Annual Report 2011

CATENA

Urban gardening is a new concept in Sweden. As an example, it can entail surfaces previously not used optimally, such as rooftops, being deployed by local restaurants for growing fresh vegetables.

Contents

2011 in brief

- Rental revenue from continuing operations totalled SEK 27.0m (27.4)
- Operating profit amounted to SEK 94.5m (137.7)
- Realized changes in the value of properties totalled SEK 2.6m (55.0)
- Unrealized changes in the value of properties amounted to SEK 86.7m (130.0)
- Investments in continuing operations totalled SEK 3.4m (0.2)
- Pre-tax profit was SEK 90.7m (128.3)
- Profit after tax amounted to SEK 61.0m (93.4), or SEK 5.28 per share (8.07)
- Profit after tax from continuing and discontinued operations was SEK 129.7m (348.7), or SEK 11.21 per share (30.15)
- The book value of the property portfolio totalled SEK 610.0m at December 31, 2011
- All properties – except the Haga Norra property in Solna – were sold in early 2011
- The company relocated from Gothenburg to Stockholm, and new executive management was appointed
- As of 2011, the company is focusing on project development at the Haga Norra property

Key data

Financial	2011	2010	2009	2008	2007
Return on equity, %	22.7	40.3	14.1	–14.6	23.6
Equity/assets ratio, %	41.8	39.0	34.1	33.3	39.6
Interest-coverage ratio, property management income, multiple	1.2	4.8	4.0	2.5	2.4
Loan-to-value ratio, properties, %	50.3	49.7	55.3	57.5	49.4

Share-related	2011	2010	2009	2008	2007
Earnings per share for the year, SEK	11.21	30.15	10.26	–11.41	18.70
Pre-tax profit per share for the year, SEK	8.07	33.56	13.98	–17.31	24.20
Equity per share, SEK	25.72	73.05	76.27	69.70	86.99
Dividend per share, (proposed), SEK	2.00	59.00	31.75	5.25	5.25

Catena's planned properties at Haga Norra will offer the potential for companies to visually integrate spacious headquarters with proprietary store and showroom space – with easy access from underground parking facilities.

Catena in brief

Catena's history

Catena's history began in 1967 when Volvo established AB Volvator as part of efforts to restructure its car sales network. The company changed its corporate identity to AB Catena in conjunction with its stock exchange listing in 1984, when Volvo reduced its ownership share to 40 per cent. Over the following decade, the company expanded in areas such as finance, property and trading. 1994 saw a streamlining of operations to focus on vehicle distribution, with the divestment of most non-core business operations. In 1997, AB Catena changed its name to Bilia. The property portfolio was steadily developed and by December 31, 2005, Bilia – via Catena – owned 34 properties with a total market value of SEK 2,020m.

Bilia's Annual General Meeting in 2006 decided to spin off Catena to Bilia's shareholders, after which Catena was listed on the Stockholm Stock Exchange on April 26, 2006.

During the period 2010–2011, almost all of Catena's property portfolio was sold, with the remaining portfolio being concentrated in a single property in Stora Frösunda in Solna. Here, Catena plans to develop a completely new urban district with housing, offices and commercial premises.

Thus, Catena's strategy changed from having been a property manager aiming at steady property development to a company focusing on development of housing, office facilities and commercial property based on long-term customer relationships.

Business concept and goal

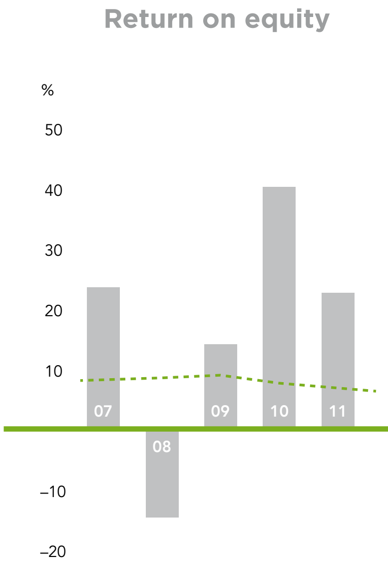
Catena's business concept is to own, effectively manage and proactively develop attractively located properties that offer the potential to generate a steadily growing cash flow and favourable value growth.

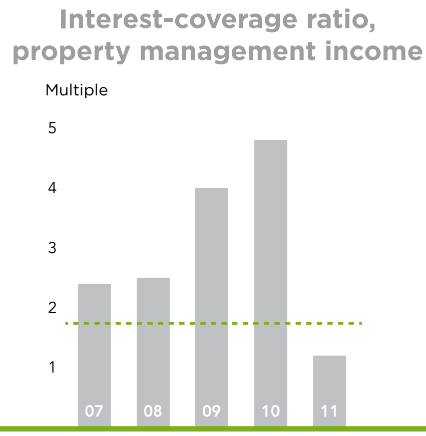
Driven by a focused approach, Catena's overriding goal is to give shareholders a favourable long-term, total return by streamlining, developing and managing attractively located properties.

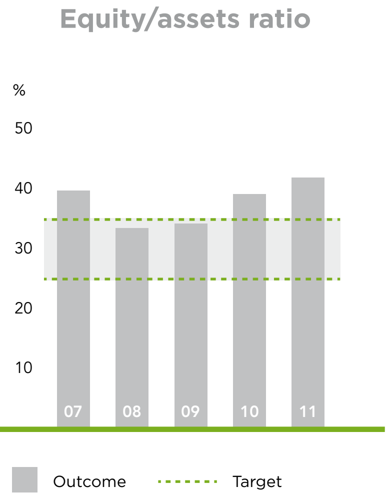
Strategy

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

Financial targets







Financial targets over a business cycle

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

CEO's comments

For Catena, essentially the entire year was marked by consolidation and refocusing towards the development and enhancement of the Stora Frösunda property in Solna.

The year began with Catena selling virtually its entire property portfolio. Following the disposal of all properties in the Gothenburg, Stockholm and Öresund regions, there remained only the Stora Frösunda property, which accounted for almost one-third of the previous property portfolio's tax-assessed value. The divestments led to an extra dividend of SEK 53 per share, in addition to the ordinary dividend of SEK 6.

Operations in 2011

We have made substantial progress with Catena's new approach. The company's headquarters were relocated from Gothenburg to Stockholm and we adjusted executive management and the organization to better fit the new corporate structure. The work involved in feasibility studies was intensified in an effort to draw up a basis for the detailed development plan, and we opened a dialogue with Solna municipality, tenants and the owners of neighbouring properties. We finalized the configuration, the subdivision of the site and the conformation of the development rights.

By the beginning of 2012, work had progressed so far that we were ready to exhibit the detailed development plan. What remains are negotiations concerning the development contract, including the financing of streets, pavements, parks and other public spaces.

Haga Norra – at the centre of what makes Stockholm larger

The Haga Norra property is attractively located in one of Sweden's most dynamic and expansive areas, encompassing the municipalities Sundbyberg, Solna and Stockholm. Much is happening – and even more is expected – in these municipalities in the near future. In Frösunda, which is just north of Haga Norra, the development of housing and commercial facilities continued. This is the location for the central or regional headquarters of many Swedish and international companies.

Swedbank plans to relocate its head office to Sundbyberg in 2013. Meanwhile, the Swedbank Arena is under construction in Solna and is expected to open in late 2012. The arena area is just one kilometre northwest of Haga Norra. Adjoining the arena, construction is under way on one of Northern Europe's largest shopping malls – Mall of Scandinavia – featuring 250 stores.

Moreover, the ongoing construction of Hagastaden entails an additional 5,000 residential units and 36,000 jobs in the neighbourhood, including the new Karolinska hospital in Solna. Haga Norra is close to everything. Via the E4 highway, it is easy to travel to Kista, Arlanda Airport or to central Stockholm, making it attractive for residents and office tenants.

The surrounding area coped well during the recession, with low volatility in rents, which is further confirmation of the attractiveness of Haga Norra. The continuing population inflow to Greater Stockholm and outlying areas leads us to believe that Haga Norra will continue to be a very attractive area in the years ahead.

Phased development

The protracted debt crisis in Europe continues to lead to uncertainty regarding the macroeconomic trend in 2012. However, we have a solid project calculation as our base. We plan on phased expansion, permitting us to continually optimize the time schedule in line with macroeconomic trends and adjust investments accordingly. And we can afford to do so, since we have a continuous cash flow from current tenants.

We believe that the continuing housing shortage in Greater Stockholm will persist. This is because the imbal-

ances in supply and demand are too great to be solved other than in the long, or very long, term. Temporary uncertainty may emerge in the market as a result of fears surrounding the debt crisis, for example. Nevertheless, the underlying demand trend is so robust that the risk of a dramatic fall in prices of tenant-owner apartments in Greater Stockholm in the near future is considered to be low.

Full service offering with urban gardening
Haga Norra is a unique location that we plan to utilize optimally, with a green profile and attractive, varying exterior architecture. We are looking at the possibilities of environmentally classifying this entire urban district. We plan to create an attractive, vibrant district with a full service offering and a distinct profile.

Despite the limited scope of an urban environment, there will be the potential for urban gardening, permitting those who wish to do so to grow their own plants for food or recreational purposes.

We feel that Catena's current development operations represent an attractive niche in an otherwise highly homogeneous market.

The next stage is that Solna municipality approves the detailed development plan, after which we begin specific planning for the implementation of the continuing development. Subsequently, construction can begin on the first stage. As we see it, the embodiment of our vision will entail a substantial boost for Haga Norra.

Andreas Philipson
Chief Executive Officer

Haga Norra

The Haga Norra property is located in the Stora Frösunda area in Solna. Solna municipality, which is expanding sharply, is aiming to show that growth and development go hand in hand with social responsibility. The municipality wishes to inspire the type of cooperation that favours all parties – the city, companies and people.

On this basis, Catena has the potential to create something unique in Haga Norra. According to the plans, this entirely new urban district will consist of eight blocks with about 800 apartments, plus pre-school facilities, offices, retail stores, restaurants and other local services. The area will be attractive and inviting, with a distinct environmental profile. Catena plans both to build and to manage the property portfolio, with plans for completion by 2017.

The vision for Haga Norra

Catena has high ambitions for Haga Norra; this urban district shall contribute to long-term, sustainable development. Currently, there is little natural foliage and, thus, the project aims to significantly increase the share of green spaces. Many of the roofs will be designed to encourage rooftop gardens; the streets will be tree-lined; and a new district park will be laid in a site currently dominated by asphalt.

The district will also feature premises with a high design factor and expressing a distinct environmental approach. The main street will include an activities square with cafes, restaurants and games parks that link the area and encourage social interaction and spontaneous activities. This will be the daily centre of activity for most of the district's approximately 2,000 residents.

Detailed development plan

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

Site area: about 53,600 square metres.

Development rights: Approximately a total of 160,000 square metres above ground.

Number of apartments: About 800, or some 90,000 square metres.

Commercial premises: Approximately 70,000 square metres.

Number of garage parking spaces: 1,600.

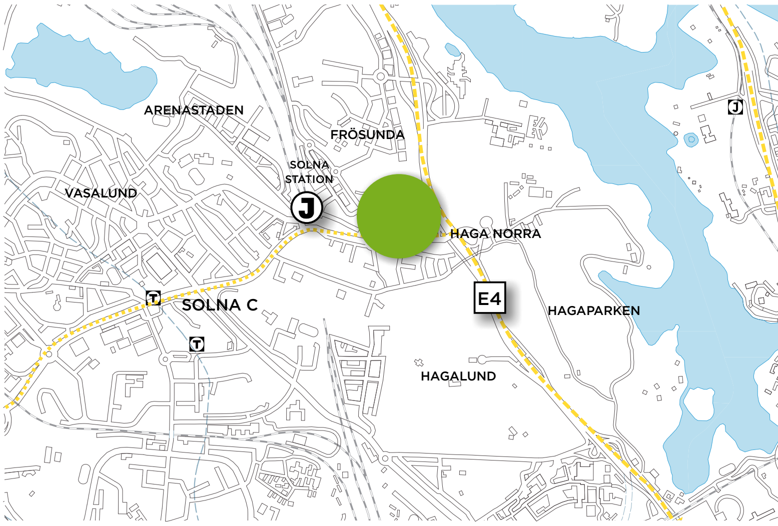
Urban gardening

Urban living combined with a desire to protect the local environment is a strong trend. People want to get involved and influence the design of their residential environment. There is a growing interest in and awareness of sustainability and locally-produced food, including that produced in metropolitan areas. Environmentally aware youth and bloggers are among the pioneers in this trend, and coined the expression 'urban gardening'.

Studies point to rising food cultivation in cities and suggest that this will become a more significant component in future urban planning. Researchers are arguing for 'urban agriculture', meaning the cultivation of vegetables and fruit in the local area. The trend is gaining strength because increased urbanisation and environmental impact entail the transportation of ever-higher food volumes to cities. Urban gardening offers a counterbalance to this and is a phenomenon that is making progress on a global scale.

