Catella – the link to added value

Catella's platform is growing with focus on Corporate Finance and Asset Management.

We create added value within these two segments through client focus and independent advisory services based on creativity, teamwork and high ethics.

Our teams are driven by an entrepreneurial way of thinking. This is a vital part of Catella's offer.

We are 340 employees in 13 countries, who see opportunity in every given task.

ANNUAL OVERVIEW 2011

Contents

Catella AB's (publ) Annual Report 2011 is not part of this document, but is available separately. This document contains references to notes in the annual report. Figures may be rounded in texts and tables.

This is Catella

Catella offers specialised financial services and products in selected market segments.

Catella has 340 employees in 13 countries active in two operating segments, Corporate Finance and Asset Management.

Catella is listed on Nasdaq OMX, First North Premier.

Nordics
58%
of Group income

Europe excl. Nordics
42%
of Group income

Key figures

- Total income: SEK 813 M
- Income, excluding assignment expenses and commission: SEK 639 M
- Net profit for the year: SEK 21 M
- Transaction volume in Corporate Finance: SEK 61 Bn
- Volume under management in Asset Management: SEK 34 Bn

Corporate Finance

Catella's Corporate Finance operations offer specialised financial advisory services. Advisory services in the professional property market are the dominant activity.

SERVICES IN CORPORATE FINANCE

- Sales and Acquisitions
- Debt and Equity
- Valuation and Research

61% of Group income

61% of Group personnel

Asset Management

Catella's Asset Management offers institutions, companies and individuals specialised financial products and advisory services. Fund management is the dominant activity.

SERVICES IN ASSET MANAGEMENT

- Fund Management
- Wealth Management

39% of Group income

34% of Group personnel

CEO's comments

Over the course of 2011, Catella became a more well-defined company. Catella's long-term strategy was clarified in the two operating segments; Corporate Finance and Asset Management. Efforts to sharpen the service offering and strengthen market impact in these two segments are continuing.

During 2011, we pursued a number of programmes to strengthen Catella's two operating segments: Corporate Finance and Asset Management. In Corporate Finance, we established a completely new Swedish wealth management unit and became a shareholder in IPM (Informed Portfolio Management AB). IPM is a successful asset management operation and acts as a complement to Catella.

In addition to these new areas, actions were taken to streamline Catella's service offering. Based on an overview of Catella business areas in early 2011, a process was initiated during the year for the sale of the subsidiary Banque Invik. For various reasons, the work involved has taken longer than expected, but the sales effort continues towards the same goal. Moreover, a review was initiated during the year of Catella's Swedish fund business aimed at bolstering its competitiveness. As part of this effort, a new CEO was recruited for the Swedish fund company.

CATELLA'S EARNINGS

Catella's earnings for 2011 were negatively impacted by the macroeconomic turmoil that marked European financial and stock markets during the year. For Catella, falling share prices meant that Swedish fund operations reported significantly lower earnings than the budgeted figure while, due to fears on European financial markets, Catella was compelled to impair the asset value of the loan portfolios included in Catella's Treasury Management activities by a total of SEK 34 M. The impairment losses applied were based on changes in risk assumptions given the more cautious macroeconomic market outlook. Impairment was not based on confirmed losses; in fact, the outcome exceeded the forecasts underlying the valuation. Finally, Catella's earnings for 2011 were also charged with current expenses for new initiatives.

We have a substantially superior starting point ahead of 2012. In addition, a sale of Banque Invik will free up financial resources for continuing ventures and the repayment of Catella's interest-bearing liabilities.

FOCUS, STREAMLINING AND RENEWAL

In Corporate Finance, we are working to further consolidate Catella's strong position in the property area, where the service offering is being streamlined. We are also focusing on the financing area, in which the credit tightening currently in progress throughout Europe is resulting in a considerable need for sophisticated advisory services. Catella's recently established operation in the fixed-income area – Nordic Fixed Income – will play a key role in developing our future service offering in the financing field in Sweden.

A number of parallel initiatives are in progress in Asset Management. In property fund operations, our German fund activities continue to expand with several new fund products, while programmes are under way to extend operations into additional markets. In Swedish fund operations – encompassing equity, hedge and fixed-income funds – a renewal process is in progress aimed at strengthening the range of funds and distribution formats.

A FOCUSED COMPANY WITH A CLEAR-CUT STRATEGY

Today, Catella has a sharper focus and is a more well-defined company than a year ago, with two prioritised areas: Corporate Finance and Asset Management. During 2012, efforts to develop our service offering in Corporate Finance and increase the market impact of Asset Management will continue. New ventures and renewal programmes highlight Catella's long-term strategy of adding unique value in each client relationship and always being close to the client. Catella's strong brand – combined with an organisation united by a strong corporate culture and core values such as client focus, entrepreneurship, creativity and business ethics – provides the basis for our work. This is the foundation for Catella's future earnings.

Johan Ericsson, Chief Executive Officer, Catella

Catella's core values

Client focus
Catella's long term client perspective aims to create added value and profitability for the client over time.

Specialisation
Catella's services and products are adapted according to the ever changing needs of our clients.

Creativity
Catella meets our clients with creativity and innovativeness.

Entrepreneurship
Catella gathers the potential and performance ability of the individual through decentralised work models.

Teamwork
Catella creates synergies through cooperation in a work climate characterised by professionalism, enthusiasm and informality.

Independence
Catella stands freely and always offers independent advisory.

Ethics
Catella's high ethical standard makes us into a reliable and loyal business partner.

Business idea, strategy and dividend policy

Catella continuously improves its business strategy and developes the Group's service and product offerings.

BUSINESS IDEA

Catella offers specialised corporate finance advisory services and asset management with unique investment products.

STRATEGY

Catella shall offer unique values in each client relationship. Catella's employees, with their specialist expertise and solid value base, shall create high-quality financial services and products. Catella's offerings compete by being consistently specialised and innovative. By means of locally based organisations and decentralised work procedures, Catella aims to always be close to the client and the market.

DIVIDEND POLICY

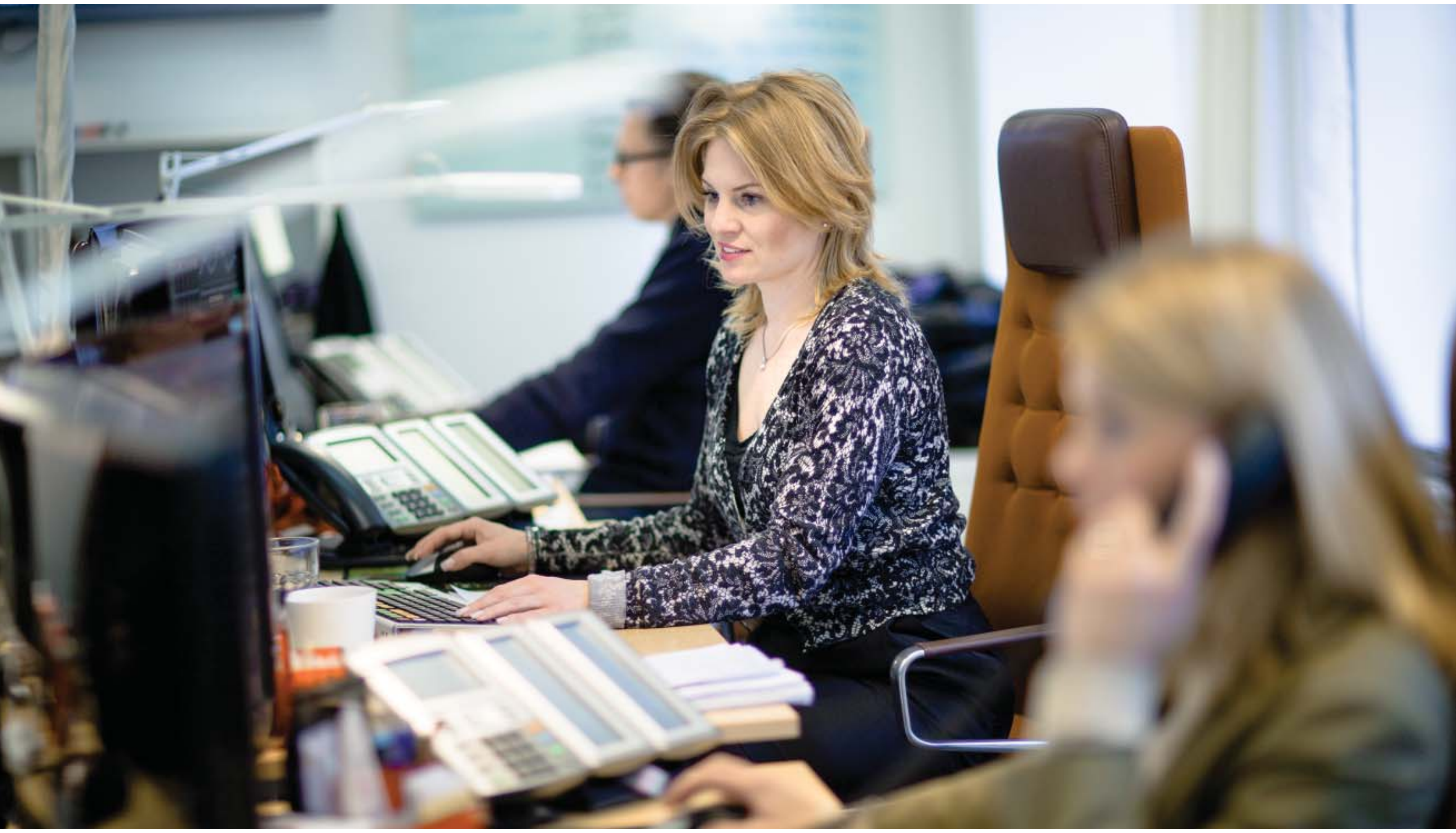
Catella's aim is to transfer the Group's profit after tax to shareholders insofar as it is not deemed necessary for the development of Group operations, while also paying due account to the company's strategy and financial position. Adjusted for unrealised increases in value that are recognised in profit, at least 50 per cent over time of Group profit after tax shall be transferred to shareholders in the form of dividends, buybacks of the company's shares or share redemptions.

FINANCIAL GOALS PER OPERATIONAL SEGMENT

Catella measures and controls the Corporate Finance and Asset Management operating segments by, among other things, setting a financial target for the operating margin, defined as net profit for the year before tax in relation to total income. Over time, the operating margin shall exceed 15 per cent. More information on financial targets is presented in the sections for each operating segment on pages 13 and 21.

FINANCIAL GOALS FOR THE CATELLA GROUP

Catella's Board of Directors plans to address the issue of financial targets for the entire Group at a later date.



Catella's personnel – specialists in teams

The specialist expertise and market know-how of Catella's 340 employees enable Catella to create value in the two operating segments: Corporate Finance and Asset Management.

Since Catella is a knowledge-based and specialist company, operations are based completely on the company's resources, meaning the people who comprise the organisation. Catella believes in giving each employee the scope to develop and the potential for work satisfaction. As parts of efforts to nurture motivation and commitment among employees, goals and strategies are communicated within the organisation together with an understanding of how each individual performance contributes to the overall result.

QUALIFIED AND SPECIALISED

For many years, Catella has successfully recruited competent employees, thus building a knowledge-intensive organisation. The objective is that employees should have specialist know-how combined with broad-based general knowledge.

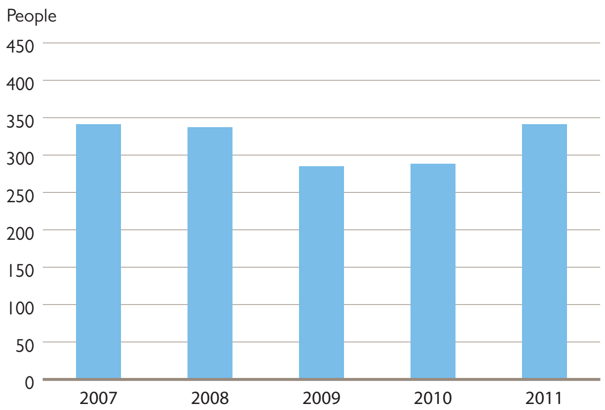
In pace with the growth of operations, Catella has been able to recruit established specialists as well as young academics with a suitable knowledge profile. At year-end, the number of employees with a university education or equivalent totalled 72 per cent (63). Thanks to corporate growth and a targeted recruitment policy, Catella has managed to achieve a balanced age structure among its workforce. The largest age group ranges from 30 to 40. Of Group employees, 37 per cent (41) are women and 63 per cent (59) men.

TARGET-DRIVEN REMUNERATION SYSTEM

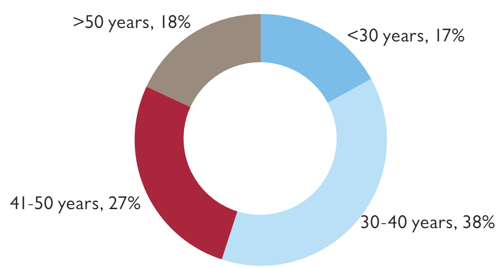
Catella believes in encouraging high performance, correct behaviour and balanced risk-taking that match the expectations of clients and shareholders. The variable remuneration structure is based on participation in profit created at the local level. The structure and size of the remuneration are based on business logic, market and regulatory practices, competition and the employee's contribution to operations.

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

I. NUMBER OF EMPLOYEES (CONVERTED TO FULL-TIME POSITIONS), 2007–2011[1]



II. AGE DISTRIBUTION, PER CENT OF AVERAGE NUMBER OF EMPLOYEES, 2011



1 Proforma is reported for the period 2007-2010, as if former Catella had been acquired and consolidated as of 1 January 2007 and Banque Invik is excluded.

DAY-TO-DAY CORE VALUES

Since its inception, Catella has had a distinctly defined and internally established value base. These values are applied by employees on a day-to-day basis and shape Catella's services, products and client approach.

Client focus

Catella's employees adopt a long-term client perspective in order to proactively meet client requirements in terms of services and products. By so doing, Catella creates added value that exceeds client expectations. This working method offers employees a stimulating environment in which each employee makes a valued contribution.

Specialisation and creativity

Specialist know-how among Catella's employees offers them the ability to be creative and innovative, which leads to drive and a positive atmosphere in the organisation. This environment permits Catella to be at the cutting edge of development.

Teamwork

Catella believes in synergism through teamwork. Professionalism, enthusiasm and informality characterise Catella's work formats, which are flexible and adapted to suit assignments. For employees, this entails a varied work environment in which individual competence is effectively utilised.

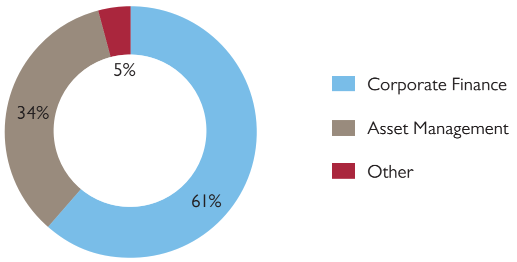
Entrepreneurship

Entrepreneurship is – and has always been – a key feature of Catella. Catella's corporate culture is hallmarked by decentralised work procedures and freedom with responsibility for all employees.

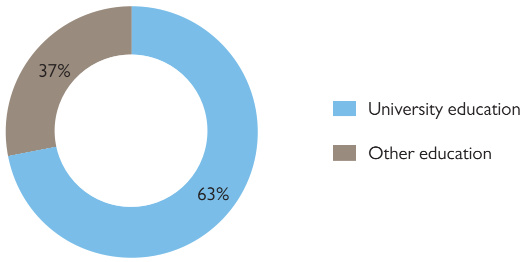
Ethics and independence

Catella's employees pledge to comply with the established ethical rules formulated to retain Catella's independence and client confidence. In addition, high moral standards and considerable individual responsibility provide a basis for day-to-day activities, thereby creating favourable relations internally and externally.

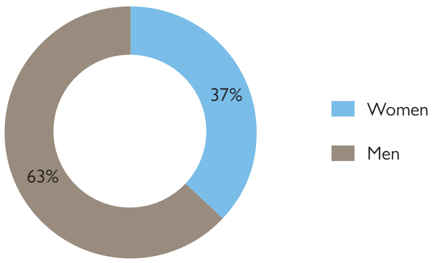
III. DISTRIBUTION OF EMPLOYEES BY OPERATING SEGMENT AS OF 31 DECEMBER 2011



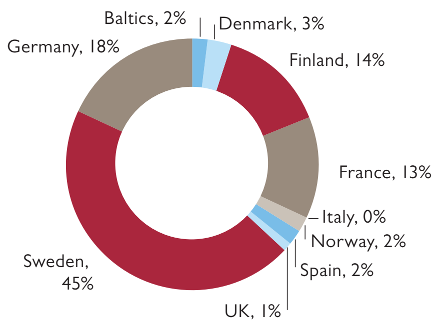
IV. LEVEL OF EDUCATION, PER CENT OF AVERAGE NUMBER OF EMPLOYEES, 2011



V. DISTRIBUTION OF GENDER, PER CENT OF AVERAGE NUMBER OF EMPLOYEES, 2011



VI. DISTRIBUTION OF NUMBER OF EMPLOYEES PER COUNTRY AS OF 31 DECEMBER 2011



Fredrik Sauter

Head of Catella's wealth management operations

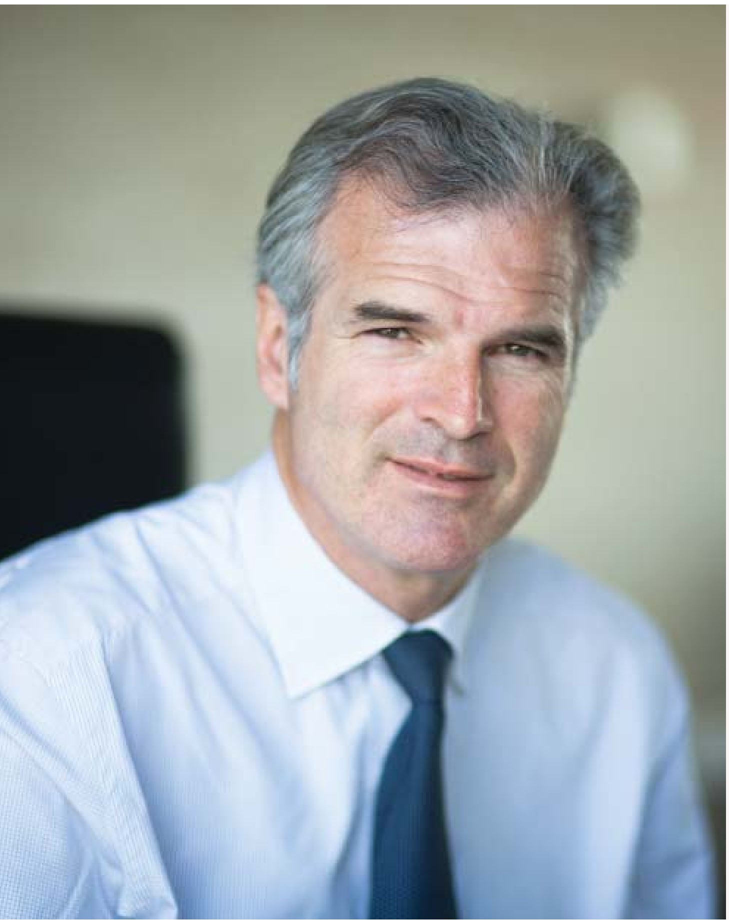
How is Catella Förmögenhetsförvaltning developing?
A major strategic project is underway aimed at improving the range of services and products, as well as developing a strengthened distribution. Thus far, we have only come a bit of the way.

What changes in the product offering were carried out in 2011?
First and foremost, we broadened our offering generally and strengthened our fixed income offering. The product range has been streamlined in order to strengthen our profile vis-à-vis our clients.

What market possibilities are there for wealth management?
Our primary target group comprises owners of small companies and wealthy individuals. We have both a large market and great potential for growth. Income is related to managed assets and relatively stable, but growth within wealth management takes a longer time than in other parts of Catella's Asset Management.

Why should clients choose Catella Förmögenhetsförvaltning?
We offer tailored management providing unique expertise within Nordic equities and fixed income instruments. We are skilled at structuring sound client portfolios and do our utmost for the client. We have no hidden charges and pass on to our clients the remuneration we receive from other product providers.

Fredrik Sauter is managing director of Catella Förmögenhetsförvaltning, which was established in 2011. Fredrik has worked at Catella since the end of 2010 and is based in Stockholm.



Emmanuel Schreder

Head of Catella's corporate finance operations in Europe outside the Nordics

You and Stéphane Guyot-Sionnest started Catella's French operations in 2001. Why Catella?
Stéphane and I had previously worked together at another firm. When we wished to set up our own business, we found that Catella offered what we wanted – own responsibility for local business development within the framework of a large company.

Why do you think your personnel enjoy working at Catella?
Catella's work methods and attitude to its employees differ from other companies. Our entrepreneurial spirit and respect for the individual have created a dynamic workplace with good opportunities for employees to develop, which has made it possible to keep employees over time.

Catella has a large market share in France. What is the success due to?
From the outset, we developed the business in France with a strong client focus and the idea of offering large scale real estate brokerage services. After three years, we decided to expand this to include added value services such as sales and conversions of residential properties, valuations and letting. The combination of these services, as a complement to other services, contributes to our respected profile and strong market position.

Emmanuel Schreder is managing director of Catella France and chairman of the board of Catella's Corporate Finance company in Europe outside the Nordic region. Emmanuel has worked at Catella since 2001 and is based in Paris.

Corporate Finance that creates added value

Catella's Corporate Finance operations offer specialist financial advisory services. Transaction advisory in the professional property market is the dominant operation.

Catella's business model for Corporate Finance is based on identifying market sectors in which financial advisory services requiring highly specialist expertise are decisive in creating added client value. Catella's Corporate Finance operations primarily offer advisory services in connection with property transactions. These services account for most of profit in this operating segment.

During 2011, Catella's Corporate Finance operations were expanded through the establishment of a unit focusing on advisory services in conjunction with the issuance of corporate bonds in Sweden. Catella conducted the first major deal in this area in early 2012.

Over the course of 2012, and in order to meet financing requirements in Europe, Catella will broaden its service offering to include raising capital, both equity and debt.

WELL-KNOWN BRAND AND STABLE POSITION

Catella's Corporate Finance operations enjoy a stable market position, for which the foundation was laid when activities commenced in the early 1990s in Sweden. Since then, Catella has become a well-known independent advisor in the property sector. Operations have essentially grown organically to encompass additional services and are currently established in a total of 11 European countries, with 209 employees. Outside of the Nordic region, France is currently Catella's principal market in the advisory services area.

FINANCIAL TARGET

Catella measures and controls the Corporate Finance operating segment by, among other things, by setting a financial target for the operating margin, defined as net profit for the year before tax in relation to total income for the year. The operating margin is to exceed 15 per cent over time.

Key figures

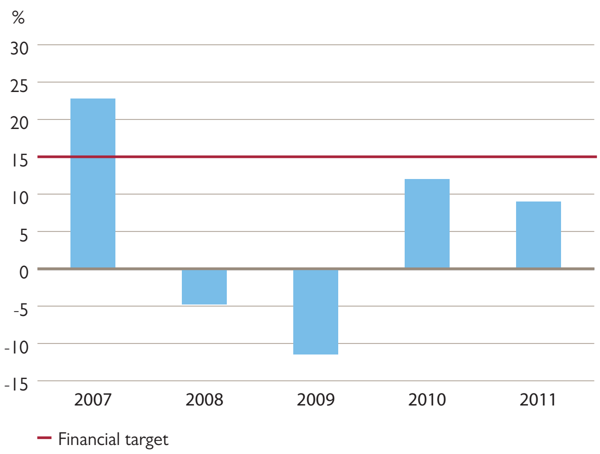
SEK million	2011	2010[1]
Total income	493	438
Income excl. direct assignment costs	441	404
Profit before tax	45	53
- operating margin	*9%*	*12%*
Number of employees	209	183

61% of Group income

61% of Group personnel

Financial target

VII. OPERATING MARGIN, CORPORATE FINANCE, 2007–2011[1]



1 Proforma is reported for the period 2007-2010, as if former Catella had been acquired and consolidated as of 1 January 2007.

SERVICES

In the Corporate Finance operating segment, Catella offers services in three areas: Sales and Acquisitions, Debt and Equity and Valuation and Analysis.

Sales and Acquisitions

In the property area, Catella offers advisory services to national and international property owners involving the sales or acquisition of property and property portfolios. Catella occupies a strong position in the European transaction market, thanks to a local market presence and longstanding transaction experience. For further information, visit www.catellaproperty.com.

In addition to Catella's property-oriented transaction business in the Nordic region, the company also provides specialist transaction advice for companies active in consumer-related industries. For further information, visit www.catellagroup.com/sv/catellaconsumer.

Debt and Equity

Catella offers a number of advisory services involving the financing and refinancing of companies in the property sector. Thanks to a wide-ranging network and close contact with banks and institutions, Catella is able to participate in raising loans effectively and on market terms. Catella also provides services for raising equity both for private and public companies, as well as fund managers in the property sector. The combined property and market expertise, as well as know-how on the equity and liabilities side, enables Catella to also offer advice in conjunction with corporate restructuring and the realisation of pledged assets for financiers, banks and institutions. For further information, visit www.catellaproperty.com.

In addition, Catella offers sophisticated advice for companies seeking to diversify their debt profile or refinance outstanding loans or those seeking expansion and acquisition-related capital. Raising capital is undertaken primarily through corporate bonds. Catella also acts as a broker in the government, housing and corporate bond market, while offering credit and macroeconomic analysis. Moreover, Catella provides an independent analytical service designed to assist investors in identifying investment opportunities offering an attractive risk-adjusted return. Operations are conducted under the name; Nordic Fixed Income. For further information, visit www.nordicfixedincome.se.

Valuation and Research

Catella provides independent valuation services for all types of properties and analytical services that encompass market reports, feasibility studies and sensitivity analyses. For further information, visit www.catellaproperty.com.

Anders Palmgren

Head of Catella's Corporate Finance operations

What distinguishes Catella from other real estate advisers?
Catella combines know-how and networks within the property market and capital market, which makes us a more skilled adviser. The work method when implementing transactions is influenced by this cross-fertilisation between the property and capital markets.

What challenges and opportunities you see for Catella on the European property markets in 2012?
Catella enjoys a strong position on the European property transaction market. One challenge is to maintain this position, since the market is dependent on financing from the banking system and the banking system's well-being.

Among other things, I perceive opportunities in the major need for capital within the property sector, which is illustrated by the large loan volumes which will be renegotiated in 2012. Catella is focusing on increasing its range of capital acquisition services in several countries, as regards both equity financing and debt financing.

How are Catella's Corporate Finance operations developing in 2012?
Catella is harmonising its range of property advisory services so that all countries will offer advice on Sales and Acquisitions, Debt and Equity, as well as Vvaluation and Analysis. The aim is to facilitate increased cooperation between the operations in different countries, and to create a more uniform image of Catella as a European adviser.

Anders Palmgren is head of Catella's Corporate Finance operations and chairman of the board of Catella's Corporate Finance company in the Nordic region. Anders has worked at Catella since 2007 and is based in Stockholm.

Diane Becker

Head of Catella's service area Sales and Acquisitions

What distinguishes Catella from other real estate advisers?
Our proximity to the finance sector has always been an important competitive advantage, and our specialist expertise within the capital markets is now established through services in most countries. Over the years, this focus on corporate finance has also attracted many industry professionals to Catella's subsidiaries.

Although the group is European and the property market is global, Catella's management has always had the view that business is local. Our organisational structure is dictated by that idea: the different countries operate with a high degree of independence and in an entrepreneurial manner.

How will the "Sales and Acquisitions" service area be developed?
Sales and Acquisitions constitute Catella's main service. We are now working to ensure an even quality in all countries and are further harmonising work methods and processes. The aim is for Catella to be an investor's outsourced team for all matters concerning Sales and Acquisitions – a natural extension of the investor's own organisation.

We are also working to improve cross-border cooperation generally and to ensure that specialist knowledge within the group is used efficiently where most needed.

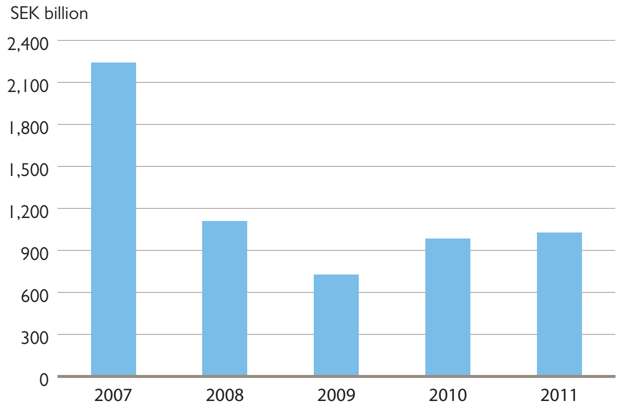
Like many others, you've been working at Catella for more than 10 years - why?
First and foremost, because I enjoy working here. Since I started in 2001, I've always considered it to be stimulating, interesting and fun to go to work every morning.

Since my role became more international, I've had the opportunity to meet and work with other colleagues at Catella, which is a pure pleasure. Catella's corporate culture makes it easy to communicate between different countries and to create good relations. I believe that our clients also notice this.

Catella is an extremely efficient and transparent organisation. Members of the management team are also key persons in terms of income generation, local partners, and have an incentive at group level. This is yet another reason for me, and many others, to stay at Catella.

Diane Becker is head of Catella's Sales and Acquisitions service area and is involved in the business development of Catella's operations in Europe outside the Nordic region. Diane has worked at Catella since 2001 and is based in Paris.

VIII. PROPERTY TRANSACTION VOLUMES IN EUROPE, 2007–2011



THE MARKET 2011 – 2012

Catella's Corporate Finance operations offer services in a number of established markets. Catella's profit and business opportunities depend on trends and conditions in these markets.

Increasing transaction volumes in the property market

During 2011, transaction volumes for property in Europe totalled some SEK 1,020 Bn, marginally higher than the corresponding figure for 2010. The transaction volume during the past two years has been about 60 per cent higher than in the trough year of 2009, but nonetheless represents only 50 per cent of the transaction volumes during the transaction-intensive years of 2006 and 2007.

Cross-border business, in which European investors invest in Europe but outside their domicile, accounted for about 39 per cent of the total volume, representing an increase from some 34 per cent during 2010. In particular, there was an increase in the volume of invested capital from North America, which accounted for about 30 per cent of cross-border transaction volumes during the year. This represented an increase of 9 per cent from the preceding year.

Measured in terms of transaction volume, Europe's largest property investment markets in 2011 were the UK, Germany, France and the Nordic region.

Continuing major interest despite worsening market conditions

During the first six months of 2011, the property transactions market was driven by a more attractive credit market and expectations of an upturn in the rental market. During the second half of the year, sentiment worsened in conjunction with the European sovereign debt crisis, leading to a deterioration in financing terms and lower mortgage levels. In addition to this macro-related tightening, the Directive governing more stringent capital adequacy requirements led to a more cautious approach by banks. Nevertheless, despite the worsening conditions, the transaction market remained favourable towards the close of the year and property sales totalled some SEK 400 Bn during the fourth quarter of 2011. This was the second highest quarterly turnover since the first quarter of 2008.

However, the property transaction market in Europe continues to be supported by the relatively attractive yield on property compared with other asset classes. This has led several institutional asset managers with long investment horizons to increase their allocation targets for property assets. Moreover, in most national markets, the demand for property has also been supported by a positive rent trend.

Yield requirements for property have been squeezed by increased demand and, in the European context, have fallen between 100 and 150 basis points from the historically high levels noted during 2008-2009. In early 2011, the required yield declined primarily for high-standard properties in prime locations. This trend was broken around mid-year and the level remained stable throughout the latter half of the year.

During the first six months of 2012, a generally quieter trend is expected in the investment market. Financing conditions are expected to remain tight, although the situation has improved since the third quarter of 2011, primarily in Northern Europe. Although the general market is being restrained somewhat by the uncertainty regarding the global economic trend, regionally most rental markets have coped very well, with a generally favourable balance between supply and demand. Interest in investing in property remains substantial and is supported primarily by the fact that the risk-adjusted return is and has been attractive compared with other asset classes.

Corporate bond market

The corporate bond market in Sweden and the other Nordic countries is in a strong development phase. The dominant theme during 2011 was the debt crisis in Europe, which peaked during the latter half of the year. This led to a sharp fall in market interest rates, with a general decrease in risk appetite.

The unease in Southern Europe spread also to the corporate bond market, where bank bonds in particular declined in value. Borrowing costs for Swedish and Nordic banks were higher than, for example, non-financial companies with the same credit rating.

The new Basel III regulations for banks are expected to make it more costly for companies to borrow from banks, thus reducing lending volumes. A large number of Nordic companies have shown an interest in moving some of their financing to the corporate bond market. Turbulence on financial markets during the latter half of 2011 led to a decrease in the issuance volumes of corporate bonds.

At year-end, the ECB (European Central Bank) added liquidity to the banking system, thereby enhancing the appetite for risk and resulting in an upturn for equities and corporate bonds, which continued into early 2012. Corporate bond issuance volumes also recovered in early 2012 and there is a clear trend indicating that companies are reviewing the alternatives to bank loans.

