CATELLA

A new Catella is emerging

The new Catella is setting off from a solid base.

We occupy a leading position in property transactions – not just in the Nordic region but also in the European perspective. We also offer a wide range of competitive fund products in equities, fixed income, hedge and properties.

Proceeding from this platform, we are steadily developing Catella as a finance group. We are building further on the expertise, stability and strength inherent in our brand.

Catella's Corporate Finance offering is being broadened through niche ventures; while the fund spectrum in Asset Management is being extended with the addition of a number of products. We plan to focus on selected areas in which we see definite business potential.

Catella is well prepared to advance its positions in 2011.

ANNUAL REPORT 2010

Catella office
NORWAY
SWEDEN
FINLAND
RUSSIA
ESTONIA
LATVIA
LITHUANIA
DENMARK
GERMANY
LUXEMBOURG
FRANCE
ITALY
SPAIN

Catella in brief

What today is Catella was Scribona up until September 2010. Over a brief period, Scribona moved from being a Nordic distributor of IT and communications products to an investment company. Subsequently, Scribona acquired former Catella during 2010 and the company changed its focus and was renamed Catella.

Today, Catella is a European finance group active in Corporate Finance and Asset Management. In these operating segments, Catella focuses on market sectors in which highly specialist expertise and a local presence – combined with an international reach – are decisive in creating added value for clients. Catella has 415 employees distributed among offices in 24 cities in 13 European countries.

Catella's Corporate Finance segment offers financial advisory services, in which transaction advisory services in the commercial property market represent the dominant business.

Catella's Asset Management segment offers institutions, companies and individuals services focused on asset management and wealth management, as well as credit card and acquiring services.

In addition, Catella pursues proprietary Treasury Management operations, primarily comprising a portfolio of European securitised mortgage loans.

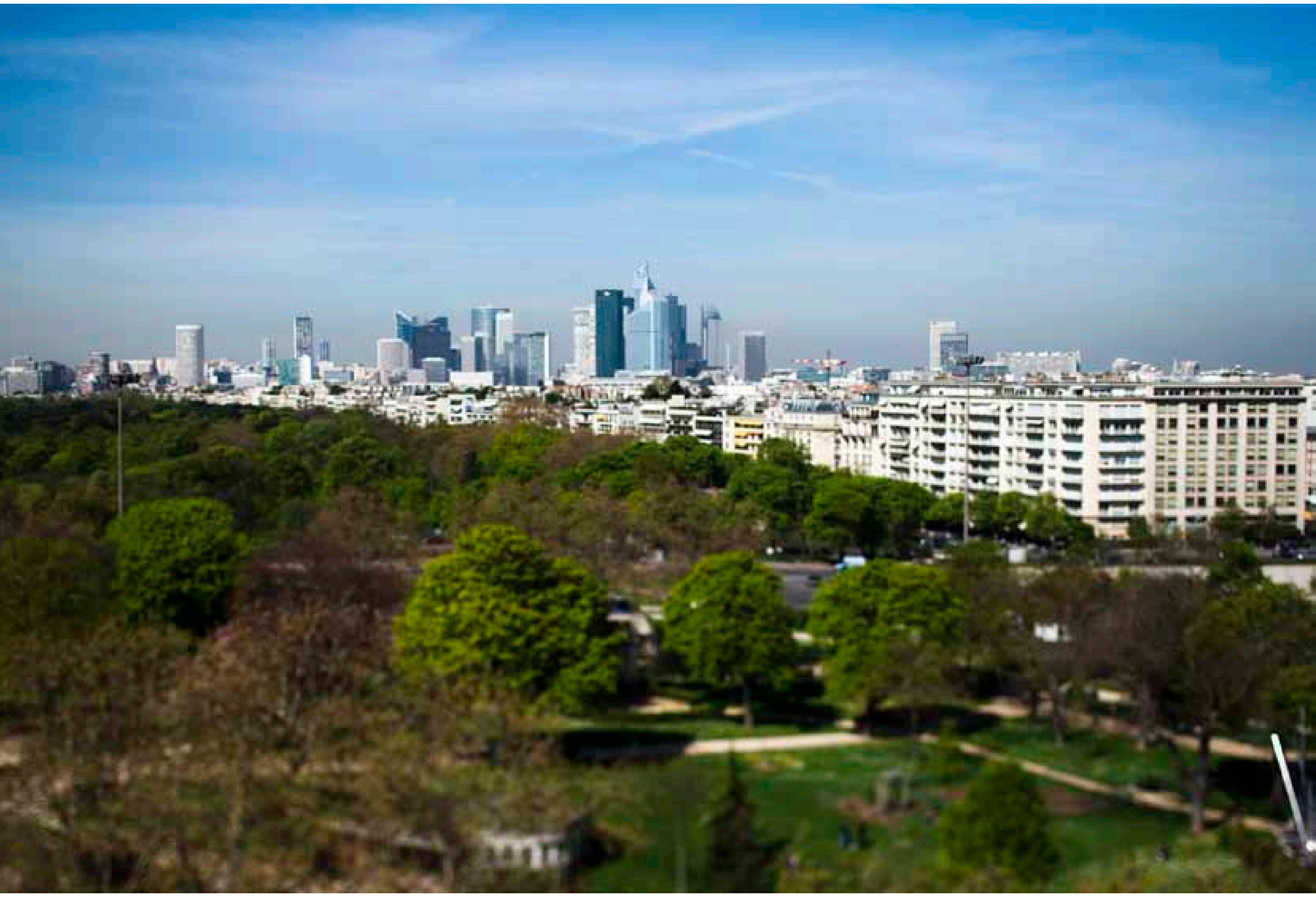
A NEW START DURING 2010

During the 2010 financial year, Catella AB – previously Scribona AB – acquired former Catella. This means that the information reported for 2010 as a whole only includes the results of the acquired operations for the period October to December 2010. For the period January to September, the Group consisted only of Scribona's former operations, namely, Banque Invik and EETI.

EARNINGS TREND OF THE GROUP — CONDENSED

	Corporate Finance		Asset Management[1]		Other		Total	
SEK M	2010 Jan–Dec	2009 Jan–Dec	2010 Jan–Dec	2009 Jan–Dec[2]	2010 Jan–Dec	2009 Jan–Dec[2]	2010 Jan–Dec	2009 Jan–Dec
Net sales	196		390	217			586	217
Operating profit/loss	57		-7	132	-41	274	9	406
Profit before tax	57		11	163	-24	314	44	476
Net profit/loss for the period	**40**	**0**	**4**	**162**	**-19**	**311**	**25**	**472**

Figures may be rounded.
1 Including Banque Invik.
2 The preceding year's result was attributable to revenue recognition of negative goodwill in the amount of SEK 440 M. Adjusted for this, profit for the year in Asset Management was SEK 17 M, with SEK 16 M for Other and SEK 32 M for the entire Group for 2009.



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Significant events in 2010

SCRIBONA ACQUIRES CATELLA

During 2010, Catella AB (publ) – formerly Scribona AB (publ) – acquired former Catella and completed the acquisition by changing corporate identity from the former Scribona AB (publ) to the registered name of Catella AB (publ).

NEW CHIEF EXECUTIVE OFFICER AND GROUP MANAGEMENT

Effective 14 September 2010, Johan Ericsson took up office as Chief Executive Officer of the new Group. Lennart Schuss and Ando Wikström – both of whom also came from former Catella – assumed their positions as Deputy Chief Executive Officer and Chief Financial Officer, respectively, on the same date.

Significant events in 2011

FOUR NEW FUNDS LAUNCHED

In early 2011, Catella launched four new funds exposed to the Nordic equity and fixed income markets, which are now marketed in cooperation with a number of major fund distributors.

NEW OPERATION IN THE FIXED-INCOME MARKET

During 2011, Catella plans to establish a new operation in the fixed income market. This new venture will primarily involve financial advisory services and the issuance of fixed-income products.

ACQUISITION OF EKF ENSKILD KAPITALFÖRVALTNING

EKF Enskild Kapitalförvaltning is an independent asset manager with some SEK 4 Bn under management. The acquisition of EKF Enskild Kapitalförvaltning should be viewed as an initial step in the establishment of full- spectrum asset management operations in Sweden and the Nordic region.

CATELLA STREAMLINES OPERATIONS

Catella AB is focusing on two operating segments: Corporate Finance and Asset Management, in which additional ventures are taking shape parallel with the streamlining of other operations. As a result, a process has commenced involving the sale of Banque Invik's credit card and acquiring operations – or alternatively the entire bank.

NEW GROUP MANAGEMENT

The Group Management of Catella AB (publ) has been appointed, comprising Johan Ericsson (Chief Executive Officer), Lennart Schuss (Deputy Chief Executive Officer), Ando Wikström (C Financial Officer), Johan Nordenfalk (Chief Legal Officer), Anders Palmgren (Head of Business Development Corporate Finance), Anne Rådestad (Head of Communications) and Fredrik Sauter (Chairman Banque Invik).

A solid platform for continued development

Catella is a company in transition, with ambitious size and profitability aims. We focus on two business segments: Corporate Finance and Asset Management. Profitability will be built through strong and specialised financial advisory services, combined with asset management activities with the capacity to deliver competitive returns.

Over the years, Catella has built up a strong corporate culture, combined with a keen customer focus and decentralised work procedures within the framework of a large company's stability and structure.

Scribona's acquisition of the Catella group has added yet another dimension to our operations. The merger combines Scribona's financial resources and decisiveness with Catella's basic values and market position. The combination of Catella's operations and Scribona's business capacity is now creating considerable opportunities to build a modern investment bank with leading positions in selected market segments.

A good example of what is possible to create is Catella's strong position in the property area. We are currently one of the leading advisors in property-related transactions not just in the Nordic region but also in a European context. Other examples are the positions that Catella has established as an asset manager in equity, fixed-income, hedge and property funds. These market positions are the result of targeted efforts over a protracted period.

During 2011, Catella will establish a new operation in the Swedish market for fixed-income products. Over the course of the year, this operation will be steadily developed with a view to a creating a strong position in expanding areas of the Swedish fixed-income market, such as corporate bonds.

MODERN ASSET MANAGEMENT

New asset-management requirements that impose demands on professional management services are emerging due, for example, to the increasing number of people that have financial assets at their disposal.

Catella offers individuals, companies and institutions an extensive range of funds, and we are now conducting a number of changes aimed at further enhancing Catella's market offering. As part of these efforts, we launched four new funds in early 2011. Meanwhile, a venture was launched in the Swedish wealth management market following the acquisition of EKF Enskild Kapitalförvaltning.

We believe there is a considerable need for asset-management services tailored to suit people in mid-life who run their own companies or have demanding occupations. They want products that are easy to understand, and are looking for transparent advice and management. Catella aims to meet these requirements.

A NEW CHAPTER IN OUR HISTORY

During 2011 we will continue to create the new Catella. Parallel with investments in the various business areas, operations are also being streamlined. We recently commenced the process of selling Banque Invik's credit card and acquiring operations, or alternatively the entire bank. Despite its earnings potential, this operation could develop better in a different environment.

My primary objective as the CEO is to advance Catella's position, proceeding on the basis of the solid values and quality that already distinguish the company. We aim to continue moving Catella to leading levels in financial advisory services and asset management.

STRONG CORPORATE CULTURE

One of Catella's core basic values is respect for the individual, meaning a corporate culture in which people are brought to the fore, respected and valued. We want employees who are different, since people with varying sex, education, ethnicity and religious backgrounds stimulate our development. The capacity of our employees to deliver represents a large part of the continuity that has always been a hallmark of our organisation. This is also the background to Catella's long-standing and reliable customer relations.

We also have something that is at least equally important: we are dedicated to our task. We once minted the concept of "achievement drive." I like to describe this as the ability to identify possibilities where none are expected to exist, and the delight and satisfaction in getting something positive done.

Catella will continue to develop and offer our customers products and services tailored to their needs. And we will make sure to do it well. With expertise, dedication and achievement drive.

Johan Ericsson, Chief Executive Officer Catella

Johan Ericsson, Chief Executive Officer Catella.

Catella's historical development

Scribona – formerly a distributor of IT and communications products – is now Catella. The operations currently represented by Catella have a historic and corporate culture stretching back almost 25 years.

Since its inception in 1987, the acquired former Catella has operated as an independent financial advisor with the objective of creating added value through highly specialist know-how in selected business areas. Former Catella invested in knowledge companies and bolstered their growth by contributing expertise and capital. Over the years, the operations were streamlined to focus on financial advisory services and asset management.

The credibility of Catella's brand is based on how well the organisation can provide the market with high-quality services.

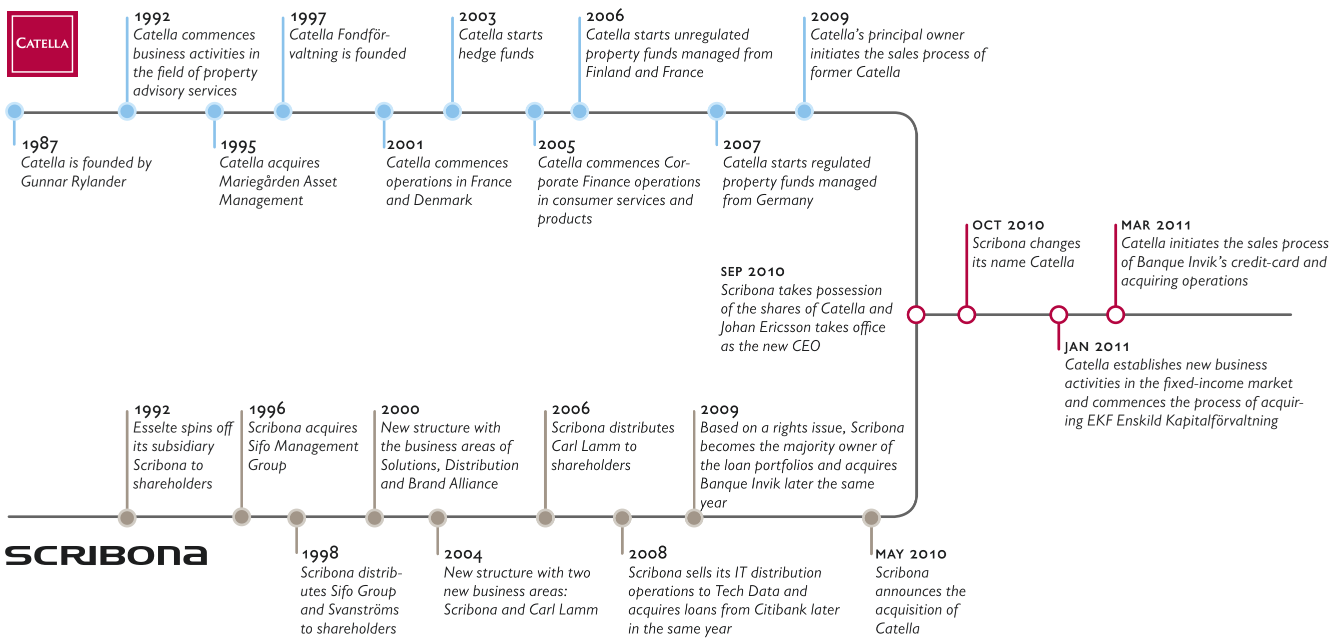
20 YEARS IN CORPORATE FINANCE

Corporate Finance operations commenced in the 1990s and Catella rapidly established a solid position in the Swedish market as an independent financial advisor in the property sector. The then prevailing property market crisis led to major requirements for an independent transaction advisor, a role that Catella admirably filled. Subsequently, in 2005, Corporate Finance also introduced advisory services for companies in consumer-related services and goods.

Today, Catella offers financial advisory services in a number of markets in Europe. Expansion has primarily been organic. Outside the Nordic region, France is Catella's key market in the advisory services area.

ASSET MANAGEMENT BASED ON FUNDS

In 1995, Catella acquired an asset management business from which Catella Fondförvaltning (fund management) developed in 1997. Catella Fondförvaltning offers discretionary asset management and funds for individuals, companies and institutions. Catella Fondförvaltning offers equity, fixed-income and hedge funds focusing on the Nordic market. During 2006 and 2007, Catella established property funds, comprising unregulated and



regulated funds, managed from Finland and Germany, respectively. These funds make direct investments in property and are mainly aimed at institutions with long-term investment horizons.

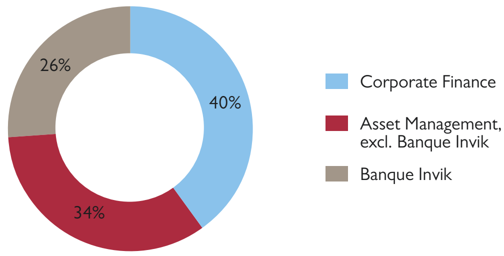
During 2009, Scribona acquired Banque Invik, which pursues operations in credit cards and acquiring services, as well as wealth management. Catella's Board has decided to initiate a sale process for Banque Invik's credit card and acquiring operations, or alternatively the entire bank.

SALES AND EARNINGS IN A HISTORICAL PERSPECTIVE

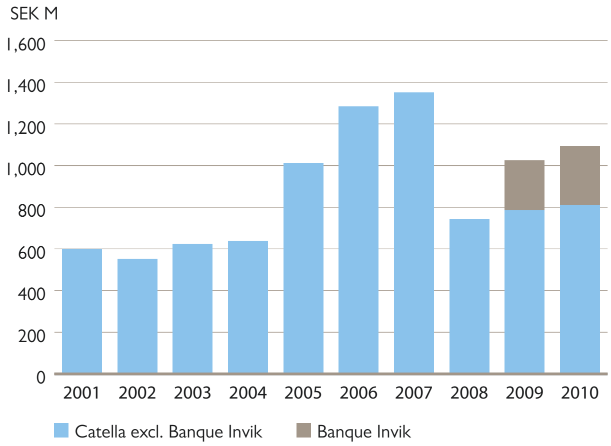
Seasonal variations are considerable in both operating segments – Corporate Finance and Asset Management. This means that sales and earnings vary sharply over the course of the year. In the case of Corporate Finance, transaction volumes peak during the fourth quarter, followed by the second, third and first quarters as the weaker periods of the financial year. Earnings variations in asset management are primarily linked to fund operations, whose results are impacted by variable revenues, which are not determined until year-end.

As shown in diagrams I, II and III, sales derive from the Catella's current operations. Pro forma sales for former Catella in 2010 rose by some SEK 69 M to SEK 1,094 M. For the period 2001–2010, the average and median pro forma sales for Catella totalled SEK 892 M and SEK 877 M, respectively. For the period 2005–2010, average net sales amounted to SEK 1,077 M, with median sales totalling SEK 1,050 M. As noted above, the fourth quarter represents a considerable portion of revenue for the year, amounting on average to 40 per cent of annual sales over the period 2005–2010.

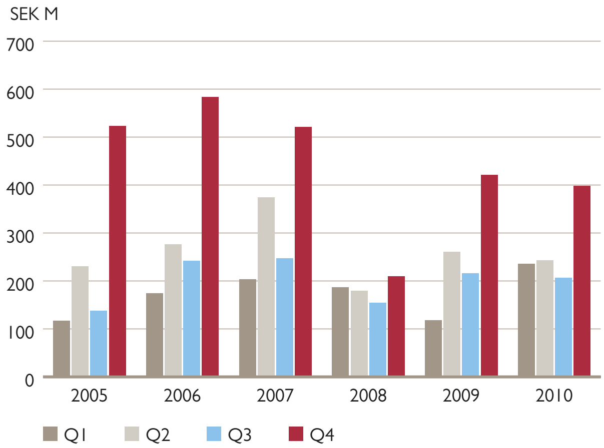
I. DISTRIBUTION OF SALES PER OPERATING SEGMENT, PRO FORMA 2010[1]



II. THE CATELLA GROUP'S HISTORICAL SALES PER YEAR, PRO FORMA 2001–2010[2]



III. THE CATELLA GROUP'S HISTORIC SALES PER QUARTER, PRO FORMA 2005–2010[3]



1 Reported pro forma as if former Catella had been acquired and consolidated as of 1 January 2010.
2 Reported pro forma as if former Catella had been acquired and consolidated as of 1 January 2001 and that Banque Invik had been acquired and consolidated as of 1 April 2009.
3 Reported pro forma as if former Catella had been acquired and consolidated as of 1 January 2005 and that Banque Invik had been acquired and consolidated as of 1 April 2009.

Kista Galleria, which was divested in 2010. Catella was the seller's advisor in the transaction.

Specialised Corporate Finance

Catella is one of the leading players in property-related transaction advisory services. The 2010 financial year entailed an almost twofold increase in transaction volume compared with the preceding year.

Catella's business model for the Corporate Finance operating segment is based on identifying expanding market sectors in which financial advisory services, based on specialist expertise, are the decisive factor in creating added client value.

The Corporate Finance operating segment is active in 10 European countries, with a workforce of 183 employees in 21 cities. Catella primarily offers services related to property transactions and is one of the leading European advisors in this area. The key to success is local expertise in each property market, combined with advanced expertise in completing complex transactions. Corporate Finance also offers advisory services for companies in consumer-related services and products.

RISING TRANSACTION VOLUMES

The 2010 financial year was a buoyant period for Catella's advisory operations with an almost twofold increase in transaction volume of some SEK 59 Bn compared with SEK 31 Bn a year earlier. The increase was attributable to a rise in market activity across the board, combined with a strengthening of Catella's position.

In Europe, the property transaction market increased in 2010 compared with 2009, totalling approximately SEK 1,000 Bn. Transaction volume was up 60 per cent from 2009, but nevertheless represented only 50 per cent of the transaction volumes in 2006 and 2007. Cross-border business, in which European investors invest in Europe but outside their domicile, increased sharply in 2010, accounting for 20 per cent of the total volume. Europe's largest property investment markets are the UK, Germany, France and Sweden. In relative terms, Germany and Sweden, of the European markets, saw the largest growth in transaction volume between 2009 and 2010.

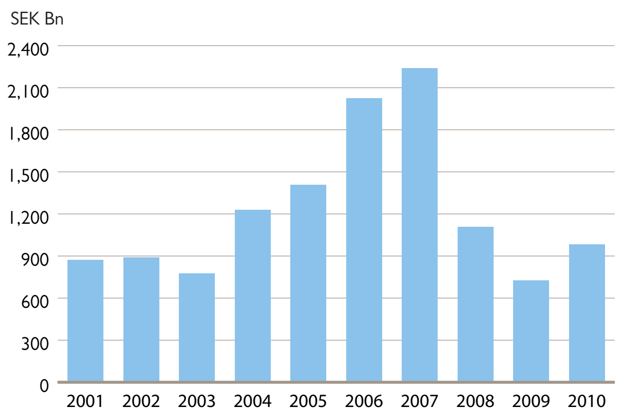
FAVOURABLE CONDITIONS

The primary factors underlying the strengthening property transaction market were improved credit market conditions and low interest rates. The market also benefited from the favourable valuation of property vis-à-vis other asset classes in recent years. This led institutional asset managers with long-term investment horizons to increase their property investments. In most national markets, the demand for property was also supported by increasing expectations of a positive rental trend in pace with improvements in macroeconomic conditions.

The required yield for property has come under pressure from rising demand and, in the European context, declined 100-150 basis points from the previously high levels during 2008–2009. In early 2010, the required yield declined primarily for high-standard property in prime locations. During the latter half of 2010, demand rose for all types of property, thus further reducing the required yield.

The positive trend in the property market has continued during 2011. Financing conditions are expected to continue stabilising, although financing costs may edge up due to higher interest rates.

IV. THE EUROPEAN PROPERTY MARKET, 2001–2010



Source: Catella, DTZ and CBRE.

BROAD SERVICE OFFERING

Corporate Finance primarily offers advisory services in conjunction with property transactions, which account for most earnings in this business area. In addition to this, Catella offers other services to clients active in the property sector. Catella provides various services for each geographic market. The following presentation is a summary of Catella's specialist know-how.

Sale and acquisition of property and property portfolios

In the property area, Catella's assignments consist of advisory services for national and international property owners in conjunction with the sale or purchase of property and property portfolios. Thanks to a strong local presence – with 21 offices in 10 European countries – combined with solid transaction experience, Catella occupies a prominent position in the European transaction market. By focusing on the transaction market for large properties and property portfolios, Catella has gained a market share of more than 5 per cent in the commercial transaction market.

Capital market transactions and financing

Catella assists in financially driven restructuring of property portfolios and ownership in the form of, for example, refinancing, the raising of loans, spin-offs and market listings of companies and property portfolios. Operations are heavily financially oriented and usually comprise the issuance of financial instruments in the equity and debt arenas. Catella engages in all types of capital market transactions with high capacity and a sharp focus on implementation. Catella's work method has contributed to favourable outcomes for clients over the years.

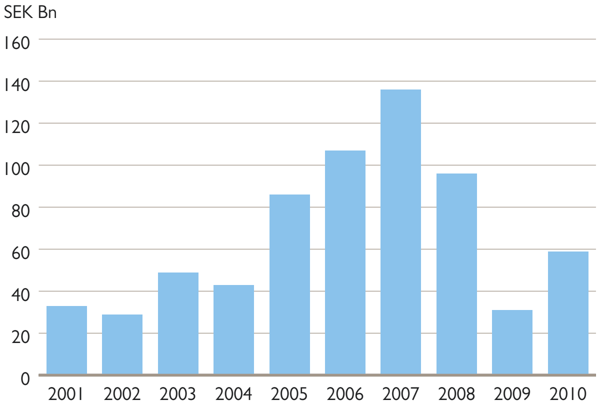
Other services in the property arena

Other services that Catella provides in the property arena include property valuation and letting services.

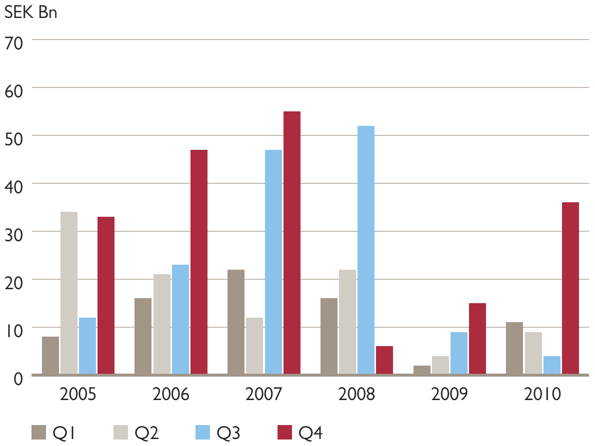
Consumer-related services and products

Alongside its property-oriented transaction activities, Catella also pursues specialist transaction advisory services in respect of ownership changes among companies active in consumer-related industries in the Nordic region.

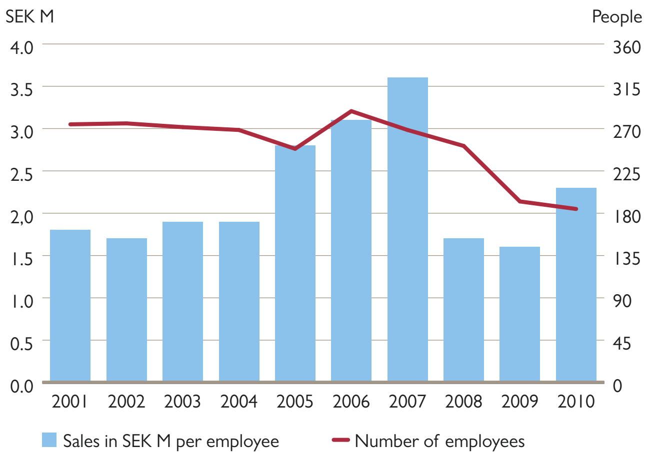
V. CORPORATE FINANCE HISTORICAL TRANSACTION VOLUMES PER YEAR, PRO FORMA 2001–2010[1]



VI. CORPORATE FINANCE HISTORICAL PROPERTY TRANSACTION VOLUMES PER QUARTER, PRO FORMA 2005–2010[2]



VII. HISTORICAL SALES PER EMPLOYEE AND NUMBER OF EMPLOYEES PER YEAR, PRO FORMA 2001–2010[1]



1 Reported pro forma as if former Catella had been acquired and consolidated as of 1 January 2001.
2 Reported pro forma as if former Catella had been acquired and consolidated as of 1 January 2005.

DEFINITE SEASONAL PATTERN

Diagrams V and VI show the volumes (pro forma) for property transactions in which Catella acted as advisor. Diagram VI, which shows quarterly volumes, indicates a distinct seasonal pattern. Normally, the fourth quarter represents about 40 per cent of annual volume. From the fourth quarter of 2008, transaction volumes fell sharply due to the financial crisis.

INCREASED SALES AND EARNINGS

Sales and pre-tax profit (pro forma), as shown in diagrams VIII, IX and XI, derive from the operations currently represented in Catella's Corporate Finance operating segment.

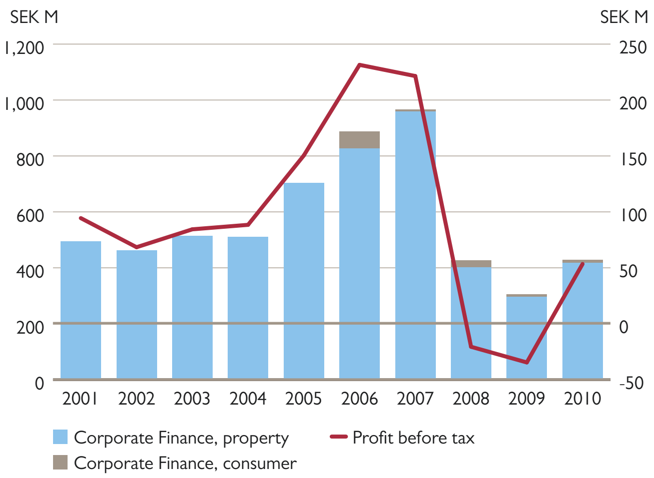
Most sales and pre-tax profit are attributable to the business area providing property advisory services. There is a high correlation between transaction volumes, net sales and pre-tax profit. After the financial crisis, former Catella conducted cost-cutting programmes whose impact began to be felt towards the close of 2009. Higher costs and lower revenue during 2008 and 2009 resulted in losses that were subsequently reversed to pre-tax profit during the third and fourth quarter of 2010.

Net sales rose during 2010 by some SEK 124 M to SEK 429 M, with pre-tax profit rising by some SEK 88 M to SEK 53 M. During the period 2001–2010, the average and median net sales rose to SEK 570 M and SEK 503 M. The average and median pre-tax profit amounted to SEK 93 M and SEK 86 M for the same period.

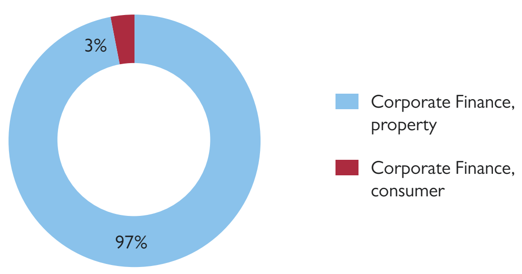
HIGHER SALES PER EMPLOYEE

Diagram VII shows the change in the number of people employed in Corporate Finance operations and sales (pro forma) per employee. The number of employees declined in 2010 from 192 to 184. Sales per employee in 2010 increased from SEK 0.7 M to SEK 2.3 M. During the period 2001–2010, the average and median sales per employee totalled SEK 2.2 M and SEK 1.9 M, respectively.

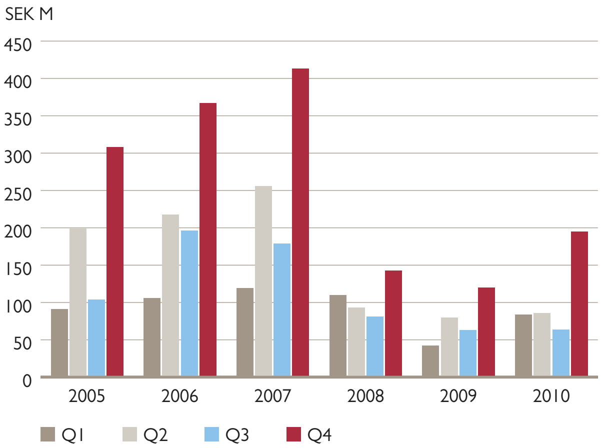
VIII. CORPORATE FINANCE HISTORICAL SALES AND PROFIT BEFORE TAX PER YEAR, PRO FORMA 2001–2010[1]



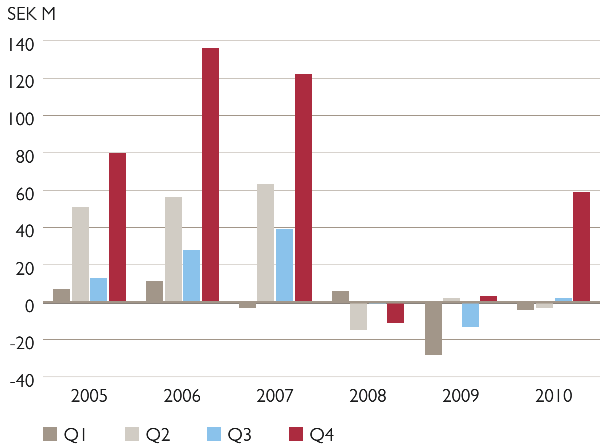
X. CORPORATE FINANCE DISTRIBUTION OF SALES BY BUSINESS AREA, PRO FORMA 2010[3]



IX. CORPORATE FINANCE HISTORICAL SALES PER QUARTER, PRO FORMA 2005–2010[2]



XI. CORPORATE FINANCE HISTORICAL PROFIT BEFORE TAX PER QUARTER, PRO FORMA 2005–2010[2]



CONTINUED STRENGTHENING OF CORPORATE FINANCE

Catella's business model for the Corporate Finance business area is based on identifying expanding market segments in which financial advisory serves hallmarked by specialist expertise is decisive in creating added value for clients. One such growth segment is corporate bonds. The combination of the cutbacks implied by new regulations for bank lending and the refinancing requirements a few years ahead is expected to create growing interest in corporate bond issuance. Thus, investor interest in this sector is expected to grow. In addition, Catella is successfully managing a number of fixed-income funds in its Asset Management operating segment.

In view of the above, Catella established a new operation in the market or fixed-income products in 2011. The new operation will act as financial advisors and conduct issues of fixed-income products.

1 Reported pro forma as if former Catella had been acquired and consolidated as of 1 January 2001.
2 Reported pro forma as if former Catella had been acquired and consolidated as of 1 January 2005.
3 Reported pro forma as if former Catella had been acquired and consolidated as of 1 January 2010.


Catella Nordic Tiger Fund
The best of both worlds
Gain exposure to emerging markets through a mature, regulated market with great fundame
Catella Nordic Fixed Income

Asset Management with fund focus

Catella's Asset Management provides niche fund products in five countries. During 2010, the volume of assets under management increased to SEK 45 Bn and in early 2011 four new funds were launched in Sweden.

Via its Asset Management operating segment, Catella offers a range of services and products related to fund and asset management, wealth management and credit card and acquiring services. Operations are conducted in 5 countries with a total of 220 employees. Assets under management totalled some SEK 45 Bn at year-end.

The common denominator linking these operations is the added value offered to clients through the combination of expertise in various sectors, supported by a lengthy tradition of fund and wealth management.

REVIEW OF OPERATIONS

In connection with Catella's strategic review of operations in early 2011, it was concluded that Banque Invik's primary business area – credit card and acquiring operations – did not match Catella's operational focus. Credit card and acquiring operations account for most of the bank's sales and earnings. The business is profitable and offers major potential but, as Catella sees it, it would perform better in another structure in which it complements or strengthens existing operations. Accordingly, during spring 2011 Catella initiated a sales process for its credit card and acquiring operations, or alternatively the entire bank.

FOUR NEW FUNDS LAUNCHED

Catella offers equities, hedge, fixed-income and property fund products. Equity, hedge and fixed-income funds are managed from Sweden and are traded daily. Property funds, comprising both unregulated and regulated funds, are managed from Finland and Germany.

In early 2011, Catella launched four new funds in Sweden that are exposed to the Nordic equities and fixed income market and which are now being marketed with a number of major fund distributors.

FAVOURABLE RETURN ON NORDIC EQUITIES

In 2010, returns on Nordic exchanges were among the best worldwide. The recovery after the worst financial crisis since the 1930s continued, albeit with considerable volatility over the course of the year.

The first six months of 2010 were marked by the debt crisis in the Euro zone, undercapitalised banks, falling interest rates and fears of the US descending into recession. The risk level in Catella's equities management operations was adjusted in the light of these trends and companies in non-cyclical industries were prioritised, such as Nordic telecom operators. At mid-year, the Stockholm exchange was close to zero while the global economic picture began to improve steadily. Catella's funds again increased their holdings of equities in cyclical industries, such as commodities and mining companies.

During the latter half of the year, interest rates edged up, while stock markets displayed positive risk rotation and economic conditions strengthened significantly. Catella's absolute return funds again raised their net exposure to equities. The US launched another stimulus package, thereby fuelling the global recovery, and the Nordic exchanges closed the year up 25 per cent (MSCI Nordic).

Catella continues to view equities positively and expects the equity trend to remain positive in 2011. This viewpoint applies to Nordic equities in general, particularly cyclical companies with a strong presence in emerging markets.

LOW INTEREST RATES, LOW RISK

The risk level in Catella's fixed income management remained relatively low during the year as a result of generally low interest rates combined with an occasionally hazy macroeconomic picture. Catella's assessment is that interest rates will rise, against the background of a robust economy, rising inflation expectations and a tightening of monetary policy. This means that the potential to make capital gains on traditional government bonds is limited, while investments in short-term maturities continue to provide historically low yields. The average maturity for Catella's fixed income management is currently relatively short. To generate return, Catella will continue to focus on investments on credit and housing bonds. Growth in Scandinavia distinguishes itself in a positive respect, which will favour corporate bonds vis-à-vis government bonds. From a micro perspective, healthy balance sheets and heavy cash flows among Scandinavian companies will favour investments in these companies.

ATTRACTIVE PROPERTY VALUATIONS

Catella's property funds performed well during 2010 with higher management volumes over the course of the year. One underlying factor is that property is valued attractively compared with other asset classes, prompting institutional asset managers with a long-term investment horizon to increase their property investments.

For more information regarding the property market, refer to the Corporate Finance operating segment.

WEALTH MANAGEMENT

Catella currently conducts wealth management in Luxemburg, where it offers independent financial investment advisory services for individuals, foundations, small institutions and companies. Legal counselling is also provided in connection with generation shifts, capital gains or tax returns, as well as corporate structure design.

During 2011, Catella acquired EKF Enskild Kapitalförvaltning, which will form the base for Catella's wealth management in Sweden and the other Nordic countries. The acquisition is described in greater detail on page 19.

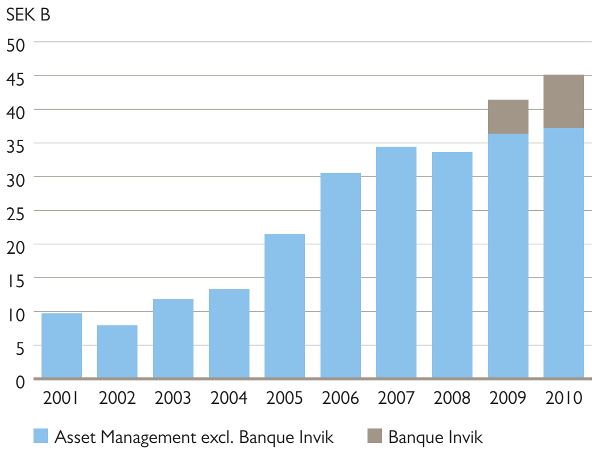
CREDIT CARD AND ACQUIRING SERVICES

The business concept is to offer other banks turnkey card programmes within the framework of their own licenses for Visa and MasterCard. All services are proprietary and encompass clearing vis-à-vis Visa and MasterCard, card issuance, invoicing, risk monitoring. The activities also include international clearing of credit card transactions with e-commerce companies.