Architects worldwide are studying how they can better integrate food cultivation potential in their future structures. For example, a high-quality local restaurant should be able to grow its vegetables and fruit on its rooftop. Already today, there are examples of green urban gardening projects in, for instance, Dallas, Texas and Dijon in France. Catena has concluded that future housing must permit a greener lifestyle but without disrupting everyday life.

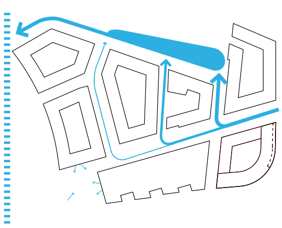
Currently, there is no dedicated urban gardening activity in Sweden, which makes the company's concept unique. Catena's urban gardening concept will be notable for providing the opportunity to participate. Those moving into Haga Norra can contribute to making a difference – if they wish. Then they can grow their own spices on the balcony or terrace, or in greenhouses – or tomatoes in the entrance hall.

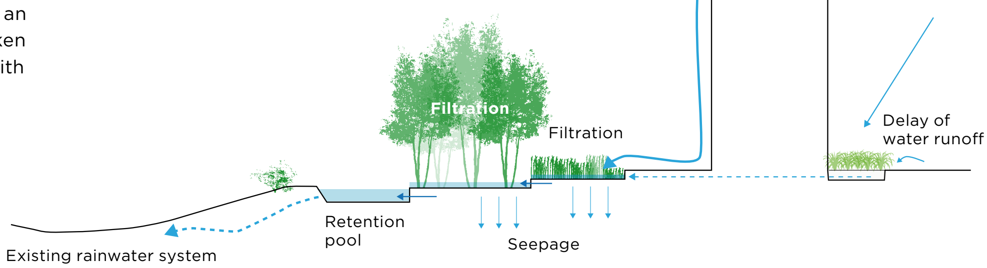


The property is located in the Stora Frösunda area in Solna, just outside Stockholm. The nearest neighbours are the ÅF building along the E4 highway and the parks near the Stora Frösunda Gård country estate.

Filtration pools

Rainwater from densely developed areas continues to damage sensitive watercourses. In Stora Frösunda, considerable attention is focused on rainwater management in an effort to protect the sensitive Brunnsviken Lake nearby. 'Green' roofs, combined with filtration and retention pools in the new park, represent a proactive contribution to braking, filtering and cleaning the rainwater.





Environment

During 2011, environmental programmes concentrated primarily on the further development and enhancement of the concept for the future construction of the new urban district in Stora Frösunda. Catena has ambitious aims for the project's environmental profile as part of efforts to minimize the district's environmental impact and maximize the contribution to long-term sustainable social development.

When Haga Norra is completed, Catena's objective is to have the entire district environmentally classified. Should that be the case, it will be one of the few projects in Sweden to cover an entire urban district. At year end, no decision had been made regarding the choice of environmental classification system. Whichever classification system is selected, it will constitute a control system in the construction and management processes.

Catena is focusing on a series of measures to enable the district to assume its share of responsibility for a sustainable environment. Among other goals, Catena plans that Haga Norra will have its own locally-produced energy to ensure optimal energy consumption. In addition, a number of basic measures are envisaged that will result in considerably lower water consumption. These include mixer taps with lower water flow as well as shutoff valves and systems to monitor water consumption and leakage.

During project engineering and construction, environmental responsibility will be shared between project management and contractors, all of whom will bear individual responsibility for their particular parts of the project. Catena will have ultimate environmental responsibility throughout the project, as well being responsible for the coordination of environmental work during the project engineering and construction phases.

Ongoing environmental programmes

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

During 2011, the operations conducted at Catena's properties were largely focused on the sale and servicing of vehicles. Although responsibility for the operation of the facilities rests with the tenants, Catena works proactively to support them in their environmental work.

Catena can influence the properties' environmental impact through, for example, the choice of technical systems and materials. In new construction, environmentally friendly materials can be selected and recycling made a priority. During renovation and extension work, existing materials are recycled as much as possible. Catena also ensures that tenants conduct the required decontamination measures when a property is vacated.

During the year, ongoing environmental programmes were limited, since the existing property is to be demolished. Instead, the focus was on identifying an environmentally-friendly concept for the properties about to be built.

Catena's environmental policy

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

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

Shares

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

On December 31, 2011, the share capital in Catena AB totalled SEK 50,883,800, distributed among 11,564,500 shares. Each share confers one vote and each person entitled to vote at the Annual General Meeting of shareholders may vote for the full number of shares held and represented. All shares confer equal rights to participate in the company's assets and earnings.

Market capitalization
During the year, the Catena share price fell 62 per cent, from SEK 153 to SEK 57.5, while the broad-based index, OMXSPI, declined by 17 per cent and Carnegie's CREX property index decreased by 14 per cent. The peak closing price for the Catena share was SEK 230, quoted on April 6, 12, and 13. The lowest closing price was SEK 54 on December 29. At year end, Catena's market capitalization was SEK 665m. Over the course of the year, 1,448,600 Catena shares were traded at a value of SEK 212m.

Ownership structure
At December 31, 2011 the company had 16,638 shareholders (16,828). Most shareholders, or 16,383 (16,600), held 1,000 shares or fewer. Swedish legal entities held 76.2 per cent (77.1) of the shares. The proportion of non-Swedish shareholders was 6.2 per cent (5.8).

Dividend policy and dividend
Catena's dividend policy prescribes that, in the long term, the dividend should represent 75 per cent of pre-tax profit[1], but excluding realized and unrealized changes in the value of properties and excluding unrealized changes in the value of derivatives.

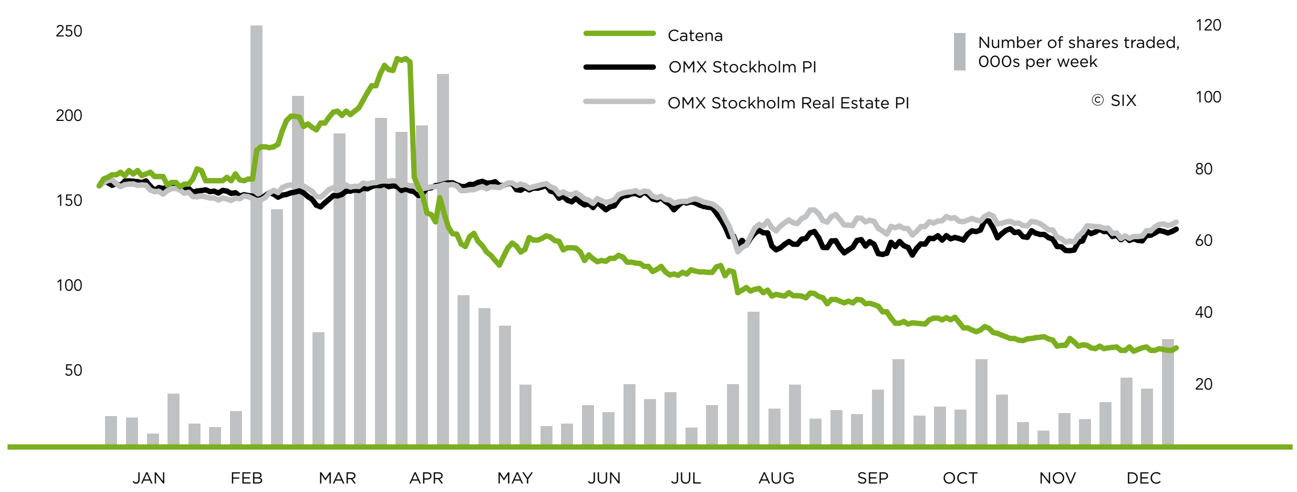
For the 2011 financial year, the Board proposes a dividend of SEK 2.00 per share.

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

Certain closely associated individuals and legal entities are also covered by the notification obligation. Catena's executive management, Board and auditors are viewed as having an inside position at Catena. A link to a complete list of persons with inside positions is available at Finansinspektionen's website. www.fi.se.

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

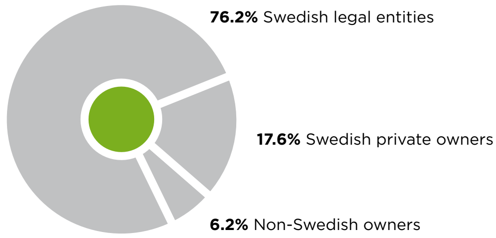
The share



Stock market information
Catena's goal is to continuously provide the stock and capital markets, media and other stakeholders with a candid and fair account of the company's financial trend. The company's website, annual report, interim reports, press releases and presentations of Catena are the foundation for these efforts. Up-to-date information – such as press releases and financial reports – is available on Catena's website (www.catenafastigheter.se). Printed financial information can be ordered via the website, as well as subscription to information by e-mail.

Catena share information
ISIN code: SE0001664707
Ticker symbol: CATE

Number of votes by country and category



Shareholders at December 30, 2011

Shareholders	No. of shares	Votes, %
Endicott Sweden AB (CLS Holdings plc)	3,469,000	29.9
Erik Selin gruppen	2,344,642	20.3
PEAB AB	2,310,000	20.0
Livförsäkrings AB Skandia (publ)	279,400	2.4
Banque Carnegie Luxembourg SA	259,518	2.3
CBNY-DFA-INT SML CAP V	108,662	0.9
Swedbank Robur fonder	60,208	0.5
Mellon US Tax Exempt Account	59,300	0.5
Handelsbanken fonder	50,725	0.4
Skandinaviska Enskilda Banken S.A. NQI	47,880	0.4
Total, ten largest shareholders	**8,989,335**	**77.6**
Other shareholders	2,575,165	22.4
Total	**11,564,500**	**100.0**

Ownership, distribution by size of shareholding, December 30, 2011

Number of shares	No. of shareholders	Shareholding, %
1–500	15,895	11.61
501–1,000	488	3.26
1,001–5,000	207	3.83
5,001–10,000	20	1.22
10,001–15,000	2	0.19
15,001–20,000	8	1.16
20,001–	18	78.73
Total	**16,638**	**100.0**

Organization

Following the sale of all properties, except Stora Frösunda, Catena adapted its organization to meet the new circumstances.

Catena plans to establish a project team after the detailed development plan has gained planning permission, which is expected to occur later during 2012. The new project organization will handle overall project management, procurement of subcontractors, letting of premises, establishment of tenant-owner associations and market development.

Administration Report – operations

The Board of Directors and CEO of Catena AB, corporate reg.no, 556294-1715, herewith present their report for the 2011 financial year.

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

At the beginning of the year, the Catena Group pursued operations in the Stockholm, Gothenburg and Öresund regions. On January 28, 2011, an Extraordinary Meeting of Shareholders was held at which it was decided to sell 25 properties to Balder fjorton AB. The purchase contract was signed on the same date and the deal was conducted as a corporate transaction, with access to the shares set for February 15, 2011. All loans relating to the properties were redeemed on this date. In the purchase agreement it was agreed that the surplus from operations from property management would accrue to Balder as of January 1, 2011.

Following the sale of the commercial properties, operations were limited to the Stockholm region. Continuing operations encompass the properties Stora Frösunda 2/Hagalund 2:2 (Haga Norra). Divested properties are the 25 properties that were sold to Balder.

Earnings and financial position
Continuing and discontinued operations

Group	**2011**	2010
Earnings per share	11.21	30.14
Equity/assets ratio, %	41.8	39.0
Debt/equity ratio, multiple	1.0	1.2

Continuing operations
The presentation below refers to the continuing operations in the form of the Haga Norra property in Solna, near Stockholm. The weighted average unexpired lease term was 9.7 years at January 1, 2012. Periods of notice vary from 9 to 18 months, with extension periods ranging from three to five years.

Rental revenue amounted to SEK 27.0m (27.4). Revenue from the Bilia Group represented 97.5 per cent (98.5) of total rental revenue. Property expenses amounted to SEK 6.4m (7.0).

Net operating income totalled SEK 20.6m (20.4). Other operating revenue, amounting to SEK 0.1m (0.2), consisted primarily of consultancy fees and invoicing of tenants for work undertaken. Other operating expenses comprised expenses for work invoiced to tenants and consultancy fees of SEK 0.0m (0.2). Central administration expenses totalled SEK 12.9m (12.9), and included expenses for group management and other central functions.

Changes in value
Properties
See Note 14.

Net financial items
Net financial items for the period amounted to a negative SEK 3.8m (negative: 9.3). The average annual interest rate, including derivative instruments, was 4.14 per cent (3.02) on the closing date. The financial instruments limit the effect of interest rate fluctuations on the Group's borrowing costs. During the period, no loan expenses were capitalized (0), since no new construction was undertaken.

Financial derivatives
Catena uses interest-rate swaps to attain the interest-rate structure required by the Group's financial policy. The value of these interest swaps increase or decrease depending on how the agreed interest rate deviates from the corresponding market rate as well as with the remaining time to maturity. The unrealized value of the interest swaps totalled a negative SEK 0.5m (negative: 3.6) on the closing date, of which changes in value during the period totalled SEK 3.0m (9.8).

Operating profit
Operating profit amounted to SEK 94.5m (137.7). Pre-tax profit was SEK 90.7m (128.3). Current tax for the year totalled SEK 5.0m (4.7), with deferred tax amounting to SEK 24.7m (33.5). Profit after tax from continuing operations was SEK 61m (93.4).

