

YEAR-END REPORT 2011



The new Haga Norra will have a completely new appearance with new residential properties and offices, easily accessible from the E4 highway.

YEAR-END REPORT 2011

Fourth quarter, remaining operations

- Rental revenue SEK 6.5 M (6.8)
- Operating profit SEK 12.3 M (20.8)
- Profit before tax SEK 10.1 M (21.1)
- Profit after tax SEK 0.9 M (15.4) corresponding to SEK 0.08 per share (1.33)
- Unrealized changes in property value SEK 9.2 M (20.0)
- Investments in remaining operations SEK 0.8 M (0.3)
- Profit after tax SEK 6.1 M (95.1), including discontinued operations, corresponding to SEK 0.53 per share (8.22)

12 months, remaining operations

- Rental revenue SEK 27.0 M (27.4)
- Operating profit SEK 94.5 M (1376)
- Profit before tax SEK 90.7 M (128.3)
- Profit after tax SEK 61.0 M (93.5) corresponding to SEK 5.27 per share (8.09)
- Unrealized changes in property value SEK 86.7 M (130.0)
- Investments in remaining operations SEK 3.4 M (0.2)
- Profit after tax SEK 129.6 M (348.6), including discontinued operations, corresponding to SEK 11.21 per share (30.14)
- The Board of Directors proposes a dividend of SEK 2.00 per share

Comments from President and Chief Executive Officer Andreas Philipson

In the fourth quarter we focused on zoning plan development for our project property Haga Norra in Solna, Stockholm. We have made some more progress but the process has taken a bit longer than we had originally estimated. The proposed zoning plan is essentially finished and the only issues remaining in our dialog with the City of Solna are related to exploitations costs for certain common areas.

In parallel to the zoning plan development, leasing efforts are underway. We notice the high attractiveness of locating offices to Haga Norra, close to the E4 highway, to the airport, or downtown Stockholm. With all the major construction projects such as Arenastaden, Nya Karolinska and Hagastaden that are emerging in the immediate area, we think that Stora Frösunda stands at the center of this new and exciting part of greater Stockholm.

Profit before tax in the fourth quarter amounted to SEK 10 M, and landed at SEK 91 M for the full year. The operations and profits developed as planned. Existing tenants give a stable cash flow that ensures a continued financing of projects.

Altogether, this makes me optimistic as to Catena's development potential for 2012.

THE GROUP'S REVENUES, EXPENSES AND EARNINGS

Comparisons stated in brackets are for the corresponding period of the previous year. Information is for continuing operations only.

Fourth quarter

In the fourth quarter, rental revenue amounted to SEK 6.5 M (6.8). Property expenses were SEK 1.3 M (1.5) while the operating surplus was SEK 5.2 M (5.3). Administration costs amounted to SEK 2.2 M (4.5).

Change in property value amounted to SEK 9.2 M (20.0) in the quarter. The property value was appraised to a total of SEK 610 M, of which the value of development rights was estimated to SEK 220 Mk. This value includes investments of SEK 0.8 M. The appraisal was conducted by Forum Fastighetsekonomi, with a valuation date of December 31.

The positive change in property value is primarily due to continued progress in the zoning plan work. Once the zoning plan is approved, there is significant potential in the value of properties and development rights.

Unrealized value changes on interest swaps amounted to SEK 0.6 M.

Operating profit amounted to SEK 12.3 M (20.8) while net financial items were SEK -2.2 M (-0.3).

Current tax amounted to SEK -4.0 M (-4.7) and deferred tax was SEK -5.2 M (-1.0).

Twelve months

In the period rental revenue amounted to SEK 27.0 M (27.4). Property expenses were SEK 6.4 M (7.0) while the operating surplus was SEK 20.6 M (20.4). Administrative costs amounted to SEK 12.9 M (12.8).

The change in property value for the period was SEK 86.7 M. Investments in properties for the period amounted to SEK 3.4 M. The positive change in property value in the period is primarily due to progress in the zoning plan work.

To attain the interest structure stipulated by the group's finance policy, Catena uses interest swaps. These financial instruments also limit the impact of interest rate fluctuations on the group's cost of borrowing. The value of these interest swaps increase or decrease as the contracted interest rate varies from the corresponding market interest rate, and with time to maturity. Hedge accounting is not applied. The unrealized value change has no effect on the group's cash flow.