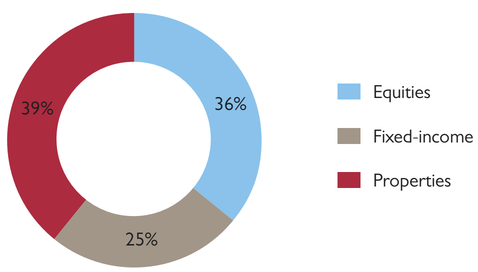
HIGHER MANAGEMENT VOLUMES

Asset management volumes presented in diagram XII pertain to current operations in Catella's Asset Management operating segment, excluding EKF Enskild Kapitalförvaltning, which was acquired in 2011. Diagram XIII includes fund management from 2001 and wealth management from 2009.

XII. ASSET MANAGEMENT'S HISTORICAL VOLUMES UNDER MANAGEMENT PER YEAR, PRO FORMA 2001–2010[1]



XIII. ASSET MANAGEMENT'S DISTRIBUTION OF VOLUMES UNDER MANAGEMENT BY TYPE OF ASSET, PER 31 DECEMBER 2010



1 Reported pro forma as if former Catella had been acquired and consolidated as of 1 January 2001 and Banque Invik had been acquired and consolidated as of 1 April 2009.

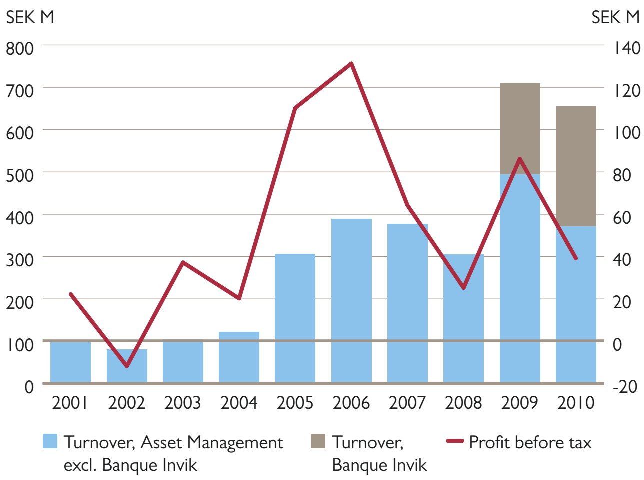
FOURTH QUARTER IS PARAMOUNT IN TERMS OF EARNINGS

Net sales and pre-tax profit (pro forma) as reported in diagrams XIV, XV and XVII pertain to operations currently represented in Catella's Asset Management operating segment. The diagram includes fund management from 2001, as well as wealth management, credit card and acquiring operations from 2009.

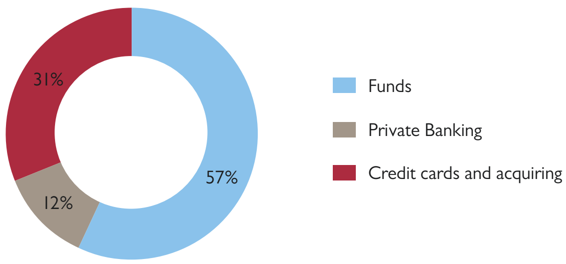
Historically, the fourth quarter, on average, represents about 40 per cent of annual net sales and accounts for a high share of pre-tax profit during the year. This is because performance-based remuneration in fund management is accumulated during the year but is not recognised in profit or loss until year-end.

Sales in 2010 fell by some SEK 55 M to SEK 655 M and pre-tax profit declined by some SEK 47 M to SEK 39 M. During the period 2001–2010, average and median net sales totalled SEK 315 M and SEK 306 M, respectively. For the same period, the average and median pre-tax profit was SEK 52 M and SEK 38 M, respectively.

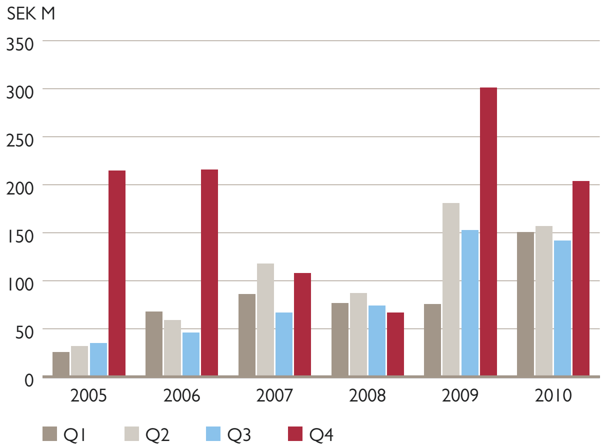
XIV. ASSET MANAGEMENT'S HISTORICAL SALES AND PROFIT BEFORE TAX PER YEAR, PRO FORMA 2001–2010[1]



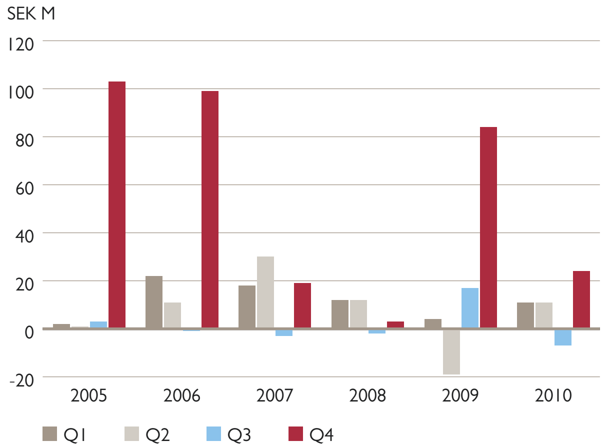
XVI. ASSET MANAGEMENT'S DISTRIBUTION OF SALES BY BUSINESS AREA, PRO FORMA 2010[3]



XV. ASSET MANAGEMENT'S HISTORICAL SALES PER QUARTER, PRO FORMA 2005–2010[2]



XVII. ASSET MANAGEMENT'S HISTORICAL PROFIT BEFORE TAX PER QUARTER, PRO FORMA 2005–2010[2]



1 Reported pro forma as if former Catella had been acquired and consolidated as of 1 January 2001 and Banque Invik had been acquired and consolidated as of 1 April 2009.
2 Reported pro forma as if former Catella had been acquired and consolidated as of 1 January 2005 and Banque Invik had been acquired and consolidated as of 1 April 2009.
3 Pro forma in respect of the breakdown of net sales by business area by business area is reported as if former Catella had been acquired and consolidated as of 1 January 2010.

INDEPENDENT WEALTH MANAGEMENT

During 2011, Catella acquired EKF Enskild Kapitalförvaltning, an independent asset manager with historically favourable performance. Operations are conducted from the headquarters in Stockholm and the local office in Växjö, southern Sweden. The workforce totals 29 employees. The company is an account operator, clearing member and asset manager in Euroclear. Customers include individuals, companies, foundations, with assets under management amounting to SEK 4 Bn.

The acquisition of EKF should be viewed as the first step in the establishment of full-spectrum wealth management activities in Sweden and the Nordic region, parallel with existing fund operations. Catella acquired the shares of EKF Enskild Kapitalförvaltning on 29 April 2011 following the approval of the Swedish Financial Supervisory Authority. The total acquisition payment will be about SEK 50 M. Given that the acquisition was only recently implemented, a process aimed at identifying the acquired assets and liabilities is under way. A change in corporate identity is planned.

Separate reporting of Banque Invik

During spring 2011, as part of its strategic review, Catella commenced a sale process aimed at a change in the ownership of credit card and acquiring operations at Banque Invik, or alternatively the entire bank.

The presentation below is a summary of Banque Invik's business areas, as well as the income statement and balance sheet for the entire Catella group in which Banque Invik is reported separately. Banque Invik is domiciled in Luxembourg.

CREDIT CARD AND ACQUIRING SERVICES

These activities offer other banks finished card programmes within the framework of proprietary licenses for Visa and MasterCard. All services – including clearing against Visa and MasterCard, card issuance, invoicing, risk monitoring and customer service – are conducted under proprietary management. The activities also include international clearing of credit card transactions with e-commerce companies and daily settlements in several currencies and electronic account withdrawals.

Wealth Management

Banque Invik Wealth Management offers customised wealth management. Individual portfolio management is offered to customers seeking professional advisory services for their investments.

Corporate Services

Banque Invik Corporate Services offers a broad range of services, such as the establishment of companies in a desired jurisdiction, along with administration and other related services. Operations are conducted in Luxemburg, the Netherlands and Sweden, Corporate Services has established a solid contact network in several jurisdictions, with local expertise such as notary publics, tax and corporate lawyers.

COMMENTS ON THE SPECIAL REPORTING OF THE INCOME STATEMENT AND BALANCE SHEET

Banque Invik reported a loss for the 2010 financial year, due to the fact that earnings for the year were charged with costs resulting from the stricter application of regulations in respect of accounting policies and credit ratings. The loss included impairment costs for loan receivables and other receivables at Banque Invik in a negative amount of SEK 33 M. These are distributed among impairment of receivables in the amount of SEK 22 M and impairment of loan receivables in the amount of SEK 11 M.

Net sales and earnings for the 2010 financial year include only the acquired former Catella for the period October till December 2010. For the period January to September, the Group consisted solely of Scribona's former operations, namely, Banque Invik and EETI.

CONDENSED INCOME STATEMENT FOR THE CATELLA GROUP WITH SEPARATE RECOGNITION OF BANQUE INVIK FOR 2010

SEK M	The Catella Group incl. Banque Invik	Banque Invik	The Catella Group excl. Banque Invik*
Net sales	586	278	308
Other operating income	14	2	12
	600	**281**	**320**
Other external costs	-283	-159	-124
Personnel costs	-263	-102	-161
Depreciation/amortisation and impairment	-19	-16	-3
Other operating expenses	-26	-26	0
Operating profit/loss	**9**	**-23**	**32**
Interest income	80	35	45
Interest expense	-15	-11	-4
Other financial items	-31	-9	-22
Net financial items	35	16	19
Profit/loss before tax	**44**	**-7**	**51**
Income tax	-19	-4	-16
Net profit/loss for the period	**25**	**-10**	**35**

* *The income statement and balance sheet for the year for Catella– excluding Banque Invik – have been drawn up by making a deduction of Banque Invik's income statement and Banque Invik's assets, liabilities and provisions from the Catella Group's income statement and balance sheet.*

CONDENSED FINANCIAL POSITIONS FOR THE CATELLA GROUP WITH SEPARATE RECOGNITION OF BANQUE INVIK FOR THE FULL-YEAR 2010

SEK M	The Catella Group incl. Banque Invik*	Banque Invik	The Catella Group excl. Banque Invik*
ASSETS			
Non-current assets			
Intangible assets	314	19	295
Tangible fixed assets	26	8	18
Holdings in Banque Invik**	-		313
Holdings in associated companies	6		6
Other securities held as fixed assets	415	12	403
Other non-current receivables	46	38	8
	807	**77**	**1,043**
Current assets			
Current loans receivable	1,169	1,169	0
Accounts receivable and other receivables	410	90	337
Current investments	77	15	62
Cash and cash equivalents*	2,879	2,686	193
	4,536	**3,961**	**592**
Total assets	**5,343**	**4,037**	**1,635**
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the Parent Company			
Share capital	163	119	163
Other contributed capital	283		283
Reserves	-141	2	-141
Profit brought forward including net profit for the period	671	192	671
	976	**313**	**976**
Non-controlling interests	36	0	36
Total equity	**1,012**	**313**	**1,012**
Liabilities			
Non-current liabilities			
Borrowings	172		172
Non-current loan liabilities	31	31	0
Deferred tax liabilities	38	6	32
Other provisions	13	10	3
	254	**47**	**207**
Current liabilities			
Borrowings	147	75	72
Current loan liabilities	3,534	3,534	0
Accounts payable and other liabilities	343	48	312
Tax liabilities	53	21	32
	4,077	**3,678**	**416**
Total liabilities	**4,331**	**3,725**	**623**
Total equity and liabilities	**5,343**	**4,037**	**1,635**
* Of which, cash and cash equivalents in blocked accounts	65	52	13
Equity/assets ratio	***19%***	***8%***	***62%***

*** The income statements and balance sheets for Catella, excluding Banque Invik, have been drawn up by making a deduction of Banque Invik's income statement and Banque Invik's assets, liabilities and provisions from the Catella Group's income statement and balance sheet. In the Catella Group, excl. Banque Invik, net assets in Banque Invik are reported as Holdings in Banque Invik. In connection with the planned disposal of Banque Invik, this item will be replaced by the proceeds received. Catella cannot – and thus does not – provide an estimate of the proceeds received in connection with the divestment.*

Employees with achievement drive

Catella's organisation is characterised by decentralised work procedures, with operational freedom in each unit within a framework of set rules and structures. Catella is convinced that delegated decision-making and earnings commitment at the local level enhances employee loyalty and contributes to sustainable earnings capacity at Catella.

Catella's overriding objective is to create added value for its clients, which requires wide-ranging competences among employee. Know-how is a key competitive advantage and Catella's operations are based consistently on corporate resources in the form of people, both as professionals and individuals. It is important to create an environment in which each individual can feel secure and be given scope to develop and be inspired.

MORE THAN 400 HIGHLY QUALIFIED EMPLOYEES

Over the years, Catella has successfully recruited competent employees and has thus been able to build a knowledge-intensive group. Operations have grown continuously, permitting the recruitment of established specialists and younger academics with an ample educational background. This has meant that Catella has managed to retain a balanced age structure among employees. The largest age group ranges from 31 to 40.

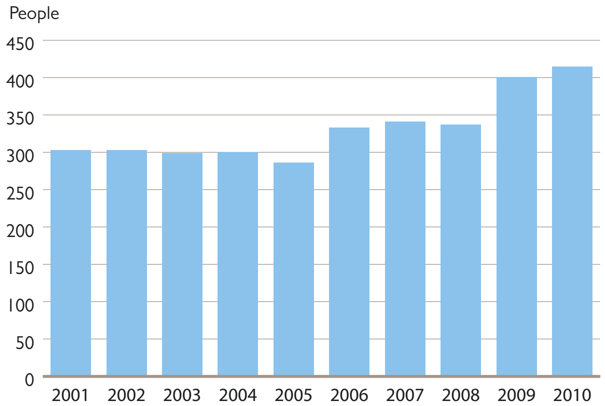
At year-end, the number of employees in the Catella Group totalled 415, of whom 127 were employed at Banque Invik. Women accounted for 41 per cent and men for 59 per cent of the workforce. The proportion of employees with a university education or equivalent was 63 per cent.

Catella's goal is that employees should have in-depth, specialist expertise combined with broad-based general knowledge. By this means, Catella can meet clients' requirement using a cross-discipline approach.

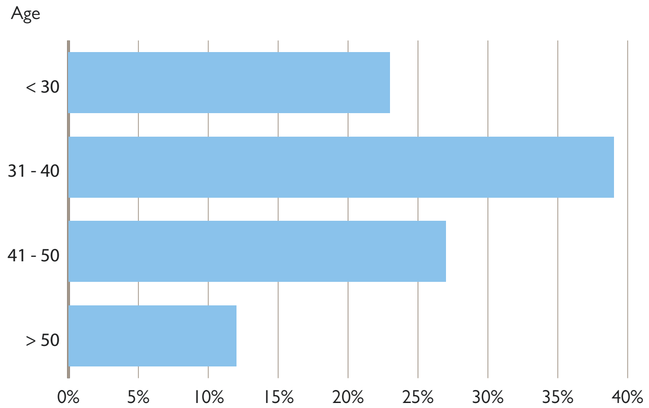
Catella's personnel include equity analysts, corporate finance specialists, property analysts, property economists, surveyors, fund managers, asset managers and lawyers. Catella's international structure provides the potential to exchange cross-border professional experience and competence.

Catella seeks to offer employees favourable conditions for personal job satisfaction and professional development. Catella's skills profile means that employees are expected to have professional and business competencies. All employees have pledged to comply with shared ethical rules that are formulated in a way that strengthens Catella's independence and client loyalty.

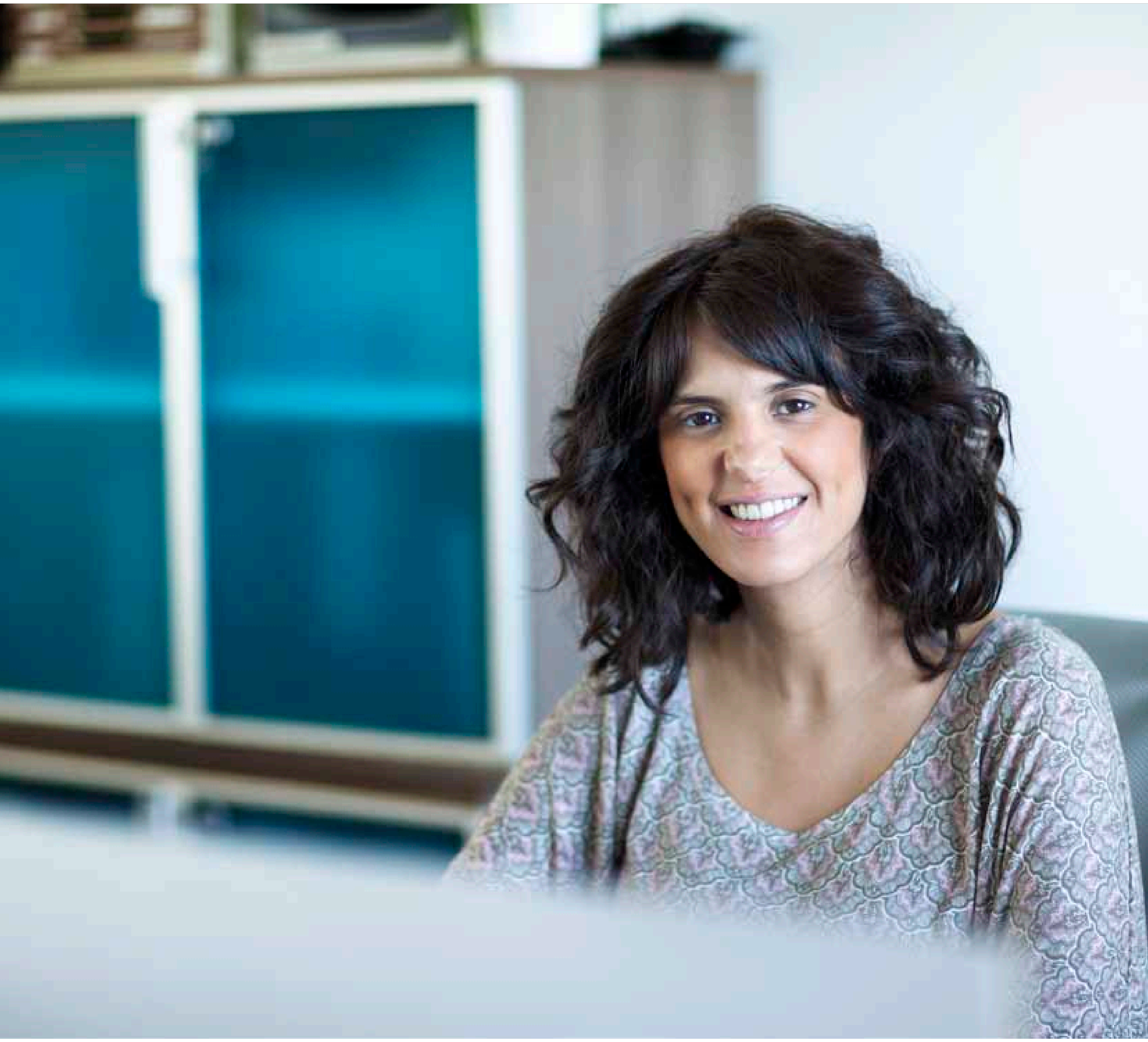
XVIII. NUMBER OF EMPLOYEES (CONVERTED TO FULL-TIME POSITIONS), PRO FORMA 2001–2010[1]



XIX. AGE DISTRIBUTION, PER CENT OF AVERAGE NUMBER OF EMPLOYEES, PROFORMA 2010[2]



1 Reported pro forma as if former Catella had been acquired and consolidated as of 1 January 2001 and Banque Invik had been acquired and consolidated as of 1 April 2009.
2 Reported pro forma as if former Catella had been acquired and consolidated as of 1 January 2010.



ETHICS – A CORNERSTONE

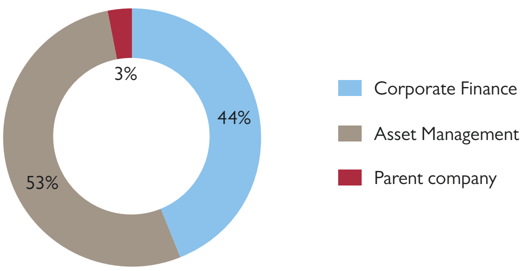
Catella's work procedures represent the foundation of an ethical norm system that permeates operations. High ethical and moral standards, combined with considerable responsibility, create the credibility that distinguishes Catella's employees and brand.

TARGET-DRIVEN REMUNERATION SYSTEM

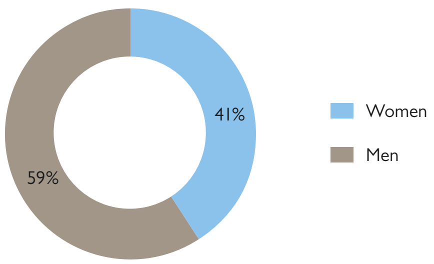
Catella believes in encouraging good performance, correct behaviour and balanced risk-taking in line with the expectations of clients and shareholders. The variable remuneration structure is based on the concept that participation in earnings created at the local level. The structure and size of remuneration are based on business logic, market and generally accepted practice, competition and employee competence.

Catella is working actively to equalise pay among men and women and regularly assesses the effects of the remuneration structure and its competitiveness.

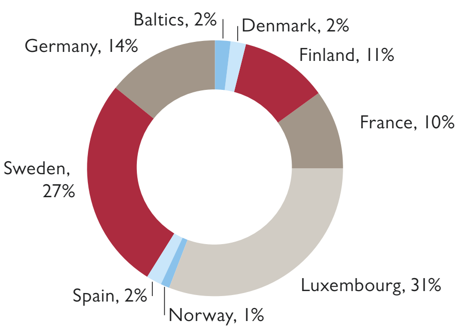
XX. DISTRIBUTION OF EMPLOYEES PER OPERATING SEGMENT AS OF 31 DECEMBER 2010



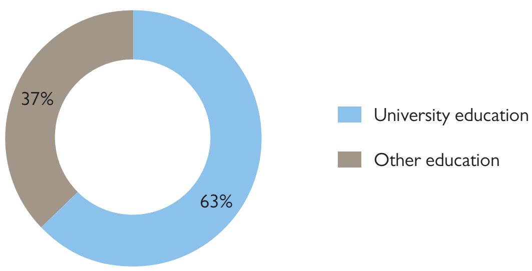
XXII. DISTRIBUTION OF GENDER, PER CENT OF AVERAGE NUMBER OF EMPLOYEES, PRO FORMA 2010[1]



XXI. DISTRIBUTION OF EMPLOYEES PER COUNTRY AS OF 31 DECEMBER 2010



XXIII. LEVEL OF EDUCATION, PER CENT OF AVERAGE NUMBER OF EMPLOYEES, PRO FORMA 2010[1]



1 Reported pro forma as if former Catella had been acquired and consolidated as of 1 January 2010.

Treasury management

In addition to Corporate Finance and Asset Management operations, Catella is active in Treasury Management, consisting primarily of securitised mortgage loans. It also has a small portfolio of equities, options and bonds.

LOAN PORTFOLIOS

Most of the loan portfolios were acquired in February 2009 when the company was an investment company called Scribona. The market value of loan portfolios fell sharply in autumn 2008, prompting Scribona to capitalise on the prevailing business climate to acquire, on favourable terms, Citibank's loan to the company European Equity Tranche Income ("EETI"), which in turn had invested in loan portfolios. Scribona acquired Citibank's entire loan in a nominal amount of EUR 30 M for EUR 14 M. In conjunction with a new share issue in February 2009, Scribona converted loans of EUR 10 M to shares in EETI. At that time, Scribona held more than 84 per cent of EETI's voting rights and capital following the share issue. Additional shares were gradually acquired and Catella now owns 99.86 per cent of EETI.

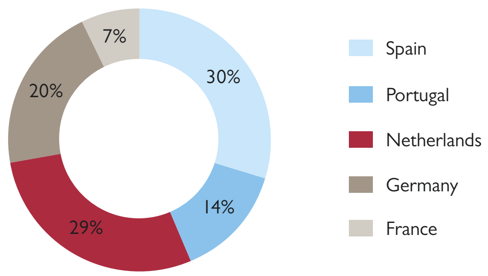
The loan portfolios consist of securitised European loans with exposure primarily to residential mortgages. The trend in the loan portfolios is monitored closely and revaluations are made continually by the French investment advisor, Cartesia S.A.S. The carrying amount in Catella's consolidated financial statements is based on forecasts of discounted cash flows. The portfolios are discounted using discount rates varying from 8.5 to 15.0 per cent, resulting in a weighted discount rate of 11.2 per cent for the combined loan portfolios. The weighted average duration of the portfolio is 5.8 years.

Cash flows consist primarily of interest payments but also of amortisation with a forecast period extending through the third quarter of 2022. The anticipated cash flow during the period amounts to some EUR 75 M, which is discounted and reported at SEK 387 M (EUR 43 M).

Discounted cash flows

Diagram XXIV shows the distribution by country of the loan portfolio's discounted cash flow, with Spain representing 30 per cent, followed by the Netherlands and Germany, which represent 29 and 20 per cent.

XXIV. DISCOUNTED CASH FLOWS – DISTRIBUTION BY COUNTRY



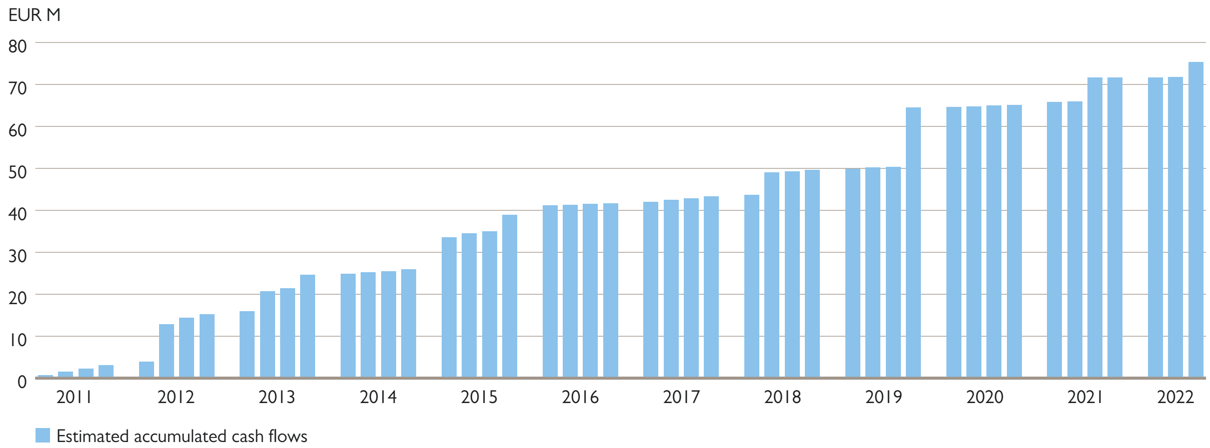
Forecast cash flows

The table below shows the historic forecast of cash flows compared with the actual cash flow up until the fourth quarter of 2010. Diagram XXV shows the accumulated cash flows up until the third quarter of 2022. The forecast cash flows for the full year were SEK 38,9 M (EUR 3.7 M) and the outcome was SEK 38.8 M (EUR 3.7 M). Thus, the holding generated SEK 0.1 M (EUR 13,000) below anticipation for 2010 as a whole. The accumulated cash flow from the fourth quarter of 2009 amounted to SEK 47.2 M (EUR 4.8 M).

HISTORIC CASH FLOWS – FORECASTS AND OUTCOME

	Totals		
EUR '000	Outcome	Forecast	Delta
Q4 2009	1,166	721	445
Q1 2010	960	633	327
Q2 2010	952	1,581	-629
Q3 2010	940	831	109
Q4 2010	802	622	180
Total full-year 2010	**3,654**	**3,667**	**-13**
Total	**4,820**	**4,388**	**432**

XXV. ESTIMATED ACCUMULATED CASH FLOWS



Risks and uncertainties regarding the loan portfolios

Most of EETI's investments consist of holdings in/or financial exposure to securities that are subordinate in terms of payment and are ranked lower than securities that are secured or represent ownership of the asset class. Some of EETI's investments also include structural features whereby, in conjunction with the payment of interest and/or capital amounts, priority is given to higher ranked securities that are secured or represent ownership of the same asset class in the event of non-payment or if losses exceed certain levels. This could result in interruptions in the income flow that EETI has expected from its investment portfolio.

Other information

More detailed information regarding EETI's investments in loan portfolios is presented in Notes 3, 23 and 38, and on Catella's home page:

www.catella.se » Financial information » Subsidiaries » EETI

OTHER SECURITIES

Large portions of previous portfolios of equities, options and bonds have been divested and the intention is to also dispose of the remaining holding when the appropriate market conditions emerge. The holding's carrying amount – meaning its fair value – at 31 December 2010 was SEK 15 M (66).

Sicav funds

During December 2010, Catella invested SEK 20 M in four new Sicav funds managed by Catella Fondförvaltning. The investment was conducted in a bid to contribute capital to the funds during a brief period in the start-up stage.

Nordic Light Fund

Scribona acquired loan portfolios with a value of some SEK 74 M during the second quarter of 2010 for the purpose of using them as an investment-in-kind in the fund product known as Nordic Light Fund, as developed by Banque Invik.

The loan portfolio comprises loans to small and midsize companies, primarily located in Germany. The portfolio also includes Spanish securities in a diversified pool of loans to small and midsize companies in Spain as underlying collateral and a smaller portion in Portugal, which has mortgage loans as the underlying collateral. The estimated return on the portfolio is expected to be high.

Catella sold parts of the loan portfolio as of 30 December 2010 for approximately SEK 38 M and the remaining portion, with a value of SEK 36 M, was used as investment-in-kind in the fund, which thus represents the historical cost of the fund units. Accordingly, the sale of the loan portfolio had no impact on Catella's earnings.

The Catella share and shareholders

In 2010, Catella was the sixth largest company and the largest finance group listed on NASDAQ OMX First North in terms of market value. With almost 8,000 registered shareholders, Catella's Class B shares are diversified, thus creating conditions for favourable trading.

Catella is listed on NASDAQ OMX First North. Catella's market value at 31 December 2010 amounted to SEK 893 M and at 26 April 2011 to SEK 1,180 M. The price of Catella's Class B share on NASDAQ OMX First North rose from SEK 8.70 during 2010 to SEK 10.80, representing an increase of 24.1 per cent.

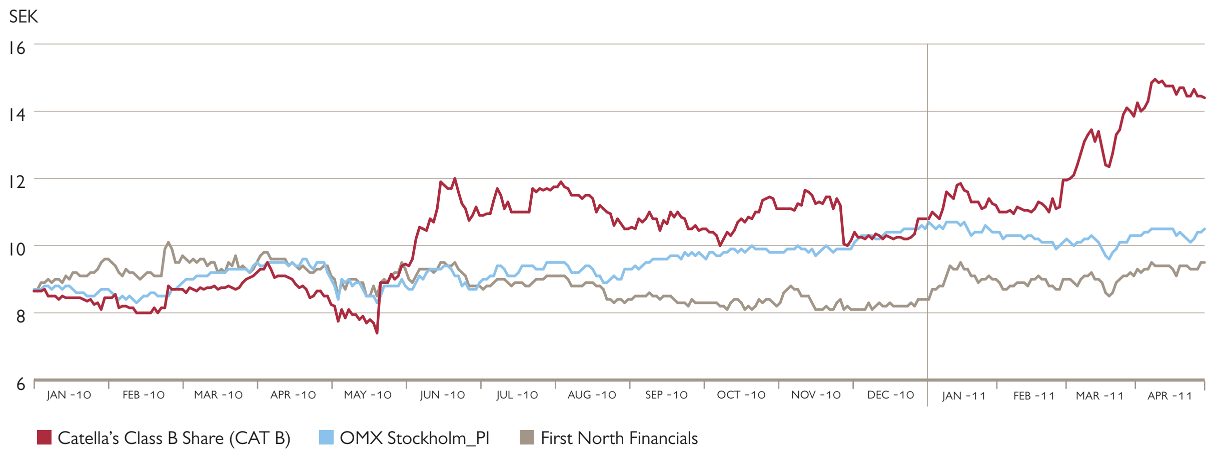
The closing price for Catella's B share during 2010 varied from SEK 7.40 to SEK 12.00. The index NASDAQ OMX Stockholm_PI rose 21.1 per cent during 2010, while NASDAQ OMX First North Financial Index fell 2.9 per cent. Catella is included in the NASDAQ OMX First North Financial index. The trend in the Catella share price can be tracked at www.catella.se, which also offers the opportunity to compare the share's price trend with index NASDAQ OMX Stockholm_PI. For more information regarding the First North marketplace, refer to NASDAQ OMX website:

www.nasdaqomxnordic.com/firstnorth.

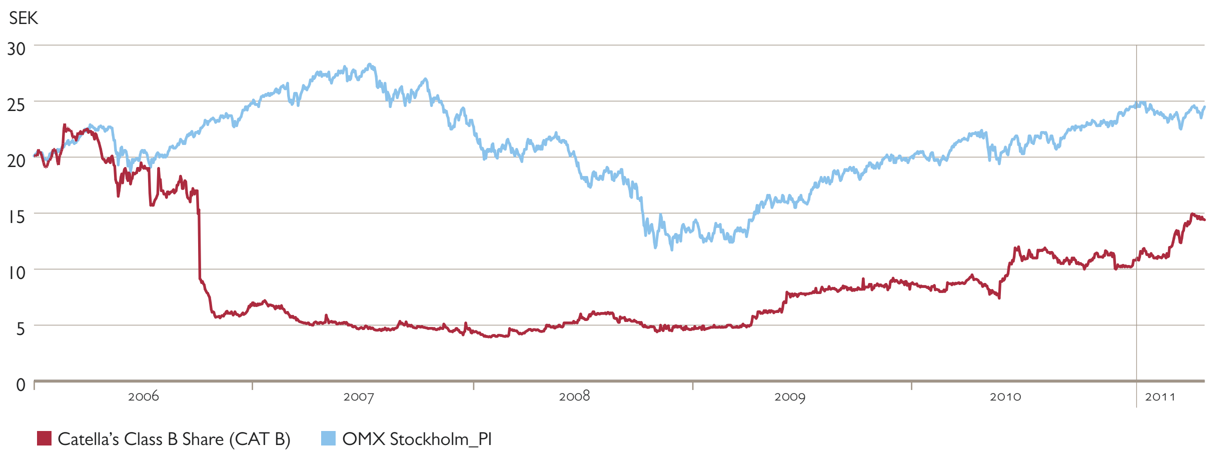
HIGH TURNOVER

Catella's Class B share was the most traded finance-related share during 2010 on NASDAQ OMX First North, with average daily reading of some SEK 1.7 M, corresponding to 186,606 shares. Total turnover during 2010 amounted to SEK 439 M, corresponding to more than 47 million shares.

XXVII. PRICE PERFORMANCE OF CATELLA'S CLASS B SHARE IN 2010/11 COMPARED TO INDEX STOCKHOLM_PI AND FIRST NORTH FINANCIALS



XXVIII. FIVE-YEAR OVERVIEW FOR CATELLA'S CLASS B SHARE COMPARED TO INDEX STOCKHOLM_PI



SHARE CAPITAL

At 31 December 2010, share capital amounted to SEK 163.4 M, distributed among 81,698,572 shares. The quotient value per share is SEK 2. Share capital is distributed among two share classes with varying voting rights: 2,530,555 Class A shares that provide five (5) voting rights per share; and 79,168,017 Class B shares that carry one (1) voting right per share.

The company's Articles of Association include the right of holders of Class A shares to convert them to Class B shares. No Class A shares were converted to Class B shares during 2010.

DISTRIBUTION OF SHARES, 31 DECEMBER 2010

Shareholders	Number of shareholders	Number of Class A shares	Number of Class B shares	Capital	Votes
1–500	5,412	274,172	540,552	1.00%	2.08%
501–1 000	902	171,608	537,169	0.87%	1.52%
1 001–5 000	937	342,390	1,877,589	2.72%	3.91%
5 001–10 000	200	126,981	1,466,067	1.95%	2.29%
10 001–15 000	57	22,424	719,469	0.91%	0.91%
15 001–20 000	34	7,784	596,639	0.74%	0.69%
20 001–	157	1,585,196	73,430,532	91.82%	88.60%
Total	**7,699**	**2,530,555**	**79,168,017**	**100.00%**	**100.00%**

FIVE-YEAR SHARE DATA

	2010	2009	2008[1]	2007[1]	2006[1]
Share price for Class B share					
Average share price, SEK	9.92	7.06	5.24	5.22	15.80
Closing share price for the year, SEK	10.80	8.70	4.65	4.30	6.45
Highest/lowest, SEK	12.00 / 7.40	9.20 / 4.60	6.15 / 3.95	7.27 / 4.14	23.30 / 5.50
Earnings per share	0.28	5.75[2]	0.12	-2.22	-5.54
Cash flow per share	13.61	20.28[2]	3.22	2.28	-5.99
Equity per share	12.39	12.86[2]	6.88	6.94	9.12
Dividend per share	-	-	-	-	-
Direct return, %	-	-	-	-	-
Market value at year-end, SEK M	893	710	382	352	529
P/E	38.82	1.51	38.17	neg	neg
P/B	0.88	0.68	0.68	0.62	0.71
EV/EBITDA	20.07	neg	neg	97.62	neg
Net debt(+)/Net cash(-) [3]	-331	-629	-604	527	533
Number of Class A shares	2,530,555	2,530,555	2,530,555	2,530,555	2,530,555
Number of Class B shares	79,168,017	79,168,017	79,168,017	79,168,017	79,168,017
Total number of shares	81,698,572	81,698,572	81,698,572	81,698,572	81,698,572
Newly issued shares	-	-	-	-	30,636,964
Average weighted number of shares	81,698,572	81,698,572	81,698,572	81,698,572	54,891,229
Warrants issued	30,000,000	-	-	-	-
Outstanding shares and warrants	**111,698,572**	**81,698,572**	**81,698,572**	**81,698,572**	**81,698,572**

1 Operations during these years differed from those of the current Catella and pertain to the distribution of IT and communications products in which Scribona was previously active, and which it divested in 2008.

2 The result for 2009 included revenue recognition of negative goodwill in the amount of SEK 440 M, attributable to the acquisition of the European Equity Tranche Income Ltd ("EETI") and to Banque Invik.

3 Net debt for 2009 and 2010 does not include Banque Invik; please refer to Note 3 for more information.

TOTAL RETURN OBJECTIVE

Ahead of the 2011 Annual General Meeting, Catella's Board has proposed that no dividend be paid to shareholders for the 2010 financial year. During the course of the company's expansionary phase, generated earnings will be used for organic growth as well as for any future corporate establishment and acquisitions. This capital will be required to attain a stronger position for Nordic asset management operations and for European corporate finance operations. Because the Board and executive management see potential in the financial sector, the company must have a solid capital base to capitalise on opportunities and to attain the set targets.