Anna Ringby

Head of Catella's corporate bond operations, Nordic Fixed Income

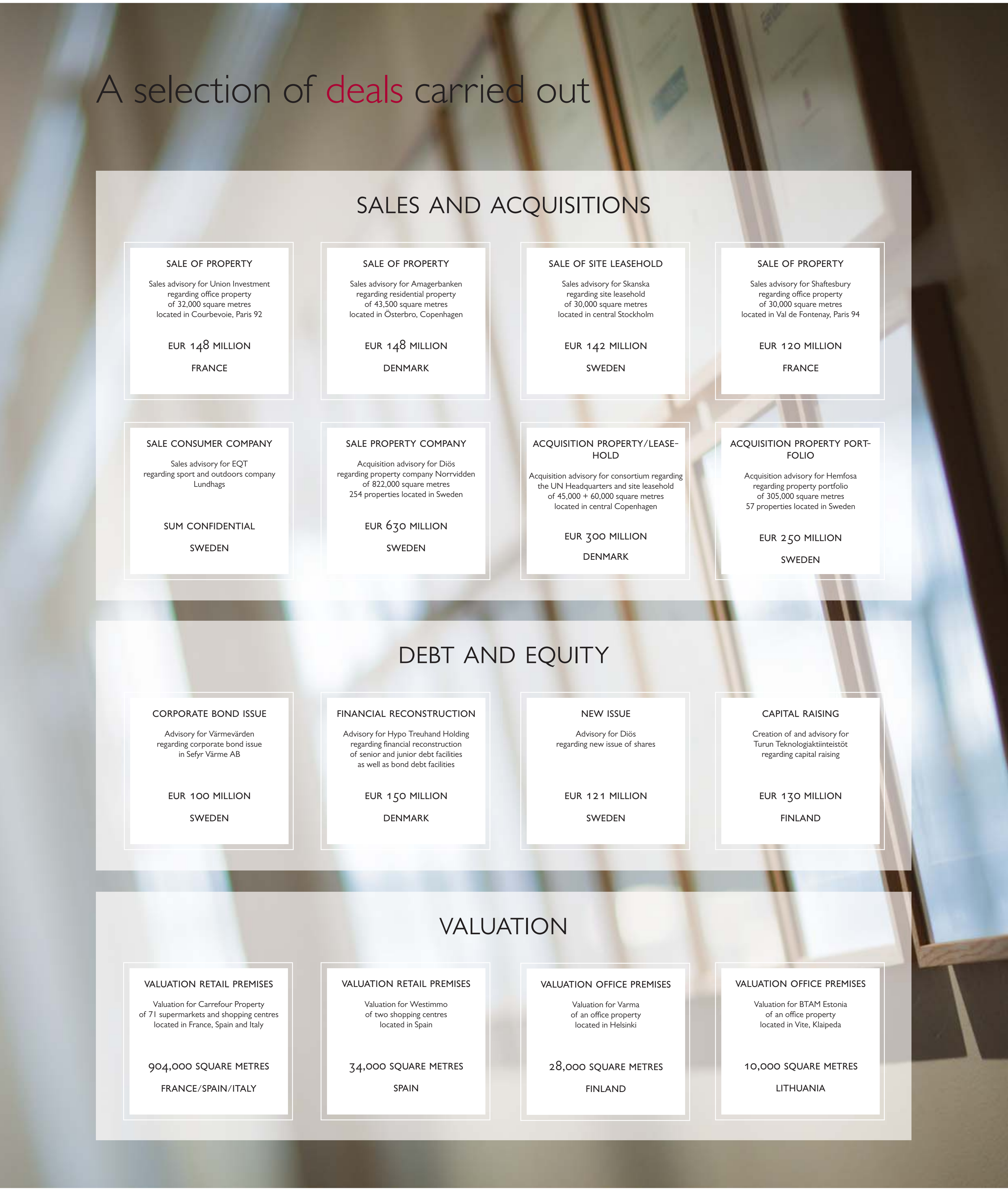
Corporate bonds are currently a much-discussed topic in the Nordics. Why?
Investor interest in corporate bonds has increased dramatically in the wake of the financial crisis of 2008. This is due to the fact that the return on corporate bonds has generally become very attractive compared with, for example, equities. The positive trend has continued and these days more investors are investing in corporate bonds thanks to the attractive risk-adjusted return. For companies, the bond market complements bank loans and equity. Corporate bonds reduce a company's dependence on the banks and often increase the management's operational freedom of action.

How will the corporate bond market in the Nordics develop?
It is in a strong growth phase due to the fact that the implementation of the Basel III rules for banks, and the volatile stock market, are causing companies to consider issuing bonds to a greater extent. Thus, the market – which is currently dominated by large companies – is also opening up for smaller and medium-sized companies.

What possibilities do you see for Nordic Fixed Income in 2012?
The market conditions are favourable. There is already strong interest in bonds, and that will grow further. We can offer companies and investors fixed income solutions with attractive risk-adjusted returns.

When the team you lead started the new business in 2011, you chose to become a part of the Catella group. Why Catella?
Catella offers entrepreneurs an opportunity to realise their vision, and that was attractive to us. The group's decentralised structure suited us and gave us the freedom to develop our business with the aim of best meeting the interests of our clients.

Anna Ringby is Head of Nordic Fixed Income, Catella's corporate bond operations, which started in 2011. Anna Ringby has worked at Catella since 2011 and is based in Stockholm.



A selection of deals carried out

SALES AND ACQUISITIONS

SALE OF PROPERTY

Sales advisory for Union Investment
regarding office property
of 32,000 square metres
located in Courbevoie, Paris 92

EUR 148 MILLION

FRANCE

SALE OF PROPERTY

Sales advisory for Amagerbanken
regarding residential property
of 43,500 square metres
located in Österbro, Copenhagen

EUR 148 MILLION

DENMARK

SALE OF SITE LEASEHOLD

Sales advisory for Skanska
regarding site leasehold
of 30,000 square metres
located in central Stockholm

EUR 142 MILLION

SWEDEN

SALE OF PROPERTY

Sales advisory for Shaftesbury
regarding office property
of 30,000 square metres
located in Val de Fontenay, Paris 94

EUR 120 MILLION

FRANCE

SALE CONSUMER COMPANY

Sales advisory for EQT
regarding sport and outdoors company
Lundhags

SUM CONFIDENTIAL

SWEDEN

SALE PROPERTY COMPANY

Acquisition advisory for Diös
regarding property company Norrvidden
of 822,000 square metres
254 properties located in Sweden

EUR 630 MILLION

SWEDEN

ACQUISITION PROPERTY/LEASE-HOLD

Acquisition advisory for consortium regarding
the UN Headquarters and site leasehold
of 45,000 + 60,000 square metres
located in central Copenhagen

EUR 300 MILLION

DENMARK

ACQUISITION PROPERTY PORT-FOLIO

Acquisition advisory for Hemfosa
regarding property portfolio
of 305,000 square metres
57 properties located in Sweden

EUR 250 MILLION

SWEDEN

DEBT AND EQUITY

CORPORATE BOND ISSUE

Advisory for Värmevärden
regarding corporate bond issue
in Sefyr Värme AB

EUR 100 MILLION

SWEDEN

FINANCIAL RECONSTRUCTION

Advisory for Hypo Treuhand Holding
regarding financial reconstruction
of senior and junior debt facilities
as well as bond debt facilities

EUR 150 MILLION

DENMARK

NEW ISSUE

Advisory for Diös
regarding new issue of shares

EUR 121 MILLION

SWEDEN

CAPITAL RAISING

Creation of and advisory for
Turun Teknologiakiinteistöt
regarding capital raising

EUR 130 MILLION

FINLAND

VALUATION

VALUATION RETAIL PREMISES

Valuation for Carrefour Property
of 71 supermarkets and shopping centres
located in France, Spain and Italy

904,000 SQUARE METRES

FRANCE/SPAIN/ITALY

VALUATION RETAIL PREMISES

Valuation for Westimmo
of two shopping centres
located in Spain

34,000 SQUARE METRES

SPAIN

VALUATION OFFICE PREMISES

Valuation for Varma
of an office property
located in Helsinki

28,000 SQUARE METRES

FINLAND

VALUATION OFFICE PREMISES

Valuation for BTAM Estonia
of an office property
located in Vite, Klaipeda

10,000 SQUARE METRES

LITHUANIA

CATELLA'S TRANSACTION VOLUMES

Despite challenging market conditions, Catella completed a substantial number of assignments during 2011. Diagram IX shows the transaction volumes for property transactions in which Catella acted as advisor. During 2011, Catella's transaction volumes totalled SEK 61 Bn (59).

INCOME AND PROFIT[1]

Total income and profit before tax, as shown in diagram X, pertain to operations that are currently represented by Catella Corporate Finance.

Income and profit before tax derived mainly from property advisory services, and thus there is a high correlation between transaction volumes, income and profit before tax.

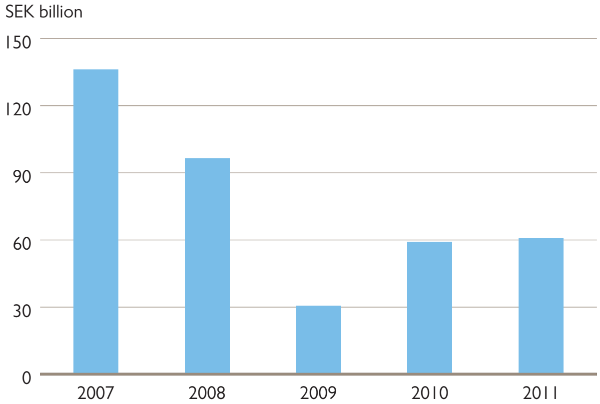
During 2011, income rose by some SEK 55 M to SEK 493 M, while profit before tax declined SEK 8 M to SEK 45 M. Since profit were charged with expenses for new ventures completed during the year, with the establishment of corporate bond operations accounting for the primary share, they were lower than in the preceding year.

CORPORATE FINANCE PER CONTRY – TOTAL INCOME, PROPERTY TRANSACTION VOLUMES AND EMPLOYEES, 2011

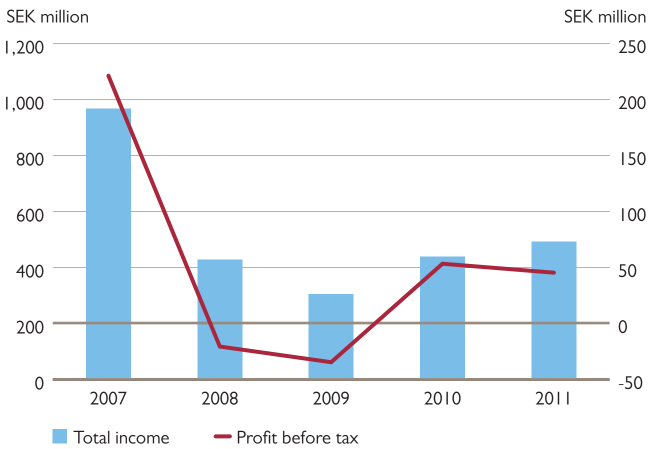
Country	Total income (SEK million)	Property transaction volumes (SEK billion)	Number of employees
Baltics	7	0	8
Denmark	23	6	9
Finland[1]	40	3	35
France[1]	207	22	45
Norway	20	2	7
Spain	9	1	7
UK	2	0	2
Sweden[2]	161	27	67
Germany[1]	23	1	29
Total	**493**	**61**	**209**

1 In Finland, France and Germany, the service area Valuation and Research is part of the operations and involves many employees, but does not contribute to transaction volumes.
2 Including advisory operations within the consumer goods sector and corporate bonds.

IX. CORPORATE FINANCE HISTORIC PROPERTY TRANSACTION VOLUMES PER YEAR, 2007–2011[1]



X. CORPORATE FINANCE TOTAL INCOME AND PROFIT BEFORE TAX PER YEAR, 2007–2011[1]



1 Proforma is reported for the period 2007-2010, as if former Catella had been acquired and consolidated as of 1 January 2007.

Asset Management with unique investment products

Catella's Asset Management offers institutions, companies and individuals specialised financial products and advisory services. Fund management is the dominant operation.

Catella's business model for asset management is based on identifying requirements and customising investment products through close contact with clients and longstanding client relationships.

During 2011, Catella continued to develop its offering of investment products to match the requirements of institutions, companies and individuals. Catella also became a minority shareholder, with a 5 per cent holding, in the asset management company IPM (Informed Portfolio Management), a leading supplier of systematic investment services. IPM's investment services and wide-ranging international customer base complement Catella's current operations in asset management. The shareholding in IPM creates the potential for Catella to strengthen its position.

NORDIC PROFILE AND FUNDS AS BASE

Catella is a respected asset manager in the markets in which it is active. Since Catella's first asset management unit was established in the mid-1990s in Sweden, the operating segment has been broadened through, among other things, fund operations in Germany and Finland, and most recently with wealth management activities in Sweden. Operations are currently pursued in five countries, with 117 employees. In addition, 102 people are employed at Banque Invik in Luxembourg.

FINANCIAL TARGET

Catella measures and controls the Asset Management operating segment by, among other things, by setting a financial target for operating margin, defined as net profit for the year before tax in relation to total income for the year. The operating margin should exceed 15 per cent over time.

Key figures

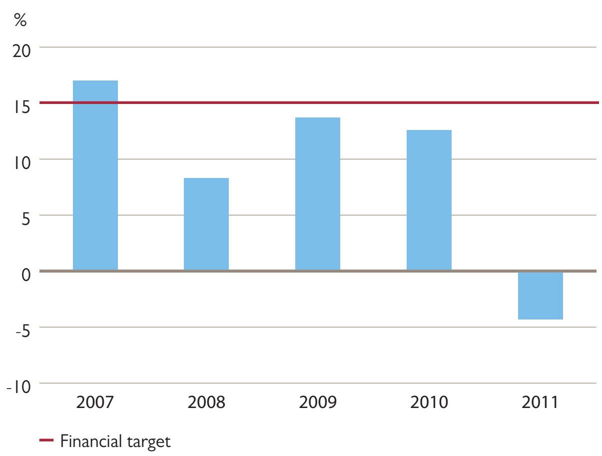
SEK million	2011	2010[1]
Total income	318	372
Income excl. commission	193	245
Profit before tax	-14	47
- operating margin	*-4%*	*13%*
Number of employees	117	98

39% of Group income

34% of Group personnel

Financial target

XI. OPERATING MARGIN, ASSET MANAGEMENT, 2007–2011[1]



1 Proforma is reported for the period 2007-2010, as if former Catella had been acquired and consolidated as of 1 January 2007 and Banque Invik is excluded.

SERVICES AND PRODUCTS

In the Asset Management operating segment, Catella offers services and products in two areas: fund management and wealth management.

Fund management

Catella offers proprietary fund products in the form of property funds and equity, hedge and fixed income funds aimed at institutions, companies and individuals.

Property funds

Catella's German property funds offer funds primarily designed for institutional investors. The funds are characterised by a clear profile with a focus on specific risk classes (core, core-plus) and regions. Currently, four open property funds are managed, in addition to four closed property funds. Property funds are a common savings product in Germany, with an estimated market of some EUR 100 Bn.

The income model is characterised by a low proportion of performance-based fees. Most of the profit are generated from current management fees and fees arising from the acquisition or sale of the fund's property assets.

During 2011, three new property funds were established that invest primarily in properties in high-growth European cities, and in sustainable and energy-efficient properties. The objective is to launch new, innovative products and solutions, thereby creating additional growth. For further information, visit www.catella-realestate.de.

Under the Amplion brand, Catella's Finnish property fund operations offer the management of property funds and investment advisory services to international and domestic investors.

Management operations offer property expertise to investors lacking resources in local markets. Catella assumes complete responsibility by providing its in-house expertise and property management services by means of a network of sub-suppliers. As an investment advisor, Catella offers various structured solutions in the form of investment clubs and funds.

The management income model is based on fixed management fees. The role of investment advisor generates performance-based income. For further information, visit www.amplion.fi.

Equity, hedge and fixed income funds

Catella offers proprietary fund products in equity, hedge and fixed income, with the focus on the Nordic region. The funds are managed from Sweden and most of them are traded daily. During the year, Catella completed ventures involving fixed income management and absolute return funds through, for example, the launch of a number of new funds.

Some of Catella's funds charge only a fixed fee for assets under management, while others also feature performance-based fees that are activated if the fund provides a return exceeding the benchmark index. For further information, visit www.catellafonder.se.

Wealth management

Catella offers wealth management in Sweden targeted at companies and individuals. Wealth management includes independent asset management, as well as tax and pension advisory services. Wealth management operations were established during the second quarter of 2011 through the acquisition of EKF Enskild Kapitalförvaltning.

The investment offering consists of customised management through which Catella – based on the client's unique circumstances – configures portfolios tailored to meet client requirements. Catella's wealth management offers expertise in equity and fixed income products, as well as overall allocation.

Asset management income is generated by a fixed percentage fee that is charged on the client's assets under management. Other services generate income per commission. For further information, visit www.catellaformogenhetsforvaltning.se.

Dr. Andreas Kneip

Head of Catella's German fund management operations

How do German property funds differ from those in other countries?
In Germany, property funds are a common form of savings also for private individuals (through pension and wealth management), which is not the case in other countries. It is a well-established investment structure and the funds comprise a large capital volume; over the course of 50 years, open property funds in Germany have grown to comprise a net volume of approximately EUR 100 billion.

How is it that several of your funds have a Nordic profile?
Since Catella is a leading Nordic property adviser, the Nordic focus provides us with a competitive advantage. Both institutional clients and foundations are seeking safe investment opportunities and thus are interested in the Nordic countries. Generally speaking, the rest of Europe has a very positive view of the Nordic region.

Catella's German property funds are adapted to institutional investors - how did that come about?
Many members of our team had worked on the German institutional investor market even before we started operations within Catella at the beginning of 2007. Today, our team has nearly 15 years' experience in creating and offering products to insurance companies and pension funds, which constitute our traditional client base. It is extremely important for us to create and maintain direct relations with the investors.

Three new property funds were started in 2011. How have they performed?
These funds were aimed at institutions and had clear profiles, structured based on the needs of the institutions. All three funds have begun to invest and thus far have performed better than expected.

Dr. Andreas Kneip is managing director of Catella's German property company. Andreas has worked at Catella since 2007 and is based in Munich.

Mats Andersson

Head of Catella's Swedish fund management operations

You're quite new as managing director; why did you choose Catella?
Catella is a well-reputed brand on the market and is known for having incredibly skilled and experienced personnel. It was difficult to say no to the opportunity to get to lead this experienced team and develop Catella's Swedish fund operations together with them.

As the new managing director, what are you focusing on?
The focus is on continuing to develop our product offering, primarily within the absolute return segment. In addition, we will strengthen our sales organisation during the year, since we wish to see increased activity vis-à-vis existing clients and also wish to endeavour to broaden our client base.

How is the coordination of the Swedish asset management units proceeding?
The coordination creates opportunities for Catella to broaden its offering within the alternative segment and to strengthen our presence vis-à-vis small and medium-size institutions. In addition, the possibility to share our platform costs will make us more efficient.

What opportunities do you perceive with the commenced cooperation with IPM?
First and foremost, IPM's expertise within systematic macro for the institutional market provides a shared opportunity to design products for our clients.

Mats Andersson is managing director of Catella Fonder, Catella's Swedish fund operations. Mats has worked at Catella since March 2012 and is based in Stockholm.

THE MARKET 2011 – 2012

Catella's asset management comprises products and services established on a number of financial markets. Catella's profit and business potential depend on the business trend and conditions in these markets.

Focus on the Nordic region

2011 was a turbulent year on the Nordic and global stock markets. During the first six months of the year, Catella's equity management operations positioned their investments for a market upturn, represented by higher holdings in cyclical industries such as commodity and mining companies. In the autumn, political uncertainty emerged that led to a focus on a clean-up of government finances throughout Europe and the US, thus completely overshadowing the otherwise robust earnings trend in Nordic industry. In conjunction with this, Catella reduced the risk in its equity investments throughout essentially the whole of the autumn. Net exposure to equities was reduced in absolute return funds and was not increased until the final month of 2011.

Market fears of a slowdown in economic growth remain considerable in the wake of the necessary fiscal tightening programmes now in progress. The Nordic countries have healthy government finances and, because they are highly export dependent, they cannot completely avoid problems in the global business environment. The Nordic economies are performing better than the rest of Europe, a factor that favours Catella's equity fund management, which focuses on Nordic equities.

Corporate bonds rather than government bonds

In early 2011, the key interest rate in Sweden was 1.25 per cent and was gradually raised in three stages during the first six months to 2 per cent in early July. The purpose of the rate hikes was to normalise the key rate in pace with expected economic growth. Catella's fixed income management preferred corporate bonds rather than investments in government bonds throughout 2011 in view of the low interest rates and the risk of higher rates. This proved to be the correct approach during the first six months of the year, but the market in autumn saw a flight to "safe paper", which favoured investments in fixed-income government securities rather than corporate bonds. Due to difficulties in resolving the sovereign debt crisis in the Euro area, growth prospects were downgraded and, combined with relatively low inflationary pressure, this led the Swedish Riksbank to cut its key rate to 1.75 per cent during the autumn.

Sluggish growth, low interest rates worldwide and a limited risk of inflation provide a framework that also warrants lower interest rates in Sweden, since it is a small economy and highly dependent on international economic development. For 2012, Catella believes that corporate bonds represent a more attractive investment alternative than government bonds, which are expected to provide a low return.

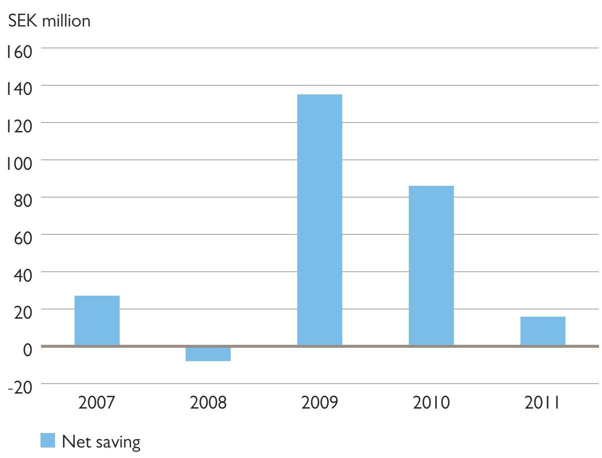
Fund savings in Sweden

2011 was marked by financial and political concerns, leading to highly volatile equity markets worldwide. Total market capitalisation on the Stockholm exchange, including dividends, fell almost 14 per cent during the year. Financial concerns had a powerful impact on new savings in funds. Equity funds experienced substantial net outflows, while money market funds and mixed funds in particular reported net deposits. Overall fund assets at year-end 2011 totalled SEK 1,819 Bn, representing a decrease in fund assets of SEK 145 Bn.

Apart from the crisis year of 2008, total new savings in funds in 2011 – amounting to SEK 16 Bn – was the lowest since 1996. During 2011, fund savers chose to invest in money market funds (short-term fixed income funds) and mixed funds. These types

XII. PRICE DEVELOPMENT 2011 NORDIC INDEX OMX NORDIC_SEK_PI[1]

XIII. NET SAVING IN FUNDS IN SWEDEN, 2007–2011[2]



1 Source: Nasdaq OMX.
2 Source: Fondbolagens Förening.

Timo Nurminen

Head of Catella's Finnish fund management operations, Amplion

How did Amplion develop in 2011 and what are the plans for 2012?
In 2011, Amplion concluded that business potential on the Russian and Baltic markets had diminished, but that there were good business opportunities on the Finnish market. Accordingly, we chose to change the business focus. In 2012, Amplion plans to launch new fund products, despite the fact that raising capital for funds still constitutes a challenge in the prevailing market climate.

What do investment advisory services involve?
Within our investment advisory services, on behalf of institutional investors we create products which we subsequently also manage. This may involve either funds or investment clubs, such as our retail property fund ARIF I Ky which was launched in 2010.

What future market opportunities do you see for Amplion?
Our broad experience of retail properties in particular, and our track record of managing heterogeneous portfolios and added value portfolios, create a stable base for us to expand our market position from the outside. Properties are still a sound investment alternative, and direct investment products such as ours differ from the non-transparent property funds that were on the market prior to the financial crisis.

Timo Nurminen is executive chairman of the board of Amplion, Catella's Finnish fund operations. Timo has worked at Catella since 1998 and is based in Helsinki.

of funds noted a net inflow of SEK 35.5 Bn and 29.2 Bn, respectively, during 2011. Bond funds reported net deposits of SEK 4.3 Bn.

European property funds

Despite credit concerns in Europe, European property funds generally reported stable growth. The inflow of capital to property funds increased in 2011, following several years of poor inflow. Core properties attracted most interest. Meanwhile, institutional investors are looking for control and involvement, thereby driving the development of innovative investment products involving joint venture solutions and investment clubs. According to INREV (European Association for Investors in Non-listed Real Estate Vehicles), 42 per cent of institutional investors currently plan to increase their allocation to property funds over the next two years.

Catella's property funds progressed favourably during 2011, with higher volumes under management during the year. The inflow was attributable to the decision of institutional investors with long-term investment horizons to raise their property investments with Catella, and also to the funds launched during 2011.

More information regarding the property market is available under the section entitled "Corporate Finance that creates added value", on page 13.

OVERVIEW AND STREAMLINING

In connection with Catella's strategic review of operations that commenced in 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 income and profit. 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 an existing operation. Accordingly, during 2011 Catella initiated a process aimed at selling Catella's ownership of Banque Invik. For more information, refer to Note 42 in the 2011 annual report.

The sales process involving Banque Invik continues. Negotiations are currently in progress with a number of potential buyers. A prerequisite for completion of a transaction is that the Luxembourg Financial Supervisory Authority (CSSF) approves the buyer.

During autumn 2011, Catella launched a project aimed at coordinating Swedish asset management operations in order to create synergism in the organisation and sales. In March 2012, Mats Andersson was appointed the new CEO of Catella Fondförvaltning (Catella Capital), with responsibilities including leading development and renewal programmes aimed at strengthening Catella's position as an asset manager.

A selection of our specialised fund products

CATELLA FOCUS NORDIC CITIES

Focus Nordic Cities is a property fund managed by Catella's German fund management operation. This is Catella's largest fund, with assets under management of some SEK 5.3 Bn. The fund is designed primarily for institutions such as insurance companies and pension funds. The fund invests in office, retail, logistics and hotel properties located within a geographic investment area covering the Scandinavian countries and countries around the Baltic Sea.

CATELLA FOCUS HEALTHCARE

Focus Healthcare is a property fund managed by Catella's German fund management operation. The fund is designed primarily for institutions and private investors with experience of care-home properties. The fund has a broad geographic investment area, primarily covering Germany, but also other Western European countries. Investments are made in care and healthcare properties such as nursing homes, clinics, spas and fitness centres, but may also include facilities for the health/care and logistics industries.

CATELLA NORDIC LONG SHORT EQUITY

Catella Nordic Long Short Equity is a recently established alternative equity fund managed by the Swedish fund management unit. The fund seeks to deliver a consistently positive return, irrespective of bull or bear market conditions through a high correlation with the equity market in an upturn and low correlation in a downturn. The fund was named "Best Newcomer" and "Best Long Short Equity Fund of the Year" at the Investors Choice European Hedge Fund Awards 2012.

CATELLA AVKASTNINGSFOND

Catella Avkastningsfond (Nordic Fixed Income Fund) is a fixed income fund managed by the Swedish fund management unit. The fund is one of Catella's major funds, with assets under management of approximately SEK 1.8 Bn, and is an actively managed fixed income fund investing in the money and bond markets. Catella Avkastningsfond is distinguished by having the highest risk-adjusted return over ten years among all searchable funds at www.morningstar.se.

VOLUMES UNDER MANAGEMENT

Catella's volumes under management totalled SEK 34 Bn at year-end, representing a decrease of SEK 3 Bn in 2011. In addition, Banque Invik manages SEK 5 Bn. The decrease was primarily due to a reduction of SEK 3 Bn that was closely related to asset management operations divested during autumn 2010.

Moreover, Amplion's volumes under management fell by SEK 4.7 Bn in conjunction with the conclusion of a commission in France. However, the acquisition of Catella Wealth Management made a positive contribution of SEK 4 Bn.

INCOME AND PROFIT[1]

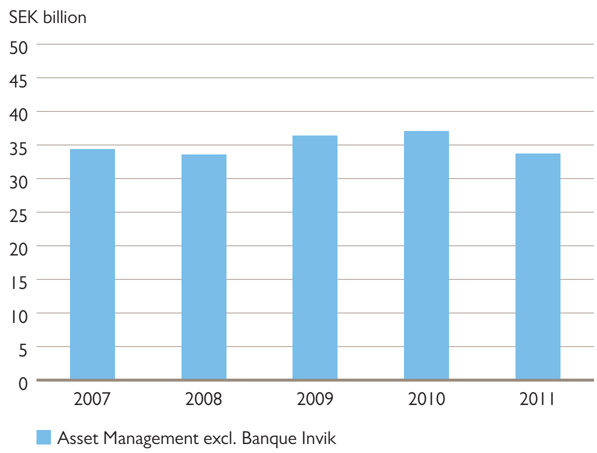
Total income and profit before tax, as shown in diagram XVI, are attributable to the operations currently represented in Catella's Asset Management operating segment.

Income declined in 2011 by SEK 54 M to SEK 318 M, while profit before tax decreased by SEK 61 M to a loss of SEK 14 M, due primarily to the decline in variable management income in the Swedish fund operations.

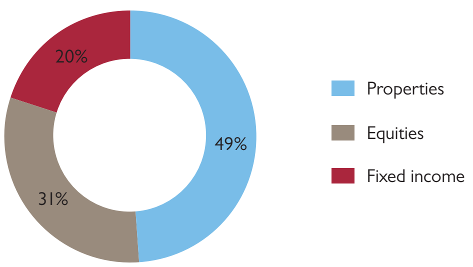
ASSET MANAGEMENT PER BUSINESS AREA—TOTAL INCOME, VOLUMES UNDER MANAGEMENT AND EMPLOYEES, 2011

Business area	Total income (SEK million)	Assets under management (SEK billion)	Number of employees
Fund Management	301	30	81
- Property funds	140	16	44
- Equity, hedge and fixed income funds	161	13	37
Wealth Management	16[2]	4	36
Total continuing operations	**318**	**34**	**117**
Banque Invik	210	5	102
Total inclusive Banque Invik	**528**	**39**	**219**

XIV. ASSET MANAGEMENT'S HISTORIC VOLUMES UNDER MANAGEMENT PER YEAR, 2007–2011[1]



XV. ASSET MANAGEMENT'S VOLUMES UNDER MANAGEMENT PER TYPE OF ASSET, PER 31 DECEMBER 2011



XVI. ASSET MANAGEMENT'S TOTAL INCOME AND PROFIT BEFORE TAX PER YEAR, 2007–2011[1]

1 Proforma is reported for the period 2007-2010, as if former Catella had been acquired and consolidated as of 1 January 2007 and Banque Invik is excluded.
2 Refers to the period May to December 2011 and exclude interest income of SEK 13.5 M.

Treasury Management

In addition to Corporate Finance and Asset Management, Catella has a Treasury Management, consisting primarily of securitised mortgage loans. Catella also has operation-related investments and a small portfolio of other securities.

CATELLA'S TREASURY MANAGEMENT'S INVESTMENTS

SEK million	31 December 2011
Loan portfolios, including Nordic Light Fund	320
Operation-related investments	51
Other securities	7
Total	**377**

LOAN PORTFOLIOS

The loan portfolios consist of securitised European loans primarily exposed to residential mortgages. The trend in the loan portfolios is monitored closely, with an independent investment advisor making regular revaluations. 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 10.2 per cent for the combined loan portfolios. The weighted average duration of the portfolio is 6.5 years.

Cash flows consist primarily of interest payments but also of repayment of the principal with a forecast period extending through the fourth quarter of 2025. The anticipated accumulated cash flow totals SEK 520 M, which is discounted and recognised at a carrying amount of SEK 282 M.

During 2011, new risk assumptions for forecast cash flows and new discount interest rates were applied, with a negative impact of SEK 34 M on the entire loan portfolio compared with previous assumptions. The assumptions relate to such parameters as advance and delayed payments, losses, loan-to-mortgage value and region. The discount rate was adjusted to changes in cash flow forecasts.

The changes in risk assumptions are primarily attributable to the Portuguese and Spanish loan portfolios, Lusitano and Pastor. In the case of the portfolios in Portugal, Lusitano 3 and 5, it is assumed that bank entitlement to early redemption will not be utilised, thus resulting in longer and higher cash flows, with a positive value impact. At the same time, stricter assumptions regarding the Spanish portfolios Pastor 2, 3, 4 and 5 were applied, resulting in a negative value impact.

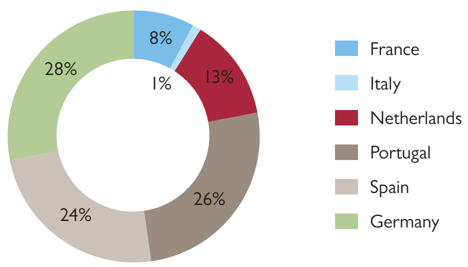
Catella divested the Shield loan portfolio during October 2011. The sale provided proceeds of some SEK 71 M and generated a capital loss of SEK 2 M. Shield accounted for about 20 per cent of the discounted value and carrying amount of the total loan portfolio.

With the sale of Shield and the cash flow received, Catella's original investment was repaid in its entirety.

Discounted cash flows

Diagram XVII shows the distribution by country of the loan portfolio's discounted cash flow at 31 December 2011, with Germany representing 28 per cent, followed by Portugal and Spain, representing 26 and 24 per cent, respectively.

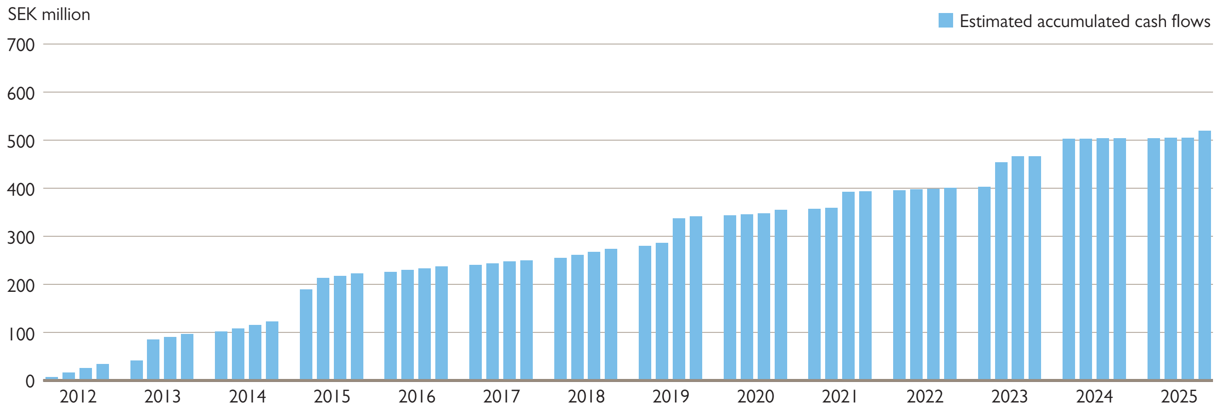
XVII. DISCOUNTED CASH FLOWS PER COUNTRY



Forecast cash flows

The table on the next page shows the historic forecast of cash flows compared with the actual cash flow through the fourth quarter of 2011. Diagram XVIII shows the accumulated cash flows through the fourth quarter of 2025. The forecast cash flow for 2011 as a whole was SEK 28.4 M and the outcome was SEK 43.1 M (excluding the sale of the Shield loan portfolio). Accordingly, the holding generated SEK 14.7 M beyond expectations for 2011 as a whole. Accumulated cash flows through the third quarter of 2009 totalled SEK 91.1 M, exceeding expectations by SEK 19.3 M.

XVIII. ESTIMATED ACCUMULATED CASH FLOWS



HISTORIC CASH FLOWS – OUTCOME AND FORECAST

SEK million	Outcome	Forecast	Difference
Q4 2009	12.4	7.7	4.7
Full-year 2010	35.6	35.7	-0.1
Q1 2011	8.6	6.5	2.1
Q2 2011	14.3	7.1	7.1
Q3 2011	11.8	6.9	4.9
Q4 2011	8.5	7.8	0.6
Total 2011	**43.1**	**28.4**	**14.7**
Total	**91.1**	**71.7**	**19.3**

Risks and uncertainties regarding the loan portfolios

Most of the 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. Certain investments also include structural features whereby 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 Catella has expected from its investment portfolio. For additional information, refer to Notes 3 and 23 of the 2011 Annual Report.