Operating profit amounted to SEK 94.5 M (137.6), while net financial items were SEK -3.8 M (-9.3)

Current tax amounted to SEK -5.0 M (-4.7) and deferred tax was SEK -24.7 M (-30.0).

Properties

The group's property portfolio consists, after the sale completed in the beginning of 2011, of two properties in Haga Norra, Solna, Stockholm.

These properties have leasable area of 40,723 sq. m. Total rental value as of December 31, 2011 amounted to SEK 28.7 M (28.7). The economic occupancy rate amounted to 96.9% (96.9).

Valuation and applied valuation method

The total fair value of properties including the estimated increase in value for development rights amounts to SEK 610 M. The increase in value associated with development rights is estimated at SEK 220 M. Considering that, among other things, the zoning planning work not being complete, great prudence has been applied to quantifying these estimates. Once the zoning plan is adopted, there is a significant potential in the value of the development rights.

A combination of a location based price method and yield-based method has been used. When assessing value, a calculation technique has been used to estimate the future cash flows of the valued property. These cash flows have been discounted to present value. The location price method has been applied to estimate the scale of the risk premium in the yield requirement used to estimate residual

value in the cash flow computations and for judging the scale of the discount rate applied for the present value calculation of estimated future cash flows in the cash flow computation. The value appraisal was conducted by an authorized real estate appraiser at independent valuer Forum Fastighetsekonomi.

The value appraisal has been conducted partly by estimating the fair value of properties based on a hypothetical situation where their current usage represents the greatest and best benefit for the holder. Subsequently, an increase in value has been applied to properties based on the potential development rights that may be enabled through the ongoing detailed development planning work. The value of development rights has been estimated through comparisons with land allocation contracts and agreement on transferring development rights in the Stockholm suburbs. A deduction has been made with respect to costs, waiting periods and uncertainty etc. associated with development rights.

Financing

As of December 31, 2011, the Catena group had loan agreements amounting to SEK 306 M.

At the end of the period, interest-bearing liabilities were SEK 306 M (987).

The loan is due in 2014.

The average fixed-interest period as of December 31, 2011 amounted to 0.3 years (0.3). Average interest rate was 4.14% (3.02).

The fixed-interest period has been achieved by extending loans with short fixed-interest periods using swap agreements.

Catena only has loans denominated in Swedish krona.

Equity

Equity amounted to SEK 297 M (845) as of December 31, 2011 and the equity/assets ratio was 41.8% (38.9). Over the long term, the equity/assets ratio should be in the 25 – 35 % range.

Liquidity

As of December 31, 2011, cash and cash equivalents, which comprise cash and bank deposits, were SEK 94 M (57) of which blocked funds were SEK 20.3 M.

PARENT COMPANY

The operations of the Parent Company, Catena AB, primarily consist of group-wide functions and management of the group's subsidiaries.

Interest and loan maturity structure as of December 31, 2011

	Loan amount	Interest maturities		Credit agreements	Loan maturities used	Share
		Ave. Interest	Share			
Maturity, year	M	%	%	M	M	%
Variable	176.4	4.30	57,6	-	-	-
2012	130.0	3.79	42,4	-	-	-
2014	-	-	-	306.4	306.4	100.0
						-
Total	306.4	4.14	100.0	306.4	306.4	100.0

ORGANIZATION

Catena AB, corporate identity number 556294-1715, is the parent company of the Catena group. The Swedish property is held by a wholly owned Swedish subsidiary.

There were 2 (10) employees.

THE CATENA SHARE

The Catena share is listed on Nasdaq OMX Stockholm – Nordic list Small Cap.

The closing price on December 30, 2011 was SEK 57.50 per share, corresponding to market capitalization of some SEK 665 M.

As of December 31, 2011 there were 11,564,500 shares in Catena, held by some 17,000 shareholders.

DIVIDEND PROPOSAL

The Board of Directors proposes a dividend of SEK 2.00 per share for 2011.