Catella's objective is to give shareholders a stable and high total return. If the Board and executive management feel the company is overcapitalised and cannot identify potentially profitable investments, the Board will propose that any surplus be transferred to shareholders in the form of dividends and/or the repurchase of the company's shares and/or the redemption of shares.

ALMOST 8,000 SHAREHOLDERS

With 7,699 shareholders registered at year-end 2010, Catella's Class B share is a highly diversified share, creating the conditions for favourable trading. The largest single shareholder at year-end was Johan Claesson, via CA Plusinvest AB, with a holding of 39.0 per cent and 37.3 per cent of the voting rights; followed by Peter Gyllenhammar, via Bronsstädet AB, with a holding of 8.4 per cent and 9.5 per cent of the voting rights. Most of the other major shareholders consist of institutions, with a combined holding of 16.9 per cent of the capital and 15.7 per cent of the voting rights.

SHAREHOLDERS ON 31 DECEMBER 2010

Shareholders	Class A shares	Class B shares	Total	Capital	Votes
CA Plusinvest AB	610,937	31,218,294	31,829,231	39.0%	37.3%
Bronsstädet AB	475,000	6,372,980	6,847,980	8.4%	9.5%
Avanza Pension	550	2,793,058	2,793,608	3.4%	3.0%
Banque Invik SA*	42,167	2,005,156	2,047,323	2.5%	2.4%
Nordnet Pension	3,250	2,006,427	2,009,677	2.5%	2.2%
Skandia Liv	111,084	1,447,338	1,558,422	1.9%	2.2%
Unionen		1,981,158	1,981,158	2.4%	2.2%
Tangent		1,781,698	1,781,698	2.2%	1.9%
Altenberg-Reval AS	275,366	400,000	675,366	0.8%	1.9%
Banque Carnegie Luxembourg SA		1,626,374	1,626,374	2.0%	1.8%
Other	1,012,201	27,535,534	28,547,735	34.9%	35.5%
Total	**2,530,555**	**79,168,017**	**81,698,572**	**100.0%**	**100.0%**

SHAREHOLDERS ON 31 MARCH 2011

Shareholders	Class A shares	Class B shares	Total	Capital	Votes
CA Plusinvest AB	612,437	30,530,294	31,142,731	38.1%	36.6%
Bronsstädet AB	475,000	6,372,980	6,847,980	8.4%	9.5%
Avanza Pension	11,201	3,811,087	3,822,288	4.7%	4.2%
Nordnet Pension	5,020	2,100,301	2,105,321	2.6%	2.3%
Banque Invik S A*	42,167	1,780,156	1,822,323	2.2%	2.2%
Unionen		1,981,158	1,981,158	2.4%	2.2%
Banque Carnegie Luxembourg SA		1,626,374	1,626,374	2.0%	1.8%
Traction AB		1,588,855	1,588,855	1.9%	1.7%
Altenberg-Reval AS	284,800	140,000	424,800	0.5%	1.7%
Humle Småbolagsfond		1,500,000	1,500,000	1.8%	1.6%
Other	1,099,930	27,736,812	28,836,742	35.3%	36.2%
Total	**2,530,555**	**79,168,017**	**81,698,572**	**100.0%**	**100.0%**

Figures may be rounded.

** Pertains to nominee-registered clients at Banque Invik, meaning it does not pertain to own shareholdings.*

The number of shareholders increased during 2010 to 7,699 (7,516) at year-end. The ten largest shareholders accounted for 65.1 per cent (82.5) of the capital and 64.5 per cent (79.7) of the voting rights at 31 December 2010. Non-Swedish shareholders held 13.1 per cent (42.1) of the capital and 13.5 per cent (41.0) of the voting rights at 31 December 2010.

WARRANTS

The Annual General Meeting held on 20 May 2010 approved the authorisation of the Board, during the period up to the next Annual General Meeting, and on one or more occasions – with or without consideration of the preference rights of shareholders – to make decisions concerning the issue of 30,000,000 warrants covering Class B shares in return for payment in cash. The warrants are being used as part payment in the acquisition of former Catella, under which senior executives and key personnel in former Catella received warrants on commercial terms. The strike price for the warrants will be adjusted in the event of any future dividend to shareholders, along with any other dividends paid to shareholders during the same financial year, that exceed eight (8) per cent of their share's average price over a period of 25 trading days prior to the date on which the company's Board announced its intention to propose such a dividend to the Annual General Meeting.

SHAREHOLDINGS AFTER FULL DILUTION

In the event of the exercise of the warrants issued, the ownership structure at each date will be affected by dilution. The presentation below shows the dilution effect of the warrants on the ownership structure as of 31 March 2011. The warrants held by key people in the Catella Group have exercise dates ranging from 25 March through 25 May 2013, 2014, 2015 and 2016, with a distribution of 33 per cent, 13 per cent, 27 per cent and 27 per cent. Most of the senior executives' holdings of warrants have an exercise date during 2015 and 2016. A warrant provides the potential to subscribe for Class B shares at a strike price of SEK 11.

SHAREHOLDERS AFTER FULL DILUTION ON 31 MARCH 2011

Shareholders	Class A shares	Class B shares	Total	Capital	Votes
CA Plusinvest AB	612,437	30,530,294	31,142,731	27.9%	27.6%
Bronsstädet AB	475,000	6,372,980	6,847,980	6.1%	7.2%
Avanza Pension	11,201	3,811,087	3,822,288	3.4%	3.2%
Nordnet Pension	5,020	2,100,301	2,105,321	1.9%	1.7%
Banque Invik S A *	42,167	1,780,156	1,822,323	1.6%	1.6%
Unionen		1,981,158	1,981,158	1.8%	1.6%
Banque Carnegie Luxembourg SA		1,626,374	1,626,374	1.5%	1.3%
Traction AB		1,588,855	1,588,855	1.4%	1.3%
Altenberg-Reval AS	284,800	140,000	424,800	0.4%	1.3%
Humle Småbolagsfond		1,500,000	1,500,000	1.3%	1.2%
Other	1,099,930	27,736,812	28,836,742	25.8%	27.3%
Total	**2,530,555**	**79,168,017**	**81,698,572**	**73.1%**	**75.4%**

** Pertains to nominee-registered clients at Banque Invik, meaning it does not pertain to own shareholdings.*

Warrant holder	Class A shares	Class B shares	Total	Capital	Votes
Johan Ericsson, Chief Executive Officer		5,350,000	5,350,000	4.8%	4.4%
Lennart Schuss, Deputy Chief Executive Officer		5,350,000	5,350,000	4.8%	4.4%
Ando Wikström, Chief Financial Officer		5,350,000	5,350,000	4.8%	4.4%
Fredrik Sauter, Chairman Banque Invik		600,000	600,000	0.5%	0.5%
Anders Palmgren, Head of Business Development Corporate Finance		600,000	600,000	0.5%	0.5%
Other (Some 55 employees in the Group)		12,750,000	12,750,000	11.4%	10.5%
Total		**30,000,000**	**30,000,000**	**26.9%**	**24.6%**
Total number of shares and warrants	**2,530,555**	**109,168,017**	**111,698,572**	**100.0%**	**100.0%**

Figures may be rounded.

Corporate governance

Catella AB ("Catella") is a Swedish public limited company (publ) domiciled in Stockholm, Sweden. Catella, which has been listed on NASDAQ OMX First North since 16 January 2009, is subject to the Swedish Companies Act and First North's regulations. Catella does not apply the Swedish Code of Corporate Governance or the Annual Accounts Act's rules on corporate governance reports since NASDAQ OMX First North is not defined as a regulated market and these rules are consequently not applicable. However, Catella intends to apply the Swedish Code of Corporate Governance and Annual Accounts Act's rules on corporate governance reports in the near future.

GOVERNANCE AND CONTROL

Responsibility for the management and control of operations in Catella AB with subsidiaries is divided between the shareholders at the Annual General Meeting, the Board of Directors, the CEO and, as a part of the management audit, the auditor elected by the Annual General Meeting. This responsibility is based on the Companies Act, the Articles of Association, NASDAQ OMX First North's listing agreement and internal rules of procedure and instructions, and is followed up with the help of company-wide reporting procedures and standards.

SIGNIFICANT SHAREHOLDERS

The largest shareholders in Catella at 31 December 2010 were Johan Claesson through CA Plusinvest AB with a holding of 39.0 per cent of the capital and 37.3 per cent of the votes, followed by Peter Gyllenhammar through Bronsstädet AB with a holding of 8.4 per cent of capital and 9.5 per cent of the votes. More detailed information on the shareholders is available in the section on the Catella share and shareholders.

NOTICE OF THE ANNUAL GENERAL MEETING

The Articles of Association states that the official notice of the Annual General Meeting shall be published through advertisements in Post- och Inrikes Tidningar and Svenska Dagbladet. The notice of the Annual General Meeting shall be provided no earlier than six weeks and no later than four weeks prior to the meeting.

GENERAL MEETINGS 2010

The General Meeting of shareholders is the company's highest decision-making body. The Annual General Meeting was held on 20 May 2010 in Stockholm at which the following resolutions were passed:

- The Annual General Meeting adopted the income statement and balance sheet and the consolidated income statement and consolidated balance sheet, and resolved to allocate earnings in accordance with the proposal of the Board of Directors and the CEO.
- The Annual General Meeting set Board fees at SEK 1,100,000.
- Lorenzo Garcia, Björn Edgren, Johan Claesson, Johan Damne and Peter Gyllenhammar were appointed as Board members. Björn Edgren was elected as Chairman of the Board.
- The Annual General Meeting adopted principles for remuneration to senior executives.
- The Annual General Meeting authorised the Board to make decisions on new issues of a maximum of 30,000,000 warrants.

Furthermore, an Extraordinary General Meeting was held on 15 October 2010, which resolved:

- to amend the Articles of Association by changing the company name to Catella AB (publ),
- to amend the Articles of Association insofar as the minimum number of Board members is to be four and the maximum number ten with a maximum of two deputies,
- that the Board is to comprise four Board members without deputies until the next Annual General Meeting,
- to sell 30 per cent of the share capital and votes in Catella Capital Intressenter AB to a partner company owned by senior executives in the Catella Capital Group,
- to transfer the business in Catella Corporate Finance AB to two partnerships, 35 per cent of which are owned by senior executives in the Catella Corporate Finance Group through partner companies and the rest of which is owned by Scribona Nordic AB,
- to introduce a nomination committee and that the three largest shareholders will appoint three people to be on the Nomination Committee

NOMINATING COMMITTEE

In accordance with the Extraordinary General Meeting held on 15 October 2010, the three largest shareholders appointed Johan Claesson as representative of CA Plusinvest AB, Martin Hansson as representative of Bronsstädet AB and Lars G Öberg as representative of Stiftelsen Olle Engkvist Byggmästare to the Nominating Committee. Lars G Öberg is the Chairman of the Nominating Committee. The CEO met the Chairman of the Nominating Committee on one occasion and commented on the company's position and challenges as well as its strategic emphasis. The Chairman of the Board presented the Board's work during the year and commented on the members' efforts and attendance at the meetings (also refer to text below). The Nominating Committee's proposals concerning Board membership and Chairman of the Board are to be published not later than one week prior to the 2011 Annual General Meeting.

BOARD OF DIRECTORS AND ITS WORKING METHODS

The Board of Directors was formed in connection with the 2010 Annual General Meeting. The Board established a formal work plan, instructions for financial reporting and instructions for the CEO. The work plan regulates the duties of the Chairman, the matters that are to be discussed at each meeting and the matters that are to be discussed on special occasions during the year. During 2010, the Board did not work in any committees, but rather discussed the matters that would be discussed by, for example, a remuneration or audit committee in conjunction with regular Board work.

Johan Damne stepped down as a Board member in Catella AB (publ) on 14 July 2010. The previous CEO of Catella AB (publ), Lorenzo Garcia, who resigned on 13 September 2010, remained a member of the Board. The current CEO, Johan Ericsson, who began as CEO in conjunction with the acquisition of former Catella on 14 September 2010 is not a member of the Board but has served as presenter. In 2010, eight (8) Board meetings were held, of which one (1) was by correspondence. All current Board members participated in all meetings. Lorenzo Garcia and Johan Ericsson participated in all Board meetings during their respective terms as CEO. The acquisition and ensuing integration of former Catella, strategy issues and the streamlining of operations are issues that were provided particular focus during the year. The Chairman directed the Board's work and had continuous contact and dialogue with the CEO. The Chairman was also responsible for evaluating the Board's work through contact with the individual members and ensured that the Nominating Committee received information on the assessments. The Board met the auditors on one occasion and was given information on their opinions of the company's financial reporting and internal control. At the 2010 Board meetings, the minutes were kept by the former CFO and the current CEO. Since January 2011, the minutes have been kept by the company's Chief Legal Officer. The minutes are verified by the Chairman and one of the Board members.

BOARD MEETINGS AND ATTENDANCE

Number of meetings 2010	Number
Number of meetings	8
- of which, by correspondence	1
- of which, telephone meetings	0

Attendance	Number
Björn Edgren, Chairman	8
Johan Claesson, Board member	8
Peter Gyllenhammar, Board member	8
Lorenzo Garcia, Board member	8
Johan Damne, Board member *	2

** Johan Damne stepped down from his Board assignment on 14 July 2010.*

GROUP MANAGEMENT

Group Management has the overall responsibility for operations in the Catella Group in accordance with the strategy and the long-term objectives established by the Board of Catella AB (publ). The CEO regularly gathers subsidiary managers and other senior executives to discuss the business situation and other operational issues. The CEO has delegated the right to make decisions to subsidiary managers through a formal work plan in each subsidiary. Group Management is described in more detail in the Group Management section.

REMUNERATION TO THE BOARD AND SENIOR EXECUTIVES

Remuneration to the Board, the CEO and other senior executives is set forth in Note 11 of the annual report.

AUDIT

KPMG AB was elected as the company's auditor with Lars Marcusson as the auditor in charge at the 2010 Annual General Meeting. The company's external auditor attended one Board meeting.

FOLLOW-UP AND INTERNAL CONTROL

The Board has ultimate responsibility for the company's follow-up and internal control and has delegated the continuous management of the company's affairs to the CEO in the instructions to the CEO. The company's authorised signatories are the Board as a whole, the CEO or the Deputy CEO together with one of the Board members. The CEO may independently signs for the company concerning matters of continuous management, in accordance with the Companies Act.

The Catella Group consists of some 60 subsidiaries active in 24 cities in 13 European countries. Operations are mainly decentralised. Formal work plans that regulate the distribution of responsibility between the subsidiary boards and the CEO of each subsidiary are established through the subsidiary boards. The base of internal control comprises the control environment, which consists of the company's and the Group's corporate culture and business ethics, which are followed up using Group-wide reporting procedures and standards. An important component of the Group's follow-up and governance is that Group Management is represented on the subsidiary boards and reports on to the Board of the Parent Company.

Several of the Group's subsidiaries conduct activities that are under the inspection of the financial supervisory authority of each jurisdiction. The regulations to which these subsidiaries are subject affect the organisation and structure of the subsidiaries. In these subsidiaries, there is for example a special risk management function, internal audit and a regulatory compliance function that are independent from the business activities and the managers of these subsidiaries report both to each subsidiary's CEO and directly to the subsidiary's board. Group Management is represented on the subsidiary boards and reports on to the Parent Company's Board. Several of these subsidiary boards also have independent board members.

Board of Directors and auditors

Björn Edgren ***Chairman***
Born in 1938. Attorney and former Board member of several listed companies.

Current Board assignments: Chairman of the Board of Catella AB since 2008. Chairman of Smådalarö Gård AB (with subsidiaries) and member of Brogarn Förvaltning AB and the Swedish Society of Medical Science.

Employment: Partner of the law firm Advokatfirman Vinge KB, 1996-2004. Member of Group Management of Skandinaviska Enskilda Banken, 1992-1995. Member of the Swedish Bar Association, 1969-1992 and 1996 and forward.

Education: Bachelor of Law

Shareholdings (March 2011): 100,000 Class B shares

Option holdings (March 2011): None

Ownership: Private

Johan Claesson ***Member***
Born in 1951. Graduate economist and former Board member of several listed companies.

Current Board assignments: Board member of Catella AB since 2008. Chairman of the Boards of Claesson & Anderzén AB, CA Fastigheter AB and Alufab Ltd, K3 Business Technology Group PLC, Leeds Group PLC.

Employment: Owner and working Chairman of Claesson & Anderzén AB.

Education: Graduate Business Administrator

Shareholdings (March 2011): 612,437 Class A shares and 30,530,294 Class B shares

Option holdings (March 2011): None

Ownership: Through company

Lorenzo Garcia ***Member***
Born in 1952. Graduate economist and entrepreneur.

Current Board assignments: Board member of Catella AB since 2007. Chairman of the Board of Rolsta Kvarn Management AB and Ermico Consulting Ltd.

Employment: Former CEO of Scribona. Formerly active in Tech Data, including as the CFO for the Nordic region and later as CEO.

Education: Graduate Business Administrator and MBA

Shareholdings (March 2011): 698,629 Class B shares

Option holdings (March 2011): None

Ownership: Through company

Peter Gyllenhammar ***Member***
Born in 1953. Entrepreneur.

Current Board assignments: Board member of Catella AB since 2008. Board member of Bronsstädet AB. Board member of Leeds Group PLC, Browallia AB and Galjaden Fastigheter AB.

Employment: Owns and is the working chairman of Bronsstädet AB.

Shareholdings (March 2011): 475,000 Class A shares and 6,422,980 Class B shares

Option holdings (March 2011): None

Ownership: Through company

AUDITOR

Registered public accounting firm KPMG. Auditor since 2010. Auditor in charge Lars Marcusson, born 1960, Authorised Public Accountant.

Group Management

Johan Ericsson *Chief Executive Officer*
Born in 1951. CEO of Catella AB and member of Group Management since September 2010.

Current Board assignments: Is a Board member in the majority of the Catella Group's subsidiaries. Also have minor Board assignments outside Catella.

Employment: CEO of the consulting operations in former Catella. Employed by Catella since 1992.

Education: Business Administrator

Shareholdings (March 2011): None

Option holdings (March 2011): 5,350,000 with Class B shares as the underlying security. Most of the options have redemption dates between March and May in 2015 and 2016, respectively.

Ownership: Through company

Lennart Schuss *Deputy Chief Executive Officer*
Born in 1952. Deputy CEO of Catella AB and member of Group Management since September 2010.

Current Board assignments: Is a Board member in the majority of the Catella Group's subsidiaries. Also have minor Board assignments outside Catella.

Employment: Deputy CEO of the consulting operations in former Catella. Employed by Catella since 1992.

Education: Business Administrator

Shareholdings (March 2011): None

Option holdings (March 2011): 5,350,000 with Class B shares as the underlying security. Most of the options have redemption dates between March and May in 2015 and 2016, respectively.

Ownership: Through company

Ando Wikström *Chief Financial Officer*
Born in 1964. CFO of Catella AB and member of Group Management since September 2010.

Current Board assignments: Is a Board member in the majority of the Catella Group's subsidiaries.

Employment: Deputy CEO and CFO of the consulting operations in former Catella. Employee of Catella since 2001. Deputy CEO and CFO of Capona AB, 1998–2001. Group Controller of Diligentia Gruppen, 1993–1998. Active in Reinhold Gruppen with various positions in finance, 1989–1993.

Education: Business Administrator

Shareholdings (March 2011): 30,000 Class B shares

Option holdings (March 2011): 5,350,000 with Class B shares as the underlying security. Most of the options have redemption dates between March and May in 2015 and 2016, respectively.

Ownership: Through related parties and company

Johan Nordenfalk ***Chief Legal Officer***

Born in 1973. Chief Legal Officer of Catella AB since January 2011 and member of Group Management since March 2011.

Current Board assignments: Member of the Board of Banque Invik SA.

Employment: Was most recently an Attorney-at-Law and partner with the Hamilton law firm.

Education: Bachelor of Law, Maîtrise en droit

Shareholdings (March 2011): None

Option holdings (March 2011): None

Anders Palmgren ***Head of Business Development Corporate Finance***

Born in 1959. Head of Business Development Corporate Finance and member of Group Management since April 2011.

Current Board assignments: Board member of Catella's Swedish Corporate Finance company.

Employment: Employed in Catella since 2007. Previously the founder of and active in Genesta Property Nordic AB.

Education: Bachelor of Law

Shareholdings (March 2011): 26,000

Option holdings (March 2011): 600,000 with Class B shares as the underlying security.

Ownership: Private

Anne Rådestad ***Head of Communications***

Born in 1967. Head of Communications of Catella AB since January 2011 and member of Group Management since March 2011.

Current Board assignments: None

Employment: Most recently the Nordic PR and Public Affairs Manager at the pharmaceuticals company Wyeth AB (now Pfizer AB). Previous positions include the Head of Communications of Fastighetsägarna Sverige, PR Manager and Public Affairs Manager at Pfizer AB.

Education: Bachelor of Arts. Journalism programme at the Stockholm University Department of Journalism, Media and Communication.

Shareholdings (March 2011): None

Option holdings (March 2011): None

Fredrik Sauter ***Chairman Banque Invik***

Born in 1969. Chairman of Banque Invik since April 2011 and member of Group Management since March 2011.

Current Board assignments: Chairman of the Board of Banque Invik SA.

Employment: Was most recently the CEO of Skandiabanken and prior to that held senior positions in Danske Bank's Swedish operations.

Education: Business Administrator and MBA

Shareholdings (March 2011): None

Option holdings (March 2011): 600,000 with Class B shares as the underlying security. Most of the options have redemption dates between March and May in 2015 and 2016, respectively.

Ownership: Private

Annual report

Administration Report

The Board of Directors and the CEO of Catella AB (publ) (formerly named Scribona AB (publ)), corporate registration number 556079-1419, hereby present the annual report for the 2010 financial year. The financial performance of the Parent Company and Group is presented in the following income statements, balance sheets, cash flow statements, statements of changes in equity and notes. In 2010, Catella began to apply the International Financial Reporting Standards (IFRS) and recalculated comparative information for 2009 in accordance with IFRS 1 First-time Adoption of IFRS. The transition to IFRS is described in greater detail in Note 43.

OWNERSHIP STRUCTURE

Catella AB (publ) is domiciled in Stockholm, Sweden and listed on NASDAQ OMX First North with Remium AB as its Certified Adviser. Catella's largest shareholder with at least 1/10 of shares/votes at the end of the financial year was CA Plusinvest AB with 39.0 per cent (39.0) of the share capital and 37.3 per cent (37.3) of the votes. Catella's ten largest shareholders jointly control 65.1 per cent (82.5) of the share capital and 64.5 per cent (79.7) of the votes. The ownership structure is described in further detail on pages 30 and 31.

INFORMATION ON OPERATIONS

Catella is a European finance group active in Corporate Finance and Asset Management.

The Catella Group ("Catella") comprises the Parent Company Catella AB (publ) ("the Company") and a number of independent, but closely cooperating subsidiaries with their own Boards. Catella has 415 employees in 13 European countries.

Corporate Finance operations offer financial advisory services in selected market segments where transaction advice in the professional property market is currently the dominant activity.

Asset management offers services focused on fund management and wealth management as well as credit card and payment services to institutions, companies and private individuals.

In addition to this, Catella has Treasury Management that primarily consists of a portfolio with European securitised residential mortgages.

The current Group was formed through the acquisition on 13 September 2010 of Catella AB, which was renamed Catella Brand AB. The acquired operation is consolidated into the Group as of 30 September 2010, also see Note 38.

Before the acquisition of Catella Brand AB, the Group's operations comprised investment activities with two major investments implemented, European Equity Tranche Income Ltd and Banque Invik S.A. In addition to this, investments were made in listed shares. Accordingly, the acquisition of Catella Brand AB involved a change in business emphasis for the Group.

OVERVIEW OF EARNINGS, FINANCIAL POSITION AND CASH FLOW

Group performance – five-year summary

SEK M	2010	2009	2008*	2007*	2006*
Net sales	586	217	2,670	8,069	9,016
Operating profit/loss	9	406	-12	-44	-135
Profit/loss before tax	44	476	12	-81	-168
Net profit/loss for the year	25	472	10	-166	-172
Average number of employees	200	88	79	350	437

SEK M	2010	2009	2008*	2007*	2006*
Equity	1,012	1,051	562	567	745
Total assets	5,343	3,956	641	2,791	3,415
Equity/assets ratio, %	19	27	88	20	22

SEK M	2010	2009	2008*	2007*	2006*
Cash flow from operating activities	1,153	-463	1,031	-30	-32
Cash flow from investing activities	-268	2,120	-51	-2	-21
Cash flow from financing activities	227	0	-717	144	-166
Cash flow from divested activities	-	-	-	74	-110
Cash flow for the year	1,112	1,657	263	186	-329

* *The operations for these years differ from today's Catella and pertain to the distribution of IT and communications products in which Scribona was previously active and which was divested in 2008.*

Consolidated net sales amounted to SEK 586 M (217). The year's increase in sales derived mainly from the acquisition of former Catella, which thereby contributed to sales and earnings in the fourth quarter of 2010. Net sales in 2009 pertain entirely to Banque Invik, which was consolidated in the Group as of 1 April 2009, whereby the bank contributed to sales and earnings for nine months in 2009.

Consolidated operating profit amounted to SEK 9 M (406). Operating profit includes acquisition expenses of SEK 8 M (expense: 10) and expenses for the impairment of receivables in Banque Invik of SEK 22 M (5). The preceding year's profit included SEK 440 M in the revenue recognition of negative goodwill attributable to the acquisitions of Banque Invik and European Equity Tranche Income ("EETI").

Consolidated net financial items amounted to SEK 35 M (70). Net financial items include SEK 3 M (0) for interest expenses for the acquisition of former Catella. Valuation of non-current securities and short-term investments at fair value resulted in a negative value adjustment of SEK 17 M (positive: 45). In addition, the disposal of short-term investments generated a loss of SEK 11 M (gain: 4). Net financial items also include impairment losses on loan receivables in Banque Invik of SEK 11 M (0) and positive currency differences of SEK 5 M (negative: 33).

Consolidated profit before tax was SEK 44 M (476). Consolidated net profit for the year was SEK 25 M (472), corresponding to earnings per share of SEK 0.28 (5.75).

In 2010, consolidated equity decreased by SEK 39 M and amounted to SEK 1,012 M at 31 December 2010. In addition to profit for the year, equity was primarily impacted by negative translation differences of SEK 122 M and by transactions with shareholders totalling SEK 59 M.

In 2010, the consolidated balance sheet total increased by SEK 1,387 M to SEK 5,343 M at 31 December 2010. This sharp increase was attributable in part to the acquisition of former Catella and in part to a temporary deposit from customer of the subsidiary Banque Invik of SEK 882 M (EUR 98 M) between 23 December 2010 and 7 January 2011. Among other factors, this deposit affected the consolidated equity/assets ratio at 31 December 2010, which amounted 19 per cent.

The Group's cash flow from operating activities for 2010 was SEK 1,153 M (-463). Changes in working capital mainly related to deposits and lending in Banque Invik.

Investing activities resulted in a negative cash flow of SEK 268 M (positive: 2,120), which was negatively impacted by SEK 217 M for the acquisition of Catella AB and by SEK 7 M for the acquisition of further participations in the subsidiary EETI, and positively impacted by SEK 33 M for cash and cash equivalents in the acquired subsidiary CFA Partners AB, for which the purchase consideration comprised issued warrants valued at SEK 30 M. The cash flow was also negatively impacted by investments in a short-term securitisation portfolio of SEK 79 M, short-term investments in fund units of SEK 20 M and short-term investments in treasury bills of SEK 14 M, and positively impacted by loan portfolios in an amount of SEK 35 M. In addition, the Group obtained a positive net cash flow of SEK 8 M from the buying and selling of shares, options and other short-term investments.

Cash flow from financing activities amounted to SEK 227 M (0), which primarily pertained to the raising of acquisition loans of SEK 310 M and repayments on acquisition loans and bank overdraft facilities totalling an amount of SEK -86 M.

Cash flow for the year was SEK 1,112 M (1,657).

Performance of operating segments – two-year summary

	Corporate Finance		Asset Management		Treasury Management	
SEK M	2010	2009	2010	2009	2010	2009
Net sales	196	-	390	217	-	-
Operating profit/loss	57	-	-7	132	-5	291
Profit before tax	57	-	11	163	6	364
Net profit for the year	40	-	4	162	6	364

SEK M	2010	2009	2010	2009	2010	2009
Equity	94	-	462	372	508	518
Total assets	336	-	4,527	3,241	508	519
Equity/assets ratio, %	28	-	10	11	100	100

Corporate Finance recognised net sales of SEK 196 M (0). Profit before tax was SEK 57 M (0). Corporate Finance is a part of the operations that the Group acquired in September 2010 and which thereby only contributed to sales and earnings in the fourth quarter of 2010. The market for property transactions gradually improved in 2010 and growth was strong in the fourth quarter, which contributed to a high level of business activity in the Corporate Finance operating segment.

Asset management recognised net sales of SEK 390 M (217), with the increase mainly attributable to the acquisition of former Catella in September 2010. The preceding year's sales include Banque Invik for nine months as the bank was consolidated into the Group as of 1 April 2009. Profit before tax amounted to SEK 11 M (163). Profit also includes expenses for the impairment of loan receivables and other receivables in Banque Invik of SEK 33 M (expense: 5). The preceding year's profit included a non-recurring item of SEK 145 M pertaining to revenue recognition of negative goodwill attributable to the acquisition of Banque Invik.

For 2010, Catella's Treasury Management reported net profit before tax of SEK 6 M (364), which included interest income of SEK 43 M (24) mainly from loan portfolios. The preceding year's profit included EETI for six month, since the subsidiary was consolidated in the Group as of 1 July 2009. Valuation of the non-current securities and short-term investments at fair value resulted in a negative value adjustment of SEK 2 M (positive: 24) and SEK 15 M (positive: 21), respectively. In addition, the disposal of short-term investments generated a loss of SEK 11 M (gain: 4). Profit for the year also included negative exchange differences of SEK 4 M (0). The preceding year's profit included a non-recurring item of SEK 295 M pertaining to revenue recognition of negative goodwill attributable to the acquisition of the subsidiary EETI.

INVESTMENTS, DEPRECIATION AND AMORTISATION

The Group's investments in non-current assets during the financial year totalled SEK 487 M (102). Of this, SEK 296 M pertained to investments in intangible assets, such as trademarks, customer portfolios, software licences and goodwill, in connection with the acquisition of former Catella in September 2010. Acquired tangible fixed assets amounted to SEK 21 M. Furthermore, equity funding was done with SEK 56 M and purchases of shares, options and other short-term investments amounted to SEK 34 M. Remaining investments essentially pertain to acquisitions of securitisation portfolios, which were later sold on 30 December 2010. Depreciation and amortisation amounted to SEK 19 M (10) during the year.

FINANCING*

In connection with the acquisition of former Catella, the Company entered into an agreement regarding loan financing with an external bank and the Company's principal owner. At the time of the loan, the external bank financing amounted to SEK 260 M extending for three years with an end date in September 2013. The repayment rate of the loan is partially based on the cash flow from loan portfolios. The financing is also conditional on certain key figures (loan covenants) based on performance, financial position and cash flows. In the fourth quarter, SEK 13 M

** Pertains to the Group, excluding the Banque Invik subsidiary.*

was repaid and at 31 December 2010, the external bank financing amounted to SEK 247 M. The loan from the Company's principal owner was repaid in its entirety in the fourth quarter.

In addition, the Group has granted bank overdraft facilities of SEK 35 M, of which SEK 35 M was unutilised at 31 December 2010.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

On 26 May 2010, Catella AB (publ), formerly Scribona AB (publ), announced that an agreement had been reached regarding the acquisition of former Catella AB (renamed Catella Brand AB). The Swedish Financial Supervisory Authority granted its approval for the acquisition on 31 August 2010. Catella AB (publ) took possession of the shares on 13 September 2010. The purchase consideration including the redemption of former Catella's loans to the seller group totalled SEK 435 M including interest and transaction costs. The acquisition was financed with SEK 310 M of external financing, SEK 30 M in issued warrants and the remaining SEK 95 M in cash and cash equivalents. The acquired operations are consolidated in the Group as of 30 September 2010, which is why they did not contribute to sales or profit in the first three quarters of 2010; also refer to Note 38.

In connection with the acquisition of the former Catella, a review was done of the Group's reporting by operating segment. The operating segments presented in this report, Corporate Finance and Asset Management, as well as the dormant operating segment Treasury Management, match the internal reporting submitted to management and the Board.

Due to the acquisition of former Catella and new management taking over, a strategic review has begun of the Group's emphasis and operations.

The following was resolved at the Extraordinary General Meeting on 15 October:

- The Articles of Association are amended with regard to the company name and the lowest number of Board members. Scribona AB (publ) was renamed Catella AB (publ) and the Articles of Association were amended insofar as the minimum number of Board members is to be four and the maximum of Board members is to be ten with two deputies.
- The Board is to comprise four Board members without deputies until the next Annual General Meeting.
- Of the share capital and votes in Catella Capital Intressenter AB, 30 per cent shall be sold to a partner company owned by senior executives in the Catella Capital Group.
- The business in Catella Corporate Finance AB is to be transferred to two partnerships, 35 per cent of which are owned by senior executives in the Catella Corporate Finance Group through partner companies and the rest of which is owned by Catella Holding AB (formerly Scribona Nordic AB).
- A Nominating Committee is to be introduced and the three largest shareholders will appoint three people to be on the Nominating Committee.

On 1 December 2010, Fredrik Sauter began as the new CEO of the subsidiary Banque Invik.

SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

In January 2011, Catella announced that it was establishing a new business in the market for fixed-income products. The new operation will act as a financial advisor and conduct issues of fixed-income products.

On 28 January 2011, Catella entered an agreement to acquire approximately 55 per cent of the share capital and votes of EKF Enskild Kapitalförvaltning. At the same time, Catella directed an offer to the other shareholders in EKF Enskild Kapitalförvaltning to acquire the remaining shares at the same price. All shareholders have accepted the offer and Catella took possession of the shares in EKF Enskild Kapitalförvaltning on 29 April 2011 following the approval of the Swedish Financial Supervisory Authority. The total purchase consideration for all shares in EKF Enskild Kapitalförvaltning is approximately SEK 50 M. Given that the acquisition was only recently implemented, a process aimed at identifying the acquired assets and liabilities is under way. The acquisition should be viewed as an initial step in the establishment of a complete wealth management operation in Sweden and the Nordic region, and will be conducted in parallel with existing fund operations.

EKF Enskild Kapitalförvaltning is an independent asset manager on the Swedish market. Operations are conducted with a head office in Stockholm and local office in Växjö. It has 29 employees. The company is an account-operating institution, clearing member and manager in Euroclear and manages approximately SEK 4 Bn. Its customers include private individuals, companies, foundations and trade associations.

On 23 March 2011, the Board of Catella AB (publ) decided to initiate a sales process of Banque Invik's credit card and payment operations, or the entire bank, to streamline Catella's operations and focus on two operating segments, Corporate Finance and Asset Management. The Board also decided to implement changes to the management organisation in Banque Invik. Fredrik Sauter is leaving the position as CEO to become the bank's Chairman of the Board and Anders Thonning was appointed as the new CEO. Banque Invik, which has its head office in Luxembourg, has 127 employees.

During the spring, it was decided that Group Management of the Catella Group would comprise Johan Ericsson (Chief Executive Officer), Lennart Schuss (Deputy Chief Executive Officer), Ando Wikström (Chief Financial Officer), Johan Nordenfalk (Chief Legal Officer), Anders Palmgren (Head of Business Development Corporate Finance), Anne Rådestad (Head of Communications) and Fredrik Sauter (Chairman Banque Invik). In addition to this, a Executive Committee will be established with representatives of the larger subsidiaries in the Nordic region and Europe.

EMPLOYEES

The number of employees at the end of the period, equal to the number of full-time positions, was 415 (118). Of these, 183 (0) were employed in the Corporate Finance operating segment, 220 (116) in the Asset Management operating segment and 12 (2) were employed in the Parent Company functions. Women accounted for 41 per cent of the employees and men 59 per cent. Of employees, 63 per cent had a university education or the equivalent.

FINANCIAL INSTRUMENTS, RISKS AND UNCERTAINTIES

Risks and uncertainties

Within the Corporate Finance and Asset Management operating segments, seasonal variations are significant. This means that sales and performance vary during the year. Within Corporate Finance, transaction volumes are usually peak in the fourth quarter, followed by the second quarter, then the third and first quarter. The performance variations in Asset Management are mainly attributable to fund activities, the profit from which is affected by variable revenues established at year-end.

The Corporate Finance operating segment relies on the credit market functioning efficiently. The credit market in turn affects the market for property transactions, which is one of Catella's principal markets in Corporate Finance. Corporate Finance is also very human-resource intensive and relies on key individuals. If several key people were to decide to leave Catella, this could affect the Group's sales and performance.

In the Asset Management operating segment, various kinds of risks arise, such as credit risk, market risk, liquidity risk and operating risk. There are established policies and instructions for granting credit and other operating risks with the aim of limiting and controlling risk-taking in the operations.

The Asset Management operating segment encompasses the Group's asset management and banking operations. The operating segment's transactions in foreign currencies give rise to limited currency exposure. Currency exposure is hedged using derivative instruments. The operating segment does not trade in financial instruments for its own account but only on behalf of customers in connection with the customers' transactions. All transactions carried out on behalf of customers are governed by instructions from customers or agreed investment regulations or fund rules. Catella does not bear any risk associated with the development in the financial instruments except in cases where the agreed instructions are not complied with. Several subsidiaries in the operating segment are under the supervision of the financial supervisory authority in the country in which they have their legal domicile. Banking operations, and the credit card and payment operations that are conducted, are exposed to credit and counterparty risks and changes in regulations attributable to the operations. Consolidated sales and profit could be negatively impacted in the event of any regulatory changes and changes in the credit rating of customers and counterparties.

Financial risks are mainly managed through continuous measurement and follow-up of the financial development. Financial risks also arise because the Group is in need of external financing and uses a number of different currencies. These risks, which mainly comprise interest-rate risk, currency risk, financing and liquidity risk and credit/counterparty risk, are described in Note 3.

The preparation of financial reports requires that the Board and Group Management make estimates and assessments. Such estimates and assessments affect the income statement and the balance sheet, as well as disclosures provided on contingent liabilities, for example. Actual outcomes could deviate from these estimates and assessments, depending on changes in circumstances or conditions. Further information on critical estimates and assessments is presented in Note 4.

Financial instruments

The use of financial instruments mainly occurs in the Asset Management operating segment, as per the following:

Strategy for the use of financial instruments

In Asset Management, active trading is provided in all types of securities and foreign currencies on behalf of the customers and managed funds. In addition, the bank advises its customers on financial matters according to the following:

Short-term investments: deposit accounts with automatic payment of accrued interest and principal at maturity.

Mid-term investments: at the customer's request, investments in equities, funds and bonds adapted to the customer's risk profile with an investment horizon of three to five years.

Management of funds and discretionary management: investments in accordance with each fund's provisions or investment directives based on the manager's assessments.

The operating segment does not trade in or take positions for its own account in financial instruments except for the purpose of limiting currency exposure arising in Banque Invik's card operations. Due to the operating segment's cautious policy for granting credit and trading in financial instruments, exposure to risks is limited. The operating segment is mainly exposed to credit risk and market price risk.

Derivative instruments

The occurrence of derivative instruments is limited. The operating segment has some currency exposure attributable to transactions in foreign currency and uses currency swaps and forward agreements to limit the risk as per the following:

Forward currency contracts are agreements to purchase foreign and domestic currency, including undelivered spot transactions.