Discontinued operations
Profit from discontinued operations totalled SEK 68.6m (255.3), of which tax accounted for SEK 65.9m (loss: 4.5).

Other comprehensive income for the year was SEK 5.4m (loss: 16.6) and consisted of changes in the translation reserve and actuarial gains/losses. Comprehensive income for the year amounted to SEK 135.0m (332.0).

Profit and financial position
Parent Company
The operations of the Parent Company, Catena AB, consist primarily of Group-wide functions and the running of the Group's subsidiaries. Operating income for the Parent Company is 100 per cent (100) attributable to invoicing for internal services.

Five-year review
The Catena Group was established on December 1, 2005. The five-year period from 2007 to 2011 is summarized in the five-year review on page 49.

Remuneration of senior executives

The principles outlined below were set by the 2011 AGM as guidelines for the remuneration of senior executives. The Board shall be entitled to diverge from the guidelines whenever there are special reasons for doing so. The Board determines the CEO's remuneration. The CEO, in line with the principles set by the Board, determines the remuneration of other senior executives. Board members who are also part of executive management, such as the CEO, will participate in work involving these issues. Remuneration of the Chairman of the Board and Board members is determined by the approval of the AGM.

Remuneration of the CEO

The CEO is paid a fixed, monthly salary, without pension entitlements. The reciprocal notice period is three months. In the event of the sale of Catena, the CEO is entitled to remuneration corresponding to twelve months' salary.

Remuneration of other senior executives

Employment contracts with no special benefits apply.

The Board's proposals for guidelines for the remuneration of senior executives

The Board's proposal is that for 2012 the AGM should continue to observe the decisions approved at the 2011 AGM.

Catena shares

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

On December 30, 2011, the final trading day for the year, the number of shares amounted to 11,564,500. The share capital in Catena AB totalled SEK 50,883,800. Each share provides entitlement to one vote and each person entitled to vote at the AGM may vote for the full number of shares held and represented. All shares confer equal rights to participate in the company's assets and earnings.

Shareholders, December 30, 2011

Shareholder	No. of shares	Votes, %
Endicott Sweden AB (CLS Holdings plc)	3,469,000	29.9
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Swedbank Robur fonder	60,208	0.5
Mellon US Tax Exempt Account	59,300	0.5
Handelsbanken fonder	50,725	0.4
Skandinaviska Enskilda Banken S.A. NQI	47,880	0.4
Total for the ten major shareholders	**8,989,335**	**77.6**
Others	2,575,165	22.4
Total	**11,564,500**	**100.0**

The 2011 AGM authorized the Board to make decisions regarding acquisition of the company's own shares to a maximum amount of 10 per cent of the total number of shares and to transfer these shares ahead of the 2012 AGM.

Information on risks and uncertainties

Property values

The properties are reported at fair value and changes in value are included in the income statement. The fair value as reported in the balance sheet is essentially the value of the potential development rights that can be realized through the detailed development planning in progress for the property.

Against the background of the unfinished detailed development planning, and other factors, assessments are subject to relatively significant uncertainty. However, such uncertainty is expected to decrease in time as the date for the setting of the plan approaches.

Rental revenue and rental trend

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

Tax

Corporate tax is subject to continual statutory changes. Changes in corporate tax legislation – entailing, for example, changes in the potential for tax-related depreciation, or changes in corporate tax rates, or the potential to utilize loss carryforwards – could result in a change in the tax situation for Catena.

Environmental risks

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

Property management and development home an environmental impact. Catena's tenants pursue operations that have an environmental impact that are subject to permits or a duty of notification, such as the handling of fuels, oil and chemicals and petrol station operations. Catena itself, however, does not pursue operations with an adverse environmental impact. According to the Swedish Environmental Code, those who conduct operations that contribute to contamination are primarily responsible 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, then the party that acquired the property – and who at the time of acquisition was aware of or should have been aware of the contamination – is liable.

Thus, under certain circumstances, claims may be addressed to Catena for subsequent treatment or decontamination regarding the presence or suspected presence of contamination in soil, watercourses or groundwater in order to restore the condition stipulated by the

Environmental Code. Such claims may have a negative impact on Catena's earnings and financial position.

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

Information on financial indicators

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

Financial instruments and risk management

See Note 25.

Future business prospects

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

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

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

No significant events occurred after the end of financial year.

Proposed appropriation of earnings

The Board of Directors proposes that the non-appropriated earnings of SEK 125,628,416 be allocated as follows:

Dividend, SEK 2.00/share	SEK 23,129,000
To be carried forward	SEK 102,499,416
Total	**SEK 125,628,416**

Statement by the Board of Directors pursuant to Chapter 18, Section 4 of the Swedish Companies Act

Proposal of the Board of Directors

In the proposed appropriation of earnings, the Board of Directors proposes to the 2012 Annual General Meeting that Catena pays a dividend of SEK 2.00 per share for the 2011 financial year, which entails a total dividend payment of SEK 23,129,000. According to the Annual Report, Catena's equity/assets ratio is 41.8 per cent for the Group. Following the proposed dividend, the equity/assets ratio is estimated to be approximately 40 per cent. One of Catena's financial targets that the Group's equity/assets ratio should be between 25 and 35 per cent. Thus, also after the proposed dividend, Catena's target for its equity/assets ratio is attained.

Explanatory statement of the Board

With reference to the above, the Board believes that the proposed dividend to shareholders is justifiable considering the requirements stated in Chapter 17, Section 3, second and third paragraphs of the Swedish Companies Act. The Board is of the opinion that there is full cover for the Company's equity following the proposed dividend.

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

The Board is of the opinion that the proposed dividend will not affect Catena's capacity to meet its short or long-term commitments. Moreover, the Board believes that the investments required for operations will not be adversely impacted.

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

Administration Report – corporate governance

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

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

The Corporate Governance Report describes how Catena applied the Code during 2011.

Annual General Meeting of Shareholders

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

The Annual General meeting was held on April 14, 2011. A total of 61 shareholders, representing 8,407,393 shares, attended, representing 72.7 per cent of the total number of votes outstanding.

The Board, CEO and executive management accountant attended the meeting.

The AGM approved the following:

- Approval of the income statements and balance sheets for the Parent Company and Group
- Approval of the appropriation of profit, entailing a dividend of SEK 59 per share (of which SEK 6 was a regular dividend, plus an extraordinary dividend of SEK 53/ share)
- Approval of the discharge from liability of the Board and CEO
- Approval of a decision to amend the Articles of Association
- Approval of the number of Board members elected at the AGM
- Re-election of five sitting members of the Board, as well as their remuneration
- Guidelines regarding the remuneration of the CEO and senior executives
- Authorization of the Board to acquire the Company's own shares up to a maximum holding of 10 per cent
- Authorization of the Board regarding the transfer of the company's treasury shares.

The AGM for the 2012 financial year will be held on April 26, 2012 at the 7A Odenplan Conference Center, Norrtullsgatan 6, fifth floor, in Stockholm.

Remuneration of the Board and senior executives

In line with the decision of the 2011 AGM, the Chairman of the Board receives SEK 210,000 and other members SEK 105,000 each. Salary, other remuneration and pension premiums for the CEO and other senior executives in 2011 are presented in Note 7 of the annual report. No variable pay has been paid to the CEO or other senior executives.

Nomination Committee

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

The Nomination Committee, which consists of representatives of the company's four largest shareholders, has the following composition Henry Klotz for CLS Holdings plc., Christian Hahne for Erik Selin Fastigheter AB, Bo Jansson for Skandia Liv, and Tomas Andersson for Peab AB. Bo Jansson was appointed Chairman of the Nomination Committee. The Chairman of the Board, Henry Klotz, convenes the Nomination Committee.

THE BOARD OF DIRECTORS AND ITS WORK

The Board of Directors

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

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

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

Formal work plan

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

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

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

The work of the Board of Directors

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

During 2011, four minuted Board meetings were held, one of which was the constituent meeting. The Group CFO served as the Board secretary.

Composition of the Board of Directors

Namne	Elected	Independent	Attendance
Henry Klotz, ordförande	2007	No	4/4
Jan Johansson	2010	No	4/4
Christer Sandberg	2007	No	3/4
Lennart Schönning	2007	Yes	4/4
Erik Selin	2007	No	4/4

The issues in focus at Board meetings included:

February	The year-end report, annual financial statements, auditors' report and preparation for the AGM
April	Interim report
August	Interim report
October	Strategic discussions

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

The company's auditor, Jan Malm, also attended the Board meeting in February.

Auditors

Catena's auditors are appointed at the AGM for a period of four years. The current period commenced in 2008 and, thus, the next appointment of auditors will take place in conjunction with the 2012 AGM. The auditor in charge was Jan Malm.

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

CEO and group management

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

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

Board Committees

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

Remuneration Committee

The task of the Remuneration Committee is to prepare matters concerning remuneration and other conditions of employment for the CEO. The CEO, on the basis of principles established by the Board, determines remuneration of senior executives. The Remuneration Committee consists of all Board members, except the CEO. The committee had one meeting during 2011.

Audit Committee

The task of the Audit Committee is to maintain and add to the efficiency in contacts with the Group's auditor and to supervise the procedures for auditing and financial reporting. The Committee shall also evaluate the work of the auditor and monitor how accounting principles and requirements are progressing. The Board has decided that all its members, with the exception of the CEO, shall be part of this committee. The Audit Committee held one meeting in 2011.

Stock market information

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

Catena's website (www.catenafastigheter.se) presents current information on the company, such as press releases and financial statements. Shareholders can 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 pursuant 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 related to financial reporting.

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

Catena's internal control structure is based on a clear division of responsibility and work between the Board and CEO, as well as within operational activities. Operational activities include business control and business planning processes. Examples of these include tools for monitoring operations, preparations ahead of the purchase and sale of properties/companies, and underlying data for property valuations. Control activities at the individual property level (in the form of current results and investment monitoring), at the overall level in the form of results analysis at the area level, analysis of key data, and reviews of the Group's legal structure. In order to prevent and detect errors and deviations, there are, for example, systems for attestation rights, reconciliations, approval and reporting of business transactions, reporting templates, accounting and valuation policies. The systems are continuously updated.

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

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

Consolidated income statement

SEK 000s	Note	**2011**	2010
Continuing operations			
Rental revenue		26,994	27,417
Operating expenses		–693	–234
Repair and maintenance expenses		–343	–848
Property tax		–2,670	–2,670
Property administration	9	–2,730	–3,241
Net operating income		**20,558**	**20,424**
Other operating income	5	87	239
Other operating expenses	6	–	–188
Central administration	9	–12,828	–12,818
Properties, unrealized changes in value		86,708	130,000
Operating profit	7, 8, 27	**94,525**	**137,657**
Financial income		13,385	18,915
Financial expenses		–17,175	–28,225
Net financial income	10	**–3,790**	**–9,310**
Pre-tax profit		**90,735**	**128,347**
Tax	12	–29,693	–34,961
Net profit for the year after tax from continuing operations		**61,042**	**93,386**
Net profit after tax from discontinued operations	3, 4	**68,601**	**255,306**
Net profit for the year		**129,643**	**348,692**
Earnings per share (SEK)	18	11.21	30.15
Earnings per share from continuing operations (SEK)		5.28	8.07

Consolidated comprehensive income statement

SEK 000s	**2011**	2010
Net profit for the year	129,643	348,692
Comprehensive income for the year		
Change in translation reserves, foreign operations	10,130	–9,181
Tax on change in translation reserve, foreign operations	–2,664	–3,430
Actuarial gains/losses	–2,107	647
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	**135,002**	**332,087**

Consolidated balance sheet

SEK 000s	Note	**2011**	2010
ASSETS	26		
Investment properties	14	610,000	520,000
Other property, plant and equipment	13	16	1,358
Total non-current assets		**610,016**	**521,358**
Accounts receivable		386	104
Other receivables		5,528	165
Prepaid expenses and accrued income	16	463	1,020
Cash and cash equivalents		94,369	56,743
Assets held for sale		–	1,593,336
Total current assets		**100,746**	**1,651,368**
TOTAL ASSETS		**710,762**	**2,172,726**
EQUITY	17		
Share capital		50,884	50,884
Other capital contributed		10,000	571,454
Translation reserve		–	–7,466
Profit brought forward, including net profit for the year		236,543	229,858
Total equity		**297,427**	**844,730**
LIABILITIES	26		
Liabilities to credit institutions	19, 20	306,400	981,736
Other long-term liabilities	15	497	3,567
Provisions for pensions	21	12,113	9,514
Other provisions	22	1,087	2,798
Deferred tax liabilities	12	68,293	43,568
Total long-term liabilities		**388,390**	**1,041,183**
Liabilities to credit institutions	19, 20	–	5,000
Accounts payable		7,450	13,382
Tax liabilities		–	22,267
Other liabilities	23	1,594	4,115
Accrued expenses and prepaid income	24	15,901	12,899
Liabilities relating to assets held for sale	4	–	229,150
Total current liabilities		**24,945**	**286,813**
Total liabilities		**413,335**	**1,327,996**
TOTAL EQUITY AND LIABILITIES		**710,762**	**2,172,726**

See Note 29 for information on Group's pledged assets and contingencies (contingent liabilities).

