



Interim Report, Q1 2014

Catella AB



Specialised financial advisory services and asset management

CORPORATE FINANCE

Transaction advisory services on sales and acquisitions

• Sales & acquisitions

• Research & valuation

• Research, strategic consultancy and valuation services

• Financing

Financial advisory services and funding solutions via the bond market

ASSET MANAGEMENT

Active management in property, fixed income and equities

• Wealth management

Tailored wealth management and asset management

• Funds

• Card & payment solutions

Card issuance and card acquiring

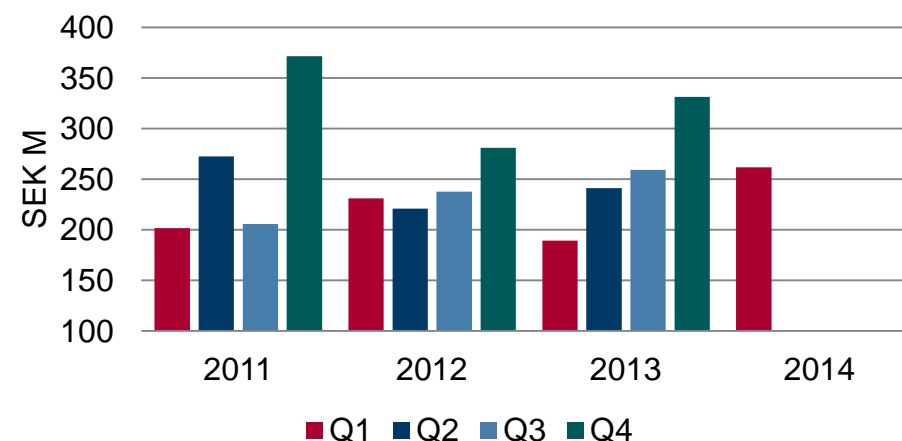
Better profitability due to higher volumes

- Stronger progress, primarily in advisory services and Swedish fund operation
- Higher activity in property advisory services and better market conditions
- Strong net inflows to funds

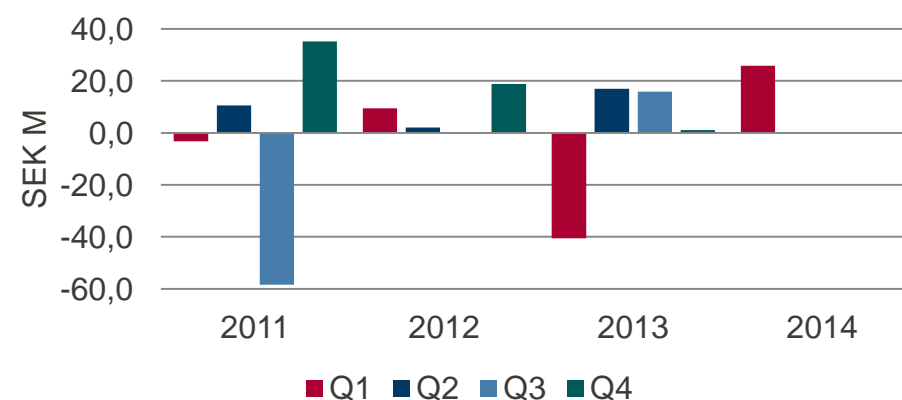
SEK M	2014 Jan-Mar	2013 Jan-Mar	Rolling 12 Months	2013 Jan-Dec
Net sales	262	189	1,092	1,020
Corporate Finance	70	47	419	397
Asset Management	192	142	680	630
Other	-1	0	-7	-7
Operating profit/loss *	18	-34	46	-6
Corporate Finance	-8	-26	29	11
Asset Management	31	0	52	20
Other	-5	-8	-35	-38
Profit/loss before tax	26	-41	60	-7
Employees at end of period	428	439	428	434

* Operating profit before acquisition-related items and items affecting comparability

NET SALES PER QUARTER, 2011-Q1 2014



PROFIT/LOSS BEFORE TAX PER QUARTER, 2011-Q1 2014



Consolidated Income Statement

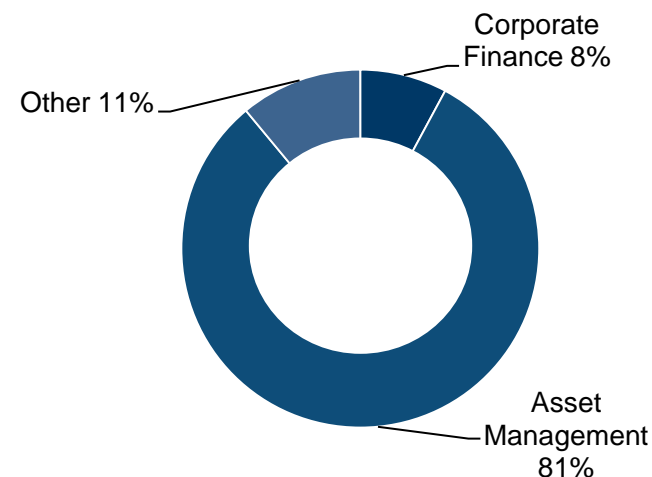
SEK M	3 Months		12 Months	
	2014 Jan-Mar	2013 Jan-Mar	Rolling 12 Months	2013 Jan-Dec
Net sales	262	189	1,092	1,020
Other operating income	6	4	19	17
Total income	267	193	1,111	1,038
Direct assignment costs and commission	-59	-49	-226	-217
Income excl. direct assignment costs and commission	209	144	885	821
Operating expenses	-191	-179	-839	-827
Operating profit/loss *	18	-34	46	-6
Depreciation of acquisition-related intangible assets	-2	-1	-6	-6
Items affecting comparability	0	0	0	0
Operating profit/loss	16	-36	40	-12
Financial income and expense - net	10	-5	20	5
Profit/loss before tax	26	-41	60	-7
Tax	-10	1	-26	-14
Net profit/loss for the period	15	-39	33	-21
<i>Employees at end of period</i>	428	439	428	434

* Operating profit before acquisition-related items and items and affecting comparability.