Other information

More detailed information regarding Catella's investments in loan portfolios is presented in Note 23 of the 2011 Annual Report, and on Catella's website:
www.catellagroup.com » Financial information » Subsidiaries

Nordic Light Fund

Catella holds participations in a fund product, Nordic Light Fund, which contains loan portfolios. The loan portfolio comprises loans to small and mid-size companies, primarily located in Germany. The portfolio also includes Spanish securities in a diversified pool of loans to small and mid-size companies in Spain with 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. During the year, the value of the participations increased by SEK 1 M. The holding's carrying amount, which is also the market value, totalled SEK 37 M at 31 December 2011.

Operation-related investments

Operation-related investments consist largely of minority holdings in companies with which Catella cooperates, one of which is the recently acquired minority share in IPM (Informed Portfolio Management). Other holdings also include Sicav funds, which are managed by Catella Fondförvaltning as part of efforts to provide the funds with capital during the start-up stage. The carrying amount of the holdings, which is also their market value, was SEK 51 M at 31 December 2011.

Other securities

The previous portfolio of equities, options and bonds has been largely divested and the intention is to also dispose of the remaining holdings when appropriate market conditions arise. For 2011 as a whole, the capital gain from divested securities was marginal, while the value adjustment to fair value totalled a negative SEK 12 M. The carrying amount of the holdings, which is also their market value, was SEK 7 M at 31 December 2011.

The Catella share and shareholders

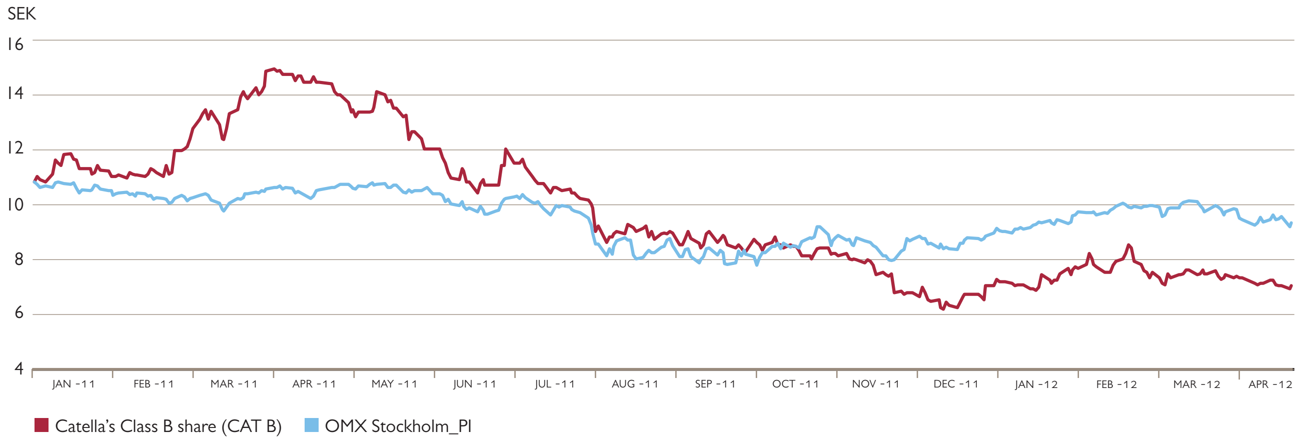
During 2011, the Catella share was listed on NASDAQ OMX First North Premier. An internal process has commenced aimed at listing Catella AB on the Nasdaq OMX Stockholm exchange during 2013.

Catella's market capitalisation was SEK 571 M on 31 December 2011. The price of the Class B Catella share declined during 2011 from SEK 10.80 to SEK 7.00, corresponding to a decrease of 35.2 per cent. The closing price of Catella's Class B share during the year varied from SEK 6.15 and SEK 14.95, while the NASDAQ OMX Stockholm_PI-index fell 18.3 per cent in 2011. Over the course of 2011, the Class B Catella share had an average daily turnover of some SEK 1.2 M, or 99,578 shares. Total turnover during 2011 amounted to SEK till 296 M, or more than 25 million shares.

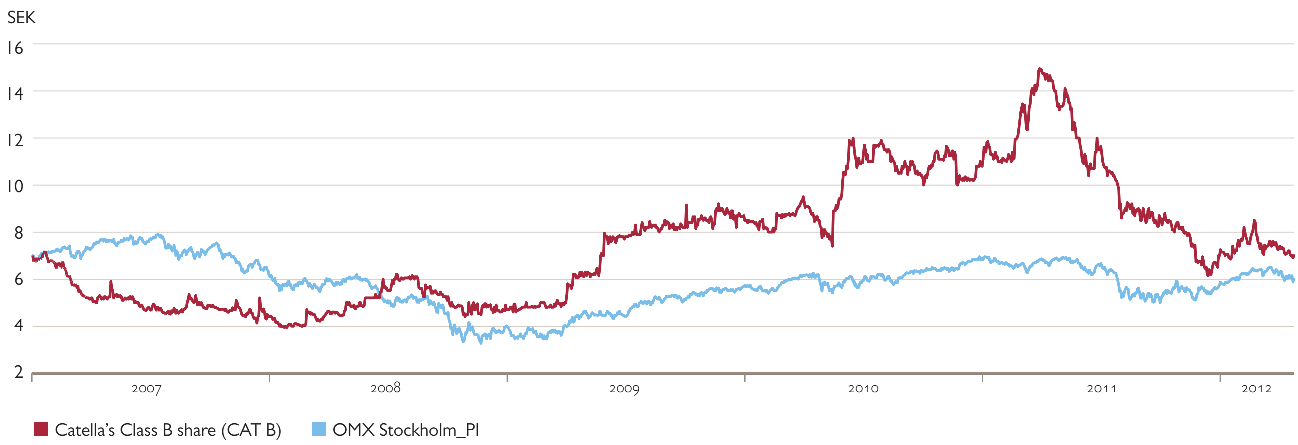
SHARE CAPITAL

At 31 December 2011, share capital amounted to SEK 163.4 M, represented by 81,698,572 shares. The quotient value per share is 2. Share capital is distributed among two share classes carrying different voting rights: 2,530,555 Class A shares that provide five voting rights per share; and 79,168,017 Class B shares that carry one voting right per share. The company's Articles of Association include the right of holders of Class A shares to convert them to an equal number of Class B shares. No Class A shares were converted to Class B shares during 2011.

XIX. PRICE PERFOMANCE FOR CATELLA'S CLASS B SHARE DURING 2011/12 COMPARED TO INDEX STOCKHOLM_PI



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



DIVIDEND

The Board of Directors proposes that no dividend be paid to shareholders for the 2011 financial year. No dividend was paid to shareholders for the 2010 year.

In conjunction with the completion of the sale of Banque Invik, the Board intends to propose a dividend to shareholders for the 2011 financial year, in accordance with the revised dividend policy.

Dividend policy

Catella's aim is to transfer the Group's profit after tax to shareholders insofar as it is not deemed necessary for the development of Group operations, while also paying due account to the company's strategy and financial position. Adjusted for unrealised increases in value that are recognised in profit, at least 50 per cent over time of Group profit after tax shall be transferred to shareholders in the form of dividends, buybacks of the company's shares or share redemptions.

DISTRIBUTION OF SHARES, 30 DECEMBER 2011

Shareholding	Shareholders	Class A shares	Class B shares	Capital	Votes
1–500	5,231	263,288	522,143	0.96%	2.00%
501–1 000	873	165,104	520,265	0.84%	1.47%
1 001–5 000	891	312,431	1,782,511	2.56%	3.64%
5 001–10 000	186	123,114	1,332,511	1.78%	2.12%
10 001–15 000	56	33,665	697,280	0.89%	0.94%
15 001–20 000	36	100	659,231	0.81%	0.72%
20 001–	137	1,632,853	73,654,076	92.15%	89.11%
Total	**7,410**	**2,530,555**	**79,168,017**	**100.00%**	**100.00%**

SHARE DATA FOR FIVE YEARS

	2011	2010	2009	2008[1]	2007[1]
Share price for Class B share					
Average price, SEK	10.46	9.92	7.06	5.24	5.22
Closing share price for the year, SEK	7.00	10.80	8.70	4.65	4.30
Highest/lowest, SEK	14.95 / 6.15	12.00 / 7.40	9.20 / 4.60	6.15 / 3.95	7.27 / 4.14
Profit per share	0.25	0.28	5.75[2]	0.12	-2.22
Cash flow per share	-13.53	13.61	20.28	3.22	2.28
Equity per share	12.00	12.39	12.86[2]	6.88	6.94
Dividend per share	-	-	-	-	-
Direct return,%	-	-	-	-	-
Market value at year-end, SEK M	571	893	710	382	352
P/E	27.20	38.82	1.51	38.17	neg
P/B	0.58	0.88	0.68	0.68	0.62
EV/EBITDA	neg	20.07	neg	neg	97.62
Net debt(+)/Net cash(-) 3	-306	-331	-629	-604	527
Number of Class A shares	2,530,555	2,530,555	2,530,555	2,530,555	2,530,555
Number of Class A 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	-	-	-	-	-
Average weighted number of shares after dilution	95,463,278	87,550,220	81,698,572	81,698,572	81,698,572
Newly issued options	6,100,000	30,000,000	-	-	-
Options	30,000,000	-	-	-	-
Total number of shares and options	**117,798,572**	**111,698,572**	**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.

SHAREHOLDERS

Catella had 7,410 (7,699) registered shareholders at year-end 2011. The major shareholders at 31 December 2011 were the Claesson & Anderzén Group, represented by Johan Claesson, who is also Chairman of the Board, with a shareholding of 47.6 per cent and 47.1 per cent of the voting rights, followed by Traction AB, with a shareholding of 5.4 per cent and 6.4 per cent of the voting rights. Most of the other major shareholders consist of institutions with a combined holding of 20.2 per cent of the capital and 18.5 per cent of the voting rights.

The ten largest shareholders accounted for a combined 73.2 per cent (65.1) of the capital and 72.0 per cent (64.5) of the voting rights as of 30 December 2011. Non-Swedish shareholders held 12.1 per cent (13.1) of the capital and 11.4 per cent (13.5) of the number of voting rights as of 30 December 2011.

WARRANTS

The AGMs held on 20 May 2010 and 25 May 2011 approved the authorisation of the Board of Directors to decide on the issue of 30,000,000 and 6,100,000 warrants, respectively, covering Class B shares. The 30,000,000 warrants were used as part payment for the former Catella Group, in which senior executives and key persons in the Catella Group received warrants on market terms. 5,500,000 of the 6,100,000 warrants were used as part payment in the acquisition of the remaining 30 per cent of the subsidiary, Catella Capital Intressenter AB, which is a holding company of Catella Fondförvaltning AB, in which senior executives and key persons in the company received warrants on market terms. During 2011, warrants were repurchased on market terms from senior executives as a result of changes in employment conditions pursuant to the terms and conditions of the warrants. As of 31 December 2011, Catella itself held 2,835,000 warrants.

SHAREHOLDERS PER 30 DECEMBER 2011

Shareholder	Class A shares	Class B shares	Total	Capital	Votes
Claesson & Anderzén-koncernen (med närstående)	1,087,437	37,781,987	38,869,424	47.6%	47.1%
Traction AB	356,695	4,076,933	4,433,628	5.4%	6.4%
Avanza Pension	54,662	4,134,192	4,188,854	5.1%	4.8%
Banque Invik SA[1]	42,167	2,346,527	2,388,694	2.9%	2.8%
Nordnet Pension	29,263	2,156,896	2,186,159	2.7%	2.5%
Unionen		1,981,158	1,981,158	2.4%	2.2%
Humle Kapitalförvaltning AB		1,700,000	1,700,000	2.1%	1.9%
Banque Carnegie Luxembourg SA		1,494,798	1,494,798	1.8%	1.6%
CBNY-National Financial Services	912	1,400,468	1,401,380	1.7%	1.5%
Andersson Borstam, Thomas (privat och via bolag)		1,167,000	1,167,000	1.4%	1.3%
Others	959,419	20,928,058	21,887,477	26.8%	28.0%
Total	**2,530,555**	**79,168,017**	**81,698,572**	**100.0%**	**100.0%**

SHAREHOLDERS PER 30 MARCH 2012

Shareholder	Class A shares	Class B shares	Total	Capital	Votes
Claesson & Anderzén-koncernen (med närstående)	1,087,437	37,781,987	38,869,424	47.6%	47.1%
Traction AB	356,695	4,076,933	4,433,628	5.4%	6.4%
Avanza Pension	56,012	4,162,049	4,218,061	5.2%	4.8%
Banque Invik SA[1]	42,167	2,516,527	2,558,694	3.1%	3.0%
Nordnet Pension	29,263	2,103,876	2,133,139	2.6%	2.5%
Unionen		1,981,158	1,981,158	2.4%	2.2%
Humle Kapitalförvaltning AB		1,700,000	1,700,000	2.1%	1.9%
Banque Carnegie Luxembourg SA		1,417,615	1,417,615	1.7%	1.5%
CBNY-National Financial Services	912	1,400,468	1,401,380	1.7%	1.5%
Andersson Borstam, Thomas (privat och via bolag)		1,132,000	1,132,000	1.4%	1.2%
Others	958,069	20,895,404	21,853,473	26.7%	28.0%
Total	**2,530,555**	**79,168,017**	**81,698,572**	**100.0%**	**100.0%**

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

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 30 March 2012. 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 27 per cent, 17 per cent, 28 per cent and 28 per cent. Most of the senior executives' holdings of warrants have an exercise date during 2015 and 2016. A warrant issued during 2010 provides the potential to subscribe for Class B shares at a strike price of SEK 11.00. An option issued in 2011 provides the potential to subscribe for Class B shares at a strike price of SEK 16.70.

LISTING ON NASDAQ OMX STOCKHOLM

Catella aims to gain a listing on Nasdaq OMX Stockholm during 2013 and has, thus, commenced the internal process required to permit a listing.

DISTRIBUTION OF WARRANTS PER YEAR OF EXERCISE

Year	Warrants held in treasury	Warrants outstanding	Warrants total	Share
2013	235,000	9,665,000	9,900,000	27%
2014	520,000	5,533,000	6,053,000	17%
2015	1,040,000	9,033,000	10,073,000	28%
2016	1,040,000	9,034,000	10,074,000	28%
Total	**2,835,000**	**33,265,000**	**36,100,000**	**100%**

SHAREHOLDERS AFTER FULL DILUTION PER 30 MARCH 2012

Shareholder	Class A shares	Class B shares	Total	Capital	Votes
Claesson & Anderzén-koncernen (med närstående)	1,087,437	37,781,987	38,869,424	33.0%	33.8%
Traction AB	356,695	4,076,933	4,433,628	3.8%	4.6%
Avanza Pension	56,012	4,162,049	4,218,061	3.6%	3.5%
Banque Invik SA[1]	42,167	2,516,527	2,558,694	2.2%	2.1%
Nordnet Pension	29,263	2,103,876	2,133,139	1.8%	1.8%
Unionen		1,981,158	1,981,158	1.7%	1.5%
Humle Kapitalförvaltning AB		1,700,000	1,700,000	1.4%	1.3%
Banque Carnegie Luxembourg SA		1,417,615	1,417,615	1.2%	1.1%
CBNY-National Financial Services	912	1,400,468	1,401,380	1.2%	1.1%
Andersson Borstam, Thomas (privat och via bolag)		1,132,000	1,132,000	1.0%	0.9%
Others	958,069	20,895,404	21,853,473	18.6%	20.1%
Total	**2,530,555**	**79,168,017**	**81,698,572**	**69.4%**	**71.8%**

1 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, CEO		5,250,000	5,250,000	4.5%	4.1%
Ando Wikström, CFO		5,250,000	5,250,000	4.5%	4.1%
Fredrik Sauter, Managing Director Catella Förmögenhetsförvaltning		1,200,000	1,200,000	1.0%	0.9%
Anders Palmgren, Head of Corporate Finance		600,000	600,000	0.5%	0.5%
Johan Nordenfalk, CLO		300,000	300,000	0.3%	0.2%
Others		23,500,000	23,500,000	19.9%	18.4%
Total		**36,100,000**	**36,100,000**	**30.6%**	**28.2%**

Total shares and warrants	**2,530,555**	**115,268,017**	**117,798,572**	**100.0%**	**100.0%**

Financial overview

CONSOLIDATED TOTAL INCOME AND PROFIT

Consolidated total income for the 2011 financial year amounted to SEK 813 M (320). Income, excluding assignment expenses and commission, totalled SEK 639 M (273). For continuing operations, a consolidated operating loss of SEK 16 M (profit: 32) was reported. The loss includes acquisition and corporate establishment expenses of SEK 12 M as well as provisions of SEK 5 M for higher VAT payments due to historical factors. Consolidated net financial items amounted to an expense of SEK 3 M (income: 19). Net financial items include interest income from loan portfolios of SEK 43 M (40) and expenses attributable to the acquisition of the former Catella Group totalling SEK 14 M (5). The valuation of non-current and current investments to fair value resulted in negative value adjustments of SEK 32 M (negative: 2) and SEK 13 M (negative: 15), respectively. In addition, the disposal of non-current securities holdings generated a net loss of SEK 2 M (-). The divestment of current investments generated a marginal gain (loss: 11). The consolidated loss before tax for continuing operations was SEK 20 M (51).

For 2011 as a whole, tax revenue of SEK 30 M (expense: 16) was reported as a result of the reporting of deferred tax assets for parts of the Group's deficits for tax purposes.

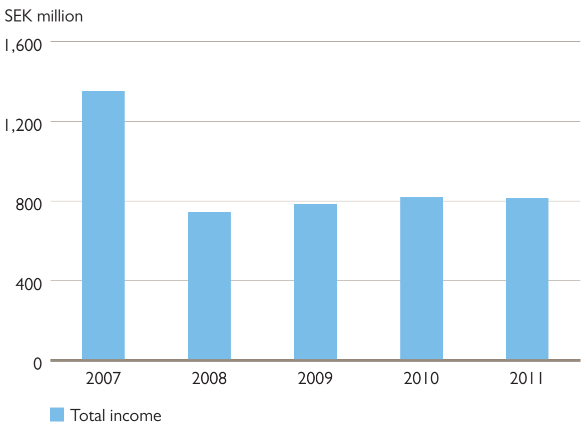
Net profit (after tax) from the divestment group held for sale totalled SEK 10 M (loss: 10) and pertains to the operations of the subsidiary Banque Invik. The improvement in profit derived primarily from a decrease in loan losses, higher net interest income and a reduction in tax expenses.

Consolidated net profit for operations as a whole totalled SEK 21 M (25), corresponding to profit per share of SEK 0.25 (0.28).

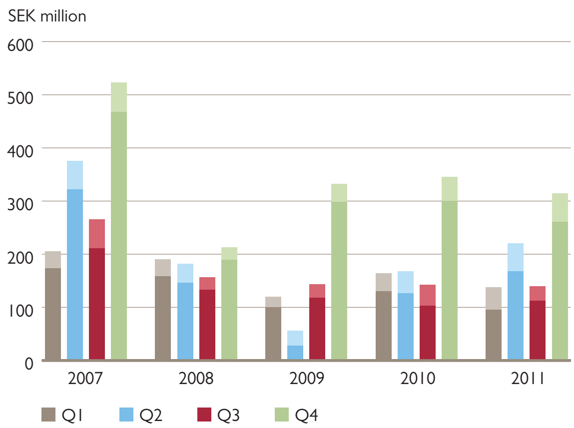
SIGNIFICANT SEASONAL OPERATIONS

Seasonal variations are considerable in both operating segments – Corporate Finance and Asset Management. As a result, income and profit vary sharply over the course of the year. In the case of Corporate Finance, transaction volumes usually peak during the fourth quarter, followed by the second, third and first quarters as the weaker periods of the financial year. Pro-

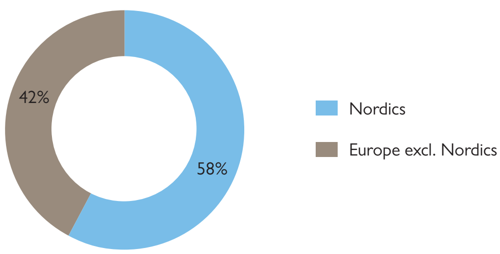
XXI. THE CATELLA GROUP'S TOTAL INCOME PER YEAR, 2007–2011[1]



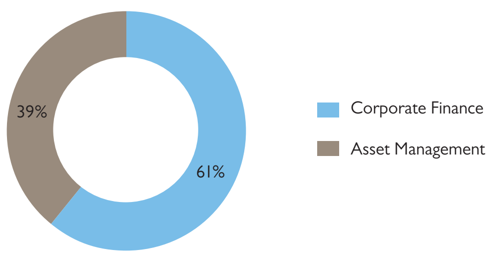
XXII. THE CATELLA GROUP'S TOTAL INCOME PER QUARTER, 2007–2011[2]



XXIII. THE CATELLA GROUP'S DISTRIBUTION OF TOTAL INCOME PER REGION, 2011[3]



XXIV. THE CATELLA GROUP'S DISTRIBUTION OF TOTAL INCOME PER OPERATIONAL SEGMENT, 2011[3]



1 Proforma is reported for the period 2007-2010, as if former Catella had been acquired and consolidated as of 1 January 2007 and Banque Invik is excluded.
2 Proforma is reported for the period 2007-2010, as if former Catella had been acquired and consolidated as of 1 January 2007 and Banque Invik is excluded. The diagrams show Total income divided between Income excl. direct assigment costs and commission, and, Assignment costs and commission.
3 Banque Invik is excluded.

fit variations in Asset Management are primarily linked to fund operations, whose results are impacted by variable income, which is not determined until year-end.

CORPORATE FINANCE: INCOME AND PROFIT

For 2011 as a whole, Corporate Finance reported total income of SEK 493 M (199). Revenues, excluding assignment expenses and commission, totalled SEK 441 M (190). Profit before tax totalled SEK 45 M (59). Profit were charged with corporate establishment expenses amounting to SEK 12 M and extra VAT of SEK 3 M due to historical factors.

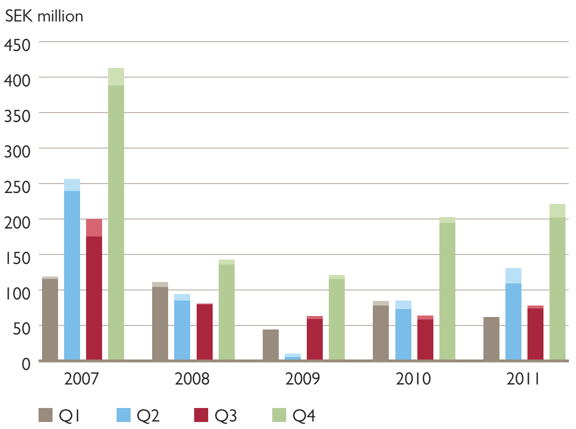
ASSET MANAGEMENT: INCOME AND PROFIT

For 2011 as a whole, Asset Management reported total revenues of SEK 318 M (121). Revenues, excluding assignment expenses and commission, totalled SEK 193 M (83). The result before tax was a loss of SEK 14 M (profit: 16). Profit include expenses of SEK 5 M (1) for the impairment of acquisition-related intangible assets.

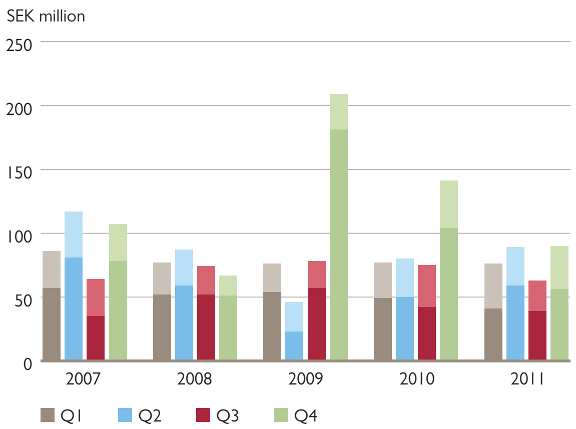
XXV. CORPORATE FINANCE TOTAL INCOME AND PROFIT BEFORE TAX PER YEAR, 2007–2011[1]

XXVI. ASSET MANAGEMENT'S TOTAL INCOME AND PROFIT BEFORE TAX PER YEAR, 2007–2011[1]

XXVII. CORPORATE FINANCE TOTAL INCOME PER QUARTER, 2007–2011[2]



XXVIII. ASSET MANAGEMENT'S TOTAL INCOME PER QUARTER, 2007–2011[2]



1 Proforma is reported for the period 2007-2010, as if former Catella had been acquired and consolidated as of 1 January 2007 and Banque Invik is excluded.
2 Proforma is reported for the period 2007-2010, as if former Catella had been acquired and consolidated as of 1 January 2007 and Banque Invik is excluded. The diagrams show Total income divided between Income excl. direct assigment costs and commission, and, Assignment costs and commission.

CONDENSED INCOME STATEMENT PER OPERATING SEGMENT

	Corporate Finance		Asset Management		Treasury Management		Other		Eliminations		Group	
mkr	2011	2010[1]	2011	2010[1]	2011	2010	2011	2010[1]	2011	2010[1]	2011	2010[1]
Continuing operations:												
Total income	493	199	318	121			15		-13	0	813	320
Assignments expenses and commission	-52	-10	-124	-37					2	0	-175	-47
Income, excl. assignment costs	**441**	**190**	**193**	**83**	**0**	**0**	**15**	**0**	**-10**	**0**	**639**	**273**
Personnel costs	-280	-102	-129	-50			-22	-9	6	0	-426	-161
Other operating expenses	-108	-27	-82	-19	-7	-5	-23	-26	4	0	-217	-77
Depreciation/amortisation	-5	-1	-7	-2			0	0			-13	-3
	-394	-130	-218	-71	-7	-5	-46	-36	10	0	-655	-241
Operating profit/loss	**46**	**60**	**-24**	**13**	**-7**	**-5**	**-31**	**-36**	**0**	**0**	**-16**	**32**
Financial items - net	-2	-1	11	3	-1	11	-12	6	0	0	-3	19
Profit/loss before tax	**45**	**59**	**-14**	**16**	**-8**	**6**	**-42**	**-30**	**0**	**0**	**-20**	**51**
- operating margin	***9%***	***-***	***-4%***	***-***							***-2%***	***-***
Tax	-15	-17	6	-4			39	5			30	-16
Net profit/loss for the year from continuing operations	**29**	**42**	**-7**	**12**	**-8**	**6**	**-3**	**-25**	**0**	**0**	**11**	**35**
Net profit/loss for the year from divestment group held for sale	-2	-2	12	-8							10	-10
Net profit/loss for the year	**27**	**40**	**5**	**4**	**-8**	**6**	**-3**	**-25**	**0**	**0**	**21**	**25**
- of which, attributable to the Parent Company's shareholders											20	23
- of which, attributable to non-controlling interests											1	2

CONDENSED FINANCIAL POSITION PER OPERATING SEGMENT

	Corporate Finance		Asset Management		Treasury Management		Other		Eliminations		Group	
SEK M (31 December)	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
ASSETS												
Intangible assets	61	62	201	202			50	50			311	314
Holdings in Group companies	49	46		4			423	431	-472	-481	0	0
Financial assets measured at fair value in profit or loss	0	1	34	37	343	429	0				377	467
Loan receivables			111	1,204							111	1,204
Current and deferred tax assets	4	1	19	35			42	2			64	38
Accounts receivable	142	124	17	57			2	2			161	182
Receivables from Group companies	1	1	8	28	129	17	234	268	-372	-315	0	0
Cash and cash equivalents	80	56	104	2,801	5	14	-37	7			152	2,879
Other fixed assets	17	16	7	32			1	1			24	49
Other current assets	26	28	27	126	2	48	13	7			68	209
Assets in divestment group held for sale			2,637								2,637	0
Total assets	**380**	**336**	**3,165**	**4,527**	**479**	**508**	**726**	**769**	**-844**	**-796**	**3,907**	**5,343**
SHAREHOLDERS' EQUITY AND LIABILITIES												
Shareholders' equity attributable to the Parent Company's shareholders	132	79	493	451	479	507	317	421	-472	-481	949	976
Non-controlling interests	28	15	3	11		1		9			31	36
Shareholders' equity	**160**	**94**	**496**	**462**	**479**	**508**	**317**	**430**	**-472**	**-481**	**980**	**1,012**
- equity/assets ratio	***42%***	***28%***	***16%***	***10%***	***100%***	***100%***	***44%***	***56%***			***25%***	***19%***
Borrowing	0	1	86	75			154	244			240	320
Loan liabilities			0	3,565							0	3,565
Current and deferred tax liabilities	9	17	13	58			28	16			49	90
Accounts payable	27	24	6	30			3	1			36	54
Liabilities to Group companies	67	69	169	202		0	136	44	-372	-315	0	0
Other long-term liabilities	11	1	3	11			0	1			14	13
Other current liabilities	107	130	74	124	1	1	88	34	0	0	270	288
Liabilities in divestment group held for sale			2,318								2,318	0
Total shareholders' equity and liabilities	**380**	**336**	**3,165**	**4,527**	**479**	**508**	**726**	**769**	**-844**	**-796**	**3,907**	**5,343**

CONDENSED CASH FLOW STATEMENT PER OPERATING SEGMENT

	Corporate Finance		Asset Management		Treasury Management		Other		Eliminations		Group	
SEK M	2011	2010[1]	2011	2010[1]	2011	2010	2011	2010	2011	2010	2011	2010[1]
CASH FLOW FROM:												
Operating activities	39	46	-1,099	1,148	-138	48	108	-89			-1,090	1,153
Investment activities	-5	41	11	82	129	-43	-60	-348			75	-268
Financing activities	-9	-34	13	0	0	0	-93	261			-90	227
Cash flow for the year	**24**	**52**	**-1,075**	**1,230**	**-9**	**6**	**-45**	**-176**			**-1,105**	**1,112**
Of which, cash flow from divestment group held for sale:												
Operating activities			-1,059								-1,059	
Investment activities			-5								-5	
Financing activities			0								0	
Cash flow for the year from divestment group held for sale			**-1,064**								**-1,064**	

1 Not full-year figures, as former Catella was acquired and consolidated fourth quarter of 2010.

Catella's financial history

CATELLA FROM SCRIBONA

Scribona, which was previously a distributor of IT and communications products, acquired Catella during 2010, a company with an historical and corporate culture that extends back nearly 25 years. In connection with the acquisition, Scribona was renamed Catella.

Since its inception in 1987, the acquired Catella Group has operated as an independent financial advisor. As part of its history, the Catella Group has invested in knowledge companies and contributed to their development by adding proprietary expertise and capital. Operations during the year were streamlined to focus on financial advisory services and asset management services.

ORGANIC GROWTH IN CORPORATE FINANCE

Corporate Finance operations commenced in the early 1990s and Catella rapidly established a presence in the Swedish market as an independent financial advisor in the property sector. Today, Catella offers financial advisory services in several European markets. Expansion primarily took the form of organic growth.

During 2011, a fixed income unit was established to meet the demand for services in the corporate bond market.

EXPANDING ASSET MANAGEMENT THROUGH ACQUSITIONS

In 1995, Catella acquired an asset management business from which Catella's Swedish fund operations evolved in 1997. During 2006 and 2007, Catella established property funds – consisting of unregulated and regulated funds – managed from Finland and Germany, respectively.

In 2011, Catella acquired Catella EKF Enskild Kapitalförvaltning, which was renamed Catella Förmögenhetsförvaltning (wealth management). During 2011, Catella also became a minority shareholder, with a holding of 5 per cent, in the asset manager IPM (Informed Portfolio Management).

CATELLA'S HISTORY – 25 YEARS IN FINANCE

CATELLA

NOV 2011
Catella acquires 5 percent of the shares in IPM (Informed Portfolio Management)

MAY 2011
Catella Förmögenhetsförvaltning is established after acquisition of EKF Enskild Kapitalförvaltning

MAR 2011
Catella initiates the sales process of Banque Invik

JAN 2011
Catella commences the acquisition of EKF Enskild Kapitalförvaltning

JAN 2011
Catella establishes new operations on the fixed income market

OCT 2010
Scribona changes its name to Catella

SEP 2010
Scribona takes possession of the shares in Catella and Johan Ericsson becomes new CEO

MAY 2010
Scribona acquires Catella

2009
Catella's principal owner initiates a sales process of the Catella group

2009
Based on a rights issue, Scribona becomes majority owner of the loan portfolios and acquires Banque Invik

2007
Catella starts regulated property funds managed from Germany

2006
Catella starts unregulated property funds managed from Finland and France

2005
Catella establishes Corporate Finance operations in the consumer goods sector

2003
Catella starts one of Sweden's first daily traded hedge funds

2001
Catella establishes operations in France and Denmark

1997
Catella Fondförvaltning is established

1992
Catella establishes operations in property advisory

1987
Catella is founded by Gunnar Rylander

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 Premier since 17 June 2011, is subject to the Swedish Companies Act and First North Premier's regulations. Catella does not fully apply the Swedish Code of Corporate Governance or the Annual Accounts Act's rules on corporate governance reports, as NASDAQ OMX First North is not defined as a regulated market and, thus, these rules are not applicable. In conjunction with the planned listing during 2013, Catella will fully apply the Swedish Code of Corporate Governance and the Annual Accounts Act's rules on corporate governance reports.

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 the auditor elected by the Annual General Meeting. This responsibility is based on the Companies Act, the Articles of Association, NASDAQ OMX First North Premier's listing agreement and internal rules of procedure and instructions. These provisions are complied with and followed up with the help of company-wide reporting procedures and standards.

SIGNIFICANT SHAREHOLDERS

The largest individual shareholders in Catella at 30 December 2011 were the Claesson & Anderzén Group, represented by Johan Claesson also Chairman of the Board, with a holding of 47.6 per cent of the share capital and 47.1 per cent of the voting rights, followed by Traction AB, with a holding of 5.4 per cent of the share capital and 6.4 per cent of the voting rights. 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 an advertisement in Post- och Inrikes Tidningar and by the notice being made available on the Company's website. The fact that the official notice has been issued is to be advertised in 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.

ANNUAL GENERAL MEETING, 2011

The General Meeting of shareholders is the company's highest decision-making body. The Annual General Meeting (AGM) of shareholders was held on 25 May 2011 in Stockholm, which resolved:

- that retained profits and net profit for the year be carried forward to a new account,
- that the Board members and CEO be discharged for liability for the 2010 financial year.
- that the number of Board members be five (5) and that no deputy members be elected, and that an auditor be elected.
- that fees paid to Board members should total SEK 1,700,000, with the Chairman of the Board receiving SEK 500,000 and other members SEK 300,000 each. In addition, the Nominating Committee proposed that auditor's fees be paid in accordance with approved invoices.
- to re-elect the Board members Johan Claesson, Björn Edgren and Peter Gyllenhammar until the end of the next AGM and to newly elect Jan Roxendal and Niklas Johansson. Johan Claesson was elected as Chairman of the Board.
- to appoint PwC, with Patrik Adolfson as auditor-in-charge, as the Company's auditors for the period extending from the end of the 2011 AGM to the end of the 2012 AGM.
- to approve the Nominating Committee's proposals for principles underlying nominations.
- to approve the Board's motion regarding guidelines for the remuneration of senior executives.
- to amend the Articles of Association in order, inter alia, to adapt the Articles of Association to amendments in the Swedish Companies Act, to adjust the objective of operations and to increase the limits for share capital and the number of shares.
- to issue a maximum of 6,100,000 warrants. Disapplying the preferential rights of shareholders, entitlement to subscribe for warrants is to be granted to the subsidiary Catella Brand AB with the right and responsibility for further conveying the warrants directly or indirectly to certain executives in the Catella Group as, inter alia, part payment for shares in the subsidiary Catella Capital Intressenter AB.