Summary of changes in consolidated equity

SEK 000s	Note 17	Share capital	Other capital contributions	Translation reserve	Profit brought forward, incl., net profit for the year	Total equity
		Equity attributable to Parent Company shareholders				
Opening equity, Jan. 1, 2010, according to the preceding annual report		**50,884**	**571,454**	**9,786**	**250,493**	**882,617**
Adjustment of equity due to amended accounting principles					–2,801	
Opening equity, Jan 1, 2010		**50,884**	**571,454**	**9,786**	**247,692**	**879,816**
Comprehensive income for the year						
Net profit for the year					348,692	348,692
Change in translation reserve, 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
Actuarial gains/losses					647	647
Comprehensive income for the year				**–7,466**	**597,031**	**1,211,903**
Dividend					367,173	–367,173
Closing equity, Dec. 31, 2010		**50,884**	**571,454**	**–7,466**	**229,858**	**844,730**
Opening equity, Jan 1, 2011		**50,884**	**571,454**	**–7,466**	**229,858**	**844,730**
Comprehensive income for the year						
Net profit for the year					129,643	129,643
Change in translation reserve, foreign operations				10,130		7,466
Actuarial gains/losses					–2,107	–2,107
Tax on translation reserve transferred to net profit for the year				–2,664		
Comprehensive income for the year				**7,466**	**127,536**	**135,002**
Dividend			–561,454		–120,851	–682,305
Closing equity, Dec. 31, 2011		**50,884**	**10,000**	**0**	**236,543**	**297,427**

Consolidated cash flow statement

SEK 000s	Note 33	2011	2010
Operating activities			
Pre-tax profit		90,735	128,229
Adjustment for items not included in cash flow		–90,796	–141,945
Income tax paid		–4,968	–4,679
Cash flow from operating activities before changes in working capital		**–5,029**	**–18,395**
Cash flow from changes in working capital			
Increase (–)/Decrease (+) in operating receivables		–5,088	1,465
Increase (+)/Decrease (–) in operating liabilities		–27,718	–32,244
Cash flow from operating activities		**–37,835**	**–49,174**
Investing activities			
Investments in investment properties		–3,292	–3,080
Investments in property plant and equipment		–	–151
Sale of property plant and equipment		1,141	–
Cash flow from investing activities		**–2,151**	**–3,231**
Financing activities			
Amortization (–) of liabilities to credit institutions		–680,336	–5,000
Dividend paid		–682,306	–367,173
Cash flow from financing activities		**–1,362,642**	**–372,173**
Cash flow for the year from continuing operations		**–1,402,628**	**–424,578**
Cash flow from discontinued/divested operations			
Cash from operating activities		76,068	126,029
Cash from investing activities		1,364,186	552,841
Cash flow from financing activities		–	–299,622
Net cash flow from discontinued/divested operations		**1,440,254**	**379,248**
Cash flow for the year		**37,626**	**–45,330**
Cash and cash equivalents at the beginning of the year		56,743	105,571
Exchange rate difference		–	–498
Cash and cash equivalents at year-end		**94,369**	**56,743**

Parent Company income statement

SEK 000s	Note	2011	2010
Rental revenue		–	3,379
Operating expenses		–	–3,104
Repair and maintenance expenses		–	–136
Property tax		–	–5
Property administration	9	–	–10
Net operating income		**–**	**124**
Other operating income	5	4,136	18,822
Other operating expenses	6	–	–152
Central administration	9	–16,618	–19,592
Operating profit/loss	7, 8, 27	**–12,482**	**–798**
Result from the sale of participations in subsidiaries		–10,770	637,617
Dividend from subsidiaries		–	21,964
Group contribution		15,772	88,552
Other interest income and similar profit/loss items	10	21,880	26,851
Interest expense and similar profit/loss items	10	–15,365	–36,083
Profit after financial items		**–965**	**738,103**
Appropriations	11	77	38
Pre-tax profit/loss		**–888**	**738,141**
Tax	12	–1,757	–19,950
Net profit/loss for the year		**–2,645**	**718,191**

Comprehensive income statement for the Parent Company

SEK 000s	**2011**	2010
Net profit for the year	–2,645	718,191
Other comprehensive income for the year		
Change in fair value reserve	–	13,041
Tax on change in fair value reserve	–	–3,430
Fair value reserve, transferred to net profit for the year	646	–987
Tax on fair value reserve, transferred to net profit for the year	–170	260
Other comprehensive income for the year	**476**	**8,884**
Comprehensive income for the year	**–2,169**	**727,075**

Parent Company balance sheet

SEK 000s	Note	**2011**	2010
ASSETS	26		
Non-current assets			
Property, plant and equipment			
Investment properties	14		–
Other property, plant and equipment	13	16	217
Total property, plant and equipment		**16**	**217**
Financial assets			
Participations in Group companies	31	56,526	50,832
Deferred tax asset	12	1,465	165
Total financial assets		**57,991**	**50,997**
Total non-current assets		**58,007**	**51,214**
Current assets			
Current receivables			
Accounts receivable		276	13
Receivables from Group companies		422,809	2,530,909
Other receivables		1,796	165
Prepaid expenses and accrued income	16	463	935
Total current assets		**425,344**	**2,532,022**
Cash and bank balances		85,146	56,743
Total current assets		**510,490**	**2,588,765**
TOTAL ASSETS		**568,497**	**2,639,979**
EQUITY AND LIABILITIES			
Equity			
Restricted equity	17		
Share capital (11,564,500 shares)		50,884	50,884
Statutory reserve		10,000	10,000
Non-restricted equity	17		
Fair value reserve		–	–476
Profit brought forward		128,273	92,864
Net profit for the year		–2,645	718,191
Total equity		**186,512**	**871,463**
Untaxed reserves	32	**–**	**77**
Provisions			
Provisions for pensions and similar commitments	21	8,997	7,832
Other provisions	22	1,087	2,884
Total provisions		**10,084**	**10,716**
Long-term liabilities	26		
Liabilities to credit institutions	20	–	981,736
Other long-term liabilities	15	497	3,567
Total long-term liabilities		**497**	**985,303**
Current liabilities			
Liabilities to credit institutions	20	–	5,000
Accounts payable		5,795	13,382
Liabilities to Group companies		357,321	692,052
Current tax liabilities		–	22,353
Other liabilities	23	449	1,862
Accrued expenses and prepaid income	24	7,839	37,771
Total current liabilities		**371,404**	**772,420**
TOTAL EQUITY AND LIABILITIES		**568,497**	**2,639,979**

See Note 29 for information on the Group's pledged assets and contingent liabilities.

Summary of changes in the Parent Company's equity

SEK 000s	Note 17	Restricted equity Share capital	Restricted equity Statutory reserve	Non-restricted equity Fair value reserve	Non-restricted equity Profit brought forward	Non-restricted equity Net profit for the year	Total equity
Opening equity, Jan. 1, 2010, according to the preceding annual report		**50,884**	**10,000**	**–9,360**	**477,837**	**–17,789**	**511,572**
Adjustment of equity due to amended accounting principles					–62,082	62,082	
Opening equity, Jan 1, 2010		**50,884**	**10,000**	**–9,360**	**415,755**	**44,293**	**511,572**
Net profit for the year						718,191	718,191
Other comprehensive income for the year				8,884			8,884
Comprehensive income for the year				**8,884**		**718,191**	**727,075**
Net profit for the preceding year					44,293	–44,293	0
Shareholder contribution granted					–11		–11
Dividend					–367,173		–367,173
Closing equity, Dec. 31, 2010		**50,884**	**10,000**	**–476**	**92,864**	**718,191**	**871,463**
Opening equity, Jan 1, 2011		**50,884**	**10,000**	**–476**	**92,864**	**718,191**	**871,463**
Net profit for the year						–2,645	–2,645
Other comprehensive income for the year				476			476
Comprehensive income for the year				**476**		**–2,645**	**–2,169**
Net profit for the preceding year					718,191	–718,191	0
Dividend					–682,306		–682,306
Closing equity, Dec. 31, 2011		**50,884**	**10,000**	**0**	**128,273**	**–2,645**	**186,512**

Parent Company's cash flow statement

SEK 000s	Note 33	**2011**	2010
Operating activities			
Profit after financial items		–965	738,103
Adjustment for items not included in cash flow		–431	–10,601
Income tax paid		–3,057	141
Cash flow from operating activities before changes in working capital		**–4,453**	**727,643**
Cash flow from changes in working capital			
Increase (–)/Decrease (+) in operating receivables		2,106,678	–2,168,832
Increase (+)/Decrease (–) of operating liabilities		–396,016	41,394
Cash flow from operating activities		**1,706,209**	**–1,399,795**
Investing activities			
Shareholder contribution granted		–5,694	–11
Acquisition of property, plant and equipment		–	–
Sale of property, plant and equipment		–	1,889
Sale (+)/ Acquisition (–) of subsidiaries		–	1,649,748
Cash flow from investing activities		**–5,694**	**1,651,626**
Financing activities			
Reduction in long-term liabilities		–989,806	–13,497
Group contribution received		–	88,552
Dividend paid		–682,306	–367,173
Cash flow from financing activities		**–1,672,112**	**–292,118**
Cash flow for the year		**28,403**	**–40,287**
Cash and cash equivalents at the beginning of the year		56,743	97,030
Cash and cash equivalents at year-end		**85,146**	**56,743**

Notes to the financial statements

Note 1 Accounting policies

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

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

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

Voluntary change of accounting policy
Effective January 1, 2011, the Group switched from reporting actuarial gains and losses according to the corridor method to reporting them in their entirety in other comprehensive income for the period during which they arise. The amendment was applied retroactively in line with IAS 8 and affected the financial statements for the particular period, and the preceding period and accumulated for the commenced comparative period. The change in pension liability reporting has meant that profit brought forward decreased by SEK 2,801,000 at the beginning of 2010. Net profit for the year was affected in the amount of SEK 604,000 (–118,000) and Other comprehensive income by SEK 2,107,000 (–647,000) including the tax effect. Earnings per share before and after dilution were affected by SEK 0.05 (–0.01). The corresponding amount for continuing operations was SEK 0.05 (–0.01).

New IFRS that do not yet apply
A number of new standards and changes in standards as well as interpretations come into effect during the coming financial year. None of these have been applied in advance in the financial statements for 2011 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 underlying the preparation of the Parent Company's and the consolidated financial statements
The Parent Company's functional currency is the Swedish krona, which is also the reporting currency for the Parent Company and the Group. This means the financial statements are presented in Swedish kronor (SEK). All amounts unless otherwise stated, are rounded off to the nearest SEK thousand. Assets and liabilities are reported at historical costs, except for properties, which are reported at fair value. See Note 14 for Investment Properties. Non-current assets held for sale are reported at the lower 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 senior management makes assessments, estimates and assumptions that affect the application of 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 factors that under current circumstances seem reasonable. The result of these estimates and assumptions is then used to assess the carrying amounts for assets and liabilities that are otherwise not clearly specified from other sources. The actual outcome may deviate from these estimates and assessments.

The estimates and assumptions are reviewed on a regular basis. Changes in estimates are 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 consolidated financial statements, unless otherwise stated below.

(C) Segment reporting
A segment is part of the Group that engages in activities that can generate income and incur expenses and which is identifiable for reporting purposes. Also, the results for a business segment are monitored by the company's senior executives – group management – in order to assess performance and be able to allocate resources to the segment. 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 benefits. In assessing the existence of a controlling influence, potential voting shares that can be utilized or converted promptly are taken into consideration.

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

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

Classification of acquisitions
An acquisition of a property or properties, directly or indirectly, may be classified either as an asset acquisition or as a business acquisition. All acquisitions to date have been classified as asset acquisitions. This means 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 SEK at the closing exchange rate. Revenue and expenses of foreign operations are translated to SEK at the average exchange rate representing an approximation of the rates on the various transaction dates. Translation differences arising in currency translation of foreign operations are reported under other comprehensive income as a translation reserve. When a foreign operation is divested, the accumulated exchange rate differences are reported in the income statement along with the gain or loss from the divestment.

Transactions in foreign currency

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

(G) Income

Rental revenue

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

Other operating income

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

Income from property sales

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

(H) Operating expenses and financial income and expenses

Other operating expenses

Other operating expenses refer mainly to purchase of the above-noted 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 during which they arise.

Financial income and expenses

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

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

Operational leasing agreements

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

(I) Financial instruments

Financial instruments are valued and reported in the Group in line with the rules of IAS 39

Financial instruments reported in the balance sheet include such assets as cash and cash equivalents, accounts receivable, loan receivables and derivatives. Equity and liabilities include accounts payable, loan liabilities and derivatives.

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

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

Financial assets valued at fair value via the income statement

Catena has conducted 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 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 fix payments or payments than can be determined, and are not listed on an active market. The receivables arise when companies provide money and services directly to the credit recipient without intending to trade in the receivables. This category also includes acquired receivables. Assets in this category are valued at their accrued cost. Accrued cost is determined on the basis of the effective interest calculated at the time of acquisition. Long-term receivables and other current receivables are receivables that arise when the company provides money without intending to trade in the receivable. If the expected holding period exceeds one year, they are treated as long-term receivables, otherwise as other receivables. These receivables are categorized as loan receivables and accounts receivable.