Shareholders as of December 31, 2011	No. of shares	Votes (%)
Endicott Sweden AB (CLS Holdings plc)	3,389,000	29.3
Erik Selin group	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	2.2
CBNY-DFA-INT SML CAP V	108,662	0.9
Swedbank Robur funds	60,208	0.5
Mellon US Tax Exempt Account	59,300	0.5
Handelsbanken funds	50,725	0.4
Skandinaviska Enskilda Banken S.A. NQI	47,880	0.4
Total, 10 largest	8,909,335	77.0
Other	2,655,165	23.0
Total	11,564,500	100.0

ACCOUNTING POLICIES

Catena applies IRFS as endorsed by the EU and their IFRIC interpretation standards. This Interim Report was prepared in accordance with IAS 34 and the Swedish Annual Accounts Act for the group and in accordance with the Swedish Annual Accounts Act for the parent company. IFRS 5, which addresses discontinued operations, has been applied. Otherwise, these accounting policies and computation methods comply with those applied in the most recent Annual Report.

The accounting policy for reporting pension costs has been adjusted, which means that the entire pension account is reported as a liability and changes are made via consolidated statement of comprehensive income.

The opening equity balance as of January 1, 2010 has been reduced by SEK 2.8 M.

RISKS AND UNCERTAINTY FACTORS

Catena is subject to a number of risks that can affect the company's operations, results of operations and the value of properties. These risks include risks in lease contracts, changes in operating and maintenance costs, interest and funding risks and taxes. Properties are recognized in the Balance Sheet

at fair value. Value changes are recognized in the Income Statement. This implies that the effects on Catena's Balance Sheet and Income Statement become more volatile and affect items, including the group's results of operations, equity/assets ratio and loan to value ratio.

Value changes

In this quarterly financial statement, the valuation of the group's investment property has been conducted by ordering an external property appraisal.

The value of the group's interest swaps are estimated externally. The value of these instruments varies between the contracted interest rate and market interest rate.

Over and above what is stated in this Interim Report, no material changes have occurred compared to the statement in the Annual Report.

For more information on risk and uncertainty factors, please refer to note 27 and page 56 of Catena's Annual Report for 2010

Parent company

The parent company is exposed to the aforementioned risks through intragroup loans and financial derivatives.

CALENDER

The Annual Report for 2011 is expected to be available on the company website as of March 26, 2012 and at Catena's offices as of March 30, 2012. The Annual Report is expected to be distributed to shareholders that have requested a copy in the beginning of April.

Annual General Meeting	April 26, 2012
<u>Interim Reports 2012</u>	
January-March	April 26, 2012
January-June	August 9, 2012
January-September	October 25, 2012
Year-end Report 2012	February 2013

This Interim Report has not been subject to a limited review by the company's auditor.

Solna, February 24, 2012

Catena AB (publ)

Board of Directors

This information contained in this report is such that Catena AB (publ) is obligated to disclose in accordance with the Swedish Securities and Clearing Operations Act and/or the Financial Instruments Trading Act. The information was released to the public on February 24, 2012 at 08:00 a.m. CET.

CONSOLIDATED INCOME STATEMENT, CONDENSED

SEK m	2011 Oct-Dec	2010 Oct-Dec	2011 Jan-Dec	2010 Jan-Dec
Continuing operations				
Rental revenue	6.5	6.8	27.0	27.4
Operating expenses	-0.4	-	-0.7	-0.2
Repair and maintenance expenses	-	-0.2	-0.3	-0.9
Property tax	-0.7	-0.7	-2.7	-2.7
Property administration	-0.2	-0.6	-2.7	-3.2
Operating surplus	5.2	5.3	20.6	20.4
Other operating income	0.1	0.2	0.1	0.2
Other operating expenses	-	-0.2	-	-0.2
Central administration	-2.2	-4.5	-12.9	-12.8
Properties, unrealized value changes	9.2	20.0	86.7	130
Operating profit	12.3	20.8	94.5	137.6
Net financial items	-2.2	0.3	-3.8	-9.3
Profit before tax	10.1	21.1	90.7	128.3
Current tax	-4.0	-4.7	-5.0	-4.7
Deferred tax	-5.2	-1.0	-24.7	-30.2
Profit after tax for the period from continuing operations	0.9	15.4	61.0	93.4
Discontinued operations				
Profit after tax in discontinued operations				
Revenues	-	32.0	-	140.6
Expenses	0.4	-9.2	-	-26.4
Profit before tax	0.4	22.8	-	114.2
Taxes	-	-0.3	-	-35.2
Profit after tax	0.4	22.5	-	79.0
Profit/loss from restatement at fair value				
Properties, unrealized value changes	-	78.9	-	90.7
Taxes attributable to above value changes	-	-20.8	-	-23.9
Profit/loss from restatement after tax	-	58.1	-	66.8
Capital gain/loss on divestment of discontinued operations				
Properties, realized value changes	3.8	-1.1	2.6	55.0
Taxes attributable to above value changes	1.0	0.2	66.0	54.4
Capital gain/loss from divestment after tax	4.8	-0.9	68.6	109.4
Total gain from discontinued operations after tax	5.2	79.7	68.6	255.2
Profit after tax for the period	6.1	95.1	129.6	348.6
Earnings per share*	0.53	8.22	11.21	30.14
Earnings per share from continuing operations*	0.08	1.33	5.27	8.09

