to the Annual Report, Catena's equity/assets ratio is 39.0% for the Group. After the proposed dividend and after the sale of the major part of the property portfolio on the 15th of February, the equity/assets ratio will be around

29 per cent. One of Catena's financial targets is that the equity/assets ratio in the Group shall be in the range between 25 and 35%. Catena's target for the equity/assets ratio is also complied with after the proposed dividend. Derivative instruments have been valued at fair value in accordance with Chapter 4, section 14a, of the Annual Accounts Act. This change in value has been reported in the income statement. The unrealized changes in value of the aforesaid derivative instruments amounted to SEK 9.8m in the Parent Company's income statement for 2010.

The fair value reserve is included among the unappropriated earnings but is not distributed.

Reasoning by the Board of Directors

With reference to the statements made above, the Board considers that the proposed dividend to shareholders is justifiable taking into consideration the requirements made

in Chapter 17, section 3, second and third paragraphs, of the Companies Act. The Board finds that there is full coverage for the company's equity after the proposed distribution of profits. The fair value reserve has not been made use of.

After the proposed distribution of profits, the Board considers that the company's and the Group's equity will be sufficient taking into consideration the type of activity, extent and risks.

The Board considers that the proposed share dividend will not affect Catena's ability to perform its obligations in the short or long term. The Board also considers that there will not be a negative effect on essential investments for operations.

As regards the Group's earnings and position otherwise, reference is made to the following income statements and balance sheets and the associated notes to the financial statements.



Corporate governance

Catena AB is a Swedish public limited company, listed on NASDAQ OMX Stockholm. The regulations applied for governance and control of the Group are primarily the Articles of Association, the Swedish Companies Act, OMX Nordic Exchange's regulations, the Swedish Code of Corporate Governance, internal guidelines and policies as well as other applicable laws and regulations. Catena has applied the Swedish Code of Corporate Governance since July 1, 2008.

Catena's Board and executive management endeavour to ensure that Catena complies with the requirements made on the company by the stock exchange, shareholders and other stakeholders. The Swedish Code of Corporate Governance is intended to create good prerequisites 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 explains how Catena has applied the Code during 2010. No deviations from the rules in the Code have been made.

General Meeting of Shareholders

The General Meeting of Shareholders is the supreme decision-making body. The General Meeting appoints the Board and auditors and adopts principles for remuneration of the Board, auditors and the group management. The General Meeting also makes decisions on the articles of association, dividends and other changes in share capital. At the Annual General Meeting of Shareholders, which is to be held within six months of the end of the financial year, the meeting shall also adopt the balance sheets and income statements as well as deciding on discharge from liability of the Board and the CEO.

The Annual General Meeting was held on April 28, 2010. A total of 39 shareholders, representing 6,380,935 shares, attended and they represented 55.2 per cent of the total number of outstanding votes. The Board of Directors, the CEO, the executive management and the company's auditors were present at the meeting.

The Annual General Meeting made decisions on:

- Adoption of the income statements and balance sheets for the Parent Company and the Group
- Appropriation of profit entailing a dividend of SEK 5.75 per share
- Granting discharge from liability for the Board and the CEO
- The number of board members elected by the meeting
- Re-election of the current board and replacements for this board
- Guidelines for remuneration to the CEO and senior executives
- Authorization for the Board to acquire the company's own shares up to a maximum total holding of 10 per cent
- Authorization for the Board on transfer of the company's own shares.

The Annual General Meeting for the 2010 financial year will take place on April 14, 2011 at Radisson Blu Scandinavia Hotel, Södra Hamngatan 59-65, Gothenburg.

Remuneration to the Board of Directors and senior executives

In accordance with a decision at the Annual General Meeting on April 28, 2010, the Chairman of the Board receives SEK 210,000 and other members SEK 105,000 each. Salaries, other payments and pension premiums for the CEO and other senior executives during 2010 are shown in Note 7 to the Annual Report. No flexible remuneration has been paid to the CEO or other senior executives.

Extraordinary Shareholders' Meeting

An extraordinary shareholders' meeting was held on October 12, 2010. A decision was made at this meeting on an extraordinary dividend of SEK 26 per share. It was also decided at this meeting that the company's board would have seven members. Jan Johansson and Tomas Anderson were elected as new members. Peter Hallgren resigned from the Board at his own request. Other board members, Henry Klotz, Christer Sandberg, Lennart Schönning, Erik Selin and Svante Wadman, were re-elected.

The Nomination Committee

The tasks of the Nomination Committee include preparing proposals for the Chairman of the Annual General Meeting, the Board, the Chairman of the Board, the board fee, principles for the organisation of the Nomination Committee and, when appropriate, auditors and the 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 Selin for Erik Selin Fastigheter AB, Bo Jansson for Skandia Liv and Mats Leifland for Peab AB. Bo Jansson has been appointed as chairman of the Nomination Committee. Henry Klotz, the Chairman of the Board, convenes the Nomination Committee.

The Board of Directors and its work

The Board of Directors

According to the current articles of association, Catena's Board shall consist of at least five and at most nine members. The overall task of the Board is to manage the affairs of the Company and the Group on behalf of the shareholders in such a way as to safeguard the interests of the shareholders for a good long-term return from their capital in the best possible way. The members of the Board are elected annually at the Annual General Meeting for the period until the end of the following annual general meeting. The work of the Board shall take place in compliance with the provisions of the law, the Articles of Association and the formal work order. The formal work order is discussed at the board meeting following election and adopted annually.

The composition of the Board shall include competence and experience from areas that are very important in order to be able to support, follow and control the activities of a leading real estate company in Sweden. The Board has members with knowledge of properties, the property market, financing and business development. From the 2010 Annual General Meeting, Catena's board consisted of six members elected by the Annual General Meeting without deputies. At the Extraordinary General Meeting of Shareholders on October 12, 2010, it was decided that the Board should consist of seven members without deputies. The members of the Board are presented on page 66 of this report. The Board complies with the requirements of the Code that at most one board member may work operationally in the day-to-day activities, that at least half of the members of the Board shall be independent in relation to the company and that at least two members shall be independent of the Company's major shareholders.

Formal work plan

The Board of Catena works in accordance with a formal work plan containing instructions regarding the division of duties and responsibilities and financial reporting. The formal work plan constitutes a complement to the provisions of the Swedish Companies Act and Catena's Articles of Association and is subject to annual review. The Board also evaluates the work of the CEO. The CEO is not present during this evaluation.

The Board is responsible for continuously following up and controlling the activities of the Company. The Board is therefore responsible for there being a function-

ing reporting system. Regular reports on the Company's and the Group's economic and financial situation, current market-related issues, project reporting and, when appropriate, the supporting material for investment decisions and property sales are made to board meetings. As well as being responsible for the Company's organization and administration, the most important task of the Board is to make decisions on strategic matters. The Board sets the overall goals for the activities of the Group annually and decides on strategies to achieve these goals. The Instructions to the CEO and internal policy documents are also revised 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 way. Besides leading the work of the Board, the Chairman of the Board follows the ongoing work of the Group through contacts with the CEO on strategic issues.

Ten minutes board meetings were held during 2010, all in Gothenburg, of which one was the board meeting following election. The CFO of the Group has served as secretary of the Board.

The composition of the Board of Directors

Name	Elected	Independent	Attendance
Henry Klotz, Chairman	2007	No	10/10
Christer Sandberg	2007	No	10/10
Erik Selin	2007	No	7/10
Lennart Schöningg	2007	Yes	8/10
Svante Wadman	2007	Yes	10/10
Jan Johansson	2010	No	4/4
Tomas Anderson	2010	No	4/4

Among other things, the topics of the board meetings have been:

February	The year-end report, annual financial statements, auditors' report and preparations for the Annual General Meeting
April	Interim report
September	Strategy discussions, notice of the Extraordinary General Meeting of Shareholders
November	Sale of properties, business plan for 2011 and forecast for 2010
December	Acceptance of offer for properties

At the board meetings, apart from the above points, plans and strategies for the Group's development have been taken up and continuous follow-up of results and position, valuation of the Group's properties, liquidity and financing as well as investment decisions.

The company's auditor, Jan Malm, also participated in the board meeting in February.

Auditors

Catena's auditors are appointed at the Annual General Meeting for a four-year period. The current period commenced in 2008 and the next appointment of auditors will therefore be

in connection with the Annual General Meeting in 2012. Jan Malm is auditor in charge.

The auditor examines the management of the Group by the Board and the CEO. The auditor reports the results of his examination to the shareholders through the auditors' report, which is presented at the Annual General Meeting. In addition, the auditor presents a detailed report to the Board once a year. A discussion also takes place during this report on the observations that the audit has led to. In addition to audit, KPMG has also provided services within the areas of tax and accounting. A fee is paid as invoiced.

CEO and group management

The CEO shall manage the business in accordance with the Instructions to the CEO drawn up and adopted by the Board. According to these instructions, the CEO shall ensure on an ongoing basis that the members of the Board receive information and reports concerning Catena's development in order that they can make informed assessments and well-founded decisions. Furthermore, the CEO shall ensure that Catena observes the information and other obligations stipulated by the listing agreement with OMX Nordic Exchange. The CEO shall also monitor compliance with the objectives, policies and strategic plans established by the Board and ensure that they are submitted to the Board for updating or review when necessary.

Group management comprises of three individuals, in addition to the CEO: the CFO, the Controller and the Head of Business Development. All members of group management have been registered with the Financial Supervisory Authority's insider trading register. At group management meetings, which have a standing agenda, liquidity and financing, projects, the letting situation, forecasts, market follow-ups and strategy-related issues are taken up.

Board committees

The Board has established two committees, the Remuneration Committee and the Audit Committee, which are responsible for preparing items of business within their respective sphere of responsibility.

Remuneration Committee

The task of the Remuneration Committee is to prepare matters concerning remuneration and other conditions of employment for the CEO. Remuneration to other senior executives is decided upon by the CEO on the basis of principles decided upon by the Board. The Remuneration Committee consists of all members of the Board with the exception of the CEO. The committee has had one meeting during 2010.

Audit Committee

The task of the Audit Committee is to maintain and enhance the efficiency of contacts the Group's auditor and to supervise the procedures for audit and financial reporting. The Committee shall also revise the work of the auditor and monitor the development of accounting policies and accounting requirements. The Board has decided that all members with the exception of the CEO shall sit on this committee. The Audit Committee has had one meeting during 2010.

Information to the stock market

Catena shall submit fast, simultaneous, correct and reliable information to existing and potential in shareholders and other stakeholders. The company submits an interim report on its activities each quarter and a year-end report and Annual Report for the entire financial year.

Catena's website (www.catenafastigheter.se) shows current information about the company such as press releases, financial statements and a list of properties. Shareholders can order printed 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 according to the Swedish Companies Act and the Swedish Code of Corporate Governance. This report has been prepared in accordance with Chapter 6, section 6, of the Annual Accounts Act and is thus limited to internal control and risk management relating to financial reporting.

The basis of internal control consists of the control environment which the work of the Board and executive management is based on. The Board has adopted a number of important policies and basic guidelines for internal control work such as financial policy, environmental policy and information policy. The CEO makes 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 both between the Board and the CEO and within the operational activities. The operational activities include business control and business plan processes. As examples may be mentioned tools for monitoring operations, preparations for purchases and sales of properties/companies, supporting material for property valuations. These have been designed in such a way that control activities take place at property level (current result and investment follow-ups) at the overall level in the form of, for example, result analysis at area level, analysis of key data, reviews of the legal group 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. These systems are continuously updated.

Internal information and external communication are regulated at an overall level, in among other ways, by an information policy. Internal information takes place through regular information meetings and planning conferences.

Catena has a small organization with 10 employees. All operations in the Swedish part of the business have taken place in the parent company during the year. In Denmark, operations are conducted through the Swedish parent company. The finance function at the parent company is responsible for control of all units. For this reason, Catena has no special function for internal audit. The Board and the executive management consider the internal control to be good and appropriate for its purpose for a group of Catena's size and that there is therefore no need for an internal audit function. This decision will be reviewed annually.

Consolidated Income Statement

January 1–December 31, SEK 000s	Note	2010	2009
CONTINUING OPERATIONS			
Rental revenue		27,417	27,236
Operating expenses		–234	–196
Repair and maintenance expenses		–848	–822
Property tax		–2,670	–2,460
Property administration	9	–3,241	–3,617
NET OPERATING INCOME		20,424	20,141
Other operating income	5	239	250
Other operating expenses	6	–188	–400
Central administration	9	–12,936	–10,989
Properties, unrealized changes in value		130,000	–3,000
OPERATING PROFIT	7, 8, 29	137,539	6,002
Financial income		18,915	1,646
Financial expenses		–28,225	–36,708
NET FINANCIAL INCOME	10	–9,310	–35,062
PRE-TAX PROFIT		128,229	–29,060
Tax	12	–34,961	7,687
NET PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		93,268	–21,373
NET PROFIT FOR THE YEAR FROM DISCONTINUED OPERATIONS	3, 4	255,306	140,060
NET PROFIT FOR THE YEAR		348,574	118,687
Earnings per share (SEK)	20	30.14	10.26
Earnings per share from continuing operations (SEK)		8.07	–1.85

Report on Comprehensive Income for the Group

January 1–December, SEK 000s	2010	2009
Net profit for the year	348,574	118,687
OTHER COMPREHENSIVE INCOME FOR THE YEAR		
Change in translation reserve, foreign operations	–9,181	16,816
Tax on change in translation reserve foreign operations	–3,430	1,748
Translation reserve transferred to net profit for the year	–4,901	—
Tax on translation reserve transferred to net profit for the year	260	—
COMPREHENSIVE INCOME FOR THE YEAR	331,322	137,251

Consolidated Balance Sheet

As at December 31, SEK 000s	Note	2010	2009
ASSETS	28		
Investment properties	14	520,000	2,472,293
Other property, plant and equipment	13	1,358	1,952
TOTAL NON-CURRENT ASSETS		521,358	2,474,245
Accounts receivable		104	2,121
Other receivables	16	165	328
Prepaid expenses and accrued income	18	1,020	4,863
Cash and cash equivalents	35	56,743	102,571
Assets held for sale	4	1,593,336	—
TOTAL CURRENT ASSETS		1,651,368	109,883
TOTAL ASSETS		2,172,726	2,584,128
EQUITY			
Share capital		50,884	50,884
Other capital contributed		571,454	571,454
Translation reserve		-7,466	9,786
Profit brought forward including net profit for the year		231,894	250,493
TOTAL EQUITY		846,766	882,617
LIABILITIES			
Liabilities to credit institutions	21, 22	981,736	1,362,158
Other long-term liabilities	15	3,567	20,919
Provisions for pensions	23	7,478	6,811
Other provisions	24	2,798	5,875
Deferred tax liability	12	43,568	228,298
TOTAL LONG-TERM LIABILITIES		1,039,147	1,624,061
Liabilities to credit institutions	21, 22	5,000	5,000
Accounts payable		13,382	5,159
Tax liability		22,267	5,610
Other liabilities	25	4,115	14,035
Accrued expenses and prepaid income	26	12,899	47,646
Liabilities relating to assets held for sale	4	229,150	—
TOTAL CURRENT LIABILITIES		286,813	77,450
TOTAL LIABILITIES		1,325,960	1,701,511
TOTAL EQUITY AND LIABILITIES		2,172,726	2,584,128

See Note 31 for information about the Group's pledged assets and contingencies.