Currency swaps are agreements to swap a cash flow in one currency for another. Swaps result in a financial exchange of currencies.

The hedging transactions described above are of a financial nature and are not recognised as hedges in accordance with the accounting standard IAS 39 Financial Instruments.

Other risks

Other risks in the Group are, for example, operating, strategic, political, reputation and commercial risks.

Operating risk

Operating risk is the risk of a loss due to internal causes (data error, mistakes, fraud, insufficient compliance to laws and internal regulations, other deficiencies in internal control etc.) and events in the surrounding world (natural disasters, external crime, etc.). The Group has built up procedures and controls to minimise operating risk. Parts of the Group, particularly in Banque Invik, are also exposed to considerable operating risk. There are substantial volumes and considerable transactions subject to real-time systems with requirements of 24-hour availability. For traditional insurable risks such as fire, theft, liability and the like, the Group is assessed to have satisfactory protection through the existing insurance coverage.

Reputation risk

Reputation risk is the risk that a company's reputation is damaged on the market, in the media or with customers. Reputation risk increases in pace with the companies growing and becoming larger players on the market. The companies currently believe that their reputations are strong and the customer base is broad.

Political risk

The Treasury Management operating segment holds shares, options, funds and loan portfolios. Its most significant investment is in the subsidiary European Equity Tranche Income ("EETI"), which has invested in securitised European loans primarily with exposure to housing. The objective of the investments is to provide a stable return. The loan portfolios owned by EETI are described further in Notes 3 and 23 in the annual report. In addition to the financial risks described in these notes, EETI is exposed to political risk. Retroactive changes in laws could also have a negative impact on the value of EETI's investments. It is difficult to determine precisely how such changes would influence consumer behaviour and it is possible that the repayment rate would rise and affect the expected cash flow from the investments.

Other political risks include potential changes in regulations that affect the Group's operations and how they are conducted. If subsidiaries were unable to meet the requirements arising from any new regulations, this could have a negative impact on the Group's performance and on the value of the assets in its subsidiaries. No assessment can be made of any impact from this risk.

Strategic risk and other risks

Strategic risk could result from institutional changes and changes in fundamental market conditions that occur. Legal and ethical risks are based in part on external regulations, mainly legislation and regulations, guidelines and instructions of supervisory authorities for the operations, and in part on the requirements of the business community on operations being conducted on confidence-building grounds. The Catella Group actively works with trade organisations, legal networks and other contacts to be able to influence and adapt the companies' operations to changes in strategic risks early on. Processes in the operations are subject to internal regulations. Continuous training, control and follow-up of regulatory compliance takes place in risk and legal/compliance, which together with the management is responsible for continuously updating the regulations.

FUTURE DEVELOPMENT

The acquisition of former Catella will create a financially strong listed European finance group active in Corporate Finance and Asset Management. In these operating segments, Catella is focusing on selected segments in which high, specialist expertise and a local presence combined with international coverage are crucial to generating added value for customers. Catella's objective is to be the leader in selected segments, which will be achieved by offering the customers structured, specialist expertise with deep and broad knowledge of the selected segments.

RESEARCH AND DEVELOPMENT

Catella is a financial group and does not conduct research in the sense referred to in IAS 38 Intangible assets. The work of refining and developing the Group's range of services is continuously in progress. There were no capitalised development expenses in the Group at 31 December 2010.

ENVIRONMENTAL IMPACT

Catella AB and its subsidiaries do not conduct any operations that require permits under the Environmental Code.

PARENT COMPANY

Catella AB (publ) is a holding company for the Group. The Parent Company's operating result during the year amounted to a loss SEK 11 M (-6) and profit before tax amounted to SEK 37 M (62). Dividends from subsidiaries were received in an amount of SEK 198 M (141). In connection with the payment of dividends, an impairment loss of SEK 152 M (-71) was recognised on shares in subsidiaries. The result from the liquidation of the subsidiary, Scribona Oy, amounted to SEK 1 M.

In connection with agreements being reached on the acquisition of former Catella, the Parent Company issued 30,000,000 warrants in an amount of SEK 30 M as part payment of the acquisition. The issue price was determined on commercial terms.

Cash and cash equivalents amounted to SEK 1 M (1) on the balance sheet date. Total assets amounted to SEK 572 M (505). No investments in non-current assets were made during the period. At year-end, there was one (2) employee, equivalent to full-time positions, in the Parent Company.

PROPOSAL ON THE ALLOCATION OF EARNINGS

The following distributable funds and earnings in the Parent Company are at the disposal of the Annual General Meeting.

Share premium reserve	SEK 46,349,268
Profit brought forward	SEK 72,545,380
Net profit for the year	SEK 37,415,294
	SEK 156,309,942

The Board of Directors and CEO propose that the distributable funds be allocated so that SEK 156,309,942 be carried forward, of which SEK 46,349,268 is to be allocated to the share premium reserve.

PROPOSAL ON GUIDELINES FOR REMUNERATION OF SENIOR EXECUTIVES IN CATELLA 2011

The Board of Directors of Catella AB (publ) proposes that the 2011 Annual General Meeting resolve to adopt the following guidelines for the remuneration of senior executives.

Scope of guidelines

These guidelines pertain to remuneration and other terms of employment for those that are members of Catella's Group Management under the guidelines, hereby jointly called "senior executives." Members of Group Management currently include Johan Ericsson (Chief Executive Officer), Lennart Schuss (Deputy Chief Executive Officer), Ando Wikström (Chief Financial Officer), Johan Nordenfalk (Chief Legal Officer), Anders Palmgren (Head of Business Development Corporate Finance), Anne Rådestad (Head of Communications) and Fredrik Sauter (Chairman Banque Invik). The guidelines apply to agreements entered into after the Annual General Meeting resolutions and for changes made in existing agreements after this point in time. The Board is to have the right to deviate from the guidelines if there is special reason to do so. The guidelines are to be subject to an annual review.

Guidelines

The Board proposes the following guidelines for the remuneration of senior executives.

Remuneration of the Chief Executive Officer, other people in Group Management and employees of the Parent Company will normally comprise fixed salary, variable salary and other benefits as well as pensions. The combined remuneration is to be in line with commercial terms and competitive, and also be in proportion to responsibility and authority. Variable salary must not exceed the fixed salary. Upon termination of employment by the company, payment during the period of notice and severance pay may not exceed 12 months' salary. Pension benefits are to be defined contribution. The Board will only be entitled to deviate from the guidelines if there is special reason to do so in the individual case.

Consolidated income statement

SEK M	Note	2010 Jan–Dec	2009 Jan–Dec
Net sales	6	586	217
Other operating income	7	14	17
		600	**234**
Other external costs	8	-283	-177
Personnel costs	10,11,12	-263	-75
Depreciation/amortisation	9	-19	-10
Recognition of negative goodwill	38	-	440
Other operating expenses	13	-26	-5
Operating profit		**9**	**406**
Interest income	14	80	82
Interest expense	14	-15	-36
Other financial income	14	40	74
Other financial expenses	14	-71	-50
Net financial items		35	70
Profit before tax		**44**	**476**
Tax	15	-19	-4
Net profit for the year		**25**	**472**
Profit attributable to:			
Shareholders of the Parent Company		23	469
Non-controlling interests		2	3
		25	**472**
Earnings per share attributable to shareholders of the Parent Company, SEK:	16		
- before dilution		0.28	5.75
- after dilution		0.26	5.75
Number of shares at end of the period		81,698,572	81,698,572
Average weighted number of shares after dilution		87,550,220	81,698,572

Consolidated statement of comprehensive income

SEK M	2010 Jan–Dec	2009 Jan–Dec
Net profit for the year	25	472
Other comprehensive income		
Fair value changes in financial assets available for sale	-1	4
Currency translation differences	-122	-12
Other comprehensive income for the period, net after tax	-123	-8
Total comprehensive income for the period	**-99**	**464**
Profit attributable to:		
Shareholders of the Parent Company	-97	463
Non-controlling interests	-2	1
	-99	**464**

Consolidated statement of financial position

SEK M	Note	31 December 2010	31 December 2009	1 January 2009
ASSETS				
Non-current assets				
Intangible assets	18	314	24	-
Tangible fixed assets	19	26	14	-
Holdings in associated companies	20	6	-	-
Financial assets available for sale	22	12	24	-
Financial assets measured at fair value through profit and loss	23	404	431	-
Non-current loans receivable	26	35	66	-
Deferred tax assets	15	5	4	-
Other non-current receivables	27	5	1	3
		807	**564**	**3**
Current assets				
Accounts receivable	25	182	-	-
Current loans receivable	26	1,169	1,110	169
Prepaid tax		33	8	-
Other receivables		51	24	13
Prepaid expenses and accrued income	28	141	97	5
Derivative instruments	21	1	16	-
Financial assets measured at fair value through profit and loss	23	63	66	-
Financial assets held to maturity	24	13	-	-
Client funds		3	-	-
Cash and cash equivalents	29	2,879	2,073	451
		4,536	**3,392**	**638**
Total assets		**5,343**	**3,956**	**641**
EQUITY AND LIABILITIES				
Equity	30			
Share capital		163	163	163
Other contributed capital		283	253	253
Reserves		-141	-21	-14
Profit brought forward including net profit for the year		671	630	160
Equity attributable to shareholders of the Parent Company		976	1,025	562
Non-controlling interests		36	26	-
Total equity		**1,012**	**1,051**	**562**
Liabilities				
Non-current liabilities				
Borrowings	31	172	-	-
Non-current loan liabilities	31	31	37	-
Deferred tax liabilities	15	38	17	17
Other provisions	32	13	7	3
		254	**61**	**20**
Current liabilities				
Borrowings	31	147	238	-
Current loan liabilities	31	3,534	2,441	-
Derivative instruments	21	1	16	-
Accounts payable		54	8	13
Tax liabilities		53	29	8
Other liabilities		41	87	-
Accrued expenses and deferred income	33	243	25	38
Client funds		3	-	-
		4,077	**2,844**	**59**
Total liabilities		**4,331**	**2,904**	**79**
Total equity and liabilities		**5,343**	**3,956**	**641**

For information on the Group's pledged assets and contingent liabilities, see Notes 34–36.

Consolidated statement of cash flow

SEK M	Note	2010 Jan–Dec	2009 Jan–Dec
Cash flow from operating activities			
Profit before tax		44	476
Adjustments for non-cash items:			
Other financial items		31	-24
Depreciation/amortisation	9	19	10
Recognition of negative goodwill	38	-	-440
Impairment current receivables	13	25	-
Provision changes		2	-4
Interest income from loan portfolios		-40	-24
Acquisition expenses	38	8	10
Profit/loss from participations in associated companies	13	-1	-
Personnel costs not affecting cash flow	10	28	-
Paid income tax		-22	-28
Cash flow from operating activities before changes in working capital		**92**	**-23**
Cash flow from changes in working capital			
Increase (–) / decrease (+) in operating receivables		-308	-405
Increase (+) / decrease (–) in operating liabilities		1,369	-35
Cash flow from operating activities		**1,153**	**-463**
Cash flow from investing activities			
Acquisition of tangible fixed assets	19	-2	-1
Divestment of tangible fixed assets	19	1	-
Acquisition of intangible assets	18	-9	-4
Acquisition of subsidiaries, after deductions for acquired cash and cash equivalents	38	-191	2,102
Sale of subsidiaries, after deductions for divested cash and cash equivalents		-	2
Acquisition of associated companies	20	-1	-
Acquisition of financial assets		-149	-63
Sale of financial assets		48	27
Cash flow from loan portfolios		35	21
Repayment of loans receivable		-	36
Cash flow from investing activities		**-268**	**2,120**
Cash flow from financing activities			
Non-executed dividend		1	-
Loans raised		307	-
Repayment of loans		-86	-
Transactions with non-controlling interests		5	-
Cash flow from financing activities		**227**	**0**
Cash flow for the year		**1,112**	**1,657**
Cash and cash equivalents at beginning of period		2,073	451
Exchange rate differences in cash and cash equivalents		-306	-35
Cash and cash equivalents at end of the period	29	**2,879**	**2,073**

Paid interest is described in Note 37.

Consolidated statement of changes in equity

	Equity attributable to shareholders of the Parent Company							
SEK M	Share capital	Other contributed capital[1]	Fair value reserve[2]	Translation reserve	Profit brought forward incl. Net profit/loss for the period	Total	Non-controlling interests	Total equity
Opening balance at 1 January 2010	**163**	**253**	**4**	**-25**	**630**	**1,025**	**26**	**1,051**
Comprehensive income for January–December 2010:								
Net profit for the year					23	23	2	25
Other comprehensive loss, net after tax			-2	-118		-120	-4	-123
Comprehensive income/loss for the year			**-2**	**-118**	**23**	**-97**	**-2**	**-99**
Transactions with shareholders:								
Transactions with non-controlling interests					17	17	-5	12
Warrants issued		30				30		30
Capital contributions							6	6
Non-executed dividend					1	1		1
Non-controlling interests in acquired companies						0	11	11
Closing balance at 31 December 2010	**163**	**283**	**2**	**-143**	**671**	**976**	**36**	**1,012**

1 Other capital contributed pertains to share premium reserves in the Parent Company.
2 Pertains to fair value reserve regarding available-for-sale financial assets, including translation differences on them.
In May 2010, the Parent Company issued 30,000,000 warrants to senior executives in Catella.

	Equity attributable to shareholders of the Parent Company							
SEK M	Share capital	Other contributed capital[1]	Fair value reserve[2]	Translation reserve	Profit brought forward incl. Net profit/loss for the period	Total	Non-controlling interests	Total equity
Opening balance at 1 January 2009 according to former accounting policies	163	250	-	-14	163	562	-	562
Effect of transition to IFRS	-	3	-	-	-3	0	-	0
Adjusted opening balance at 1 January 2009	**163**	**253**	**0**	**-14**	**160**	**562**	**0**	**562**
Comprehensive income for January – December 2009:								
Net profit for the year					469	469	3	472
Other comprehensive income/loss, net after tax			4	-10		-7	-1	-8
Comprehensive income/loss for the year			**4**	**-10**	**469**	**463**	**1**	**464**
Transactions with shareholders:								
Non-controlling interests in acquired companies						0	25	25
Closing balance at 31 December 2009	**163**	**253**	**4**	**-25**	**630**	**1,025**	**26**	**1,051**

1 Other capital contributed pertains to share premium reserves in the Parent Company.
2 Pertains to fair value reserve regarding available-for-sale financial assets, including translation differences on them.

Notes to the consolidated financial statements

NOTE 1 COMPANY INFORMATION

The Catella Group (referred to below as "Catella") encompasses the Parent Company, Catella AB (publ) (referred to below as the "Parent Company"), and a number of companies that conduct operations in two operating segments: Corporate Finance and Asset Management. In addition, Catella has a Treasury Management unit that primarily contains a portfolio of European securitised housing loans.

Catella AB (publ), previously Scribona AB (publ), acquired former Catella during the 2010 financial year and, following the completion of the acquisition, changed its name from Scribona AB (publ) to the business name of Catella AB (publ). Additional information regarding the acquisition and the changes in the operations is provided in the Administration Report and in Note 38.

The Annual Report and the consolidated financial statements for Catella AB (publ) for the financial year ending on 31 December 2010 were approved for publication by the Board of Directors and the Chief Executive Officer on 3 May 2011 and will be presented for adoption at the Annual General Meeting on 25 May 2011.

The Parent Company is a Swedish limited liability company domiciled in Stockholm, Sweden. The head office is located at Birger Jarlsgatan 6 in Stockholm. The company's shares have been listed on the NASDAQ OMX First North since 16 January 2009.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Basis for the preparation of the financial statements

The consolidated financial statements for the Catella Group were prepared in compliance with Recommendation RFR 1 Supplementary Accounting Rules for Groups and International Financial Reporting Standards (IFRS) and IFRIC interpretations adopted by the EU. The consolidated financial statements were prepared in accordance with the cost method, except regarding remeasurement of financial assets available for sale and financial assets and liabilities (including derivative instruments) measured at fair value through profit and loss.

The preparation of the financial statements requires that the Board of Directors and Group Management make estimates and assessments. These estimates and assessments affect the income statement, statement of comprehensive income and statement of financial position, as well as the disclosures provided, for example, regarding contingent liabilities. The actual outcome may differ from these assessments in the context of other assumptions or under other conditions. The areas involving a high degree of assessment and that are complex, or such areas for which assumptions and estimates of material importance to the consolidated financial statements, include the assessment of future cash flows that, for example, form the basis of the measurement of loan portfolios, goodwill, brands and contract portfolios, the measurement of deferred tax assets attributable to tax-loss carryforwards, the measurement of accounts receivable and assessments of disputes and provision requirements for such disputes.

The accounting policies presented below were applied consistently to all periods presented in the consolidated financial statements, with the exceptions described in greater detail. Furthermore, the Group's accounting policies were consistently applied by the Group's companies and the policies of associated companies were adjusted to the Group's accounting policies wherever necessary.

Changes to accounting policies and disclosures

(a) Introduction of IFRS: The Group previously applied the Swedish Annual Accounts Act and the general advice and guidelines for large companies of the Swedish Accounting Standards Board, and made the transition to IFRS in 2010. IFRS is applied from 1 January 2009 and comparative information for 2009 was restated in accordance with IFRS. The transition to IFRS and the changes it has entailed are described in Note 43.

(b) Standards, amendments and interpretations of existing standards for which the change has not yet come into effect and has not been applied in advance by the Group: The following standards and interpretations of existing standards have been published and are compulsory for the consolidated financial statements for financial years beginning 1 January 2011 or later, but have not been applied in advance.

Standards, amendments and interpretations of existing standards that affect the Group

IFRS 9 Financial instruments (published in November 2009). This standard is the first step in the process of replacing IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces two new requirements for the recognition and measurement of financial assets and will probably affect the Group's recognition of financial assets. The standard is not applicable until financial years beginning on 1 January 2013, but is available for advance application. However, since the standard has not yet been adopted by the EU, advance application is not possible. The Group is yet to assess the full impact of IFRS 9 on the financial statements.

IAS 24 Related Party Disclosures (revised) issued in November 2009. This version replaces IAS 24 Related Party Disclosures issued in 2003. IAS 24 (revised) is to be applied to financial years beginning on 1 January 2011 or later. The revised standard clarifies and simplifies the definition of a related party. The Group will apply the revised standard from 1 January 2011 and does not believe that it will affect the disclosures provided on related parties.

Standards, amendments and interpretations of existing standards that are not deemed to affect the Group:

- Classification of subscription rights (amendment to IAS 32), applies to financial years beginning 1 February 2010 or later
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments applies to financial years beginning 1 July 2010 or later.
- IFRIC 14 (amendment) Prepayments of a Minimum Funding Requirement. The amendment applies to financial years beginning 1 January 2011.
- IFRS 7 Financial Instruments: Disclosures regarding new disclosure requirements for transferred financial assets. The amendment will be applied from financial years beginning 1 July 2011 or later.

Consolidated financial statements

(a) Subsidiaries: Subsidiaries are all of the companies (including special purpose entities) in which the Group has the right to formulate financial and operational strategies in a manner usually associated with a shareholding of more than half of the voting rights. The existence and effect of potential voting rights that may currently be utilised or converted are taken into consideration in the assessment of whether the Group exercises a controlling influence over another company. Subsidiaries are included in the consolidated financial statements from the date on which the controlling influence is transferred to the Group. They are excluded from the consolidated financial statements on the date on which the controlling influence ceases. All transactions with shareholders of subsidiaries are recognised based on the substance of these transactions. Gains/losses attributable to shareholders of subsidiaries, in which they work, are placed on a par with other forms of variable remuneration and, accordingly, are recognised as personnel costs in the income statement. These shareholders' portion of the net assets in the Group is recognised in the consolidated statement of financial position as a non-controlling interest.

The purchase method is applied to the recognition of the Group's acquisitions of subsidiaries. The cost of an acquisition comprises the fair value of assets provided as consideration, issued equity instruments, and liabilities arising or assumed on the transfer date. Identifiable acquired assets, assumed liabilities and contingent liabilities in a business combination are initially measured at fair value on the acquisition date, and any non-controlling interests. The surplus that is comprised of the difference between the cost and the fair value of the Group's share of the identifiable acquired assets, liabilities and contingent liabilities is recognised as goodwill. If the cost is less than the fair value of the acquired subsidiary's assets, liabilities and contingent liabilities, the difference is recognised directly through profit and loss. Contingent consideration is recognised on the acquisition date at fair value and classified as a liability that is subsequently remeasured through profit and loss. Non-controlling interests in the acquired business can, on an acquisition-by-acquisition basis, be measured at either fair value or at the proportionate share of the net assets of the acquired business held without a controlling influence. All acquisition-related transaction costs are expensed. These costs are recognised in the Group under the item "Other external expenses" in the income statement.

Inter-company transactions, balance-sheet items and unrealised gains and losses on transactions between Group companies are eliminated. Wherever appropriate, the accounting policies for the subsidiaries have been changed in order to guarantee the consistent application of the Group's policies.

(b)Transactions with shareholders of non-controlling interests: The Group treats transactions with non-controlling interests as transactions with the Group's shareholders. In conjunction with acquisitions from non-controlling interests, the difference between the consideration paid and the actual acquired portion of the carrying amount of the subsidiary's net assets is recognised in equity. Gains and losses attributable to divestments of non-controlling interests are also recognised in equity.

When the Group no longer holds a controlling or significant influence, each remaining holding is remeasured at fair value and the change in the carrying amount recognised in profit and loss. The fair value is utilised as the first/opening carrying amount and forms the basis for the future accounting of the remaining holding as an associated company, joint venture or financial asset. All amounts pertaining to the divested unit that were previously recognised in other comprehensive income are recognised as if the Group had directly divested the attributable assets or liabilities, which may mean that amounts previously recognised in other comprehensive income are reclassified to profit and loss.

(c) Associated companies: The equity method is utilised for recognising shareholdings that are neither subsidiaries nor joint venture companies, but for which the Group is able to exercise a significant influence, which in general applies to shareholdings of between 20 per cent and 50 per cent of the votes. Holdings in associated companies are recognised in accordance with the equity method and initially measured at cost. The carrying amount of the Group's holdings in associated companies includes the goodwill identified in conjunction with the acquisition, net after any impairment losses.

Associated companies are included in the consolidated financial statements from the acquisition date. They are excluded from the consolidated financial statements on the date on which they are divested. Transactions, balance-sheet items and unrealised gains on transactions between the Group and its associated companies are eliminated in accordance with the Group's participation in the associated company. Unrealised losses are also eliminated but are taken into consideration as an indication that the transferred asset requires impairment testing. Share in profits of associated companies are recognised in the consolidated income statement under "Operating profit" if the holding pertains to operating associated companies or in "Profit before tax", on a separate line under "Net financial items," if the holding pertains to a financial investment. In both cases, the share in profits pertains to share of the associated company's profit after tax. The classification of associated companies was applied as follows during 2010: the associated companies EPI Russia Partners I Oy and ANL Kiinteistöt Oy were classified as operating associated companies. No associated companies are currently classified as a financial investment. Shares in associated companies are recognised in the statement of financial position at cost, including the portion comprised of goodwill, adjusted for dividends and the share of the associated company's profit after the acquisition date.

Segment reporting

Operating segments are recognised in a manner that is consistent with the internal reporting presented to the chief operating decision maker. The chief operating decision maker is the function that is responsible for the allocation of resources and the assessment of the operating segment's earnings. For the Group, this function has been identified as the CEO.

Translation of foreign currencies

(a) Functional currency and reporting currency: Items included in the financial statements of the Group's various units are valued in the currency used in the financial environments in which each company primarily conducts its business activities (functional currency). Swedish krona (SEK) is used in the consolidated financial statements, which is Catella AB's functional currency and the Group's reporting currency.

(b) Transactions and balance-sheet items: Transactions in foreign currencies are translated to the functional currency in accordance with the exchange rates prevailing on the transaction date or the date on which the items were remeasured. Exchange-rate gains and losses arising in conjunction with the payment of such transactions and in conjunction with the translation of monetary assets and liabilities in foreign currency at the closing day rate are recognised through profit and loss. The exception is for transactions comprising hedging that meets the requirements for hedge accounting of cash flows or for net investments, since gains/losses are recognised in other comprehensive income. Exchange-rate gains and losses attributable to loans and cash and cash equivalents are recognised through profit and loss as "Other financial items." All other exchange-rate gains and losses are recognised in the items "Other operating income" or "Other operating expenses" in the income statement.

Changes in the fair value of securities in foreign currencies, which have been classified as financial assets available for sale, are distributed between translation differences due to the change in the original cost of the security and other changes in the carrying amount of the security. Translation differences attributable to changes in amortised cost are recognised through profit and loss.

Translation differences for nonmonetary financial assets and liabilities, such as shares measured at fair value through profit and loss, are recognised through profit and loss as a portion of fair value gains/losses. Translation differences for nonmonetary financial assets such as assets classified as financial assets available for sale are entered in the fair value reserve through other comprehensive income.

(c) Group companies: The earnings and financial position of all of the Group companies that have a functional currency that is different to the reporting currency are translated to the Group's reporting currency as follows:

- (a) assets and liabilities for each of the balance sheets are translated at the closing day rate;
- (b) income and expenses for each of the income statements are translated at the average exchange rate (insofar as the average rate constitutes a reasonable approximation of the accumulated effect of the rates applying on the transaction date, otherwise income and expenses are translated at the rate on the transaction date), and
- (c) all translation differences arising are recognised in other comprehensive income and accumulated in the translation reserve in equity.

Translation differences arising as a result of the translation of net investments in foreign operations and borrowing and other currency instruments identified as hedging of such investments are entered in other comprehensive income in conjunction with consolidation. When a foreign operation is divested, either wholly or in part, the translation differences that were recognised in other comprehensive income are entered in the income statement and recognised as a portion of the capital gain/loss.

Goodwill and adjustments of fair value arising in conjunction with acquisitions of foreign operations are treated as assets and liabilities of this operation and translated at the closing day rate.

Classification of assets and liabilities

Non-current assets and non-current liabilities essentially comprise amounts that are expected to be recovered or paid after more than 12 months from the balance-sheet date. Current assets and current liabilities essential comprise amounts that are expected to be recovered or paid within 12 months from the balance-sheet date.

Tangible fixed assets

Tangible fixed assets are recognised at cost less accumulated depreciation and any accumulated impairment. Depreciation is based on historic cost and the estimated useful life.

The straight-line method of depreciation is utilised for all types of assets according to the following:

fixtures and fittings on third-party properties	20 per cent per year or over the period of the lease contract
computers and periphery equipment	25–33 per cent per year
other office machines and office equipment	20 per cent per year

The residual values and useful lives of the assets are tested at the end of every reporting period and adjusted as necessary.

The carrying amount of an asset is immediately written down to its recoverable amount of the carrying amount of the asset exceeds its estimated recoverable amount.

Gains and losses in conjunction with divestments are determined by performing a comparison between the sales proceeds and the carrying amount, and are recognised in "Other operating income" or "Other operating losses."

Intangible assets

(a) Goodwill: The amount at which the purchase consideration, any non-controlling interest and the fair value on the acquisition date of previous shareholdings exceeds the fair value of identifiable, acquired net assets is recognised as goodwill. Goodwill from acquisitions of subsidiaries is recognised as intangible assets. Goodwill is tested annually to identify any impairment requirements and is recognised at cost less accumulated impairment losses. Impairment of goodwill is not reversed. Gains or losses in conjunction with the divestment of a unit include the remaining carrying amount of the goodwill pertaining to the divested unit.

Goodwill is distributed between cash-generating units in when any impairment testing is performed. Goodwill is distributed between the cash-generating units or groups of cash-generating units, as established in accordance with the Group's operating segments that are expected to benefit from the business combination in which the goodwill item arose.

(b) Brands: Brands acquired on the basis of a business combination are recognised at fair value on the acquisition date. The brand recognised in the consolidated statement of financial position is the "Catella brand" which is deemed to have an indeterminable useful life. The brand is tested every year to identify any impairment requirements and is recognised at cost less accumulated impairment losses. The annual testing of the value of the brand is performed by an external party that is independent of Catella.

(c) Customer relationships: Contract portfolios and associated customer relationships in conjunction with a business combination are identified in the acquisition analysis and are recognised as a separate intangible asset. The customer relationships arising from business combination are measured at fair value. The determination of fair value is based on a valuation model based on discounted cash flows. The valuation is based on the turnover rate and return for the acquired portfolio on the acquisition date. Under the model a separate cost or a return requirement is paid in the form of a "contributory asset charge" for the assets utilised in order for the intangible assets to generate a return. Cash flows are discounted through a weighted average cost of capital (WACC), which is adjusted with respect to the local interest rate levels in the countries in which the acquisitions take place. The useful life of the contract portfolios and associated customer relationships is based on the turnover rate of the acquired portfolio, which is deemed to be five years and corresponds to an annual amortisation rate of 20 per cent. Amortisation is recognised in the item "Amortisation" in profit and loss.

(d) Software licences: Acquired software licenses are capitalised on the basis of the expenses arising when the software in question was acquired and commissioned. These capitalised expenses are amortised over the estimated useful life of three to four years.

(e) Deferred tax attributable to intangible assets: A deferred tax liability is to be calculated based on the local tax rate for the difference between the carrying amount and the tax value of the intangible assets. The deferred tax liability is to be reversed over the same period in which the intangible asset is amortised, which results in the effect of the amortisation on the intangible asset, in terms of the full tax rate pertaining to profit after tax, being neutralised. The recognition of the deferred tax liability is initially recognised with a corresponding increase in goodwill. Deferred tax attributable to consolidated goodwill has not been taken into account.

Impairment of non-financial assets

Assets that have an indeterminable useful life, for example goodwill, are not amortised/depreciated but tested for impairment every year. Assets that are amortised/depreciated are assessed in terms of a decline in value whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the amount at which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less any selling expenses and its value in use. For impairment testing, assets are grouped at the lowest levels at which separate identifiable cash flows exist (cash-generating units). Assets, that are not financial assets or goodwill and that were previously amortised/depreciated, are tested on each closing day to determine whether a reversal should be made.

Reversal of impairment

Impairment of assets included in the scope of IAS 36 are reversed if there is an indication that the impairment requirement no longer exists and a change has occurred in the assumptions underlying the calculation of the recoverable amount. However, impairment of goodwill is never reversed. A reversal is only performed insofar as the carrying amount of the asset after the reversal does not exceed the carrying amount, less any depreciation/amortisation wherever applicable, that would have been recognised if no impairment loss been recognised.

Impairment of loan receivables and accounts receivable recognised at amortised cost is reversed if the previous reasons for impairment no longer exist and full payment from the customer can be expected to be received.

Financial assets

Classification

The Group classifies its financial assets in the following categories: financial assets measured at fair value through profit and loss, loan receivables, accounts receivable, financial assets available for sale and financial assets held to maturity. Classification depends on the purpose for which the financial assets were acquired. Management determines the classification of the financial assets when they are first recognised.

(a) Financial assets measured at fair value through profit and loss

Financial assets measured at fair value through profit and loss are financial assets held for trading or financial assets that on initial recognition have been identified as an item measured at fair value (fair value option).

Financial assets held for trading: A financial asset is classified in this category if it was primarily acquired with the aim of being sold in the near future. Those financial assets that are measured at fair value through profit and loss and that are held for trading are the Group's equities and fund portfolios and the derivatives that have not been identified as hedges in accordance with IAS 39 Financial Instruments. Assets in this category are normally classified as current assets. However, the holdings in the Nordic Light Fund will be divested after 12 months which is why this holding has been classified as non-current.

Items measured at fair value (fair value option): A financial asset that on initial recognition has been identified as an item measured at fair value is classified in this category. EETI's loan portfolio and holding in Castello are classified in this category since this corresponds to the original recognition and Catella's monitoring of these assets. Assets in this category are classified as current assets to the extent pertaining to the cash flows forecast over the next 12 months, while the remainder of EETI's loan portfolio and holding in Castello is recognised as a non-current asset.

(b) Loan receivables and accounts receivable

Loan receivables and accounts receivable are financial assets that are not derivatives, that have determined or determinable payments and that are not listed on an active market. They are included in current assets, except for items falling due for payment more than 12 months after the end of the reporting period which are classified as non-current assets. The Group's loan receivables and accounts receivable comprise Accounts receivable and other receivables as well as Cash and cash equivalents in the balance sheet.

(c) Financial assets available for sale

Financial assets available for sale are assets that are not derivatives and where the assets have been identified as available for sale or have not been classified in any of the other categories. They are included in non-current assets if management does not intend to divestment within 12 months after the end of the reporting period. Catella holds a small equities portfolio comprising shares in such companies as Swift and Visa that are classified in this category.

(d) Assets held to maturity

Financial assets held to maturity are financial assets that are not derivatives, that have determined or determinable payments and determined maturity periods and that Group Management intends and is able to hold until maturity. If the Group were to sell more than an insignificant amount in the category of financial assets held to maturity, the entire category would have to be reclassified (what is known as tainting) to the category of financial assets available for sale. Financial assets held to maturity are included in non-current assets expect for the cases in which the maturity date is less than 12 months from the end of the reporting period and the assets are consequently classified as current assets. Assets in this category comprise Treasury bills.

Recognition and measurement

Purchases and sales of financial assets are recognised on the trade date – the date on which the Group undertakes to purchase or sell the asset. Financial instrument are initially recognised at fair value plus transaction costs, which apply to all financial assets that are not recognised at fair value through profit and loss. Financial assets measured at fair value through profit and loss are initially recognised at fair value, while attributable transaction costs are recognised through profit and loss. Financial assets are derecognised from the statement of financial position when the right to receive cash flows from the instrument has expired or been transferred and the Group has essentially transferred all risks and benefits associated with the ownership. Financial assets available for sale and financial assets measured at fair value through profit and loss are recognised at fair value after the acquisition date. Loan receivables, accounts receivable and assets held to maturity are recognised after the acquisition date at amortised cost by applying the effective interest method.

Gains and losses due to changes in fair value pertaining to the category of financial assets measured at fair value through profit and loss are recognised in profit and loss in the period in which they arise and are included in the income-statement item "Other financial items." The basis for determining fair value in this category is either the listed market value or a valuation based on a discounted cash-flow analysis performed by an external part of Catella. Assets held to maturity are valued at amortised cost after the acquisition date by applying the effective interest method. Dividend income from securities in the category of financial assets measured at fair value through profit and loss are recognised through profit and loss as a portion of "Other financial items" when the Group's right to receive payments has been determined. Translation differences from monetary securities are recognised through profit and loss, while translation differences from nonmonetary securities are recognised in other comprehensive income. Changes in fair value for monetary and nonmonetary securities classified as financial assets available for sale are recognised in other comprehensive income. When securities classified as financial assets available for sale are sold or impaired, the accumulated adjustments of fair value are transferred from equity to the income statement as gains and losses from financial instruments.

Interest on available-for-sale securities calculated in accordance with the effective interest method is recognised through profit and loss as a portion of "Interest income." Dividends from available-for-sale equity instruments are recognised through profit and loss as a portion of "Other financial items" when the Group's right to receive payments has been determined.

Impairment of financial assets

On each reporting occasion, the company evaluates whether there is objective evidence that a financial asset or group of assets requires impairment. Objective evidence may be observable circumstances that have arisen and that have a negative impact on the possibility of recovering the cost or a significant or protracted decline in the fair value of an investment in a financial investment classified as an available-for-sale financial asset.

Impairment requirements concerning receivables are determined based on past experience of bad debt loss on similar receivables. Accounts receivable subject to impairment requirements are recognised at the present value of expected future cash flows, although receivables with short terms are not discounted.

Derivative instruments and hedging measures

Derivative instruments are recognised in the statement of financial position on the contract date and measured at fair value, both initially and at subsequent remeasurement. The effect of the remeasurement is recognised in profit and loss. No hedge accounting in accordance with IAS 39 Financial Instruments takes place for the hedging transactions implemented by Catella, except for hedging of a net investment in a foreign operation (hedging of net investment).

Hedging of net investments

The share of gains or losses from a hedging instrument that is deemed to be an effective hedge is recognised in other comprehensive income. The share of gains or losses attributable to the ineffective portion is immediately recognised in profit and loss in the item "Other financial items." Accumulated gains and losses in equity are recognised through profit and loss when the foreign operation is wholly or partly divested.

Receivables in foreign currency that comprise a portion of the company's net investments in foreign subsidiaries are also measured at the closing day rate. Exchange-rate differences of these receivables are eliminated from the income statement and recognised directly in other comprehensive income.

Accounts receivable

Accounts receivable are amounts that are to be paid by the customer for goods sold or services performed in the ongoing operations. If payment is expected in one year, the receivable is classified as a current asset. Otherwise, the receivable is entered as a non-current asset.

Accounts receivable are initially recognised at fair value and subsequently at amortised cost by applying the effective interest method, less any reserves for declines in value.

Cash and cash equivalents

Cash and cash equivalents include cash, bank balances and other current investments falling due for payment within three months after the acquisition date.

Accounts payable

Accounts payable are commitments to pay goods or services that have been acquired in the ongoing operations from suppliers. Accounts payable are classified as current liabilities if they fall due for payment within one year. Otherwise, the liability is entered as a non-current liability.

Accounts payable are initially recognised at fair value and subsequently at amortised cost by applying the effective interest method.

Borrowing

Borrowing is initially recognised at fair value, net after transaction costs. Borrowing is subsequently recognised at amortised cost and any difference between the amount received (net after transaction costs) and the amount of the repayment is recognised through profit and loss distributed over the term, by applying the effective interest method.

Fees paid for loan commitments are recognised as transaction costs for the borrowing to the extent that it is probable that a portion of or the entire credit facility has been utilised. In such cases, the fee is recognised when the credit facility is utilised. Where there is no longer any evidence to suggest that it is probable that portions of or the entire credit facility will be utilised, the fee is recognised as an advance payment for financial services and distributed over the term of the loan commitment in question.

Overdraft facilities are recognised as borrowing under "Current liabilities" in the statement of financial position.

Current and deferred income tax

Tax expenses for the year include current and deferred tax. Tax is recognised through profit and loss, except when the tax pertains to items recognised in other comprehensive income or directly in equity. In such cases, tax is also recognised in other comprehensive income or equity, respectively.

The current tax expense is calculated on the basis of the tax rules that have been decided on or have essentially be decided on the balance-sheet date in the countries in which the Parent Company's subsidiaries and associated companies conduct business activities and generate taxable income. Management regularly evaluates the claims made in tax returns for situations in which applicable tax rules are subject to interpretation. Whenever deemed necessary, management establishes provisions for amounts that must probably be paid to the tax authority.

In accordance with the balance-sheet method, deferred tax is recognised on all temporary differences arising between the tax value of the assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax is not recognised if it arises as a result of a transaction comprising the initial recognition of an asset or liability that is not a business combination and that, on the transaction date impacts neither the recognised or fiscal earnings. Deferred income tax is calculated by applying tax rates (and tax laws) that have been decided or announced on the balance-sheet date and that are expected to be applicable when the deferred tax asset in question is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future tax surpluses will be available, against which the temporary differences can be utilised.

Deferred tax are calculated on temporary differences arising on participations in subsidiaries and associated companies, except where the date of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not be reversed in the foreseeable future. Deferred tax assets and liabilities are offset when a legal offset right for the tax assets and liabilities in question exists and when the deferred tax assets and liabilities are attributable to taxes charged by the same tax authority and pertain to the same tax subject or different tax subjects where there is the intention of settling the balances by making a net payment.