* There is no dilution effect and there are no potential shares.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK m	2011 Oct-Dec	2010 Oct-Dec	2011 Jan-Dec	2010 Jan-Dec
Profit after tax for the period	6.1	95.1	129.6	348.5
<i>Other comprehensive income for the period</i>				
Actuarial profit/loss	-	0.6	-2.1	0.6
Change in revaluation reserve	-	-5.2	-	-12.3
Revaluation reserve transferred to net profit	-0.6	-	7.5	-4.9
<i>Total other comprehensive income</i>	-	-4.6	5.4	-16.6
Total comprehensive income for the period	5.5	90.5	135.0	332

CONSOLIDATED BALANCE SHEET, CONDENSED

SEK m	2011 31 Dec	2010 31 Dec
Assets		
Investment properties	610	520
Property, plant and equipment	-	1
Current receivables	7	2
Cash and cash equivalents/investments in securities, etc	94	57
Assets held for sale	-	1 593
Total assets	711	2 173
Equity and liabilities		
Equity	297	845
Provisions	82	56
Interest-bearing liabilities	307	987
Non-interest-bearing liabilities	25	56
Liabilities attributable to assets held for sale	-	229
Total equity and liabilities	711	2 173
	2011 31 Dec	2010 31 Dec
Pledged assets		
Blocked account	20.3	-
Mortgages	306	1,406
Total pledged assets	326	1,406
Contingent liabilities		
Guarantee commitment, FPG/PRI	0.2	0.1

CHANGES IN CONSOLIDATED EQUITY, CONDENSED

SEK m	2011 Jan-Dec	2010 Jan-Dec
Opening equity	845	880
Dividend	-683	-367
Comprehensive income for the period	135	332
Closing equity	297	845

CONSOLIDATED CASH FLOW STATEMENT, CONDENSED

SEK m	2011 Jan-Dec	2010 Jan-Dec
Profit before tax	91	128
Adjustment for non-cash items	-87	-142
Tax paid	-5	-5
Changes in working capital	36	-31
Cash flow from operating activities	35	-50
Change in investment properties/property, plant and equipment	1,365	-
Cash flow from investing activities	1,365	-
Paid dividend	-683	-367
Change in interest-bearing liabilities	-680	-5
Cash flow from investing activities	-1,363	-372
Cash flow from continuing operations for the period		-422
Cash flow from discontinued operations		
Cash flow from operating activities	-	126
Cash flow from investing activities	-	550
Cash flow from financing activities	-	-300
Net cash flow from discontinued operations	-	376
Total cash flow for the period	37	-46
Cash and cash equivalents at the beginning of the period	57	103
Cash and cash equivalents at the end of the period	94	57