Summary of changes in consolidated equity

SEK 000s	Note 19	Equity attributable to shareholders in the Parent Company				Total equity
		Share capital	Other capital contributed	Translation reserve	Profit brought forward incl. net profit for the year	
Opening equity 01.01.2009		50,884	571,454	-8,778	192,520	806,080
COMPREHENSIVE INCOME FOR THE YEAR						
Net profit for the year					118,687	118,687
Change in translation reserve during the year, foreign operations				16,816		16,816
Tax on change in translation reserve, foreign operations				1,748		1,748
COMPREHENSIVE INCOME FOR THE YEAR				18,564	118,687	137,251
Dividend					-60,714	-60,714
Closing equity, 31.12.2009		50,884	571,454	9,786	250,493	882,617
Opening equity, 01.01.2010		50,884	571,454	9,786	250,493	882,617
COMPREHENSIVE INCOME FOR THE YEAR						
Net profit for the year					348,574	348,574
Change in translation reserve during the year, foreign operations				-9,181		-9,181
Tax on change in translation reserve, foreign operations				-3,430		-3,430
Translation reserve transferred to net profit for the year				-4,901		-4,901
Tax on translation reserve transferred to net profit for the year				260		260
COMPREHENSIVE INCOME FOR THE YEAR				-17,252	348,574	331,322
Dividend					-367,173	-367,173
Closing equity, 31.12.2010		50,884	571,454	-7,466	231,894	846,766

Consolidated Cash Flow Statement

January 1 –December 31, SEK 000s	Note 35	2010	2009
OPERATING ACTIVITIES			
Pre-tax profit		128,229	–29,060
Adjustment for items not included in the cash flow		–141,945	1,696
Income tax paid		–4,679	14,297
CASH FLOW FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES		–18,395	–13,067
CASH FLOW FROM WORKING CAPITAL CHANGES			
Increase (–)/Decrease (+) of operating receivables		1,465	1,241
Increase (+)/Decrease (–) of operating liabilities		–32,244	33,937
CASH FLOW FROM OPERATING ACTIVITIES		–49,174	22,111
INVESTING ACTIVITIES			
Investments in investment properties		–3,080	–532
Investments in property, plant and equipment		–151	–358
CASH FLOW FROM INVESTING ACTIVITIES		–3,231	–890
FINANCING ACTIVITIES			
Amortization (–) of liabilities to credit institutions		–5,000	–5,000
Dividend paid		–367,173	–60,714
CASH FLOW FROM FINANCING ACTIVITIES		–372,173	–65,714
CASH FLOW FOR THE YEAR FROM CONTINUING OPERATIONS		–424,578	–44,493
CASH FLOW FROM DISCONTINUED/DIVESTED OPERATIONS			
Cash flow from operating activities		126,029	136,269
Cash flow from investing activities		552,841	–35,653
Cash flow from financing activities		–299,622	–3,089
NET CASH FLOW FROM DISCONTINUED/DIVESTED OPERATIONS		379,248	97,527
CASH FLOW FOR THE YEAR		–45,330	53,034
Cash and cash equivalents at the beginning of the year		102,571	45,149
Exchange rate difference		–498	4,388
CASH AND CASH EQUIVALENTS AT YEAR-END		56,743	102,571

Parent Company Income Statement

January 1 –December 31, SEK 000s	Note	2010	2009
Rental revenue		3,379	3,597
Operating expenses		–3,104	–3,317
Repair and maintenance expenses		–136	–65
Property tax		–5	–5
Property administration	9	–10	–10
NET OPERATING INCOME		124	200
Other operating income	5	18,822	21,384
Other operating expenses	6	–152	–134
Depreciation buildings	14	—	–69
Central administration	9	–19,592	–18,651
OPERATING PROFIT	7, 8, 29	–798	2,730
Profit from sale of participations in subsidiaries		637,617	—
Dividend from subsidiaries		21,964	5,766
Other interest income and similar profit/loss items	10	26,851	6,900
Interest expense and similar profit/loss items	10	–36,083	–41,825
PROFIT/LOSS AFTER FINANCIAL ITEMS		649,551	–26,429
Appropriations	11	38	15
PRE-TAX PROFIT		649,589	–26,414
Tax	12	3,339	8,625
NET PROFIT FOR THE YEAR		652,928	–17,789

Report on Comprehensive Income for the Parent Company

January 1– December 31, SEK 000s	2010	2009
Net profit for the year	652,928	–17,789
OTHER COMPREHENSIVE INCOME FOR THE YEAR		
Change in fair value reserve	13,041	–6,647
Tax on change in fair value reserve	–3,430	1,748
Fair value reserve transferred to net profit for the year	–987	—
Tax on fair value reserve transferred to net profit for the year	260	—
OTHER COMPREHENSIVE INCOME FOR THE YEAR	8,884	–4,899
COMPREHENSIVE INCOME FOR THE YEAR	661,812	–22,688

Parent Company Balance Sheet

As at December 31, SEK 000s	Note	2010	2009
ASSETS	28		
NON-CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT			
Investment properties	14	—	1,857
Other property, plant and equipment	13	217	517
TOTAL PROPERTY, PLANT AND EQUIPMENT		217	2,374
FINANCIAL ASSETS			
Participations in group companies	33	50,832	1,700,580
Deferred tax asset	12	165	154
TOTAL FINANCIAL ASSETS		50,997	1,700,734
TOTAL NON-CURRENT ASSETS		51,214	1,703,108
CURRENT ASSETS			
CURRENT RECEIVABLES			
Accounts receivable		13	2,085
Receivables from group companies	17	2,530,909	360,000
Other receivables	16	165	208
Prepaid expenses and accrued income	18	935	897
TOTAL CURRENT RECEIVABLES		2,532,022	363,190
Cash and bank balances	35	56,743	97,030
TOTAL CURRENT ASSETS		2,588,765	460,220
TOTAL ASSETS		2,639,979	2,163,328
EQUITY AND LIABILITIES			
EQUITY			
<i>Restricted equity</i>	19		
SHARE CAPITAL (11,564,500 SHARES)		50,884	50,884
Statutory reserve		10,000	10,000
<i>Non-restricted equity</i>	19		
Fair value reserve		–476	–9,360
Profit/loss brought forward		158,127	477,837
Net profit for the year		652,928	–17,789
TOTAL EQUITY		871,463	511,572
UNTAXED RESERVES	34	77	115
PROVISIONS			
Provisions for taxes and similar commitments	23	7,832	6,899
Provisions for taxes	12	—	17
Other provisions	24	2,884	5,696
TOTAL PROVISIONS		10,716	12,612
LONG-TERM LIABILITIES			
Liabilities to credit institutions	22	981,736	995,233
Other long-term liabilities	15	3,567	13,378
TOTAL LONG-TERM LIABILITIES		985,303	1,008,611
CURRENT LIABILITIES			
Liabilities to credit institutions	22	5,000	5,000
Accounts payable		13,382	4,852
Liabilities to group companies		692,052	565,286
Current tax liabilities		22,353	809
Other liabilities	25	1,862	11,812
Accrued expenses and prepaid income	26	37,771	42,659
TOTAL CURRENT LIABILITIES		772,420	630,418
TOTAL EQUITY AND LIABILITIES		2,639,979	2,163,328

See Note 31 for information about the Parent Company's pledged assets and contingencies.

Summary of changes in Parent Company's equity

SEK 000s	Note 19	Restricted equity		Non-restricted equity			Total equity
		Share capital	Statutory reserve	Fair value reserve	Profit/loss b/f	Net profit for the year	
Opening equity, January 1, 2009		50,884	10,000	-4,461	524,072	-47,603	532,892
Net profit for the year						-17,789	-17,789
Other comprehensive income for the year				-4,899			-4,899
COMPREHENSIVE INCOME FOR THE YEAR				-4,899		-17,789	-22,688
Net profit for previous year					-47,603	47,603	0
Group contribution received					84,236		84,236
Tax attributable to group contributions					-22,154		-22,154
Dividend					-60,714		-60,714
Closing equity, 31.12.2009		50,884	10,000	-9,360	477,837	-17,789	511,572
Opening equity, 01.01.2010		50,884	10,000	-9,360	477,837	-17,789	511,572
Net profit for the year						652,928	652,928
Other comprehensive income for the year				8,884			8,884
COMPREHENSIVE INCOME FOR THE YEAR				8,884		652,928	661,812
Net profit for previous year					-17,789	17,789	0
Group contribution received					88,552		88,552
Tax attributable to group contributions					-23,289		-23,289
Shareholder contribution provided					-11		-11
Dividend					-367,173		-367,173
Closing equity, 31.12.2010		50,884	10,000	-476	158,127	652,928	871,463

Parent Company Cash-Flow Statement

January 1–December 31, SEK 000s	Note 35	2010	2009
OPERATING ACTIVITIES			
Profit/loss after financial items		649,551	-26,429
Adjustment for items not included in the cash flow		-10,601	2,171
Income tax paid		141	-2,948
CASH FLOW FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES		639,091	-27,206
CASH FLOW FROM WORKING CAPITAL CHANGES			
Increase (-)/Decrease (+) of operating receivables		-2,168,832	790
Increase (+)/Decrease (-) of operating liabilities		129,946	99,764
CASH FLOW FROM OPERATING ACTIVITIES		-1,399,795	73,348
INVESTING ACTIVITIES			
Shareholder contribution provided		-11	—
Acquisition of property, plant and equipment		—	-27
Divestment of property, plant and equipment		1,889	—
Divestment (+)/Acquisition (-) of subsidiaries		1,649,748	100
CASH FLOW FROM INVESTING ACTIVITIES		1,651,626	73
FINANCING ACTIVITIES			
Decrease of long-term liabilities		-13,497	—
Group contributions received		88,552	84,236
Dividend paid		-367,173	-60,714
CASH FLOW FROM FINANCING ACTIVITIES		-292,118	23,522
CASH FLOW FOR THE YEAR		-40,287	96,943
Cash and cash equivalents at the beginning of the year		97,030	87
CASH AND CASH EQUIVALENTS AT YEAR-END		56,743	97,030



Notes to the Annual Report

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 groups has been applied.

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

Changed accounting policies due to changed or new IFRSs

During the year, changes in standards and new interpretations have come into effect. However, these have not entailed any significant effect on the Group's financial statements.

New IFRSs which have not yet started to be applied

A number of new standards and changes in standards as well as interpretations come into effect during the coming financial year. None of these have been applied in advance in the financial statements for 2010 and there are no plans to apply them in advance. They are not expected to entail any significant effect on the Group's financial statements.

(B) Assumptions in the preparation of the Parent Company's and the Group's financial statements

The Parent Company's functional currency is Swedish kronor, which is also the reporting currency for the Parent Company and for the Group. This means that the financial statements are presented in Swedish kronor. All amounts, unless otherwise stated, are rounded off to the nearest thousand. Assets and liabilities are reported at historical acquisition values, except certain financial assets and liabilities as well as investment properties which are reported at fair value. See Note 14 Investment Properties. Non-current assets held for sale are reported at the lowest of the previously reported value and the fair value after deduction of selling expenses. See section (R) below.

Preparing the financial statements in accordance with IFRS requires that the senior management make assessments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and the assumptions are based on historical experience and on a number of other factors that under the current circumstances would seem to be reasonable. The result of these estimates and assumptions is then used to assess the carrying amounts of 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 reported 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 Group's financial statements, unless otherwise stated below.

(C) Segment reporting

A segment is part of the Group that engages in activities which can generate income and incur expenses and which is identifiable for reporting purposes. The results of a business segment are moreover monitored by the company's senior executives, the group management, in order to evaluate performance and to be able to allocate resources to the segment. See Note 2 for further information.

(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 closing 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 closing 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 advantage. In assessing the existence of a controlling influence, potential vote-eligible shares that can be utilized or converted without delay shall be taken into consideration.

Subsidiaries are reported 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 acquisition value is established through an acquisition analysis in conjunction with the acquisition of operations. The analysis establishes the acquisition value of the participation rights or the business, the fair value of the identifiable assets acquired and liabilities and contingent liabilities assumed.

A subsidiary's financial statements are incorporated in the consolidated accounts as of the time of acquisition until the date when the controlling influence no longer exists. The intra-Group receivables and liabilities, income or expenses and unrealized gains or losses arising from intra-group transactions between group companies, are entirely eliminated in the preparation of 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 made to date have been classified as assets acquisitions. This means that no deferred tax is reported 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 Swedish kronor at the closing exchange rate. Revenue and expenses of a foreign operation are translated to Swedish kronor at an average exchange rate that is an approximation of the rates on the various transaction dates. Translation differences that arise in currency translation of foreign operations are reported under other comprehensive income as a translation reserve. When a foreign independent operation is divested, the accumulated exchange rate differences are reported in the Income Statement together with the gain or loss on divestment.

Continued Note 1

Transactions in foreign currency

Transactions in foreign currency are translated to the functional currency at the exchange rate on 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 that arise in translation are reported in the Income Statement, apart from long-term intra-group transactions which are treated as part of the net investment in subsidiaries and are reported under other comprehensive income. Non-monetary assets and liabilities which are reported at historic acquisition values are translated at the exchange rate at the time of the transaction. Non-monetary assets and liabilities reported at fair values are translated to the functional currency at the exchange rate at the time of valuation at fair value.

(G) Income**Rental revenue**

Rental revenue consists mainly of basic rents and reimbursement of property tax as well as additional rent for tenant customizations. Rental revenue from investment properties is reported on a straight-line basis in the Income Statement based on the terms and conditions of the lease (tenancy agreement).

Other operating income

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

Income from property sales

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

(H) Operating expenses and financial income and expenses**Other operating expenses**

Other operating expenses refer mainly to the above-mentioned 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 reported in the period. Variable fees are expensed in the periods in 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 and exchange rate differences.

Interest expense for liabilities is calculated by application of the effective interest method. Effective interest is the interest 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 leases

Expenses relating to operational leases are reported in the Income Statement on a straight-line basis over the term of the

lease. Benefits received in connection with entry into a lease are reported in the Income Statement as a reduction of the lease fees on a straight-line basis over the term of the lease. Variable fees are expensed in the periods they arise

(I) Financial instruments

Financial instruments are valued and reported in the Group in accordance with the rules in IAS 39.

Financial instruments reported on the Balance Sheet include, on the asset side, cash and cash equivalents, accounts receivable, loan receivables and derivatives. Equity and liabilities includes accounts payable, loan debts and derivatives.