Accounts receivable are classified in the category loan receivables and accounts receivable. Accounts receivable are reported in the amount expected to be received after deduction of doubtful claims, which are assessed on a case-by-case basis. The expected maturity of accounts receivable is short, and the value is accordingly 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 concluded 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 directly reported 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 the accrued cost.

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

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

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

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

Additional expenses for investment properties 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 likely that the future financial advantage associated with the asset will benefit the company and the cost can be estimated in a reliable manner. All other additional expenses are reported as costs in the period they arise. A key factor in assessing when additional expense 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 in which a new component has been created, the expense is added to the reported value. Repairs are expensed as expenditure arises.

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

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

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

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

Estimated service life:
– Accrued expenses on property of another party 10%
– Equipment, tools and installations 10–20%

(L) Impairment
The carrying amounts for the Group's assets, with the exception of investment properties and deferred tax assets – are reviewed on each closing date to access the possible impairment require-

ment. If such a requirement exists, the recoverable amount of the asset is estimated. The valuation of the excepted assets as noted above is assessed in accordance with the applicable standard.

(M) Earnings per share

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

N) Employee benefits

Defined contribution scheme

Commitments as regards fees for defined contribution schemes are reported as an expense in the income statement as 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 the employees have earned from their employment both in 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. If an active market for such corporate bonds does not exist, the market rate on government bonds of a corresponding term is used instead. The calculation is done by an accredited actuary.

When the benefits of a 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 and distributed on a straight-line basis over the average period until the benefits have been fully vested. If the benefit is fully vested, an expense is reported directly in the income statement.

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

When there is a difference between how the pension expense is determined for a legal entity and for the Group, a provision or receivable pertaining to the special employer's contribution is 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 when 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 on or for all practical purposes decided upon at the 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 are not taken into consideration: the initial reporting of assets and liabilities that are not acquisitions of operations and that at the time of the transaction do not affect the carrying amount or the taxable earnings. Nor are temporary differences attributable to participation in subsidiaries that are not expected to be reversed within the foreseeable future taken into account. The valuation of deferred tax is based on how the carrying amounts of assets or liabilities are expected to be realized or settled. Deferred tax is calculated by applying the tax rates and tax rules that have been decided or have for all practical purposes been decided at the closing date.

Deferred tax assets pertaining to deductible temporary differences and loss carry-forwards are reported only insofar as they are likely to be utilized. The value of deferred tax assets is reduced when it is no longer considered that they can be utilized.

(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 lower of the carrying amount and fair value after the 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 recognized for every increase in fair value after the deduction of selling expenses. This gain is limited to an amount corresponding to all previous impairments.

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

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

Net profit after tax 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 correspondingly.

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

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

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

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

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

Financial guarantees – Parent Company
The Parent Company's financial guarantee agreements consist of surety undertakings in the role of part-owner of the mutual Försäkringsbolaget PRI Pensionsgaranti. This financial guarantee entails a commitment to contribute funds to PRI in the event that its assets are insufficient to meet its commitments, but to the maximum amount of the assumed contingent liabilitiy. 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
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 balance sheet. Information about non-current assets held for sale and discontinued operations is provided instead in the notes. Depreciation is also applied in accordance with the Annual Accounts Act.

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

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

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

Note 2 Segment reporting

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

Following the divestment to Balder during 2011, the Group has only the Solna property, Haga Norra, remaining. Thus, the Group has only one segment, the Stockholm region.

GROUP	Stockholm region		Gothenburg region		Öresund region		Oslo region		Group	
SEK 000s	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010
Rental revenue	26,994	65,746	–	45,301	–	45,518	–	11,411	26,994	167,976
Total income	**26,994**	**65,746**	**–**	**45,301**	**–**	**45,518**	**–**	**11,411**	**26,994**	**167,976**
Property expenses	–6,436	–14,016	–	–5,267	–	–5,678	–	–608	–6,436	–25,569
Net operating income	**20,558**	**51,730**	**–**	**40,034**	**–**	**39,840**	**–**	**10,803**	**20,558**	**142,407**
Less discontinued operations	–	–31,306	–	–40,034	–	–39,840	–	–10,803	–	–121,983
Continuing operations	**20,558**	**20,424**	**0**	**0**	**0**	**0**	**0**	**0**	**20,558**	**20,424**
Other operating income	–	–	–	–	–	–	–	–	87	239
Other operating expenses	–	–	–	–	–	–	–	–	–	–188
Central administration	–	–	–	–	–	–	–	–	–12,828	–12,818
Properties, unrealised changes in value	–	–	–	–	–	–	–	–	86,708	130,000
Operating profit	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**94,525**	**137,657**
Net financial items	–	–	–	–	–	–	–	–	–3,790	–9,310
Pre-tax profit	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**90,735**	**128,347**
Tax	–	–	–	–	–	–	–	–	–29,693	–34,961
Net profit from continuing operations	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**61,042**	**93,386**
Net profit from discontinued operations	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**68,601**	**255,306**
Net profit for the year	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**129,643**	**348,692**
Assets	710,762	967,076	–	618,498	–	527,938	–	556,747	710,762	2,113,512
Undistributed assets	–	–	–	–	–	–	–	–	–	59,214
Total assets	**710,762**	**967,076**	**–**	**618,498**	**–**	**527,938**	**–**	**556,747**	**710,762**	**2,172,726**
Reclassification as "Assets held for sale"	**–**	**–446,900**	**–**	**–618,498**	**–**	**–527,938**	**–**	**–**	**–**	**–1,593,336**
Net total assets, continuing operations	**710,762**	**520,176**	**–**	**–**	**–**	**–**	**–**	**556,747**	**710,762**	**579,390**
Equity	297,427	–	–	–	–	–	–	–	297,427	844,730
Liabilities	413,335	66,729	–	62,930	–	114,631	–	326,176	413,335	244,290
Undistributed liabilities	–	–	–	–	–	–	–	–	–	1,083,706
Total liabilities	**413,335**	**66,729**	**–**	**62,930**	**–**	**114,631**	**–**	**326,176**	**413,335**	**1,327,996**
Total liabilities and equity	**710,762**	**66,729**	**–**	**62,930**	**–**	**114,631**	**–**	**326,176**	**710,762**	**2,172,726**
Reclassified as "Liabilities attributable to assets held for sale"	**–**	**–51,589**	**–**	**–62,930**	**–**	**–114,631**	**–**	**–**	**–**	**–229,150**
Net total liabilities and equity, continuing operations	**710,762**	**15,140**	**–**	**–**	**–**	**–**	**–**	**326,176**	**710,762**	**1,943,576**
Investments, continuing operations	**3,292**	**3,080**	**–**	**–**	**–**	**–**	**–**	**–**	**3,292**	**3,080**

PARENT COMPANY										
SEK 000s										
Net turnover	–	277	–	3,102	–	–	–	–	–	3,379

Note 3 Discontinued operations

Pertains to the Group only.

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

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

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

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

Discontinued operations	**2011**	2010
Net profit from discontinued operations		
Income	–	140,558
Expenses	–	–26,426
Pre-tax profit	**–**	**114,132**
Tax	–	–35,155
Pre-tax profit	**–**	**78,977**
Net profit from the divestment of discontinued operations		
Properties, realized changes in value	2,640	55,049
Tax attributable to the above value changes	65,961	54,466
Income from divestment after tax	**68,601**	**109,515**
Change in fair value for the year		
Properties, unrealized changes in value	–	90,657
Tax attributable to the above changes in value	–	–23,843
Profit after tax from the change during the year	**68,601**	**66,814**
Comprehensive income from discontinued operations after tax	**68,601**	**255,306**

All income and expenses, except for actuarial gains and losses, pertain to discontinued operations.

Note 4 Non-current assets held for sale

Pertains to the sale to Balder fjorton AB.

GROUP

SEK 000s	**2011**	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 primarily: Net operating income (SEK 0,000); Other operating income (SEK 3,200,000); Capital gains/losses from the sale of participations in Group companies (SEK 0,000); Dividend from subsidiaries (SEK 0,000); Other interest income/interest expense (neg.: SEK 9,900,000). As regards central administration expenses, refer to Note 7 regarding changes in personnel.

The items in the balance sheet 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 total SEK 1,021,000,000.

Note 5 operating expenses

GROUP

SEK 000s	**2011**	2010
Management fees/consultancy fees, external	–	79
Invoiced services, external	87	160
	87	**239**

PARENT COMPANY

SEK 000s	**2011**	2010
Management fees/consultancy fees, external	–	29
Management fees/consultancy fees, Intra-Group	4,049	18,669
Invoiced services, external	87	124
	4,136	**18,822**

Note 6 Other operating expenses

	Group		Parent Company	
SEK 000s	**2011**	2010	**2011**	2010
Expenses for invoiced services, Group Companies and other expenses	–	160	–	124
Consultancy expenses	–	28	–	28
	–	**188**	**–**	**152**

Note 7 Employee and personnel costs

Pertains both to continuing and discontinued operations.

Expenses for employee remuneration

GROUP

SEK 000s	**2011**	2010
Wages, salaries and other remuneration	3,225	7,306
Pension costs, defined benefit schemes (See Note 21)	1,277	268
Pension costs, defined-contribution schemes	2,159	896
Social security contributions	2,841	3,823
	9,502	**12,293**

Average number of employees	**2011**	Of whom men, %	2010	Of whom men, %
Parent Company, Sweden	5	80	10	80
Total, Parent Company	**5**	**80**	**10**	**80**
Total Group	**5**	**80**	**10**	**80**

Wages, salaries, other remuneration and social security contributions

	2011		2010	
SEK 000s	Wages, salaries and other remuneration	Social security contributions	Wages, salaries and other remuneration	Social security contributions
Parent Company	3,225	7,337	7,306	6,468
(of which pension costs)		6,421		2,645

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

	2011		2010	
SEK 000s	Senior executives	Other employees	Senior executives	Other employees
Parent Company				
Sweden	2,509	716	4,451	2,855
Group	2,509	716	4,451	2,855
Total	**2,509**	**716**	**4,451**	**2,855**

Benefits to senior executives, Parent Company, remuneration and other benefits during 2010

SEK 000s	Basic salary Board fee	Variable remuneration	Other benefits	Pension expenses	Total
Chairman of the Board	210	–	–	–	210
Board members, six persons	473	–	–	–	473
CEO	1,604	38	117	1,167	2,926
Other senior executives	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 received SEK 26,000 each, since they joined the Board during the year.

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

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

Board members receive a fee of SEK 105,000 per member per year. One of the six Board members received SEK 52,000, as a result of his appointment to the Board during the course of the year.

Note 8 Fees and cost reimbursement for auditors

	Group		Parent Company	
SEK 000s	**2011**	2010	**2011**	2010
KPMG				
Auditing assignments	140	408	140	278
Audit activities in addition to auditing assignments	532	170	532	170
Tax advice	64	116	64	104
	736	**694**	**736**	**552**

Note 9 Operating expenses distributed by type of cost

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

	Group		Parent Company	
SEK 000s	**2011**	2010	**2011**	2010
Property administration				
Personnel expenses	–	2,593	–	9
External expenses	2,730	648	–	1
	2,730	**3,241**	**–**	**10**
Central administration				
Depreciation	201	712	201	336
Personnel expenses	10,719	7,762	10,719	13,961
External expenses	1,908	4,344	5,698	5,295
	12,828	**12,818**	**16,618**	**19,592**
Total expenses distributed by type of cost	**15,558**	**16,059**	**16,618**	**19,602**

Note 10 Net financial items

GROUP

SEK 000s	**2011**	2010
Interest expense, other	10,315	8,082
Exchange-rate gains	–	1,022
Financial derivatives, changes in value valued at fair value via profit/loss	3,070	9,811
Financial income	**13,385**	**18,915**
Interest expense, other	–17,175	–28,225
Financial derivatives, changes in value valued at fair value via income statement	–	–
Financial expenses	**–17,175**	**–28,225**
Net financial items	**–3,790**	**–9,310**

Interest income and similar profit/loss items
PARENT COMPANY

SEK 000s	**2011**	2010
Interest income, Group companies	9,382	13,018
Interest income, other	9,428	3,000
Exchange-rate differences	–	1,022
Financial derivatives, change in value	3,070	9,811
	21,880	**26,851**

Interest expense and similar profit/loss items
PARENT COMPANY

SEK 000s	**2011**	2010
Interest expense, Group companies	7,956	12,926
Interest expense, other	7,409	23,157
	15,365	**36,083**

All interest income is attributable to financial assets valued at amortised cost.

Interest expense is attributable primarily to financial liabilities valued at amortised cost.