NOMINATING COMMITTEE

In accordance with a resolution passed by the 2011 AGM held on May 25, the three major shareholders appointed Johan Claesson as the representative of the Claesson & Anderzén Group, Petter Stillström as the representative of Traction AB and Martin Hanson as the members of the Nominating Committee ahead of the 2012 AGM. Martin Hanson is Chairman of the Nominating Committee. Catella's Nominating Committee decided to propose re-election until the end of the next AGM of Board members Johan Claesson, Björn Edgren, Jan Roxendal and Niklas Johansson and the new election of Stefan Carlsson. The Nominating Committee has proposed Johan Claesson as Chairman of the Board.

BOARD OF DIRECTORS AND ITS WORKING PROCEDURES

The Board of Directors held its statutory meeting in conjunction with the 2011 AGM. The Board has established work procedures, instructions regarding financial reporting and instructions for the CEO. The work procedures regulate, inter alia, the Chairman's tasks, matters to be addressed at each meeting as well as matters to be addressed at special times of the year. During 2011, the Board did not work via committees but instead addressed the issues that could be handled by a remuneration committee or an audit committee in connection with regular Board work.

The former Board member, Lorenzo Garcia, declined re-election at the AGM on 25 May 2011. The CEO, Johan Ericsson, is not a Board member but attends Board meetings in a reporting capacity. The number of Board meetings held during 2011 totalled twelve (12) of which five (5) were held by correspondence and two (2) by telephone. Johan Ericsson participated in all Board meetings. In addition to current issues, questions regarding strategy, coordination and the streamlining of operations were given special focus during the year. The Chairman led the work of the Board and maintained continuous contact and dialogue with the CEO. The Chairman was also responsible for the evaluation of the Board's work through contacts with individual members and ensured that the Nominating Committee was informed of the evaluation. The Board met the auditors on one occasion and was informed of their viewpoints relating to the company's financial reporting and internal control. The company's chief legal officer kept minutes of the Board meetings during 2011. The Chairman and one other member checked the minutes.

BOARD MEETINGS AND ATTENDANCE 2011

Meetings	Number
Number of meetings	12
- of which, held by correspondence	5
- of which, telephone meetings	2

Attendance	Number
Members attending	
Johan Claesson, Chairman	12
Björn Edgren, Board member	11
Peter Gyllenhammar, Board member	12
Niklas Johansson, Board member[1]	7
Jan Roxendal, Board member[1]	6
Previous members	
Lorenzo Garcia, Board member[2]	5

1 Niklas Johansson and Jan Roxendal tillträdde became directors May 25, 2011
2 Lorenzo Garcia left the board on May 25, 2011

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, inter alia, 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

At the 2011 Annual General Meeting, PricewaterhouseCoopers AB (PwC) was elected as the company's auditor with Authorised Public Accountant Patrik Adolfson as the auditor in charge. 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 or two Board members jointly and severally. The CEO may independently sign for the company concerning matters of continuous management, in accordance with the Companies Act.

The Catella Group consists of some 60 subsidiaries active in 25 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 regulatory frameworks to which these subsidiaries are subject affect the organisation and structure of the subsidiaries. These subsidiaries include 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

Johan Claesson (1951) *Chairman*

Current Board assignments: Chairman of the Board of Catella AB since 2011 and Board member since 2008. Chairman of the Boards of Claesson & Anderzén AB, CA Fastigheter AB, Alufab Ltd, K3Business Technology Group PLC and Leeds Group PLC.

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

Education: Graduate Business Administrator

Shareholdings (March 2012): 1,087,437 Class A shares and 37,781,987 Class B shares

Warrant holdings (March 2012): None

Ownership: Through company and private

Björn Edgren (1938) *Member*

Current Board assignments: Board member of Catella AB since 2008. Board member of Brogarn Förvaltning AB and Swedish Society of Medical Science.

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

Education: Bachelor of Law

Shareholdings (March 2012): 100,000 Class B shares

Warrant holdings (March 2012): None

Ownership: Private

Peter Gyllenhammar (1953) *Member*

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

Employment: Owner and working Chairman of Bronsstädet AB.

Shareholdings (March 2012): None

Warrant holdings (March 2012): None

Ownership: -

Niklas Johansson (1961) *Member*

Current Board assignments: Board member of Catella AB since 2011. Board member of Profi Fastigheter. Chairman of the Board of Apotekets pension foundation and Telias pension foundation.

Employment: Most recentlay, among others, Ernst & Young, Skandia Liv and Crédit Agricole Indosuez Cheuvreaux Nordic. CEO of Carnegie Investment Bank.

Education: Bachelor of Philosophy, MBA and CEFA

Shareholdings (March 2012): 12,000 Class B shares

Warrant holdings (March 2012): None

Ownership: Private

Jan Roxendal (1953) *Member*

Current Board assignments: Board member of Catella AB since 2011. Board member of Swedish Export Credit Corporation. Chairman of the Board of The Swedish Export Credits Guarantee Board and mySafety Group.

Employment: Most recentlay CEO of Gambro AB. CEO of Intrum Justitia Group. Deputy CEO of ABB Group and CEO of ABB Financial Services.

Education: Higher public education in banking

Shareholdings (March 2012): None

Warrant holdings (March 2012): None

Ownership: -

Patrik Adolfson (1973) *Auditor*

Catellas accounting firm since 2011 is PricewaterhouseCoopers AB (PwC).

Auditor in charge Patrik Adolfson, Authorised Public Accountent and member of FAR SRS.

Other audit assignments: Attendo AB, Loomis AB, Nordstjernan Investment AB and Securitas Sverige AB.

Shareholdings (March 2012): None

Warrant holdings (March 2012): None

Ownership: -


CATELLA

Group Management

Johan Ericsson (1951) ***Chief Executive Officer***

CEO of Catella AB and member of Group Management since September 2010.

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

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

Education: Graduate Business Administrator

Shareholdings (March 2012): 25,000 Class B shares

Warrant holdings (March 2012): 5,250,000 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 and related parties

Ando Wikström (1964) ***Chief Financial Officer***

CFO of Catella AB and member of Group Management since September 2010.

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

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

Education: Graduate Business Administrator

Shareholdings (March 2012): 30,000 Class B shares

Warrant holdings (March 2012): 5,250,000 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 and related parties

Johan Nordenfalk (1973) ***Chief Legal Officer and Business Development***

Chief Legal Officer and business developer of Catella AB since January 2011 and member of Group Management since March 2011.

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

Employment: Employed by Catella since 2011. Most recently an Attorney-at-Law and partner with Hamilton law firm.

Education: Bachelor of Law, Maîtrise en droit

Shareholdings (March 2012): None

Warrant holdings (March 2012): 300,000 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

Anders Palmgren (1959) ***Head of Corporate Finance***

Head of Corporate Finance since January 2012 and member of Group Management since April 2011.

Current Board assignments: Board member of Catella's Nordic Corporate Finance companies.

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

Education: Bachelor of Law

Shareholdings (March 2012): 26,000 Class B shares

Warrant holdings (March 2012): 600 000 with Class B shares as the underlying security. Most of the options have redemption dates between March and May in 2013.

Ownership: Private

Fredrik Sauter (1969) ***CEO Catella Förmögenhetsförvaltning***

CEO of Catella Wealth Management since May 2011 and member of Group Management since March 2011.

Current Board assignments: Chairman of the Board of Banque Invik SA and Catella Fondförvaltning AB.

Employment: Employed by Catella since 2010. most recently the CEO of Skandiabanken and prior to that held senior positions in Danske Bank's Swedish operations.

Education: Graduate Business Administrator and MBA

Shareholdings (March 2012): None

Warrant holdings (March 2012): 1,200,000 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

Catella's offices

SWEDEN

Catella AB
Birger Jarlsgatan 6
P.O. Box 5894
SE–102 40 Stockholm
Tel: +46 8 463 33 10
Fax: +46 8 463 33 95

Catella Consumer
Birger Jarlsgatan 6
P.O. Box 5130
SE–102 43 Stockholm
Tel: +46 8 463 33 10
Fax: +46 8 463 33 92

Catella Corporate Finance
Birger Jarlsgatan 6
P.O. Box 5130
SE–102 43 Stockholm
Tel: +46 8 463 33 10
Fax: +46 8 463 33 92

Östra Hamngatan 19
SE–411 10 Göteborg
Tel +46 31 60 01 70
Fax: +46 31 60 01 88

Norra Vallgatan 60
SE–211 22 Malmö
Tel: +46 40 622 12 00
Fax: +46 40 23 90 88

Catella Fondförvaltning
Birger Jarlsgatan 6
P.O. Box 7328
SE– 103 90 Stockholm
Tel: +46 8 614 25 00
Fax: +46 8 611 01 30

Norra Vallgatan 60
SE–211 22 Malmö
Tel: +46 40 622 12 10
Fax: +46 40 30 30 32

Catella Förmögenhetsförvaltning
Birger Jarlsgatan 6
SE–114 34 Stockholm
Tel: +46 8 440 11 40
Fax: +46 8 440 11 49

Linnégatan 23
P.O. Box 433
SE–351 06 Växjö
Tel: +46 8 440 11 40
Fax: +46 8 440 11 49

Amplion Asset Management
Birger Jarlsgatan 6
P.O. Box 5894
SE–102 40 Stockholm
Tel: +46 8 463 33 10
Fax: +46 8 463 33 95

DENMARK

Catella Corporate Finance
Kongens Nytorv 26
DK-1050 Copenhagen C
Tel: +45 33 93 75 93
Fax: +45 33 93 85 93

ESTONIA

Catella Corporate Finance
Metro Plaza, Viru Square 2, 3rd fl
EE-10111 Tallinn
Tel: +372 56 80 44 10
Fax: +372 660 04 63

FINLAND

Catella Property
Catella Corporate Finance
Aleksanterinkatu 15 B
FI-00100 Helsinki
Tel: +358 10 522 01 00
Fax: +358 10 522 02 18

Yliopistonkatu 28 A
FI-40100 Jyväskylä
Tel: +358 10 522 01 00
Fax: +358 14 21 14 00

Aleksanterinkatu 17 A
FI-15110 Lahti
Tel: +358 10 522 01 00
Fax: +358 37 82 80 80

Kirkkokatu 6
FI-90100 Oulu
Tel: +358 10 522 01 00
Fax: +358 85 34 33 30

Åkerlundinkatu 11 A
FI-33100 Tampere
Tel: +358 10 522 01 00
Fax: +358 32 22 98 35

Kauppiaskatu 11 C
FI-20100 Turku
Tel: +358 10 522 01 00
Fax: +358 10 522 04 07

Amplion Asset Management
Aleksanterinkatu 15 B
FI-00100 Helsinki
Tel: +358 10 5220 100
Fax: +358 10 5220 205

FRANCE

Catella France
Catella Property
Catella Residential
Catella Valuation
15/25 boulevard
de l'Amiral Bruix
FR-75116 Paris
Tel: +33 1 56 79 79 79
Fax: +33 1 56 79 79 80

Amplion Asset Management
15/25 boulevard
de l'Amiral Bruix
FR-75116 Paris
Tel: +7 812 332 6495
Fax: +7 812 332 6496

LUXEMBOURG

Amplion Asset Management
69, rue de Neudorf
L-2221 Luxembourg
Tel: +352 621 453 879

GERMANY

Catella Property
Catella Property Residential
Catella Property Valuation
Chartered Surveyors
Neues Kranzler Eck
Kurfürstendamm 21
D-10719 Berlin
Tel: +49 30 31 01 93-0
Fax: +49 30 31 01 93-109

Hofgarten Palais
Bleichstraße 8–10
D-40211 Düsseldorf
Tel: +49 211 527 00-0
Fax: +49 211 527 00-110

Mainzer Landstraße 46 (FBC)
D-60325 Frankfurt am Main
Tel: +49 69 310 19 30-0
Fax: +49 69 310 19 30-107

Neuer Wall 39
D-20354 Hamburg
Tel: +49 40 211 11 28-0
Fax: +49 40 211 11 28-100

Catella Real Estate AG
Kapitalanlagegesellschaft
Alter Hof 5
D-80331 München
Tel: +49 89 189 16 65 0
Fax: +49 89 189 16 65 66

ITALY

Catella Real Estate
Via Crispi 9
Bolzano I-39100
Tel: +39 0471 28 83 33

LATVIA

Catella Corporate Finance
Duntes iela 6–311
Riga LV-1013
Tel: +371 67 847 379
Fax: +371 67 2767 18

LITHUANIA

Catella Corporate Finance
Vilniaus gatvė 10
Vilnius LT-01116
Tel: +370 524 211 01
Fax: +370 527 849 52

NORWAY

Catella Corporate Finance
Akersgata 30
NO-0158 Oslo
Tel: +47 22 81 41 00
Fax: +47 22 81 41 10

SPAIN

Catella Property Spain
Velázquez, 135
ES-28006 Madrid
Tel: +34 91 411 74 96
Fax: +34 91 563 99 45

UNITED KINGDOM

Catella Property
Sloane Square House,
1 Holbein Place
London SW1W 8NS
Tel: +44 20 77 30 90 90


CATELLA

Catella AB (publ)
VAT no. SE556079141901
Registered office in Stockholm, Sverige.
Birger Jarlsgatan 6
P.O. Box 5894, SE-102 40 Stockholm
+46 8 463 33 10
info@catella.se

CATELLA

ANNUAL REPORT 2011

Annual Report

Administration Report

The Board of Directors and the CEO of Catella AB (publ), corporate registration number 556079-1419, hereby present the annual report for the 2011 financial year. The financial performance of the Group and Parent Company is presented in the following income statements, balance sheets, cash flow statements, statements of changes in equity and notes. Catella is also presented in a separate document entitled "Catella Annual Overview 2011", which is available on the Company's website.

On 23 March 2011, a decision was made to initiate a process aimed at selling the credit card and acquiring operations of Banque Invik or, alternatively, the entire bank. Thus, as of the first quarter of 2011, Banque Invik's operations are reported in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations. Accordingly, the discontinued operations are recognised net after tax on a separate line in the consolidated income statement. Catella has chosen to refer to this item in the income statement as "Net profit/loss for the year from divestment group held for sale". The comparative data in the income statement for the preceding year has been adjusted as if the discontinued operations were never part of the Group's operations. In the consolidated balance sheet, assets and liabilities attributable to the transferred operations are reported apart from other assets and liabilities on a separate line referred to as "Assets in divestment group held for sale" and "Liabilities in divestment group held for sale".

OWNERSHIP STRUCTURE

Catella AB (publ) is domiciled in Stockholm, Sweden, and listed on NASDAQ OMX First North Premier with Remium AB as its Certified Adviser. Catella's largest shareholder accounting for at least one tenth of the shares/votes at the end of the financial year was the Claesson & Anderzén Group (and associates) with 47.6 per cent (39.0) of the share capital and 47.1 per cent (37.3) of the votes. Catella's ten largest shareholders jointly control 73.2 per cent (65.1) of the share capital and 72.0 per cent (64.5) of the votes. The ownership structure is described in further detail on pages 30 and 31 in the separate publication entitled "Catella Annual Overview 2011".

INFORMATION ON OPERATIONS

Catella is 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 340 employees in 13 European countries, in addition to 102 employees in Banque Invik.

Corporate Finance operations offer financial advisory services in selected market segments in which transaction advisory services in the professional property market are currently the dominant activity.

Asset Management offers institutions, companies and individuals services focused on fund and wealth management. Catella also engages in Treasury Management, which primarily consists of a portfolio of 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 has been consolidated in the Group since 30 September 2010, also see Note 38.

Prior to the acquisition of Catella Brand AB, the Group's operations consisted of investment operations with two major investments implemented, namely, European Equity Tranche Income Ltd and Banque Invik S.A. In addition, investments had been 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	2011	2010	2009	2008[1]	2007[1]
Net sales	794	308	0	0	0
Operating profit	-16	32	276	0	0
Net financial items	-3	19	39	0	0
Profit/loss before tax	-20	51	315	0	0
Net profit from continuing operations	11	35	312	0	0
Net profit from divestment group held for sale	10	-10	160	10	-166
Net profit/loss for the year	21	25	472	10	-166
Average number of employees in continuing operations	325	82	3	0	0
Average number of employees in divestment group held for sale	112	118	85	79	350

SEK M	2011	2010	2009	2008[1]	2007[1]
Equity	980	1 012	1 051	562	567
Total assets	3 907	5 343	3 956	641	2 791
Equity/assets %	25	19	27	88	20

SEK M	2011	2010	2009	2008*	2007*
Cash flow from operating activities	-1 090	1 153	-463	1 031	-30
Cash flow from investing activities	75	-268	2 120	-51	-2
Cash flow from financing activities	-90	227	0	-717	144
Cash flow from discontinued operations	-	-	-	-	74
Cash flow for the year	-1 105	1 112	1 657	263	186

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

The Group's net sales from continuing operations totalled SEK 794 M (308). Income, excluding invoicing for assignment costs and commission, totalled SEK 639 M (273). Sales derived entirely from the operations acquired by the Group in 2010 and 2011, namely the former Catella Group, Catella Wealth Management and Nordic Fixed Income.

The consolidated operating loss for continuing operations totalled SEK 16 M (32). The loss includes acquisition and corporate establishment expenses of SEK 12 M as well as provisions of SEK 5 M for higher VAT expenses.

Consolidated net financial items totalled a negative SEK 3 M (19). Net financial items include interest income from loan portfolios in the amount of SEK 43 M (40) and expenses attributable to the acquisition of the former Catella Group in a total amount of 14 M (5). The valuation of non-current securities and current investments to fair value resulted in a negative value adjustment of SEK 32 M (negative: 2) and a negative SEK 13 M (negative: 15), respectively. In addition the disposal of non-current securities and current investments generated a net loss of SEK 2 M (-), and a marginal gain, respectively (negative: 11), respectively.

The consolidated result before tax for continuing operations was a loss of SEK 20 M (profit: 51). A tax refund of SEK 30 M (expense: 16) was reported for 2011, as deferred tax assets had been recognised for parts of the Group's deficit for tax purposes.

Net profit (after tax) from the divestment group held for sale totalled SEK 10 M (loss: 10) and pertains to the operations of the subsidiary Banque Invik. The improvement in profit was due primarily to a decrease in credit losses, higher net interest income and a reduction in tax expenses.

Consolidated net profit for Group operations as a whole totalled SEK 21 M (25), corresponding to earnings per share of SEK 0.25 (0.28).

During 2011, consolidated equity declined by SEK 32 M to SEK 980 M at 31 December 2011. In addition to net profit of SEK 21 M, equity was primarily impacted by negative translation differences of SEK 6 M and negative changes in non-controlling interests totalling SEK 37 M. In addition, equity was affected by newly issued warrants amounting to SEK 3 M and by an expense of SEK 11 M for the repurchase of issued warrants. The consolidated equity/assets ratio at 31 December was 25 per cent (19).

During 2011, the consolidated balance sheet total decreased by SEK 1,436 M to SEK 3,907 M at 31 December 2011. In particular, the balance sheet in the subsidiary Banque Invik decreased, in part due to temporary deposits and withdrawals totalling SEK 882 M (EUR 98 M) by customers between 23 December 2010 and 7 January 2011. Accounting for Banque Invik represents a significant change in the consolidated statement of financial position. As of 1 January 2011, the bank's assets and liabilities are recognised on lines designated "Assets in divestment group held for sale" and "Liabilities in divestment group held for sale". However, the figures for previous years in respect of the bank's assets and liabilities are not classified in the same manner. The balance sheet items most affected by this change are Loan receivables, Loan liabilities and Cash and cash equivalents.

The Group's cash flow from operating activities in 2011 was a negative SEK 1,090 M (positive: 1,153). The changes in working capital related mainly to Banque Invik's deposits and lending.

Cash flow from investing operations amounted to SEK 75 M (negative: 268). The Group had positive cash flows of SEK 44 M from loan portfolios, SEK 119 M from the sale of securitisation portfolios and Sicav funds and SEK 12 M in dividends from investments. On the other hand, the acquisition of EKF Enskild Kapitalförvaltning and shares in Catella Capital Intressenter and IPM (Informed Portfolio Management) reduced the Group's cash and cash equivalents by SEK 76 M.

Cash flow from financing activities amounted to a negative SEK 90 M (positive: 227) and pertained, in part, to repayments of acquisition-related loans from an external bank in the amount of SEK 93 M and, in part, a net gain of SEK 4 M from non-controlling interests.

Cash flow for the year was a negative SEK 1,105 M (1,112), of which cash flow from continuing operations was a negative SEK 41 M (negative: 5) and cash flow from the divestment group held for sale was a negative SEK 1,064 M (positive: 1,117).

Performance of operating segments – two-year summary

	Corporate Finance		Asset Management		Treasury Management	
SEK M	2011	2010	2011	2010	2011	2010
Total income	493	199	318	121	-	-
Assignment costs and commission	-52	-10	-124	-37		-
Income, excluding assignment costs and commission	441	190	193	83	0	0
Operating expenses	-394	-130	-218	-71	-7	-5
Operating profit/loss	46	60	-24	13	-7	-5
Net financial items	-2	-1	11	3	-1	11
Profit before tax	45	59	-14	16	-8	6

SEK M	2011	2010	2011	2010	2011	2010
Equity	160	94	496	462	479	508
Total assets	380	336	3,165	4,527	479	508
Equity/assets ratio %	42	28	16	10	100	100

Corporate Finance reported net sales of SEK 487 M (193). Income, excluding assignment costs and commission, totalled SEK 441 M (190). Profit before tax amounted to SEK 45 M (59). Earnings were charged with corporate establishment expenses totalling SEK 12 M and with additional VAT expenses of SEK 3 M pertaining to transaction services in Swedish property operations attributable to prior years due to changes in the interpretation of the regulations by the Swedish Tax Authority. Corporate Finance is part of the operations that the Group acquired in September 2010.

Asset Management reported net sales of SEK 310 M (116). Income, excluding assignment costs and commission, totalled SEK 193 M (83). The loss before tax was SEK 14 M (profit: 16). The loss includes expenses of SEK 5 M (1) for the amortisation of acquisition-related intangible assets. Sales and earnings pertain solely to continuing operations that the Group acquired in September 2010 and April 2011. The acquisition of EKF Enskild Kapitalförvaltning – which has been renamed Catella Förmögenhetsförvaltning – contributed to sales and earnings only during the period May to December 2011.

Sales and earnings for the subsidiary Banque Invik, which is also part of the operating segment, are recognised on a separate line "Profit/loss for the period from the divestment group held for sale". The bank's net sales amounted to SEK 210 M (278), with net profit totalling SEK 10 M loss: 10).

Treasury Management reported a loss before tax of SEK 8 M (profit: 6), including interest income of SEK 43 M (40) from loan portfolios. Measurement of non-current securities holdings and current investments at fair value resulted in negative value adjustments of SEK 32 M (negative: 2) and SEK 13 M (negative: 15), respectively. In addition, the disposal of non-current securities holdings and current investments generated a net loss of SEK 2 M (-) and a marginal gain (loss: 11), respectively.

During the year, Catella impairment tested assets with an indeterminate maturity based on the carrying amount at 30 June 2011. Catella's assets with an indeterminate maturity consist of goodwill and brands. Impairment testing proceeds on the basis of an estimated cash flow based on budgets approved by executive management and the Board of Directors. The impairment testing confirmed that there was no need to impair carrying amounts.

INVESTMENTS, DEPRECIATION AND AMORTISATION

The Group's investments in non-current assets during the financial year totalled SEK 73 M (487). Of this amount, SEK 23 M (296) pertained to investments in intangible assets, such as customer portfolios and goodwill arising from the acquisition of EKF Enskild Kapitalförvaltning in April 2011. Acquired tangible fixed assets amounted to SEK 1 M (21). Investments in non-current assets totalled SEK 20 M (75) and pertain to a shareholding in IPM (Informed Portfolio Management) as well as supplementary investments in securitisation portfolios. Fund investments amounting SEK 1 M (56) were also made, while the purchase of shares, options and other current investments amounted to SEK 25 M (34). Depreciation/amortisation during the financial year totalled SEK 13 M (3).

FINANCING[1]

In connection with the acquisition of the former Catella Group, the Company concluded an agreement regarding loan financing with an external bank. 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. Repayment of the loan is based partly on cash flow from loan portfolios. Financing is also conditional on certain key figures (loan covenants) based on earnings, financial position and cash flow. During 2011, SEK 93 M was repaid and at 31 December 2011, external bank financing totalled SEK 154 M. In the consolidated statement of financial position, this is recognised among the item Current liabilities, since the entire amount is intended to be repaid when an agreement is signed concerning the sale of Banque Invik and the sales consideration has been received.

In addition to external bank financing, the Group has been granted an overdraft facility of SEK 36.5 M (35.0), of which 36.5 M was unutilised as of 31 December 2011.

[1] *Pertains to the Group, excluding the subsidiary Banque Invik*

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Streamlining of operations

In connection with Catella's strategic review in early 2011, it was concluded that Banque Invik's core business – credit cards and acquiring operations – was not compatible with the focus of Catella's operations. Consequently, Catella initiated a process during spring 2011 aimed at selling the credit card and acquiring operations of Banque Invik or, alternatively, the entire bank. The sale process has not progressed within the framework of the original time schedule. The delay is due, in part, to factors resulting from the business environment, and, in part, to official processes applying to the transfer of a bank. The sales effort continues and negotiations are in progress with a number of parties.

Acquisition of EKF Enskild Kapitalförvaltning AB

On 29 April 2011, and following the approval of the Swedish Financial Supervisory Authority, Catella acquired 100 per cent of the shares in EKF Enskild Kapitalförvaltning AB, which has been renamed Catella Förmögenhetsförvaltning AB. The company is an independent asset manager in the Swedish market with some SEK 4 Bn under management. Operations are conducted from the company's head office in Stockholm and a local office in Växjö. On the acquisition date, the company had 29 employees. The company is an account-operating institution, clearing member and manager in Euroclear. Clients include private individuals, businesses, foundations and interest organisations. The total purchase consideration was SEK 47 M.

Establishment of new operations in the fixed income market

During 2011, Catella established the Nordic Fixed Income unit, which offers sophisticated advisory services to companies seeking alternative financing sources to bank loans and share issues. The advisory services relate primarily to corporate bonds.

The unit also provides brokerage services in the government, housing and corporate bond markets, as well as credit and macroeconomic analysis.

Acquisition of outstanding participations in Catella Capital Intressenter AB

Catella's ownership in the subsidiary Catella Capital Intressenter AB, which is the holding company of Catella Fondförvaltning AB, increased during the fourth quarter of 2011 from 70 per cent till 100 per cent as a result of access to the shares acquired from the subsidiary's leading executives. The transaction was conducted as part of efforts to streamline the corporate structure and permit Group contributions. Participation at the local level in Swedish fund operations was exchanged for participation at the Parent Company level.

The total purchase consideration was SEK 44 M. As part payment, Catella provided SEK 5.5 M in warrants. The remainder was paid in cash, with the sellers of most of the net amount being obligated to acquire Catella shares in the market. The acquired Catella shares are subject to a gradual lock-in period through 2015.

Divestment of loan portfolio

In October 2011, the Shield loan portfolio was divested as part of efforts to part-finance the acquisitions of Catella Förmögenhetsförvaltning AB and the remaining 30 per cent of Catella Fondförvaltning AB's holding company.

Shield, which was one of Catella's loan portfolios owned via the subsidiary EETI, was primarily exposed to the Netherlands. The sale provided proceeds of SEK 71 M and generated a capital loss of SEK 2 M.

Intra-Group transactions

During 2011, Banque Invik acquired EKF Enskild Kapitalförvaltning AB, which was later renamed Catella Förmögenhetsförvaltning AB. This transaction was followed by an intra-Group transaction through which the subsidiary Catella Brand AB acquired Catella Förmögenhetsförvaltning AB from Banque Invik. The transaction was conducted due to the on-going sale of Banque Invik.

Acquisition of minority shareholding in IPM

In November 2011, as part of the development of Catella's asset management operations, Catella became a shareholder of IPM (Informed Portfolio Management AB) through the acquisition of a shareholding of slightly more than 5 per cent of IPM's Dutch holding company. Catella aims to raise its shareholding over time. IPM is a leading supplier of systematic investment services in discretionary management and fund management. IPM currently manages assets with a value of SEK 55 Bn on assignment from major institutional investors, pension funds, insurance companies and foundations. IPM's investment services and broad-based international client platform complements Catella's current asset management operations. The shareholding in IPM offers Catella the potential to strengthen its position.

Acquisition of remaining 9 per cent in subsidiary from senior executives

During 2010, 91 per cent of the ownership of the former Catella Group was acquired. The total purchase consideration, including loan redemptions, was SEK 427 M. As part of the acquisition, the Board of Catella decided to acquire the remaining 9 per cent for SEK 24 M from senior executives in the Catella Group.

The acquisition was financed with promissory notes that extend to the date on which Banque Invik is sold and the proceeds acquired, but no later than 31 July 2012. Interest is paid corresponding to the interest rate on government bonds on the loan date plus 1 per cent. The acquisition is subject to the approval of the Swedish Financial Supervisory Authority.

Changes in Group executive management

Effective 1 July 2011, Lennart Schuss resigned as Deputy CEO of Catella AB (publ) and also stepped down as a member of Group Management. In September, Anne Rådestad resigned from her position as Head of Communications and from Group Management.

SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

No significant events occurred after the end of the financial year.

EMPLOYEES

The number of employees at year-end, in terms of the number of full-time positions, was 341 (293), of whom 209 (183) were employed in the Corporate Finance operating segment, 117 (98) in the Asset Management operating segment and 15 (12) in other functions. In addition, 102 (122) were employed at Banque Invik in Luxembourg.

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. At Corporate Finance, transaction volumes are usually highest 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 income 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. Policies and instructions have been established for limiting and controlling risk-taking in the operations in terms of granting credit and other operating risks.

The Group's asset management operations are part of the Asset Management operating segment, which is also where premium bonds are traded and leveraged, and where credit is granted in connection with customer purchases of equities and funds. This operating segment also includes Banque Invik, which forms a divestment group being held for sale. This operating segment does not trade in financial instruments on its own behalf, but solely on the behalf of customers in connection with customer transactions. All transactions that are implemented on behalf of customers are controlled by instructions from the customer, or through agreed investment rules or fund provisions. Catella does not bear any risks concerning the development of financial instruments, other than if 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.

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

Apart from the operating activities and their associated risks, one specific uncertainty is the impact of the ongoing divestment of Banque Invik.

The preparation of financial statements requires that the Board and Group management make estimates and assessments.

Estimates and assessments affect the income statement and the balance sheet, as well as disclosures provided on, for example, contingent liabilities. 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.

The exposures of the banking operations, and the credit card and payment operations that are conducted in the subsidiary Banque Invik, include credit and counterparty risks and changes in regulations governing the operations. The bank's sales and profit could be negatively impacted in the event of any regulatory changes or changes in the credit rating of customers and counterparties. The bank's currency exposure through transactions in foreign currency is limited. Currency exposure is hedged through derivative instruments.

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 on its own behalf in financial instruments. 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

Banque Invik's card operation has some currency exposure arising from transactions in foreign currency. The bank uses currency swaps and forward contracts 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 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 include 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 established procedures and controls to minimise operating risk. For traditional insurable risks such as fire, theft, liability and similar, the Group is assessed to have satisfactory protection through the existing insurance coverage.

The subsidiary, Banque Invik, is exposed to considerable operating risks. There are substantial volumes and considerable transactions subject to real-time systems with requirements of 24-hour availability.

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 as companies grow and become larger players on the market. The companies currently believe that their reputations are strong and the customer base is broad.

Political risk

The Financial Management operating segment holds equities, 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 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 degree of prepayment 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. Should subsidiaries be 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 these 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 that operations be 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 at an early stage. Processes in the operations are subject to internal regulations. Continuous training, control and follow-up in terms of regulatory compliance are arranged by the Risk and Legal/Compliance units which, together with executive management, are responsible for continuously updating the regulations.

FUTURE DEVELOPMENT

In 2011, the Corporate Finance operation was broadened through the establishment of Nordic Fixed Income, which offers specialised advisory services to companies seeking alternatives to bank loans and share issues as financing sources. In Asset Management, an investment management unit has been established in the Swedish market. In parallel, a review of Catella's Swedish fund operations has been launched to revitalise the fund offering and work methods. In addition, Catella acquired a non-controlling interest in IPM (Informed Portfolio Management) in the fourth quarter 2011, with the aim of exploring, jointly with IPM, the conditions for a more in-depth involvement. Thus, Catella has an excellent platform for growth and asset generation. Catella's objective is to be the leader in selected segments, which will be achieved by offering customers structured, specialist expertise based on deep and broad-based knowledge of the selected segments.

RESEARCH AND DEVELOPMENT

Catella is active in Corporate Finance and Asset management, 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. The Group had no capitalised development expenses at 31 December 2011.

ENVIRONMENTAL IMPACT

Catella AB and its subsidiaries do not conduct 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 of SEK 3M (loss: 11) and the result before tax amounted to a loss of SEK 1M (profit: 37). Dividends of SEK 9M (198) were received from subsidiaries during the year. In connection with the payment of dividends, the value of shares in subsidiaries was impaired by SEK 8M (152).

In May 2010, the Parent Company issued 30,000,000 warrants to senior executives of Catella. In November 2011, a further 6,100,000 warrants were issued, of which 5,500,000 were used as part payment for the acquisition of the outstanding shares of Catella Capital Intressenter AB. In 2011, due to changes in the terms of employment, the subsidiary Aveca AB repurchased the warrants from senior executives, in accordance with the warrant term. At 31 December 2011, Catella held 2,835,000 warrants in treasury.

Cash and cash equivalents amounted to SEK 0M (1) on the balance sheet date. Total assets amounted to SEK 573M (572). No investments in non-current assets were made. At year-end, there was one (1) employee with the equivalent of a full-time position in the Parent Company. From 1 January 2012 onward, all central Group functions were collected under Catella AB.

PROPOSAL ON THE ALLOCATION OF EARNINGS

The following distributable funds and earnings in the Parent Company are at the disposal of the AGM:

	SEK
Share premium reserve	49,562,148
Retained earnings	109,960,674
Loss for the year	-1,408,551
	158,114,271

The Board of Directors and the CEO propose that the distributable funds be allocated so that SEK 158,114,271 be carried forward, of which SEK 49,562,148 is to be allocated to the share premium reserve.