Financial instruments are initially reported at acquisition value, corresponding to the fair value of the instrument with a supplement for transaction expenses. This applies to all financial instruments except those that belong to the category of financial assets reported at fair value via the Income Statement which are reported at their fair value excluding transaction expenses. Reporting thereafter depends on their classification in accordance with the following. In conjunction with every report, the company makes an assessment of whether there are objective indications that a financial asset or group of financial assets is in need of impairment.

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

Financial assets valued at their fair value via the Income Statement

Catena has entered into interest rate swap agreements. This category includes these derivatives when they have a positive value. These agreements are valued on an ongoing basis at fair value with changes in value being reported directly in the Income Statement under the item Net financial items. It is reported 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 fixed payments or payments that can be determined, and they are not listed on an active market. The receivables arise when companies provide money and services directly to the credit recipient without intending to engage in trade with the receivables. This category also includes acquired receivables. Assets in this category are valued at their accrued acquisition value. Accrued acquisition value is determined based on 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 engage in trade with the receivable. If the expected period of holding exceeds a 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 reported at the amount expected to be received after deduction for doubtful claims which are assessed on a case-by-case basis. The expected maturity of the accounts receivable is short, and the value is accordingly reported at a nominal amount without discounting. Impairments of accounts receivable are reported in operating expenses.

Financial liabilities valued at fair value via the Income Statement

This category includes the Group's derivatives with a negative fair value. Catena has entered into interest rate swap agreements. This category includes these derivatives when

they have a negative value. These agreements are valued on an ongoing basis at fair value with changes in value being reported directly in the Income Statement under the item Net financial items. It is reported 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 valued at accrued acquisition value.

Liabilities are classified as other financial liabilities, which means that they are initially reported at the amounts received after deduction of transaction expenses. After the acquisition date, the loan is valued at the accrued acquisition value in accordance with the effective interest method. Long-term liabilities have an expected maturity exceeding a year while current liabilities have a maturity of less than a year.

Accounts payable are classified in the category other financial liabilities. Accounts payable have a short expected maturity and are valued without discounting at nominal amounts.

(J) Investment properties

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

Both unrealized and realized changes in value are reported in the Income Statement. Rental revenue and income from property sales are reported in accordance with the principles described in the section on Revenue reporting.

Loan expenses

Loan expenses attributable to creation of "qualified assets" are capitalized as part of the acquisition value of the qualified asset. A qualified asset is an asset which must take a considerable time to complete. In the first place, loan expenses are capitalized that have arisen for loans which are specific to the qualified asset. Secondly, loan expenses are capitalized that have arisen on general loans that are not specific to any qualified asset.

Additional expenses for investment properties that are reported in accordance with the fair value method:

The Group's properties are divided into components. Additional expenses are added to the reported value only if it is likely that the future financial advantages associated with the asset will benefit the company and the acquisition value can be estimated in a reliable manner. All other additional expenses are reported as costs in the period in which they arise. A critical factor in the assessment when an additional expense is added to the reported value is whether the expense refers to the replacement of identified components of parts thereof,

in which case expenses are capitalized. Also in cases where a new component has been created, the expense is added to the reported value. Repairs are expensed as the expenditure arises.

(K) Property, plant and equipment

Owned assets

Property, plant and equipment consists of accrued expenses at properties belonging to another party and equipment, tools and fittings and fixtures, and are reported as assets on the Balance Sheet if it is likely that future financial advantages will benefit the company and the acquisition value of the asset can be reliably determined.

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

Property, plant and equipment is reported in the Group at acquisition value after deduction of accumulated depreciation and impairment, if any. The acquisition value includes the purchase price and expenses directly attributable to the asset, required to bring it to its current location and into a condition in which it can be utilized in accordance with the aim of the acquisition.

Leased assets

Leasing is classified in the consolidated accounts either as financial or operational leasing. In financial leasing, the financial risks and benefits associated with ownership, are essentially transferred to the lessee, in operational leasing this is not the case. In operational leasing, the leasing fee is expensed over the term of the lease based on use.

Assets leased as financial leases primarily in the form of company cars held by Catena, are reported as assets in the consolidated Balance Sheet. Obligations to pay future leasing fees are reported as long-term and current liabilities. Leased assets are depreciated according to plan, whereas the lease payments are reported as interest on and amortization of the debts.

Additional expenses

Additional expenses are added to the acquisition value, only if it is likely that the future financial advantages associated with the asset will benefit the company and the acquisition value can be reliably determined. All other additional expenses are reported as a cost in the period in which they arise.

Depreciation principles

Depreciation takes place on a straight line basis over the estimated useful life of the assets. Land is not depreciated.

All properties are reported in the Group as investment properties and valued at their fair value. Other property, plant and equipment in the Group have no significant value for different components so no division of components takes place.

Estimated useful life:

– Accrued expenses on other's property	10 %
– Equipment, tools and installations	10–20 %

(L) Impairment

The carrying amounts of the Group's assets – with the exception of investment properties and deferred tax assets are reviewed on every closing date to assess the possible need for impairment. If such a need exists, the recoverable amount of the asset is estimated. The valuation of the excepted assets mentioned 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 share-

Continued Note 1

holders and according to the value of the average number of shares outstanding at year-end.

(N) Employee benefits**Defined-contribution schemes**

Commitments as regards fees for defined contribution schemes are reported as an expense in the Income Statement when they arise.

Defined-benefit schemes

The Group's net commitment as regards defined-benefit schemes is calculated separately for each scheme by estimating the future benefit that employees have earned from their employment in both current and previous periods. This benefit is discounted to a present value and the fair value of any managed assets is deducted. The discount interest rate is the yield on the closing date of a high-grade corporate bond with a term that corresponds to the Group's pension commitments. When an active market for such corporate bonds does not exist, the market rate on government bonds of a corresponding term is used instead. This calculation is done by an accredited actuary.

When the benefits of a scheme improve, the portion of the increased benefit that relates to the employee's employment during previous periods is reported as an expense in the Income Statement distributed on a straight-line basis over the average period until the benefits have been fully earned. If the benefit is fully earned, an expense is reported directly in the Income Statement.

The corridor rule is applied. The corridor rule means that the portion of the accumulated actuarial gains and losses that exceeds 10 % of the largest of the present value of commitments and the fair value of the managed assets is reported in the results for the expected average remaining period of employment for the employees covered by the scheme. Actuarial gains and losses are not otherwise taken into account.

When the calculation leads to an asset for the Group, the carrying value of the asset is limited to the net of unreported actuarial losses and unreported expenses for employment during previous periods and the present value of future repayments from the scheme or reduced future payments into the scheme.

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 reported based on this difference. The present value of the provision or receivable is not calculated.

(O) Provisions

A provision is reported 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 reported in the Income Statement except where the underlying transaction is reported in other comprehensive income or equity where the underlying tax effect is reported 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 upon or for all practical purposes decided upon on closing 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 taken into considera-

tion: the first reporting of assets and liabilities that are not operating acquisitions that at the time of the transaction do not affect the carrying amount or the tax value of earnings. Nor are temporary differences attributable to participations 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 closing date.

Deferred tax assets pertaining to deductible temporary differences and loss carry-forwards are reported only to the extent to which 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.

(Q) Contingencies (contingent liabilities)

A contingency is reported 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 reported as a liability or provision because it is unlikely that an outflow of resources will be required.

(R) Non-current assets held for sale and discontinued operations

The effect of a non-current asset (or a divestment group) being classified as held for sale is that its carrying amount will be recovered mainly by sale and not by use.

Immediately prior to classification as being held for sale, the carrying amount of the assets (and all assets and liabilities in a divestment group) is determined in accordance with applicable standards. In connection with the first classification as being held for sale, non-current assets and divestment groups are reported at the lowest of the carrying amount and fair value after deduction of selling expenses. The following assets, separately or part of a divestment group, are exempted from the valuation rules described above:

- Deferred tax assets
- Assets attributable to employee benefits
- Financial assets covered by IAS 39 Financial instruments: Recognition and Measurement
- Investment properties valued in accordance with the fair value method in compliance with IAS 40 Investment Properties

A gain is recognised for every increase of the fair value after deduction of selling expenses. This gain is limited to an amount that corresponds to all previous impairments.

Losses due to decrease in value in connection with the first classification are recognised in net profit for the year. Subsequent changes in value, both gains and losses, are recognised in net profit for the year.

A discontinued operation is a part of the company's operations that represents an independent branch of the business or an important activity in a geographic area or a subsidiary acquired exclusively for sale. Classification as a discontinued operation takes place at the time of divestment or at an earlier time when the operation ceased to comply with the criteria to be classified as being held for sale.

Net profit from discontinued operations is reported on a separate line in the Consolidated Income Statement. When an operation is classified as discontinued, the format of the Income Statement for the comparative year is changed so that it is reported as if the discontinued operation had been divested at the beginning of the comparative year. The format of the Balance Sheet for the current and previous year is not changed in the corresponding way.

Parent Company accounting policies

The Parent Company has prepared its annual report in accordance with the Annual Accounts Act (1995:1554) and

the Swedish Financial Reporting Board's recommendation no. RFR 2 Accounting for Legal Entities. RFR 2 entails that the Parent Company in its annual report for the legal entity must apply all EU-approved IFRS and pronouncements as far as possible within the framework of the Annual Accounts Act and taking into consideration the connection between accounting and taxation. The recommendation specifies the exceptions from and the additions to IFRS that are to be made. The differences 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 to IAS 1 Presentation of Financial Statements which is applied in the presentation of the Group's financial statements mainly concerns the reporting of financial income and expenses, property, plant and equipment, equity, and provisions being a separate heading in the Balance Sheet.

Subsidiaries

Participation rights in subsidiaries are reported in the Parent Company in accordance with the acquisition method

Financial instruments

The Parent Company applies the valuation rules in Chapter 4, section 14 a-e, of the Annual Accounts Act which permit valuation of certain financial instruments at fair value.

Financial guarantees – Parent Company

The Parent Company's financial guarantee agreements consist of surety undertakings in favour of subsidiaries. Financial guarantees entail that the company has a commitment to compensate the holder of an instrument of debt for losses that this party incurs due to a named debtor not paying on maturity in accordance with the contractual terms and conditions. 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 favour 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.

Property, plant and equipment

Leased assets

All leasing agreements are reported in the Parent Company in accordance with the rules for operational leasing.

Investment properties

Investment properties are reported in accordance with the principles for property, plant and equipment, but without the possibility of applying the fair value method.

Non-current assets held for sale and discontinued operations

Non-current assets held for sale and discontinued operations are not reported separately in the Parent Company Income Statement and Balance Sheet as the Parent Company complies with the format of the Annual Accounts Act for the Income Statement and the Balance Sheet. Information about non-current assets held for sale and discontinued operations is provided instead in the notes. Depreciation also takes place in accordance with the Annual Accounts Act.

Depreciation principles

Depreciation is made on a straight-line basis over the estimated useful life of the assets. Land is not depreciated. For legal entities, component depreciation is applied, which entails that the depreciation is based on the estimated useful life of the components. The investment properties consist of a number of components of varying periods of use. The primary division is buildings and land. No depreciation is applied to the land component, whose period of use is deemed unlimited. The buildings, however, consist of several components of varying periods of use.

The following main groups of components have been identified and form the basis for depreciation of buildings:

	%
– Framework	1.5
– Framework, secondary elements, interior walls, etc.	2.0
– Ceiling	4.0
– Facades	2.0
– Windows	4.0
– Ground work	4.0

Installations/equipment:

– Ventilation/cooling	4.0
– Electricity	4.0
– Plumbing and heating	4.0
– Alarm	10.0
– Ports	4.0
– Sprinklers	10.0
– Fences and gates	10.0

The residual value and useful life of the assets are assessed annually.

Employee benefits

Defined-benefit schemes

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 recommendations of the Swedish Financial Supervisory Authority, since this is a prerequisite of eligibility for tax deduction. The most significant differences from rules in IAS 19 are the manner in which the discount interest rate is determined, the fact that 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 reported in the Income Statement when they arise.

Taxes

In the Parent Company, untaxed reserves are reported including the deferred income tax liability. In the consolidated accounts, on the other hand, untaxed reserves are divided into deferred income tax liability and equity.

Group contributions and shareholder contributions

Group contributions and shareholder contributions for legal entities

The company reports Group contributions and shareholder contributions in accordance with the statements of the Swedish Financial Reporting Board. Shareholder contributions are reported as an increase of participation rights at the donor. Group contributions are reported in accordance with their financial implication. This means that group contributions made to minimize the Group's total tax are reported directly against profit carried forward after deduction of their current tax effect.

Group contributions that can be compared with shareholder contributions are reported taking into account the current tax effect, at the recipient, directly against profit carried forward.

Note 2 Segment reporting

The Group's activities are divided into operating segments based on the parts of the activity monitored by the company's senior executives, the group management. The Group's activity is organized in such a way that the group management monitors the performance and return generated by the Group's various properties.

The Group's internal system is therefore organized in such a way that the group management can monitor the performance of all properties. The Group's segments have been identified on the basis of this internal reporting. The following operating segments have been identified: the Stockholm Region, the Gothenburg Region, the Öresund Region and

the Oslo Region. The Oslo Region was divested on March 31, 2010, and the result from the Oslo Region for 2010 is accordingly only for the first quarter. The Region is reported as discontinued on December 31, 2010. The Gothenburg and Öresund Regions are reported as discontinued in their entirety as at December 31, 2010. The Stockholm Region is also reported as largely discontinued as at December 31, 2010. The sole continuing operation is the Solna property, Haga Norra. The reason for these regions being reported as discontinued is the sale agreement signed on February 15, 2011, according to which Catena sold 25 properties to Balder.