Note 11 Appropriations

PARENT COMPANY

SEK 000s	**2011**	2010
Difference between reported depreciation and depreciation according to plan:		
Equipment	77	38
	77	**38**

Note 12 Taxes

Recognized in profit and loss

GROUP

SEK 000s	**2011**	2010
Current tax expense/tax revenue	–4,968	–4,679
Deferred tax for temporary differences	–24,725	–33,452
Tax expense reported in the Group	**–29,693**	**–38,131**

Reported tax in discontinued operations

Tax in profit from discontinued operations	–	–35,155
Tax in capital gain from divestment of discontinued operations	65,961	54,466
Tax on the year's changes in fair value	–	–23,843
Reported tax in discontinued operations	**65,961**	**–4,532**
Total tax cost for continuing and discontinued operations	**36,268**	**–42,663**

PARENT COMPANY

SEK 000s	**2011**	2010
Current tax expense (–)/tax revenue (+)		
Tax expense/tax revenue for the period	–1,762	–2,314
	–1,762	**–23,148**
Deferred tax for temporary differences	–165	28
	–165	**28**
Total reported tax expense/tax revenue in the Parent Company	**–1,927**	**–23,120**

Tax reported via comprehensive income

GROUP

SEK 000s	**2011**	2010
Tax on change in translation reserve	–2,664	–3,170

PARENT COMPANY

SEK 000s	**2011**	2010
Tax on change in reserve for fair value	–170	–3,170

Reconciliation of effective tax

GROUP

SEK 000s	**2011**	2010
Pre-tax profit, continuing and discontinued operations	93,375	388,067
Tax according to current rate for Parent Company, 26.3%	–24,558	–102,062
Tax relating to previous years	168	–1
Translation of foreign tax from higher tax expenses	–	–118
Translation of foreign currency from lower tax expenses	–	1,014
Translation difference, foreign currency	–	3,170
Sale of discontinued and divested operations	62,816	60,432
Non-deductible expenses	–3,148	–54
Income not subject to tax	990	1,296
Reported effective tax	**36,268**	**–42,663**

Reconciliation of effective tax

PARENT COMPANY

SEK 000s	**2011**	2010
Pre-tax profit	–888	738,141
Tax according to current rate for Parent Company, 26.3%	233	–194,132
Non-deductible expenses	–3,148	–54
Income not subject to tax	990	174,236
Tax for preceding year	168	–
Translation difference, foreign currency	–170	–3,170
Reported effective tax	**–1,927**	**–23,120**
Reported as tax in		
– Parent Company Income Statement	–1,757	–19,950
– report on Comprehensive Income of the Parent Company	–170	–3,170
	–1,927	**–23,120**

Reported deferred tax assets and liabilities
Deferred tax assets and liabilities refer to the following:

GROUP	Deferred tax asset		Deferred tax liability		Net	
SEK 000s	**2011**	2010	**2011**	2010	**2011**	2010
Investment properties	–	335	–69,758	–179,334	–69,758	–178,999
Pension provisions	1,465	154	–	–332	1,465	–178
Tax assets/liabilities	**1,465**	**489**	**–69,758**	**–179,666**	**–68,293**	**–179,177**
Offsetting	–1,465	–489	1,465	489	–	–
Tax assets/liabilities, net	**0**	**0**	**–68,293**	**–179,177**	**–68,293**	**–179,177**
Reclassification as “Liabilities attributable to assets held for sale”	–	–	–	135,609	–	135,609
	–	**–**	**–68,293**	**–43,568**	**–68,293**	**–43,568**

PARENT COMPANY	Deferred tax asset		Deferred tax liability		Net	
SEK 000s	**2011**	2010	**2011**	2010	**2011**	2010
Pension provisions	1,465	154	–	–	1,465	154
Investment properties	–	11	–	–	–	11
Tax assets/liabilities, net	**1,465**	**165**	**–**	**–**	**1,465**	**165**

Note 13 Property, plant and equipment

GROUP 2010 SEK 000s	Equipment, tools and fixtures and fittings	Total
Cost		
Opening balance, Jan 1, 2010	4,144	4,144
Acquisitions	207	207
Divestments	–119	–119
Exchange-rate differences	–4	–4
Closing balance, Dec. 31, 2010	**4,228**	**4,228**
Depreciation and impairment		
Opening balance, Jan. 1, 2010	–2,192	–2,192
Divestments	68	68
Depreciation for the year	–746	–746
Closing balance, Dec. 31, 2010	**–2,870**	**–2,870**
Carrying amounts		
January 1, 2010	**1,952**	**1,952**
December 31, 2010	**1,358**	**1,358**

GROUP 2011 SEK 000s	Equipment, tools and fixtures and fittings	Total
Cost		
Opening balance, Jan. 1, 2011	4,228	4,228
Divestments	–1,967	–1,967
Closing balance, Dec. 31, 2011	**2,261**	**2,261**
Depreciation and impairment		
Opening balance, Jan. 1, 2010	–2,870	–2,870
Divestments	826	826
Depreciation for the year	–201	–201
Closing balance, Dec. 31, 2011	**2,245**	**2,245**
Carrying amounts		
January 1, 2011	**1,358**	**1,358**
December 31, 2011	**16**	**16**

Depreciation is distributed over the following lines in the income statement.

GROUP SEK 000s	**2011**	2010
Depreciation		
Central administration	201	746
Total depreciation and impairment for property, plant and equipment	**201**	**746**

PARENT COMPANY SEK 000s	Accrued expenses for property belonging to another party	Equipment, tools and fixtures and fittings	Total
Cost			
Opening balance, Jan. 1, 2010	190	2,035	2,225
Acquisitions	–	36	36
Closing balance, Dec. 31, 2010	**190**	**2,071**	**2,261**
Depreciation			
Opening balance, Jan. 1, 2010	–103	–1,605	–1,708
Depreciation for the year	–19	–317	–336
Closing balance, Dec. 31, 2010	**–122**	**–1,922**	**–2,044**
Carrying amounts			
January 1, 2010	**87**	**430**	**517**
December 31, 2010	**68**	**149**	**217**

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

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

PARENT COMPANY SEK 000s	**2011**	2010
Depreciation		
Central administration	201	336
Total depreciation and impairment for property, plant and equipment	**201**	**336**

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	**2011**	2010
Opening fair value	520,000	2,472,293
Investments in properties	3,292	3,080
Unrealized change in value	86,708	130,000
Discontinued and divested properties	–	–497,243
Reclassification as assets held for sale	–	–1,588,130
Exchange-rate fluctuations	–	–
Closing fair value	**610,000**	**520,000**

Investment properties are reported in 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, 2011 as the valuation date.

Investment properties consist of one property with a lettable area of 40,723 square metres. The leases have a remaining weighted duration of 9.7 years. The required notice periods vary from 9 to 18 months, with extension periods ranging from three to five years. The rental level for leased premises with longer leases than three years is normally linked to the consumer price index. Almost 100 per cent of the basic rental volume in Catena's portfolio is subject to annual adjustment.

Information regarding the fair value of investment properties

PARENT COMPANY

SEK 000s	**2011**	2010
Accumulated fair values		
At the beginning of the year	–	2,200
At year-end	–	–

Investment properties reported in accordance with historical cost

PARENT COMPANY

SEK 000s	**Dec. 31, 2011**	Dec. 31, 2010
Accumulated fair values		
At the beginning of the year	–	2,455
Divestments	–	–2,455
	–	**0**
Accumulated depreciation according to plan		
At the beginning of the year	–	–588
Depreciation for the year according to plan	–	–
Divestments	–	588
	–	**0**
Carrying amount at the end of the period	**–**	**0**

Valuation method applied
The fair value reported in the balance sheet essentially consists of an estimated value of the potential value of the development rights that can be realized through the detailed development plan applying to the properties. The potential development rights pertain to residential and commercial facilities for the Stora Frösunda 2 and Hagalund 2:2 properties located in Solna municipality, near Stockholm.

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

The overall fair value of the property is estimated to amount to SEK 610m. Among other points, in view of the fact that the detailed planning work is not complete, quantification of the assessments made are associated with relatively significant uncertainty. However, uncertainty is expected to decrease over time as the date for plan approval approaches.

Investment properties
All investment properties generate rental revenue.

Investment properties reported as assets for sale
This information applies only to 2010.
The valuation method applied is 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 were discounted to present value. The location price method was applied to assess the magnitude 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 used for present computation of the estimated future cash flows in the cash flow calculations. The value assessment was conducted by internal valuers.

Total fair value for the properties amounted to SEK 1,588m. The value of the current use was assessed on the basis of the following key assumptions:

- The rate of inflation during the costing period was assumed to be 2.0 per cent annually.
- Operating and maintenance expenses were assumed to track inflation.
- Rents for current leases were used during the term of the lease. Subsequently, market rates are assessed and an adjustment made if these deviate from the current rent, while the vacancy risk is also 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 direct yield requirement for the assessment of residual value is 6.50–9.70 per cent. (Weighted average of 7.24 per cent).

The discount rate used in the present value computation of future cash flows is 7.00–9.20 per cent. (Weighted average of 7.72 per cent).

Note 15 Financial investments and changes in value of derivatives

GROUP, continuing operations

SEK 000s	**Dec. 31, 2011**	Dec. 31, 2010
Interest rate swaps		
Opening balance	–3,567	–20,919
Interest rate swaps, change in value via income statement	3,070	9,811
Discontinued operations	–	7,541
Closing balance	**–497**	**–3,567**

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

GROUP

SEK 000s	**Dec. 31, 2011**	Dec. 31, 2010
Other long-term liabilities	–497	–3,567
Closing balance	**–497**	**– 3,567**

PARENT COMPANY

SEK 000s	**Dec. 31, 2011**	Dec. 31, 2010
Interest rate swaps		
Opening balance	–3,567	–13,378
Interest rate swaps, change in value via income statement	3,070	9,811
Closing balance	**–497**	**–3,567**

The Parent Company conducts all transactions with derivative instruments, with changes in value reported via the income statement. Financial derivative instruments are reported at fair value in line with IAS 39. Catena does not utilize hedge accounting.

PARENT COMPANY

SEK 000s	**Dec. 31, 2011**	Dec. 31, 2010
Other long-term liabilities	–497	–3,567
Closing balance	**–497**	**–3,567**

Note 16 Prepaid expenses and accrued income

	Group		Parent Company	
SEK 000s	**Dec. 31, 2011**	Dec. 31, 2010	**Dec. 31, 2011**	Dec. 31, 2010
Prepaid rent	182	187	182	187
Prepaid leasing fees	–	42	–	42
Prepaid insurance premiums	167	456	167	97
Prepaid property expenses	–	434	–	299
Prepaid site leasehold fees	–	547	–	–
Prepaid financing expenses	–	136	–	136
Prepaid expenses, Stockholm Stock Exchange	52	48	52	48
Accrued rental discount	–	2,680	–	–
Other prepaid expenses	62	126	62	126
Reclassification to “Assets held for sale”	–	–3,636	–	–
	463	**1,020**	**463**	**935**

Note 17 Equity

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

GROUP

Share capital

At December 31, 2011, the registered share capital amounted to 11,564,500 shares (11,564,500) with a par value of SEK 4.40 each.

Other contributed capital

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

Translation reserve

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

Profit brought forward, including comprehensive income for the year

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

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

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

The Group's target is to achieve a return on equity that exceeds the yield on a five-year Government bond by at least five percentage points. In 2011, the return was 22.7 per cent (40.3).

In the long term, the Group's dividend is to amount to 75 per cent of the income from property management after 26.3 per cent of standard tax, but excluding realized and unrealized changes in the value of properties and excluding unrealized changes in the value of derivatives. In the proposed appropriation of earnings, the Board will propose to the 2012 AGM that Catena pays a dividend of SEK 2.00 per share for the 2011 financial year, amounting to a total dividend of SEK 23,129,000.

According to the annual report, Catena's equity/assets ratio amounts to 41.8 per cent for the Group.

One of Catena's financial targets is for the equity/assets ratio for the Group to range from 25 to 35 per cent. Thus, also after the proposed dividend, Catena's equity/assets ratio target has been achieved.

PARENT COMPANY

Share capital

At December 31, 2011, the share capital amounted to 11,564,500 shares (11,564,500), with a par value of SEK 4.40 each.

Proposed dividend

After the closing date, the Board proposed the following dividend. The dividend will be proposed for approval by the AGM on April 26, 2012.

SEK 000s	**2011**	2010
SEK 2.00 per share (6.00), ordinary	23,129	69,387
SEK 53.00 per share, extra	–	612,919
	23,129	**682,306**

Restricted equity

Statutory reserve

The statutory reserve consists of previously appropriated net profit.