PROPOSAL ON GUIDELINES FOR REMUNERATION OF SENIOR EXECUTIVES OF CATELLA, 2012

The Board of Directors of Catella AB (publ) proposes that the 2012 AGM 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 who are members of Catella's Group management during the time that the guidelines apply, hereby jointly designated "senior executives." Members of Group Management currently include Johan Ericsson (CEO), Ando Wikström (CFO), Johan Nordenfalk (Chief Legal Officer), Anders Palmgren (Head of Corporate Finance) and Fredrik Sauter (Managing Director of Catella Förmögenhetsförvaltning). The guidelines apply to agreements entered into after the AGM resolutions and for changes made to existing agreements after this point in time. The Board is entitled to deviate from the guidelines in individual cases if there are special reasons 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 CEO, 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 based on commercial terms and be 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.

Consolidated income statement

SEK M	Note	2011 Jan–Dec	2010 Jan–Dec
Net sales	6	794	308
Other operating income	7	19	12
		813	**320**
Other external costs	8	-390	-124
Personnel costs	10,11,12	-426	-161
Depreciation/amortisation	9	-13	-3
Other operating expenses	13	-1	0
Operating profit/loss		**-16**	**32**
Interest income	14	60	46
Interest expense	14	-15	-4
Other financial income	14	13	36
Other financial expenses	14	-62	-58
Financial items, net		-3	19
Profit/loss before tax		**-20**	**51**
Tax	15	30	-16
Profit for the year from continuing operations		**11**	**35**
Operations held for sale:			
Profit/loss for the year from divestment group held for sale	42	10	-10
Net profit for the year		**21**	**25**
Profit attributable to:			
Shareholders of the Parent Company		20	23
Non-controlling interests		1	2
		21	**25**
Earnings per share attributable to Parent Company shareholders, SEK	16		
Profit from continuing operations, before dilution		0.12	0.41
Profit from continuing operations, after dilution		0.11	0.38
Profit from divestment group held for sale, before dilution		0.12	-0.13
Profit from divestment group held for sale, after dilution		0.10	-0.12
Profit from total operation, before dilution		0.25	0.28
Profit from total operation, after dilution		0.21	0.26
Number of shares at the end of the year		81,698,572	81,698,572
Average weighted number of shares after dilution		95,463,278	87,550,220

Consolidated statement of comprehensive income[1]

SEK M	Note	2011 Jan–Dec	2010 Jan–Dec
Net profit for the year		21	25
Other comprehensive income			
Fair value changes in financial assets available for sale		-2	-1
Translation differences		-6	-122
Other comprehensive income for the year, net after tax		-8	-123
Total comprehensive income for the year		**12**	**-99**
Profit attributable to:			
Shareholders of the Parent Company		12	-97
Non-controlling interests		0	-2
		12	**-99**

1 Of the Group's comprehensive income, SEK 6 M (loss: 60) pertains to divestment group held for sale.

Consolidated statement of financial position

SEK M	Note	31 December 2011	31 December 2010
ASSETS			
Non-current assets			
Intangible assets	18	311	314
Tangible fixed assets	19	15	26
Holdings in associated companies	20	1	6
Financial assets available for sale	22	-	12
Financial assets measured at fair value through profit and loss	23	322	404
Non-current loan receivable	26	111	35
Deferred tax assets	15	51	5
Other non-current receivables	27	8	5
		820	**807**
Current assets			
Accounts receivable	25	161	182
Current loan receivable	26	-	1 169
Prepaid tax		13	33
Other receivables		11	51
Prepaid expenses and accrued income	28	55	141
Derivative instruments	21	-	1
Financial assets measured at fair value through profit and loss	23	56	63
Financial assets held to maturity	24	-	13
Client funds		2	3
Cash and cash equivalents	29	152	2 879
		450	**4 536**
Assets in divestment group held for sale	42	2,637	-
		3,087	**4,536**
Total assets		**3,907**	**5,343**
EQUITY AND LIABILITIES			
Equity	**30**		
Share capital		163	163
Other contributed capital		275	283
Reserves		-149	-141
Profit brought forward including net profit for the year		659	671
Equity attributable to shareholders of the Parent Company		949	976
Non-controlling interests		31	36
Total equity		**980**	**1,012**
Liabilities			
Non-current liabilities			
Borrowings	31	-	172
Non-current loan liabilities	31	-	31
Other non-current liabilities		9	-
Deferred tax liabilities	15	28	38
Other provisions	32	5	13
		42	**254**
Current liabilities			
Borrowings	31	240	147
Current loan liabilities	31	-	3,534
Derivative instruments	21	-	1
Accounts payable		36	54
Tax liabilities		21	53
Other liabilities		94	41
Accrued expenses and deferred income	33	173	243
Client funds		2	3
		567	**4,077**
Liabilities in divestment group held for sale	42	2,318	-
		2,885	**4,077**
Total liabilities		**2,927**	**4,331**
Total equity and liabilities		**3,907**	**5,343**

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

Consolidated statement of cash flow

SEK M	Note	2011 Jan–Dec	2010 Jan–Dec
Cash flow from operating activities			
Profit before tax including profit from divestment group held for sale		-15	44
Adjustments for non-cash items:			
Other financial items		48	31
Depreciation/amortisation	9	25	19
Impairment current receivables	13	15	25
Provision changes		-1	2
Interest income from loan portfolios		-43	-40
Acquisition expenses	38	1	8
Loss from participations in associated companies	7, 13	-7	-1
Personnel costs not affecting cash flow	10	25	28
Paid income tax		-51	-22
Cash flow from operating activities before changes in working capital		**-4**	**92**
Cash flow from changes in working capital			
Increase (–) / decrease (+) in operating receivables		380	-308
Increase (+) / decrease (–) in operating liabilities		-1,466	1,369
Cash flow from operating activities[1]		**-1,090**	**1,153**
Cash flow from investing activities			
Acquisition of tangible fixed assets	19	-6	-2
Divestment of tangible fixed assets	19	0	1
Acquisition of intangible assets	18	-1	-9
Acquisition of subsidiaries, after deductions for acquired cash and cash equivalents	38	-60	-191
Acquisition of associated companies	20	0	-1
Acquisition of financial assets		-90	-149
Sale of financial assets		175	48
Cash flow from loan portfolios		44	35
Dividends from investments		12	0
Cash flow from investing activities[2]		**75**	**-268**
Cash flow from financing activities			
Buy-back of warrants		0	-
Cash and cash equivalents from warrants issued		0	-
Repayment of non-executed dividend		-	1
Loans raised		-	307
Repayment of loans		-94	-86
Transactions with non-controlling interests		4	5
Cash flow from financing activities[3]		**-90**	**227**
Cash flow for the year		**-1,105**	**1,112**
Cash and cash equivalents at beginning of the year		2,879	2,073
Exchange-rate differences in cash and cash equivalents		-7	-306
Cash and cash equivalents at end of the year[4]	29	**1,768**	**2,879**
Of which, cash flow from divestment group held for sale			
1) Cash flow from operating activities		-1,059	1,142
2) Cash flow from investing activities		-5	-26
3) Cash flow from financing activities		-	1
Cash flow for the year from divestment group held for sale		**-1,064**	**1,117**
4 Of which, cash and cash equivalents recognised among Assets in divestment group held for sale.		**1,616**	

Interests received and paid are described in Note 37.

Consolidated statement of changes in equity

SEK M	Equity attributable to shareholders of the Parent Company						Non-controlling interests	Total equity
	Share capital	Other contributed capital[1]	Fair value reserve[2]	Translation reserve	Profit brought forward incl. net profit/loss for the year	Total		
Opening balance 1 January 2011	**163**	**283**	**2**	**-143**	**671**	**976**	**36**	**1,012**
Comprehensive income for January – December 2011								
Net profit for the year					20	20	1	21
Other comprehensive loss, net after tax			-2	-6		-8	0	-8
Comprehensive income/loss for the year			**-2**	**-6**	**20**	**12**	**0**	**12**
Transactions with shareholders								
Transactions with non-controlling interests [3]					-32	-32	-5	-37
Warrants issued		3				3		3
Buy-back of warrants issued [4]		-11				-11		-11
Closing balance 31 December 2011	**163**	**275**	**0**	**-149**	**659**	**949**	**31**	**980**

1 Other capital contributed pertains to share premium reserves in the Parent Company

2 Pertains to fair value reserve regarding financial assets available for sale, including translation differences related to these.

3 The item includes an expense of SEK 31 M from the acquisition of shares outstanding in the subsidiaries Catella Capital Intressenter AB and CFA Partners AB

4 Pertains to 2.835.000 warrants repurchased at market prices from senior executives due to changed employment terms, in accordance with the terms of the warrants. In May 2010, the Parent Company issued 30,000,000 warrants to senior executives at Catella. In November 2011, an additional 6,100,000 warrants were issued, of which 5,500,000 were used as partial payment in the acquisition of the shares outstanding in Catella Capital Intressenter AB. In 2011, warrants were repurchased from senior executives at market value due to changed employment terms, in accordance with the terms of the warrants. As of 31 December 2011, Catella has 2,835,000 treasury warrants.

SEK M	Equity attributable to shareholders of the Parent Company						Non-controlling interests	Total equity
	Share capital	Other contributed capital[1]	Fair value reserve[2]	Translation reserve	Profit brought forward incl. net profit/loss for the year	Total		
Opening balance 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 contribution							6	6
Repayment of 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 financial assets available for sale including translation differences related to these. In May 2010, the Parent Company issued 30,000,000 warrants to senior executives of Catella.

Notes to the consolidated financial statements

NOTE 1 COMPANY INFORMATION

The Catella Group ("Catella") encompasses the Parent Company Catella AB (publ) ("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 the former Catella Group during the 2010 financial year and, following the completion of the acquisition, changed its corporate identity from Scribona AB (publ) to the registered name of Catella AB (publ). During 2011, the Group acquired 100 per cent of the shares in EKF Enskild Kapitalförvaltning AB, which was renamed Catella Förmögenhetsförvaltning AB. 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 2011 were approved for publication by the Board of Directors and the Chief Executive Officer on 2 May 2012 and will be presented for adoption at the Annual General Meeting on 24 May 2012.

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. As of 17 June 2011, the shares are traded on NASDAQ OMX First North Premier. First North Premier is a segment targeted at companies that have made a conscious decision to comply with more advanced reporting requirements than the regulations covering companies listed on First North. A prerequisite for the listing on First North Premier is application of IFRSs in respect of financial reporting and financial reports. Catella is pursuing the ambition of having the company's shares listed on NASDAQ OMX Stockholm during 2013.

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 or 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, such as 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 applied consistently by the Group's companies and the policies of associated companies were adjusted to the Group's accounting policies wherever necessary.

Introduction and effects of IFRS of new and revised IFRSs pertaining to 2011

There are no new or revised IFRSs pertaining to 2011 that have been introduced by Catella. In respect of other standards, none of the amendments and interpretations of standards that were introduced in 2011 had any impact on the consolidated financial statements.

Introduction and effects of new and revised IFRSs that have not yet become effective and have not been applied in advance by Catella

For published standards and interpretations that are mandatory for the Group during the 2012 financial year, the assessment is that these had no material impact on the consolidated financial statements.

IAS 1 (revised) applies for financial years beginning on 1 July 2012 or later. This will be applied by Catella for the 2013 financial year assuming that it is approved by the EU. The revisions of the standard entail that items within other comprehensive income will be divided into two categories: items to be restated in profit or loss or items that will not be restated in profit or loss. Tax is divided up between the two categories.

IFRS 9 "Financial instruments" addresses the classification, measurement and recognition of financial liabilities and assets. IFRS 9 was issued in November 2009 for financial assets and in October 2010 for financial liabilities and replaces those components of IAS 39 that are related to the classification and measurement of financial instruments. It is stipulated in IFRS 9 that financial assets are to be classified in two different categories:

measurement at fair value or measurement at accrued cost. The classification is to be determined at initial recognition on the basis of the company's business model and the characteristic properties of contractual cash flows. For financial liabilities, no major changes arise compared with IAS 39. The greatest change pertains to liabilities recognised at fair value. For these, that part of the change in fair value that is attributable to the company's own credit risk is to be recognised in other comprehensive income rather than in profit or loss, assuming that this does not give rise to an accounting mismatch. The Group intends to apply the new standard no later than for the financial year that begins on 1 January 2015 and has yet to evaluate the impact. The standard has not yet been adopted by the EU.

In addition, other standards and interpretations have been published that are mandatory for the Group as of the 2013 financial year or later. The impact of these standards and interpretations on the consolidated financial statements has yet to be evaluated.

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. Goodwill arises in connection with the acquisition of subsidiaries, associated companies and joint ventures and pertains to the amount by which the purchase consideration exceeds Catella's share of the fair value identifiable assets, liabilities and contingent liabilities in the acquired company and the fair value of the non-controlling interest in the acquired company on the date of transfer. If the fair value of the subsidiary's acquired assets, liabilities and contingent liabilities exceeds the purchase consideration, the difference is recognised directly in profit or loss. Contingent consideration is recognised on the acquisition date at fair value and classified as a liability that is subsequently remeasured through profit or 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 profit or loss.

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 or 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 or loss.

(c) Associated companies: The equity method is used for recognising shareholdings that are neither subsidiaries nor joint ventures, 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 2011: the associated companies ANL Kiinteistöt Oy, ARIF I GP Py and SIA AREAL Baltic 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 or 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 or 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 that have been classified as financial assets available for sale have been allocated among 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 or loss.

Translation differences for nonmonetary financial assets and liabilities, such as shares measured at fair value through profit or loss, are recognised through profit or 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 year or over the period of the lease contract
■ computers and periphery equipment	25–33% per year
■ other office machines and office equipment	20% 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 by 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 relations: 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 or 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, such as 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 had 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 or 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 or loss

Financial assets measured at fair value through profit or 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 or 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 noncurrent 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 except 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 or loss. Financial assets measured at fair value through profit or loss are initially recognised at fair value, while attributable transaction costs are recognised through profit or 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 or 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 or loss are recognised in profit or loss in the period in which they arise and are included in the income-statement item "Other financial items" divided between the interest coupon received on outstanding loans and change in fair value. The interest-rate component is calculated in accordance with the effective interest method based on applicable discount interest rates that represent an approximation of the instrument's interest-rate component. 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. After the acquisition date, assets held to maturity are measured at amortised cost by applying the effective interest method. Dividend income from securities in the category of financial assets measured at fair value through profit or loss are recognised through profit or 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 or 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 or loss as a portion of "Interest income." Dividends from available-for-sale equity instruments are recognised through profit or 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 or 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 or loss in the item "Other financial items." Accumulated gains and losses in equity are recognised through profit or 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 less any provision for value depletion.

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 or 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 or 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 has issued warrants that senior executives and other key individuals in the Group received as part payment in conjunction with the acquisition of the former Catella Group in 2010 and the acquisition of the remaining 30 per cent of the subsidiary Catella Capital Intressenter AB, the holding company for Catella Fondförvaltning AB, during 2011. 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) is recognised as an expense in conjunction with income being earned in accordance with the aforementioned principles.

Interest income is 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 profit (after tax) from the discontinued operation is recognised in profit or 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.

A decision was made on 23 March 2011 to initiate a process for the sale of the subsidiary Banque Invik's credit-card and acquiring operation or, alternatively, of the entire bank. Accordingly, as of the first quarter of 2011, Banque Invik's operations are presented in accordance with IFRS 5, Non-current assets held for sale and discontinued operations. This entails that the discontinued operation is recognised net after tax on a separate line in the consolidated income statement. Catella has decided to designate this line in the income statement as Net result for the year from divestment group held for sale. The comparative figures in the income statement for the preceding year have been adjusted to represent a situation whereby the operations had never been part of the Group's operation. In the consolidated balance sheet, assets and liabilities attributable to the transferred operation are recognised separately from other assets and liabilities on separate lines designated Assets in divestment group held for sale or Liabilities in divestment group held for sale. Since the divestment was still under way on the balance-sheet date and when the Annual Report was submitted, Banque Invik has been recognised in accordance with IFRS 5 as stated above.

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

This note applies only to the Group's continuing operations, unless otherwise stated. For information on operations held for sale, refer to Note 42.

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. 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, which is why the risk management of significant subsidiaries is described below.

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 Catella Real Estate AG Kapitalanlagegesellschaft, Catella Fondförvaltning and Catella Förmögenhetsförvaltning in the Asset Management operating segment. The subsidiary Catella Wealth Management also includes Nordic Fixed Income, whose operations require a permit and which includes 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.

The Group's asset management and credit 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 282 M (387) at yearend. 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 47 M (56) 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 7 M (15) 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.

At 31 December 2011, the short-term liquidity reserve (cash and cash equivalents, short-term investments and confirmed but unutilised lines of credit) amounted to 31 per cent (94) of consolidated annual sales and 102 per cent (119) of consolidated borrowing and loan liabilities. At 31 December 2011, no long-term financing is recognised since the intention is to repay all of the external bank financing of SEK 154 M in connection with the sale of Banque Invik, once the sales proceeds have been received. At 31 December 2011, the average time to maturity for short-term borrowing was about nine months.

EETI's primary financial obligations are payment of day-today operating expenses. These obligations are met with cash flows from the investments, which are monitored by EETI's investment advisors. 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 at the end of 2011 and 2010.

Liquidity report on 31 December 2010-2011, Catella Group (SEK M)

31 December 2011	< 1 year	1 – 5 year	> 5 years	Total
Borrowings	-240			-240
Accounts payable and other liabilities	-131			-131
Total outflows[1]	**-370**	**0**	**0**	**-370**
Accounts receivable and other receivables	172			172
Loan receivables		111		111
Financial assets measured at fair value through profit or loss	56	231	91	377
Total inflows[1]	**227**	**343**	**91**	**661**
Net cash flow, total	**-143**	**343**	**91**	**291**

31 December 2010	< 1 year	1 – 5 year	> 5 years	Total
Borrowings	-72	-172		-245
Accounts payable and other liabilities	-71			-71
Total outflows[1]	**-144**	**-172**	**0**	**-316**
Accounts receivable and other receivables	193			193
Financial assets measured at fair value through profit or loss	62	298	106	466
Total inflows[1]	**255**	**298**	**106**	**659**
Net cash flow, total	**111**	**125**	**106**	**342**

1 Pertains to contractual cash flows. In respect of outflows, it is estimated that interest payments will amount to approximately SEK 6 M during 2012. For inflows, there are no contractual interest payments; however, based on the average interest rate during 2011, it is estimated that interest income of SEK 34 M will be received during 2012.

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.

Market risk

Market risk is the risk of loss or declining future income 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. The way that changes in discount interest rates and changes in anticipated cash flows would affect profit before tax, measured as the real change in value of EETI's loan portfolios, is described in the sensitivity analyses in Note 23.

Market-price risk in Asset Management

In line with the above, trading in financial instruments is only customer based, which is why the market-price risk is regarded as negligible.

Interest-rate risk

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.

Information on the Group's net debt profile and a sensitivity analysis are presented below together with information on the fixed-interest periods. Cash flow in relation to net debt amounted to -0.13 (-0.1) at 31 December 2011. The Group's interest-coverage ratio, a measure of the ability to pay interest expenses, was 2.4 (18.1) at 31 December 2011.

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.

The subsidiaries' operations are predominantly conducted in the country in which they are located and transactions thereby take place in the same currency as the subsidiary's reporting currency. Accordingly, transaction exposure is limited, as described further below.

Group's interest-bearing liabilities and assets by currency

31 December 2011	Amount, SEK M	Term (days)	Average interest expense and income for the year, %	Interest or +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	-239						
Liabilities in other currencies	0						
Total interest-bearing liabilities	**-240**	**90**	**5.5%**	**6.5%**	**-2**	**4.5%**	**2**
EUR assets	408						
SEK assets	132						
GBP assets	2						
NOK assets	2						
DKK assets	2						
Assets in other currencies	0						
Total interest-bearing assets	**546**	**65**	**9.6%**	**10.6%**	**5**	**8.6%**	**-5**

31 December 2010	Amount, SEK M	Term (days)	Average interest expense and income for the year, %	Interest or +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						
Interest-bearing liabilities in continuing operations	**-245**	**90**	**3.6%**	**4.6%**	**-2**	**2.6%**	**2**
Interest-bearing liabilities in divestment group held for sale	**-3,641**						
Total interest-bearing liabilities	**-3,886**						
EUR assets	481						
USD assets	5						
SEK assets	70						
GBP assets	-2						
NOK assets	6						
DKK assets	10						
Assets in other currencies	0						
Interest-bearing assets in continuing operations	**570**	**59**	**7.5%**	**8.5%**	**6**	**6.5%**	**-6**
Interest-bearing assets in divestment group held for sale	**3,904**						
Total interest-bearing assets	**4,475**						

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 93 M (137) on 31 December 2011. 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 the breakdown of the Group's capital employed by currency and its financing. They also include a sensitivity analysis of net debt and capital employed resulting from changes in the exchange rate for SEK. The Group's income statement is affected by the translation of foreign subsidiaries' income statements to SEK.

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 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.

Capital employed and financing by currency, 2010 – 2011 (SEK M)

31 December 2011	EUR	USD	GBP	CHF	NOK	DKK	Other currencies	Total foreign currencies	SEK	Total Group	Total Group +10%[1]	Total Group -10%[1]
Capital employed from continuing operations	80	0	7	0	-2	8	1	93	261	355	364	345
Net liability from continuing operations	408	0	2	0	2	2	0	414	-108	306	348	265
Non-controlling interests from continuing operations	-9				-1	-4	0	-14	-17	-31	-33	-30
Net exposure from continuing operations	**479**	**0**	**8**	**0**	**-2**	**6**	**1**	**493**	**137**	**630**	**679**	**580**
Net debt/equity ratio from continuing operations	-0,8	0,0	-0,2	0,0	3,5	-0,2	0,0	-0,8	0,7	-0,5	-0,5	-0,4
Net exposure from continuing operations	364	-8	2	-4	1		2	357	-38	319	355	284
Group's net exposure	**843**	**-8**	**10**	**-4**	**-1**	**6**	**3**	**850**	**99**	**949**	**1 034**	**864**

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 from continuing operations	122	0	19	0	-10	7	0	137	234	371	385	357
Net liability from continuing operations	483	5	-2	0	6	10	0	502	-171	331	381	281
Non-controlling interests from continuing operations	-10				-3	-2	0	-15	-21	-36	-38	-35
Net exposure from continuing operations	**595**	**5**	**17**	**0**	**-7**	**14**	**0**	**624**	**42**	**665**	**728**	**603**
Net debt/equity ratio from continuing operations	-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 from continuing operations	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**

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.

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 from 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 for 2011 was 0.1 per cent of sales and 0 per cent of lending.

Credit risk – Asset Management

The subsidiary Catella Förmögenhetsförvaltning provides credit in part against collateral in premium bonds and in part in connection with its clients' purchases of equities and fund units. Lending against collateral in premium bonds is not considered to entail a credit risk. The credit risk associated with lending against collateral in equities and fund units is regarded as very limited because the company applies restrictive leveraging rules. The maximum loan-to-value ratio for equities is 70 per cent and one-sided collateral is not accepted. The Board of Directors has over-riding responsibility for the company's exposure to credit risk. The Board, in special instructions, has delegated this responsibility, within certain parameters, to a credit committee. The credit committee reports regularly to the Board. Catella Förmögenhetsförvaltning's granting of credit is characterised by extremely rigorous requirements in terms of business ethics, quality and controls. An all-pervading principle is that, for example, all credit decisions in the company are normally taken by at least two people. Credit risk constitutes Catella Förmögenhetsförvaltning's greatest exposure to risk. Despite this, no credit losses have been reported by the company.

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 endeavours 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 2011, 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 investment advisor, which regularly analyse the holdings. Every quarter, the investment advisor reviews the various assumptions and updates 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.

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

Continuing operations 31 December 2011	Accounts receivable	Loan receivables	Assets measured at fair value through profit and loss	Bank funds and short-term bank deposits	Total
Counterparties with external credit ratings[1]:					
AAA			1	12	13
AA	11				11
AA-	0			76	76
A+	1		36	6	42
A	1		70	53	124
A-	1			3	4
BBB	10				10
BBB-	1			1	3
BB+			19		19
B			40		40
	25	**0**	**165**	**152**	**342**
Counterparties without external credit ratings:					
Companies	107	2	165		274
Funds			47		47
Financial companies	3				3
Public administration	7				7
Private individuals	19	109			128
	136	**111**	**212**	**0**	**460**
Total	**161**	**111**	**377**	**152**	**802**

Continuing operations 31 December 2010	Accounts receivable	Loan receivables	Assets measured at fair value through profit and loss	Bank funds and short-term bank deposits	Total
Counterparties with external credit ratings[1]:					
AAA	4			9	13
AA	6			3	9
AA-	1			155	156
A+	18				18
A				18	18
A-	1				1
BBB-	0				0
BB+	2				2
B			125		125
	32	**0**	**125**	**186**	**343**
Counterparties without external credit ratings:					
Companies	88		285		373
Funds	9		56		65
Financial companies	3			7	10
Public administration	3				3
Private individuals	11				11
	113	**0**	**341**	**7**	**462**
Total	**146**	**0**	**466**	**193**	**805**

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

Geographic concentration of credit risks

The table below 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 (-0.5).

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 2011.

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 classified on AIM LSE as securities held for sale and in 2010 as available for sale financial assets.

Geographic concentration of credit risks in financial assets

	Financial assets			Memorandum items			
	2011	2010		2011		2010	
SEK M	Continuing operations	Continuing operations	Operations held for sale	Continuing operations	Operations held for sale	Continuing operations	Operations held for sale
Luxembourg		-	2,045		1,547	0	1,513
Sweden	291	187	747	635	35	217	86
USA		-	815		124		122
UK		-	157		30		773
Germany	148	145	-	127	1	98	2
Spain	70	121	-	70		118	
Netherlands	37	108	2	37		111	0
France	125	109	-	64	19	54	8
Switzerland		-	54		193		680
Portugal	74	54	-	74		56	
Norway	8	9	39	4		6	
Denmark	12	24	18	7		10	2
Finland	26	29	-	18		27	
Panama					107		
Monaco	-	-	-		72		92
Guernsey	-	-	-	6	91	14	66
Italy	2			2			
Gibraltar	-	-	-		35		43
Jersey	-	-	-		40		43
Andorra	-	-	-		45		43
Cyprus	-	-	-		32		32
Malta	-	-	-		25		23
Bahamas	-	-	-		23		18
Other countries	9	20	77	1	7	3	16
Total	**802**	**805**	**3,954**	**1,046**	**2,425**	**714**	**3,562**

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 for 2010 also certain shareholdings, such as in Swift, MasterCard 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 and IPM (Informed Portfolio Management) are also included in this category.

The Group's assets and liabilities measured at fair value on 31 December 2011, continuing operations

SEK M	Quoted market prices	Valuation techniques using observable market data	Valuation techniques using non-observable market data	Total
Assets				
Financial assets measured at fair value through profit and loss	16	38	323	377
Total assets	**16**	**38**	**323**	**377**
Total liabilities	**0**	**0**	**0**	**0**

The Group's assets and liabilities measured at fair value on 31 December 2010, total operations

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**

Changes in instruments in the category of valuation techniques using non-observable market data in 2010 and 2011

	2011	2010
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	395	431
Transfers from other categories	-	-
Increase through business combinations	-	23
Acquisitions	26	1
Divestments	-72	-6
Amortisation	-12	-12
Gains and losses recognised through profit and loss	-34	-2
Capitalised interest income	22	17
Reclassification to divestment group held for sale	-1	
Exchange rate differences	-2	-56
On 31 December	**323**	**395**

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 241 M (222) and trademarks in the amount of SEK 50 M (50) 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 impairment testing conducted in 2011 showed no signs of a need for impairment of carrying amounts. 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 272 M (1,387) and thereby jointly constitute a significant item 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 30 M (34) and loan receivable losses of SEK 0 M (-34) are subject to critical estimates and assessments. Further information on credit risk in accounts receivable and loan receivables is available in Notes 3, 25 and 26. In addition, there are undertakings for unutilised, granted loan credits of SEK 1,883 M (3,194) 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 2011, the value of EETI loan portfolios was SEK 282 M (387). 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 Notes 3 and 23.

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 51 M (5) was recognised as deferred tax assets based on the assumptions of the possibilities for the future utilisation of loss carryforwards. The Group's overall loss carryforwards amount to approximately SEK 760 M, which is attributable in all significant respects to operations in Sweden and has an unlimited life.

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.

Effects on the Group's financial position and profit/loss of the divestment of Banque Invik

The subsidiary Banque Invik is being held for sale and recognised as a "divestment group held for sale". Assets and liabilities in Banque Invik have been measured in accordance with Catella's accounting policies. The net carrying amount of these assets at 31 December 2011 was SEK 319 M. Should the sales price, when the divestment has been completed, differ from this amount, this will have an impact on the Group's financial position and profit/loss in forthcoming periods.

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 the former Catella Group. The operating segments recognised in this 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 and Catella Förmögenhetsförvaltning AB, Catella's brand and the loan financing raised in conjunction with the acquisition of Catella Brand AB are also recognised in this category.

The business activities of each operating segment differ, as do the performance indicators that are monitored. Operating profit is the primary performance indicator 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 reinvoicing of expenses. Limited transactions for the delivery of services to external customers occur. 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	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Continuing operations:												
Net sales	487	193	310	116			9		-13[1]	0	794	308
Other operating income	6	7	7	5			6				19	12
	493	**199**	**318**	**121**	**0**	**0**	**15**	**0**	-13	0	813	320
Other external costs	-160	-37	-206	-57	-7	-5	-23	-25	6	0	-390	-124
Personnel costs	-280	-102	-129	-50			-22	-9	6	0	-426	-161
Depreciation/amortisation	-5	-1	-7	-2			0	0			-13	-3
Other operating expenses	-1	1	0	1	0		0	-2			-1	0
Operating profit/loss	**46**	**60**	**-24**	**13**	**-7**	**-5**	**-31**	**-36**	0	0	-16	32
Interest income	2	1	15	1	45	43	3	3	-4	-2	60	46
Interest expense	-4	-1	-4	0		-1	-12	-4	4	2	-15	-4
Other financial income	4	1	1	3	1	24	6	8			13	36
Other financial expenses	-4	-1	-2	-1	-47	-54	-9	-1			-62	-58
Net financial items	-2	-1	11	3	-1	11	-12	6	0	0	-3	19
Profit/loss before tax	**45**	**59**	**-14**	**16**	**-8**	**6**	**-42**	**-30**	**0**	**0**	**-20**	**51**
Tax	-15	-17	6	-4			39	5			30	-16
Net profit/loss for the year from continuing operations	**29**	**42**	**-7**	**12**	**-8**	**6**	**-3**	**-25**	**0**	**0**	**11**	**35**
Operations held for sale:												
Profit/loss for the year from divestment group held for sale	**-2**	**-2**	**12**	**-8**							**10**	**-10**
Net profit/loss for the year	**27**	**40**	**5**	**4**	**-8**	**6**	**-3**	**-25**	**0**	**0**	**21**	**25**

1 Pertains to internal sales for Corporate Finance and Other operations totalling SEK 4 M and SEK 9 M, respectively.

Financial position by operating segment

SEK M	Corporate Finance		Asset Management		Treasury Management		Other		Eliminations		Group	
	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010
ASSETS												
Non-current assets												
Intangible assets	61	62	201	202			50	50			311	314
Tangible fixed assets	10	13	4	13			0	1			15	26
Holdings in Group companies	49	46		4			423	431	-472	-481	0	0
Holdings in associated companies	0		1	6							1	6
Financial assets available for sale				12							0	12
Financial assets measured at fair value through profit and loss	0	0	18	17	304	386					322	404
Non-current loan receivable			111	35							111	35
Deferred tax assets	1	1	10	4			41	1			51	5
Other non-current receivables	6	3	1	1			0	1			8	5
Total non-current assets	**127**	**125**	**347**	**293**	**304**	**386**	**515**	**483**	**-472**	**-481**	**820**	**807**
Current assets												
Accounts receivable	142	124	17	57			2	2			161	182
Receivables from Group companies	1	1	8	28	129	17	234	268	-372	-315	0	0
Current loan receivable				1,169							0	1,169
Prepaid tax	3	1	9	31			1	1			13	33
Other receivables	6	8	4	7	1	38	2	1			13	54
Prepaid expenses and accrued income	20	20	23	105	0	10	11	6			55	141
Derivative instrument				1							0	1
Financial assets measured at fair value through profit and loss	0	0	16	21	40	42	0				56	63
Investments held to maturity				13							0	13
Cash and cash equivalents	80	56	104	2,801	5	14	-37	7			152	2,879
Total current assets	**253**	**210**	**181**	**4,234**	**176**	**122**	**212**	**285**	**-372**	**-315**	**450**	**4,536**
Assets in divestment group held for sale			2,637								2,637	
Total assets	**380**	**336**	**3,165**	**4,527**	**479**	**508**	**726**	**769**	**-844**	**-796**	**3,907**	**5,343**
EQUITY AND LIABILITIES												
Equity attributable to shareholders of the Parent Company	132	79	493	451	479	507	317	421	-472	-481	949	976
Non-controlling interests	28	15	3	11	0	1	0	9			31	36
Total equity	**160**	**94**	**496**	**462**	**479**	**508**	**317**	**430**	**-472**	**-481**	**980**	**1,012**
Liabilities												
Non-current liabilities												
Borrowings		1						172			0	172
Non-current loan liabilities				31							0	31
Other non-current liabilities	9										9	0
Deferred tax liabilities			5	25			23	12			28	38
Other provisions	2	1	3	11			0	1			5	13
Total non-current liabilities	**11**	**1**	**8**	**67**	**0**	**0**	**23**	**185**	**0**	**0**	**42**	**254**
Current liabilities												
Borrowings	0	0	86	75			154	72			240	147
Current loan liabilities				3,534							0	3,534
Derivative instrument				1							0	1
Accounts payable	27	24	6	30			3	1			36	54
Liabilities to Group companies	67	69	169	202		0	136	44	-372	-315	0	0
Current tax liabilities	9	17	8	32			4	3			21	53
Other liabilities	24	29	9	7			64	8	0	0	97	44
Accrued expenses and deferred income	83	101	65	115	1	1	24	26			173	243
Total current liabilities	**210**	**240**	**343**	**3,998**	**1**	**1**	**385**	**154**	**-372**	**-315**	**567**	**4,077**
Liabilities in divestment group held for sale			**2,318**								**2,318**	
Total liabilities	**221**	**241**	**2,669**	**4,065**	**1**	**1**	**409**	**339**	**-372**	**-315**	**2,927**	**4,331**
Total equity and liabilities	**380**	**336**	**3,165**	**4,527**	**479**	**508**	**726**	**769**	**-844**	**-796**	**3,907**	**5,343**

Cash flow per operating segment

	Corporate Finance		Asset Management		Treasury Management		Other		Eliminations		Group	
SEK M	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Profit/loss before tax including income from divestment group held for sale	42	57	-7	11	-8	6	-42	-30			-15	44
Other financial items	0	-1	0	8	46	31	2	-7			48	31
Depreciation/amortisation	5	1	20	18	0	0	0	0			25	19
Other items not affecting cash flow	26	12	8	41	-43	-40	-2	8			-11	20
Paid income tax	-33	-1	-14	-17			-4	-4			-51	-22
Changes in operating capital employed	-2	-22	-1,105	1,087	-133	52	154	-56			-1,086	**1,061**
Cash flow from operating activities[1]	**39**	**46**	**-1,099**	**1,148**	**-138**	**48**	**108**	**-89**	0	0	-1,090	1,153
Cash flow from tangible and intangible assets	-3	0	-4	-10			0	0			-6	-10
Acquisition of subsidiaries, net after cash and cash equivalents	-1	41	1	123		-7	-60	-348			-60	-191
Cash flow from other financial assets	-2	-1	14	-30	129	-35	0				141	-66
Cash flow from investing activities[2]	**-5**	**41**	**11**	**82**	**129**	**-43**	**-60**	**-348**	**0**	**0**	**75**	**-268**
Loans raised, net	-1	-39					-93	260			-94	221
Capital contributions, dividends, etc.	-8	5	13				0	1			4	6
Cash flow from financing activities[3]	**-9**	**-34**	**13**	**0**	**0**	**0**	**-93**	**261**	**0**	**0**	**-90**	**227**
Cash flow for the year	**24**	**52**	**-1,075**	**1,230**	**-9**	**6**	**-45**	**-176**	**0**	**0**	**-1,105**	**1,112**
Of which, cash flow from divestment group held for sale:												
1) Cash flow from operating activities			-1,059								-1,059	
2) Cash flow from investing activities			-5								-5	
3) Cash flow from financing activities			0								0	
Cash flow for the year from divestment group held for sale			**-1,064**								**-1,064**	

Disclosures by geographic market

	Total sales from external customers[1]		Total assets		Non-current assets[2]	
SEK M	2011	2010	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010
Continuing operations:						
Luxembourg	-	-	-	2,109	-	29
Sweden	353	144	527	1,262	368	250
Netherlands	-	-	-	2	-	-
USA	-	-	-	803	-	-
France	208	76	125	106	17	19
Germany	120	33	100	89	45	36
Other countries	113	56	88	475	17	53
Non-current assets not specified by country[2]	-	-	428	498	373	421
Divestment group held for sale	-	-	2,637	-	-	-
Total	**794**	**308**	**3,907**	**5,343**	**820**	**807**

1 Based on the location of sales outlets and essentially corresponding 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	2011	2010
Brokerage income properties	483	191
Fund and asset management income	310	116
Other income	1	1
	794	**308**

NOTE 7 OTHER OPERATING INCOME

SEK M	2011	2010
Rental income	7	6
Share of profit from associated companies	7	-
Capital gains from business divestments	-	4
Income pertaining to contract personnel	3	-
Other	3	2
	19	**12**

NOTE 8 OTHER EXTERNAL COSTS

Remuneration of auditors

SEK M	2011	2010
PwC		
- Audit assignment	4	1
- Audit activities other than audit assignment	1	-
- Tax advisory services	0	0
- Other services	1	0
	6	**1**
KPMG		
- Audit assignment	1	1
- Audit activities other than audit assignment	0	1
- Tax advisory services	-	-
- Other services	0	0
	1	**1**
Other accounting firms		
- Audit assignment	1	0
- Audit activities other than audit assignment	-	-
- Tax advisory services	-	0
- Other services	-	0
	1	**1**
Total remuneration of auditors	**7**	**3**

Costs for leasing specified in Note 36.