THE GROUP

	Stockholm Region		Gothenburg Region		Öresund Region		Oslo-Region		The Group	
SEK 000s	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Rental revenue	65,746	64,559	45,301	46,872	45,518	47,127	11,411	44,706	167,976	203,264
TOTAL INCOME	65,746	64,559	45,301	46,872	45,518	47,127	11,411	44,706	167,976	203,264
Property expenses	-14,016	-11,641	-5,267	-5,497	-5,678	-7,017	-608	-1,448	-25,569	-25,603
NET OPERATING INCOME	51,730	52,918	40,034	41,375	39,840	40,110	10,803	43,258	142,407	177,661
LESS DISCONTINUED OPERATIONS	-31,306	-32,777	-40,034	-41,375	-39,840	-40,110	-10,803	-43,258	-121,983	-157,520
CONTINUING OPERATIONS	20,424	20,141	0	0	0	0	0	0	20,424	20,141
Other operating income									239	250
Other operating expenses									-188	-400
Central administration									-12,936	-10,989
Unrealized change in value, properties									130,000	-3,000
OPERATING PROFIT									137,539	6,002
Net financial items									-9,310	-35,062
PRE-TAX PROFIT									128,229	-29,060
Tax									-34,961	7,687
NET PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS									93,268	-21,373
NET PROFIT FOR THE YEAR FROM DISCONTINUED OPERATIONS									255,306	140,060
NET PROFIT FOR THE YEAR									348,574	118,687

Continued Note 2

THE GROUP

	Stockholm Region		Gothenburg Region		Öresund Region		Oslo- Region		The Group	
SEK 000s	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Assets	967,076	819,987	618,498	651,815	527,938	554,114	—	556,747	2,113,512	2,582,663
Undistributed assets									59,214	1,465
TOTAL ASSETS	967,076	819,987	618,498	651,815	527,938	554,114	—	556,747	2,172,726	2,584,128
RECLASSIFICATION TO "ASSETS HELD FOR SALE"	-446,900	—	-618,498	—	-527,938	—	—	—	-1,593,336	—
NET TOTAL ASSETS, CONTINUING OPERATIONS	520,176	819,987	—	651,815	—	554,114	—	556,747	579,390	2,584,128
Equity									846,766	882,617
Liabilities	66,729	520,944	62,930	405,151	114,631	362,320	—	326,176	244,290	1,614,591
Undistributed liabilities									1,081,670	86,920
TOTAL LIABILITIES	66,729	520,944	62,930	405,151	114,631	362,320	—	326,176	1,325,960	1,701,511
TOTAL LIABILITIES AND EQUITY	66,729	520,944	62,930	405,151	114,631	362,320	—	326,176	2,172,726	2,584,128
RECLASSIFICATION TO "LIABILITIES ATTRIBUTABLE TO ASSETS HELD FOR SALE"	-51,589,	—	-62,930	—	-114,631	—	—	—	-229,150	—
NET TOTAL LIABILITIES AND EQUITY, CONTINU- ING OPERATIONS	15,140	520,944	—	405,151	—	362,320	—	326,176	1,943,576	2,584,128
INVESTMENTS, CONTINU- ING OPERATIONS	3,080	5,475	—	1,073	—	25,928	—	6,563	3,080	39,039

PARENT COMPANY

	Stockholm Region		Gothenburg Region		Öresund Region		Oslo- Region		Parent Company	
SEK 000s	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Net turnover	277	281	3,102	3,316	—	—	—	—	3,379	3,597

Note 3 Discontinued operations

During 2010, property sales consisting of a total of five properties with a lettable area of 37,546 square metres have taken place. These sales mean that the Oslo Region and part of the Öresund Region have been discontinued.

During the latter part of 2010, steps were taken to divest the property portfolio in the Gothenburg Region, the rest of the Öresund Region and the major part of the Stockholm Region.

The criteria in accordance with IFRS 5 for reporting a discontinued operation are considered to have been complied with as at December 31, 2010.

The sales process led to the Extraordinary Shareholders' Meeting on January 28, 2011 deciding to sell 25 properties to Balder fjorton AB. This transaction took place as a corporate transaction. The purchase agreement for this sale was signed the same day. Transfer of the shares took place on February 15, 2011.

Net profit for the year for the discontinued but not yet divested operations during 2010 in the Gothenburg, Stockholm and Öresund regions and the discontinued and divested op-

erations in the Oslo Region and part of the Öresund Region during 2010 amounts to SEK 255,306 (previous year 140,060) and is reported in the Consolidated Income Statement under the heading "Net profit for the year from discontinued operations". The profit is specified in more detail in the following table.

The specification includes the unrealized changes in value of the properties in the property portfolio reported as discontinued but not divested of SEK 66,814 (previous year 27,769) and the realized changes in value of the properties in the divested operations of SEK 109,515 (previous year 3,209) all amounts after tax. The method used for valuation of the discontinued but not divested properties is described in Note 14.

The assets included in the operations reported as discontinued but not divested as at December 31, 2010 as above amount to SEK 1,593,336 and are presented in the Consolidated Balance Sheet as "Assets held for sale". Liabilities associated with these operations amount to SEK 229,150 and are presented as "Liabilities relating to assets held for sale". See also Note 4.

DISCONTINUED OPERATIONS

	Outcome 2010 Jan-Dec	Outcome 2009 Jan-Dec
NET PROFIT FROM DISCONTINUED OPERATIONS		
Income	140,558	176,028
Expenses	-26,426	-26,140
PRE-TAX PROFIT	114,132	149,888
Tax	-35,155	-40,806
NET PROFIT	78,977	109,082

CAPITAL GAIN/LOSS ON DIVESTMENT OF DISCONTINUED OPERATIONS

Properties, realized changes in value	55,049	3,209
Tax attributable to the above value changes	54,466	—
CAPITAL/GAIN LOSS FROM DIVESTMENT AFTER TAX	109,515	3,209

CHANGE OF FAIR VALUE FOR THE YEAR

Properties, unrealized changes in value	90,657	37,679
Tax attributable to the above changes in value	-23,843	-9,910
PROFIT FROM THE CHANGE FOR THE YEAR AFTER TAX	66,814	27,769

COMPREHENSIVE INCOME FROM DISCONTINUED OPERATIONS AFTER TAX

	255,306	140,060
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All income and expenses in the above comprehensive income refers to discontinued operations, which also applies to accumulated amounts.

Note 4 Non-current assets held for sale

Refers to coming sale to Balder fjorton AB.

GROUP

SEK 000s 2010

ASSETS CLASSIFIED AS HELD FOR SALE

Investment properties	1,588,130
Tax assets	375
Other current receivables	852
Prepaid expenses and accrued income	3,636
Cash and cash equivalents	343
	1,593,336

LIABILITIES CLASSIFIED AS HELD FOR SALE

Other provisions	200
Deferred tax liabilities	135,609
Liabilities to credit institutions	60,000
Other liabilities	3,340
Accrued expenses and prepaid income	30,001
	229,150

Parent Company

The items in the Income Statement for 2010, which consist of continuing operations, are mainly Net operating income (SEK 0,000), Other operating income (SEK 3,200,000), Capital gain/loss for sale of participations in group companies (SEK 0,000), Dividend from subsidiaries (SEK 0,000) Other interest income/Income expense (SEK -9,900,000). With regard to central administration expenses, see Note 7 on changes in personnel.

The items in the Balance Sheet as at December 31, 2010, which consist of continuing operations, are primarily Financial assets (SEK 48,215,000), Current receivables (SEK 732,500,000), Cash and bank deposits (SEK 56,743,000), Provisions (SEK 10,716,000), Long-term liabilities (SEK 298,000,000) and Current liabilities (SEK 449,000,000). Assets for sale amount to SEK 1,802,000,000 and liabilities attributable to assets for sale amount to SEK 1,021,000,000.

Note 5 Other operating income

GROUP SEK 000s	2010	2009
Management fees/consultancy fees, external	79	20
Invoiced services, external	160	103
Other income	—	127
	239	250

PARENT COMPANY SEK 000s	2010	2009
Management fees/consultancy fees, external	29	20
Management fees/consultancy fees, intra-group	18,669	21,146
Invoiced services, external	124	218
	18,822	21,384

Note 6 Other operating expenses

	Group		Parent Company	
SEK 000s	2010	2009	2010	2009
Expenses for invoiced services, Group companies and other expenses	160	116	124	104
Consultancy expenses	28	284	28	30
	188	400	152	134

Note 7 Employees and personnel costs

EXPENSES FOR REMUNERATION TO EMPLOYEES GROUP

SEK 000s	2010	2009
Wages, salaries and other remuneration	7,306	9,056
Pension costs, defined benefit schemes (see Note 23)	1,766	321
Pension costs, defined contribution schemes	896	828
Social security contributions	3,823	2,902
	13,791	13,107

AVERAGE NUMBER OF EMPLOYEES

SEK 000s	of which 2010 men, %		of which 2009 men, %	
Parent Company				
Sweden	10	80	11	73
TOTAL PARENT COMPANY	10	80	11	73
Subsidiaries				
Catena Eiendom as	—	—	1	100
Total in subsidiaries	—	—	1	100
GROUP TOTAL	10	80	12	75

Continued Note 7

GENDER DISTRIBUTION IN SENIOR MANAGEMENT

	Proportion Women, % 2010	Proportion Women, % 2009
PARENT COMPANY		
Board	0	0
Other senior executives	0	0
GROUP		
Board	0	0
Other senior executives	0	0

WAGES, SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY CONTRIBUTIONS

	2010 Wages, salaries and other remuneration	2009 Wages, salaries and other remuneration	2009 Social security contributions
SEK 000s			
Parent Company	7,306	6,468	4,193
(of which pension costs)		2,645	1,550 ¹⁾

¹⁾ Of the Parent Company's pension costs, SEK 2,000,000 (518) pertains to the senior management (4). The company's outstanding pension commitments to these persons amounts to SEK 7,572,000 (9,679,000).

WAGES, SALARIES AND OTHER REMUNERATIONS DISTRIBUTED BY COUNTRY AND BETWEEN SENIOR EXECUTIVES AND OTHER EMPLOYEES

	2010 Senior executives (11)	Other employ- ees	2009 Senior executives (11)	Other employ- ees
SEK 000s				
PARENT COMPANY				
Sweden	4,451	2,855	4,550	3,104
GROUP TOTAL	4,451	2,855	4,550	3,104

Severance pay

For notice given by the company, the CEO is entitled to severance pay corresponding to 12 months' salary.

SICK LEAVE IN PARENT COMPANY

%	2010	2009
Total sick leave as a proportion of ordinary working hours	0.7	0.6
Proportion of the total sick leave which is continuous for 60 days or more	0.0	0.0

Changes in personnel

Seven of the company's total of ten employees are expected to transfer to Balder in conjunction with the purchase of the major part of the Group's property holdings. Other personnel, three persons, including the CEO, will retire during the spring of 2011. A new CEO and CFO will be recruited in April 2011.

Continued Note 7

**BENEFITS TO SENIOR EXECUTIVES, PARENT COMPANY
REMUNERATION AND OTHER BENEFITS DURING 2009**

SEK 000s	Basic salary Board fee	Flexible remuneration	Other benefits	Pension cost	Total
Chairman of the Board	210	—	—	—	210
Board members, six total	490	—	—	—	490
CEO	1,578	143	111	–170	1,662
Other senior executives, three total	1,984	145	230	688	3,047
TOTAL	4,262	288	341	518	5,409

Board members receive a fee of SEK 105,000 per member per year. Two of the six board members have received SEK 35,000 each as they have resigned from the Board during the year.

**BENEFITS TO SENIOR EXECUTIVES, PARENT COMPANY
REMUNERATION AND OTHER BENEFITS DURING 2010**

SEK 000s	Basic salary Board fee	Flexible remuneration	Other benefits	Pension cost	Total
Chairman of the Board	210	—	—	—	210
Board members, six total	473	—	—	—	473
CEO	1,604	38	117	1,167	2,926
Other senior executives, three total	2,096	30	238	833	3,197
TOTAL	4,383	68	355	2,000	6,806

Board members receive a fee of SEK 105,000 per member per year. Two of the six board members have received SEK 26,000 each as they have resigned from the Board during the year.

**Note 8 Fee and expense
remuneration to auditors**

SEK 000s	Group Parent Company			
	2010	2009	2010	2009
KPMG				
Audit assignments	408	619	278	458
Audit activities in addition to audit assignments	170	179	170	177
Tax advice	116	46	104	45
	694	844	552	680

**Note 9 Operating expenses
distributed by type of cost**

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

SEK 000s	Group Parent Company			
	2010	2009	2010	2009
PROPERTY ADMINISTRATION				
Personnel costs	2,593	2,894	9	9
External expenses	648	723	1	1
	3,241	3,617	10	10
CENTRAL ADMINISTRATION				
Depreciation	712	706	336	368
Personnel expenses	7,880	5,437	13,961	12,051
External expenses	4,344	4,846	5,295	6,232
	12,936	10,989	19,592	18,651
TOTAL EXPENSES DISTRIBUTED BY TYPE OF COSTS	16,177	14,606	19,602	18,661

Note 10 Net financial items

GROUP

SEK 000s	2010	2009
Interest expense, other	8,082	1,644
Exchange rate gains	1,022	2
Financial derivatives, unrealized changes in value valued at fair value via profit/loss	9,811	—
FINANCIAL INCOME	18,915	1,646
Interest expense, other	-28,225	-35,044
Financial derivatives, unrealized changes in value valued at fair value via profit/loss	—	-1,664
FINANCIAL EXPENSES	-28,225	-36,708
NET FINANCIAL ITEMS	-9,310	-35,062

INTEREST INCOME AND SIMILAR PROFIT/LOSS ITEMS PARENT COMPANY

SEK 000s	2010	2009
Dividend from subsidiaries	21,964	5,766
Interest income, group companies	13,018	6,781
Interest income, other	3,000	119
Exchange rate differences	1,022	—
Financial derivatives, unrealized change in value	9,811	—
	48,815	12,666

INTEREST EXPENSE AND SIMILAR PROFIT/LOSS ITEMS PARENT COMPANY

SEK 000s	2010	2009
Interest expense, group companies	12,926	12,384
Interest expense, other	23,157	27,777
Financial derivatives, unrealized change in value	—	1,664
	36,083	41,825

Note 11 Appropriations

PARENT COMPANY

SEK 000s	2010	2009
Difference between reported depreciation and depreciation according to plan:		
Equipment	38	15
	38	15

Note 12 Taxes

REPORTED IN THE INCOME STATEMENT GROUP

SEK 000s	2010	2009
Current tax expense/tax revenue	-4,679	805
Deferred tax for temporary differences	-33,452	17,463
Deferred tax for loss carry-forwards	0	-8,833
TAX EXPENSE REPORTED IN GROUP	-38,131	9,435

REPORTED IN DISCONTINUED OPERATIONS

Tax in profit from discontinued operations	-35,155	-40,806
Tax on capital gain from divestment of the discontinued operations	54,466	0
Tax on the year's change in fair value	-23,843	-9,910

REPORTED TAX IN DISCONTINUED OPERATIONS	-4,532	-50,716
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TOTAL TAX EXPENSE FOR CONTINUING AND DISCONTINUED OPERATIONS	-42,663	-41,281
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PARENT COMPANY

SEK 000s	2010	2009
Current tax expense(-)/tax revenue(+)		
Tax expense/tax revenue for the period	141	19,206
	141	19,206
Deferred tax for temporary differences	28	—
Deferred tax for tax loss carry-forwards	—	-8,833
	28	-8,833

TOTAL REPORTED TAX EXPENSE/TAX REVENUE IN THE PARENT COMPANY	169	10,373
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TAX ITEMS REPORTED DIRECTLY AGAINST EQUITY PARENT COMPANY

SEK 000s	2010	2009
Current tax in group contributions received/provided	23,289	22,154
	23,289	22,154

Continued Note 12

RECONCILIATION OF EFFECTIVE TAX GROUP

SEK 000s	2010	2009
Pre-tax profit, continuing and discontinued operations	388,067	161,716
Tax according to current rate for Parent Company, 26.3%	-102,062	-42,531
Tax relating to previous years	-1	-9
Translation of foreign tax from higher tax expense	-118	-843
Translation of foreign currency from lower tax expense	1,014	215
Translation difference, foreign currency	-3,170	1,748
Sale of discontinued and divested operations	60,432	0
Non-deductible expenses	-54	-85
Income not subject to tax	1,296	224
REPORTED EFFECTIVE TAX	-42,663	-41,281

RECONCILIATION OF EFFECTIVE TAX PARENT COMPANY

SEK 000s	2010	2009
Pre-tax profit	649,589	-26,414
Tax according to current rate for Parent Company, 26.3%	-170,843	6,947
Non-deductible expenses	-54	-30
Income not subject to tax	174,236	1,708
Translation difference, foreign currency	-3,170	1,748
REPORTED EFFECTIVE TAX	169	10,373
<i>Reported as tax in</i>		
- Parent Company Income Statement	3,339	8,625
- report on Comprehensive Income for the Parent Company	-3,170	1,748
	169	10,373

REPORTED DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities refer to the following:

GROUP	Deferred tax asset		Deferred tax liability		Net	
	2010	2009	2010	2009	2010	2009
Investment properties	335	62	-179,334	-228,818	-178,999	-228,756
Pension provisions	154	541	-332	-134	-178	407
Tax assets/liabilities	489	603	-179,666	-228,952	-179,177	-228,349
Offsetting	-489	-603	489	603	—	—
TAX ASSETS/LIABILITIES, NET	0	—	-179,177	-228,349	-179,177	-228,349
Reclassification to "Liabilities attributable to assets held for sale"			135,609		135,609	
			-43,568		-43,568	

Change in deferred tax in temporary differences has been reported at SEK -33,452,000 (17,463,000) via the Consolidated Income Statement and at SEK -3,170,000 (1,748,000), which is attributable to price differences, under other comprehensive income.