Employee benefits

(a) Pension commitments

The Group companies have different pension plans. The pension plans are usually financed through payments to insurance companies or funds administered by an asset manager, with payments determined based on periodic actuarial calculations. The Group has defined-contribution pension plans. A defined-contribution pension plan is a pension plan under which the Group pays fixed contributions to a separate legal unit. The Group does not have any legal or informal obligations to pay additional contributions if this legal entity does not have sufficient assets with which to pay all remuneration to employees associated with their service in current or earlier periods.

Under defined-contribution pension plans, the Group pays contributions to public or privately administered pension-insurance plans on a compulsory, contractual or voluntary basis. The Group has no other additional payment obligations once the payments have been made. The contributions are recognised as "Personnel costs" when they fall due for payment. Prepaid contributions are recognised as an asset to the extent that the cash payment or the decrease in future payments is credited to the Group.

Furthermore, a small number of employees or former employees of the Group have pension solutions that are insured on the basis of endowment insurance. These solutions recognised as "Other provisions" the consolidated statement of financial position. Changes in value of these solutions, based on the change in value of the underlying asset in these insurance plans, are recognised as "Personnel costs." Investments in these pension insurances are recognised as "Other long-term receivables" and the change in value of these investments are recognised as "Personnel costs." The Group does not have any responsibility to make further commitments to these pension solutions.

(b) Severance pay

Severance pay is paid when the Group terminates the employment of an employee prior to the normal time of retirement or when the employee accepts voluntary redundancy in exchange for such remuneration. The Group recognises severance pay when it is demonstrably obliged to either terminate the employment of an employee in accordance with a detailed formal plan without the possibility of revocation, or to provide severance pay as a result of an offer made to encourage voluntary redundancy. Benefits expiring more than 12 months after the end of the reporting period are discounted to their present value.

(c) Profit shares and bonus plans

The Group recognises a liability and an expense for bonuses and profit shares based on a formula that takes into consideration the profit that is attributable to the Parent Company's shareholders after certain adjustments. The Group recognises a provision when a legal obligation or an informal obligation exists following former practice.

Share-based payments

The Group issued warrants that senior executives and other key individuals in the Group received as part payment in conjunction with the acquisition of former Catella. These warrants were discounted at market-based terms and conditions. The value of these warrants was determined by using an option valuation model (Black & Scholes). The warrants are classified as share-based payments.

Other contributed capital was credited when the warrants were issued. The company issues new shares when the options are utilised. Payments received, less any directly attributable transaction costs, are credited to share capital (quotient value) and other contributed capital when the options are utilised.

Provisions

Provisions for restructuring expenses and statutory requirements are recognised when the Group has a legal or informal obligation due to earlier events, it is probable that an outflow of resources will be required to settle the commitment and the amount has been calculated in a reliable manner. Restructuring provisions include expenses for the termination of lease agreements and severance pay. No provisions are made for future operating losses.

If a number of similar commitments exist, an assessment is made of the probability of an outflow of resources being required to settle this entire group of commitments. A provision is recognised even if the probability of an outflow being required for a specific item in this group of commitments is slight.

Provisions are valued at the present value of the amount expected to be required to settle the commitment. In this context, a discount rate before tax is used that reflects the current market assessment of the time value of money and the risks associated with the provision. The increase in the provision due to the passing of time is recognised as an interest expense.

Income recognition

Income includes the fair value of what is received or will be received for the services sold in the Group's ongoing operations. Income is recognised excluding value-added tax and discounts, and after eliminations of intra-Group sales. The Group recognises income when its amount can be reliably measures, it is probable that future financial benefits will accrue to the company and specific criteria have been fulfilled for each of the Group's operations as described below. The Group bases its assessments on historical outcomes and in connection with this takes into account the type of customer, type of transaction and the special circumstances in each individual case.

Remuneration that is successively earned by services being performed, for example, fixed price consultancy, advisory or management fees are recognised in income in line with the delivery of these services, which in practice means that recognition takes place straight line over the period to which the service pertains. This income can either be a predetermined amount or a percentage fee of, for example, volumes handled (such as assets under management).

Remuneration attributable to a specific service or action is recognised in income when the service is performed. Such income includes commission for such items as Banque Invik Cards card programmes and currency services and fees for corporate services (foundation of companies, administration, etc.). This income can either be a predetermined amount or a percentage fee of, for example, volumes handled (such as card-programme transactions or currency exchange).

Performance-based income, for example, performance fees for surplus returns in asset management or in conjunction with sales assignments, are recognised in accordance with applicable agreements regarding the point in time at which the performance-based fees may be paid out/received. This means that in the case of a sales assignment of a property for example and the remuneration is a certain percentage of the customers' sales price of the property which is paid only when a sale has been concluded is not recognised until a legally binding business transaction of the property has been established and, correspondingly, performance fees paid for surplus returns as recognised against an established reference level only on the measuring date, which is usually 31 December.

Commission to retailers and settlement companies in the credit card and acquiring operations (Banque Invik Cards) are recognised as an expense in conjunction with income being earned in accordance with the aforementioned principles.

Interest income recognised in income by applying the effective interest method. When the value of a receivable in the category of loan receivables and accounts receivable declines, the Group decreases the carrying amount to the recoverable amount, which comprises the estimated future cash flow discounted by the original effective interest for the instrument, and continues to settle/dilute the discount effect as interest income. Interest income on impaired loan receivables and accounts receivable is recognised at the original effective interest rate.

Dividend income is recognised when the right to receive payment has been established.

Leasing

Leasing whereby a significant portion of the risks and advantages with ownership are retained by the lessor is classified as operating leasing. Payments made during the lease term (after discounts for any incentives from the lessor) are expensed in the income statement straight line over the lease term. The Group has only entered into operating lease agreements.

Earnings per share

The calculation of earnings per share is based on consolidated net profit for the year attributable to the Parent Company's owners and on the weighted average number of shares outstanding during the year. When calculating earnings per share after dilution, earnings and the average number of shares after dilution are adjusted to take into account the effects of dilutive potential ordinary shares that originate from warrants issued during the reported periods. The dilution of warrants affects the number of shares and arises only when the strike price is lower than the share price quoted on the stock exchange.

Non-current assets held for/available for sale and discontinued operations

The Group applies IFRS 5 Non-Current Assets Held For Sale and Discontinued Operations, which addresses the classification, measurement and disclosure requirements in conjunction with the divestment of non-current assets held for sale and discontinued operations.

Non-current assets and divestment groups are classified as non-current assets held for sale and are recognised at the lower of the carrying amount and fair value, less any deductions for selling expenses, if their carrying amounts are primarily recovered through sales transactions and not through continuous use. Measurement takes place in two stages. First, all assets and liabilities are measured in accordance with the relevant standards. Divestment groups are also valued as a whole at the lower of the carrying amount and the sales value, less selling expenses. Remeasurement takes place on each reporting date following original recognition. These assets are not depreciated between the period from when the asset is reclassified until it is discontinued.

A divested operation is a part of the Group's operations that represents an independent line of business or a significant operation in a geographic area. The net earnings (after tax) from the discontinued operation are recognised in profit and loss on a separate line entitled "Net profit for the year, discontinued operations." Accordingly, the notes related to income statement have been adjusted to exclude the discontinued operations.

Catella had no non-current assets held for sale or discontinued operations on 31 December 2010. A decision was made in 2011 to streamline the Catella Group's operations and initiate a sales process of the subsidiary Banque Invik's credit-card and acquiring operation or, alternatively, of the entire bank. It may be applicable to recognise this operation as a non-current assets held for sale and discontinued operations in 2011.

Other items

Part of the Group's asset management assignments involves keeping cash and cash equivalents belonging to clients in the Group's bank accounts, while the same liability is kept with the clients. Client funds are recognised in the consolidated statement of financial position as a current receivable and current liability. Both the receivable and liability are treated as items under financing activities in the cash-flow statement and thus do not impact cash flow.

NOTE 3 FINANCIAL RISK MANAGEMENT

The Group is exposed to financial risks such as interest-rate risk, currency risk, financing/liquidity risk and credit risk through the activities conducted. Catella's Board of Directors assesses the risks and decides how these are to be managed. The Group uses derivative instruments to hedge some risk exposure. Group Management actively participates in the preparation of guidelines for risk management, which are continuously evaluated and changed. At present, the Board has decided not to establish any Group-wide objectives and principles for the financial position and financial risk management since the Group's activities and structure are being reviewed and streamlined. Instead, risk management is conducted at the respective subsidiary level under the supervision of Group Management.

With regard to Asset Management operations, these subsidiaries include a special risk management function that is independent from the business activities, with the responsible managers reporting both to each subsidiary's CEO and directly to the subsidiary's board. Group Management is represented on the subsidiary boards and reports on to the Parent Company's Board.

Subsidiaries under the supervision of the financial supervisory authority of each country are Banque Invik, Catella Real Estate AG Kapitalanlagegesellschaft and Catella Fondförvaltning in the Asset Management operating segment and Catella Markets and Banque Invik Corporate Finance in the Corporate Finance operating segment. These subsidiaries have a compliance function that monitors the subsidiaries' compliance to both internal and external regulations and customer agreements. The function is independent of the business activities of each subsidiary and its managers report to both the CEO and directly to the board of the subsidiary. Group Management is represented in the subsidiary boards and reports on to the Parent Company's Board.

As mentioned above, risk management is applied at the subsidiary and operational level since the different operating segments in the Group differ with regard to the operations conducted. For this reason, significant risks in each operating segment are described separately in the respective section on risk below. Because Catella's Board has decided to initiate a sales process concerning Banque Invik's credit card and payment operations, or the entire bank, and these operations differ significantly from the rest of the Group, the Catella Group is presented exclusive of Banque Invik and Banque Invik is presented separately in the tables below.

The Group's asset management and banking operations are a part of the Asset Management operating segment. The subsidiaries in this operating area do not trade in financial instruments except in respect of hedge positions connected to customer transactions. Nor do the subsidiaries trade in or take positions on their own behalf. Due to the subsidiaries' cautious policy for the granting of credit and trading in financial instruments, exposure to risks is limited. This operating segment is mainly exposed to credit risk.

Treasury Management consists of EETI's investments in loan portfolios, fund investments and short-term investment portfolios. EETI's investments in loan portfolios, as described in more detail in Note 23, are mainly exposed to credit risk, but also to liquidity risk depending on potential changes in the repayment rate of the loan portfolios, interest-rate risk and currency risk since the loans are in a currency other than SEK and mainly issued at variable interest. EETI's securitised loan portfolios had a carrying amount and fair value of SEK 387 M (442) at year-end. Fund investments, described in further detail in Note 23, are mainly exposed to market-price risk on the value of the funds and the holdings in them. Fund investments had a carrying amount and fair value of SEK 56 M (0) at year-end. The short-term investment portfolio is described in Note 23. The most significant risks in the short-term investment portfolio are market-price risk when the value of shares and options changes and liquidity risk. The short-term investment portfolios had a carrying amount and fair value of SEK 15 M (66) at year-end.

Liquidity risk

Liquidity risk is the risk that the Group, within a defined period of time, will not be able to refinance its existing assets or not be able to meet more stringent liquidity requirements. Liquidity risk also includes the risk that the Group could be forced to borrow at unfavourable interest rates or sell assets at a loss to be able to fulfil its payment obligations.

A significant part of the Group's liquidity is related to Banque Invik and other parts of the Catella Group do not have access to Banque Invik's liquidity, due to the regulations to which Banque Invik is subject. For this reason, the liquidity and other information presented below pertains to the Catella Group alone, excluding Banque Invik, unless otherwise stated.

At 31 December 2010, the short-term liquidity reserve (cash and cash equivalents, short-term investments and confirmed but unutilised lines of credit) amounted to 94 per cent (-) of consolidated annual sales and 119 per cent (-) of consolidated borrowing and loan liabilities. At 31 December 2010, long-term financing corresponded to 46 per cent (-) of consolidated working capital and 52 per cent (-) of consolidated net debt. At 31 December 2010, the average time to maturity was two years and two months.

EETI's primary financial obligations are payment of day-to-day operating expenses. These obligations are met with cash flows from the investments, which are monitored by EETI's fund managers. Accordingly, EETI has limited financial commitments of its own, although EETI is subject to the risk of having difficulty in selling assets that could thus affect the Group's possibilities of obtaining funds to maintain its financial commitments. Since the market for subordinate securities with collateral in assets is currently illiquid, many of EETI's investments are illiquid, although not all. A few of the investments in EETI are over-the-counter (OTC) transactions, which are not registered according to the applicable securities laws, which restricts the transfer, sale, pledge or other disposal of these investments, except in the case of transactions that do not need to be registered according to, or otherwise comply with, these laws. The Group assesses that short and long-term liquidity are favourable and that there is flexibility in financing. If the Group's liquidity were to change and if, for liquidity reasons, EETI were to need to divest part or all of its loan portfolio, consisting of securitised European loan portfolios, mainly with exposure to housing, the possibilities to rapidly change this portfolio and obtain a reasonable price could be limited, due to changes in financial and other conditions. If EETI acquires investments for which there is no market, EETI's opportunities to renegotiate such investments or obtain reliable information about the value of an investment or the risks to which it is exposed could be limited.

The tables below summarise the Catella Group's liquidity risk excluding Banque Invik at the end of 2010 and 2009.

Liquidity report on 31 December 2009-2010, Catella Group excluding Banque Invik (SEK M)

31 December 2010	< 1 year	1–5 years	> 5 years	Total
Borrowings	-72	-172	-	-245
Accounts payable and other liabilities	-72	-	-	-72
Total outflows *	**-145**	**-172**	**0**	**-317**
Accounts receivable and other receivables	194	-	-	194
Financial assets measured at fair value through profit and loss	62	298	106	466
Total inflows *	**256**	**298**	**106**	**660**
Net cash flow, total	**112**	**125**	**106**	**343**

31 December 2009	< 1 year	1–5 years	> 5 years	Total
Accounts payable and other liabilities	-9	-	-	-9
Total outflows *	**-9**	**0**	**0**	**-9**
Accounts receivable and other receivables	10	-	-	10
Financial assets measured at fair value through profit and loss	-	226	205	431
Total inflows *	**10**	**226**	**205**	**440**
Net cash flow, total	**1**	**226**	**205**	**432**

* *Pertains to undiscounted contractual cash flows.*

The Group's borrowing and financing are managed by the Parent Company and holding companies in the Group. The Parent Company's management and accounting department carefully monitor rolling forecasts of the Group's and subsidiaries' liquidity reserves to ensure that the Group and subsidiaries have sufficient cash funds to meet needs in operating activities.

For a description of the Group's loan liabilities, please refer to Note 31. For the unutilised portion of granted bank overdraft facilities, please refer to Note 29.

Combined with Catella's cash flows, the sources of financing described above provide short and long-term liquidity and flexibility in the financing of Group activities.

The tables below summarise the Banque Invik's liquidity risk at the end of 2010 and 2009.

Liquidity report on 31 December 2009-2010, Banque Invik (SEK M)

31 December 2010	< 1 year	1–5 years	> 5 years	Total
Borrowings	-75	-	-	-75
Loan liabilities	-3,534	-31	-	-3,565
Derivative instruments	-1	-	-	-1
Accounts payable and other liabilities	-23	-	-	-23
Total outflows *	**-3,633**	**-31**	**0**	**-3,664**
Accounts receivable and other receivables	40	-	-	40
Loans receivable	1,169	35	-	1,204
Derivative instruments	1	-	-	1
Financial assets measured at fair value through profit and loss	1	-	-	1
Total inflows *	**1,211**	**35**	**0**	**1,246**
Net cash flow, total	**-2,422**	**4**	**0**	**-2,419**

31 December 2009	< 1 year	1–5 years	> 5 years	Total
Borrowings	-238	-	-	-238
Loan liabilities	-2,441	-4	-33	-2,478
Derivative instruments	-16	-	-	-16
Accounts payable and other liabilities	-86	-	-	-86
Total outflows *	**-2,780**	**-4**	**-33**	**-2,817**
Accounts receivable and other receivables	14	-	-	14
Loans receivable	1,110	32	35	1,176
Derivative instruments	16	-	-	16
Total inflows *	**1,139**	**32**	**35**	**1,205**
Net cash flow, total	**-1,641**	**28**	**1**	**-1,612**

* *Pertains to undiscounted contractual cash flows.*

The subsidiary Banque Invik has continuous follow-up of its liquidity in accordance with the rules applicable to the bank's operations and a continuous follow-up of the fulfilment of both internal and external supervisory and legal requirements.

For a description of the Group's loan liabilities, please refer to Note 31, and for the Group's commitments with regard to granted, but unutilised lines of credit, please refer to Note 36.

Market risk

Market risk is the risk of loss or declining future revenues due to changes in interest rates, exchange rates and share prices, including price risk in connection with the divestment of assets or closure of positions. Except in Treasury Management, all purchases/sales of financial instruments in the Group are customer based and are not conducted for trading or speculative purposes.

Market-price risk in Treasury Management:

Short-term investments are described in Note 23. These investments are measured at the current market value or the equivalents on the respective reporting date and are thereby mainly exposed to market-price risk.

EETI is primarily exposed to market-price risk through changes in the value of its investments and through interest rate movements that reduce interest income. Several of EETI's investments are subject to variable interest rates or underlying assets with variable interest and are measured according to a market-based credit spread based on a reference rate such as EURIBOR. An increased credit spread could affect EETI directly through its impact on unrealised gains or losses on portfolio investments, and therefore also EETI's ability to make a profit on the investments, or indirectly by affecting EETI's opportunities to loan and gain access to capital. In accordance with the accounting policies in Note 2, investments in EETI are measured at fair value through profit or loss. Note 23, Financial assets measured at fair value through profit or loss, presents EETI's individual investments and the weighted average expected variable interest rate on each investment.

The risks described above could result in either higher or lower income for Catella. A change of +/- 1 percentage point and +/- 10 percentage points in parameters affecting EETI's funds would lead to a change in profit before tax as follows:

- Effect[1] of +/- 1 percentage point in the discount rate: Negative SEK 13,671,000 and positive SEK 15,636,000, respectively.
- Effect[1] of +/- 1 percentage point in expected cash flow from the investments: Positive SEK 3,991,000 and negative SEK 3,819,000, respectively.
- Effect[2] of +/- 10 percentage points in the EUR/SEK exchange rate: Positive SEK 3,240,000 and negative SEK 3,240,000, respectively.

1 Change due to a reduction in the fair value of EETI loan portfolios.
2 Estimated on the change in EETI's recognised profit in 2010

The effects reported above should be viewed as an indication of an isolated change in the stated variable. If several factors deviate simultaneously, the resulting impact on profit could change.

Market-price risk in Asset Management

In line with the above, trading in financial instruments is only customer based. However, the subsidiary Banque Invik is indirectly exposed to market-price risk regarding the value of collateral provided for the customer's loans and other undertakings.

Interest-rate risk

A significant part of the Group's interest-bearing assets and liabilities, and the associated interest-rate risk, is related to Banque Invik, due to its operations. The rest of the Group's exposure to interest-rate risk differs from this significantly. For this reason, interest-rate risk and other information are presented below with regard to the Catella Group alone, excluding Banque Invik, unless otherwise stated.

Interest-rate risk is the risk that consolidated net profit could be impacted by changes in the general interest level. The Group has mainly raised loan financing in SEK at variable interest for its own operational financing. Detailed information on these liabilities is provided in Note 31. The Parent Company analyses and continuously monitors its exposure to interest-rate risk.

Group's interest-bearing liabilities and assets by currency, Catella Group excluding Banque Invik

31 December 2010	Amount, SEK M	Term (days)	Average interest expense and income for the year, %	Interest +1%	Net effect on profit or loss of 1% increase, SEK M	Interest -1%	Net effect on profit or loss of 1% decrease, SEK M
EUR liabilities	0						
SEK liabilities	-244						
NOK liabilities	-1						
Liabilities in other currencies	0						
Total liabilities	**-245**	**159**	**3.6%**	**4.6%**	**-2**	**2.6%**	**2**
EUR assets	483						
USD assets	5						
SEK assets	73						
GBP assets	-2						
NOK assets	6						
DKK assets	10						
Assets in other currencies	0						
Total assets	**575**	**59**	**7.5%**	**8.5%**	**6**	**6.5%**	**-6**

31 December 2009	Amount, SEK M	Term (days)	Average interest expense and income for the year, %	Interest +1%	Net effect on profit or loss of 1% increase, SEK M	Interest -1%	Net effect on profit or loss of 1% decrease, SEK M
Total liabilities	**0**	**-**	**-**	**-**	**-**	**-**	**-**
EUR assets	456						
USD assets	0						
SEK assets	168						
GBP assets	1						
NOK assets	4						
DKK assets	1						
Total assets	**629**	**62**	**5.9%**	**6.9%**	**6**	**4.9%**	**-6**

Information on the Group's net debt profile and a sensitivity analysis are presented on the previous page and below together with information on the fixed-interest periods. Cash flow in relation to net debt amounted to 0.07 (-0.41) at 31 December 2010. The Group's interest-coverage ratio, a measure of the ability to pay interest expenses, was 13.8 (-) at 31 December 2010.

Group's interest-bearing liabilities and assets by currency, Banque Invik

31 December 2010	Amount, SEK M	Term (days)	Average interest expense and income for the year, %	Interest +1%	Net effect on profit or loss of 1% increase, SEK M	Interest -1%	Net effect on profit or loss of 1% decrease, SEK M
EUR liabilities	-1,800						
USD liabilities	-790						
SEK liabilities	-737						
GBP liabilities	-158						
CHF liabilities	-57						
NOK liabilities	-39						
DKK liabilities	-18						
Liabilities in other currencies	-43						
Total liabilities	**-3,641**	**30**	**0.4%**	**1.4%**	**-36**	**-0.6%**	**36**
EUR assets	2,089						
USD assets	754						
SEK assets	743						
GBP assets	157						
CHF assets	54						
NOK assets	39						
DKK assets	18						
Assets in other currencies	46						
Total assets	**3,899**	**11**	**1.1%**	**2.1%**	**39**	**0.1%**	**-39**

Banque Invik, 31 December 2009	Amount, SEK M	Term (days)	Average interest expense and income for the year, %	Interest +1%	Net effect on profit or loss of 1% increase, SEK M	Interest -1%	Net effect on profit or loss of 1% decrease, SEK M
EUR liabilities	-901						
USD liabilities	-847						
SEK liabilities	-733						
GBP liabilities	-135						
CHF liabilities	-64						
NOK liabilities	-28						
DKK liabilities	-9						
Liabilities in other currencies	-15						
Total liabilities	**-2,732**	**30**	**1.3%**	**2.3%**	**-27**	**0.3%**	**27**
EUR assets	1,246						
USD assets	839						
SEK assets	708						
GBP assets	141						
CHF assets	77						
NOK assets	28						
DKK assets	12						
Assets in other currencies	16						
Total assets	**3,066**	**13**	**1.8%**	**2.8%**	**31**	**0.8%**	**-31**

Interest-rate risk is especially in focus in Banque Invik, which is a part of the Asset Management operating segment. Banque Invik's interest-rate risk exposure is limited, however, because it is usually matched by interest-bearing investments with similar terms as interest commitments or with an interest margin in Banque Invik's favour. Banque Invik analyses and continuously monitors its exposure to interest-rate risk.

Exchange rate risk

The Group is active internationally and is subject to exchange rate risks that arise from various currency exposures. Exchange rate risk arises through business transactions, recognised assets and liabilities and net investments in foreign operations.

Except in Banque Invik, the operations are predominantly conducted in the country in which the particular subsidiary is located and transactions thereby take place in the same currency as the subsidiary's reporting currency. Accordingly, transaction exposure is limited, as described further down. In the subsidiary, Banque Invik, card operations are conducted in which the holders of payment and credit cards perform transactions in different currencies that are settled in the bank's clearing system. This settlement takes place in foreign currencies on a daily basis. In order to reduce this risk, the positions built up are divested daily.

Financing of foreign assets – translation risk

Translation risk is the risk that the value in SEK with regard to equity in foreign currencies could fluctuate due to changes in the exchange rates. Catella's working capital in foreign currency amounted to SEK 137 M (32) on 31 December 2010. Working capital is financed by loans in local currencies and equity. This means that, from a Group perspective, Catella has equity in foreign currencies that are exposed to changes in exchange rates. This exposure leads to a translation risk and thereby to a situation in which unfavourable exchange rate changes could negatively impact the Group's foreign net assets upon translation to SEK. With the aim of minimising the impact of exchange rate changes on the Group's equity, Catella endeavours, whenever possible, to maintain a long-term match between the Group's assets and debt in foreign exchange including the Group's financing in foreign exchange.

The tables below show how the Group's working capital is distributed by currency and its financing. They also present a sensitivity analysis of net debt and working capital in changes in the exchange rate for SEK. The consolidated income statement is affected by the fact that the income statements of foreign subsidiaries are translated into SEK.

Capital employed and financing by currency, 2009 – 2010 (SEK M)

31 December 2010	EUR	USD	GBP	CHF	NOK	DKK	Other currencies	Total foreign currencies	SEK	Total Group	Total Group +10%[1]	Total Group -10%[1]
Capital employed, Catella Group excluding Banque Invik	122	0	19	0	-10	7	0	137	234	371	385	357
Net liability, Catella Group excluding Banque Invik	483	5	-2	0	6	10	0	502	-171	331	381	281
Non-controlling interests, Catella Group excl. Banque Invik	-10	-	-	-	-3	-2	0	-15	-21	-36	-38	-35
Net exposure, Catella Group excluding Banque Invik	**595**	**5**	**17**	**0**	**-7**	**14**	**0**	**624**	**42**	**665**	**728**	**603**
Net debt/equity ratio, Catella Group excluding Banque Invik	-0,8	-1,1	0,1	0,0	1,4	-0,6	-0,4	-0,8	2,7	-0,5	-0,5	-0,4
Net exposure, Banque Invik	330	-25	-1	-2	0	0	3	305	5	311	341	280
Group's net exposure	**925**	**-20**	**16**	**-2**	**-7**	**14**	**3**	**929**	**47**	**976**	**1,069**	**883**

31 December 2009	EUR	USD	GBP	CHF	NOK	DKK	Other currencies	Total foreign currencies	SEK	Total Group	Total Group +10%[1]	Total Group -10%[1]
Capital employed, Catella Group excluding Banque Invik	11	0	44	0	-23	0	0	32	21	53	56	49
Net liability, Catella Group excluding Banque Invik	456	0	1	0	4	1	0	461	168	629	675	583
Non-controlling interests, Catella Group excluding Banque Invik	-26	-	-	-	-	-	-	-26	-	-26	-29	-24
Net exposure, Catella Group excluding Banque Invik	**440**	**0**	**45**	**0**	**-19**	**1**	**0**	**467**	**188**	**655**	**702**	**608**
Net debt/equity ratio, Catella Group excluding Banque Invik	-1,0	-1,0	0,0	-	0,2	-1,0	-	-0,9	-0,9	-0,9	-0,9	-0,9
Net exposure, Banque Invik	357	16	6	12	-1	3	1	395	-25	370	409	330
Group's net exposure	**797**	**16**	**50**	**12**	**-20**	**3**	**1**	**861**	**164**	**1,025**	**1,111**	**939**

1 Since changes in capital employed due to exchange rate fluctuations are recognised in "Other comprehensive income", they do not impact net profit for the year.

Transaction risk

Transaction risk is the risk of an impact on the consolidated net profit due to the value of the commercial flows in foreign currencies changing because of changes in exchange rates. Since all of the Group's operating activities are conducted in foreign subsidiaries whose functional currency is EUR or another foreign currency, movements in exchange rates between these currencies and SEK affect consolidated profit or loss.

On the balance sheet date, the subsidiaries in Catella excluding Banque Invik had no substantial liabilities or assets in foreign currencies that resulted in net exposure in a currency other than the companies' presentation currency except with regard to certain intra-Group transactions.

Credit risk

Credit risk is the risk of losses due to a borrower not being able to fulfil its obligations to Catella. Credit risk pertains to all receivables and potential receivables, meaning receivables that can arise through Banque Invik's card operations, in companies, financial companies, public administration and private individuals.

Credit risk – accounts receivables and loan receivables

The risk of losses on accounts receivable is generally low in the Group, due to several different factors. The counterparties are predominantly well-known midsize and large customers, where there is an established, long-term relationship. This results in stable incoming payment flows. The credit rating of new customers is checked. The sale and the transactions generated by the customer portfolio are also diversified in several ways, where the most important aspect is that no or few customers constitute a significant part of total sales or lending. An occasional customer's payment cancellation would thereby have a minor effect overall. Counterparties and loan receivables are approved in accordance with the authorisation order in place in the Group and further specified for Asset Management below. Furthermore, Catella renders services for geographically spread customers in a large number of sectors including the public sector, financial sector and real estate companies. The exposure to a financial decline in a single sector or region is thereby relatively limited. Altogether, this entails stable payment flows with regard to generated sales and lending, as also confirmed by the low level of customer losses that despite an increase under the prevailing recession is on average below 0.1 per cent of sales and 0.6 per cent of lending over the past two years.

Credit risk – Asset Management

The operating segment's credit risk is primarily concentrated to Banque Invik, which is a part of the operating segment, and is related in part to investments, loans to customers, credit-card receivables and other commitments to counterparties.

The credit policy that regulates this operation states the following:

- Investments in credit institutions and banks are made only in "first class" banks and within the amount limits established by the bank's Board of Directors.
- Loans to customers are granted only against collateral in cash and cash equivalents, listed securities and/or guarantees. The market value of collateral for loans must always be equal to at least 140 per cent of the loan. At 31 December 2010, the market value of collateral on loans amounted to 253 per cent (326 per cent).

In addition, loans exceeding EUR 1 M must be approved by one of the bank's Board members and loans in excess of EUR 5 M must be approved by two of the bank's Board members. Group Management and the Parent Company Board are represented on Banque Invik's Board and therefore actively participate in its decisions.

Card operations are exposed to credit risk in the form of credit that is granted on payment and credit cards, counterparty risks in the card system and credit risk for card payment customers. Credit losses for card payment customers can arise if a payment customer in default has not fulfilled its commitments, such as delivering the product or providing the service. To minimise credit risk for payment customers, Banque Invik locks a share of sales that take place in the card system as collateral. Also refer to Note 29 for information on frozen funds.

Credit risk – Treasury Management

EETI's investments consist primarily of holdings in and/or financial exposure to securities that are subordinated from a payment perspective and are ranked below securities that are backed by or represent ownership in the same class of asset. In the event of default by an issuer of such investments, holders of more senior securities from the issuer are entitled to payment before EETI. Some of EETI's investments also have structural elements, which means that payment of interest and/or principal goes to more senior securities that are backed by or represent ownership in the same class of asset in the event of default or when the loss exceeds certain levels. This could lead to interruptions in EETI's expected flow of income from its investment portfolio. Although holders of asset-backed securities normally have the advantage of high security levels, control over the timing and method of the sale of such collateral in the event of default is normally transferred to holders of the most senior securities. There are no guarantees that the income from the sale of collateral will be sufficient to fully repay EETI's investments.

EETI attempts to reduce credit risk by actively monitoring its investment portfolio and the underlying credit quality of the holdings. EETI strives to further minimise credit risk by creating a diversified portfolio in terms of geographical spread, issuers and administrators. EETI does not intend to undertake any credit hedging other than hedging of credit exposure in specific investments in individual cases. In 2010, no credit hedging was conducted.

Prepayment risk refers to the risk that individual debtors will pay off mortgages used as collateral for EETI's loan portfolios before their scheduled maturities. In its valuations, EETI takes into account an anticipated prepayment rate on the loans used as collateral for EETI's investments, but it is possible that EETI's investments and the assets used as collateral for these will be repaid earlier than expected and thereby affect the value of EETI's portfolio. EETI's fund managers review the prepayment assumptions quarterly and update these as needed. The assumptions are reviewed by examining the information about the performance of the underlying loans. The prepayment rate is affected by changes in interest rates and a number of financial, geographical and other factors that are beyond EETI's control and can consequently not be predicted with certainty. The level and timing of the debtors' prepayment of mortgages used as collateral for certain investments could adversely affect the income earned by EETI on these investments.

Default risk refers to the risk that individual debtors will be unable to pay the required interest and principal at maturity. In its valuations, EETI takes into account an expected rate of default and an expected level of loss, but EETI's investments could incur larger losses if the payments in default are higher. The risk of default is handled by EETI's fund managers, which regularly analyse the holdings. Every quarter, the fund managers review the various assumptions and update these as needed. The assumptions are reviewed by examining the information about the performance of the underlying loans. The degree of default risk is affected by changes in interest rates and a number of financial, geographic and other factors that are beyond EETI's control and can consequently not be predicted with certainty. The level and timing of a debtor's default of mortgages used as collateral for certain investments could adversely affect the income earned by EETI on these investments.

Credit rating of financial assets

The table below presents the credit rating of the financial assets for the Catella Group excluding Banque Invik and for Banque Invik separately.

Credit rating of financial assets, Catella Group excluding Banque Invik (SEK M)

31 december 2010	Accounts receivable	Assets measured at fair value through profit and loss	Bank funds and short-term bank deposits	Total
Counterparties with external credit ratings*:				
AAA	4	-	9	13
AA	6	-	3	9
AA-	1	-	160	161
A+	18	-		18
A	-	-	18	18
A-	1	-	-	1
BBB-	0	-	-	0
BB+	2	-	-	2
B	-	125	-	125
	32	**125**	**191**	**348**
Counterparties without external credit ratings:				
Companies	88	285	-	374
Funds	9	56	-	65
Financial companies	3	-	7	10
Public administration	3	-	-	3
Private individuals	11	-	-	11
	114	**341**	**7**	**463**
Total	**146**	**466**	**198**	**811**

31 december 2009	Accounts receivable	Assets measured at fair value through profit and loss	Bank funds and short-term bank deposits	Total
Counterparties with external credit ratings*:				
AAA	-	-	7	7
AA	-	-	2	2
AA-	-	-	33	33
A+	-	-	0	0
A	-	-	130	130
B	-	146	-	146
	0	**146**	**171**	**317**
Counterparties without external credit ratings:				
Companies	-	66	-	66
Financial companies	-	-	27	27
Private individuals	-	285	-	285
	0	**351**	**27**	**377**
Total	**0**	**497**	**198**	**695**

* *Standard & Poor's long-term credit rating has been used.*

Credit rating of financial assets, Banque Invik (SEK M)

31 December 2010	Accounts receivables	Loans receiv-able	Derivative instruments	Assets available for sale	Assets measured at fair value through profit and loss	Assets held to maturity	Bank funds and short-term bank deposits	Total
Counterparties with external credit ratings*:								
AAA	-	-	-	-	-	13	59	72
AA+	-	-	1	-	-	-	319	320
AA	-	-	-	-	-	-	329	329
AA-	-	-	-	-	-	-	434	434
A+	-	-	-	11	-	-	590	601
A	-	-	-	-	-	-	319	319
A-	-	-	-	-	-	-	306	306
B	-	-	-	-	-	-	31	31
BBB+	36	-	-	-	-	-	-	36
	36	**0**	**1**	**11**	**0**	**13**	**2,388**	**2,449**
Counterparties without external credit ratings:								
Companies	-	769	-	-	-	-	-	769
Financial companies	-	-	-	0	-	-	293	293
Funds	-	-	-	-	1	-	-	1
Private individuals	-	435	-	-	-	-	-	435
	0	**1,204**	**0**	**0**	**1**	**0**	**293**	**1,498**
Total	**36**	**1,204**	**1**	**12**	**1**	**13**	**2,681**	**3,948**

31 December 2009	Accounts receivables	Loans receiv-able	Derivative instruments	Assets available for sale	Assets measured at fair value through profit and loss	Assets held to maturity	Bank funds and short-term bank deposits	Total
Counterparties with external credit ratings*:								
AAA	-	-	-	-	-	-	41	41
AA+	-	-	16	-	-	-	730	745
AA	-	-	-	-	-	-	18	18
AA-	-	-	-	-	-	-	714	714
A+	-	-	-	13	-	-	21	35
A	-	-	-	-	-	-	15	15
BB	-	-	-	-	-	-	42	42
BBB+	-	-	-	10	-	-	-	10
	0	**0**	**16**	**24**	**0**	**0**	**1,580**	**1,619**
Counterparties without external credit ratings:								
Companies	-	693	-	-	-	-	-	693
Financial companies	-	-	-	0	-	-	294	295
Private individuals	-	482	-	-	-	-	-	482
	0	**1,176**	**0**	**0**	**0**	**0**	**294**	**1,470**
Total	**0**	**1,176**	**16**	**24**	**0**	**0**	**1,874**	**3,090**

* *Standard & Poor's long-term credit ratings have been utilised.*

In addition to the above loan receivables, Banque Invik has a number of undertakings to its clients. The Group's undertakings regarding granted but undisbursed loans are stated in note 36.

Geographic concentration of credit risks in financial assets

	Financial assets				Memorandum items			
	2010		2009		2010		2009	
SEK M	Catella Group excl. Banque Invik	Banque Invik	Catella Group excl. Banque Invik	Banque Invik	Catella Group excl. Banque Invik	Banque Invik	Catella Group excl. Banque Invik	Banque Invik
Luxembourg	-	2,045	27	2,163	26	1,487	22	4,077
Sweden	190	743	182	452	217	86	1	106
USA	-	815	-	61	-	122	-	129
UK	-	157	44	40	-	773	-	30
Germany	145	-	92	-	98	2	-	1
Spain	121	-	139	-	118	-	-	57
Netherlands	111	-	128	-	111	0	-	1
France	109	-	32	90	54	8	-	0
Switzerland	-	54	-	63	-	680	-	1
Portugal	54	-	39	-	56	-	-	-
Norway	9	39	0	3	6	-	-	2
Denmark	24	18	-	1	10	2	-	1
Finland	29	-	-	-	27	-	-	-
Monaco	-	-	-	-	-	92	-	-
Guernsey	-	-	-	21	14	66	-	-
Gibraltar	-	-	-	-	-	43	-	-
Jersey	-	-	-	-	-	43	-	-
Andorra	-	-	-	-	-	43	-	9
Cyprus	-	-	-	36	-	32	-	33
Malta	-	-	-	26	-	23	-	6
Bahamas	-	-	-	-	-	18	-	-
Other countries	20	77	10	134	3	16	-	5
Total	**811**	**3,948**	**695**	**3,090**	**740**	**3,536**	**23**	**4,458**

Geographic concentration of credit risks

The table above presents the geographic concentration of credit risks.

Capital risk and capital management

The objective of the Group's capital structure is to provide a healthy return to the shareholders by maintaining an optimal capital structure aiming to make the costs of capital as low as possible and, in the subsidiaries, it is relevant to achieve the requirements of financial stability that are placed on the subsidiaries. The Group's capitalisation must be risk based and proceed from an assessment of the collective risk level in operations. It should also be prospective and in line with long- and short-term business plans and with the expected macro-economic development. The capital is assessed with relevant key ratios, such as the ratio between net debt and equity. At 31 December, net debt relative to equity was minus 0.5 (-0.9).

Some of the subsidiaries in the Group, mainly in Asset Management, are subject to capital adequacy requirements. Upon changes in regulations and changes in each subsidiary's bulk of assets and related risks, additional capital may be required to fulfil capital adequacy rules in the future. The subsidiaries and the Group continuously monitor these capital adequacy and related requirements to ensure compliance with them. For subsidiaries under supervision that are subject to capital adequacy requirements, these requirements were achieved both during the year and at 31 December 2010.