NOTE 9 DEPRECIATION/AMORTISATION

SEK M	2011	2010
Amortisation of intangible assets, Note 18	6	1
Depreciation of tangible assets, Note 19	7	2
	13	**3**

NOTE 10 PERSONNEL

Salaries, other remuneration and social security expenses by country

	2011		2010	
SEK M	Salaries and other remuneration	Social security expenses (of which, pension costs)	Salaries and other remuneration	Social security expenses (of which, pension costs)
Sweden – Parent Company	1	0 (0)	4	1 (0)
Sweden - subsidiaries	121	59 (21)	46	18 (3)
Norway	8	2 (1)	1	0 (0)
Denmark	8	0 (0)	3	0 (0)
Finland	31	7 (6)	14	2 (2)
France	75	19 (6)	26	7 (3)
Germany	47	5 (0)	11	1 (0)
Spain	6	1 (0)	3	0 (0)
Other countries	6	1 (0)	4	0 (0)
Total	**302**	**95 (33)**	**112**	**31 (8)**

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

	2011		2010	
SEK M	Board and CEO (of which, bonus)	Other employees	Board and CEO (of which, bonus)	Other employees
Sweden – Parent Company	1 (0)		3 (0)	1
Sweden – subsidiaries	13 (1)	108	4 (1)	42
Norway	3 (1)	5	0 (0)	1
Denmark	2 (0)	6	0 (0)	3
Finland	5 (1)	26	3 (1)	12
France	39 (26)	35	11 (3)	15
Germany	14 (4)	32	3 (1)	8
Spain	3 (1)	2	2 (1)	1
Other countries	3 (0)	3	1 (0)	2
Total	**84 (34)**	**218**	**29 (8)**	**83**

In addition to the above-mentioned remuneration, which was an expense for Catella in 2011, earnings attributable to partners in subsidiaries in which they work are recognised as a personnel cost in accordance with applicable accounting policies. This cost amounts to SEK 24 M (28).

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

	2011		2010	
	Total	Of whom, women	Total	Of whom, women
Sweden – Parent Company	13	5	1	-
Sweden – subsidiaries	127	46	36	15
Norway	7	1	1	-
Denmark	9	1	2	-
Finland	45	12	11	3
Baltic region	9	3	2	1
France	45	23	11	6
Germany	61	26	13	6
Spain	7	1	2	-
Other countries	2	2	4	2
Total	**325**	**120**	**82**	**33**

Comparative information for the average number of employees for the full-year 2010 includes the acquired Catella Group only for the period October – December. The Banque Invik subsidiary, which is being would up and is recognised according to IFRS 5, is not included in the above information. Banque Invik is presented in Note 42. The EETI subsidiary has no employees.

On 31 December 2011, the number of Board members and Chief Executive Officers totalled 96 (96), of whom ten () were women.

NOTE 11 REMUNERATION OF SENIOR EXECUTIVES

Principles

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

Guidelines for remuneration of senior executives, adopted by the 2011 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 remuneration structure is described below.

During the year, the composition of senior executives changed according to the following: Lennart Schuss left the management group and resigned his position as Deputy Chief Executive Officer during 2011. Anne Rådestad have left the management group and her position in Catella during 2011. Fredrik Sauter, Managing Director Catella Förmögenhetsförvaltning, and Johan Nordenfalk, CLO, were appointed new members of Group Management during 2011. Furthermore, Anders Palmgren was appointed new member of Group management and Head of the Corporate Finance operating segment.

During the year, the composition of the Board changed according to the following: Björn Edgren resigned his position as Chairman of the Board and was replaced by Johan Claesson. Johan Damne and Lorenzo Garcia left the Board. Niklas Johansson and Jan Roxendal were elected as new ordinary Board members.

For presentation of Group management, refer to page 43 in the separate Catella publication – The year 2011.

Basic salary, 2011

Basic salary for the former Deputy Chief Executive Officer Lennart Schuss comprises a fixed monthly salary for the period 1 January – 30 June 2011. The company has had no Deputy Chief Executive Officer since 1 July 2011.

Variable remuneration, 2011

The Chief Executive Officer, Deputy Chief Executive Officer and other senior executives are entitled to receive performance-based bonuses. 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, 2011

Refer to Note 12 Share-based payments.

Other employment terms for senior executives, 2011

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 occupational pension solution chosen by the employee.

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

Termination of employment and severance pay, 2011

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.

Remuneration and other benefits in 2011

SEK '000	Basic salary/ Board fees	Variable remuneration	Other benefits	Pension costs	Financial instruments	Other remuneration	Total
Chairman of the Board							
Johan Claesson	375						375
Other Board members							
Björn Edgren	300						300
Niklas Johansson[1]	175					111	286
Jan Roxendal	175						175
Lorenzo Garcia	83						83
Peter Gyllenhammar	258						258
Total Board fees	**1,366**	**0**	**0**	**0**	**0**	**111**	**1,477**
Chief Executive Officer							
Johan Ericsson	2,283		265	651			3,199
Former Deputy Chief Executive Officer[2]							
Lennart Schuss	1,064		137	362			1,563
Other senior executives (4)	6,162	85	346	1,237			7,830
Total	**10,875**	**85**	**748**	**2,250**	**0**	**111**	

1 Other remuneration pertains to consulting fees from Catella Fondförvaltning AB

2 Information relating to the former Deputy Chief Executive Officer pertained to the period 1 January - 30 June 2011

Other information

During 2011, 2,625,000 warrants were repurchased at market prices from the former Deputy Chief Executive Officer Lennart Schuss due to his changed employment terms pursuant to the conditions of the warrants. The total purchase consideration for the warrants amounted to SEK 10.3 M.

During 2011, the remaining 9 per cent of the subsidiary CFA Partners AB was acquired for SEK 24 M from senior executives in the Catella Group: Johan Ericsson, Ando Wikström and Lennart Schuss. The acquisition was financed through promissory notes that will mature when Banque Invik has been sold and the proceeds have been received, however, not later than 31 July 2012. Interest will be based on government borrowing rate on the date of the loan, plus 1 per cent. The acquisition is conditional upon the approval of the Swedish Financial Supervisory Authority.

Basic salary, 2010

The basic salary for the former Chief Executive Officer Lorenzo Garcia comprises fixed monthly salary for the period 1 January – 30 September 2010. The basis salary for the current Chief Executive Officer, the former Deputy Chief Executive Officer and other senior executives comprises fixed monthly salary for the period 1 October – 31 December 2010.

Share-based incentive programme, 2010

Refer to Note 12 Share-based incentives.

Remunerations and other benefits in 2010

SEK '000	Basic salary/ Board fees	Variable remuneration	Other benefits	Pension costs	Financial instruments	Other remuneration	Total
Chairman of the Board							
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)	451	-	-	135	-	-	586
Total	**4,642**	**0**	**0**	**450**	**0**	**300**	**5,392**

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 occupational pension 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 distributed from this company after Catella acquired it in September 2010.

Shareholdings and other holdings

	Class A shares		Class B shares		Warrants	
	2011	2010	2011	2010	2011	2010
Johan Claesson, Chairman of the Board	1,087,437	610,937	37,781,987	31,218,294	-	-
Björn Edgren, Board member	-	-	100,000	100,000	-	-
Peter Gyllenhammar, Board member	-	475,000	-	6,422,980	-	-
Niklas Johansson, Board member	-	-	12,000	-	-	-
Lorenzo Garcia, former Board member[1]	-	-	-	698,629	-	-
Johan Ericsson, Chief Executive Officer	-	-	-	-	5,250,000	5,550,000
Lennart Schuss, former Deputy Chief Executive Officer[1]	-	-	-	-	-	5,550,000
Fredrik Sauter, CEO Catella Wealth Management	-	-	-	-	1,200,000	-
Anders Palmgren, Head of Corporate Finance	-	-	-	-	600,000	-
Johan Nordenfalk, Chief Legal Adviser	-	-	-	-	300,000	-
Ando Wikström, CFO	-	-	30,000	30,000	5,250,000	5,550,000
Total holdings	**1,087,437**	**1,085,937**	**37,923,987**	**38,469,903**	**12,600,000**	**16,650,000**

1 *Information pertains only to senior executives at the end of each financial year.*

NOTE 12 SHARE-BASED INCENTIVES

Resolutions were passed at the Annual General Meetings held on 20 May 2010 and 25 May 2011 regarding the authorisation of the Board to make decisions to issue 30,000,000 and 6,100,000 warrants, respectively, for Class B shares. The 30,000,000 warrants were used as cash payment in the acquisition of the Catella Group whereby senior executives and key employees within the Catella Group received warrants at market terms. Of the 6,100,000 warrants, 5,500,000 were used as cash payment in the acquisition of the remaining 30 per cent of the subsidiary Catella Capital Intressenter AB, which is the Parent Company of Catella Fondförvaltning AB, where senior executives and key employees in the company received warrants at market terms. The warrants carry entitlement to subscription of a maximum of 36,100,000 new Class B shares in Catella AB (publ). The warrant premium was SEK 42 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 for warrants issued in 2010 and SEK 16.70 for warrants issued in 2011. 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 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 maturity dates for outstanding warrants are shown in the table below. The Group has no legal or informal obligation to buyback or settle the warrants in cash. However, according to the terms of the warrants, Catella is entitled to repurchase the warrants from holders if the individual is no longer employed in the Group. During 2011, warrants were repurchased at market prices from senior executives due to changes in employment conditions pursuant to the terms of the warrants. As at 31 December 2011, Catella has 2,835,000 treasury warrants. When repurchasing warrants, other contributed capital is debited.

Changes in the number of outstanding warrants:

Number	2011	2010
Opening balance, 1 January	30,000,000	-
New issue	6,100,000	30,000,000
Repurchase	-2,835,000	-
Sold	-	-
Expiry of unutilised warrants	-	-
On 31 December	**33,265,000**	**30,000,000**

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

Maturity date is 25 May for each year	Strike price in SEK per share	Number of shares	Strike price in SEK per share	Number of shares
2013	-	-	11.00	9,665,000
2014	16.70	2,033,000	11.00	3,500,000
2015	16.70	2,033,000	11.00	7,000,000
2016	16.70	2,034,000	11.00	7,000,000
		6,100,000		**27,165,000**

NOTE 13 OTHER OPERATING EXPENSES

SEK M	2011	2010
Share in profit from associated companies	-	1
Impairment of current receivables	-1	0
Recovered bad debt losses	1	-
Other operating expenses	-1	-1
Total	**-1**	**0**

NOTE 14 FINANCIAL ITEMS

Interest income (SEK M)	2011	2010
Interest income on bank balances	5	2
Interest income on financial assets measured at fair value through profit and loss	43	43
Interest income on loans receivable	11	-
Other	1	1
Total	**60**	**46**
Interest expense (SEK M)		
Interest expense on bank loans	-12	-4
Interest expense on other loan liabilities	-	0
Other	-3	0
Total	**-15**	**-4**
Other financial income (SEK M)		
Dividend income on financial assets measured at fair value through profit and loss	1	0
Dividend income from associated companies	-	3
Fair value gains on financial assets measured at fair value through profit and loss	1	0
Capital gains on financial assets measured at fair value through profit and loss	0	24
Exchange-rate gains	10	8
Total	**13**	**36**
Other financial expenses (SEK M)		
Fair value losses on financial assets measured at fair value through profit and loss	-47	-17
Capital losses on financial assets measured at fair value through profit and loss	-2	-35
Issue and loan guarantee expenses	-4	-
Exchange-rate losses	-9	-6
Total	**-62**	**-58**

NOTE 15 TAXES

SEK M	2011	2010
Current tax:		
Current tax on profit/loss for the year	-23	-17
Adjustments pertaining to previous years	0	-
Total current tax	**-23**	**-17**
Deferred tax:		
Incidence and reversal of temporary differences	53	1
Total deferred tax	**53**	**1**
Income tax	**30**	**-16**

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

SEK M	2011	2010
Profit/loss before tax	-20	51
Income tax calculated according to national tax rates applicable to earnings in each country	2	-16
Tax effects of:		
- measurement of taxable deficit	47	-
- utilisation of loss carryforwards not previously recognised	2	8
- tax deficit for which no deferred tax asset was recognised	-8	1
- non-taxable income	1	4
- non-deductible acquisition expenses	0	-2
- non-deductible expenses for fair value measurement	-10	-8
- non-deductible capital losses	-2	-
- other non-deductible expenses	-2	-3
- adjustments pertaining to previous years	0	-
Tax expense	**30**	**-16**

Deferred tax assets and tax liabilities specified as follows:

SEK M	2011	2010
Deferred tax assets		
- to be utilised after more than 12 months	38	7
- to be utilised within 12 months	15	-
- net recognised against deferred tax liabilities	-2	-2
Total deferred tax assets	**51**	**5**
Deferred tax liabilities		
- to be paid after more than 12 months	-30	-40
- to be paid within 12 months	-	-
- net recognised against deferred tax assets	2	2
Total deferred tax liabilities	**-28**	**-38**
Deferred tax assets/liabilities (net)	**23**	**-32**

Change in deferred tax assets and liabilities during the year:

Deferred tax assets (SEK M)	Reserve for impairment of loans receivable	Future tax-deductible expenses	Tax depreciation/ amortisation	Tax deficit	Other	Net recognised	Total
On 1 January 2010	7	0	7	0	1	-12	4
Increase 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**
Increase through business combinations	-	-	-	-	-	-	0
Recognised through profit and loss	-	-1	0	49	-	-	48
Recognised in other comprehensive income	-	-	-	-	-	-	0
Exchange-rate differences	-	0	0	0	0	-	0
Reclassification to divestment group held for sale	-	0	-3	-	0	-	-3
Net recognised against deferred tax liabilities	-	-	-	-	-	0	0
On 31 December 2011	**0**	**2**	**2**	**50**	**0**	**-2**	**51**

Deferred tax liabilities (SEK M)	Reserve for impairment of loans receivable	Future tax-deductible expenses	Tax depreciation/ amortisation	Tax deficit	Other	Net recognised	Total
On 1 January 2010	5	19	4	0	0	-12	17
Increase 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**
Increase through business combinations	-	-	-	1	-	-	1
Recognised through profit and loss	-	-3	-	-1	-1	-	-5
Recognised in other comprehensive income	-	-	-	-	-	-	0
Exchange-rate differences	-	0	-	-	0	-	0
Reclassification to divestment group held for sale	-4	-	-1	-	-1	-	-6
Net recognised against deferred tax assets	-	-	-	-	-	0	0
On 31 December 2011	**0**	**11**	**0**	**18**	**0**	**-2**	**28**

According to the accounting standard IAS 12, Income taxes, deferred tax assets attributable to tax loss carryforwards are recognised to the extent it is probable that future tax deficit will be available. According to this standard, Catella recognises deferred tax asset of SEK 51 M (5), which is based on an assessment of the Group's future capitalisation of tax loss carryforwards in the legal entities holding the loss carryforwards. The tax income has had no impact on the Group's liquidity. The Group has total loss carryforwards amounting to approximately SEK 760 M. The loss carryforwards mainly pertain to the operations in Sweden and has an indefinite useful life.

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

	2011			2010		
SEK M	Before tax	Tax effect	After tax	Before tax	Tax effect	After tax
On 1 January	3	-1	2	5	-2	4
Fair value changes in:						
- financial assets available for sale	-3	1	-2	-2	0	-1
- exchange-rate differences	0	0	0	-1	0	0
On 31 December	**0**	**0**	**0**	**3**	**-1**	**2**
Of which, deferred tax		0			-1	
Total		**0**			**-1**	

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	2011	2010
Profit from continuing operations, SEK M	11	35
Profit from divestment group held for sale, SEK M	10	-10
Profit from total operations, SEK M	21	25
Profit attributable to shareholders of the Parent Company and on which earnings per share before dilution are calculated:		
Profit from continuing operations, SEK M	10	33
Profit from divestment group held for sale, SEK M	10	-10
Profit from total operations, SEK M	20	23
Weighted average number of outstanding ordinary shares	81,698,572	81,698,572
Earnings per share from continuing operations, SEK	0.12	0.41
Earnings per share from divestment group held for sale, SEK	0.12	-0.13
Earnings per share from total operations, SEK	0.25	0.28

(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	2011	2010
Profit from continuing operations, SEK M	11	35
Profit from divestment group held for sale, SEK M	10	-10
Profit from total operations, SEK M	21	25
Profit attributable to shareholders of the Parent Company and on which earnings per share after dilution are calculated:		
Profit from continuing operations, SEK M	10	33
Profit from divestment group held for sale, SEK M	10	-10
Profit from total operations, SEK M	20	23
Weighted average number of outstanding ordinary shares	81,698,572	81,698,572
Adjustment for:		
- assumed conversion of warrants	13,764,706	5,851,648
Weighted average number of ordinary shares for calculation of earnings per share after dilution	95,463,278	87,550,220
Earnings per share from continuing operations, SEK	0.11	0.38
Earnings per share from divestment group held for sale, SEK	0.10	-0.12
Earnings per share from total operations, SEK	0.21	0.26

NOTE 17 DIVIDENDS

No dividends were proposed for 2011 or 2010.

NOTE 18 INTANGIBLE ASSETS

SEK M	Goodwill	Brands	Contractual customer relations	Software licenses	Total
On 1 January 2010					
Cost	-	-	-	66	66
Accumulated amortisation	-	-	-	-42	-42
Carrying amount	**0**	**0**	**0**	**24**	**24**
Financial year 2010					
Opening balance		-	-	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 balance	**222**	**50**	**18**	**23**	**314**
At 31 December 2010					
Cost	222	50	19	86	378
Accumulated amortisation			-1	-63	-64
Carrying amount	**222**	**50**	**18**	**23**	**314**
Financial year 2011					
Opening balance	222	50	18	23	314
Purchases				1	1
Cost in acquired companies	20		3		23
Accumulated amortisation in acquired companies					0
Divestments and disposals					0
Reclassification to divestment group held for sale				-19	-19
Reclassifications				0	0
Amortisation			-4	-1	-6
Exchange-rate differences	-1			0	-1
Closing balance	**241**	**50**	**18**	**2**	**311**
On 31 December 2011					
Cost	241	50	23	15	330
Accumulated amortisation			-5	-13	-18
Carrying amount	**241**	**50**	**18**	**2**	**311**

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 materialise 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. In April 2011, the Group acquired all shares in EKF Enskild Kapitalförvaltning AB, which was renamed Catella Förmögenhetsförvaltning. In conjunction with this, goodwill totalling SEK 20 M arose attributable primarily to the synergy effects expected to arise through the coordination with the Group's existing asset management operation. In addition, customer portfolios estimated to amount to SEK 3 M were acquired; for more information, refer to Note 38.

All intangible assets were externally acquired.

Impairment of goodwill and other assets with indefinite lives

In conjunction with the acquisition of operations, goodwill and other surplus values are allocated to the cash-generating units that are expected to receive future financial benefits in the form of, for example, synergies as a result of the acquired operations. In cases where separate cash-generating units cannot be identified, goodwill and other surplus values are allocated to the lowest level at which the operation is controlled and monitored internally.

Assets with indefinite lives are tested annually for any impairment requirements.

Catella's principle is to impairment test assets with indeterminable lives in the third quarter of every year, based on their carrying amounts on 30 June. Catella's assets with indeterminable lives comprise goodwill and brands. For the purpose of assessing impairment, assets were allocated at the lowest level for which there are identifiable cash flows (cash-generating units), meaning per country within an operating segment. For assets in the Treasury Management operating segment that comprise assets measured at fair value, no impairment assessment is made since these are measured separately on each closing date at market prices according to established principles.

Catella's operating holding company (Catella Holding AB) focuses on Group-wide issues and functions as a support to the cash-generating units. Since the cash-generating units are largely autonomous, expenses for the head office are not distributed among the various units, instead the holding company/head office is tested separately and its (negative) value will be carried by the surplus values generated jointly by the two separate units.

Impairment is in the amount by which the carrying amount exceeds the recoverable amount. The recoverable amount comprises the higher of the net selling value and the value in use.

The value in use is the present value of the estimated future cash flows. Cash flows were calculated based on the financial plans prepared in each country of operation, in each business segment and based on the business plan for the coming financial year that was adopted by Group management and approved by the Board of Directors. As a rule, these financial plans cover a projection period of five years for advisory operations and either five or ten years for the asset management operation and includes the organic sales growth, operating margin trend, as well as the change in operating capital employed. The cash flow, with the exception of the stated projection period, was extrapolated using an assessed growth rate of 2 per cent in all countries of operation and operating segments, which corresponds to the ECB's long-term inflation target within the Euro area.

The calculation of value in use is based on several assumptions and assessments in addition to the growth rate beyond the projection period. The most significant of these pertains to the organic sales growth, the operating margin trend, change in operating capital employed, and the relevant discount rate (WACC, Weighted Average Cost of Capital), which is used to discount future cash flows. The testing described above indicates that no impairment of the carrying amounts is required.

The discount rates applied are shown below by geographic market:

Discount rates by geographic market	WACC
Sweden	12.5%
Norway	14.0%
Denmark	13.9%
Euro area	13.6%
Baltic region	15.1%

A summary of the distribution of goodwill and brands by operating segment is presented below:

	2011				
Geographic market (SEK M)	Corporate Finance	Asset Managem.	Treasury Managem.	Other[1]	Total
Sweden	44	138		50	231
Germany		36			36
Finland	1	8			9
France	13				13
Denmark	2				2
	60	**182**	**0**	**50**	**291**

[1] *Pertains to the Catella brand.*

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

[1] *Pertains to the Catella brand.*

In conjunction with the preparation for impairment testing, a sensitivity analysis is conducted of the changes in the WACC variables and operating margin with the results based on a change of +/- 0.5 per cent in the stated variables. In the event the discount rate (WACC) increases by 0.5 per cent or the operating margin decreases by 0.5 per cent, this would result in an impairment of goodwill totalling SEK 8 M and SEK 15 M, respectively, in the Asset Management operating segment.

NOTE 19 TANGIBLE FIXED ASSETS

SEK M	Plant, fixtures and fittings & equipment	Total
On 1 January 2009		
Cost	47	47
Accumulated depreciation	-32	-32
Carrying amount	**14**	**14**
Financial year 2010		
Opening balance	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 balance	**26**	**26**
On 31 December 2010		
Cost	116	116
Accumulated depreciation	-90	-90
Carrying amount	**26**	**26**
Financial year 2011		
Opening balance	26	26
Purchases	3	3
Cost in acquired companies	1	1
Accumulated depreciation in acquired companies	0	0
Divestments and disposals	0	0
Reclassification to divestment group held for sale	-8	-8
Reclassifications	0	0
Depreciation	-7	-7
Exchange-rate differences	0	0
Closing balance	**15**	**15**
On 31 December 2011		
Cost	65	65
Accumulated depreciation	-50	-50
Carrying amount	**15**	**15**

NOTE 20 HOLDINGS IN ASSOCIATED COMPANIES

SEK M	2011	2010
On 1 January	6	-
Increase through business combinations	-	4
Acquisitions	0	1
Sales	0	-
Share in profits	7	1
Dividend income	-	3
Dividends paid	-11	-3
Exchange-rate differences	0	0
On 31 December	**1**	**6**

Dividends amounting to SEK 11 M (3) were paid in 2011 from associated companies to 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:

		Associated companies				Group	
SEK M	Country of registration	Assets	Liabilities	Income	Profit	Participating interest %	Participating interest
ANL Kiinteistöt OY	Finland	0	0	0	0	50	0
ARIF I GP Py	Finland	2	0	3	0	50	1
SIA AREAL Baltic	Latvia	1	0	1	0	49	0
Total							**1**

NOTE 21 DERIVATIVE INSTRUMENTS

	2011		2010	
SEK M	Assets	Liabilities	Assets	Liabilities
Forward agreements	-	-	1	1
	0	0	1	1
Less: long-term portion	-	-	-	-
Short-term portion	0	0	1	1

Derivative instruments on 31 December 2011 pertain only to continuing operations. Derivative instruments on 31 December 2010 pertain to the Group's total operation and are attributable in full to the subsidiary Banque Invik, which was reclassified in 2011 to divestment group held for sale, refer to Note 42, Operations held for sale.

NOTE 22 FINANCIAL ASSETS AVAILABLE FOR SALE

Financial assets available for sale include the following:

SEK M	2011	2010
Unlisted securities:		
- shares in USA	-	11
- shares in Europe	-	0
	0	12

Financial assets available for sale on 31 December 2011 pertain only to continuing operations. Financial assets available for sale on 31 December 2010 pertain to the Group's total operations and are attributable in full to the subsidiary Banque Invik, which was reclassified in 2011 to divestment group held for sale, refer to Note 42 Operations held for sale.

SEK M	2011	2010
On 1 January	12	24
Purchases	-	2
Sales	-	-10
Gains and losses net, entered in other comprehensive income	-	-2
Reclassification to divestment group held for sale	-12	-
Exchange-rate differences	-	-3
On 31 December	0	12
Less: long-term portion	-	-12
Short-term portion	0	0

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

SEK M	2011	2010
USD	-	11
EUR	-	0
	0	12

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

Financial assets measured at fair value through profit and loss include the following:

SEK M	2011	2010
Loan portfolios	282	377
Fund investments	47	56
Quoted shares, warrants and bonds	7	15
Unlisted shareholdings	34	17
Other	7	1
	377	**467**

SEK M	2011	2010
On 1 January	467	497
Increase through business combinations	28	23
Acquisition 1	46	133
Divestments	-125	-114
Amortisations	-12	-12
Fair value gains/losses on financial assets measured at fair value through profit and loss[2]	-46	-17
Capitalised interest income	22	17
Reclassification to divestment group held for sale	-1	-
Exchange-rate differences	-2	-61
On 31 December	**377**	**467**
Less: long-term portion	-322	-404
Short-term portion	**56**	**63**

1 Includes acquisition of a shareholding of slightly more than 5 per cent of the Dutch Parent Company to IPM (Informed Portfolio Management AB). IPM is a leading supplier of systematic investment services in discretionary management and fund management. IPM currently manages assets valued at SEK 55 billion on behalf of major institutional investors, pension funds, insurance companies and foundations.

2 Changes in 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 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 projected 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 10.2 per cent for the total loan portfolios. The weighted average duration for the portfolio amounted to 6.5 years.

Cash flows mainly comprise interest payments, but also repayments with a projected period up to and including the fourth quarter of 2025. The forecast cash flows for the period amounted to approximately SEK 520 M, which was discounted and recognised at SEK 282 M (387).

New risk assumptions for the projected cash flows, and for the discount rates were applied in 2011, which had a negative impact of SEK 34 M on the entire loan portfolio, compared with earlier assumptions. The assumptions are estimates of advance and delayed payments, losses, degree of borrowing, region, etc.

Changes in risk assumptions are primarily attributable to the Portuguese and Spanish loan portfolios, Lusitano and Pastor. For the portfolios in Portugal, Lusitano 3 and 5, it is assumed that the issuing bank's entitlement to advance redemption is not been utilised, generating longer and higher cash flows, which will have a positive impact on the values. At the same time, stricter assumptions for the Spanish portfolios Pastor 2, 3, 4 and 5 have been applied, which had a negative impact on the value. In addition to the changed risk assumptions, the discount rates were also adjusted due to the changed cash-flow projections.

Through the subsidiary EETI, Catella divested the Shield portfolio in October 2011. The sub-portfolio Shield was primarily exposed to the Netherlands. The divestment generated proceeds of approximately SEK 71 M and resulted in a capital loss of SEK 2 M. Shield comprised approximately 20 per cent of the total loan portfolio's discounted value, which was also its carrying amount. With the divestment of Shield and the cash flows received, Catella's original investment in the EETI loan portfolios was repaid.

Aummary of Catella's Treasury Management's loan portfolios on 31 December 2011

SEK M Loan portfolio	Country	Forecast undiscounted cash flow	Share of undiscounted cash flow	Forecast discounted cash flow	Share of discounted cash flow	Discount rate	Duration. years
Pastor 2	Spain	57.8	11.1%	31.0	11.1%	10.0%	6.8
Pastor 3	Spain	31.4	6.0%	8.0	2.9%	15.0%	9.8
Pastor 4	Spain	85.0	16.4%	21.9	7.8%	15.0%	10.0
Pastor 5	Spain	35.9	6.9%	6.5	2.3%	15.0%	12.3
Lusitano 3	Portugal	88.4	17.0%	56.6	20.0%	10.0%	5.4
Lusitano 4 [2]	Portugal	-	-	-	-	-	-
Lusitano 5	Portugal	47.0	9.0%	16.6	5.9%	15.0%	8.2
Memphis	Netherlands	41.5	8.0%	36.9	13.2%	8.5%	1.4
Semper	Germany	78.6	15.1%	62.1	22.2%	8.5%	2.9
Gems	Germany	22.1	4.3%	17.0	6.1%	8.5%	3.3
Minotaure	France	29.7	5.7%	21.9	7.8%	8.5%	4.1
Ludgate [2]	UK	-	-	-	-	-	-
Sestante 2 [2]	Italy	-	-	-	-	-	-
Sestante 3 [2]	Italy	-	-	-	-	-	-
Sestante 4 [2]	Italy	-	-	-	-	-	-
Sestante 4 A2 [3]	Italy	2.3	0.4%	2.0	0.7%	8.5%	1.4
Total cash flow		**519.6**	**100.0%**	**280.6**	**100.0%**	**10.2%[4]**	**6.5**
Accrued interest				1.8			
Carrying amount in consolidated balance sheet				**282.4**			

Summary of Catella's Treasury Management's loan portfolios on 31 December 2010

SEK M Loan portfolio	Country	Forecast undiscounted cash flow	Share of undiscounted cash flow	Forecast discounted cash flow	Share of discounted cash flow	Discount rate	Duration. years
Pastor 2	Spain	67.0	9.9%	41.5	10.7%	8.5%	5.8
Pastor 3	Spain	125.5	18.5%	35.8	9.2%	15.0%	9.0
Pastor 4	Spain	78.7	11.6%	23.8	6.1%	15.0%	9.1
Pastor 5	Spain	59.2	8.7%	15.2	3.9%	15.0%	10.1
Lusitano 3	Portugal	41.9	6.2%	33.2	8.6%	10.0%	2.7
Lusitano 4 [2]	Portugal	-	-	-	-	-	-
Lusitano 5	Portugal	35.3	5.2%	22.4	5.8%	10.0%	5.0
Shield 1	Netherlands	81.1	12.0%	73.3	18.9%	8.5%	1.4
Memphis	Netherlands	45.1	6.7%	38.0	9.8%	8.5%	2.3
Semper	Germany	84.9	12.5%	63.1	16.3%	8.5%	3.7
Gems	Germany	24.3	3.6%	15.7	4.1%	10.0%	4.7
Minotaure	France	35.3	5.2%	25.4	6.5%	8.5%	4.4
Ludgate [2]	UK	-	-	-	-	-	-
Sestante 2 [2]	Italy	-	-	-	-	-	-
Sestante 3 [2]	Italy	-	-	-	-	-	-
Sestante 4 [2]	Italy	-	-	-	-	-	-
Sestante 4 A2	Italy	-	-	-	-	-	-
Total cash flow		**678.3**	**100%**	**387.4**	**100%**	**10.0% [4]**	**5.8**
Accrued interest				-10.1			
Carrying amount in consolidated balance sheet				**377.3**			

1 Prognosen är framtagen av investeringsrådgivaren Cartesia S.A.S.
2 Dessa investeringar har tillskrivits ett värde om 0 kr.
3 Investeringen utfördes under första kvartal 2011 för att bevaka de italienska värdepapperiseringarna, Sestante 2-4.
4 Diskonteringsräntan som redovisas i raden "Totalt kassaflöde" är den vägda genomsnittliga räntan av totalt diskonterat kassaflöde.