On Catena AB's acquisition of Catena Europafastigheter AB and Catena Ejendomme A/S 2005, these acquisitions were

assessed in compliance with IFRS as acquisition of assets and provision for deferred tax has therefore not been made. The book value of these acquisitions amounted as at December 31, 2010 to SEK 1,061 million (1,068). The unreported tax on these acquisitions would have amounted to SEK 279 million (281) in the event of full deferred tax of 26.3%.

PARENT COMPANY	Deferred tax asset		Deferred tax liability		Net	
	2010	2009	2010	2009	2010	2009
Pension provision	154	154	—	—	154	154
Investment properties	11	—	—	17	11	-17
TAX ASSETS/LIABILITIES, NET	165	154	—	17	165	137

Note 13 Property, plant and equipment

GROUP

SEK 000s	Equipment, tools and fixtures and fittings	Total
ACQUISITION VALUE		
Opening balance, January 1, 2009	6,585	6,585
Acquisitions	573	573
Divestments	-3,060	-3,060
Exchange rate differences	46	46
CLOSING BALANCE, DECEMBER 31, 2009	4,144	4,144
DEPRECIATION AND IMPAIRMENT		
Opening balance, January 1, 2009	-4,087	-4,087
Divestments	2,798	2,798
Depreciation for the year	-903	-903
CLOSING BALANCE, DECEMBER 31, 2009	-2,192	-2,192
CARRYING AMOUNTS		
JANUARY 1, 2009	2,498	2,498
DECEMBER 31, 2009	1,952	1,952

Group, SEK 000s	Equipment, tools and fixtures and fittings	Total
ACQUISITION VALUE		
Opening balance, January 1, 2010	4,144	4,144
Acquisitions	207	207
Divestments	-119	-119
Exchange rate differences	-4	-4
CLOSING BALANCE, DECEMBER 31, 2010	4,228	4,228
DEPRECIATION AND IMPAIRMENT		
Opening balance, January 1, 2010	-2,192	-2,192
Divestments	68	68
Depreciation for the year	-746	-746
CLOSING BALANCE, DECEMBER 31, 2010	-2,870	-2,870
CARRYING AMOUNTS		
JANUARY 1, 2010	1,952	1,952
DECEMBER 31, 2010	1,358	1,358

Depreciation is distributed over the following lines in the Income Statement.

GROUP

SEK 000s	2010	2009
DEPRECIATION		
Central administration	746	903
Total depreciation and impairment for property, plant and equipment	746	903

Continued Note 13

PARENT COMPANY

SEK 000s	Accrued expenses for property belong- ing to another party	Equipment, tools and fixtures and fittings	Total
ACQUISITION VALUE			
Opening balance, January 1, 2009	190	2,053	2,243
Acquisitions	—	27	27
Divestments and scrapping	—	–45	–45
CLOSING BALANCE, DECEMBER 31, 2009	190	2,035	2,225
DEPRECIATION			
Opening balance, January 1, 2009	–84	–1,288	–1,372
Depreciation for the year	–19	–349	–368
Divestments and scrapping	—	32	32
CLOSING BALANCE, DECEMBER 31, 2009	–103	–1,605	1,708
CARRYING AMOUNTS			
JANUARY 1, 2009	106	765	871
DECEMBER 31, 2009	87	430	517

Parent Company, SEK 000s	Accrued expenses for property belong- ing to another party	Equipment, tools and fixtures and fittings	Total
ACQUISITION VALUE			
Opening balance, January 1, 2010	190	2,035	2,225
Acquisitions	—	36	36
CLOSING BALANCE, DECEMBER 31, 2010	190	2,071	2,261
DEPRECIATION			
Opening balance, January 1, 2010	–103	–1,605	–1,708
Depreciation for the year	–19	–317	–336
CLOSING BALANCE, DECEMBER 31, 2010	–122	–1,922	–2,044
CARRYING AMOUNTS			
JANUARY 1, 2010	87	430	517
DECEMBER 31, 2010	68	149	217

Depreciation is distributed over the following lines in the Income Statement.

PARENT COMPANY

SEK 000s	2010	2009
DEPRECIATION		
Central administration	336	368
Total depreciation and impairment for property, plant and equipment	336	368

Note 14 Investment properties

GROUP

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

SEK 000s	2010	2009
Opening fair value	2,472,293	2,354,455
Investments in properties	3,080	39,039
of which capitalized interest expense	—	443
Unrealized change in value	130,000	34,679
Discontinued and divested properties	-497,243	—
Reclassification as assets held for sale	-1,588,130	—
Exchange rate fluctuations	—	44,120
CLOSING FAIR VALUE	520,000	2,472,293

Investment properties are reported on the balance sheet at fair value and changes in value of these properties are reported in the Income Statement. The valuation at fair value was carried out by external independent valuers with December 31, 2010 as valuation date.

Investment properties consist of 1 property unit with a lettable area of 40,723 sq.m. The leases have a remaining weighted duration of 10.7 years. The required notice periods vary between 9 and 18 months and extension periods are between three and five years. The rental level for leased premises with longer lease terms than three years is normally linked to the consumer price index. Almost 100 per cent of the basic rental volume in Catena's portfolio is subject to annual adjustment. Index adjustment amounted to SEK 1,400,000 (1,732,000) in continuing operations.

INFORMATION ON FAIR VALUE OF INVESTMENT PROPERTIES PARENT COMPANY

SEK 000s	2010	2009
ACCUMULATED FAIR VALUES		
At the beginning of the year	2,200	2,200
At year-end	—	2,200

INVESTMENT PROPERTIES REPORTED IN ACCORDANCE WITH HISTORICAL ACQUISITION VALUE PARENT COMPANY

SEK 000s	31.12.2010	31.12.2009
Accumulated acquisition values		
At the beginning of the year	2,455	2,445
Divestments	-2,455	—
	—	2,455

ACCUMULATED DEPRECIATION ACCORDING TO PLAN

At the beginning of the year	-588	-520
Depreciation for the year according to plan	—	-68
Divestments	588	—
	0	-588

CARRYING AMOUNT AT THE END OF THE PERIOD

	0	1,857
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GROUP/PARENT COMPANY

Geographical market	Type of property	Assessed market value, SEK 000s	Capital cost requirement for discounting of future cash flows, %	Yield requirement for assessment of residual value, %
31.12.2009				
Stockholm Region	Industry/Warehouse	819,200	7.6–9.9	6.5–8.8
Gothenburg Region	Industry/Warehouse	550,500	6.4–10.2	7.0–8.5
Öresund Region	Industry/Warehouse	548,712	8.2–9.7	6.8–7.9
Oslo Region	Industry/Warehouse	553,881	6.5–8.5	8.0–9.8
31.12.2010				
Stockholm Region, continuing operations	Industry/Warehouse	520,000	7.54	6.30

Continued Note 14

TAX ASSESSMENT VALUES GROUP

SEK 000s	31.12.2010	31.12.2009
Tax assessment values, buildings (in Sweden)	171,000	628,599
Tax assessment values, land (in Sweden)	96,000	208,975

As at December 31, 2010, Catena has investment properties which are reported in the balance sheet distributed as follows:

Valuation of the Group's property portfolio

Investment properties	520
Assets held for sale	1,588

Information about the valuation methods applied and important assumptions in property valuation:

Investment properties

All properties generate rental income.

Valuation method applied

A combination of the location price method and the yield-based method. When assessing value, a calculation technique has been used to assess the future cash flows of the property valued. These cash flows have been discounted to present value. The location price method has been applied to assess the size of the risk premium in the yield requirement used for assessment of residual value in the cash flow computations and when assessing the size of the discount rate used for present day computation of assessed future cash flows in the cash flow computation. The assessment of value has been made by an authorized property valuer at an external valuation company, Forum Fastighetsekonomi.

The assessment of value has been made by assessing the fair value of the property valued on the basis of a conceivable situation where the current use provides the greatest and best benefit for the owner. An addition to value has then been assessed for properties based on the potential building rights that may be possible through zoning plan work in process for the property. The value of the building rights has been assessed by comparisons with land allocation contracts and contracts on transfer of building rights in Stockholm's suburbs. A deduction has then been made taking into consideration costs, waiting periods, uncertainties etc. associated with construction.

The total fair value for the property including the assessed increase in value for the building rights amounts to SEK 520 million. The increase in value associated with the building rights has been assessed at SEK 140 million. Among other things, in the light of work with the zoning plan not yet being completed, great uncertainty is attached to the quantification of these assessments. If this uncertainty is considered to decrease, there is probably a substantial potential in building rights.

The value of the current use has been assessed on the basis of the following essential assumptions:

- The rate of inflation during the costing period has been assumed to be 2.0 per cent per year.
- Operating and maintenance expenses have been assumed to track inflation.
- Rents in current leases are used during the term of the lease. Subsequently, an assessment of the market rates is made and an adaptation if this deviates from the current rent at the same time as the vacancy risk is taken into account.

PARENT COMPANY

SEK 000s	31.12.2010	31.12.2009
Tax assessment values, buildings (in Sweden)	—	622
Tax assessment values, land (in Sweden)	—	441

Financial input data in the valuation model for the first year in the forecast model:

Rental income	29.2
Vacancies	-0.0
Operation and maintenance	-5.4
Assessed net operating income	23.8

The yield requirement for assessment of residual value is 6.20 per cent.

The discount rate for present day computation of future cash flows is 7.54 per cent. However, present day computation of the residual value has been made at 8.41 per cent.

Investment properties, which are reported as assets held for sale

A combination of the location price method and the yield-based method. When assessing value, the sales price agreed with the purchaser taking possession of the property on February 15, 2011 has also been taken into account. A calculation technique has been applied according to which future cash flows have been estimated for the properties. These cash flows have been discounted to present value. The location price method has been applied to assess the size of the risk premium in the yield requirement used for residual value assessment in the cash flow calculation and in the assessment of the size of the discount rate used for present day computation of estimated future cash flows in the cash flow calculations. The assessment of value has been made by internal valuers.

Total fair value for the properties amounts to SEK 1,588 million.

The value of the current use has been assessed on the basis of the following essential assumptions:

- The rate of inflation during the costing period has been assumed to be 2.0 per cent per year.
- Operating and maintenance expenses have been assumed to track inflation.
- Rents in current leases are used during the term of the lease. Subsequently, an assessment of the market rates is made and an adaptation if this deviates from the current rent at the same time as the vacancy risk is taken into account.

Financial input data in the valuation model for the first year in the forecast model:

Rental income	127.0
Vacancies	-0.2
Operation and maintenance	-15.6
Assessed net operating income	111.2

The yield requirement for assessment of residual value is 6.50–9.70 per cent. (Weighted average 7.24 per cent.)

The discount rate for present day computation of future cash flows is 7.00–9.20 per cent. (Weighted average 7.72 per cent.)

Note 15 Financial investments and changes in the value of derivatives

GROUP, CONTINUING OPERATIONS

SEK 000s	31.12.2010	31.12.2009
INTEREST RATE SWAPS		
Opening balance	-20,919	-19,308
Interest rate swaps, change in value via Income Statement	9,811	-672
Discontinued operations	7,541	—
Exchange rate difference	—	-939
CLOSING BALANCE	-3,567	-20,919

The above closing balance is shown in the Balance Sheet as specified below.

GROUP

SEK 000s	31.12.2010	31.12.2009
Other long-term liabilities	-3,567	-20,919
CLOSING BALANCE	-3,567	-20,919

PARENT COMPANY

SEK 000s	31.12.2010	31.12.2009
INTEREST RATE SWAPS		
Opening balance	-13,378	-11,713
Interest rate swaps, change in value via Income Statement	9,811	-1,665
CLOSING BALANCE	-3,567	-13,378

The Parent Company carries out all transactions through derivative instruments with change in value via the income statement. Financial derivative instruments are reported at fair value in accordance with IAS 39. Catena does not apply hedge accounting.

PARENT COMPANY

SEK 000s	31.12.2010	31.12.2009
Other long-term liabilities	-3,567	-13,378
CLOSING BALANCE	-3,567	-13,378

Note 16 Other receivables

GROUP

SEK 000s	31.12.2010	31.12.2009
Other receivables, which are current assets		
Other	165	328
	165	328

PARENT COMPANY

SEK 000s	31.12.2010	31.12.2009
Other receivables (current)		
Other	165	208
	165	208

Note 17 Receivables from Group companies

PARENT COMPANY

SEK 000s	31.12.2010	31.12.2009
Opening balance	360,000	360,000
Change during the year	2,170,909	—
CLOSING BALANCE	2,530,909	360,000

Note 18 Prepaid expenses and accrued income

SEK 000s	Group		Parent Company	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Prepaid rent	187	270	187	205
Prepaid lease fees	42	51	42	51
Prepaid insurance premiums	456	445	97	88
Prepaid property expenses	434	126	299	—
Prepaid site leasehold fees	547	545	—	—
Prepaid financing expenses	136	538	136	445
Prepaid expenses Stockholmsbörsen	48	48	48	48
Accrued rental discount	2,680	2,780	—	—
Other prepaid expenses	126	60	126	60
Reclassification to "Assets held for sale"	-3,636	—	—	—
	1,020	4,863	935	897

Note 19 Equity

For specification of changes in Equity during the year, see Summary of changes in Group and Parent Company equity respectively.