Non-restricted equity

Profit brought forward

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

Note 18 Earnings per share

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

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

GROUP

SEK	**2011**	2010
Earnings per share	11.21	30.15
Earnings per share, continuing operations	5.28	8.07
Earnings per share, discontinued operations	5.93	22.07

Note 19 Liabilities to credit institutions

Interest and loan maturity structure at December 31, 2010

GROUP Maturity, year	Loan amount, SEK 000s	Interest maturity Average rate, %	Percentage	Credit agreements SEK 000s	Loan maturity, utilized SEK 000s	Proportion, %
3 months STIBOR	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**

Interest-rate and loan maturity structure at December 31, 2011

GROUP Maturity, year	Loan amount, SEK 000s	Interest maturity Average rate, %	Percentage	Credit agreements SEK 000s	Loan maturity, utilized SEK 000s	Proportion, %
3 months STIBOR	176,400	4.30	57.6	–	–	–
2012	130,000	3.79	42.4	–	–	–
2014	–	–	–	306,400	306,400	100
Total	**306,400**	**4.14**	**100.0**	**306,400**	**306,400**	**100**

Note 20 Interest-bearing liabilities

GROUP

SEK 000s	**2011**	2010
Long-term liabilities		
Liabilities to credit institutions	306,400	1,041,736
Less: classification as “Liabilities attributable to assets held for sale”	–	–60,000
	306,400	**981,736**
Current liabilities	–	–
Financial leasing liabilities	–	1,209
Current portion of liabilities to credit institutions	–	5,000
	–	**6,209**

PARENT COMPANY

SEK 000s	**2011**	2010
Long-term liabilities		
Liabilities to credit institutions	–	981,736
	–	**981,736**
Current liabilities		
Current portion of liabilities to credit institutions	–	5,000
	–	**5,000**

Terms and conditions

Collateral posted for bank loans amounts to SEK 306,400,000 (1,063,233,000) in the company’s land and buildings, of which SEK 0 (60,000,000) relates to “Liabilities attributable to assets held for sale”.

Refer to Note 27 for more information about the Company’s exposure to interest rate risk and the risk of exchange-rate fluctuations.

Financial leasing liabilities

Financial leasing

Catena leases company cars through a number of different leasing agreements. Variable fees have been established by means of the estimated residual value at the end of the leasing period. When the leasing agreement ends, Catena has the option of purchasing the cars at their residual value. There are no options to extend the leasing agreements. At December 31, 2011, the value of the leased assets totalled SEK 0.000 (1,209,000). The leased assets are collateral for the leasing liabilities. Financial leasing liabilities fall due for payment as below:

GROUP AND PARENT COMPANY

	Minimum leasing fees		Interest		Capital amount	
SEK 000s	**2011**	2010	**2011**	2010	**2011**	2010
Within one year	–	100	–	27	–	127
From one to five years	–	326	–	35	–	361
	–	**426**	**–**	**62**	**–**	**488**

Note 21 Pensions

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

GROUP

SEK 000s	2011	2010
Present value of net commitment	**12,113**	**9,514**
Net amount in the balance sheet	**12,113**	**9,514**

Changes in the balance sheet in the reported net commitment for defined-benefit schemes

GROUP

SEK 000s	2011	2010
Net commitment for defined-benefit schemes, at Jan. 1	9,514	9,612
Benefits paid	–112	–112
Expense reported in the income statement	2,711	14
Net commitment for defined-benefit schemes as of Dec. 31	**12,113**	**9,514**

Expenses reported in the income statement

GROUP

SEK 000s	2011	2010
Expenses relating to employment during the current period	–217	–268
Interest expense for commitment	–387	–393
Total net expenses in the income statement	**–604**	**–661**

Expenses recognized in comprehensive earnings

GROUP

SEK 000s	2011	2010
Actuarial gains (+) and losses (–)	–2,107	647
Total	**–2,107**	**647**

Expense reported in the following items in the income statement

GROUP

SEK 000s	2011	2010
Central and property administration	–217	–268
Financial expenses	–387	–393
Total	**–604**	**–661**

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

GROUP/PARENT COMPANY

%	2011	2010
Discount rate at Dec. 31	3.60	4.00
Future increase in salaries	0	3.00
Income base amount	0	3.00
Future increase in pensions	2.00	2.00
Annual increase in paid-up policies	0	2.00
Severance intensity	0	2.00

Parent Company pension commitment

SEK 000s	Dec. 31, 2011	Dec. 31, 2010
FPG/PRI	8,997	7,832
For which pension commitment provided by FPG/PRI	8,997	7,832

SEK 000s	2011	2010
Opening value	7,832	6,899
Benefits paid	–112	–112
Expense reported in the income statement	1,277	1,045
Closing value	**8,997**	**7,832**

Expense reported in the following item in the income statement:

SEK 000s	2011	2010
Central administration	1,277	–1,045

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

Payment to these schemes is made continuously according the rules of each scheme.

	Group		Parent Company	
SEK 000s	2011	2010	2011	2010
Expenses for defined- benefit schemes	2,159	896	1,360	896

Historic information on defined-benefit schemes

GROUP

SEK 000s	2011	2010	2009	2008	2007
Present value of net commitment	12,113	9,514	9,612	8,937	6,640
Unreported actuarial gains (+)/losses (–)	–	–	–2,801	–2,224	–1,218
Net reported for defined-contribution schemes	**12,113**	**9,514**	**6,811**	**6,713**	**5,422**

Note 22 Other provisions

GROUP

SEK 000s	Dec. 31, 2011	Dec. 31, 2010
Provisions that are long-term liabilities		
Environment	–	200
Pensions		2,884
Special pay tax	1,087	–
Special pay tax, IAS pensions	–	–86
Total	**1,087**	**2,998**
Less: reclassified as “Liabilities attributable to assets held for sales”	–	–200
Total	**1,087**	**2,798**

PARENT COMPANY

SEK 000s	Dec. 31, 2011	Dec. 31, 2010
Pensions	–	2,884
Special pay tax	1,087	–
Total	**1,087**	**2,884**

Payments

SEK 000s	Dec. 31, 2011	Dec. 31, 2010
GROUP		
Amount at which provision is expected to be paid after more than twelve months	–	–
PARENT COMPANY		
Amount at which provision is expected to be paid after more than twelve months	–	–

Note 23 Other liabilities

GROUP

SEK 000s	**Dec. 31, 2011**	Dec. 31, 2010
Other current liabilities		
Value-added tax	1,566	4,437
Employee withholding tax	28	236
Financial leasing	–	1,209
Renovations	–	1,166
Rents deposited	–	341
Other	–	28
Less: reclassification as "Liabilities attributable to assets held for sale"	–	–3,302
Total	**1,594**	**4,115**

PARENT COMPANY

SEK 000s	**Dec. 31, 2011**	Dec. 31, 2010
Other current liabilities		
Value-added tax	421	1,626
Employee withholding tax	28	236
Total	**449**	**1,862**

Note 24 Accrued expenses and prepaid income

	Group		Parent Company	
SEK 000s	**Dec. 31, 2011**	Dec. 31, 2010	**Dec. 31, 2011**	Dec. 31, 2010
Accrued holiday pay, including social security contributions	5	1,488	5	1,488
Accrued social security contributions	19	187	19	187
Accrued interest expense	1,232	1,689	288	1,571
Accrued auditing fees	40	324	40	282
Accrued expenses, annual report	500	385	500	385
Accrued consultancy fees	49	142	49	112
Accrued management expenses	–	339	–	–
Accrued selling expenses	6,386	–	6,386	6,853
Accrued construction and renovation expenses	112	–	–	25,322
Accrued value-added tax	–	629	–	629
Prepaid rental revenue	6,651	36,166	–	299
Accrued property tax	303	912	–	5
Board fees, including social security contributions	552	621	552	621
Other	52	18	–	17
Less: reclassification as "Liabilities attributable to assets held for sales"	–	–30,001	–	–
	15,901	**12,899**	**7,839**	**37,771**

Note 25 Financial risks and financial policies

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

Financial risk refers to fluctuations in the company's earnings and cash flow due to changes in exchange rates, interest rates, and refinancing and credit risks. All financial risk management is managed by Catena AB's finance function, which is thereby also responsible for the Catena Group's financial risk management.

Counterparty risk

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

Liquidity risk

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

Borrowing risk

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

Interest rate risk

The interest rate risk is the risk that the value of a financial instrument will vary on account of changes in market interest rates. Interest rate risk may consist of a change in fair value, price risk and changes in cash flow – cash flow risk. A significant factor affecting interest rate risk is the fixed interest term. Long fixed interest terms primarily affect the cash flow risk whereas shorter fixed interest terms affect the price risk. The Group is financed by bank loans, which fluctuate with 3-month Stibor. To minimize the Group's exposure to rising interest rates, the Group has tied about 40 per cent of its interest expense using derivative instruments. An increase in the market rate of one percentage point would increase the Group's interest expense by SEK 1.8m as computed at year end. See Note 19.

Credit risk in accounts receivable

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

Fair value

Calculation of fair value

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

Derivative instruments

The fair value of interest-rate swaps is based on the valuation of the notifying credit institutions, 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 the 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 that are older than six months. The reported value is intended to reflect the fair value. There were no reserve requirements this year or last year.

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

Note 26 Valuation of financial assets and liabilities

Financial instruments reported in the balance sheet include assets such as cash and cash equivalents, accounts receivable, and other receivables; while liabilities include liabilities to credit institutions, accounts payable and other long-term liabilities. Financial instruments are reported at cost 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 and for which transaction expenses are not included. Subsequent reporting takes place depending on classification, as outlined below.

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

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

Other long-term liabilities – interest rate derivatives
Interest rate derivatives constitute a financial asset or liability that is valued at fair value, with changes in value reported via the income statement. Catena is a party to interest rate derivative contracts as part of efforts to manage exposure to fluctuations in the market rate, in accordance with the adopted financial policy. Due to changes in the market rate and the time factor, changes in value can arise in the use of interest rate derivatives. Interest rate derivatives are initially reported in the balance sheet at cost on the payment date, with the absolute majority pertaining to an interest rate entailing a cost of zero, and are subsequently valued at fair value, with changes in value reported in the income statement. To establish fair value, market rates are used for the particular maturity listed on the closing date and generally accepted computation methods, entailing that fair values have been established in accordance with level 2, IFRS 7 item 27 a. 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 present value, which is received from the particular counterparty. Realized changes in value refer to the redeemed interest rate derivative contracts and represent 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 cost if the interest rate derivative contract has been completed during the year. An unrealized change in value is recognized and calculated for interest rate derivative contracts redeemed during the year, based on the valuation in the most recent quarterly report before redemption compared with the valuation at the end of the previous year. Current payment flows during the contracts are reported as income for the period to which they refer.

Fair value and carrying amount in the balance sheet

GROUP 2011

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

Fair value equals the total carrying amount.

Fair value and carrying amount in the balance sheet

GROUP 2010

SEK 000s	Loan and accounts receivable	Financial liabilities valued at fair value via income statement	Other liabilities	Total carrying amount
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	–	–	4,115	4,115
Total	**–**	**3,567**	**1,004,233**	**1,007,800**

Fair value equals the total carrying amount.

Fair value and carrying amount in the balance sheet

PARENT COMPANY 2011 SEK 000s	Loan and accounts receivable	Financial liabilities valued at fair value via income statement	Other liabilities	Total carrying amount
Accounts receivable	276	–	–	276
Other receivables	424,605	–	–	424,605
Total	**424,881**	**–**	**–**	**424,881**
Other long-term liabilities, derivatives	–	497	–	497
Accounts payable	–	–	5,795	5,795
Other liabilities	–	–	357,770	357,770
Total	**–**	**497**	**363,365**	**364,062**

Fair value equals the total carrying amount.

PARENT COMPANY 2010 SEK 000s	Loan and accounts receivable	Financial liabilities valued at fair value via income statement	Other liabilities	Total carrying amount
Accounts receivable	13	–	–	13
Other receivables	2,531,074	–	–	2,531,074
Total	**2,531,087**	**–**	**–**	**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	–	–	754,038	754,038
Total	**–**	**3,567**	**1,754,156**	**1,757,723**

Fair value equals the total carrying amount.

Derivatives, interest rate swaps

GROUP Maturity, year	Loan amount, SEK 000s	Interest including credit margin, %
2012	130,000	3.79
Total	**130,000**	**3.79**

Note 27 Operational leasing

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

	Group		Parent Company	
SEK 000s	**2011**	2010	**2011**	2010
Within one year	–	1,586	–	36
Between one and five years	–	4,469	–	9
Longer than five years	–	1,650	–	–
	–	**7,705**	**–**	**45**
Less: future leasing payments for discontinued operations	–	–7,660	–	–
	–	**45**	**–**	**45**

Fees paid:	Group		Parent Company	
SEK 000s	**2011**	2010	**2011**	2010
Minimum leasing fees	76	3,146	76	2,229
Variable fees	–	–	–	1,803
Total leasing expenses	**76**	**3,146**	**76**	**4,032**
Leasing revenue for sub-let properties totals	–	–	–	3,102
Less: paid leasing fees for discontinued operations	–	–2,216	–	–
	76	**930**	**76**	**930**

Leasing contracts with the company as the lessor

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

	Group		Parent Company	
SEK 000s	**2011**	2010	**2011**	2010
Within a year	–	2,693	–	–
Between one and five years	–	51,436	–	–
Longer than five years	27,225	103,353	–	3,479
	27,225	**157,482**	**–**	**3,479**
Less: reclassification as ”Assets attributable to assets held for sales”	–	–133,055	–	–3,479
	27,225	**24,427**	**–**	**0**

Note 28 Investment commitments

Group

At December 31, 2011, the Group had investment commitments for new construction/renovation of SEK 0 (1,653,000), and commitments for repairs of SEK 0 (8,699,000) relating to assets sold.