Fair value hierarchy for the valuation of financial assets and liabilities

The table below presents financial instruments measured at fair value based on how the classification in the fair value hierarchy has been performed. The various levels are defined as follows:

Listed (unadjusted) market prices

Fair value of financial instruments traded on an active market is based on listed market prices on the balance sheet date. A market is considered to be active if listed prices from a stock exchange, broker, industrial group, pricing service or supervisory authority are readily and regularly available and these prices represent actual and regularly occurring market transactions at arm's length. The listed market price used for the Group's financial assets is the actual buying rate. The investments found in the table below in the column for listed market prices primarily comprise shareholdings in OMX and AIM LSE classified as securities held for sale or available for sale financial assets.

Valuation techniques that use observable market data

Fair value of financial instruments not traded on an active market (such as OTC derivatives or certain funds) is established using valuation techniques. Here, market information is used to the furthest possible extent when available, while company-specific information is used as little as possible. If all significant input data required for the fair value measurement of an instrument is observable, the instrument is listed in the column of Valuation techniques that use observable market data in the table below. The investments presented in the table below in the column for valuation techniques that use observable market data are units in the Nordic Light Fund and some shareholdings, such as those in Swift and Visa, which will be converted to listed shares on a future date.

Valuation techniques that use non-observable market data
If one or more significant input data is not based on observable market information, the instrument concerned is classified in this category. Specific valuation techniques used to measure financial instruments are the calculation of discounted cash flows to establish fair value for the remaining financial instruments. The financial instruments classified in this category are the value of EETI's investments in securitised loan portfolios. These are measured at fair value, which was established based on forecast discounted cash flows. EETI is described in more detail in Note 23. The unlisted shareholdings in Castello SGR are also included in this category.

Group's assets and liabilities measured at fair value on 31 December 2010

SEK M	Quoted market prices	Valuation techniques using observable market data	Valuation techniques using non-observable market data	Total
Assets	-	-	-	
Derivative instruments	-	1	-	1
Financial assets available for sale	-	12	-	12
Financial assets measured at fair value through profit and loss	36	36	395	467
Total assets	**36**	**49**	**395**	**479**
Derivative instruments	-	1	-	1
Total liabilities	**0**	**1**	**0**	**1**

Group's assets and liabilities measured at fair value on 31 December 2009

SEK M	Quoted market prices	Valuation techniques using observable market data	Valuation techniques using non-observable market data	Total
Assets	-	-	-	
Derivative instruments	-	16	-	16
Financial assets available for sale	-	24	-	24
Financial assets measured at fair value through profit and loss	66	-	431	497
Total assets	**66**	**40**	**431**	**536**
Derivative instruments	-	16	-	16
Total liabilities	**0**	**16**	**0**	**16**

Changes in instruments in the category of valuation techniques using non-observable market data in 2009 and 2010

	2010	2009
SEK M	Financial assets measured at fair value through profit and loss	Financial assets measured at fair value through profit and loss
On 1 January	431	-
Transfers from other categories	-	-
Income through business combinations	23	421
Acquisitions	1	-
Divestments	-6	-
Amortisation	-12	-6
Gains and losses recognised through profit and loss	-2	24
Capitalised interest income	17	11
Exchange rate differences	-56	-19
On 31 December	**395**	**431**

A sensitivity analysis for changes in significant parameters of the holding in EETI (Financial assets measured at fair value in profit or loss) is provided above in the section regarding Market price risk in Treasury Management.

Financial instruments by category

The consolidated statement of financial position presents how financial instruments are distributed by category, whereby no further information on categories is provided in notes.

NOTE 4 IMPORTANT ESTIMATES AND ASSESSMENTS

Estimates and assessments are continuously evaluated and based on historical experience and other factors, including expectations of future events that are considered reasonable under prevailing circumstances.

Important estimates and assumptions for presentation purposes

The Group makes estimates and assumptions of the future. The estimates for accounting purposes that result from them will, by definition, rarely match the real results. The estimates and assumptions that entail a significant risk of substantial adjustments in carrying amounts for assets and liabilities during the next financial year are generally handled as per below.

Impairment testing of intangible assets with indefinite working lives

The Group has goodwill in the amount of SEK 223 M and SEK 50 M in trademarks which, in accordance with the accounting policy described in Note 2, are impairment tested annually, which is conducted in the third quarter. An assessment of the recoverable amount is conducted based on calculations and estimates. The acquisition through which goodwill and trademarks were consolidated as of 30 September 2010 will be impairment tested for the first time in the third quarter of 2011. Also refer to Note 18.

Measurement of accounts receivable, loan receivables, reserves for losses on them and other commitments to counterparties

Accounts receivable and loan receivables total SEK 1,387 M (1,176) and thereby jointly constitute one of the largest items in the statement of financial position. Accounts receivable and loan receivables are recognised at net amortised cost after provisions for losses on accounts receivable. Provisions for accounts receivable losses of SEK 34 M (0) and loan receivable losses of SEK 34 M (-36) are subject to critical estimates and assessments. Further information on credit risk in accounts receivable and loan receivables is available in Notes 25, 26 and 3. In addition, there are undertakings for unutilised, granted loan credits of SEK 3,194 M (2,137) that are described in Note 36 and credit risk for card payment customers and counterparty risk in card and payment systems. If the assumptions, which are based on both historical statistics and individual assessments, were to differ from the final outcome, the provisions for these risks could prove insufficient and additional costs could thereby arise in upcoming periods.

Measurement of securitised loan portfolios

At 31 December 2010, the value of EETI loan portfolios was SEK 387 M (442). The measurement of EETI's loan portfolio is based on a large number of parameters, including estimated future cash flows, as described in Note 3, Financial risk management. Since the market for EETI loan portfolios, subordinated securities with collateral in assets, is currently illiquid, many of EETI's investments are illiquid, although not all. As a result, the valuation model includes a number of parameters that are non-observable market data, which leads to significant uncertainty. Changes in the assessments underlying the chosen parameters could result in a change in the fair value of the EETI loan portfolio in the consolidated statement of financial position and such a change could be substantial. It is not possible to quantify the likelihood of whether the assumptions could be erroneous and thereby lead to a mistaken valuation of the portfolio. For further information and a sensitivity analysis, refer to Note 3.

Measurement of identifiable assets and liabilities in conjunction with acquisition of subsidiaries/operations

The measurement of identifiable assets and liabilities in connection with the acquisition of subsidiaries and operations includes a part of the distribution of the purchase consideration so that both items in the acquired company's balance sheet and items not subject to recognition in the acquired company's balance sheet such as customer relations will be measured at fair value. Normally, no listed prices exist for the assets and liabilities to be valued, whereby various valuation techniques must be applied. These valuation techniques are based on several different assumptions. Other items that could be difficult to both identify and measure are contingent liabilities that may have arisen in the acquired company, such as disputes. All balance sheet items are thereby subject to estimates and assessments. For further information regarding acquisitions, refer to Note 38.

Recognition of income tax, value added tax and other tax rules

The recognition of income tax, value added tax and other taxes is based on current rules in the countries in which the Group conducts operations. Due to the combined complexity of all rules governing taxes and the reporting of taxes, application and recognition are on the interpretation of estimates and assessments. Deferred tax is calculated on temporary differences between recognised and tax values of assets and liabilities. Two types of assumptions and estimates mainly affect the reported deferred tax. There are firstly assumptions and estimates to establish the carrying amount of various assets and liabilities, and secondly assessments as to whether there will be a future taxable profit so that the temporary differences will be realisable. At year-end, SEK 5 M was recognised as deferred tax assets based on assumptions of the possibilities of utilising future loss carryforwards. Furthermore, there were loss carry-forwards of just over SEK 700 M where no deferred tax assets were recognised. In 2011, a review of the Group's tax structure will be conducted to determine how the loss carry-forwards can be used in the future. Significant assessments and assumptions were also made with regard to the recognition of provisions and contingent liabilities related to tax risk. For further information regarding taxes, please refer to Note 15.

Effect on the Group's financial position with regard to ongoing disputes and the measurement of contingent liabilities

The reporting of disputes and measurement of contingent liabilities are based on assessments. If these assessments were to differ from the outcome, this could have a substantial impact on Catella's accounts. For further information, please refer to Note 35.

NOTE 5 INFORMATION PER SEGMENT

Disclosures by operating segments

The Group's reporting by operating segment was reviewed in conjunction with the acquisition of former Catella. The operating segments reported in this Annual Report (Corporate Finance, Asset Management and Treasury Management) concur with the internal reporting presented to management and the Board from 30 September 2010 and, accordingly, have been established as operating segments in accordance with IFRS 8. The former operating segment Banque Invik is recognised in Asset Management and the former operating segment EETI is recognised in Treasury Management. The Parent Company, Group Management and other Group-wide functions are recognised in the "Other" category. Acquisition and financing costs attributable to the acquisition of Catella Brand AB, the brand and the loan financing raised in conjunction with the acquisition are also recognised in this category.

The business activities of each operating segment differ, as do the income measures that are monitored. Operating profit is the primary income measure monitored for Corporate Finance, while the focus is on Profit before tax for Asset Management. For this reason a complete income statement, down to net profit for the year, is provided for each operating segment.

Transactions between the operating segments are limited and pertain mainly to financial transactions and certain re-invoicing of expenses. Limited transactions for the delivery of services to external customers exist. Any transactions that take place are conducted according to market-based terms and conditions.

Income statement by operating segment

	Corporate Finance		Asset Management		Treasury Management		Other		Eliminations		Group	
SEK M	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Net sales	196	-	390	217	-	-	-	-	0	-	586	217
Other operating income	7	-	7	13	-	-	-	3	-	-	14	17
	203	**0**	**397**	**230**	**0**	**0**	**0**	**3**	0	0	600	234
Other external costs	-39	-	-214	-158	-5	-4	-25	-16	0	-	-283	-177
Personnel costs	-107	-	-147	-71	-	-	-9	-4	0	-	-263	-75
Depreciation/amortisation	-1	-	-18	-10	-	-	0	0	-	-	-19	-10
Recognition of negative goodwill	-	-	-	145	-	295	-	0	-	-	0	440
Other operating expenses	1	-	-25	-5	-	-	-2	0	-	-	-26	-5
Operating profit/loss	**57**	**0**	**-7**	**132**	**-5**	**291**	**-36**	**-17**	0	0	9	406
Interest income	1	-	36	55	43	24	3	14	-2	-11	80	82
Interest expense	-1	-	-11	-36	-1	0	-4	-10	2	11	-15	-36
Other financial income	1	-	8	17	24	50	8	7	-	-	40	74
Other financial expenses	0	-	-16	-4	-54	-1	-1	-45	-	-	-71	-50
Net financial items	0	0	17	31	11	73	6	-34	0	0	35	70
Profit/loss before tax	**57**	**0**	**11**	**163**	**6**	**364**	**-30**	**-50**	**0**	**0**	**44**	**476**
Tax	-17	-	-7	-1	-	-	5	-3	-	-	-19	-4
Net profit/loss for the year	**40**	**0**	**4**	**162**	**6**	**364**	**-25**	**-53**	**0**	**0**	**25**	**472**

Financial position by operating segment

	Corporate Finance		Asset Management		Treasury Management		Other		Eliminations		Group	
SEK M	31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009
ASSETS												
Non-current assets												
Intangible assets	62		202	24			50				314	24
Tangible fixed assets	13		13	14			1	0			26	14
Holdings in Group companies	46		4				431	597	-481	-597	0	0
Holdings in associated companies			6								6	0
Financial assets available for sale			12	24							12	24
Financial assets measured at fair value through profit and loss	0		17		386	431					404	431
Non-current loans receivable			35	66							35	66
Deferred tax assets	1		4	4			1				5	4
Other non-current receivables	3		1				1	1			5	1
Total non-current assets	**125**	**0**	**293**	**132**	**386**	**431**	**483**	**598**	**-481**	**-597**	**807**	**564**
Current assets												
Accounts receivable	124		57				2				182	0
Receivables from Group companies	1		28		17		268	539	-315	-539	0	0
Current loans receivable			1,169	1,110							1,169	1,110
Prepaid tax	1		31	8			1				33	8
Other receivables	8		7	14	38		1	10			54	24
Prepaid expenses and accrued income	20		105	85	10	12	6	0			141	97
Derivative instruments			1	16							1	16
Financial assets measured at fair value through profit and loss	0		21		42	66					63	66
Investments held to maturity			13								13	0
Cash and cash equivalents *	56		2,801	1,877	14	10	7	185			2,879	2,073
Total current assets	**210**	**0**	**4,234**	**3,109**	**122**	**88**	**285**	**734**	**-315**	**-539**	**4,536**	**3,392**
Total assets	**336**	**0**	**4,527**	**3241**	**508**	**519**	**769**	**1,332**	**-796**	**-1,135**	**5,343**	**3,956**
EQUITY AND LIABILITIES												
Equity attributable to shareholders of the Parent Company	79	0	451	372	507	491	421	758	-481	-597	976	1,025
Non-controlling interests	15		11		1	26	9				36	26
Total equity	**94**	**0**	**462**	**372**	**508**	**518**	**430**	**758**	**-481**	**-597**	**1,012**	**1,051**
Liabilities												
Non-current liabilities												
Borrowings	1						172				172	0
Non-current loan liabilities			31	37							31	37
Deferred tax liabilities			25	0			12	17			38	17
Other provisions	1		11	6			1	1			13	7
Total non-current liabilities	**1**	**0**	**67**	**43**	**0**	**0**	**185**	**18**	**0**	**0**	**254**	**61**
Current liabilities												
Borrowings	0		75	238			72				147	238
Current loan liabilities			3,534	2,441							3,534	2,441
Derivative instruments			1	16							1	16
Accounts payable	24		30	7			1	1			54	8
Liabilities till Group companies	69		202		0		44	539	-315	-539	0	0
Current tax liabilities	17		32	23			3	6			53	29
Other liabilities	29		7	80			8	7	0		44	87
Accrued expenses and deferred income	101		115	21	1	1	26	4			243	25
Total current liabilities	**240**	**0**	**3,998**	**2,826**	**1**	**1**	**154**	**556**	**-315**	**-539**	**4,077**	**2,844**
Total liabilities	**241**	**0**	**4,065**	**2,869**	**1**	**1**	**339**	**574**	**-315**	**-539**	**4,331**	**2,904**
Total equity and liabilities	**336**	**0**	**4,527**	**3,241**	**508**	**519**	**769**	**1,332**	**-796**	**-1,135**	**5,343**	**3,956**

Cash flow per operating segment

	Corporate Finance		Asset Management		Treasury Management		Other		Eliminations		Group	
SEK M	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Profit/loss before tax	57	-	11	163	6	364	-30	-50			44	476
Other financial items	-1	-	8	-12	31	-49	-7	38			31	-24
Depreciation/amortisation	1	-	18	10	0	0	0	0			19	10
Recognition of negative goodwill	-	-	-	-145	-	-295	-	0			0	-440
Other items not affecting cash flow	12	-	41	-4	-40	-24	8	10			20	-17
Paid income tax	-1	-	-17	-26	-	-	-4	-3			-22	-28
Changing in operating capital employed	-22	-	1,087	-407	52	-20	-56	-12			1,061	-440
Cash flow from operating activities	**46**	**0**	**1,148**	**-422**	**48**	**-24**	**-89**	**-17**	0	0	1,153	-463
Cash flow from tangible and intangible assets	0	-	-10	-5	-	-	0	-			-10	-5
Acquisition of subsidiaries, net after cash and cash equivalents	41	-	123	2,339	-7	14	-348	-251			-191	2,102
Cash flow from other financial assets	-1	-	-30	-	-35	21	-	2			-66	23
Cash flow from investing activities	**41**	**0**	**82**	**2,334**	**-43**	**35**	**-348**	**-249**	**0**	**0**	**-268**	**2,120**
Loans raised, net	-39	-	-	-	-	-	260	-			221	0
Capital contributions, dividends etc.	5	-	-	-	-	-	1	-			6	0
Cash flow from financing activities	**-34**	**0**	**0**	**0**	**0**	**0**	**261**	**0**	**0**	**0**	**227**	**0**
Cash flow for the year	**52**	**0**	**1,230**	**1,912**	**6**	**11**	**-176**	**-266**	**0**	**0**	**1,112**	**1,657**

Disclosures by geographic market

	Total sales from external customers[1]		Total assets		Non-current assets[2]	
SEK M	2010	2009	31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009
Luxembourg	110	88	2,109	2,293	29	40
Sweden	163	12	1,262	648	250	30
Netherlands	86	67	2	-	-	-
USA	-	-	803	37	-	-
France	76	-	106	90	19	-
Other countries	152	50	564	347	89	36
Non-current assets not specified by country [2]	-	-	498	540	421	458
Total	**586**	**217**	**5,343**	**3,956**	**807**	**564**

[1] *Based on localisation of sales outlets and essentially corresponds to customers' geographic location.*

[2] *Financial instruments and deferred tax assets are not specified by country. Instead, these items are recognised on the line "Non-current assets not specified by country."*

NOTE 6 NET SALES

SEK M	2010	2009
Corporate Finance income	191	-
Private Banking	45	44
Fund income	116	-
Card income	223	173
Other income	11	-
	586	**217**

NOTE 7 OTHER OPERATING INCOME

SEK M	2010	2009
Rental income	6	7
Capital gains attributable to business divestments	4	2
Other	4	8
	14	**17**

NOTE 8 OTHER EXTERNAL COSTS

Remuneration of auditors

SEK M	2010	2009
KPMG		
- Audit assignment	3	-
- Audit activities other than audit assignment	1	-
- Tax advisory services	-	-
- Other services	2	-
	5	**0**
PwC		
- Audit assignment	1	3
- Audit activities other than audit assignment	1	-
- Tax advisory services	0	-
- Other services	1	1
	3	**3**
Ernst & Young		
- Audit assignment	0	1
- Audit activities other than audit assignment	-	-
- Tax advisory services	-	-
- Other services	0	0
	1	**1**
Other accounting firms		
- Audit assignment	0	0
- Audit activities other than audit assignment	-	-
- Tax advisory services	0	-
- Other services	-	-
	0	**0**
Total remuneration of auditors	**10**	**4**

NOTE 9 DEPRECIATION/AMORTISATION

SEK M	2010	2009
Amortisation of intangible assets, Note 18	12	6
Depreciation of property, plant and machinery assets, Note 19	7	5
	19	**10**

NOTE 10 PERSONNEL

Salaries, other remuneration and social security expenses by country

	2010		2009	
SEK M	Salaries and other remu-neration	Social security expenses (of which, pension costs)	Salaries and other remu-neration	Social security expenses (of which, pension costs)
Sweden – Parent Company	4	1	4	1
		(0)		-
Sweden – subsidiaries	49	20	-	-
		(3)		-
Luxembourg	79	12	60	1
		(3)		-
Norway	1	0	-	-
		(0)		-
Denmark	3	0	-	-
		-		-
Finland	14	2	-	-
		(2)		-
France	26	7	-	-
		(3)		-
Germany	11	1	-	-
		-		-
Spain	3	-	-	-
		-		-
Other countries	4	0	1	-
Total	**194**	**45**	**65**	**2**
		(12)		**(0)**

Salaries, other remuneration and social security expenses by country, specified by Board and CEO, and other employees

	2010		2009	
SEK M	Board and CEO (of which, bonus)	Other employees	Board and CEO (of which, bonus)	Other employees
Sweden – Parent Company	3	1	4	-
	-		(1)	
Sweden – subsidiaries	4	45	-	-
	(1)		-	
Luxembourg	1	77	4	56
	-		-	
Norway	0	1	-	-
	-		-	
Denmark	0	3	-	-
	-		-	
Finland	3	12	-	-
	(1)		-	
France	11	15	-	-
	(3)		-	
Germany	3	8	-	-
	(1)		-	
Spain	2	1	-	-
	(1)		-	
Other countries	1	2	1	-
Total	**31**	**163**	**9**	**56**
	(8)		**(1)**	

In addition to the above mentioned compensation, which was an expense Catella in 2010, gains attributable to owners of subsidiaries in which they conduct business operations are recognised as a personnel cost in accordance with applicable accounting policies. This cost amounts to SEK 28 M (0).

Average number of employees (restated as full-time positions)

	2010		2009	
Country	Total	Of whom, women	Total	Of whom, women
Sweden – Parent Company	1	-	1	-
Sweden – subsidiaries	41	15	2	-
Luxembourg	113	48	85	40
Norway	1	-	-	-
Denmark	2	-	-	-
Finland	11	3	-	-
Baltic region	2	1	-	-
France	11	6	-	-
Germany	13	6	-	-
Spain	2	-	-	-
Other countries	4	2	-	-
Total	**200**	**81**	**88**	**40**

The information provided on the average number of employees for the full-year 2010 includes the acquired former Catella for only the period October–December. For the year January–September, the Group comprised only the former operations of Banque Invik and EETI.

On 31 December 2010, the number of Board members and Chief Executive Officer totalled 188 (12), of whom 5 (0) women.

NOTE 11 REMUNERATION OF SENIOR EXECUTIVES

Principles

Board fees are paid to the Board Chairman and members in accordance with the decision of the Annual General Meeting.

Guidelines for remuneration of senior executives, adopted by the 2010 Annual General Meeting. Remuneration of senior executives is to comprise fixed, market-based remuneration. The Board may deviate from these principles in individual cases if they have specific reasons for doing so. The term "senior executives" was changed in 2010 to include the Chief Executive Officer, Deputy Chief Executive Officer and Chief Financial Officer since the Group and structure of the Group and its operations changed. This also meant that the existing guidelines were not deemed to be fully applicable and the Board decided to deviate from them to ensure market-based remuneration for the Group's senior executives. The remuneration structure is described below. The Board proposes that the 2011 Annual General Meeting adopt the new guidelines which are in line with the existing remuneration structure for senior executives. This motion is presented in greater detail in the Administration Report.

In 2009, the senior executive and Chief Executive Officer was Lorenzo Garcia. Lorenzo Garcia was replaced as Chief Executive Officer by Johan Ericsson on 14 September 2010, when Lennart Schuss (Deputy Chief Executive Officer) and Ando Wikström (Chief Financial Officer) also became senior executives. Additional members of Group Management were appointed in 2011. Refer to page 36 for a presentation of Group Management.

Remuneration and other benefits in 2010

SEK '000	Basic salary / Board fees	Variable remuneration	Other benefits	Pension costs	Financial instruments	Other remuneration	Total
Board Chairman							
Björn Edgren	300	-	-	-	-	300	600
Other Board members							
Johan Claesson	377	-	-	-	-	-	377
Johan Damne	100	-	-	-	-	-	100
Lorenzo Garcia	364	-	-	-	-	-	364
Peter Gyllenhammar	200	-	-	-	-	-	200
Total Board fees	**1,341**	**0**	**0**	**0**	**0**	**300**	**1,641**
Chief Executive Officer							
Lorenzo Garcia	1,800	-	-	-	-	-	1,800
Johan Ericsson	525	-	-	158	-	-	683
Deputy Chief Executive Officer							
Lennart Schuss	525	-	-	158	-	-	683
Other senior executives (1 person)	451	-	-	135	-	-	586
Total	**4,642**	**0**	**0**	**450**	**0**	**300**	**5,392**

Basic salary, 2010

Basic salary for the former Chief Executive Officer Lorenzo Garcia pertains to a fixed monthly salary for the year 1 January – 30 September 2010. Basic salary for the current Chief Executive Officer, Deputy Chief Executive Officer and other senior executives pertains to fixed monthly salaries for the year 1 October – 31 December 2010.

Variable remuneration, 2010

The Chief Executive Officer, Deputy Chief Executive Officer and other senior executives are entitled to receive a performance-based bonus. The bonus entitlement and calculation basis for the bonus are determined and reviewed every year by the Board. Bonuses are paid in an amount corresponding to a maximum of 12 monthly salaries.

Share-based incentive programme, 2010

Refer to Note 12 Share-based incentives.

Other benefits and pension costs, 2010

In addition to statutory pension and insurance benefits, the company shall annually reserve an amount corresponding to 30 per cent of the fixed salary for senior executives for the occupation solution chosen by the employee.

Senior executives are entitled to 30 days of holiday per year.

Termination of employment and severance pay, 2010

A mutual period of notice of 12 months with no severance pay applies between the company and the Chief Executive Officer and Deputy Chief Executive Officer. If the company terminates the employment of the Chief Executive Officer or Deputy Chief Executive Officer for any reason other than the gross negligence of their responsibilities to the company or if they are in any other way in substantial breach of their employment contract, severance pay corresponding to 12 monthly salaries will be paid. The employment contracts for the Chief Executive Officer and Deputy Chief Executive Officer will expire when they reach the age of 65, with no prior notice of termination, pay during period of notice or severance pay.

A period of notice of six months applies between the company and other senior executives if employment is terminated by executives and a period of notice of 12 months if the company terminates employment. If the company terminates the employment of other senior executives for a reason other than the gross negligence of their responsibilities to the company or if they are in any other way in substantial breach of their employment contract, severance pay corresponding to six monthly salaries will be paid.

Other information

The Chief Executive Officer, Deputy Chief Executive Officer and Chief Financial Officer jointly own 9 per cent of the subsidiary CFA Partners AB, which was acquired prior to Catella acquiring 91 per cent of the shares in the subsidiary. No dividends were made from this company after Catella acquired it in September 2010.

Remuneration and other benefits in 2009

SEK '000	Basic salary / Board fees	Variable remuneration	Other benefits	Pension costs	Financial instruments	Other remuneration	Total
Board Chairman							
Björn Edgren	300	-	-	-	-	-	300
Other Board members							
Johan Claesson	200	-	-	-	-	-	200
Johan Damne	200	-	-	-	-	-	200
Lorenzo Garcia	348	-	-	-	-	-	348
Peter Gyllenhammar	200	-	-	-	-	-	200
Total Board fees	**1,248**	**0**	**0**	**0**	**0**	**0**	**1,248**
Chief Executive Officer							
Lorenzo Garcia (consultancy fees)	600	560	-	-	-	-	1,160
Lorenzo Garcia (salary)	1,800	-	-	-	-	-	1,800
Total	**3,648**	**560**	**0**	**0**	**0**	**0**	**4,208**

Basic salary, 2009

The basic salary for Chief Executive Officer pertains to the fixed consultancy fee per month during the period 1 January – 31 March 2009 that was invoiced to Greenfield International AB and the fixed monthly salary for the year 1 April – 31 December 2009.

Variable remuneration, 2009

An additional variable fee was paid to the Chief Executive Officer Lorenzo Garcia, as consultancy remuneration via Greenfield International AB, as described above. This variable performance portion was based on net asset value, after the divestment of Scribona's IT distribution operations, of a minimum of SEK 5.50 per share corresponding to SEK 449 M. For an outcome exceeding SEK 449 M, progressively calculated remuneration of between 5.5 per cent and 10.0 per cent was paid on the excess portion.

Share-based incentive programme, 2009

The company has not issued any share-based incentive programme to the Board or management.

Other benefits and pension costs, 2009

No pension benefits are payable to the Board or company management. The Chief Executive Officer is insured against illness at 100 per cent of his salary for a maximum period of 90 days per calendar year without any qualification days.

Termination of employment and severance pay, 2009

A mutual period of notice of six months with no severance pay applies between the company and Chief Executive Officer.

Shareholdings and other holdings

The Board's and Group Management's shareholding in Catella AB and other holdings as at 31 December were as follows:

Shareholdings and other holdings

	Class A shares		Class B shares		Warrants	
	2010	2009	2010	2009	2010	2009
Björn Edgren, Board Chairman	-	-	100,000	-	-	-
Johan Claesson, Board member	610,937	610,937	31,218,294	31,218,294	-	-
Peter Gyllenhammar, Board member	475,000	475,000	6,422,980	6,422,980	-	-
Lorenzo Garcia, Board member	-	-	698,629	550,453	-	-
Johan Ericsson, Chief Executive Officer	-	-	-	-	5,550,000	-
Lennart Schuss, Deputy Chief Executive Officer	-	-	-	-	5,550,000	-
Ando Wikström, Chief Financial Officer	-	-	30,000	-	5,550,000	-
Total holdings	**1,085,937**	**1,085,937**	**38,469,903**	**38,191,727**	**16,650,000**	**0**

NOTE 12 SHARE-BASED INCENTIVES

A resolution was passed at the Annual General Meeting held on 20 May 2010 regarding the authorisation of the Board during the period until the next Annual General Meeting, to decide to issue 30,000,000 warrants for Class B shares for cash payment, on one or more occasions, with or without preferential rights for shareholders. The warrants were utilised in conjunction with the acquisition of former Catella as part of the acquisition payment made. Senior executives and key individuals in former Catella received warrants under market-based terms and conditions, entitling them to subscribed for a maximum of 30,000,000 new Class B shares in Catella AB (publ). The warrant premium was SEK 30 M.

The strike price for the subscription for the shares on the basis of the warrants was determined in conjunction with the allotment of the warrants at SEK 11. The strike price corresponded to the shareholders' equity of Catella AB (publ) on the allotment date and the value of the warrants was determined by an independent valuation institution by applying accepted valuation models (Black & Scholes). The issue price will be adjusted in the event that a decision is made on potential future dividends to shareholders, together with other dividends paid during the same financial year, that exceed 8 per cent (8) of the average price of the share over a period of 25 trading days immediately prior to the day on which the Board of Catella AB (publ) announces its intension to present such a dividend proposal to the Annual General Meeting. The Group has no legal or informal obligation to buyback or settle the warrants in cash.

Changes in the number of outstanding warrants and their average weighted strike price are as follows:

Outstanding warrants	Average strike price in SEK per share	Warrants (000s)
Opening balance at 1 January	-	-
Warrants issued	11.00	30,000,000
Return of unutilised warrants	-	-
Expiry of unutilised warrants	-	-
On 31 December		**30,000,000**

Outstanding warrants at year-end had the following maturity dates and strike prices:

The maturity date is 26 May for each year	Strike price in SEK per share	Number of shares
2013	11.00	9,900,000
2014	11.00	4,020,000
2015	11.00	8,040,000
2016	11.00	8,040,000
		30,000,000

NOTE 13 OTHER OPERATING EXPENSES

SEK M	2010	2009
Share in profit from associated companies	1	-
Impairment of current receivables	-11	-1
Credit-card related costs at Banque Invik *	-13	-4
Other operating expenses	-3	-
	-26	**-5**

* *Pertains to expenses that the subsidiary Banque Invik has incurred regarding embezzlement on issued credit cards.*

NOTE 14 FINANCIAL ITEMS

Interest income (SEK M)	2010	2009
- Interest income on bank balances	8	4
- Interest income on financial assets measured at fair value through profit and loss	43	24
- Interest income on loans receivable	28	54
- Other	1	-
	80	**82**

Interest expense (SEK M)	2010	2009
- Interest expense on bank loans	-5	-2
- Interest expense on bond loans	-2	0
- Interest expense on other loan liabilities	-7	-34
- Other	0	-
	-15	**-36**

Other financial income (SEK M)	2010	2009
Dividend income on financial assets available for sale	-	6
Dividend income on financial assets measured at fair value through profit and loss	0	0
Dividend income from associated companies	3	-
Fair value gains on financial assets measured at fair value through profit and loss	0	45
Reversed unutilised provisions for doubtful loan receivables	2	-
Capital gains on financial assets available for sale	-	5
Capital gains on financial assets measured at fair value through profit and loss	24	5
Exchange rate gains, net	11	13
	40	**74**

Other financial expenses (SEK M)	2010	2009
Fair value losses on financial assets measured at fair value through profit and loss	-17	-
Reserves for doubtful loans receivable	-13	-5
Capital losses on financial assets available for sale	0	-
Capital losses on financial assets measured at fair value through profit and loss	-35	-1
Exchange rate losses, net	-6	-45
	-71	**-50**

NOTE 15 TAXES

SEK M	2010	2009
Current tax:		
Current tax on net profit/loss for the year	-16	-8
Adjustments pertaining to previous years	3	0
Total current tax	**-13**	**-8**
Deferred tax:		
Incidence and reversal of temporary differences	-6	4
Total deferred tax	**-6**	**4**
Income tax	**-19**	**-4**

Income tax on the Group's profit differs from the theoretic amount that would have resulted from the use of a weighted average tax rate in the consolidated companies, as follows:

SEK M	2010	2009
Profit before tax	44	476
Income tax calculated according to national tax rates applicable to earnings in each country	-14	-122
Tax effects of:		
- Income recognition of negative goodwill	-	116
- Utilisation of tax-loss carryforwards not previously recognised	8	-
- Tax deficit for which no deferred tax asset was recognised	-5	-5
- Non-taxable income for fair value valuation	-	12
- Non-taxable income	4	-
- Non-deductible acquisition expenses	-2	-
- Non-deductible expenses for fair value valuation	-8	-
- Other non-deductible expenses	-3	-2
- Adjustments pertaining to previous years	3	-
- Wealth tax, Banque Invik	-2	-2
Tax expense	**-19**	**-4**

Deferred tax assets and tax liabilities as specified as follows:

SEK M	2010	2009
Deferred tax assets		
- to be utilised after more than 12 months	7	15
- to be utilised within 12 months	-	-
- net recognised against deferred tax liabilities	-2	-12
	5	**4**
Deferred tax liabilities		
- to be paid after more than 12 months	40	28
- to be paid within 12 months	-	-
- net recognised against deferred tax assets	-2	-12
	38	**17**
Deferred tax liabilities (net)	**32**	**13**

The change in deferred tax assets and liabilities during the year is described below:

Deferred tax assets (SEK M)	Reserve for impairment of loans receivable	Future tax-deductible expenses	Tax depreciation/ amortisation	Tax deficit	Other	Net recog-nised	Total
On 1 January 2009	-	1	3	-	-	-4	-
Income through business combinations	6	-	6	-	0	-	11
Recognised through profit and loss	1	-1	-2	-	2	-	0
Recognised in other comprehensive income	-	-	-	-	-	-	0
Exchange rate differences	0	0	0	-	0	-	0
Net recognised against deferred tax liabilities	-	-	-	-	-	-8	-8
On 31 December 2009	**7**	**0**	**7**	**0**	**1**	**-12**	**4**
Income through business combinations	-	1	-	7	-	-	8
Recognised through profit and loss	-6	1	-2	-6	-1	-	-14
Recognised in other comprehensive income	-	-	-	-	-	-	0
Exchange rate differences	-1	0	-1	-	0	-	-1
Net recognised against deferred tax liabilities	-	-	-	-	-	10	10
On 31 December 2010	**0**	**2**	**5**	**1**	**0**	**-2**	**5**

Deferred tax liabilities	Reserve for impairment of loans receivable	Capital gains	Fair value gains	Intangible assets	Other	Net recognised	Total
On 1 January 2009	-	22	-	-	-	-4	18
Income through business combinations	5	-	2	-	-	-	8
Recognised through profit and loss	-	-5	-	-	0	-	-5
Recognised in other comprehensive income	-	-	2	-	-	-	2
Exchange rate differences	0	3	0	-	0	-	2
Net recognised against deferred tax assets	-	-	-	-	-	-8	-8
On 31 December 2009	**5**	**19**	**4**	**0**	**0**	**-12**	**17**
Income through business combinations	-	-	-	19	4	-	23
Recognised through profit and loss	0	-4	-2	0	-2	-	-8
Recognised in other comprehensive income	-	-	0	-	-	-	0
Exchange rate differences	-1	-1	-1	-	0	-	-3
Net recognised against deferred tax assets	-	-	-	-	-	10	10
On 31 December 2010	**4**	**14**	**1**	**19**	**2**	**-2**	**38**

The Group has total loss carryforwards amounting to SEK 715 M, none of which has been capitalised in the consolidated statement of financial position. These loss carryforwards pertain to the operations in Sweden in their entirety. The loss carryforwards have indefinite useful lives. The Group's tax structure will be reviewed in 2011 to investigate whether it will be possible to utilise the loss carryforwards in the future.

The tax attributable to components in other comprehensive income amount to the following:

	2010			2009		
SEK M	Before tax	Tax effect	After tax	Before tax	Tax effect	After tax
On 1 January	5	-2	4	-	-	-
Fair value changes in:						
- financial assets available for sale	-2	0	-1	5	-2	4
- exchange rate differences	-1	0	0	-	-	0
On 31 December	**3**	**-1**	**2**	**5**	**-2**	**4**
Deferred tax		-1			-2	
		-1			**-2**	

NOTE 16 EARNINGS PER SHARE

(a) Before dilution

Earnings per share before dilution are calculated by dividing the profit attributable to the Parent Company's shareholders by a weighted average number of outstanding ordinary shares during the period.

SEK M	2010	2009
Profit	25	472
Profit attributable to shareholders of the Parent Company	23	469
Profit for calculation of earnings per share after dilution	**23**	**469**
Weighted average number of outstanding ordinary shares (000s)	**81,698,572**	**81,698,572**
Earnings per share	**0.28**	**5.75**

(b) After dilution

For the calculation of earnings per share after dilution, the weighted average number of ordinary shares outstanding is adjusted for the dilution effect of all potential ordinary shares. The Parent Company has issued warrants that could potentially lead to ordinary shares. For warrants, a calculation is performed of the number of shares that could have been purchased at fair value (calculated as the average market price of the Parent Company's shares for the year) for an amount corresponding to the strike price of the subscription rights linked to the outstanding warrants. The total number of shares calculated as described below is compared with the number of shares that would have been issued under the assumption that the warrants were utilised.

SEK M	2010	2009
Profit	25	472
Profit attributable to shareholders of the Parent Company	23	469
Profit for calculation of earnings per share after dilution	**23**	**469**
Weighted average number of outstanding ordinary shares (000s)	81,698,572	81,698,572
Adjustment for:		
- assumed conversion of warrants	5,851,648	-
Weighted average number of ordinary shares for calculation of earnings per share after dilution	**87,550,220**	**81,698,572**
Earnings per share	**0.26**	**5.75**

(c) After full dilution

Earnings per share after full dilution are calculated by dividing the profit attributable to the Parent Company's shareholders by a weighted average number of outstanding ordinary shares during the period and the conversion of all outstanding warrants.

SEK M	2010	2009
Profit	25	472
Profit attributable to shareholders of the Parent Company	23	469
Profit for calculation of earnings per share after full dilution	**23**	**469**
Weighted average number of outstanding ordinary shares (000s)	81,698,572	81,698,572
Adjustment for:		
- assumed conversion of warrants	30,000,000	-
Weighted average number of ordinary shares for calculation of earnings per share after full dilution	**111,698,572**	**81,698,572**
Earnings per share	**0.21**	**5.75**

NOTE 17 DIVIDENDS

No dividends were proposed for 2010 or 2009.

NOTE 18 INTANGIBLE ASSETS

SEK M	Goodwill	Brands & licences	Contractual customer relations	Program development expenses	Total
On 1 January 2009					
Cost	-	-	-	-	-
Accumulated amortisation	-	-	-	-	-
Carrying amount	**0**	**0**	**0**	**0**	**0**
Financial year 2009					
Opening carrying amount	-	-	-	-	0
Purchases	-	-	-	3	3
Cost in acquired companies	-	-	-	66	66
Accumulated amortisation in acquired companies	-	-	-	-38	-38
Amortisation	-	-	-	-6	-6
Exchange rate differences	-	-	-	-2	-2
Closing carrying amount	**0**	**0**	**0**	**24**	**24**
On 31 December 2009					
Cost	-	-	-	66	66
Accumulated amortisation	-	-	-	-42	-42
Carrying amount	**0**	**0**	**0**	**24**	**24**
Financial year 2010					
Opening carrying amount	-	-	-	24	24
Purchases	-	-	-	9	9
Cost in acquired companies	223	50	19	17	309
Accumulated amortisation in acquired companies	-	-	-	-13	-13
Divestments and disposals	0	-	-	-	0
Reclassifications	-	-	-	1	1
Amortisation	-	-	-1	-11	-12
Exchange rate differences	-1	-	-	-3	-4
Closing carrying amount	**222**	**50**	**18**	**23**	**314**
On 31 December 2010					
Cost	222	50	19	86	378
Accumulated amortisation	0	-	-1	-63	-64
Carrying amount	**222**	**50**	**18**	**23**	**314**

In conjunction with the acquisition of the Catella Brand AB Group in September 2010, goodwill arose attributable to the operational expansion, human capital and the synergy effects expected to arise on the basis of the coordination of the Group's operations.