Group

Share capital

As at December 31, 2010, the registered share capital amounted to 11,564,500 shares (11,564,500) with a nominal value of SEK 4.40.

Other contributed capital

Refers to equity contributed by the owners. Includes a portion of the share premium reserves that was transferred to statutory reserve on December 31, 2005. Appropriations to a share premium fund on and after January 1, 2006 are also reported as contributed capital.

Translation reserve

The translation reserve includes all exchange rate differences that arise from the translation of financial reports from foreign operations that have prepared their own reports in a currency other than the currency in which the Group's financial reports are presented in. The Parent Company and the Group present their financial reports in Swedish kronor. From 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 this equity item. An unconditional shareholder contribution is also included.

According to the Board's policy, the Group's financial goal is to have a good capital structure as well as financial stability, and in this way to 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 ambition of the Board is to maintain a balance between high yield which can be made possible 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 which exceeds the yield on a five-year government bond by at least five percentage points. In 2010, the return on equity was 40.3 per cent (14.1 per cent).

The Group's dividend is to amount in the long term to 75 per cent of the income from property management after 26.3 per cent 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 has proposed to the 2011 Annual General Meeting that Catena pay a dividend of SEK 6.00 per share for the 2010 financial year and an extraordi-

nary dividend of SEK 53.00 per share, which amounts to a total dividend of SEK 682,305,000. The proposed dividend corresponds to 91.8 per cent of the income from property management after standard tax.

According to the annual report, Catena's equity/assets ratio amounts to 39.0 per cent for the Group. After the proposed dividend and after the sale of the major part of the property portfolio on February 15, 2011, the equity/assets ratio is estimated at around 29 per cent.

One of Catena's financial targets is for the equity/assets ratio of the Group to be in the interval between 25 and 35 per cent. Catena will also achieve this target after the proposed dividend.

Derivative instruments have been valued at fair value in accordance with Chapter 4, section 14a, of the Annual Accounts Act. The change in value has been reported in the Income Statement. The unrealized changes in value of the aforesaid derivative instruments amounted to SEK 9.8m in the Consolidated Income Statement for 2010.

The fair value reserve is included among the unappropriated earnings but is not distributed.

Parent Company

Share capital

As at December 31, 2010, the registered share capital amounted to 11,564,500 shares (11,564,500) with a nominal value of SEK 4.40.

Proposed dividend

After closing date, the Board proposed the following dividend. The dividend will be proposed for adoption by the Annual General Meeting on April 14, 2011.

SEK 000s	2010	2009
SEK 6.00 per share (5.75), ordinary	69,387	66,496
SEK 53.00 per aktie (—), extraordinary	612,919	—
	682,306	66,496

Restricted equity

Statutory reserve

The statutory reserve consists of previously appropriated net profit.

Non-restricted equity

Fair value reserve

Consists of exchange rate differences on transactions between the Parent Company and the foreign subsidiaries. These transactions are treated as part of the net investment made by Catena AB in Denmark.

Profit brought forward

Consists of non-restricted equity for the previous year after prior appropriation to a statutory reserve and after distribution of profit. Constitutes, together with net profit for the year, total non-restricted equity, i.e. the amount that is available for distribution to shareholders.

Note 20 Earnings per share

The company has no outstanding subscription options or convertibles that can produce dilution effects. The total number of shares amounts to 11,564,500.

Earnings per share is calculated according to the number of shares at year-end.

GROUP

SEK	2010	2009
Earnings per share	30.14	10.26
Earnings per share, continuing operations	8.07	-1.85
Earnings per share, discontinued operations	22.07	12.11

Note 21 Liabilities to credit institutions

INTEREST AND LOAN MATURITY STRUCTURE AS AT DECEMBER 31, 2009

GROUP	Loan amount	Interest maturity	Proportion	Credit	Loan maturity	Proportion
Maturity, year	SEK 000s	Average interest %	%	agreements SEK 000s	Utilized SEK 000s	%
Variable	865,288	1.27	63.3	—	—	—
2010	130,000	4.01	9.5	386,133	386,133	28.2
2011	130,000	4.16	9.5	626,025	626,025	45.8
2012	130,000	4.25	9.5	355,000	355,000	26.0
2014	111,870	6.03	8.2	—	—	—
TOTAL	1,367,158	2.48	100.0	1,367,158	1,367,158	100.0

INTEREST AND LOAN MATURITY STRUCTURE AS AT DECEMBER 31, 2010

GROUP	Loan amount	Interest maturity	Proportion	Credit	Loan maturity	Proportion
Maturity, year	SEK 000s	Average interest %	%	agreements SEK 000s	Utilized SEK 000s	%
Variable	786,736	2.78	75.2	—	—	—
2011	130,000	3.70	12.4	451,736	451,736	43.2
2012	130,000	3.79	12.4	350,000	350,000	33.4
2013	—	—	—	245,000	245,000	23.4
TOTAL	1,046,736	3.02	100.0	1,046,736	1,046,736	100.0

Approximately 70 per cent of the above loan liabilities will be redeemed in February 2011 in connection with the sale of the major part of the Group's property portfolio.

Note 22 Interest-bearing liabilities

GROUP

SEK 000s	2010	2009
Long-term liabilities		
Liabilities to credit institutions	1,041,736	1,362,158
	1,041,736	1,362,158
Less reclassification to "liabilities attributable to assets held for sale"	-60,000	—
	981,736	1,362,158

Current liabilities

Financial leasing liabilities	1,209	1,466
Current portion of liabilities to credit institutions	5,000	5,000
	6,209	6,466

PARENT COMPANY

SEK 000s	2010	2009
Long-term liabilities		
Liabilities to credit institutions	981,736	995,233
	981,736	995,233

Current liabilities

Current portion of liabilities to credit institutions	5,000	5,000
	5,000	5,000

Conditions

Collateral posted for bank loans amounts to SEK 1,063,233,000 (1,320,158,000) in the company's land and buildings, of which SEK 60,000,000 relates to "liabilities attributable to assets held for sale".

See Note 27 for more information about the Company's exposure to interest rate risk and the risk of exchange rate changes.

Financial leasing liabilities

Financial leasing

Catena leases company cars through a number of different lease agreements. The variable fees have been established through estimated residual value at the end of the leasing period. When the lease agreements end, Catena has options to buy the cars at their residual value. There are no options to extend the lease agreements. As at December 31, 2010, the value of the leased assets was SEK 1,209,000 (1,466,000). The leased assets are collateral for the leasing liabilities. Financial leasing liabilities fall due for payment as below:

GROUP AND PARENT COMPANY

	Minimum lease fees		Interest		Capital amount	
SEK 000s	2010	2009	2010	2009	2010	2009
Within a year	100	156	27	27	127	183
Between one and five years	326	270	35	35	361	305
	426	426	62	62	488	488

Note 23 Pensions

DEFINED BENEFIT SCHEMES

GROUP

SEK 000s	2010	2009
PRESENT VALUE OF NET COMMITMENT	9,514	9,612

Unreported actuarial gains (+) and losses(-)	-2,036	-2,801
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NET REPORTED REGARDING DEFINED BENEFIT SCHEMES (SEE BELOW)	7,478	6,811
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Net commitment employee benefits	7,478	6,811
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NET AMOUNT REPORTED IN FOLLOWING ITEMS IN THE BALANCE SHEET

Provisions for pensions	7,478	6,811
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NET AMOUNT IN BALANCE SHEET	7,478	6,811
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Overview of defined-benefit schemes

The Group has two defined-benefit schemes in Sweden which provide benefits for employees when they retire. These schemes both provide benefits based on the closing salary.

There was previously a scheme in Norway, which has been redeemed. SEK 110,000 is expected to be paid during 2011 for defined-benefit schemes. The defined-benefit schemes will be managed by account appropriations in the balance sheet.

CHANGES IN THE NET COMMITMENTS IN THE BALANCE SHEET FOR DEFINED BENEFIT SCHEMES

GROUP

SEK 000s	2010	2009
Net commitment for defined benefit schemes as at Jan 1	6,811	6,713
Benefits paid	-112	-107
Expense reported in the Income Statement	779	786
Redemption of commitments	—	-807
Exchange rate differences	—	226
NET COMMITMENT FOR DEFINED BENEFIT SCHEMES AS AT DEC 31	7,478	6,811

Expense reported in the Income Statement

GROUP

SEK 000s	2010	2009
Expenses relating to employment during the current period	-269	-312
Interest expense for commitment	-393	-364
Reported actuarial gains(-) and losses(+)	-117	-110
TOTAL NET EXPENSES IN THE INCOME STATEMENT	-779	-786

Expense reported on the following items in the Income Statement:

GROUP

SEK 000s	2010	2009
Central and property administration	-386	-422
Financial expenses	-393	-364
TOTAL	-779	-786

ASSUMPTIONS FOR DEFINED BENEFIT COMMITMENTS

The most important assumptions on closing date.

GROUP/PARENT COMPANY

%	2010	2009
Discount rate as at December 31	4.00	4.00
Future increase in salaries	3.00	3.00
Income base amount	3.00	3.00
Future increase in pensions	2.00	2.00
Annual increase in paid-up policies	2.00	2.00
Severance intensity	2.00	2.00

PARENT COMPANY PENSION COMMITMENT

SEK 000s	31.12.2010	31.12.2009
FPG/PRI	7,832	6,899
For which pension commitment provided by FPG/PRI	7,832	6,899

SEK 000s	2010	2009
Opening value	6,899	6,104
Benefits paid	-112	-107
Expense reported in the Income Statement	1,045	902
CLOSING VALUE	7,832	6,899

Expense reported on the following item in the Income Statement:

SEK 000s	2010	2009
Central administration	-1,045	-902

Defined-contribution schemes

In Sweden, the Group has defined contribution schemes for employees that are fully funded by the company.

Premiums for these schemes are paid regularly in accordance with the particular scheme's rules.

Group Parent Company			
SEK 000s	2010	2009	2010
Expenses for defined contribution schemes	896	828	896

Continued Note 23

HISTORICAL INFORMATION DEFINED BENEFIT SCHEMES GROUP

SEK 000s	2010	2009	2008	2007	2006
Present value of net commitment	9,514	9,612	8,937	6,640	6,816
Unreported actuarial gains(+) and losses (-)	-2,036	-2,801	-2,224	-1,218	-1,424
NET REPORTED CONCERNING DEFINED BENEFIT SCHEMES	7,478	6,811	6,713	5,422	5,392

Note 24 Other provisions**GROUP**

SEK 000s	31.12.2010	31.12.2009
Provisions which are long-term liabilities		
Environment	200	200
Pensions	2,884	5,696
Special wages tax, IAS pensions	-86	-21
TOTAL	2,998	5,875
Less reclassification to "liabilities attributable to assets held for sale"	-200	—
	2,798	5,875

PARENT COMPANY

SEK 000s	31.12.2010	31.12.2009
Pensions	2,884	5,696
TOTAL	2,884	5,696

PAYMENTS

SEK 000s	31.12.2010	31.12.2009
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GROUP

Amount at which provision is expected to be paid after more than twelve months	—	5,875
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PARENT COMPANY

Amount at which provision is expected to be paid after more than twelve months	—	5,696
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Environment

Provisions for the environment refer to a study carried out on purchase of property in 2004.

Pensions

Refers to provision for 60-year pension. Change for the year consists of redeemed commitment.

Special wages tax

Refers to special wages tax on provisions reported in accordance with IAS 19.

Note 25 Other liabilities**GROUP**

SEK 000s	31.12.2010	31.12.2009
Other current liabilities		
Value-added tax	4,437	11,075
Employee withholding tax	236	290
Financial leasing	1,209	1,466
Renovations	1,166	649
Rents deposited	341	392
Other	28	163
Less reclassification to "liabilities attributable to assets held for sale"	-3,302	—
	4,115	14,035

PARENT COMPANY

SEK 000s	31.12.2010	31.12.2009
Other current liabilities		
Value-added tax	1,626	11,522
Employee withholding tax	236	290
	1,862	11,812

Note 26 Accrued expenses and prepaid income

SEK 000s	Group		Parent Company	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Accrued holiday pay including social security contributions	1,488	1,499	1,488	1,451
Accrued social security contributions	187	255	187	212
Accrued interest expense	1,689	5,665	1,571	4,010
Accrued auditing fees	324	356	282	335
Accrued expenses, annual report	385	418	385	418
Accrued consultancy fees	142	235	112	200
Accrued management expenses	339	1,874	—	—
Accrued selling expenses	—	—	6,853	—
Accrued new construction and renovation expenses	—	—	25,322	—
Accrued value-added tax	629	—	629	—
Prepaid rental revenue	36,166	35,629	299	35,442
Accrued property tax	912	804	5	5
Board fee including social security contributions	621	552	621	552
Other	18	359	17	34
Less reclassification to "liabilities attributable to assets held for sale"	-30,001	—	—	—
	12,899	47,646	37,771	42,659

Note 27 Financial risks and financial policies

The Group is exposed, through its operations, 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 rate levels, and refinancing and credit risks. All financial risk management is handled by Catena AB's finance function, which thereby is also responsible for the Catena Group's financial risk management. Work in the finance function is governed by the financial policy adopted by the Board. This policy is regularly reviewed.

Counterparty risks

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, inter alia, during investment of surplus liquidity, on entering into interest rate swap agreements, and on obtaining long- and short-term credit agreements and credit undertakings. To the credit risk, Catena's financial policy stipulates that only counterparties with a satisfactory credit rating are to be accepted in financial transactions.

Liquidity risks

Liquidity risk (also called "financing risk") refers to the risk that financing cannot be obtained, or can only be obtained at sharply increased cost. The largest part of the Group's financing consists of long-term bank loans. Catena runs the risks that loans fall due for payment without being able to be refinanced. With a view to reducing this risk, Catena has reached agreement with the company's creditors on a pre-determined tied-up capital. In return, Catena has undertaken to maintain a particular interest coverage and equity/assets ratio. The average remaining period of tied-up capital was 1.1 years at the year-end.

Borrowing risks

Catena's operations are financed, apart from equity, to a large extent by borrowing from credit institutions. The borrowing risks refers to the risk that it will not be possible to refinance outstanding loans and raise new loans, or only possible 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 risks

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 can consist of a change in fair value, price risk, and changes in cash flow, cash flow risk. A significant factor which affects the 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 Stibor 3 months. To minimize the Group's exposure to rising interest rates, the Group has tied around 25 per cent of its interest expense with the aid of derivative instruments. An increase in the market rate of one percentage point would increase the Group's interest expense by SEK 7.9m computed from the year-end. See Note 21.