Outcome and forecast cash flow from loan portfolios per quarter[1]

SEK M		Spain				Portugal		Italy	Netherlands		Germany		France	UK			
Loan portfolio		Pastor 2	Pastor 3	Pastor 4	Pastor 5	Lusitano 3	Lusitano 5	Sestante 4	Memphis	Shield[2]	Gems	Semper	Minoture	Ludgate	Out-come	Forecast	Diff.
History																	
Q4	2009	4.6	-	-	-	0.4	0.8	-	0.9	1.7	0.2	1.6	2.2	0.0	12.4	7.7	4.7
Q1	2010	3.4	-	-	-	-	-	-	0.8	1.6	0.2	1.5	1.9	0.3	9.5	6.3	3.3
Q2	2010	2.3	-	-	-	0.7	-	-	0.8	1.5	0.2	1.4	2.3	0.1	9.3	15.5	-6.2
Q3	2010	0.6	-	-	-	2.0	-	-	0.8	1.5	0.2	1.4	2.5	0.1	9.1	8.0	1.1
Q4	2010	1.5	-	-	-	-	-	-	0.8	1.5	0.2	1.4	2.1	0.1	7.7	5.9	1.7
Q1	2011	2.8	-	-	-	0.8	-	-	0.8	1.5	0.2	1.3	1.2	0.1	8.6	6.5	2.1
Q2	2011	3.4	-	-	-	4.7	-	0.2	0.8	1.4	0.2	1.4	1.9	0.1	14.3	7.1	7.1
Q3	2011	2.0	-	-	-	3.2	-	0.2	0.8	1.5	0.2	1.5	2.2	0.1	11.8	6.9	4.9
Q4	2011	1.5	-	-	-	2.5	-	0.2	0.9	-	0.3	1.5	1.6	0.1	8.5	7.8	0.6
Total		**22.1**	**0.0**	**0.0**	**0.0**	**14.2**	**0.8**	**0.6**	**7.5**	**12.2**	**1.8**	**13.0**	**17.9**	**0.9**	**91.1**	**71.7**	**19.3**
Forecast															Quarter	Year	Acc.
Q1	2012	1.1	-	-	-	1.8	-	0.2	0.8		0.2	1.4	1.5		6.9		6.9
Q2	2012	1.6	-	-	-	4.0	-	0.2	0.8		0.2	1.4	1.4		9.5		16.4
Q3	2012	1.4	-	-	-	4.0	-	0.2	0.8		0.2	1.4	1.4		9.3		25.8
Q4	2012	0.2	-	-	-	3.7	-	0.2	0.8		0.2	1.4	1.3		7.8	33.6	33.6
Q1	2013	0.2	-	-	-	3.9	-	0.2	0.8		0.2	1.4	1.3		7.9		41.4
Q2	2013	0.2	-	-	-	2.6	-	0.2	37.5		0.2	1.4	1.2		43.2		84.7
Q3	2013	0.2	-	-	-	2.7	-	0.1			0.2	1.4	1.1		5.9		90.5
Q4	2013	0.2	-	-	-	2.4	-	0.1			0.2	1.4	1.1		5.5	62.5	96.0
Q1	2014	0.2	-	-	-	2.2	-	0.1			0.3	1.5	1.1		5.4		101.4
Q2	2014	0.2	-	-	-	2.4	0.6	0.1			0.3	1.5	1.0		6.2		107.6
Q3	2014	0.3	-	-	-	2.6	1.5	0.1			0.3	1.5	0.9		7.2		114.8
Q4	2014	0.3	-	-	-	2.2	1.9	0.1			0.3	1.5	0.9		7.2	26.0	122.1
Q1	2015	0.3	-	-	-	2.4	1.7	0.1			0.3	61.5	0.9		67.1		189.2
Q2	2015	0.3	-	-	-	1.8	1.6	0.1			18.9		0.8		23.6		212.8
Q3	2015	0.3	-	-	-	2.0	1.6	0.1					0.8		4.7		217.5
Q4	2015	0.3	-	-	-	1.6	1.6	0.1					0.7		4.3	99.8	221.9
Q1	2016	0.3	-	-	-	1.8	1.0						0.7		3.8		225.6
Q2	2016	0.4	-	-	-	1.7	1.0						0.6		3.7		229.4
Q3	2016	0.4	-	-	-	1.8	1.0						0.6		3.7		233.1
Q4	2016	0.4	-	-	-	1.6	0.9						0.6		3.5	14.7	236.6
Q1	2017	0.4	-	-	-	1.6	1.0						0.6		3.5		240.1
Q2	2017	0.4	-	-	-	1.6	1.0						0.5		3.5		243.5
Q3	2017	0.4	-	-	-	1.7	0.9						0.5		3.5		247.0
Q4	2017	0.4	-	-	-	1.1	0.9						0.5		2.9	13.3	249.9
Q1	2018	0.4	-	1.6	-	1.1	0.9						0.4		4.6		254.5
Q2	2018	0.4	-	3.7	-	1.1	0.9						0.4		6.5		261.0
Q3	2018	0.4	-	3.7	-	1.2	0.9						0.3		6.4		267.4
Q4	2018	0.4	-	3.7	-	1.0	0.9						0.3		6.2	23.7	273.6
Q1	2019	0.4	-	3.6	-	1.1	0.9						0.2		6.2		279.8
Q2	2019	0.4	-	3.6	-	1.1	0.9						0.2		6.1		285.9
Q3	2019	45.1	-	3.6	-	1.1	0.8						0.2		50.8		336.7
Q4	2019		-	2.3	-	0.9	0.8						0.2		4.3	67.4	341.0
Q1	2020		-	0.7	-	1.0	0.6						0.2		2.5		343.5
Q2	2020		-	0.7	-	1.0	0.3						0.2		2.1		345.7
Q3	2020		-	0.7	-	1.0	0.3						0.2		2.1		347.8
Q4	2020		-	0.7	-	0.9	0.3						5.0		6.9	13.6	354.7
Q1	2021		-	0.7	-	0.9	0.3								1.9		356.5
Q2	2021		-	0.7	-	0.9	0.3								1.9		358.4
Q3	2021		31.4	0.7	-	0.9	0.3								33.3		391.7
Q4	2021			0.7	-	0.8	0.3								1.8	38.8	393.5
Q1	2022			0.7	-	0.8	0.3								1.8		395.3
Q2	2022			0.7	-	0.8	0.3								1.8		397.1
Q3	2022			0.7	-	0.9	0.3								1.8		398.9
Q4	2022			0.7	-	0.7	0.3								1.7	7.1	400.6
Q1	2023			0.7	-	0.8	0.3								1.7		402.3
Q2	2023			50.1	-	0.7	0.3								51.1		453.4
Q3	2023				-	12.6	0.3								12.8		466.3
Q4	2023				-		0.3								0.3	66.0	466.6
Q1	2024				35.9		0.3								36.2		502.8
Q2	2024						0.3								0.3		503.1
Q3	2024						0.3								0.3		503.3
Q4	2024						0.3								0.3	37.1	503.6
Q1	2025						0.3								0.3		503.9
Q2	2025						0.3								0.3		504.2
Q3	2025						0.3								0.3		504.5
Q4	2025						15.1								15.1	16.0	519.6
Total		**57.8**	**31.4**	**85.0**	**35.9**	**88.4**	**47.0**	**2.3**	**41.5**	**-**	**22.1**	**78.6**	**29.7**	**-**			

1 The forecast was produced by investment advisor Cartesia S.A.S. Final outcome may differ from above forecast.

2 Shield was divested during the fourth quarter 2011.

Method and assumptions for cash-flow projections and discount rates

Cash flow for each loan portfolio is presented in the table on page 42 and the discount rates are presented above by portfolio.

Cash-flow projections

The portfolio is measured according to the fair-value method, according to the definition in IFRS. In the absence of a functioning and sufficiently liquid market for essentially all investments, as well as for comparable subordinated investments, the measurement is performed by using the "mark-to-model" approach. This approach is based on projecting the cash flow including maturity for each investment with market-based credit assumptions. The credit assumption used by the investment advisor Cartesia is based on historic performance of the individual investments and a broad selection of comparable transactions. In the projected cash flows, an assumption is made of the potential weakening of the credit variables. These do not fully cover the effect of a scenario, with low probability and high potential negative impact, such as the desolution of the Euro area, where one of the countries in which EETI has its underlying investments, leaves the European monetary union or similar scenario. Cartesia believes that this credit assumption is reasonable and equal to that applied by other market players. The projected cash flows were prepared by Cartesia using proprietarily developed models. These models have been tested and improved over the years and have not shown any significant deviation compared with models used by other market players. Adjustments of cash flows impact the value and are presented in a sensitivity analysis on page 44.

Discount rates

The discount rates used to calculate the present value of each investment are determined only by the Board of EETI. The discount rates per portfolio were determined relative to other assets in the absence of market prices for the assets held by the subsidiary EETI. Each quarter, the Board of EETI evaluates the projected cash flows and its assumptions combined with market pricing of other assets in order to, where necessary, adjust the discount rates. Adjustments of the discount rates impact the value and are recognised in a sensitivity analysis below. .

Sensitivity analysis for Catella's Treasury Management loan portfolios

The recognised effects below shall be viewed as an indication of an isolated change in the said variable. If more factors deviate simultaneously, the impact on earnings may change.

Time call and Clean-up call

The description below pertains to the large payments at the end of each portfolio's projected cash flow, which is presented in the table on page 42.

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 sub-portfolios Lusitano 3 and 5. In the projected cash flows for the sub-portfolios Lusitano 3 and 5, it is assumed that the issuer will not exercise its time call, which could occur during the fourth quarter of 2013 and 2015.

Value changes by portfolio upon the adjustment of discount rates (SEK M)

Changes in discount rate by portfolio	Spain				Portugal		Italy	Netherlands	Germany		France	
	Pastor 2	Pastor 3	Pastor 4	Pastor 5	Lusitano 3	Lusitano 5	Sestante 4	Memphis	Gems	Semper	Minoture	Total
8.5%	33.8	14.2	38.1	13.2	59.9	24.6	**2.0**	**36.9**	**17.0**	**62.1**	**21.9**	**323.8**
10.0%	**31.0**	12.4	33.4	11.2	**56.6**	22.3	1.9	36.2	16.2	59.7	21.0	**302.0**
15.0%	23.7	**8.0**	**21.9**	**6.5**	47.8	**16.6**	1.8	34.0	14.1	52.7	18.2	**245.3**
20.0%	18.6	5.3	14.7	3.8	41.5	12.8	1.6	32.0	12.3	46.8	16.2	**205.7**
25.0%	14.9	3.6	10.2	2.3	36.7	10.2	1.5	30.2	10.8	41.8	14.5	**176.9**
Discounted cash flow [1]	31.0	8.0	21.9	6.5	56.6	16.6	2.0	36.9	17.0	62.1	21.9	280.6

1 Projected discounted cash flows, which is equivalent to the carrying amount on 31 December 2011.

Cash flow by portfolio in relation to discounted value

Changes in discount rate by portfolio	Spain				Portugal		Italy	Netherlands	Germany		France	
	Pastor 2	Pastor 3	Pastor 4	Pastor 5	Lusitano 3	Lusitano 5	Sestante 4	Memphis	Gems	Semper	Minoture	Total
8.5%	1.7x	2.2x	2.2x	2.7x	1.5x	1.9x	**1.2x**	**1.1x**	**1.3x**	**1.3x**	**1.4x**	**1.6x**
10.0%	**1.9x**	2.5x	2.5x	3.2x	**1.6x**	2.1x	1.2x	1.1x	1.4x	1.3x	1.4x	**1.7x**
15.0%	2.4x	**3.9x**	**3.9x**	**5.5x**	1.8x	**2.8x**	1.3x	1.2x	1.6x	1.5x	1.6x	**2.1x**
20.0%	3.1x	5.9x	5.8x	9.3x	2.1x	3.7x	1.4x	1.3x	1.8x	1.7x	1.8x	**2.5x**
25.0%	3.9x	8.8x	8.4x	15.4x	2.4x	4.6x	1.5x	1.4x	2.0x	1.9x	2.0x	**2.9x**
Multiple	1.9x	3.9x	3.9x	5.5x	1.6x	2.8x	1.2x	1.1x	1.3x	1.3x	1.4x	1.9x
Undiscounted cash flow	57.8	31.4	85.0	35.9	88.4	47.0	2.3	41.5	22.1	78.6	29.7	519.6

Value changes by portfolio upon adjustment of the cash flow (SEK M)

	Spain				Portugal		Italy	Netherlands	Germany		France		
Percentage change in cash flow	Pastor 2	Pastor 3	Pastor 4	Pastor 5	Lusitano 3	Lusitano 5	Sestante 4	Memphis	Gems	Semper	Minotaure	Total	Delta
170.0%	52.7	13.6	37.2	11.0	96.3	28.2	3.4	62.8	28.9	105.6	37.3	**477.0**	**70.0%**
165.0%	51.2	13.2	36.1	10.7	93.4	27.4	3.3	60.9	28.0	102.5	36.2	**463.0**	**65.0%**
160.0%	49.6	12.8	35.0	10.4	90.6	26.6	3.2	59.1	27.2	99.4	35.1	**449.0**	**60.0%**
155.0%	48.1	12.4	33.9	10.0	87.8	25.7	3.1	57.2	26.3	96.3	34.0	**435.0**	**55.0%**
150.0%	46.5	12.0	32.9	9.7	84.9	24.9	3.0	55.4	25.5	93.2	32.9	**420.9**	**50.0%**
145.0%	45.0	11.6	31.8	9.4	82.1	24.1	2.9	53.5	24.6	90.1	31.8	**406.9**	**45.0%**
140.0%	43.4	11.2	30.7	9.1	79.3	23.3	2.8	51.7	23.8	87.0	30.7	**392.9**	**40.0%**
135.0%	41.9	10.8	29.6	8.7	76.4	22.4	2.7	49.9	22.9	83.9	29.6	**378.8**	**35.0%**
130.0%	40.3	10.4	28.5	8.4	73.6	21.6	2.6	48.0	22.1	80.8	28.5	**364.8**	**30.0%**
125.0%	38.8	10.0	27.4	8.1	70.8	20.8	2.5	46.2	21.2	77.7	27.4	**350.8**	**25.0%**
120.0%	37.2	9.6	26.3	7.8	67.9	19.9	2.4	44.3	20.4	74.6	26.3	**336.7**	**20.0%**
115.0%	35.7	9.2	25.2	7.4	65.1	19.1	2.3	42.5	19.5	71.4	25.2	**322.7**	**15.0%**
110.0%	34.1	8.8	24.1	7.1	62.3	18.3	2.2	40.6	18.7	68.3	24.1	**308.7**	**10.0%**
105.0%	32.6	8.4	23.0	6.8	59.5	17.4	2.1	38.8	17.8	65.2	23.0	**294.6**	**5.0%**
100.0%	**31.0**	**8.0**	**21.9**	**6.5**	**56.6**	**16.6**	**2.0**	**36.9**	**17.0**	**62.1**	**21.9**	**280.6** [1]	**0.0%**
95.0%	29.5	7.6	20.8	6.2	53.8	15.8	1.9	35.1	16.1	59.0	20.8	**266.6**	**-5.0%**
90.0%	27.9	7.2	19.7	5.8	51.0	14.9	1.8	33.2	15.3	55.9	19.7	**252.6**	**-10.0%**
85.0%	26.4	6.8	18.6	5.5	48.1	14.1	1.7	31.4	14.4	52.8	18.6	**238.5**	**-15.0%**
80.0%	24.8	6.4	17.5	5.2	45.3	13.3	1.6	29.5	13.6	49.7	17.6	**224.5**	**-20.0%**
75.0%	23.3	6.0	16.4	4.9	42.5	12.5	1.5	27.7	12.7	46.6	16.5	**210.5**	**-25.0%**
70.0%	21.7	5.6	15.3	4.5	39.6	11.6	1.4	25.8	11.9	43.5	15.4	**196.4**	**-30.0%**
65.0%	20.2	5.2	14.2	4.2	36.8	10.8	1.3	24.0	11.0	40.4	14.3	**182.4**	**-35.0%**
60.0%	18.6	4.8	13.1	3.9	34.0	10.0	1.2	22.2	10.2	37.3	13.2	**168.4**	**-40.0%**
55.0%	17.1	4.4	12.0	3.6	31.1	9.1	1.1	20.3	9.3	34.2	12.1	**154.3**	**-45.0%**
50.0%	15.5	4.0	11.0	3.2	28.3	8.3	1.0	18.5	8.5	31.1	11.0	**140.3**	**-50.0%**
45.0%	14.0	3.6	9.9	2.9	25.5	7.5	0.9	16.6	7.6	28.0	9.9	**126.3**	**-55.0%**
40.0%	12.4	3.2	8.8	2.6	22.6	6.6	0.8	14.8	6.8	24.9	8.8	**112.2**	**-60.0%**
35.0%	10.9	2.8	7.7	2.3	19.8	5.8	0.7	12.9	5.9	21.7	7.7	**98.2**	**-65.0%**
30.0%	9.3	2.4	6.6	1.9	17.0	5.0	0.6	11.1	5.1	18.6	6.6	**84.2**	**-70.0%**

1 Projected discounted cash flows, which is equivalent to the carrying amounts on 31 December 2011.

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 are less than 10 per cent of the issued amount. Since administration of the portfolio is usually not profitable when it is less than 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

The valuation of the loan portfolios is available on Catella's website: www.catellagroup.com » Financial information » Loan portfolios.

Nordic Light Fund

Catella holds participations in a fund product managed by Banque Invik, Nordic Light Fund, containing loan portfolios. 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. The value of the participations increased in 2011 by slightly more than SEK 1 M. The carrying amount of the holding, and market value on 31 December 2011, amounted to SEK 37 M.

Business-related investments

The business-related investments largely comprise a minority share in the Italian company Castello and the newly acquired minority share in IPM (Informed Portfolio Management). In addition, Catella also invested in Sicav funds, managed by Catella Fondförvaltning to provide the funds with capital in a start-up phase. The carrying amount of the holding, which is equivalent to the market value, on 31 December 2011 amounted to SEK 51 M.

Other securities

Most of the earlier portfolio of shares, warrants and bonds has been divested and the intention is to also divest the remaining holdings when the right market conditions prevail. For the full-year 2011, the capital gain for divested securities amounted to a marginal amount, while the value adjustment to fair value amounted to a loss of SEK 12 M. The carrying amount of the holding, which is equivalent to the market value, on 31 December 2011 amounted to SEK 7 M.

NOTE 24 FINANCIAL ASSETS HELD TO MATURITY

SEK M	2011	2010
Treasury bills including accrued interest	-	13
	0	**13**

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

SEK M	2011	2010
Treasury bills including accrued interest	-	13
	0	**13**

Financial assets held to maturity on 31 December 2011 pertain only to continuing operations. Financial assets held to maturity on 31 December 2010 pertain to the Group's total operations and are attributable in full to the subsidiary Banque Invik, which was reclassified in 2011 to divestment group held for sale; refer to Note 42, Operations held for sale.

NOTE 25 ACCOUNTS RECEIVABLE

SEK M	2011	2010
Accounts receivable	191	216
Less: reversal for doubtful accounts receivable	-30	-34
	161	**182**

The fair value of accounts receivable is as follows:

SEK M	2011	2010
Accounts receivable	161	182
	161	**182**

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

SEK M	2011	2010
Less than 2 months	59	48
2 to 6 months	3	8
More than 6 months	30	35
	91	**91**

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

SEK M	2011	2010
On 1 January	-34	-
Increase through business combinations	-	-33
Reversal for doubtful receivables	-1	-1
Recovered bad debt losses	1	-
Receivables written off during the year that are not recoverable	3	-
Reversed unutilised amount	0	-
Reclassification to divestment group held for sale	0	-
Exchange-rate differences	-	1
On 31 December	**-30**	**-34**

Provisions for each reversal of reserves for doubtful accounts receivable are included in the item "Other external expenses" in the income statement. The 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 and cash equivalents.

The maximum exposure for credit risk on the balance-sheet date is the carrying amount of each category of receivables stated above. There is property collateral for receivables totalling SEK 34 M.

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

NOTE 26 LOAN RECEIVABLES

SEK M	2011	2010
Loans receivable	111	1 238
Less: reversal for doubtful loan receivable	-	-34
	111	**1 204**
Less: long-term portion	-111	-35
Short-term portion	**0**	**1 169**

Loan receivables on 31 December 2011 pertain to the subsidiary Catella Förmögenhetsförvaltning AB, which was acquired in 2011. Loan receivables on 31 December 2010 pertain entirely to the subsidiary Banque Invik, which was reclassified in 2011 to divestment group held for sale, refer to Note 42, Operations held for sale.

The Group had no unsettled or doubtful loan receivables in 2011 and, accordingly, did not recognise any impairment of loan receivables. The credit quality of the Group's loan receivables is assessed as good since nearly the entire receivable is hedged by premium bonds and other securities.

The maturity periods for the Group's long-term loan receivables are as follows:

SEK M	2011	2010
Between 1 – 5 years	111[1]	35
More than 5 years	-	-
	111	**35**

1 Loan receivables in Catella Förmögenhetsförvaltning AB are deemed to have an average duration of 365 days.

The fair value of loan receivables is as follows:

SEK M	2011	2010
Loan receivables	111	1,204
	111	**1,204**

No loan receivables are past due.

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

SEK M	2011	2010
On 1 January	34	36
Provision for doubtful receivables	-	13
Receivables written off during the year that are not recoverable	-	-8
Reversed unutilised amount	-	-2
Reclassification to divestment group held for sale	-34	-
Exchange-rate differences	-	-5
On 31 December	**0**	**34**

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

SEK M	2011	2010
EUR	-	369
USD	-	122
SEK	111	670
GBP	-	24
CHF	-	16
NOK	-	2
DKK	-	1
HKD	-	0
Other currencies	-	0
Total	**111**	**1 204**

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

NOTE 27 OTHER NON-CURRENT RECEIVABLES

SEK M	2011	2010
On 1 January	5	1
Increase through business combinations	-	8
Additional endowment policies	0	-
Endowment policies utilised during the year	0	-4
Additional receivables	3	-
Translation differences	0	0
On 31 December	**8**	**5**

SEK M	2011	2010
Endowment policies for senior executives	2	2
Rent guarantees	5	3
Leasing receivable	1	-
Other	0	0
	8	**5**

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	2011	2010
Accrued interest income	1	16
Accrued administrative fees and card income	15	92
Other accrued income	12	9
Prepaid rental charges	13	12
Other prepaid expenses	15	12
	55	**141**

NOTE 29 CASH AND CASH EQUIVALENTS AND OVERDRAFT FACILITIES

SEK M	2011	2010
Continuing operations	152	193
Operations held for sale	-	2,686
Total cash and cash equivalents	**152**	**2,879**

Cash and cash equivalents comprise bank balances.

Cash and cash equivalents in Banque Invik are not available for withdrawal by the Catella Group, refer to Note 42.

Cash and cash equivalents include funds deposited in frozen accounts totalling SEK 12 M (13) for continuing operations and SEK 0 M (52) for divestment group held for sale. These funds are pledged as collateral in the Asset Management operating segment for ongoing transactions. The funds are frozen with a maturity of one day.

The Group has unutilised overdraft facilities of SEK 36.5 M (35).

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 2011.

Other contributed capital includes the total of the transactions that Catella AB conducted 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 2011, SEK 3 M (30) was paid for issued warrants. In addition, other contributed capital was reduced by the repurchase of issued warrants. In 2011, issued warrants were repurchased totalling SEK 11 M (-).

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 total accumulated gains and losses generated in the Group. Profit brought forward may also be impacted by transactions with non-controlling interests. During 2011, profit brought forward declined by SEK 31 M due to the acquisition of outstanding shares in the subsidiaries Catella Capital Intressenter AB and CFA Partners AB. In addition, profit brought forward is also reduced by dividends paid to shareholders of the Parent Company, although no dividends were paid in the period 2002- 2011 or are proposed to be paid for 2012.

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

NOTE 31 BORROWINGS AND LOAN LIABILITIES

SEK M	2011	2010
Bank loans for financing acquired operations	154	244
Bank loans for operating activities	86	76
Bond loans	-	95
Deposits from companies	-	2,932
Deposits from private customers	-	538
	240	**3,885**
Less: long-term portion	-	-203
Short-term portion	**240**	**3,682**

Borrowings and loan liabilities on 31 December 2011 pertain only to continuing operations. Borrowings and loan liabilities on 31 December 2010 pertain to the Group's total operations and are essentially attributable to the subsidiary Banque Invik, which was reclassified in 2011 to divestment group held for sale, refer to Note 42 Operations held for sale.

Maturity dates for the Group's borrowings and loan liabilities are as follows:

SEK M	2011	2010
Less than 6 months	134	3,508
Between 6 – 12 months	106	174
Between 1–5 years	-	203
More than 5 years	-	-
	240	**3,885**

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

SEK M	2011	2010
Bank loans	240	320
Bond loans	-	95
Deposits from companies	-	2,932
Deposits from private customers	-	538
	240	**3,885**

For information about average loan interest, refer to the table Interest-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 policies	Credit card related provisions [1]	Legal disputes in acquired companies	Tax disputes	Other	Total
On 1 January 2010	1	0	3	0	3	7
Increase 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
On 31 December 2010	**2**	**7**	**0**	**0**	**4**	**13**
Increase through business combinations			2			2
Additional provisions	0				1	1
Utilised during the year	0					0
Reversed unutilised amount						0
Reclassified to divestment group held for sale		-7			-3	-10
Exchange-rate differences					0	0
On 31 December 2011	**2**	**0**	**1**	**0**	**2**	**5**

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

Most of 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	2011	2010
Holiday pay liability	14	16
Accrued personnel costs	25	54
Accrued audit expenses	2	4
Accrued insurance expenses	0	0
Accrued legal expenses	1	1
Accrued bonus	53	69
Accrued interest expense	-	2
Accrued rental charges	20	25
Accrued commission expenses	31	43
Accrued costs pertaining to issue and loan guarantees	4	-
Other accrued expenses	23	20
Prepaid income	-	7
	173	**243**

NOTE 34 PLEDGED ASSETS

	2011		2010	
SEK M	Continuing operations	Operations held for sale	Continuing operations	Operations held for sale
Shares in subsidiaries	473	-	508	-
Securities	140	-	-	-
Cash and cash equivalents	12	166	13	174
Other pledged assets	1	38	2	-
	626	**204**	**523**	**174**

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 47.6 per cent of the shares in Catella AB (publ) on 31 December 2011, has provided an issue and loan guarantee totalling SEK 54 M (100). Claesson & Andersén AB will receive secondary mortgages in the subsidiaries, pledged as collateral for the Group's acquisition loan from the acquisition of the Catella Brand AB Group and the Group's overdraft facility.

Catella Wealth Management's borrowing occurs using standard collateral in securities in customary pledge values, which are in turn received as collateral for credit granted to customers.

Cash and cash equivalents include pledged cash funds in frozen accounts totalling SEK 12 M (65). These funds are used as collateral in the Asset Management operating segment for ongoing transactions. These funds are frozen for one day. Refer also to Note 29. Cash and cash equivalents also include cash funds in accordance with minimum retention requirements of Banque Invik's card operations.

NOTE 35 CONTINGENT LIABILITIES

	2011		2010	
SEK M	Continuing operations	Operations held for sale	Continuing operations	Operations held for sale
Client funds managed on behalf of customers	239	-	-	-
Guarantees	1	14	1	9
	239	**14**	**1**	**9**

Client funds pertain to assets belonging to customers and managed by the subsidiary Catella Wealth Management. These assets were acquired and also stored in separate bank accounts by the subsidiary in third-party name.

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 day-to-day 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

	2011		2010	
SEK M	Continuing operations	Operations held for sale	Continuing operations	Operations held for sale
Unutilised credit facilities, granted by Banque Invik	-	1,883	-	3,194
Unutilised credit facilities, granted by Catella Wealth Management		-	-	-
Forward agreements	-	222	-	45
	0	**2,105**	**0**	**3,240**

Unutilised credit facilities pertain to the credit commitments issued by Banque Invik to its customers. Customers can utilise these facilities under certain circumstances, for example, depending on the type of collateral they are able to provide.

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, such as, photocopiers, on the basis of cancellable operational leasing agreements. The Group's period of notice of termination for these agreements is six months.

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

	2011		2010	
SEK M	Continuing operations	Operations held for sale	Continuing operations	Operations held for sale
Within 1 year	48	17	48	19
Between 1 and 5 years	133	68	142	81
More than 5 years	0	17	0	38
	181	**103**	**191**	**139**

Leasing costs recognised in profit and loss during the year amounted to SEK 60 M (24).

NOTE 37 INTEREST PAID AND RECEIVED

Interest paid and received for the Group's total operation during the year amounted to the following:

SEK M	2011	2010
Interest received	98	77
Interest paid	-30	-12
Net interest paid	**68**	**64**

NOTE 38 ACQUISITIONS OF OPERATIONS

During 2011, the Group acquired 100 per cent of the shares in EKF Enskild Kapitalförvaltning AB, which was renamed Catella Förmögenhetsförvaltning AB. In addition, the outstanding shares in the subsidiaries Catella Capital Intressenter AB, CFA Partners AB and European Equity Tranche Income Ltd were acquired. Since the latter three of these companies were already consolidated into the Group, the acquired balance sheet is not presented below.

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

Acquisitions in 2011

EKF Enskild Kapitalförvaltning AB

On 29 April 2011, following approval from the Swedish Financial Supervisory Authority, the Group acquired 100 per cent of the shares in EKF Enskild Kapitalförvaltning AB, which was renamed Catella Förmögenhetsförvaltning AB. Catella Wealth Management is an independent asset manager in the Swedish market and has approximately SEK 4 billion under management. The operation is conducted through its head office in Stockholm and local offices in Växjö. The number of employees at acquisition was 29. The company is an account-operating institute, clearing member and manager in Euroclear. Customers include private individuals, companies, foundations and trade associations.

The acquisition is to be regarded as the first step in the establishment of a complete wealth management service in Sweden and the Nordic region and will be operated in parallel with existing funds. Catella's goal is to expand further in wealth management and become a leading independent asset manager in Sweden.

The acquired operation, which is included in the Asset Management operating segment, was consolidated into the Group from 1 May 2011 and contributed income and loss after tax of SEK 23 M and SEK 13 M, respectively, in 2011. If the acquisition had occurred on 1 January 2011, the Group's income would have amounted to SEK 822 M, profit after tax for the year to SEK 22 M and comprehensive income would have amounted to SEK 14 M for the year. These amounts were calculated by applying

Acquisition analysis

	2011		2010	
SEK M	Catella Förmögenhetsförvaltning	Others	Catella Brand	Others
Brand	-	-	50	-
Intangible assets	3	-	23	-
Tangible fixed assets	1	-	20	-
Holdings in associated companies	-	-	4	-
Financial assets measured at fair value through profit and loss	28	-	23	-
Loan receivable	142	-	-	-
Deferred tax assets	-	-	8	-
Other non-current receivable	-	-	8	-
Other receivables	12	0	137	0
Cash and cash equivalents	1	1	210	33
Borrowings	-89	-	-40	-
Loan liabilities	-18	-	-	-
Deferred tax liabilities	-1	-	-23	-
Provisions	-2	-	-9	-
Other liabilities	-52	-1	-542	0
Fair value net assets[1]	**28**	**0**	**-129**	**33**
Non-controlling interests	-	62	-8	4
Goodwill	20	-	223	0
Total purchase consideration	**47**	**63**	**86**	**37**
Assumed loans	-	-	341	-
Unsettled purchase consideration	-2	-43	-8	-
Purchase consideration paid via new share issue	-	-3	-	-30
Cash-settled purchase consideration	**45**	**17**	**419**	**7**
Cash and cash equivalents in acquired subsidiaries	-1	-1	-210	-33
Acquisition expenses	1	-1	8	-
Changing in Group's cash and cash equivalents in conjunction with acquisition	**45**	**15**	**217**	**-26**

1 Acquired receivables' value corresponds to contractual value.

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 taken place on 1 January 2011, combined with the subsequent tax consequence.

The purchase consideration for EKF Enskild Kapitalförvaltning AB amounted to SEK 47 M, of which SEK 45 M was paid in cash and the remaining SEK 2 M was withheld until further notice in accordance with the acquisition agreement. In addition, acquisition-related expenses of slightly more than SEK 1 M were paid in conjunction with the acquisition, which were charged against operating profit for 2011.

The acquisition analysis presented below resulted in goodwill of SEK 20 M. Goodwill is attributable to operational expansion, human capital and the synergy effects expected to arise through coordination with the Group's existing asset management operation. The fair value of acquired identifiable intangible assets amounted to SEK 3 M and is attributable to customer relations. The acquisition analysis is preliminary pending the final measurement of these assets, which is estimated to occur within 12 months from the acquisition date.

Transactions with non-controlling interests

The below acquisition of Catella Capital Intressenter AB and CFA Partners AB is recognised as a transaction with non-controlling interests, meaning within shareholders' equity.

Catella Capital Intressenter AB

Catella's holding in the subsidiary Catella Capital Intressenter AB, which is a Parent Company to Catella Fondförvaltning AB, increased during the fourth quarter of 2011 from 70 per cent to 100 per cent through assuming possession of shares acquired from the subsidiary's senior executives. The transaction was implemented to streamline the structure and facilitate Group contribution. Participation at local level in the Swedish fund operation was exchanged for participation at Parent Company level.

The total purchase consideration amounted to SEK 44 M. As partial payment, Catella paid SEK 5.5 M in warrants. The remaining portion was paid in cash, the majority of which the sellers are obligated to use to acquire Catella shares in the market. A lock-up period of up to four years applies for the acquired Catella shares.

CFA Partners AB

During 2010, 91 per cent of the holding in the former Catella Group was acquired. The total purchase consideration, including the redemption of loan, amounted to SEK 427 M. As part of the acquisition, the Board of Catella decided to acquire the remaining 9 per cent for SEK 24 M from senior executives within the Catella Group.

The acquisition was financed via promissory notes that extend until Banque Invik has been divested and cash received, however, not later than 31 July 2012. Interest is paid at the government borrowing rate on the loan date, plus 1 per cent. The acquisition is conditional on approval from the Swedish Financial Supervisory Authority.

Acquisitions in 2010

Catella Brand AB

On 13 September 2010, the Group acquired 100 per cent of the shares in Catella AB (renamed Catella Brand AB) through its 91-per cent holdings in the subsidiary CFA Partners AB. Catella specialises 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 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 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).

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.