Catella's brand and customer portfolios, estimated at SEK 50 M and SEK 19 M respectively, were also acquired on the same date. For more information refer to Note 38.

All intangible assets were externally acquired.

Impairment testing of assets with indefinite lives

The Catella Brand AB Group was acquired on 13 September 2010, which gave rise to the assets with indeterminable lives, goodwill and brands. Catella's principle is to impairment test all assets with indeterminable lives in the third quarter of every year, based on their carrying amounts on 30 June. For this reason, no impairment testing took place for 2010.

A summary of the distribution of goodwill and brand per operating segment is found below:

	2010				
Geographic market (SEK M)	Corporate Finance	Asset management	Treasury management	Other	Total
Sweden	44	128	-	50	222
Germany	-	26	-	-	26
Finland	1	8	-	-	9
France	13	-	-	-	13
Denmark	2	-	-	-	2
	60	**162**	**0**	**50**	**272**

NOTE 19 TANGIBLE FIXED ASSETS

SEK M	Plant, fixtures and fittings & equipment	Total
On 1 January 2009		
Cost	-	-
Accumulated depreciation	-	-
Carrying amount	**0**	**0**
Financial year 2009		
Opening carrying amount	0	0
Purchases	1	1
Cost in acquired companies	48	48
Accumulated depreciation in acquired companies	-29	-29
Depreciation	-5	-5
Exchange rate differences	-1	-1
Closing carrying amount	**14**	**14**
On 31 December 2009		
Cost	47	47
Accumulated depreciation	-32	-32
Carrying amount	**14**	**14**
Financial year 2010		
Opening carrying amount	14	14
Purchases	2	2
Cost in acquired companies	96	96
Accumulated depreciation in acquired companies	-75	-75
Divestments and disposals	-1	-1
Reclassifications	-1	-1
Depreciation	-7	-7
Exchange rate differences	-2	-2
Closing carrying amount	**26**	**26**
On 31 December 2010		
Cost	116	116
Accumulated depreciation	-90	-90
Carrying amount	**26**	**26**

NOTE 20 HOLDINGS IN ASSOCIATED COMPANIES

SEK M	2010	2009
On 1 January		
Income through business combinations	4	-
Acquisitions	1	-
Share in profits	1	-
Dividend income	3	-
Dividends paid	-3	-
Exchange rate differences	0	-
Closing carrying amount	**6**	**0**

Dividends amounting to SEK 3 M were paid in 2010 from associated companies of the Catella Group. No other transactions took place between Catella and associated companies.

The Group's share of the profit of associated companies, all of which are unlisted, and its share of the assets (including goodwill) and liabilities are as follows:

SEK M	Country of registration	Assets	Liabilities	Income	Profit	Participating interest %	Participating interest
ANL Kiinteistöt OY	Finland	1	1	4	3	50	0
ARIF I GP Py	Finland	1	0	2	0	50	1
EPI Russia Partners 1 Oy	Finland	6	1	7	5	50	5
							6

NOTE 21 DERIVATIVE INSTRUMENTS

	2010		2009	
SEK M	Assets	Liabilities	Assets	Liabilities
Forward agreements – hedging of fair value	1	1	16	16
	1	**1**	**16**	**16**
Less: long-term portion	-	-	-	-
Short-term portion	**1**	**1**	**16**	**16**

The subsidiary Banque Invik continuously signs forward agreements and currency swaps for hedging purposes. These derivative instruments normally have a term of less than three months.

The hedging transactions described above are of a financial nature and are not recognised as hedges in accordance with the accounting standard IAS 39 Financial Instruments.

Refer also to Note 3 for the valuation and position in the fair-value hierarchy.

NOTE 22 FINANCIAL ASSETS AVAILABLE FOR SALE

Financial assets available for sale pertain to shares in Visa, MasterCard and Swift, which are held under the framework of the credit-card and acquiring operations in Banque Invik.

Financial assets available for sale include the following:

SEK M	2010	2009
Unlisted securities:		
- shares in USA *	11	24
- shares in Europe	0	0
	12	**24**

** Pertains to shares with Visa and MasterCard sales restrictions that are converted to listed shares available for sale in these companies at a point in time in the future.*

SEK M	2010	2009
On 1 January	24	-
Income through business combinations	-	11
Purchases	2	35
Sales	-10	-26
Gains and losses net, entered in other comprehensive income	-2	5
Exchange rate differences	-3	-1
On 31 December	**12**	**24**
Less: long-term portion	-12	-24
Short-term portion	**0**	**0**

Financial assets available for sale are expressed in the following currencies:

SEK M	2010	2009
USD	11	24
EUR	0	0
	12	**24**

Refer also to Note 3 for the valuation and position in the fair-value hierarchy.

NOTE 23 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS

SEK M	2010	2009
Loan portfolios	377	431
Fund investments	56	-
Unlisted shareholdings	17	-
Quoted shares, warrants and bonds	15	66
Other	1	-
	467	**497**

SEK M	2010	2009
On 1 January	497	9
Income through business combinations	23	421
Acquisitions	133	63
Divestments	-114	-27
Amortisation	-12	-6
Fair value gains/losses on financial assets measured at fair value through profit and loss*	-17	45
Capitalised interest income	17	11
Exchange rate differences	-61	-19
On 31 December	**467**	**497**
Less: long-term portion	-404	-431
Short-term portion	**63**	**66**

** Changes in the fair value of financial assets measured at fair value through profit and loss are recognised in "Other financial items" in the income statement (Note 14).*

Refer also to Note 3 for the valuation and position in the fair-value hierarchy.

Loan portfolios

The loan portfolios comprise securitised European loans with primary exposure in residential properties. The performance of the loan portfolios is closely monitored and remeasurements are continuously performed. Measurements are performed by the French investment advisor Cartesia S.A.S. The carrying amount in Catella's consolidated financial statements is determined based on the forecast discounted cash flows. The portfolios were discounted at discount rates varying between 8.5 per cent and 15.0 per cent, giving a weighted average discount rate of 11.2 per cent for the total loan portfolios. Cash flows mainly comprise interest payments, but also repayments with a forecast period up to and including the third quarter of 2022. The expected cash flows for the year amounted to approximately EUR 75 M, which was discounted and recognised at SEK 387 M (EUR 43 M) including accrued interest on 31 December 2010.

Summary of Catella's loan portfolios on 31 December 2010 (EUR 000s) [1]

Fond	Land	Forecast undiscounted cash flow	Forecast discounted cash flow	Discount rate
Pastor 2	Spain	7,445	4.612	8.5%
Pastor 3	Spain	13,940	3.973	15.0%
Pastor 4	Spain	8,743	2.644	15.0%
Pastor 5	Spain	6,575	1.692	15.0%
Lusitano 3	Portugal	4,652	3.686	10.0%
Lusitano 4 [2]	Portugal	-	-	-
Lusitano 5	Portugal	3,926	2.489	10.0%
Shield 1	Netherlands	9,008	8.140	8.5%
Memphis	Netherlands	5,015	4.222	8.5%
Semper	Germany	9,427	7.015	8.5%
Gems	Germany	2,699	1.749	10.0%
Minotaure	France	3,916	2.817	8.5%
Ludgate [2]	UK	-	-	-
Sestante 2 [2]	Italy	-	-	-
Sestante 3 [2]	Italy	-	-	-
Sestante 4 [2]	Italy	-	-	-
Total cash flow		**75,346**	**43,039**	**11.2% [3]**
Accrued interest recognised among accrued income			-1,124	
Carrying amount in EUR 000s in consolidated balance sheet			**41,915**	
Translated to SEK M			**377**	

Summary of Catella's loan portfolios on 31 December 2009 (EUR 000s) [1]

Fond	Land	Forecast undiscounted cash flow	Forecast discounted cash flow	Discount rate
Pastor 2	Spain	8,105	5,288	8.5%
Pastor 3	Spain	14,375	3,992	15.0%
Pastor 4	Spain	9,810	2,679	15.0%
Pastor 5	Spain	6,894	1,727	15.0%
Lusitano 3	Portugal	3,093	2,120	10.0%
Lusitano 4 [2]	Portugal	-	-	-
Lusitano 5	Portugal	3,300	1,824	10.0%
Shield 1	Netherlands	10,376	8,327	8.5%
Memphis	Netherlands	6,243	4,488	8.5%
Semper	Germany	10,503	7,393	8.5%
Gems	Germany	3,870	1,716	10.0%
Minotaure	France	4,406	3,180	8.5%
Ludgate [2]	UK	-	-	-
Sestante 2 [2]	Italy	-	-	-
Sestante 3 [2]	Italy	-	-	-
Sestante 4 [2]	Italy	-	-	-
Total cash flow		**80,975**	**42,734**	**11.2% [3]**
Accrued interest recognised among accrued income			-1,117	
Carrying amount in EUR 000s in consolidated balance sheet			41,617	
Translated to SEK M			**431**	

1 The forecast was produced by investment advisor Cartesia S.A.S.

2 These investments were assigned a value of SEK 0.

3 The discount rate recognised in the row "Total cash flow" is the weighted average interest of the total undiscounted cash flow.

Figures may have been rounded off.

Outcome and forecast cash flow from loan portfolios per quarter * (EUR 000s)

		Spain				Portugal		Netherlands		Germany		France	Total		
Loan portfolio		Pastor 2	Pastor 3	Pastor 4	Pastor 5	Lusitano 3	Lusitano 5	Memphis	Shield	Gems	Semper	Minoture	Quarter	Forecast	Delta
History															
Q4	2009	430	-	-	-	34	75	87	163	19	148	210	1,166	721	445
Q1	2010	337	-	-	-	-	0	85	158	18	146	190	960	633	327
Q2	2010	235	-	-	-	75	-	85	154	17	148	233	952	1,581	-629
Q3	2010	59	-	-	-	205	-	84	155	18	150	264	940	831	109
Q4	2010	160	-	-	-	-	-	87	161	20	150	216	802	622	180
Total		**1,221**	**0**	**0**	**0**	**314**	**75**	**428**	**791**	**92**	**742**	**1,113**	**4,820**	**4,388**	**432**
Forecast													Quarter	Year	Acc.
Q1	2011	135	-	-	-	-	-	87	164	24	154	169	733		733
Q2	2011	202	-	-	-	-	-	88	166	25	156	160	797		1 530
Q3	2011	202	-	-	-	-	-	89	168	26	157	154	796		2 326
Q4	2011	201	-	-	-	-	-	90	170	27	159	167	814	3 140	3 140
Q1	2012	196	-	-	-	-	-	91	170	27	159	161	804		3 944
Q2	2012	227	-	-	-	43	-	92	8 170	27	159	153	8 871		12 815
Q3	2012	402	-	-	-	755	-	93		27	159	147	1 583		14 398
Q4	2012	124	-	-	-	246	-	94		28	159	141	792	12 050	15 190
Q1	2013	124	-	-	-	222	-	95		28	160	136	765		15 955
Q2	2013	24	-	-	-	256	-	4 196		29	161	128	4 794		20 749
Q3	2013	25	-	-	-	287	-			29	161	123	625		21 374
Q4	2013	26	-	-	-	2 843	-			30	162	119	3 180	9 364	24 554
Q1	2014	26	-	-	-		-			30	163	114	333		24 887
Q2	2014	26	-	-	-		-			31	163	107	327		25 214
Q3	2014	28	-	-	-		-			31	164	102	325		25 539
Q4	2014	28	-	-	-		-			32	165	98	323	1 308	25 862
Q1	2015	28	-	708	-		-			32	6 866	93	7 727		33 589
Q2	2015	29	-	792	-		-			33		88	942		34 531
Q3	2015	30	-	63	-		289			34		84	500		35 031
Q4	2015	30	-	64	-		3 637			34		80	3 845	13 014	38 876
Q1	2016	31	-	64	-					2 115		76	2 286		41 162
Q2	2016	31	-	64	-							72	167		41 329
Q3	2016	32	-	66	-							69	167		41 496
Q4	2016	33	-	66	-							65	164	2 784	41 660
Q1	2017	33	-	66	177							62	338		41 998
Q2	2017	33	-	66	364							58	521		42 519
Q3	2017	34	-	68	227							56	385		42 904
Q4	2017	35	-	69	221							53	378	1 622	43 282
Q1	2018	35	-	68	214							51	368		43 650
Q2	2018	5 035	-	68	207							41	5 351		49 001
Q3	2018		-	70	202							40	312		49 313
Q4	2018		-	70	196							32	298	6 329	49 611
Q1	2019		-	70	190							24	284		49 895
Q2	2019		-	70	183							23	276		50 171
Q3	2019		-	71	127							22	220		50 391
Q4	2019		13 940	72	63							21	14 096	14 876	64 487
Q1	2020			71	63							20	154		64 641
Q2	2020			72	63							19	154		64 795
Q3	2020			73	64							19	156		64 951
Q4	2020			73	64							18	155	619	65 106
Q1	2021			73	64							551	688		65 794
Q2	2021			72	63								135		65 929
Q3	2021			5 594	65								5 659		71 588
Q4	2021				65								65	6 547	71 653
Q1	2022				64								64		71 717
Q2	2022				64								64		71 781
Q3	2022				3 565								3 565		75 346
Q4	2022												-	3 693	75 346
															Total
Undiscounted Cash flow		7 445	13 940	8 743	6 575	4 652	3 926	5 015	9 008	2 699	9 427	3 916			75 346
Percentage, %		*9.9%*	*18.5%*	*11.6%*	*8.7%*	*6.2%*	*5.2%*	*6.7%*	*12.0%*	*3.6%*	*12.5%*	*5.2%*			*100.0%*
Duration, years		*5.8*	*9.0*	*9.1*	*10.1*	*2.7*	*5.0*	*2.3*	*1.4*	*4.7*	*3.7*	*4.4*			*5.8*
Discounted Cash flow		4 612	3 973	2 644	1 692	3 686	2 489	4 222	8 140	1 749	7 015	2 817			43 039
Percentage, %		*10.7%*	*9.2%*	*6.1%*	*3.9%*	*8.6%*	*5.8%*	*9.8%*	*18.9%*	*4.1%*	*16.3%*	*6.5%*			*100.0%*
Discount rate, %		*8.5%*	*15.0%*	*15.0%*	*15.0%*	*10.0%*	*10.0%*	*8.5%*	*8.5%*	*10.0%*	*8.5%*	*8.5%*			*11.2% ***

Figures may have been rounded off.

* *The forecast was produced by investment advisor Cartesia S.A.S.*

** *The discount rate recognised in the row "Total cash flow" is the weighted average interest of the total undiscounted cash flow.*

Time call and Clean-up call

The cash flow for each loan portfolio is presented in the table on page 83. The description below refers to the large payments at the end of each portfolio's projected cash flow.

Time call: Time call is an option held by the issuer entitling the issuer to buy back the sub-portfolio at a specific time and at each particular time thereafter. Time call only affects the sub-portfolios Lusitano 3, 4 and 5. In the projected cash flows for the sub-portfolios Lusitano 3 and 5, it is assumed that the issuer will exercise its time call, which will occur during the fourth quarter of 2013 and 2015.

If the issuer fails to exercise its time call, it is assumed that the projected cash flows for Catella's investments in the sub-portfolios Lusitano 3 and 5 will increase by 240 per cent in comparison with the current projection and it is assumed that the discounted value will increase by 220 per cent.

Clean-up call: Clean-up call is an option held by the issuer entitling the issuer to buy back the sub-portfolio when the loans outstanding have been repaid and fall below 10 per cent of the issued amount. Since administration of the portfolio is usually not profitable when it falls below 10 per cent of the issued amount, such a design enables the issuer to avoid these extra costs. The design also means that the investor avoids ending up with minor and lengthy cash flows until the portfolio has been repaid.

The clean-up call affects the sub-portfolios Pastor 2, 3, 4 and 5, Minotaure 2004-1 and Gems.

Other information

Please read the annual valuation of the loan portfolios that is available on Catella's website:

www.catella.se » Financial information » Subsidiaries » EETI » EETI – Valuation 30 September, 2010

Fund investments

Nordic Light Fund

Catella acquired loan portfolios with a value of approximately SEK 74 M during the second quarter of 2010 with the intention of using them as an investment-in-kind in the fund product Nordic Light Fund, developed by Banque Invik. The loan portfolio comprises loans to small and mid-cap companies, primarily located in Germany. The portfolio also includes Spanish securities in a diversified pool of loans to small and mid-cap companies in Spain as underlying collateral and a smaller portion in Portugal, which has mortgage loans as the underlying collateral. The estimated return on the portfolio is expected to be high.

Catella sold parts of the loan portfolio on 30 December 2010 for approximately SEK 38 M and the remaining part, with a value of SEK 36 M, was used as investment-in-kind in the fund and, accordingly, comprised the cost of the fund units. Consequently, the sale of the loan portfolio had no impact on Catella's earnings.

Other fund investments

Other fund investments are investments totalling SEK 20 M (0) in four new Sicav funds administered by Catella Fondförvaltning.

Unlisted shareholdings

Unlisted shareholdings of SEK 17 M (0) comprise shares in the Italian property fund manager Castello SGR.

Listed shares, options and bonds

Most of the portfolio has been divested and the intention is to also divest the remaining holdings. The holdings' carrying amount at 31 December 2010 was SEK 15 M (66).

NOTE 24 FINANCIAL ASSETS HELD TO MATURITY

SEK M	2010	2009
Treasury bills including accrued interest	13	-
	13	**0**

The fair value of financial assets held to maturity is as follows:

SEK M	2010	2009
Treasury bills including accrued interest	13	-
Total current tax	**13**	**0**

Investments held to maturity pertain to treasury bills with the Swedish government in SEK maturing on 16 February 2011.

Refer also to Note 3 for the valuation and position in the fair-value hierarchy.

NOTE 25 ACCOUNTS RECEIVABLE

SEK M	2010	2009
Accounts receivable	216	-
Less: reversal for doubtful accounts receivable	-34	-
	182	**0**

The fair value of accounts receivable is as follows:

SEK M	2010	2009
Accounts receivable	182	-
	182	**0**

The age analysis of past due accounts receivable is presented below:

SEK M	2010	2009
Less than 2 months	48	-
2 to 6 months	8	-
More than 6 months	35	-
	91	**0**

Changes in the reserve for doubtful accounts receivable are as follows:

SEK M	2010	2009
On 1 January		
Income through business combinations	-33	-
Reversal for doubtful receivables	-1	-
Exchange rate differences	1	-
On 31 December	**-34**	**0**

Provisions for each reversal of reserves for doubtful accounts receivable are included in the item "Other external expenses" in the balance sheet. Amounts recognised in the decline-in-value accounts are usually derecognised when the Group is not expected to be able to recover any further cash funds.

The maximum exposure for credit risk on the balance-sheet date is the carrying amount of each category of receivables mentioned above. The Group has no deeds as collateral.

For information regarding the credit quality of accounts receivable, refer to the "Credit rating of financial assets" section in Note 3.

NOTE 26 LOAN RECEIVABLES

SEK M	2010	2009
Loans receivable	1,238	1,212
Less: reversal for doubtful loans receivable	-34	-36
	1,204	**1,176**
Minus long-term portion	-35	-66
Short-term portion	**1,169**	**1,110**

The maturity dates of the Group's long-term loan receivables are as follows:

SEK M	2010	2009
Between 1 - 5 years	35	32
More than 5 years	-	35
	35	**66**

The fair value of loan receivables is as follows:

SEK M	2010	2009
Loans receivable	1,204	1,176
	1,204	**1,176**

No loan receivables are past due.

Changes in the reserve for doubtful loan receivables are as follows:

SEK M	2010	2009
On 1 January	36	-
Income through business combinations	-	47
Reversal for doubtful receivables	13	5
Receivables written off during the year that are not recoverable	-8	-13
Reversed unutilised amount	-2	0
Exchange rate differences	-5	-3
On 31 December	**34**	**36**

In addition, the subsidiary Banque Invik has a granted but unutilised credit facility for customers amounting to SEK 3,194 M (2,137); refer to Note 36.

The carrying amounts by currency for the Group's loan receivables are as follows:

SEK M	2010	2009
EUR	369	381
USD	122	65
SEK	670	632
GBP	24	83
CHF	16	12
NOK	2	1
DKK	1	1
HKD	0	0
Other currencies	0	1
Total	**1,204**	**1,176**

For information regarding the credit quality of accounts receivable, refer to the "Credit rating of financial assets" section in Note 3.

NOTE 27 OTHER NON-CURRENT RECEIVABLES

SEK M	2010	2009
On 1 January	1	3
Income through business combinations	8	-
Additional endowment policy	-	1
Endowment policy utilised during the year	-4	-3
Translation differences	0	-
On 31 December	**5**	**1**

SEK M	2010	2009
Endowment policy, senior executives	2	1
Rent guarantees	3	-
Other	0	-
	5	**1**

The endowment policies pertain to the payments Catella has made at fair value. The pension obligations are recognised as a non-current liability in the same amount as in Note 32 Other provisions.

NOTE 28 PREPAID EXPENSES AND ACCRUED INCOME

SEK M	2010	2009
Accrued interest income	16	11
Accrued administrative fees and card income	92	74
Other accrued income	9	4
Prepaid rental charges	12	-
Other prepaid expenses	12	7
	141	**97**

NOTE 29 CASH AND CASH EQUIVALENTS AND OVERDRAFT FACILITIES

SEK M	2010	2009
Catella Group excluding Banque Invik	198	198
Banque Invik	2,681	1,874
Total cash and cash equivalents	**2,879**	**2,073**

Cash and cash equivalents comprise bank balances.

Cash and cash equivalents in Banque Invik are not available for withdrawal by the Catella Group.

Cash and cash equivalents include funds deposited in blocked accounts totalling SEK 13 M (-) for the Catella Group excluding Banque Invik and SEK 52 M (45) including Banque Invik. These funds are pledged as collateral in the Asset Management operating segment for ongoing transactions. The funds are blocked for one day.

The Group has unutilised overdraft facilities of SEK 35 M (0). For more information, refer to liquidity risk in Note 3.

NOTE 30 SHAREHOLDERS' EQUITY

Catella AB has chosen to specify shareholders' equity in accordance with the following components:

- Share capital
- Other contributed capital
- Reserves
- Profit brought forward, including net profit for the year

The item share capital includes the registered share capital of the Parent Company. No changes in share capital took place during 2010.

Other contributed capital includes the total of the transactions that Catella AB had with the sphere of shareholders. The transactions that took place with the sphere of shareholders are primarily issuances conducted at a premium corresponding to the capital received (reduced by transaction costs) in excess of the nominal amount of the issue. Other contributed capital also includes premiums paid for issued warrants. In 2010, SEK 30 M was paid for issued warrants. No other changes in other contributed capital took place during 2010.

Reserves comprise the income and expenses that, according to certain standards, are to be recognised in other comprehensive income. In Catella's case, reserves comprise translation differences attributable to the translation of foreign subsidiaries in accordance with IAS 21 and the fair value reserve attributable to assets available for sale.

The item "Profit brought forward including net profit for the year" corresponds to the accumulated gains and losses generated totally in the Group. Profit brought forward is also reduced by dividends paid to shareholders in the Parent Company, although no dividends were paid in the period 2002- 2010 or are proposed to be paid for 2011.

Refer also to Note 52 Shareholders' equity of Parent Company.

NOTE 31 BORROWINGS AND LOAN LIABILITIES

SEK M	2010	2009
Bank loans for financing acquired operations (refer to Note 3)	244	-
Bank loans for operating activities	76	238
Bond loans	95	141
Deposits from companies	2,932	1,802
Deposits from private customers	538	534
	3,885	**2,716**
Less: long-term portion	-203	-37
Short-term portion	**3,682**	**2,679**

The market value of collateral for loans should always amount to at least 140 per cent of the loan. On 31 December 2010, the market value of the collateral for the loans totalled 253 per cent (326 per cent).

The maturity dates of the Group's borrowings and loan liabilities are as follows:

SEK M	2010	2009
Less than 6 months	3,508	2,456
Between 6 - 12 months	174	223
Between 1 - 5 years	203	4
More than 5 years	-	33
	3,885	**2,716**

The fair value of borrowings and loan liabilities is as follows:

SEK M	2010	2009
Bank loans	320	238
Bond loans	95	141
Deposits from companies	2,932	1,802
Deposits from private customers	538	534
	3,885	**2,716**

For information about average loan interest, refer to the table "Interesting bearing liabilities and assets for the Group by currency" under the heading "Interest-rate risk" in Note 3.

NOTE 32 OTHER PROVISIONS

SEK M	Endowment policy	Credit card related provisions *	Legal disputes in acquired companies	Tax disputes	Other	Total
On 1 January 2009	3	-	-	-	-	3
Income through business combinations	-	-	3	-	2	5
Additional provisions	1	-	-	-	1	3
Utilised during the year	-3	-	-	-	-	-3
Exchange rate differences	-	-	0	-	0	0
31 December 2009	**1**	**0**	**3**	**0**	**3**	**7**
Income through business combinations	5	-	-	2	2	9
Additional provisions	-	7	-	-	1	8
Utilised during the year	-4	-	-	-	-2	-6
Reversed unutilised amount	-	-	-3	-2	0	-5
Exchange rate differences	-	0	0	0	0	-1
31 December 2010	**2**	**7**	**0**	**0**	**4**	**13**

** This item includes provisions for estimated expenses that the subsidiary Banque Invik has incurred regarding embezzlement regarding embezzlement on issued credit cards.*

The endowment policies are estimated to mature after more than 5 years and other provisions are estimated to mature in 1–3 years.

NOTE 33 ACCRUED EXPENSES AND DEFERRED INCOME

SEK M	2010	2009
Holiday pay liability	16	1
Accrued personnel costs	54	7
Accrued audit expenses	4	2
Accrued insurance expenses	0	0
Accrued legal expenses	1	2
Accrued bonus	69	2
Accrued interest expense	2	3
Accrued rental charges	25	-
Accrued commission expenses	43	-
Other accrued expenses	20	6
Prepaid income	7	2
	243	**25**

NOTE 34 PLEDGED ASSETS

SEK M	2010	2009
Shares in subsidiaries	508	-
Cash and cash equivalents	187	174
Other pledged assets	2	-
	697	**174**

Cash and cash equivalents include pledged cash of SEK 65 M (45) in blocked accounts. These funds have been pledged as collateral in the Asset Management operating segment for ongoing transactions. The funds are blocked for one day. Refer also to Note 29.

Cash and cash equivalents also include cash funds in accordance with the card operations' minimum retention requirements.

The net assets in the subsidiary are stated as pledged assets above and are pledged as collateral for the Group's acquisition loans for the acquisition of the Catella Brand AB Group and the overdraft facility from the same external lender. Furthermore, if Catella does not meet the covenants agreed with the external lender, Claesson & Andersén AB, which indirectly owned 39 per cent of the shares in Catella AB (publ) on 31 December 2010, has provided an issue and loan guarantee totalling SEK 100 M. Claesson & Andersén AB will provide a secondary mortgages in the subsidiaries, which will be pledged as collateral for the Group's acquisition loan from the acquisition of the Catella Brand AB Group and the Group's overdraft facility.

NOTE 35 CONTINGENT LIABILITIES

SEK M	2010	2009
Guarantees	10	4
	10	**4**

Guarantees were primarily provided for lease agreements with landlords.

Other legal proceedings

Companies in the Group are involved in a small number of disputes or legal proceedings and tax cases that have arisen in the ongoing operations. Risks associated with such events are covered by contractual guarantees, insurance or the requisite reserves. Any liability to pay damages or other costs connected to such legal proceedings is not deemed to significantly impact the Group's business activities or financial position.

NOTE 36 COMMITMENTS

SEK M	2010	2009
Unutilised credit facilities, granted by Banque Invik	3,194	2,137
Forward agreements	45	1,996
	3,240	**4,133**

Unutilised credit facilities pertain to the credit commitments issued by Banque Invik to its customers. Under certain circumstances regarding, for example, the type of collateral provided, customers are entitled to utilise these credit facilities.

The Group leases a number of office premises on the basis of non-cancellable operational leasing agreements. The leasing periods vary between three and ten years and most leasing agreements can be extended under market-based terms and conditions at the end of the period. The Group also leases certain office equipment, for example, photocopiers on the basis of non-cancellable operational leasing agreements. The Group's period of notice for these agreements is six months.

Total future minimum leasing fees for non-cancellable operational leasing agreements are as follows:

SEK M	2010	2009
Within 1 year	68	22
Between 1 and 5 years	224	90
More than 5 years	38	58
	330	**170**

Leasing costs recognised in profit and loss during the year amounted to SEK 24 M.

NOTE 37 INTEREST PAID AND RECEIVED

"Profit financial items" includes interest paid and received during the financial year, amounting to:

SEK M	2010	2009
Interest received	77	88
Interest paid	-12	-33
Net paid interest	**64**	**55**

NOTE 38 ACQUISITIONS OF OPERATIONS

The Catella Brand AB Group, CFA Partners AB, Modern Treuhand Management Ltd and participations in non-controlling interests in European Equity Tranche Income Ltd were acquired in 2010. Banque Invik S.A. and European Equity Tranche Income Ltd. were acquired in 2009.

Catella Brand AB

On 13 September 2010, the Group acquired 100 per cent of the shares in Catella AB (business name changed to Catella Brand AB) through its 91 per cent holdings in the subsidiary CFA Partners AB. Catella is an independent European financial group specialising in Corporate Finance and Asset Management. Catella had approximately 290 employees in 14 European countries on the acquisition date

The Corporate Finance line of business had 186 employees in 11 countries. A shared feature of the business operations conducted in all of the countries is the ability to implement transactions and a desire to add value by combining knowledge of the capital market with expertise in the local property markets. The Asset Management line of business encompasses one of Sweden's leading, independent fund and asset management and wealth advisory services. The aim is to deliver a high long-term return to customers and clients.

The acquired operations were consolidated in the Group on 30 September 2010 and contributed income and profit after tax of SEK 340 M and SEK 49 M respectively during 2010. If the acquisition had taken place on 1 January 2010, the Group's income would have amounted to SEK 1,094 M, the loss for the year would have been SEK 10 M and the comprehensive loss for the year would have been SEK 137 M. These amounts were calculated by applying the Group's accounting policies and by correcting the subsidiary's earnings to include additional amortisation that would have taken place if the fair-value adjustments of intangible assets had have taken place on 1 January 2010, combined with the subsequent tax consequence.

The purchase consideration for the Catella Brand AB Group including interest amounted to SEK 427 M, of which SEK 341 M was paid by taking over loans and SEK 86 M was cash paid as a purchase consideration. In addition, acquisition-related expenses of SEK 8 M were paid in conjunction with the acquisition, which was charged to operating profit for the year. Furthermore, an acquisition loan was raised, leading to SEK 3 M in costs that were expensed over the term of the loan.

The acquisition analysis presented below gave rise to a goodwill item of SEK 223 M. Goodwill is attributable to the expansion, human capital and synergy effects expected to arise on the basis of the coordination of the Group's operations and the Catella Brand AB Group. The fair value of acquired identifiable intangible assets totalled SEK 296 M (including brand and customer relationships) and is preliminary pending receipt of the final valuations of these assets, which is expected within 12 months from the acquisition date.

Other acquisitions in 2010

Other acquisitions in 2010 pertain to the acquisitions of CFA Partners AB, whose only business activity comprises owning and managing the shares of Catella Brand AB, Modern Treuhand Management Ltd (Malta), which is a subsidiary of Banque Invik, and also non-controlling interests in European Equity Tranche Income Ltd.

Banque Invik S.A.

In March 2009, Scribona signed an agreement with Moderna Finance AB for the acquisition of Banque Invik S.A. in Luxembourg. The acquisition was finalised in April following the approval of the Luxembourg financial supervisory authority and fulfilment of other conditions. Final payment of the purchase consideration was made in June. Banque Invik is recognised as a subsidiary from April 2009.

Banque Invik's primary business activities are in Wealth Management and Credit-card and Acquiring operations. A branch office is situated in Stockholm, which was supplemented by a Corporate Finance department in the autumn of 2009. Banque Invik's wealth management operations include both traditional private-banking activities and discretionary wealth management. The bank offers high-wealth individuals, companies and foundations advisory services in the trading of equities, other types of securities and currencies.

These activities offer other banks finished card programmes within the framework of proprietary licenses for Visa and MasterCard. All services, including clearing against Visa and MasterCard, card issuance, invoicing, risk monitoring and customer service, are conducted under proprietary management. The activities also encompass international clearing of credit card transactions with e-commerce companies and daily settlements in several currencies and electronic account withdrawals.

European Equity Tranche Income Ltd ("EETI")

EETI's investments primarily comprise securitised mortgages. The performance of the loan portfolios is closely monitored and remeasurements are continuously performed by the French investment advisor Cartesia S.A.S. The carrying amount in Catella's consolidated financial statements is determined based on forecasts of discounted cash flows. The portfolios were discounted at an interest rate varying between 8.5 per cent and 15.0 per cent, giving a weighted average discount rate of 11.2 per cent for the total loan portfolios. The weighted average duration of the portfolio is 5.8 years.

Cash flows mainly comprise interest payments, but also repayments with a forecast period up to and including the third quarter of 2022. The expected cash flows for the year totalled approximately EUR 75 M, which was discounted and recognised at SEK 377 M (EUR 42 M) excluding accrued interest income.

Most of the loan portfolios were acquired in February 2009 when the company was an investment company operating under the business name of Scribona. The market valuation of the loan portfolios declined substantially in the autumn of 2008, at which point Scribona utilised the business climate prevailing at the time to acquire under lucrative terms Citibank's loans to EETI, which in turn invested in loan portfolios. Scribona acquired all of Citibank's loans amounting to a nominal EUR 30 M for EUR 14 M or SEK 153 M.

In February 2009, in conjunction with a private placement, Scribona converted a portion of the loan to EETI to shares and became a majority owner holding 84 per cent of the shares and votes in the company. Following the share issue, Catella successively purchased shares on the stock market and on 31 December 2009 owned 94.14 per cent of the company. The EETI share was delisted from the AIM in London with 7 July 2009 as its last trading. EETI is reported as a subsidiary from July 2009. In 2010, non-controlling interests in EETI were acquired and on 31 December 2010 Catella owned 99.86 per cent of the company.

Aquisition analysis

	2010		2009	
SEK M	Catella	Other	Banque Invik	EETI
Brand	50	-	-	-
Intangible assets	23	-	28	-
Tangible fixed assets	20	-	19	-
Holdings in associated companies	4	-	-	-
Financial assets available for sale	-	-	11	-
Financial assets measured at fair value through profit and loss	23	-	-	421
Loans receivable	-	-	3,840	-
Deferred tax assets	8	-	6	-
Other non-current receivables	8	-	-	-
Other receivables	137	0	193	17
Cash and cash equivalents	210	33	2,339	14
Borrowings	-40	-	-803	-
Loan liabilities	-	-	-5,010	-22
Deferred tax liabilities	-23	-	-2	-
Provisions	-9	-	-5	-
Other liabilities	-542	0	-243	-3
Fair value net assets	**-129**	**33**	**374**	**428**
Non-controlling interests	-8	4	-	-25
Goodwill for 2010 and negative goodwill for 2009	223	0	-145	-295
Total purchase consideration	**86**	**37**	**228**	**108**
Assumed loans	341	-	-	-
Unsettled purchase consideration	-8	-	-	-
Cash-settled purchase consideration	-	-30	-	-96
Cash-settled purchase consideration	**419**	**7**	**228**	**12**
Cash and cash equivalents in acquired subsidiaries	-210	-33	-2,339	-14
Acquisition expenses	8	-	1	9
Changing in Group's cash and cash equivalents in conjunction with acquisitions	**217**	**-26**	**-2,109**	**7**

NOTE 39 GROUP COMPANIES

Company	Corporate Registration Number	Domicile	2010 Participating interest	2010 Number of shares	2009 Participating interest	2009 Number of shares
Scribona AS	979460198	Oslo	100%	5,067	100%	5,067
Scribona Oy	FI-1437531-3	Espoo	-	-	100%	100
Catella Holding AB	556079-1419	Stockholm	100%	1,000	100%	1,000
Banque Invik SA	B 29962	Luxembourg	100%	8,780,000	100%	8,780,000
Modern Processing SA	B 98796	Luxembourg	100%	1,000	100%	1,000
Modern Treuhand BV	33291018	Barendrecht	100%	400	100%	400
Modern Treuhand SA	B 86166	Luxembourg	100%	31,000	100%	31,000
Modern Treuhand Management Ltd	C-4214	Malta	100%	10,000	-	-
Modern Treuhand Corporate Services Ltd	HE 265321	Cyprus	100%	10,000	-	-
BI Corporate Finance AB	556787-1909	Stockholm	60%	15,000	60%	15,000
European Equity Trance Income Ltd	44552	Guernsey	99,86%	63	94.14%	9,649,088
European Equity Trance Income Finance Ltd	442120	Dublin	99,86%	1,000	94.14%	1,000
Catella Corporate Finance Stockholm HB	969751-9628	Stockholm	65%	-	-	-
Catella Corporate Finance Göteborg HB	969751-9602	Gothenburg	65%	-	-	-
CFA Partners AB	556748-6286	Stockholm	91%	2,000	-	-
Catella Brand AB	556090-0188	Stockholm	100%	1,000	-	-
Catella Financial Advisory AB	556715-3944	Stockholm	100%	1,000	-	-
Catella Property Fund Management AB	556660-8369	Stockholm	100%	10,000	-	-
Catella Real Estate AG Kapitalanlagegesellschaft	HRB 169051	Munich	94,5%	2,500	-	-
Catella Real Estate S.r.l	BZ 0190483	Bolzano	94,5%	10,000	-	-
Amplion Asset Management Holding AB	556715-3472	Stockholm	100%	1,000	-	-
Catella Asset Management SAS	B 412670375	Paris	65%	4,000	-	-
Parcolog Gestion SARL	B 490102993	Paris	66%	1,000	-	-
Catella Real Estate Investment Management AB	556638-5356	Stockholm	100%	1,000	-	-
Amplion Asset Management AB	556813-5262	Stockholm	100%	100,000	-	-
Catella Advisory AB	556724-4917	Stockholm	100%	1,000	-	-
Catella Property Oy	669987	Helsinki	100%	10,000	-	-
Catella Corporate Finance Oy	726244	Helsinki	100%	100	-	-
Amplion Asset Management OOO	1079817049006	St. Petersburg	100%	1	-	-
Amplion Asset Management Holding Oy	2214836-4	Helsinki	100%	10,000	-	-
Catella Property Norway AS	986032851	Oslo	100%	2,976,862	-	-
Catella Corporate Finance AS	886623372	Oslo	52,5%	10,000	-	-
Catella Property GmbH	HRB 106179	Düsseldorf	100%	-	-	-
Catella Property Valuation GmbH	HRB 106180	Düsseldorf	100%	-	-	-
Catella Property Advisors GmbH	HRB 106183	Düsseldorf	100%	-	-	-
Catella Corporate Finance SIA	40003814194	Riga	60%	2,000	-	-
Catella Corporate Finance Vilnius	300609933	Vilnius	60%	100	-	-
OÜ Catella Corporate Finance Tallin	11503508	Tallinn	60%	1	-	-
Catella Property Benelux SA	BE 0467094788	Brussels	100%	300,000	-	-
Catella Property Belgium SA	BE 0479980150	Brussels	100%	533,023	-	-
Catella Property Denmark A/S	17981595	Copenhagen	60%	555,556	-	-
Catella Mezzanine AG	234205	Switzerland	75%	100,000	-	-
Catella France SARL	B 412670374	Paris	100%	2,500	-	-
Catella Valuation Advisors SAS	B 435339098	Paris	66%	4,127	-	-
Catella Property Consultants SAS	B 435339114	Paris	100%	4,000	-	-
Catella Residential Partners SAS	B 442133922	Paris	65%	4,000	-	-
Catella Property Spain S.A.	A 85333342	Madrid	70%	60	-	-
Catella Advisory Sweden AB	556724-4925	Stockholm	100%	1,000	-	-
CC Intressenter AB	556740-5609	Stockholm	60%	1,000	-	-
Catella Consumer AB	556654-2261	Stockholm	60%	10,000	-	-
CCF Stockholm Intressenter AB	556724-4941	Stockholm	100%	1,000	-	-
Catella Corporate Finance AB	556740-5971	Stockholm	100%	1,000	-	-
CCF Holding AB	556700-8577	Stockholm	100%	1,000	-	-
Catella Markets AB	556708-3976	Stockholm	100%	2,000,000	-	-
CCF Malmö Intressenter AB	556740-5963	Stockholm	60%	1,000	-	-
Catella Corporate Finance Malmö AB	556740-5666	Stockholm	60%	1,000	-	-
Aveca AB	556646-6313	Stockholm	100%	5,000	-	-
Aveca Geshäftsführungs GmbH	HRB 106722	Düsseldorf	100%	-	-	-
Catella Capital Intressenter AB	556736-7072	Stockholm	100%	1,000,000	-	-
Catella Capital AB	556243-6989	Stockholm	100%	221,600	-	-
Catella Fondförvaltning AB	556533-6210	Stockholm	100%	50,000	-	-
Alletac Shared Services AB	556543-2118	Stockholm	100%	12,000	-	-

NOTE 40 EVENTS AFTER THE BALANCE-SHEET DATE

It was announced in January 2011 that Catella was to establish a new business operation in the market for fixed-income products. The new unit will act as a financial consultant and issue fixed-income products. The unit is planned to be jointly owned with senior executives and included as a subsidiary in the Catella Group.