Credit risks in accounts receivable

The risk that the Group's/company's customers do not perform their undertakings, that is that payment is not received for accounts receivable constitutes a customer credit risk. Credit checks are performed on the Group's customers, which involves retrieving information on the customer's financial position from credit rating agencies. The largest part of the Group's income comes from the Bilia group. The Parent Company Bilia AB has provided surety for all of the subsidiaries' leases with Catena.

Currency risks

In addition to Sweden, the Group conducts property operations in Denmark. The companies have revenue and expenses in each country's currency and are therefore exposed to exchange-rate fluctuations from a Group perspective.

Currency risk fluctuations also exist in the translation of foreign subsidiaries' assets and liabilities to the Parent Company's functional currency, so-called translation exposure. Another area which is exposed to currency risks is the payment flows in loans and financial exposure.

The year's change in translation differences in equity amounts to SEK -26,138,000.

As from 2008, exchange rate differences are reported as transactions between Catena Sweden and its subsidiaries in Denmark in other comprehensive income as a translation

Continued Note 27

reserve. This exchange rate difference amounts to SEK 946,000, of which the year's change is SEK 12,054,000.

Translation exposure

Foreign net assets in the Group are distributed among the following currencies:

GROUP

Currency	2010		2009	
	Amount in SEK 000s	%	Amount in SEK 000s	%
DKK	96,385	100	22,425	100.0
	96,385	100	22,425	100.0

The policy of the Catena Group is not to hedge translation exposures in foreign currency.

The above currency risks will cease due to the sale in February 2011 to Balder.

Fair value**Calculation of fair value**

The following section summarizes the methods and assumptions mainly used to calculate fair value.

Derivative instruments

The fair value of interest-rate swaps is based on the valuation of the notifying credit institution, the reasonableness of which is tested by discounting the estimated future cash flows according to the contractual terms and maturity dates and based on the market rate for similar instruments on closing date. The above have been included at fair value in the Balance Sheet.

Investment properties

See Note 14.

Accounts receivable and accounts payable

Catena has no accounts receivable and accounts payable which are older than six months. The reported value is intended to reflect the fair value. There were no required allocations this year or last year.

Interest-bearing liabilities

Liabilities to credit institutions usually have a fixed-interest term of three months. The liabilities are recorded at nominal amounts.

Financial leasing liabilities have a remaining term of at most three years. The fair value has been calculated as the remaining amount that Catena is liable to pay.

Note 28 Valuation of financial assets and liabilities

Financial instruments reported in the balance sheet include among the assets cash and cash equivalents, accounts receivable, and other receivables and, among the liabilities, liabilities to credit institutions, accounts payable, and other long-term liabilities. Financial instruments are reported at acquisition value corresponding to fair value with a supplement for transaction expenses, with the exception of the category of financial instruments reported at fair value via the Income Statement where transaction expenses are not included. Subsequent reporting takes place depending on how classification has taken place as below.

Receivables

Financial assets which are not interest rate derivatives, which have determined or determinable payments and which not listed in an active market are reported 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. Receivables have after individual valuation been taken up at the amount expected to be received, which means that they are reported at acquisition value with provision for doubtful claims. Provision for doubtful claims is made when there are objective risk assessments that the Group will not receive the whole claim. Catena has no receivables in foreign currency. Receivables in the parent company consist mainly of receivables from subsidiaries and accounts receivable, which are reported at acquisition value.

Liabilities

Liabilities refer to loans and operating liabilities such as, for example, accounts payable. The major part of Catena's loan contracts are long-term. Loans are reported in the balance sheet on payment date and are taken up at acquisition value. Accrued unpaid interest is reported under the item accrued expenses. Liabilities in foreign currency are reported at the closing price. 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. Accounts payable are reported when the invoice has been received. A liability is removed from the balance sheet when the contrac-

tual obligation has been performed or has been otherwise extinguished. Accounts payable and other operating liabilities with short maturities are reported at nominal value.

Other long-term liabilities – interest rate derivatives

Interest rate derivatives constitute a financial asset or liability which is valued at fair value with changes in value via the Income Statement. Catena has entered into interest rate derivative contracts to manage exposure to fluctuations in the market rate in accordance with the financial policy decided upon. Changes in value can arise when using interest rate derivatives, due to changes in the market rate and time factor. Interest rate derivatives are initially reported in the Balance Sheet at acquisition value on payment date, where the absolute majority refer to interest rate flows entailing an acquisition value of zero, and are subsequently valued at fair value with changes in value in the Income Statement. To establish fair value, market rates are used for the respective maturity listed on closing date and generally accepted computation methods, entailing that fair values have been established in accordance with level 2, IFRS 7 item 27a. The amount for the Group is SEK –3,567,000 and for the Parent Company SEK –3,567,000. Interest rate swaps are valued by discounting future cash flows to current value which is received from the respective counterparty. Realized changes in value refer to redeemed interest rate derivative contracts and constitute the difference between redemption and recognized value according to the most recent quarterly report. Unrealized changes in value refer to the change in value that has arisen during the term of the interest derivative contracts that Catena had at the end of the period. Changes in value are calculated on the basis of the valuation at the end of the period compared with the valuation the previous year, or the acquisition value if the interest rate derivative has been entered into during the year. An unrealized change in value is recognised and calculated for interest 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.

Current payment flows during the contracts are taken up as income for the period they refer to.

Continued Note 28

FAIR VALUE AND CARRYING AMOUNT IN THE BALANCE SHEET (SEK 000s)

	Loans and accounts receivable	Financial liabilities valued at fair value via the result	Other liabilities	Total carrying amount
GROUP 2010				
Accounts receivable	104			104
Other receivables	165			165
TOTAL	269			269
Liabilities to credit institutions			986,736	986,736
Other long-term liabilities, derivatives		3,567		3,567
Accounts payable			13,382	13,382
Other liabilities			5,710	5,710
TOTAL		3,567	1,005,828	1,009,395

Fair value is the same as the total carrying amount.

	Loans and accounts receivable	Financial liabilities valued at fair value via the result	Other liabilities	Total carrying amount
GROUP 2009				
Accounts receivable	2,121			2,121
Other receivables	3,108			3,108
TOTAL	5,229	0	0	5,229
Liabilities to credit institutions			1,367,158	1,367,158
Other long-term liabilities, derivatives		20,919		20,919
Accounts payable			5,159	5,159
Other liabilities			14,687	14,687
TOTAL	0	20,919	1,387,004	1,407,923

Fair value is the same as the total carrying amount.

FAIR VALUE AND CARRYING AMOUNT IN THE BALANCE SHEET (SEK 000s)

	Loans and accounts receivable	Financial liabilities valued at fair value via the result	Other liabilities	Total carrying amount
PARENT COMPANY 2010				
Accounts receivable	13			13
Other receivables	2,531,074			2,531,074
TOTAL	2,531,087	0	0	2,531,087
Liabilities to credit institutions			986,736	986,736
Other long-term liabilities, derivatives		3,567,		3,567
Accounts payable			13,382,	13,382
Other liabilities			729,524	729,524
TOTAL		3,567	1,729,642	1,733,209

Fair value is the same as the total carrying amount.

Continued Note 28

	Loans and accounts receivable	Financial liabilities valued at fair value via the result	Other liabilities	Total carrying amount
PARENT COMPANY 2009				
Accounts receivable	2,085			2,085
Other receivables	360,208			360,208
TOTAL	362,293	0	0	362,293
Liabilities to credit institutions			1,000,233	1,000,233
Other long-term liabilities, derivatives		13,378		13,378
Accounts payable			4,852	4,852
Other liabilities			572,503	572,503
TOTAL	0	13,378	1,577,588	1,590,966

Fair value is the same as the total carrying amount.

DERIVATIVES, INTEREST RATE SWAPS

GROUP	Loan amount	Interest including
Maturity, year	SEK 000s	credit margin, %
2011	130,000	3.70
2012	130,000	3.79
TOTAL	260,000	

Note 29 Operational leasing

Lease contracts where the company is the lessee. Lease payments for which notice cannot be given amount to:

SEK 000s	Group		Parent Company	
	2010	2009	2010	2009
Within a year	1,586	1,689	36	7
Between one and five years	4,469	5,432	9	—
Longer than five years	1,650	10,289	—	—
	7,705	17,410	45	7
Less future lease payments for the discontinued operations	-7,660	—	—	—
	45	17,410	45	7
Fees paid:				
SEK 000s	Group		Parent Company	
	2010	2009	2010	2009
Minimum lease fees	3,146	3,265	2,229	2,054
Variable fees	—	—	1,803	2,185
TOTAL LEASING EXPENSES	3,146	3,265	4,032	4,239
Leasing revenue for sub-let properties totals	—	—	3,102	3,316
Less lease fees paid for the discontinued operations	-2,216	—	—	—
	930	3,265	930	923

Continued Note 29

Lease contracts where the company is the lessor

The Group lets its investment properties according to operational lease contracts. The annual future lease payments for which notice cannot be given are as follows:

SEK 000s	Group		Parent Company	
	2010	2009	2010	2009
Within a year	2,693	5,395	—	—
Between one and five years	51,436	48,928	—	—
Longer than five years	103,353	150,284	3,479	3,113
	157,482	204,607	3,479	3,113
Less reclassification to "assets attributable to assets held for sale"	-133,055	—	-3,479	—
	24,427	204,607	0	3,113

The framework agreement with Bilia referred to in previous annual reports has terminated.

Note 30 Investment commitments**Group**

As at December 31, 2010, the Group has investment commitments for new construction/renovation of SEK 16,653,000 (previous year 0) and commitments for repairs at SEK 8,669,000 (previous year 0) concerning assets for sale.

Parent Company

As at December 31, 2010, the Parent Company has no investment commitments (0).

Note 31 Pledged assets, contingent liabilities and contingent assets

SEK 000s	Group		Parent Company	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Pledged assets				
In the form of pledged assets for own liabilities and provisions				
Mortgages	1,088,233	1,320,158	—	—
Holdings in subsidiaries	317,941	1,820,040	—	294,162
TOTAL PLEDGED ASSETS	1,406,174	3,140,198	—	294,162
Contingencies				
Guarantee commitments, FPG/PRI	157	138	157	138
Sureties in favour of subsidiaries	—	—	—	306,925
TOTAL CONTINGENCIES	157	138	157	307,063

Note 32 Related parties**RELATED PARTY TRANSACTIONS
PARENT COMPANY**

Related party relationship SEK 000s	Year	Rental revenue/ services	Liability to related parties, December 31	Receivable from related party, December 31
Catena Group/own subsidiaries	2010	22,049	692,052	2,530,909
Catena Group/own subsidiaries	2009	24,462	565,286	360,000

Transactions with key persons in executive positions

Besides 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 "Employee and Personnel expenses" (see Note 7).

Note 33 Participations in Group Companies

PARENT COMPANY

SEK 000s	31.12.2010	31.12.2009
Accumulated acquisition values		
At the beginning of the year	1,700,580	1,700,680
Sale	-1,649,748	-100
CLOSING BALANCE	50,832	1,700,580

SPECIFICATION OF THE PARENT COMPANY'S DIRECT PARTICIPATION IN SUBSIDIARIES

Subsidiary / Corporate ID number / Registered office	No. of shares	Share in %	31.12.2010	31.12.2009
			Carrying amount	Carrying amount
Catena Europafastigheter AB, 556594-3460, Gothenburg	1,500,000	100	—	1,355,486
Catena Ejendomme A/S 11730930, Copenhagen	5	100	—	84,839
Catena Invest 2 AB, 556743-8543, Gothenburg	1,000	100	—	—
Catena Byggnads AB, 556048-4726, Gothenburg	50,000	100	47,670	47,670
Catena i Partille AB, 556754-0843, Gothenburg	1,000	100	100	100
Catena i Stenungsund, 556754-0835, Gothenburg	1,000	100	100	100
Catena Invest 1 AB, 556743-8204, Gothenburg	1,000	100	100	100
Catena i Lund AB, 556754-0850, Gothenburg	1,000	100	—	100
Catena i Vinsta AB, 556754-0868, Gothenburg	1,000	100	100	100
Catena i Täby AB, 556754-7509, Gothenburg	1,000	100	100	100
Almedals Fastighetsförvaltnings KB, 915846-2183, Gothenburg	Limited partnership		—	—
Catena Urnes 1 KB, 969700-5552, Gothenburg	Limited partnership		2,662	2,662
Catena Eiendom as, Oslo	130,000	100	—	209,323
			50,832	1,700,580

LIST OF COMPANIES

The following companies are subsidiaries of Catena Invest 1 AB.

Company name	Corporate ID. no.	Registered office
Catena Europafastigheter AB	556594-3460	Gothenburg
Catena i Göteborg AB	556028-7137	Gothenburg
Catena Invest 2 AB	556743-8543	Gothenburg
Almedals Fastighetsförvaltning KB	916846-2183	Gothenburg
Catena i Kungälv AB	556037-7854	Gothenburg
Catena Deltavägen AB	556639-6700	Gothenburg
Catena i Malmö AB	556040-2942	Gothenburg
Catena Urnes 1 KB	969700-5552	Gothenburg
Catena i Sisjön AB	556088-6623	Gothenburg
Catena Trombonen 3 KB	969674-3682	Gothenburg
Catena i Svågertop AB	556743-8204	Gothenburg
Catena i Stockholm AB	556058-6603	Gothenburg
Catena i Haninge AB	556021-5211	Gothenburg
Catena i Huddinge AB	556032-6323	Gothenburg
Catena i Södertälje AB	556031-1705	Gothenburg
Catena i Lund AB	556754-0850	Gothenburg
Catena Ejendomme A/S	11730930	Copenhagen

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

Company name	Corporate ID. no.	Registered office
Catena i Solna AB	556112-7571	Gothenburg

Note 34 Untaxed reserves

PARENT COMPANY

SEK 000s	2010	2009
Accumulated additional depreciation:		
EQUIPMENT AND INSTALLATIONS		
Opening balance, January 1	115	130
Additional depreciation for the year	-38	-15
Closing balance, December 31	77	115
TOTAL UNTAXED RESERVES	77	115

Note 35 Cash Flow Statement

CASH AND CASH EQUIVALENTS – GROUP

SEK 000s	31.12.2010	31.12.2009
Cash and bank balances	56,743	102,571
Total according to Balance Sheet	56,743	102,571
TOTAL ACCORDING TO CASH FLOW STATEMENT	56,743	102,571

CASH AND CASH EQUIVALENTS – PARENT COMPANY

SEK 000s	31.12.2010	31.12.2009
Cash and bank balances	56,743	97,030
Total according to Balance Sheet	56,743	97,030
TOTAL ACCORDING TO CASH FLOW STATEMENT	56,743	97,030

INTEREST PAID AND DIVIDEND RECEIVED

	Group		Parent Company	
SEK 000s	2010	2009	2010	2009
Dividend received	—	—	21,964	5,766
Interest received	8,082	2,912	16,018	8,168
Interest paid	-32,201	-39,644	-38,517	-43,590
	-24,119	-36,732	-535	-29,656

ADJUSTMENTS FOR ITEMS NOT INCLUDED IN THE CASH FLOW

	Group		Parent Company	
SEK 000s	2010	2009	2010	2009
Depreciation	746	903	336	436
Provisions for pensions	-2,210	-666	-1,126	59
Accrued rental discounts	-670	-2,807	—	—
Other adjustments	—	-398	—	12
Properties, unrealized changes in value	-130,000	3,000	—	—
Derivatives, unrealized changes in value	-9,811	1,664	-9,811	1,664
	-141,945	1,696	-10,601	2,171

Note 36 Events after closing date

An extraordinary shareholders' meeting was held on January 28, 2011, where it was decided to sell 25 properties to Balder fjorton AB. The transaction took place as a corporate transaction. A purchase agreement was signed the same day for the above-mentioned sale. Transfer of the shares took place on February 15, 2011. All loans charged to the properties were redeemed at this time. It was agreed in the purchase agreement that Balder would receive the net operating income from January 1, 2011.