NOTE 39 GROUP COMPANIES

			31 December 2011		31 December 2010	
Company	Corporate Reg. No.	Domicile	Participating interest	Total no. of shares	Participating interest	Total no. of shares
Scribona AS	979460198	Oslo	100%	5,067	100%	5,067
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	100%	10,000
Modern Treuhand Corporate Services Ltd	HE 265321	Cyprus	100%	10,000	100%	10,000
Tea Call AB	556787-1909	Stockholm	100%	15,000	60%	15,000
European Equity Trance Income Ltd	44552	Guernsey	100%	64	99,86%	64
European Equity Trance Income Finance Ltd	442120	Dublin	100%	1,000	99,86%	1,000
Catella Corporate Finance Stockholm HB	969751-9628	Stockholm	65%	-	65%	-
Catella Corporate Finance Göteborg HB	969751-9602	Gothenburg	65%	-	65%	-
Catella Förmögenhetsförvaltning AB	556545-0383	Stockholm	100%	15,878	-	-
CFA Partners AB	556748-6286	Stockholm	100%	2,000	91%	2,000
Catella Brand AB	556090-0188	Stockholm	100%	1,000	100%	1,000
Catella Financial Advisory AB	556715-3944	Stockholm	100%	1,000	100%	1,000
Catella Property Fund Management AB	556660-8369	Stockholm	100%	10,000	100%	10,000
Catella Real Estate AG Kapitalanlagegesellschaft	HRB 169051	Munich	94,5%	2,500	94,5%	2,500
Catella Real Estate S.r.l	BZ 0190483	Bozen	94,5%	10,000	94,5%	10,000
Catella Trust GmbH	HRB 193208	Munich	100%	1	-	-
Amplion Asset Management Holding AB	556715-3472	Stockholm	100%	1,000	100%	1,000
Catella Asset Management SAS	B 412670375	Paris	65%	4,000	65%	4,000
Parcolog Gestion SARL	B 490102993	Paris	-	-	66%	1,000
Catella Real Estate Investment Management AB	556638-5356	Stockholm	100%	1,000	100%	1,000
Amplion Asset Management AB	556813-5262	Stockholm	100%	100,000	100%	100,000
Catella Advisory AB	556724-4917	Stockholm	100%	1,000	100%	1,000
Catella Property Oy	669987	Helsinki	100%	10,000	100%	10,000
Catella Corporate Finance Oy	726244	Helsinki	100%	100	100%	100
Amplion Asset Management OOO	1079817049006	St. Petersburg	-	-	100%	1
Amplion Asset Management Holding Oy	2214836-4	Helsinki	100%	10,000	100%	10,000
Catella Property Norway AS	986032851	Oslo	100%	2,976,862	100%	2,976,862
Catella Corporate Finance AS	886623372	Oslo	80%	10,000	52,5%	10,000
Catella Property GmbH	HRB 106179	Düsseldorf	100%	-	100%	-
Catella Property Valuation GmbH	HRB 106180	Düsseldorf	100%	-	100%	-
Catella Property Advisors GmbH	HRB 106183	Düsseldorf	100%	-	100%	-
Catella Corporate Finance SIA	40003814194	Riga	60%	2,000	60%	2,000
Catella Corporate Finance Vilnius	300609933	Vilnius	60%	100	60%	100
OÜ Catella Corporate Finance Tallin	11503508	Tallin	60%	1	60%	1
Catella Property Benelux SA	BE 0467094788	Brussels	100%	300,000	100%	300,000
Catella Property Belgium SA	BE 0479980150	Brussels	100%	533,023	100%	533,023
Catella Property Denmark A/S	17981595	Copenhagen	60%	555,556	60%	555,556
Catella Mezzanine AG	234205	Switzerland	75%	100,000	75%	100,000
Catella France SARL	B 412670374	Paris	100%	2,500	100%	2,500
Catella Valuation Advisors SAS	B 435339098	Paris	66%	4,127	66%	4,127
Catella Property Consultants SAS	B 435339114	Paris	100%	4,000	100%	4,000
Catella Residential Partners SAS	B 442133922	Paris	65%	4,000	65%	4,000
Catella Property Spain S.A.	A 85333342	Madrid	70%	60	70%	60
Catella Advisory Sweden AB	556724-4925	Stockholm	100%	1,000	100%	1,000
CC Intressenter AB	556740-5609	Stockholm	60%	1,000	60%	1,000
Catella Consumer AB	556654-2261	Stockholm	60%	10,000	60%	10,000
CCF Stockholm Intressenter AB	556724-4941	Stockholm	100%	1,000	100%	1,000
Catella Corporate Finance AB	556740-5971	Stockholm	100%	1,000	100%	1,000
CCF Holding AB	556700-8577	Stockholm	100%	1,000	100%	1,000
Catella Markets AB	556708-3976	Stockholm	100%	2,000,000	100%	2,000,000
CCF Malmö Intressenter AB	556740-5963	Stockholm	60%	1,000	60%	1,000
Catella Corporate Finance Malmö AB	556740-5666	Stockholm	60%	1,000	60%	1,000
Aveca AB	556646-6313	Stockholm	100%	5,000	100%	5,000
Aveca Geshäftsführungs GmbH	HRB 106722	Düsseldorf	100%	-	100%	-
Catella Capital Intressenter AB	556736-7072	Stockholm	100%	1,000,000	100%	1,000,000
Catella Capital AB	556243-6989	Stockholm	100%	221,600	100%	221,600
Catella Fondförvaltning AB	556533-6210	Stockholm	100%	50,000	100%	50,000
Alletac Shared Services AB	556543-2118	Stockholm	100%	12,000	100%	12,000

NOTE 40 EVENTS AFTER BALANCE-SHEET DATE

No significant events occurred after the end of the financial year.

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

2011

In 2011, 2,625,000 warrants were repurchased at market prices from the former Deputy Chief Executive Officer Lennart Schuss due to changed employment conditions, in accordance with the terms of the warrants. The total purchase consideration for the warrants amounted to SEK 10.3 M.

On 30 December 2011, the outstanding shares (9 per cent) were acquired in the subsidiary CFA Partners AB from the Chief Executive Officer, the former Deputy Chief Executive Officer and the Chief Financial Officer for a total purchase consideration of SEK 24 M.

In addition, remuneration of SEK 4 M was paid in 2011 to Claesson & Andersén AB, which directly owns 47.6 percent of the shares in Catella AB (publ) as of 31 December 2011, for the issue and loan guarantee provided in the event Catella is unable to meet the covenants approved in the loan agreement with the external lender.

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

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 the Catella Group, 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 Group received these warrants on market-based terms. The warrants have expiry dates in 2013, 2014, 2015 and 2016 and 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.

NOTE 42 DIVESTMENT GROUP HELD FOR SALE

During 2011, a decision was made that the Catella Group's operations will be streamlined and that a sales process for the subsidiary Banque Invik's credit card and acquiring operation, or the entire bank, will be initiated. This operation is consequently recognised as divestment group held for sale according to IFRS 5 Non-current assets held for sale and discontinued operations. This means that the consolidated income statement will recognise Banque Invik's net profit (after tax) on a separate line called Profit for the year from divestment group held for sale. Prior years' comparative figures for the bank are recognised in a corresponding manner in the consolidated income statement. From 23 March 2011, when the decision on the sales process was made, assets and liabilities attributable to the banking operations are recognised as Assets in divestment group held for sale, and Liabilities in divestment group held for sale. The table below shows the income statement, as well as assets and liabilities for the operations under divestment (divestment group held for sale).

Income statement

SEK M	Note	Jan – Dec 2011	Jan – Dec 2010
Net sales	B	210	278
Other operating income		1	2
		210	**281**
Other external expenses		-121	-159
Personnel costs	C	-90	-102
Depreciation/amortisation		-13	-16
Other operating expenses		-15	-26
Operating loss		**-28**	**-22**
Interest income		48	35
Interest expense		-16	-10
Other financial income		1	4
Other financial expenses		0	-13
Financial items, net		33	16
Profit/loss before tax		**5**	**-7**
Tax	D	5	-4
Profit/loss for the year attributable to divestment group held for sale		**10**	**-10**

Assets and liabilities

SEK M	Note	Jan – Dec 2011	Jan – Dec 2010
ASSETS			
Non-current assets			
Intangible assets	E	13	19
Tangible fixed assets	E	4	8
Financial assets available for sale	G	26	12
Financial assets measured at fair value through profit and loss		-	0
Non-current loans receivable	I	2	35
Deferred tax assets		0	3
		46	**77**
Current assets			
Accounts receivable		68	37
Current loans receivable	I	866	1,169
Prepaid tax		15	28
Other receivables		0	4
Prepaid expenses and accrued income		8	8
Derivative instrument	F	2	1
Financial assets measured at fair value through profit and loss		2	1
Financial assets held to maturity	H	15	13
Cash and cash equivalents	J	1,616	2,686
		2,591	**3,947**
Assets in divestment group held for sale		**2,637**	**-**
Liabilities			
Non-current liabilities			
Non-current loan liabilities	K	-	31
Deferred tax liabilities		10	6
Other provisions		8	10
		18	**47**
Current liabilities			
Borrowings	K	61	75
Current loan liabilities	K	2,189	3,534
Derivative instruments	F	2	1
Accounts payable		32	22
Tax liabilities		0	21
Other liabilities		13	2
Accrued expenses and deferred income		3	6
		2,300	**3,661**
Total liabilities			
Liabilities in divestment group held for sale		**2,318**	**-**

A) FINANCIAL RISK MANAGEMENT

Banque Invik conducts wealth management, as well as credit card and acquiring operations and falls under the Financial Supervisory Authority in Luxembourg. The bank does not trade in financial instruments except in hedging situations connected with customers' transactions. The bank does not trade or capture positions for its own sake. Due to the bank's restrained policy in granting credit and trading in financial derivative instruments, exposure to risks is limited.

Liquidity risk

Liquidity risk is the risk that the bank, 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 bank could be forced to borrow at unfavourable interest rates or sell assets at a loss to be able to fulfil its payment obligations.

The tables below summarise Banque Invik's liquidity risks at the end of 2011 and 2010.

Liquidity report on 31 December 2010 - 2011

SEK M	< 1 year	Between 1 - 5 years	> 5 years	Total
31 December 2011				
Borrowings	-61			-61
Loan liabilities	-2,189			-2,189
Derivative instruments	-2			-2
Accounts payable and other liabilities	-45			-45
Total outflow[1]	**-2,298**	**0**	**0**	**-2,298**
Accounts receivable and other receivables	68			68
Loan receivables	866	2		868
Derivative instruments	2			2
Financial assets measured at fair value through profit and loss	2			2
Total inflow[1]	**938**	**2**	**0**	**940**
Net cash flow, total	**-1,360**	**2**	**0**	**-1,358**

SEK M	< 1 year	Between 1 - 5 years	> 5 years	Total
31 December 2010				
Borrowings	-75			-75
Loan liabilities	-3,534	-31		-3,565
Derivative instruments	-1			-1
Accounts payable and other liabilities	-24			-24
Total outflow[1]	**-3,634**	**-31**	**0**	**-3,665**
Accounts receivable and other receivables	41			41
Loan receivables	1,169	35		1,204
Derivative instruments	1			1
Financial assets measured at fair value through profit and loss	1	0		1
Total inflow[1]	**1,212**	**35**	**0**	**1,247**
Net cash flow, total	**-2,422**	**4**	**0**	**-2,418**

1 Pertains to discounted contractual cash flows.

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 description of the bank's loan liabilities, refer to Note K below and for the bank's commitment pertaining to granted but unutilised credit facilities, refer to Note 36.

Market risk

Market risk is the risk of loss or declining future income 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. All trading in financial instruments in Banque Invik is customer-based and not conducted for trading or speculative purposes.

Market-price risk

Banque Invik is indirectly exposed to market-price risk regarding the value of collateral provided for the customer's loans and other undertakings.

Interest risk

Interest-rate risk is especially in focus in Banque Invik. 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.

Information on Banque Invik's net debt profile and a sensitivity analysis are presented below together with information on the fixed-interest periods.

Interest-bearing liabilities and assets by currency

31 December 2011	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	-767						
USD liabilities	-810						
SEK liabilities	-487						
GBP liabilities	-115						
CHF liabilities	-27						
NOK liabilities	-21						
DKK liabilities	-4						
Liabilities in other currencies	-22						
Total interest-bearing liabilities	**-2,252**	**30**	**0.6%**	**1.6%**	**-23**	**-0.4%**	**23**
EUR assets	1,086						
USD assets	776						
SEK assets	450						
GBP assets	116						
CHF assets	23						
NOK assets	22						
DKK assets	4						
Assets in other currencies	24						
Total interest-bearing assets	**2,501**	**12**	**1.6%**	**2.6%**	**25**	**0.6%**	**-25**

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 interest-bearing liabilities	**-3,641**	**30**	**0.4%**	**1.4%**	**-36**	**-0.6%**	**36**
EUR assets	2,091						
USD assets	754						
SEK assets	745						
GBP assets	157						
CHF assets	54						
NOK assets	39						
DKK assets	18						
Assets in other currencies	46						
Total interest-bearing assets	**3,904**	**11**	**1.1%**	**2.1%**	**39**	**0.1%**	**-39**

Exchange-rate risk

In 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 the currency risk, the positions built up are divested daily.

Credit risk

Credit risk is the risk of losses due to a borrower not being able to fulfil its obligations to Banque Invik. Credit risk pertains to all receivables and potential receivables, meaning receivables that can arise through the bank's card operations, in companies, financial companies, public administration and private individuals. Credit risk represents the bank's largest risk exposure and is related to its investments, loans to customers, credit card receivables and other undertakings to counterparties.

The table below shows the credit rating of financial assets for Banque Invik.

Credit rating of financial assets (SEK M)

31 December 2011	Accounts receivable	Loan receivables	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 rating[1]:								
AAA						15	44	59
AA+			0				247	247
AA							283	283
AA-							456	456
A+				26			354	380
A							79	79
B							8	8
BBB+	38							38
	38	**0**	**0**	**26**	**0**	**15**	**1,470**	**1,550**
Counterparties without external credit ratings:								
Companies	30	440	2		1			472
Financial companies				0			145	145
Funds					1			1
Private individuals		429	0					429
	30	**868**	**2**	**0**	**2**	**0**	**145**	**1,047**
Total	**68**	**868**	**2**	**26**	**2**	**15**	**1,616**	**2,597**

31 December 2010	Accounts receivable	Loan receivables	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 rating[1]:								
AAA						13	59	72
AA+			1				319	320
AA							329	329
AA-							439	439
A+				11			590	601
A							319	319
A-							306	306
B							31	31
BBB+	36							36
	36	**0**	**1**	**11**	**0**	**13**	**2,393**	**2,454**
Counterparties without external credit ratings:								
Companies	1	769			0			770
Financial companies				0			293	293
Funds					1			1
Private individuals		435						435
	1	**1,204**	**0**	**0**	**1**	**0**	**293**	**1,499**
Total	**37**	**1,204**	**1**	**12**	**1**	**13**	**2,686**	**3,954**

1 Standard & Poor's long-term credit rating was used.

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 2011, the market value of collateral on loans amounted to 213 per cent (253).

All loans must be approved by Banque Invik's credit committee, which comprises the bank's management team. In addition, loans in excess of EUR 2.5 M must be approved by two of the bank's Board members. Group Management is represented on Banque Invik's Board and therefore actively participates 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 acquiring customers. Credit losses for card acquiring customers can arise if an acquiring customer in default has not fulfilled its commitments, such as delivering the product or providing the service. To minimise credit risk for acquiring customers, Banque Invik locks a share of sales that take place in the card system as collateral. Also refer to Note J below for information on frozen funds.

B) NET SALES

SEK M	2011	2010
Card income	162	223
Private banking income	47	45
Other income	1	10
	210	**278**

C) PERSONNEL

Salaries, other remuneration and social security contributions by country

	2011		2010	
SEK M	Board and CEO (of which bonus)	Other employees	Board and CEO (of which, bonus)	Other employees
Luxembourg	11 (-)	60	1 (-)	71
Sweden	- (-)	3	- (-)	7
Total	**11 (0)**	**62**	**1 (0)**	**77**

D) TAXES

Taxes for 2011 include tax income of SEK 11 M pertaining to adjustments of prior years as a result of established tax assessment rates for 2006, 2007 and 2008.

E) INTANGIBLE AND TANGIBLE ASSETS

	2011		2010	
SEK M	Intangible assets	Tangible fixed assets	Intangible assets1	Tangible fixed assets
On 1 January				
Cost	69	37	65	46
Accumulated depreciation/ amortisation	-50	-29	-41	-32
Carrying amount	**19**	**8**	**24**	**14**
Financial year				
Opening balance	19	8	24	14
Purchases	1	2	9	1
Reclassifications	2	-2	1	-1
Depreciation/amortisation	-9	-4	-11	-5
Exchange-rate differences	0	0	-3	-1
Closing balance	**13**	**4**	**19**	**8**
On 31 December				
Cost	71	38	69	37
Accumulated depreciation/ amortisation	-58	-33	-50	-29
Carrying amount	**13**	**4**	**19**	**8**

1 Pertains primarily to software licenses.

F) DERIVATIVE INSTRUMENTS

	2011		2010	
SEK M	Assets	Liabilities	Assets	Liabilities
Forward contracts	2	2	1	1
	2	2	1	1
Less: long-term portion	-	-	-	-
Short-term portion	**2**	**2**	**1**	**1**

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

The above-described hedging transactions are financial in character and are not recognised as hedges according to the accounting standard IAS 39 Financial Instruments.

G) FINANCIAL ASSETS AVAILABLE FOR SALE

Financial assets available for sale pertain to shares in Visa and Swift and also for Mastercard in 2010, which fall within the framework for the credit card and acquiring operations in Banque Invik.

Financial assets available for sale include the following:

SEK M	2011	2010
Unlisted securities		
- shares in USA[1]	26	11
- shares in Europe	0	0
	26	**12**

1 *For 2011, the amount pertains to shares in Visa, which were sold on 2 February 2012 at a market price of USD 3.9 M (SEK 26.3 M).*

SEK M	2011	2010
On 1 January	12	24
Purchases	-	2
Sales	-	-10
Net profit and losses recognised in other comprehensive income	15	-2
Exchange-rate differences	0	-3
On 31 December	**26**	**12**
Less: long-term portion	-26	-12
Short-term portion	**0**	**0**

Financial assets available for sale expressed in the following currencies:

SEK M	2011	2010
USD	26	11
EUR	0	0
	26	**12**

H) FINANCIAL ASSETS HELD UNTIL MATURITY

SEK M	2011	2010
Treasury bills including accrued interest	15	13
	15	**13**

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

SEK M	2011	2010
Treasury bills including accrued interest	15	13
	15	**13**

Investments held until maturity pertain to Swedish government treasury bills in SEK that will fall due on 23 March 2012.

I) LOAN RECEIVABLES

SEK M	2011	2010
Loan receivables	908	1,238
Less: provisions for doubtful loan receivables	-39	-34
	868	**1,204**
Less: long-term portion	-2	-35
Short-term portion	**866**	**1,169**

Maturity dates for Banque Invik's non-current loan receivables are as follows:

SEK M	2011	2010
Between 1 and 5 years	2	35
More than 5 years	-	-
	2	**35**

The fair value of loan receivables is as follows:

SEK M	2011	2010
Loan receivables	868	1,204
	868	**1,204**

There are no mature loan receivables.

The subsidiary Banque Invik also has granted but unutilised credit facilities for customers amounting to SEK 1,883 M (3,194), refer to Note 36.

Recognised amount, by currency, for the Group's loan receivables is as follows:

SEK M	2011	2010
EUR	353	369
USD	60	122
SEK	415	670
GBP	30	24
CHF	9	16
NOK	1	2
DKK	0	1
HKD	0	0
Other currencies	0	0
	868	**1,204**

For information on credit quality of loan receivables, refer to Financial assets' credit rating in Note A.

J) CASH AND CASH EQUIVALENTS AND CREDIT FACILITIES

SEK M	2011	2010
Operations held for sale	1,616	2,686
Total cash and cash equivalents	**1,616**	**2,686**

Cash and cash equivalents comprise bank balances. Cash and cash equivalents in Banque Invik are not available for use by the Catella Group.

Cash and cash equivalents include funds placed in frozen accounts totalling SEK 42 M (52). These funds are pledged as collateral in the Asset Management operating segment for ongoing transactions. The funds are frozen for one day.

Refer also to Liquidity risk in Note A.

K) BORROWINGS AND LOAN LIABILITIES

SEK M	2011	2010
Bank loans for operating activities	61	75
Bond loans	24	95
Deposits from companies	1,651	2,932
Deposits from private customers	514	538
	2,250	**3,640**
Less: long-term portion	-	-31
Short-term portion	**2,250**	**3,609**

The market value of collateral for loans must always amount to at least 140 per cent of the loan. On 31 December 2011, the market value of loan collateral amounted to 213 per cent (253).

The maturity dates for Banque Invik's borrowings and loan liabilities are as follows:

SEK M	2011	2010
Less than 6 months	2,193	3,472
Between 6 and 12 months	57	138
Between 1 and 5 years	-	31
More than 5 years	-	-
	2,250	**3,640**

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

SEK M	2011	2010
Bank loans	61	75
Bond loans	24	95
Deposits from companies	1,651	2,932
Deposits from private customers	514	538
	2,250	**3,640**

For information on average loan interest rates, refer to the table on Interest-bearing liabilities and assets by currency under the heading Interest-rate risk in Note A.

NOTE 43 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 year.

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 year.

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, plus or minus fair-value adjustments on financial assets 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. EETI's investments in loan portfolios are also 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 rates on the closing day of the currencies in the Group in relation to SEK were as follows:

Exchange rates 2011

Currency	Average rate	Closing-day rate
DKK	1.21255	1.20333
EEK	-	-
EUR	9.0335	8.9447
GBP	10.4115	10.6768
LTL	2.6163	2.5908
LVL	12.7912	12.7894
NOK	1.158657	1.15049
PLN	2.1969	2.0309
USD	6.4969	6.9234

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

Parent Company income statement

SEK M	Note	2011 Jan–Dec	2010 Jan–Dec
Other external costs	45	-1.0	-5.8
Personnel costs	46	-1.7	-5.0
Operating loss		**-2.7**	**-10.8**
Profit from participations in Group companies	47	1.2	48.3
Interest income and similar profit/loss items	48	0.1	-
Interest expense and similar profit/loss items		0.0	0.0
Financial items		1.3	48.2
Profit/loss before tax		**-1.4**	**37.4**
Tax on net profit for the year	49	-	-
Net profit/loss for the year		**-1.4**	**37.4**

Parent Company statement of comprehensive income

SEK M	2011 Jan–Dec	2010 Jan–Dec
Net profit/loss for the year	-1.4	37.4
Other comprehensive income	-	-
Other comprehensive income for the year, net after tax	0.0	0.0
Total comprehensive income for the year	**-1.4**	**37.4**

Parent Company balance sheet

SEK M	Note	2011 31 Dec	2010 31 Dec
ASSETS			
Non-current assets			
Participations in Group companies	50	104.0	97.0
Non-current receivables	51	0.4	0.8
		104.4	**97.8**
Current assets			
Current receivables from Group companies		468.3	473.8
Other current receivables		0.1	0.2
Cash and cash equivalents		0.2	0.5
		468.6	**474.6**
Total assets		**573.0**	**572.4**
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		49.6	46.3
Profit brought forward		110.0	72.5
Profit/loss for the year		-1.4	37.4
		158.1	**156.3**
Total equity		**571.4**	**569.6**
Provisions			
Provisions for pensions	51	0.4	0.8
		0.4	**0.8**
Current liabilities			
Accounts payable		0.0	0.2
Tax liabilities		0.4	-
Other current liabilities		-	0.1
Accrued expenses and deferred income	53	0.8	1.8
		1.2	**2.0**
Total liabilities		**1.6**	**2.8**
Total equity and liabilities		**573.0**	**572.4**
MEMORANDUM ITEMS	54		
Pledged assets		-	-
Contingent liabilities		-	-

Parent Company cash-flow statement

SEK M	Note	2011 Jan–Dec	2010 Jan–Dec
Cash flow from operating activities			
Profit/loss before tax		-1.4	37.4
Adjustments for non-cash items			
Dividend from subsidiaries		-9.2	-198.4
Impairment of shares in subsidiaries		8.0	152.0
Result from liquidation of subsidiaries		-	-1.5
Result from sale of subsidiaries		-	-0.5
Cash flow from operating activities before changes in working capital		**-2.6**	**-10.9**
Cash flow from changes in working capital			
Increase (-) / decrease (+) of operating receivables		3.1	-21.0
Increase (+) /decrease (-) of operating liabilities		-0.8	0.3
Cash flow from operating activities		**-0.3**	**-31.5**
Cash flow from investing activities			
Sale of subsidiaries		-	0.5
Cash flow from investing activities		**0.0**	**0.5**
Cash flow from financing activities			
Warrants issued		-	30.0
Repayment of non-executed dividend		-	0.3
Cash flow from financing activities		**0.0**	**30.3**
Cash flow for the year		**-0.3**	**-0.7**
Cash and cash equivalents at beginning of the year		0.5	1.2
Exchange-rate differences in cash and cash equivalents		-	-
Cash and cash equivalents at end of the year		**0.2**	**0.5**

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 2010		**163.4**	**249.9**	**16.4**	**9.8**	**62.4**	**501.8**
Appropriation of profits					62.4	-62.4	0.0
					0.3		0.3
Repayment of non-executed dividend				30.0			30.0
Comprehensive income for January – December 2010:							
Net profit for the year						37.4	37.4
Other comprehensive income, net after tax						0.0	0.0
Comprehensive income 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**
Appropriation of profits					37.4	-37.4	0.0
Repayment of non-executed dividend							0.0
Warrants issued				3.2			3.2
Comprehensive income for January – December 2011:							
Net loss for the year						-1.4	-1.4
Other comprehensive income, net after tax						0.0	0.0
Comprehensive income for the year					**0.0**	**-1.4**	**-1.4**
Equity, 31 December 2011		**163.4**	**249.9**	**49.6**	**110.0**	**-1.4**	**571.4**

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. 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 flow," 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

UFR 2 Group contributions and shareholders' contributions has been withdrawn by the Swedish Financial Reporting Board. Catella has applied the changes to the financial years beginning on 1 January 2010 or later; for these periods, reporting is in accordance with RFR 2, paragraph 2, as well as RFR 2, paragraph 3. This means that Group contributions paid from the Parent Company to subsidiaries are recognised as an increase in participations in subsidiaries and that a review of impairment requirements for these participations will be conducted in conjunction with this. Group contributions received by the Parent Company from subsidiaries are recognised according to the same policies as standard dividends from subsidiaries, meaning as profit/loss from Group companies in Profit/loss from participations in Group companies.

Shareholders' contributions

Shareholders' contributions paid are recognised as an increase of the item Participations in subsidiaries in the balance sheet. An assessment is then made as to whether an impairment requirement exists for the participations in subsidiaries.

Leasing agreements

The Parent Company recognises all of its leasing 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 to auditors (SEK M)	2011	2010
PricewaterhouseCoopers		
- Audit assignment	-	-
- Audit activities other than audit assignment	-	-
- Tax advisory services	-	-
- Other services	-	-
Total	**0.0**	**0.0**

Parent Company's audit fees for 2011 were paid by the subsidiary Catella Holding AB.

NOTE 46 PERSONNEL

Salaries, other remuneration and social security expenses (SEK M) Other employees	2011 Salaries and other remuneration (of which, bonus)	2011 Social security expenses (of which, pension costs)	2010 Salaries and other remuneration (of which, bonus)	2010 Social security expenses (of which, pension costs)
Board	1.4 (0)	0.4 (0)	1.0 (0)	0.3 (0)
Chief Executive Officer	0.0 (0)	0.0 (0)	1.8 (0)	0.6 (0)
Other employees. Sweden	0.0 (0)	0.0 (0)	1.0 (0)	0.3 (0)
Total	**1.4 (0)**	**0.4 (0)**	**3.8 (0)**	**1.2 (0)**

Salaries and other costs for the Chief Executive Officer for 2011 were paid by the subsidiary Catella Holding AB. There were no pension commitments for the Chief Executive Officer or other senior executives. For further information about remuneration of the Board and Chief Executive Officer, refer to Note 11.

Average number of employees (restated as full-time positions)	2011 Total	2011 Of whom, women	2010 Total	2010 Of whom, women
Chief Executive Officer and senior executives	1	-	1	-
Other employees	-	-	1	-
Total	**1**	**-**	**2**	**-**

As of 1 January 2012, Group management and other central group functions are gathered in the Parent Company Catella AB (publ).

NOTE 47 PROFIT/LOSS FROM PARTICIPATIONS IN GROUP COMPANIES

Profit/loss from participations in Group companies (SEK M)	2011	2010
Dividends	9.2	198.4
Impairment of shares in subsidiaries	-8.0	-152.0
Profit from liquidation of subsidiaries	-	1.5
Profit from sale of subsidiaries	-	0.5
Total	**1.2**	**48.3**

NOTE 48 INTEREST INCOME AND SIMILAR PROFIT/LOSS ITEMS

Profit/loss from participations in Group companies (SEK M)	2011	2010
Interest	0.1	-
Exchange-rate gains	-	-
Total	**0.1**	**0.0**

NOTE 49 TAX ON NET PROFIT FOR THE YEAR

Tax on net profit/loss for the year (SEK M)	2011	2010
Aktuell skatt	-	-
Uppskjuten skatt	-	-
Summa	**0.0**	**0.0**

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 constituting taxable income. Taxable earnings for the year amounted to a loss of SEK 3.2 M. The company has total loss carryforwards of SEK 98.5 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 2011	2010
Catella Holding AB	100%	100%	1,000	54.0	39.0
Scribona AS	100%	100%	5,067	50.0	58.0
Total				**104.0**	**97.0**

Information about the subsidiaries' corporate registration numbers and domiciles:

Company	Corp. Reg. No.	Domicile
Catella Holding AB	556064-2018	Stockholm
Scribona AS	979 460 198	Oslo

Participations in Group companies (SEK M)	2011	2010
Opening carrying amount	97.0	250.0
Acquisitions	-	-
Sales	-	-
Liquidation	-	-1.0
Shareholders' contribution paid	15.0	-
Impairments	-8.0	-152.0
Closing carrying amount	**104.0**	**97.0**

Impairments are described in Note 47 Profit/loss from participations in Group companies.

NOTE 51 NON-CURRENT RECEIVABLES/PENSION PROVISIONS

Non-current receivables of SEK 0.4 M (0.8) 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 secured 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 final payment in October 2012.

Non-current receivables (SEK M)	2011	2010
Opening carrying amount	0.8	1.2
Receipts	-	-
Disbursements	-0.5	-0.4
Disbursements/change in value	0.0	0.0
Closing carrying amount	**0.4**	**0.8**

NOTE 52 SHAREHOLDERS' EQUITY

On 31 December 2011, the share capital amounted to SEK 163.4 M divided between 81,698,572 shares. The quotient value per share is 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 2011.

On 31 December 2011, there were no outstanding convertible promissory notes that could lead to dilution of the share capital. A total of 36,100,000 warrants had been issued on 31 December 2011, 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 on 30 December 2011 was the Claesson & Anderzén Group (with related parties) with 47.6 per cent (39.0) of the capital and 47.1 per cent (37.3) of the votes.

Dividends

The Board proposes that no dividends be paid to shareholders in 2011.

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	2011	2010
Accrued salaries	0.4	0.1
Social security expenses	0.3	0.7
Accrued lawyer's fees	-	0.0
Other items	0.0	1.0
Total	**0.8**	**1.8**

NOTE 54 PLEDGED ASSETS AND CONTINGENT LIABILITIES

On 31 December 2011, following approval from the lender to fall below the covenant limit for a performance indicator, Catella fulfilled the agreed covenants.

In accordance with Note 34 Pledged assets, Claesson & Andersén AB, which indirectly owned 47.6 per cent of the shares in Catella AB (publ) on 31 December 2011, provided an issue and loan guarantee in the event the subsidiary Catella Holding AB and the Group fail to meet the covenants agreed in the loan contract with external lenders. 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. Transactions between the Parent Company and subsidiaries are priced on commercial terms. In 2011, 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 under Note 11 of the consolidated financial statements and to Note 46.

For pledged assets and contingent liabilities to the 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 instruments. 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 2011.

For further information about financial risks for the Catella Group 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 IFRS as adopted by the EU. 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 overview of the performance of the Parent Company's and the Group's operations, financial position and earnings and describe the material risks and uncertainties facing the Parent Company and the companies included in the Group.

The Parent Company's and the Group's income statements and balance sheets will be subject to adoption at the Annual General Meeting on 24 May 2012.

The Annual Report and the consolidated financial statements were, as stated above, approved for publication by the Board and Chief Executive Officer on 1 May 2012.

Johan Claesson
Chairman of the Board

Björn Edgren
Board member

Peter Gyllenhammar
Board member

Niklas Johansson
Board member

Jan Roxendal
Board member

Johan Ericsson
Chief Executive Officer

Our audit report was submitted on 1 May 2012.

PricewaterhouseCoopers AB

Patrik Adolfson
Authorised Public Accountant

Report on the annual accounts and consolidated financial statements

To the Annual General Meeting of Catella AB (publ)

Corporate Registration Number: 556079-1419

We have audited the annual accounts and the consolidated financial statements of Catella AB for 2011. The company's annual accounts and consolidated financial statements are included in the printed version of this document on pages 1-68.

Responsibilities of the Board of Directors and the Chief Executive Officer for the annual accounts and consolidated financial statements

The Board of Directors and the Chief Executive Officer are responsible for the preparation and fair presentation of these annual accounts and consolidated financial statements in accordance with International Financial Reporting Standards IFRS, as adopted by the EU, and the Annual Accounts Act, and for the internal control deemed necessary by the Board of Directors and the Chief Executive Officer for the preparation of annual accounts and consolidated financial statements that are free from material misstatement, whether such misstatement is due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the annual accounts and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the annual accounts and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated financial statements. The auditor chooses such procedures based on such assessments as the risk of material misstatement in the annual accounts and consolidated financial statements, whether such misstatement is due to fraud or error. In making these risk assessments, the auditor considers internal control measures relevant to the company's preparation and fair presentation of the annual accounts and consolidated financial statements in order to design audit procedures that are appropriate taking the circumstances into account, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Chief Executive Officer, as well as evaluating the overall presentation of the annual accounts and consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Parent Company as of 31 December 2011 and its financial performance and cash flows for the year in accordance with the Annual Accounts Act, and the consolidated financial statements have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2011 and its financial performance and cash flows in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated financial statements.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the Parent Company and the Group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated financial statements, we have examined the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Chief Executive Officer of Catella AB for the year 2011.

Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors is responsible for the proposal concerning the appropriation of the company's profit or loss, and the Board of Directors and the Chief Executive Officer are responsible for administration under the Companies Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined whether the proposal complies with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated financial statements, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Chief Executive Officer is liable to the company. We also examined whether any member of the Board of Directors 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory 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, 1 May 2012

PricewaterhouseCoopers AB

Patrik Adolfson
Authorised Public Accountant

Catella AB (publ)
VAT no. SE556079141901
Registered office in Stockholm, Sweden
Birger Jarlsgatan 6
P.O. Box 5894, SE–102 40 Stockholm
+46 8 463 33 10
info@catella.se