Parent Company

At December 31, 2011, the Parent Company had no investment commitments.

Note 29 Pledged assets, contingencies and contingent assets

SEK 000s	Group Dec. 31, 2011	Group Dec. 31, 2010	Parent Company Dec. 31, 2011	Parent Company Dec. 31, 2011
Pledged assets				
In the form of pledged assets for own liabilities and provisions				
Mortgages	306,400	1,088,233	–	–
Holdings in subsidiaries	425,000	317,941	–	–
Total pledged assets	**731,400**	**1,406,174**	**–**	**–**
Contingencies				
Guarantee commitments, FPG/PRI	180	157	180	157
Sureties in favour of subsidiaries	–	–	–	–
Total contingencies	**180**	**157**	**180**	**157**

Note 30 Related parties

Related-party transactions

PARENT COMPANY

Related party relationship, SEK 000s	Year	Rental revenue/ services	Liability to related parties Dec. 31	Receivable from related party, Dec 31
Catena Group/own subsidiaries	2010	22,049	692,052	2,530,909
Catena Group/own subsidiaries	2011	4,049	357,321	422,809

Transactions with key persons in executive positions

In addition to salary, the senior executives receive non-cash benefits from the Group, which pays premiums for defined benefit and defined-contribution pensions for these persons. The total payments are included in "Employees and personnel expenses" (see Note 7).

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

Catena AB	SEK 1,040,000
Catena Byggnads AB	SEK 728,000

Note 31 Participations in Group companies

PARENT COMPANY

SEK 000s	Dec. 31, 2011	Dec. 31, 2010
Accumulated cost		
At the beginning of the year	50,832	1,700,580
Shareholder contribution	8,456	–
Sale	–2,762	–1,649,748
Closing balance	**56,526**	**50,832**

Specification of the Parent Company's direct participation in subsidiaries

Subsidiary/Corp. Reg. No. /Domicile	No. of shares	Holding, %	Dec. 31, 2011 Carrying amount	Dec. 31, 2010 Carrying amount
Catena Byggnads AB, 556048–4726, Solna	50,000	100	47,670	47,670
Catena i Partille AB, 556754–0843, Solna	1,000	100	100	100
Catena i Stenungsund, 556754–0835, Solna	1,000	100	100	100
Catena i Vinsta AB, 556754–0868, Solna	1,000	100	8,556	100
Catena i Täby AB, 556754–7509, Solna	1,000	100	100	100
Catena Invest 1 AB, 556743-8204, Gothenburg	1,000	100	–	100
Catena Urnes 1 KB, 969700-5552, Gothenburg	Limited partnership		–	2,662
			56,526	**50,832**

List of companies

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

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

Note 32 Untaxed reserves

PARENT COMPANY

SEK 000s	2011	2010
Accumulated additional depreciation		
Equipment and installations		
Opening balance, Jan. 1	77	115
Additional depreciation for the year	–77	–38
Total untaxed reserves	**0**	**77**

Note 33 Cash flow statement

Adjustments for items not included in cash flow

	Group		Parent Company	
SEK 000s	**2011**	2010	**2011**	2010
Depreciation	201	746	201	336
Pension provisions	–2,107	–2,210	1,165	–1,126
Other adjustments	888	–	–3,096	
Allocation of rental discounts	–	–670		–
Properties, unrealized changes in value	–86,708	–130,000	–	–
Derivatives, unrealized changes in value	–3,070	–9,811	–3,070	–9,811
	–90,796	**–141,945**	**–4,800**	**–10,601**

Note 34 Significant estimates and assumptions

The financial statements were prepared in accordance with IFRS. This means that the Board and senior management make assessments, estimates and assumptions. Combined, these affect the accounting policies applied by Catena and, thus, the amounts at which assets, liabilities, revenue and expenses are reported in the financial statements. The assessments and estimates made by the Board and senior management that have had a significant effect on the financial statements pertain to the valuation of investment properties, as described in greater detail in Note 14. Problems with the sale and servicing of vehicles may also affect Catena, since the majority portion of Catena's rental revenue derives from the automotive industry. This can also result in adjustments in financial statements for subsequent years.

Note 35 Events after the balance-sheet date

This annual report was signed by the Board and CEO on March 30, 2012. The annual report will be presented for approval of the AGM on April 26, 2012.

Note 36 Information about the Parent Company

Catena AB is a Swedish-registered limited company with its registered office in Solna. The visiting address of the headquarters is Västmannagatan 10, 111 24 Stockholm. The consolidated financial statements for 2011 encompass the Parent Company and its subsidiaries, along with the aforementioned Group. The Catena share is listed on Nasdaq OMX Nordic Stockholm – Small cap.

Signatures

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

The annual accounts and consolidated accounts were approved for release by the Board on March 30, 2012. The Group's income statement and balance sheet and the Parent Company's income statement and the balance sheet will be presented for the approval of the Annual General Meeting on April 26, 2012.

Solna, March 30, 2012

Henry Klotz
Chairman of the Board

Jan Johansson
Board member

Christer Sandberg
Board member

Lennart Schönning
Board member

Erik Selin
Board member

Andreas Philipson
Chief Executive Officer

Our auditors' report was submitted on April 2, 2012
KPMG AB

Jan Malm
Authorized Public Accountant

Audit Report

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

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

We have audited the annual accounts and consolidated accounts for Catena AB for the 2011 financial year. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 12–47.

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

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

The responsibility of the auditor

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

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

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

Statements

In our opinion, the annual accounts have been prepared in compliance with the Annual Accounts Act and provide in all significant respects a true and fair representation of the Parent Company's and the Group's financial position at December 31, 2011 and of its financial results and cash flow for the year pursuant to the Annual Accounts Act, and that the consolidated accounts have been prepared in accordance with the Annual Accounts Act and provide in all significant respects a true and fair representation of the Group's financial position at December 31, 2011 and of its earnings and cash flows pursuant to international accounting standards, such as those adopted by the EU, and the Annual Accounts Act. The statutory Administration Report is consistent with the other parts of the annual accounts and consolidated accounts.

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

REPORT ON OTHER REQUIREMENTS PURSUANT TO LEGISLATION AND OTHER ORDINANCE

In addition to our audit of the annual accounts and consolidated accounts, we have also examined the proposal for the appropriation of profit or loss, as well as the administration by the Board of Catena AB for 2011.

Responsibility of the Board

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

Auditors' responsibility

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

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

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

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

Statements

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

Gothenburg, April 2, 2012

KPMG AB

Jan Malm

Authorized Public Accountant

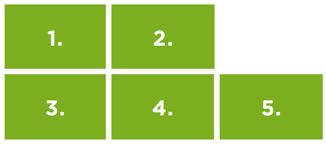
Multi-year overview

(incl. discontinued operations)

	2011[1]	2010[1]	2009	2008	2007
Income statement, SEKm					
Rental revenue	27.0	168.0	203.3	189.3	179.7
Property expenses	–6.4	–25.6	–25.6	–26.0	–25.3
Net operating income	20.6	142.4	177.7	163.3	154.4
Other operating income/expenses	0.1	–0.9	2.1	–1.1	2.8
Central administration	–12.8	–13.4	–14.1	–17.6	–17.3
Properties, changes in value	86.7	275.7	37.9	–255.9	205.0
Operating profit	94.5	403.8	203.6	–111.3	344.9
Net financial items	–3.8	–15.6	–41.9	–88.9	–65.0
Pre-tax profit	90.1	388.2	161.7	–200.2	279.9
Current tax	–5.0	–40.3	–2.1	–1.3	–5.3
Deferred tax	–24.7	0.8	–40.9	69.6	–58.4
Net profit for the year	129.6	348.7	118.7	–131.9	216.2
Balance sheet, SEKm					
Investment properties	610	2,108	2,472	2,354	2,479
Other assets	7	8	9	20	29
Cash and bank balances	94	57	103	45	35
Total assets	711	2,173	2,584	2,419	2,543
Equity	297	845	883	806	1,006
Provisions	82	192	241	195	265
Interest-bearing liabilities	306	1,047	1,367	1,354	1,224
Non-interest bearing liabilities	26	89	93	64	48
Total equity and liabilities	711	2,173	2,584	2,419	2,543
Financial					
Return on equity, %	22.7	40.3	14.1	–14.6	23.6
Return on total capital, %	7.7	17.5	8.2	–5.6	13.4
Equity/assets ratio, %	41.8	39.0	34.1	33.3	39.6
Interest coverage ratio, income from property management, multiple	1.2	4.8	4.0	2.5	2.4
Loan-to-value ratio, properties, %	50.3	49.7	55.3	57.5	49.4
Debt-to-equity ratio, multiple	1.3	1.2	1.5	1.7	1.2
Share-related (pertains to the number of shares at the end of the period)					
Earnings per share for the period, SEK	11.21	30.15	10.26	–11.41	18.7
Earnings per share before tax for the period, SEK	8.07	33.56	13.98	–17.31	24.2
Equity per share, SEK	25.72	73.05	76.27	69.70	86.99
Dividend per share, SEK	59.00	31.75	5.25	5.25	5
Number of shares at end of period, 000s	11,565	11,565	11,565	11,565	11,565
Average number of shares, 000s	11,565	11,565	11,565	11,565	11,565
Property-related					
Book value of properties, SEK m	610	2,108	2,472	2,354	2479
Yield, %	3.4	6.2	7.2	7.3	6.1
Lettable area, sq.m.	40,723	192,994	231,314	230,529	227,500
Rental revenue, SEK per sq.m.	663	803	886	846	772
Net operating income, SEK per sq.m.	506	674	775	734	663
Rental value-based occupancy rate, %	96.9	97.6	97.9	96.3	98.3
Surplus ratio, %	76.3	84.8	87.4	86.3	85.9

1 Consists of continuing and discontinued operations.

Board of Directors



1. Henry Klotz Chairman of the Board

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

2. Jan Johansson

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

3. Christer Sandberg

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

4. Lennart Schönning

Bromma, born 1948. Elected to the Board: 2007. **Education:** M.Sc. in Engineering from Chalmers Institute of Technology and AMP from Harvard Business School. **Primary employment:** CEO of Property Dynamics AB. **Other commissions:** Chairman of the Board of Nordic Mines AB (publ) and Lönnbacken Fastigheter AB. **Holding in Catena:** Owns 5,000 shares held through companies. **Independence status in accordance with the Swedish Corporate Governance Code:** Independent in relation to the company and executive management. Independent in relation to major shareholders.

5. Erik Selin

Gothenburg, born 1967. Elected to the Board: 2007. **Education:** Higher 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 2,344,642 shares through companies. **Independence status in accordance with the Swedish Corporate Governance Code:** Independent in relation to the company and executive management. Dependent in relation to major shareholders.

Group management

1.

2.

1. Andreas Philipson, Chief Executive Officer

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

2. Pierre Dahlborg, CFO

Born 1949, **Diploma in Business Administration. Employed** since 2011. **Other commissions:** Board member in a number of companies in CLS Holdings plc. **Holding in Catena:** –.

Information on the Annual General Meeting and reporting calendar

Catena's Annual General Meeting (AGM) will be held on Thursday, April 26, 2012 at 3:00 p.m. at ”7A Odenplan”, the Freja premises. The conference premises are located at Norrtullsgatan 6, fifth floor, in Stockholm. Registration procedures for the AGM will commence at 2:00 p.m., when coffee will be served.

Registration in the share register

Shareholders wishing to participate in the AGM must be registered by April 20, 2012 in the share register managed by Euroclear Sweden AB, and provide notice of intention to attend no later than the same date. Only shareholdings registered by the owner are listed under the shareholder's own name in the share register.

To be entitled to participate in the AGM, shareholders whose shares are registered with a trustee must re-register the shares in their own name. Shareholders whose shares are registered with a trustee, and who wish to participate in the meeting, must request the bank or stockbroker to undertake temporary shareholder registration. Requests for voting-right registration must be undertaken in good time prior to April 20, 2012. A trustee may charge a fee for this measure.

Notification

Notification of participation at the AGM can be made:

- via the link at Catena's website (www.catenafastigheter.se)
- by telephone: +46 771-24 64 00
- or by post to Catena AB, c/o Computershare AB, Box 610, 182 16 Danderyd, Sweden.

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

Representatives and assistants

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

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

Dividend

The Board of Directors proposes an ordinary dividend of SEK 2.00 for the financial year. The proposed record date is May 2, 2012 and the payment date May 7, 2012.

Report calendar

- Interim report, January – March: **April 26, 2012**
- Interim report, January – June: **August 9, 2012**
- Interim report January – September: **October 25, 2012**
- Year-end report: **February 2013**

Distribution policy

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

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

Definitions

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

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

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

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

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

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

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

Interest-coverage ratio, 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' carrying amount.

Management income
Pre-tax profit, excluding realized and unrealized changes in the value of properties, and excluding unrealized changes in the value of derivatives.

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

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

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

Net vacancies
New leases signed and potential rental income for vacant premises as assessed by Catena.

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 registered properties that 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.

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

Catena AB (publ)
www.catenafastigheter.se