The company's CEO, Peter Hallgren, will make use of his pension agreement and resign on April 30, 2011.

Note 37 Important estimates and assumptions

The financial statements have been prepared in accordance with IFRS. This means that the Board and senior management make assessments, estimates and assumptions. Together, these affect the accounting policies applied by Catena and thus the amounts at which assets, liabilities, revenue and expenses are taken up in the financial statements. The assessments and estimates made by the Board and senior management, which have had a significant effect on the financial statements, concern valuation of investment properties, which is described in more detail in Note 14. The problems in car sales and service may also affect Catena since large parts of Catena's rental revenue come from this sector. This may also entail adjustment in the following years' financial statements.

Note 38 Information about Parent Company

Catena AB is a Swedish-registered limited company with its registered office in Gothenburg. The office is located at Lilla Bommen 6. The postal address is Box 262, SE-401 24 Gothenburg, Sweden. The consolidated accounts for 2010 consist of the Parent Company and its subsidiaries, jointly referred to as the Group. The Catena share is registered on Nasdaq OMX Nordic Stockholm – Small cap.



The Board of Directors and the CEO certify that the annual report has been prepared in accordance with generally accepted accounting policies in Sweden and that the consolidated financial statements have been prepared in accordance with the international accounting standards referred to in the Regulation (EC) No. 1606/2002 of the European Parliament and the Council of 19 July 2002 on the application of international accounting standards. The Annual Report and the Consolidated Financial Statements provide a fair view of the Parent Company's and the Group's financial position and performance. The Report of the Board of Directors for the Par-

ent Company and the Group respectively provides a fair view of the development of the Parent Company's and the Group's operations, position and performance and describes important risks and uncertainty factors for the Parent Company and the companies belonging to the Group

The annual report and consolidated financial statements were approved for release by the Board on March 11, 2011. The Group's income statement and balance sheet and the Parent Company's income statement and balance sheet will be subject to approval at the Annual General Meeting on April 14, 2011.

Gothenburg March 11, 2011

Henry Klotz
Chairman of the Board

Tomas Anderson
Board member

Jan Johansson
Board member

Christer Sandberg
Board member

Lennart Schönning
Board member

Erik Selin
Board member

Svante Wadman
Board member

Our auditor's support has been submitted on March 21, 2011
KPMG AB

Jan Malm
Authorized Public Accountant



Audit Report

To the annual meeting of the shareholders of Catena AB
Corporate identity number 556294-1715

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the board of directors and the managing director of Catena AB for the year 2010. The annual accounts and the consolidated accounts of the company are included in the printed version of this document on pages 22-63. The board of directors and the managing director are responsible for these accounts and the administration of the company as well as for the application of the Annual Accounts Act when preparing the annual accounts and the application of international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act when preparing the consolidated accounts. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by board of directors and the managing director and significant estimates made by the board of directors and the managing director when preparing the annual accounts and the consolidated accounts as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined

significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any board member or the managing director. We also examined whether board member or the managing director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the company's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The consolidated accounts have been prepared in accordance with international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act and give a true and fair view of the group's financial position and results of operations. A corporate governance statement has been prepared. The statutory administration report and the corporate governance statement are consistent with the other parts of the annual accounts and the consolidated accounts.

We recommend to the annual meeting of shareholders that the income statements and balance sheets of the parent company and the group be adopted, that the profit of the parent company be dealt with in accordance with the proposal in the statutory administration report and that the board of directors and the managing director be discharged from liability for the financial year.

Gothenburg March 21, 2011
KPMG AB

Jan Malm
Authorized Public Accountant



Multi-year overview

(incl. discontinued operations)

Income Statement and Balance Sheet	2010 ¹⁾	2009	2008	2007	2006
Income Statement, SEKm					
Rental revenue	168.0	203.3	189.3	179.7	177.0
Property expenses	-25.6	-25.6	-26.0	-25.3	-25.3
Net operating income	142.4	177.7	163.3	154.4	151.7
Other operating income/expenses	-0.9	2.1	-1.1	2.8	2.0
Central administration	-13.5	-14.1	-17.6	-17.3	-24.1
Properties. changes in value	275.7	37.9	-255.9	205.0	241.8
Operating profit	403.7	203.6	-111.3	344.9	371.4
Net financial items	-15.6	-41.9	-88.9	-65.0	-19.1
Pre-tax profit	388.1	161.7	-200.2	279.9	352.3
Current tax	-40.3	-2.1	-1.3	-5.3	-19.2
Deferred tax	0.8	-40.9	69.6	-58.4	-78.1
Net profit for the year	348.6	118.7	-131.9	216.2	255.0
Balance Sheet, SEKm					
Investment properties	2,108	2,472	2,354	2,479	2,352
Other assets	8	9	20	29	24
Cash and bank balances	57	103	45	35	63
Total assets	2,173	2,584	2,419	2,543	2,439
Equity	847	883	806	1,006	826
Provisions	190	241	195	265	213
Interest-bearing liabilities	1,047	1,367	1,354	1,224	1,307
Non-interest bearing liabilities	89	93	64	48	93
Total equity and liabilities	2,173	2,584	2,419	2,543	2,439
Key data					
	2010	2009	2008	2007	2006
Financial					
Return on equity, %	40.3	14.1	-14.6	23.6	37.6
Return on total capital, %	17.5	8.2	-5.6	13.4	17.7
Equity/assets ratio, %	39.0	34.1	33.3	39.6	33.8
Interest coverage ratio, income from property management, multiples	4.8	4.0	2.5	2.4	3.2
Loan-to-value ratio, properties, %	49.7	55.3	57.5	49.4	55.6
Debt-to-equity ratio, multiples	1.2	1.5	1.7	1.2	1.6
Share-related (relates to number of shares at the end of the period)					
Earnings per share for the period, SEK	30.14	10.26	-11.41	18.70	22.05
Earnings per share for the period before tax, SEK	33.56	13.98	-17.31	24.20	30.46
Income from property management per share, SEK	8.99	10.77	7.71	6.38	8.60
Income from property management for the period after standard tax per share, SEK	6.63	7.93	5.55	4.59	6.19
Equity per share, SEK	73.24	76.27	69.70	86.99	71.43
Dividend per share, SEK	31.75	5.25	5.25	5.00	—
No. of shares at end of period, thousands	11,565	11,565	11,565	11,565	11,565
Average no. of shares, thousand	11,565	11,565	11,565	11,565	11,565
Property-related					
Book of properties, SEKm	2,108	2,472	2,354	2,479	2,352
Yield, %	6.2	7.2	7.3	6.1	6.6
Lettable area. sq.m.	192,994	231,314	230,529	227,500	258,462
Rental revenue, SEK per sq.m.	803	886	846	772	697
Net operating income, SEK per sq.m.	674	775	734	663	599
Economic occupancy rate, %	97.6	97.9	96.3	98.3	98.8
Surplus ratio, %	84.8	87.4	86.3	85.9	85.7

¹⁾ Consists of continuing and discontinued operations.

The Board of Directors



1. Henry Klotz

Chairman of the Board
London, born 1944
Elected to the Board in 2007

Education: Engineer.

Primary employment:
Executive Vice Chairman
of CLS Holdings plc.

Other commissions:
Board member of a large
number of companies
in the CLS Group and in
NOTE AB.

Holding in Catena: —

2. Tomas Anderson

Board member
Rönninge, born 1956
Elected to the Board in 2010

Education: M.Sc in Business Administration from Stockholm University.

Primary employment:
Head of Division, Peab
Bostad.

Other commissions: Board
member of a large number
of companies in the Peab
Group.

Holding in Catena: —

3. Jan Johansson

Board member
Helsingborg, born 1959
Elected to the Board in 2010

Education: M.Sc in Engineering from Lund University of Technology.

Primary employment:
Deputy CEO, Peab.

Other commissions: Chair-
man of the Board and board
member of a large number
of companies in the Peab
Group.

Holding in Catena: —

4. Christer Sandberg

Board member
Stockholm, born 1952
Elected to the Board in 2007

Education: LL.B, B.Sc.

Primary employment:
Lawyer and partner of the
law firm Advokatfirman
Björn Rosengren.

Other commissions:
Chairman of the Board of
OPM Optimized Portfolio
Management AB and board
member of a number of
subsidiaries of CLS Holdings
plc.

Holding in Catena: —

5. Lennart Schönning

Board member
Bromma, born 1948
Elected to the Board in 2007

Education: M.Sc in Engineering from Chalmers University of Technology and AMP, Harvard Business School.

Primary employment: CEO
of Property Dynamics AB.

Other commissions: Board
member of Nordic Mines
(publ) and of Lönnbacken
Properties AB.

Holding in Catena: Owns
5,000 shares through
company.

6. Erik Selin

Board member
Gothenburg, born 1967
Elected to the Board in 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: Owns
2,476,688 shares through
company.

7. Svante Wadman

Board member
Sollentuna, born 1953
Elected to the Board in 2007

Education: B.Sc in Business Administration from Uppsala University.

Primary employment:
Consultant in the real
estate industry.

Other commissions: Board
member of Stellar Hold-
ings, Stellar Poland and
ByggVesta.

Holding in Catena: —



**Peter Hallgren,
Board member and CEO**

Tjörn, born 1951
Employed in Catena since 1998.

Education: M.Sc in Engineering from Chalmers University of Technology, graduate in Business Administration, Gothenburg School of Economics and AMP/VAMP, Stockholm School of Economics.

Other commissions:
CEO and board member of a large number of subsidiaries within the Group.

Holding in Catena: —

**Rune Jonsson,
CFO**

Gothenburg, born 1947
Employed in Catena since 1998.

Education: Graduate in Business Administration.
Other commissions:
Deputy board member of a large number of subsidiaries in the Group and lay auditor of Fastighetsägarna Sverige AB.

Holding in Catena: —

**Matts Bergsten,
Controller**

Mölnlycke, born 1961
Employed in Catena since 2006.

Education: Economist from Uppsala University.

Holding in Catena: —

**Odd Magnusson,
Head of Business Development**

Gothenburg, born 1972
Employed in Catena since 2006.

Education: M.Sc in Engineering from Lund University Faculty of Engineering.

Holding in Catena: —

Auditor

KPMG AB

Auditor in charge
Jan Malm
Gothenburg, born 1960
Authorized public accountant
Auditor in charge at Catena since 2005.



Calendar and information about the Annual General Meeting

- Interim report January–March 2011:
28 April 2011
- Interim report January–June 2011:
24 August 2011
- Interim report January–September 2011:
27 October 2011
- Year-end report 2011:
February 2012

Distribution policy

Catena's Annual Report is published in English and Swedish. Both versions are available for downloading at www.catenafastigheter.se.

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

Catena's Annual General Meeting will be held at 2 pm on April 14, 2011 at Radisson Blu Scandinavia Hotel, Södra Hamngatan 59–65 in Gothenburg. To be able to participate, shareholders must be registered in the share register and have notified their intention to attend. Registration starts at 1 pm when coffee will also start to be served.

Registration in the share register

Catena's share register is kept by Euroclear Sweden AB. Only shareholdings registered by the owner are listed under the shareholder's own name in the share register. To have the right to participate in the Annual General Meeting, shareholders whose shares are managed by a nominee must re-register the shares in their own name. Shareholders whose shares are managed by a nominee should request the bank or stockbroker managing the shares to request temporary owner registration, "voting right registration", in good time before Friday, April 8, 2011. Stock managers usually charge for this.

Notification

Notification of attendance at the Annual General Meeting may be made:

- by completing a form at www.catenafastigheter.se
- by telephone +46 31 760 09 31
- by post to Catena AB, Box 262, SE-401 24 Göteborg, Sweden
- by e-mail to arsstamma@catena.eu

Notification should include the name, date of birth (Swedish personal ID no.)/ corporate ID number, address and telephone number. Shareholders wishing to attend the Annual General Meeting must have notified their wish to attend at the latest by Friday, April 8, 2011 when the notifying period ends.

Representative and assistant

A shareholder who does not attend in person may exercise his right through a representative who shall have a signed 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, although at the longest for five years. A power of attorney issued by a legal entity must also be accompanied by documents certifying authorisation (registration certificate or similar). These documents should have been received by Catena at the latest by April 8, 2011. Forms of power of attorney are available at www.catenafastigheter.se.

A shareholder or representative may be accompanied by at most two assistants at the Annual General Meeting. Shareholders wishing to bring an assistant should notify this to the company at the latest by the time notified above.

**Average number of shares**

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

Book value of properties

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

Debt/equity ratio

Interest-bearing liabilities divided by equity.

Economic occupancy rate

Rental revenue as a percentage of rental value.

Equity/assets ratio

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, current management

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

Lettable area

Total area available for letting.

Loan-to-value ratio, properties

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

Management income

Pre-tax profit excluding realized and unrealized changes in value of properties and excluding unrealized changes in value of derivatives.

Management income for the period after standard tax

Management income for the period less 26.3 per cent tax, divided by the average number of shares.

Management income for the period per share

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

Net operating income per square metre

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

Net profit for the period per share

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

Number of properties

Total number of properties owned by the Catena Group.

Number of shares

Registered number of shares on a particular date.

Pre-tax profit for the period per share

Pre-tax profit for the period divided by the number of shares at year-end.

Property

One or more register properties, which constitute a management unit.

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.

Total holdings

Continuing operations and properties for sale.

Yield

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

**Catena**

Latin for chain.

Building right

Possibility for building with planning permission.

Derivatives

A derivative instrument is a security, the value of which is related to an underlying asset, which is used to hedge against an undesired price development of the underlying asset.

Explicit

Explicitly, directly.

Implicit

Implicitly understood.

Swap contract

Swaps are financial instruments that entail an exchange of cash flows between two parties or an underlying nominal amount. For example, a loan with variable interest can be converted into a loan with fixed interest for a chosen period.

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

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Catena AB (publ)
Box 262
SE-401 24 Gothenburg, Sweden
Visiting address: Lilla Bommen 6
Tel: +46 31 760 09 30
Fax: +46 31 700 89 88
www.catenafastigheter.se