On 28 January 2011, Catella agreed to acquire 55 per cent of the share capital and voting rights in EKF Enskild Kapitalförvaltning. At the same time, Catella made an offer to all of the other shareholders of EKF Enskild Kapitalförvaltning to acquire the remaining shares for the same price.

Enskild Kapitalförvaltning is one of the larger independent asset managers in the Swedish market, with assets of approximately SEK 4 billion under management. For many years, Enskild Kapitalförvaltning has generated favourable value growth for its clients. All of the shareholders accepted the offer and Catella took possession of the shares in EKF Enskild Kapitalförvaltning on 29 April 2011 following approval by the Swedish Financial Supervisory Authority. The acquisition payment for all of the shares in EKF Enskild Kapitalförvaltning totalled approximately SEK 50 M. Given that the acquisition was only recently implemented, a process aimed at identifying the acquired assets and liabilities is under way. The acquisition is to be viewed as the first step in establishing a complete wealth management unit in Sweden and the Nordic region and will be operated in parallel with the existing fund business.

EKF Enskild Kapitalförvaltning is an independent asset manager in Sweden. It conducts its business from the company's head office in Stockholm and a local office in Växjö. Enskild Kapitalförvaltning has 29 employees and is an account-operating institution, clearing member and manager in Euroclear/VPC. Enskild Kapitalförvaltning has approximately SEK 4 billion under management and its clients include private individuals, businesses, foundations and organisations.

On 23 March 2011, the Board of Catella AB (publ) decided to initiate a sales process for Banque Invik's credit card and acquiring operations or, alternatively, the entire bank. The decision is the result of the Board's and management's strategy to streamline Catella's business activities and focus on two operating segments: Corporate Finance and Asset Management. The Board also decided to implement some changes to the management structure of Banque Invik. Fredrik Sauter stepped down from the position of Chief Executive Officer to become the Chairman of the Board at the bank and Anders Thonning was appointed the new CEO. Banque Invik, which has its headquarters in Luxembourg, has a workforce of 127.

It was also decided in the spring of 2011 that the Group Management of former Catella would comprise Johan Ericsson, Chief Executive Officer; Lennart Schuss, Deputy Chief Executive Officer; Ando Wikström, Chief Financial Officer; Fredrik Sauter, Chairman of Banque Invik; Johan Nordenfalk, Chief Legal Officer; Anders Palmgren, Head of Business Development, Corporate Finance; and Anne Rådestad, Head of Communications. In addition, a Executive Committee with representatives from the largest subsidiaries in the Nordic region and Europe will be established.

NOTE 41 RELATED-PARTY TRANSACTIONS

Related-party transactions

There were no related-party transactions with controlling influences in the Catella Group. Related-party transactions with controlling influences encompass the Catella Board members and Group Management, including family members, and companies in which these individuals have Board assignments or hold positions as senior executives and/or have significant shareholdings.

Related-party transactions

2010

Björn Edgren, Board Chairman, received a fee based on market terms and conditions of SEK 300,000 for other assignments than his Board Chairmanship in the period from August 2008 to May 2010.

In conjunction with CFA Partners AB entering into an agreement to acquire the Catella Brand AB Group, Claesson & Anderzén AB, indirectly the largest owner of Catella AB (publ), provided a financing guarantee to the selling group. When the decision was made to acquire 91 per cent of the shares in CFA Partners AB, the Board of former Scribona AB (publ) approved an amount of SEK 8 M as payment for the guarantee.

When CFA Partners AB was acquired and the Catella Brand AB Group indirectly acquired, the wholly owned subsidiary Catella Holding AB (business name changed from Scribona Nordic AB) borrowed SEK 50 M from CA Plusinvest AB, the largest owner of Catella AB (publ), as part of the financing. Catella Holding provided a short-term equities portfolio as collateral for the loan. The interest conditions were STIBOR 30 days plus five (5) percentage points. The loan was repaid in its entirety in the fourth quarter of 2010.

As stated in Note 34 Pledged assets, Claesson & Andersén AB, which indirectly owned 39 per cent of the shares in Catella AB (publ) on 31 December 2010, provided an issue and loan guarantee to cover Catella if it fails to meet the covenants agreed in the loan contract with the external lender. On 31 December 2010, following approval from the lender to temporary fall below the covenant amount for the equity/asset ratio, Catella fulfilled the agreed covenants. The guarantee remuneration was paid to Claesson & Andersén AB on market-based terms.

In conjunction with the acquisition of former Catella, the Parent Company issued 30,000,000 warrants at a value of SEK 30 M as part of the proceeds paid. Senior executives and other key individuals in the former Catella received these warrants on market-based terms. The warrants have expiry dates in 2013, 2014, 2015 and 2016 distributed at 33 per cent, 13 per cent, 27 per cent and 27 per cent respectively. Most of the senior executives' warrant holdings have expiry dates in 2015 and 2016. One warrant entitles the holder to subscribe for a Class B share at a strike price of SEK 11, for further information refer to Note 12 Share-based incentives.

2009

Lorenzo Garcia, Board member of Catella AB (publ), continued to serve as Chief Executive Officer in former Scribona AB during the first quarter of 2009 on a consultancy basis. The remuneration paid to Garcia as a consultancy fee took place through Greenfield International AB at a fixed fee amounting to SEK 200,000. From 1 April 2009, Garcia was employed as Chief Executive Officer of the then Scribona AB with a fixed monthly salary of SEK 200,000.

The brokerage commission in conjunction with Catella's acquisition of the shares of EETI amounted to SEK 7.4 M. The recipient was Bronsstädet AB. The brokerage commission was calculated at EUR 1.11 per share brokered by Bronsstädet AB. Peter Gyllenhammar, Board member of Catella AB (publ), is an owner and Board member of Bronsstädet AB. The brokerage commission was paid in March 2010.

Refer also to Note 11 Remuneration of senior executives and Note 12 Share-based incentives.

NOTE 42 DEFINITIONS AND EXCHANGE RATES

Terms and key ratios

Number of employees:
Number of employees at the end of the period converted to full-time positions.

Average number of employees:
Average of the number of employees at the end of the four quarters of the financial year.

Shareholders' equity per share:
Equity at the end of the period divided by the number of shares at the end of the period

Cash flow per share:
Cash flow for the year divided by the average number of shares.

Earnings per share before dilution:
Profit for the year divided by the average number of shares during the period

Earnings per share after dilution:
Profit for the year divided by the average number of shares, taking into account the effect of any dilutive potential ordinary shares during the period.

Earnings per share after full dilution:
Profit for the year divided by the average number of shares, taking into account the effect of the full dilution of all potential ordinary shares during the period.

Return on shareholders' equity:
Net profit for the year as a percentage of average equity.

Interest coverage ratio:
Profit after financial items plus interest expenses divided by interest expenses

Equity/assets ratio:
Shareholders' equity as a percentage of the balance sheet total.

Capital employed:
Non-interest-bearing non-current and current assets less non-interest-bearing non-current and current liabilities.

Net debt:
The net of interest-bearing provisions and liabilities less financial assets including cash and cash equivalents. This means that both loan receivables and loan liabilities in both Banque Invik and EETI's investments in loan portfolios are recognised in net debt.

Borrowing:
Loans from credit institutions.

Loan liabilities:
Loans from non-credit institutions.

EV
Enterprise Value.

EBITDA
Earnings Before Interest, Taxes, Depreciation and Amortisation.

Exchange rates

The average exchange rates and the rates on the balance-sheet date of the currencies in the Group in relation to SEK were as follows:

Exchange rates 2010

Currency	Average rate	Closing day rate
DKK	1.281273	1.2075
EEK	0.6099	0.5755
EUR	9.5413	9.002
GBP	11.1256	10.5475
LTL	2.7637	2.61
LVL	13.4643	12.68
NOK	1.191577	1.152
PLN	2.3914	2.27
USD	7.2049	6.8025

Exchange rates 2009

Currency	Average rate	Closing day rate
EUR	10.6213	10.353
NOK	1.216225	1.243

NOTE 43 TRANSITION TO IFRS

As of 1 January 2009, the Catella AB Group (referred to below as "Catella") applies International Financial Reporting Standards (IFRS), as approved by the EU, to its consolidated financial statements and Recommendation RFR 1 Supplementary Accounting Rules for Groups. Catella previously applied the Swedish Annual Accounts Act and the general advice and guidelines of the Swedish Accounting Standards Board. This reconciliation describes the restatement of the financial statements that took place in 2009 in conjunction with the transition to IFRS.

IFRS 1 First-time Adoption of International Financial Reporting Standards contains the rules to be applied to the transition from previously applied regulations to IFRS. Catella has followed these rules in the transition to IFRS. These transition rules permit, in certain cases, voluntary exemptions, which Catella has applied in relevant cases as follows:

- in conjunction with the transition to IFRS, a company can choose to apply the regulations of IFRS 3 (revised) Business Combinations prospectively from the transition date. Catella has decided to utilise this possibility and, accordingly, has note restated/remeasured previous acquisition.

The application of the IFRS transition rules did not give rise to any differences in the transition to IFRS, except for the reallocation in equity.

The account presented below was prepared in accordance with currently applicable IFRS and statements. The most significant accounting policies under IFRS, which are the accounting standards applied to the preparation of Catella's financial statements and this reconciliation, are available on the Group's website, www.catella.se.

The figures in this document and accompanying tables are presented in SEK M and have been rounded off individually, meaning that minor rounding differences may occur.

1. Effects of transition to IFRS

The effect of the transition to IFRS on Catella can be summarised according to the following main points:

- Acquisitions made after 1 January 2009 and acquisition analyses for these acquisitions are prepared in accordance with IFRS 3 (revised) Business Combinations. One of the consequences of this is that in the acquisition analyses of Banque Invik and EETI (European Equity Tranche Income), the residual value, which comprises negative goodwill, is directly recognised in net profit for the year as opposed to current accounting policies.
- Financial assets, such as Catella's equity portfolio and EETI's loan portfolios, are measured at fair value at the end of each accounting period (IAS 39 Financial Instruments).

No effect on equity arose in conjunction with the transition to IFRS on 1 January 2009, except for reallocation between other contributed capital and profit brought forward. The adjustment of the accounts at 31 December 2009 had a positive effect of SEK 168 M on equity pertaining to the income recognition of negative goodwill in Banque Invik (SEK 118 M) and the measurement of current investments (SEK 21 M), EETI's loan portfolio (SEK 24 M) and financial instruments at Banque Invik (SEK 5 M) at fair value.

Other effects of the introduction of IFRS are that the presentation format of the financial statements has changed and a new statement, the statement of other comprehensive income, has been introduced. Furthermore, the transition to IFRS entailed that the preparation of the 2010 Annual Report included additional disclosures in compliance with the IFRS disclosure requirements. However, Catella does not believe that any new information will be published, but will rather mainly be specified and presented in more detail compared with the 2009 Annual Report.

In addition, the Parent Company, Catella AB, applies the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities to the preparation of its financial statements. The introduction of this new recommendation did not impact the Parent Company's earnings or financial position.

Reconciliation of opening balance sheet 1 January 2009

Catella has no IFRS adjustments in its opening balance sheet and thus the opening IFRS balance sheet is the same as the balance sheet on 1 January 2009 under the previous accounting policies. For this reason, no specific reconciliation of the opening balance sheet has been prepared.

Reconciliation of 2009 accounts

(Amounts in tables and other summaries have been rounded off individually, meaning that minor rounding differences may occur in the totals.)

Effect of transition to IFRS (SEK M)

Income statement	Note	According to report published 1 Jan – 31 Dec 2009	IFRS adjustments	Reclassi-fications	Review of acqui-sition analysis	According to IFRS 1 Jan – 31 Dec 2009
Net sales	d	206	-	11	-	217
Other operating income		17	-	-	-	17
		223	**0**	**11**	**0**	**234**
Other external costs	a, e, f	-175	-10	5	3	-177
Personnel costs		-75	-	-	-	-75
Depreciation/amortisation and impairment	f	-5	-	-	-6	-10
Recognition of negative goodwill	a	293	147	-	-	440
Other operating expenses	e	-	-	-5	-	-5
Operating profit/loss		**261**	**137**	**11**	**-2**	**406**
Profit from financial items	b, d	40	45	-11	-5	70
Profit before tax		**301**	**182**	**0**	**-7**	**476**
Income tax		-5	-	-	1	-4
Net profit/loss for the year		**296**	**182**	**0**	**-6**	**472**
Profit attributable to:						
Shareholders of the Parent Company		295	180	0	-6	469
Non-controlling interests		1	1	-	-	3
		296	182	0	-6	472
Earnings per share attributable to shareholders of the Parent Company, SEK:						
- before dilution		3,61				5,75
- after dilution		3,61				5,75

Statement of comprehensive income	Note	According to report published 1 Jan – 31 Dec 2009	IFRS adjustments	Reclassi-fications	Review of acqui-sition analysis	According to IFRS 1 Jan – 31 Dec 2009
Net profit/loss for the year		296	182	0	-6	472
Other comprehensive income:						
Fair value changes in financial assets available for sale	b	-	4	-	-	4
Exchange rate changes		6	-18	-	1	-12
Other comprehensive income for the period, net after tax		6	-14	0	1	-8
Total comprehensive income for the period		**302**	**168**	**0**	**-5**	**464**
Attributable to:						
Shareholders of the Parent Company		302	166	0	-5	463
Non-controlling interests		0	1	0	0	1
		302	**168**	**0**	**-5**	**464**

Balance sheet	Note	According to report published 31 Dec 2009	IFRS adjustments	Reclassi-fications	Review of acqui-sition analysis	According to IFRS 31 Dec 2009
Non-current assets						
Intangible assets	f	-	-	-	24	24
Tangible fixed assets		14	-	-	-	14
Financial non-current assets	b	408	47	-	4	460
Total non-current assets		**422**	**47**	**0**	**28**	**498**
Current assets						
Accounts receivable and other receivables	c, f	2,625	-	-1,281	-24	1,319
Current investments		66	0	-	-	66
Cash and cash equivalents	c	792	-	1,281	-	2,073
Total current assets		**3,482**	**0**	**0**	**-24**	**3,458**
Total assets		**3,904**	**47**	**0**	**4**	**3,956**
Equity, provisions and liabilities						
Equity		889	168	0	-5	1,051
Negative goodwill	a	118	-121	-	3	0
Other provisions		21	1	2	-1	24
Non-current liabilities		1	-	-1	-	0
Current liabilities	f	2,874	-	-1	7	2,880
Total equity, provisions and liabilities		**3,904**	**47**	**0**	**4**	**3,956**

The most significant adjustments in conjunction with the transition to IFRS are as follows:

Note a – Negative goodwill

According to IFRS 3 (revised) Business Combinations, negative goodwill is not to be recognised as a liability but rather reversed continuously over profit and loss. Instead, gains arising from an acquisition for which the consideration is less than the acquired net assets measured at fair value are recognised in profit and loss on the acquisition date.

This application means that continuous income recognition of negative goodwill that took place prior to the transition to IFRS has been reversed and the negative goodwill recognised in income on the acquisition date.

Furthermore, acquisition-related costs, for example, due diligence and legal expenses, are recognised as an expense in the period in which they arise. Catella classifies these expenses as "other external costs."

SEK M	Intangible assets	Reversed dissolution of negative goodwill	Reversed exchange rate effects	Acquisitions expenses	Other adjustments	Recognised income under IFRS	Total adjustment
Negative goodwill, Banque Invik	28	19	6	1	-27	-145	-118
Negative goodwill, EETI	-	274	12	9	-	-295	-
Negative goodwill, Total	**28**	**293**	**18**	**10**	**-27**	**-440**	**-118**

Note b – Application of IAS 39 Financial Instruments – Adjustments for fair value

IAS 39 Financial Instruments stipulates that financial assets are to be valued based on the category of financial assets that they have been classified in when the asset was acquired. Catella has financial assets in the categories of "Assets available for sale" and "Asset measured at fair value through profit and loss." The assets in both of these categories are to be measured at fair value, although changes in value of "Assets available for sale" are recognised in "Other comprehensive income." The effects of the valuation of assets (including equity portfolios and holdings in EETI loan portfolios) are as follows:

SEK M	Fair value through profit and loss	Assets available for sale	Reclassification of assets available for sale	Reclassification deferred tax asset	Total adjustment
Financial non-current assets	24	5	21	-3	47
Current investments	21	-	-21	-	-
Deferred tax liability (Provisions)	-	2	-	-3	-1
Fair value reserve (Equity)	-	4	-	-	4
Profit from financial items	**45**				**45**

II. Reclassifications

Note c – Bank balances in blocked accounts

Bank balances of SEK 45 M, which have been pledged as collateral for Banque Invik's transactions on a daily basis (blocked accounts), were included in the Group's cash and cash equivalents. Bank balances of SEK 1,236 M in accounts with banks other than central banks were included in the Group's cash and cash equivalents. Under previous policies, these assets were recognised as "Accounts receivable and other receivables."

SEK M	Blocked accounts	Total adjustment
Accounts receivable and other receivables	-1,281	-1,281
Cash and cash equivalents	1,281	1,281

Note d – Commission income on currency trading

Commission income of SEK 11 M arising on currency exchanges in Banque Invik was included in the Group's net sales since this income is part of the Group's main business activities. Under previous policies, this income was recognised as "Interest income."

SEK M	Impairment	Total adjustment
Net sales	11	11
Profit from financial items	-11	-11

Note e – Impairment of current receivables

Impairment of SEK 5 M pertaining to receivables was included as "Other operating expenses." Under previous policies, these expenses were recognised as "Other external costs."

SEK M	Impairment	Total adjustment
Other external costs	5	5
Other operating expenses	-5	-5

III. Review of acquisition analyses, etc.

During the year, a review was performed of the identified assets and assumed liabilities in conjunction with the acquisition of Banque Invik.

Note f - Intangible assets not previously identified in conjunction with acquisitions

Acquisition analyses of the acquisitions of Banque Invik and EETI that took place in 2009 were prepared in accordance with the requirements of IFRS 3 (revised). When a more detailed examination of the acquired assets and assumed liabilities pertaining to Banque Invik was performed, intangible assets of SEK 28 M pertaining to software were identified that had not previously been recognised. The estimated useful life of these intangible assets is deemed to be four years and, accordingly, the assets are amortised straight line based on this useful life, which corresponds to SEK 6 M in 2009.

Investments of SEK 3 M in intangible assets (software) were capitalised in 2009 in accordance with IAS 38 Intangible Assets in conjunction with the transition to IFRS.

SEK M	Acquired assets	Amortisation for the year	Investments for the year	Exchange rate effects	Total adjustment
Intangible assets	28	-6	3	-2	24

In addition to the intangible assets, other adjustments totalling SEK 27 M were made (refer to Note a), which primarily comprise an increase in current liabilities of SEK 8 M and a decrease in loan receivables of SEK 16 M, net after deferred tax.

Furthermore, loan receivables were reduced by SEK 3 M, net after deferred tax which did not impact the acquisition analysis.

Parent Company income statement

SEK M	Note	2010 Jan–Dec	2009 Jan–Dec
Other external costs	45	-5.8	-2.0
Personnel costs	46	-5.0	-4.4
Operating loss		**-10.8**	**-6.5**
Profit from participations in Group companies	47	48.3	70.3
Interest income and similar profit/loss items		-	0.0
Interest expense and similar profit/loss items	48	0.0	-1.4
Financial items		48.2	68.9
Profit before tax		**37.4**	**62.4**
Tax on net profit for the year	49	-	-
Net profit for the year		**37.4**	**62.4**

Parent Company statement of comprehensive income

SEK M	2010 Jan–Dec	2009 Jan–Dec
Net profit	37.4	62.4
Other comprehensive income	-	-
Other comprehensive income for the year, net after tax	0.0	0.0
Total comprehensive income for the year	**37.4**	**62.4**

Parent Company balance sheet

SEK M	Note	2010 31 Dec	2009 31 Dec
ASSETS			
Non-current assets			
Participations in Group companies	50	97.0	250.0
Non-current receivables	51	0.8	1.2
		97.8	**251.2**
Current assets			
Current receivables from Group companies		473.8	251.6
Other current receivables		0.2	0.7
Cash and cash equivalents		0.5	1.2
		474.6	**253.5**
Total assets		**572.4**	**504.7**
EQUITY AND LIABILITIES			
Equity	52		
Restricted equity			
Share capital		163.4	163.4
Statutory reserve		249.9	249.9
		413.3	**413.3**
Non-restricted equity			
Share premium reserve		46.3	16.4
Profit brought forward		72.5	9.8
Net profit for the year		37.4	62.4
		156.3	**88.6**
Total equity		**569.6**	**501.8**
Provisions			
Provisions for pensions	51	0.8	1.2
		0.8	**1.2**
Current liabilities			
Accounts payable		0.2	0.1
Other current liabilities		0.1	0.0
Accrued expenses and deferred income	53	1.8	1.5
		2.0	**1.6**
Total liabilities		**2.8**	**2.9**
Total equity and liabilities		**572.4**	**504.7**
MEMORANDUM ITEMS	54		
Pledged assets		-	-
Contingent liabilities		-	-

Parent Company cash flow statement

SEK M	Not	2010 Jan–Dec	2009 Jan–Dec
Cash flow from operating activities			
Profit before tax		37.4	62.4
Adjustments for non-cash items			
Dividend from subsidiaries		-198.4	-140.8
Impairment shares in subsidiaries		152.0	70.6
Result from liquidation of subsidiaries		-1.5	-
Result from sale of subsidiaries		-0.5	-0.1
Paid income tax		-	0.3
Cash flow from operating activities before changes in working capital		**-10.9**	**-7.6**
Cash flow from changes in working capital			
Increase (-) / decrease (+) in operating receivables		-21.0	-77.1
Increase (+) / decrease (-) in operating liabilities		0.3	-6.4
Cash flow from operating activities		**-31.5**	**-91.1**
Cash flow from investing activities			
Sale of subsidiaries		0.5	0.1
Cash flow from investing activities		**0.5**	**0.1**
Cash flow from financing activities			
Warrants issued		30.0	-
Non-executed dividend		0.3	0.2
Cash flow from financing activities		**30.3**	**0.2**
Cash flow for the year		**-0.7**	**-90.8**
Cash and cash equivalents at beginning of the year		1.2	92.0
Exchange rate differences in cash and cash equivalents		-	-
Cash and cash equivalents at year-end		**0.5**	**1.2**

Parent Company statement of changes in equity

		Restricted equity		Non-restricted equity			
SEK M	Note 52	Share capital	Statutory reserve	Share premium reserve	Profit brought forward	Net profit for the year	Total equity
Equity 1 January 2009		**163.4**	**249.9**	**16.4**	**0.5**	**9.1**	**439.2**
Appropriation of profits					9.1	-9.1	0.0
Non-executed dividend					0.2		0.2
Comprehensive income for January – December 2009:							
Net profit for the year						62.4	62.4
Other comprehensive income/loss, net after tax						0.0	0.0
Comprehensive income/loss for the year					**0.0**	**62.4**	**62.4**
Equity 31 December 2009		**163.4**	**249.9**	**16.4**	**9.8**	**62.4**	**501.8**
Appropriation of profits					62.4	-62.4	0.0
Non-executed dividend					0.3		0.3
Warrants issued				30.0			30.0
Comprehensive income for January – December 2010:							
Net profit for the year						37.4	37.4
Other comprehensive income/loss, net after tax						0.0	0.0
Comprehensive income/loss for the year					**0.0**	**37.4**	**37.4**
Equity 31 December 2010		**163.4**	**249.9**	**46.3**	**72.5**	**37.4**	**569.6**

Notes for the Parent Company

NOTE 44 PARENT COMPANY ACCOUNTING POLICIES

The Parent Company's financial statements were prepared in accordance with the Swedish Annual Accounts Act and Recommendation RFR 2 Accounting for Legal Entities. This is the first time that the Parent Company applies RFR 2, which has entailed some effects on the financial statements. Accordingly, the Parent Company applies the same accounting policies as the Group wherever applicable, except for the cases stipulated below.

The Parent Company utilises the names "balance sheet" and "cash-flow statement" for the statements that the Group names "statement of financial position" and "statement of cash flows," respectively. The Parent Company's income statement and balance sheet have been prepared in accordance with the presentation format stipulated in the Annual Accounts Act, while the statement of comprehensive income, statement of changes in shareholders' equity and the cash flow statement are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows.

Participations in Group companies

The Parent Company recognises all of its holdings in Group companies at cost less deductions for any accumulated impairment.

Group contributions and shareholders' contributions

Group contributions are recognised according to their economic significance. This means Group contributions paid with the intention of minimising the Group's total tax are recognised directly against profit brought forward after deductions for their current tax effect. Shareholders' contributions are recognised directly against the equity of the recipient and are capitalised in the shares and participations of the donor, insofar as impairment is not necessary.

Lease agreements

The Parent Company recognises all of its lease agreements as operating lease agreements.

Financial instruments

Due to the connection between accounting and taxation, financial assets and liabilities are not recognised at fair value. Financial non-current assets are recognised at cost less any impairment and financial current assets are recognised in accordance with the lowest value principle. Financial liabilities are recognised at cost.

Furthermore, the Parent Company applies the exemption rule in RFR 2 and does not apply the IAS 39 regulations for financial guarantees pertaining to guarantee agreements for the benefit of subsidiaries and associated companies. In these cases, the IAS 37 rules are applied entailing that financial guarantee agreements are to be recognised as a provision in the balance sheet when Catella has a legal or informal obligation due to earlier events and it is probable that an outflow of resources will be required to settle the commitment. In addition, it must be possible to make a reliable estimate of the value of the commitment.

NOTE 45 OTHER EXTERNAL EXPENSES

Remuneration of auditors (SEK M)	2010	2009
KPMG		
- Audit assignment	-	-
- Audit activities other than audit assignment	-	-
- Tax advisory services	-	-
- Other services	-	-
	0.0	**0.0**
Ernst & Young		
- Audit assignment	-	0.5
- Audit activities other than audit assignment	-	-
- Tax advisory services	-	-
- Other services	0.3	-
Total remuneration of auditors	**0.3**	**0.5**

The Parent Company's audit fees for 2010 were paid by the subsidiary Catella Holding AB.

NOTE 46 PERSONNEL

Salaries, other remuneration and social security expenses (SEK M) Other employees	2010 Salaries and other remuneration (of which, bonus)	2010 Social security expenses (of which, pension costs)	2009 Salaries and other remuneration (of which, bonus)	2009 Social security expenses (of which, pension costs)
Board	1.0	0.3	1.1	0.1
	(0)	(0)	(0)	(0)
Chief Executive Officer	1.8	0.6	2.4	0.8
	(0)	(0)	(0)	(0)
Other employees, Sweden	1.0	0.3	0.1	0.0
	(0)	(0)	(0)	(0)
Total	**3.8**	**1.2**	**3.6**	**0.9**
	0.0	***0.0***	***0.0***	***0.0***

There are no pension commitments with the Chief Executive Officer or other senior executives. For further information about remuneration to the Board and Chief Executive Officer, refer to Note 11.

Average number of employees (translated to full-time positions)	2010 Total	2010 Of whom, women	2009 Total	2009 Of whom, women
Sweden - Parent Company	1	-	1	-
Other countries	1	-	1	-
Total	**2**	**-**	**2**	**-**

NOTE 47 PROFIT/LOSS FROM PARTICIPATIONS IN GROUP COMPANIES

Profit/loss from participations in Group companies (SEK M)	2010	2009
Dividend	198.4	140.8
Impairment shares in subsidiaries	-152.0	-70.6
Profit from liquidation of subsidiaries	1.5	-
Profit from sale of subsidiaries	0.5	0.1
	48.3	**70.3**

NOTE 48 INTEREST EXPENSE AND SIMILAR PROFIT/LOSS ITEMS

Interest expense and similar profit/loss items (SEK M)	2010	2009
Interest	0,0	0,0
Exchange rate gains and losses, net	0,0	1,4
Total	**0,0**	**1,4**

NOTE 49 TAX ON NET PROFIT FOR THE YEAR

Tax on net profit/loss for the year	2010	2009
Current tax	-	-
Deferred tax	-	-
Total	**-**	**-**

The Parent Company's effective tax amounted to 0 per cent (0). The difference compared with the tax rate in Sweden, 26.3 per cent, is primarily due to the impairment of shares in subsidiaries that are not tax deductible and to dividends from subsidiaries not being taxable income. Taxable profit for the year amounted to a loss of SEK 11.2 M. The company has total loss carryforwards of SEK 95.2 M. No deferred tax assets attributable to these loss carryforwards were recognised in the company's balance sheet. The loss carryforwards have an unlimited life.

NOTE 50 PARTICIPATIONS IN GROUP COMPANIES

Company	Proportion of equity, %	Share of voting power, %	Number of partici-pations	Carrying amount, SEK M	
					2009
Catella Holding AB	100%	100%	1,000	39.0	39.0
Scribona OY	-	-	-	-	1.0
Scribona AS	100%	100%	5,067	58.0	210.0
Total				**97.0**	**250.0**

Information about the subsidiaries' corporate registration numbers and domiciles:

Company	Corp. Reg. No.	Domicile
Catella Holding AB	556064-2018	Stockholm
Scribona OY	FI-1437531-3	Espoo
Scribona AS	979 460 198	Oslo

Participations in Group companies (SEK M)	2010	2009
Opening carrying amount	250.0	320.6
Acquisitions	-	-
Sales	-	-
Liquidation	-1.0	-
Impairment	-152.0	-70.6
Closing carrying amount	**97.0**	**250.0**

Impairments losses are described in Note 47 Profit/loss from participations in Group companies.

NOTE 51 NON-CURRENT RECEIVABLES / PENSION PROVISIONS

Non-current receivables of SEK 0.8 M pertain to an endowment policy for which the beneficiary is a former Deputy Chief Executive Officer. The policy pertains to a pension commitment to a former employee of the Group that has been insured by payments to an insurance company. The company has no other commitments than the premiums paid. The corresponding pension liability is recognised under "Provisions." The pension is paid over a period of 36 months with the last payment in October 2012.

Non-current receivables (SEK M)	2010	2009
Opening carrying amount	1.2	0.0
Receipts	-	1.2
Disbursements	-0.4	-
Disbursements/change in value	0.0	0.0
Closing carrying amount	**0.8**	**1.2**

NOTE 52 SHAREHOLDERS' EQUITY

On 31 December 2010, the share capital amounted to SEK 163.4 M divided between 81,698,572 shares. The quotient value per share is SEK 2. The share capital is divided between two classes of shares with different numbers of votes per share: 2,530,555 Class A shares with five votes per share, and 79,168,017 Class B-shares with one vote per share. There are no other differences between the classes of shares.

The Articles of Association include the right for holders of Class A shares to convert these shares to the same number of Class B shares. No Class A shares were converted to Class B shares in 2010.

On 31 December 2010, there were no outstanding convertible promissory notes that could lead to dilution of the share capital. A total of 30,000,000 warrants had been issued on 31 December 2010, as described in more detail in Note 12. The Board is not authorised to buy back or issue shares, options or similar instruments. No treasury shares were held by the company itself or its subsidiaries.

Shareholders with more than 10 per cent of the votes

The principal shareholder is CA Plusinvest AB, which holds 39.0 per cent of the capital and 37.3 per cent of the votes.

Dividends

The Board proposes that no dividends be paid to shareholders in 2010.

Restricted reserves

Restricted reserves may not be reduced through profit distributions.

Statutory reserve

The purpose of the statutory reserve is to save a portion of net profit that is not utilised to cover losses brought forward. Amounts contributed to the share premium reserve prior to 1 January 2006 were transferred to, and are included in, the statutory reserve. Share premium reserves arising after 1 January 2006 are recognised as non-restricted equity in the Parent Company.

Non-restricted equity

The following reserves, combined with net profit for the year, comprise non-restricted equity, meaning the amount available for distribution to the shareholders.

Share premium reserve

When shares are issued at a premium, meaning that a price is to be paid for the shares that exceeds the quotient value of the share, an amount corresponding to the amount received in excess of the quotient value must be transferred to the share premium reserve. Amounts transferred to the share premium reserve from January 2006 are included in non-restricted equity.

Profit brought forward

Profit brought forward comprises the profit carried forward from the preceding year and profit after dividends paid for the year.

NOTE 53 ACCRUED EXPENSES AND DEFERRED INCOME

SEK M	2010	2009
Accrued salaries	0.1	-
Social security expenses	0.7	0.6
Accrued lawyer's fees	0.0	-
Other accrued expenses	1.0	0.8
Total	**1.8**	**1.5**

NOTE 54 PLEDGED ASSETS AND CONTINGENT LIABILITIES

In accordance with Note 34 Pledged assets, Claesson & Andersén AB, which indirectly owned 39 per cent of the shares in Catella AB (publ) on 31 December 2010, provided an issue and loan guarantee covering the liability that would arise if the subsidiary Catella Holding AB and the Group fail to meet the covenants agreed in the loan contract with the external lender.

On 31 December 2010, following approval from the lender to temporary fall below the covenant amount for the equity/asset ratio, Catella fulfilled the agreed covenants. The guarantee remuneration was paid to Claesson & Andersén AB on market-based terms.

NOTE 55 RELATED-PARTY TRANSACTIONS

The Parent Company has a close relationship with its subsidiaries, refer to Note 50. Transactions between the Parent Company and subsidiaries are priced on commercial terms. In 2010, a transaction took place between the Parent Company and subsidiaries pertaining to remuneration for warrants issued by the Parent Company, for which a market-based price was paid. In addition, the Parent Company received dividends from the Norwegian subsidiary Scribona AS.

For benefits for senior executives, refer to the information presented for the Group's under Note 11 of the consolidated financial statements and to Note 46.

For pledged assets and contingent liabilities to be benefit of subsidiaries, refer to the information presented about pledged assets and contingent liabilities in conjunction with the balance sheet and in Note 54.

NOTE 56 FINANCIAL RISK MANAGEMENT

The Parent Company applies IAS 39 Financial Instruments: Recognition and Measurement, with the exceptions stated in Note 44. The Parent Company conducts only holding-company operations and has no borrowing. The Parent Company's assets primarily pertain to shares in subsidiaries and receivables from subsidiaries. The Parent Company has no investments in derivative instruments or other financial instrument. In view of this, the legal entity Catella AB (publ) has limited exposure to financial risks, such as credit risk, currency risk and market risk.

Liquidity risk

The intra-Group loans have no predetermined maturity date. The Catella Group's financing from external parties is procured by the subsidiary Catella Holding AB. If necessary, Catella AB (publ) can use this financing through internal loans.

Currency risk

There were no receivables or liabilities in foreign currency on 31 December 2010.

For further information about financial risks for the Catella Group that are also indirectly applicable to the Parent Company, refer to Note 3.

The Board and Chief Executive Officer assure that this Annual Report has been prepared in accordance with generally accepted accounting policies in Sweden and that the consolidated financial statements has been prepared in accordance with the international accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and the Council issued on July 19, 2002 on the application of international accounting standards. The Annual Report and the consolidated financial statements provide a true and fair view of the Parent Company's and the Group's financial position and earnings. The Administration Reports for the Parent Company and the Group provide a fair review of the performance of the Parent Company's and the Group's operations, financial position and earnings and describe the material risks and uncertainty factors with which the Parent Company and the companies included in the Group are faced.

The Parent Company's and the Group's income statements and balance sheets will be subject to adoption at the Annual General Meeting on 25 May 2011.

The Annual Report and the consolidated financial statements were, as stated above, approved for publication by the Board and Chief Executive Officer on 29 April 2011.

Björn Edgren, Chairman

Johan Claesson, Board member

Lorenzo Garcia, Board member

Peter Gyllenhammar, Board member

Johan Ericsson, Chief Executive Officer

Our audit report was submitted on 2 May 2011

KPMG AB

Lars Marcusson, Authorised Public Accountant

Audit Report

To the annual meeting of shareholders of Catella AB (publ)

Corporate Registration Number 556079-1419

We have audited the annual accounts, the consolidated financial statements, the accounting records and the administration of the Board of Directors and the Chief Executive Officer of Catella AB (publ) for the year 2010. The annual accounts and consolidated financial statements are included in the printed version of this document in pages 40–105. The Board of Directors and the Chief Executive Officer are responsible for these accounts and the administration of the company as well as for the application of the Annual Accounts Act when preparing the annual accounts and for the application of international financial reporting standards IFRS as adopted by the EU and the Annual Accounts Act when preparing the consolidated financial statements. Our responsibility is to express an opinion on the annual accounts, the consolidated financial statements and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts and the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting policies used and their application by the Board of Directors and the Chief Executive Officer and significant estimates made by the Board of Directors and the Chief Executive Officer when preparing the annual accounts and consolidated financial statements as well as evaluating the overall presentation of information in the annual accounts and the consolidated financial statements. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any Board member or the Chief Executive Officer. We also examined whether any Board member or the Chief Executive Officer has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out.

The annual accounts and the consolidated financial statements have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the company's and the Group's financial position and results of operations in accordance with generally accepted accounting policies in Sweden. The consolidated financial statements have been prepared in accordance with international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act and give a true and fair view of the Group's financial position and results of operations. The statutory Administration Report is consistent with the other parts of the annual accounts and the consolidated financial statements.

We recommend to the annual meeting of shareholders that the income statements and balance sheets of the Parent Company and the Group be adopted, that the profit of the Parent Company be dealt with in accordance with the proposal in the Administration Report and that the members of the Board of Directors and the Chief Executive Officer be discharged from liability for the financial year.

Stockholm, 2 May 2011

KPMG AB

Lars Marcusson, *Authorised Public Accountant*

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