KEY RATIOS, GROUP

SEK m	2011 Jan-Dec	2010 Jan-Dec
Financial (incl. Discontinued operations)		
Return on equity, %	22.7	40.3
Return on total equity, %	7.5	17.5
Equity/assets ratio, %	41.8	38.9
Interest coverage ratio, multiple	1.23	0.93
Loan to value ratio, properties %	50.3	49.7
Debt/equity ratio, multiple	1.0	1.2
Share-related		
Earnings per share for the period, continuing operations, SEK	8.21	30.14
Profit before tax per share for the period, continuing operations, SEK	7.84	11.08
Operating profit per share for the period, continuing operations, SEK	8.17	11.89
Equity per share, SEK	25.68	73.07
Dividend per share, SEK	59.00	31.75
Number of shares at the end of the period, thousands	11,565	11,565
Average number of shares, thousands	11,565	11,565
There is no dilution effect because there are no potential shares		
Property-related, continuing operations		
Book value of properties, SEK m	610	2,108
Property yield, %	3.4	6.2
Leasable area, sq. m.	40,723	192,994
Rental revenue, SEK per sq. m.	663	803
Operating surplus, SEK per sq. m.	506	674
Economic occupancy rate, %	96.9	97.6
Operating surplus margin, %	76.3	84.8

PARENT COMPANY INCOME STATEMENT, CONDENSED

SEK m	2011 Oct-Dec	2010 Oct-Dec	2011 Jan-Dec	2010 Jan-Dec
Rental revenue	-	0.9	-	3.4
Operating expenses	-	-1.0	-	-3.3
Operating surplus	-	-0.1	-	0.1
Other operating income	1.0	3.4	4.1	18.8
Other operating expenses	0.4	-0.1	-	-0.2
Central administration	-2.5	-6.2	-16.6	-19.5
Operating profit	-1.1	-3.0	-12.5	-0.8
Profit/loss from sale of subsidiary	2.7	399.5	-10.8	637.6
Net financial items	16.7	-1.2	22.3	12.8
Profit/loss after financial items	18.3	397.7	-1.0	649.6
Profit before tax	18.3	397.7	-1.0	649.6
Taxes	-3.7	4.6	-1.7	3.3
Net profit/loss for the period	14.6	402.3	-2.7	652.9

PARENT COMPANY BALANCE SHEET, CONDENSED

SEK m	2011 31 Dec	2010 31 Dec
Assets		
Financial assets	481	51
Current assets	2	2,532
Cash and cash equivalents/investments in securities, etc	85	57
Total assets	568	2,640
Equity and liabilities		
Equity		
<i>Restricted equity</i>		
Share capital	51	51
Statutory reserve	10	10
<i>Non-restricted equity</i>		
Accumulated profit or loss	128	158
Net profit/loss for the period	-3	653
Total equity	186	872
Provisions	10	11
Non-current liabilities	-	985
Currents liabilities	372	772
Total equity and liabilities	568	2,640
	31 Dec	31 Dec
Pledged assets	2011	2010
Blocked account	20.3	-
Contingent liabilities		
Guarantee commitment, FPG/PRI	0.2	0.1

DEFINITIONS

Return on equity

Profit after tax for the period as a percentage of average equity.

Return on total capital

Profit before tax for the period plus interest expenses as a percentage of average total assets.

Loan to value ratio, properties

Interest-bearing liabilities in relation to the book value of properties.

Property yield

Annualized operating surplus as a percentage of the book value of properties at the end of the period.

Operating surplus per sq. m.

Annualized operating surplus divided by leasable area.

Equity per share

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

Economic occupancy rate

Rental revenue as a percentage of rental value.

Property expenses

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

Book value of properties

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

Rental revenue

Rents charged including supplements such as compensation for property tax etc.

Rental revenue per sq. m.

Annualized rental revenue divided by leasable area.

Rental value

Actual rental revenue and potential rental revenue for vacant premises estimated by Catena.

Management income per share after standard rate tax

Management income for the period less 28 % tax, divided by the average number of shares.

Cash flow from operating activities per share

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

Interest coverage ration

Profit before tax plus financial expenses and plus/minus unrealized value changes divided by financial expenses.

Debt/equity ratio

Interest-bearing liabilities divided by equity.

Equity assets ratio

Reported equity as a percentage of total assets.

Leasable area

Total area available for letting.

Operating surplus margin

Operating surplus as a percentage of rental revenue.

Catena is publishing the information in this Interim Report in accordance with the Swedish Securities Markets Act (2007:528).

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The figures stated in this Interim Report have been rounded, while computations have been performed without rounding. This implies that the totals in certain tables may not appear accurate.

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