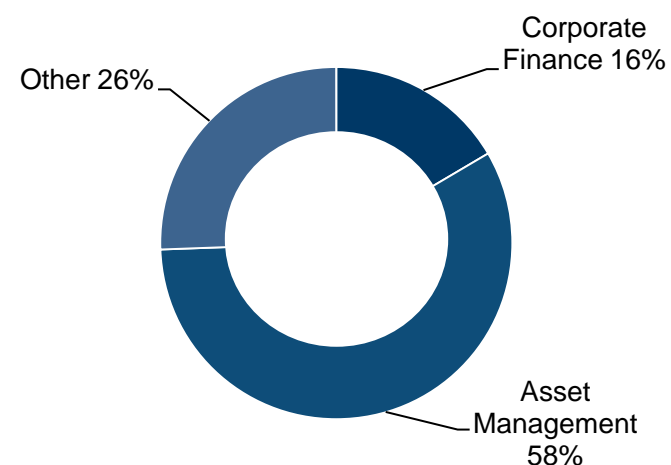
Financial position as of 31 March 2014

- Total assets: SEK 3,407 M (3,294), of which:
 - Corporate Finance, SEK 268 M (235)
 - Asset Management, SEK 2,764 M (2,697)
 - Other, SEK 375 M (362)
- Total equity: SEK 946 M (857), of which:
 - Corporate Finance, SEK 156 M (132)
 - Asset Management, SEK 548 M (577)
 - Other, SEK 242 M (149)
- Equity/assets ratio: 28% (26)
- Cash and cash equivalents: SEK 1,877 M (1,692), of which:
 - Banking operation: SEK 1,513 M (1,454)
 - Other entities: SEK 364 M (238)
- Cash flow from operating activities: SEK -22 M (57)
 - Banking operation's deposits and lending affected working capital by SEK -32 M (90)
- Capital adequacy quotient:
 - Financial corporate group 2.3 (2.3)
 - Banking operation 2.3 (2.5)

TOTAL ASSETS Q1 2014, %



TOTAL EQUITY Q1 2014, %





Corporate Finance

operating segment

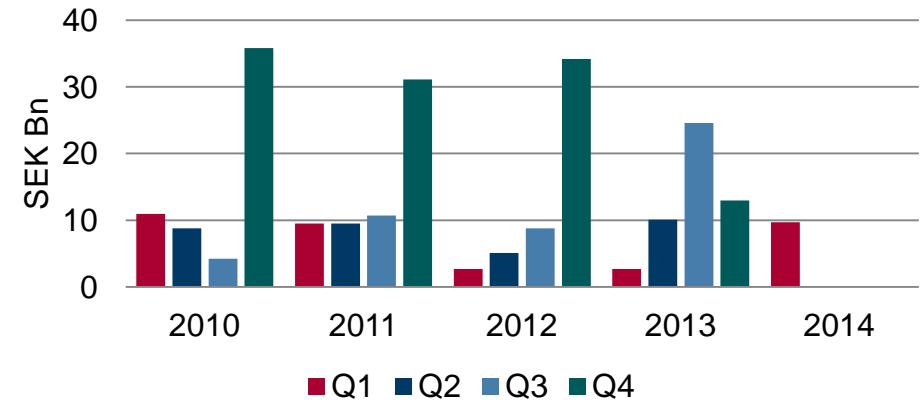


Transaction volumes, Corporate Finance

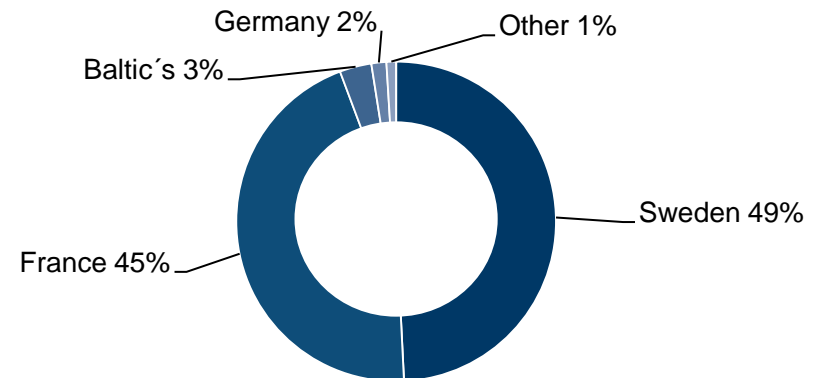
First quarter

- Catella served as advisor on transactions with value of SEK 9.7 Bn (2.7), of which:
 - Sweden SEK 4.8 Bn
 - France SEK 4.4 Bn
- The European transaction market for properties excluding the UK expanded by 36% on the first quarter 2013, to SEK 234 Bn (173)


CATELLA'S PROPERTY TRANSACTION VOLUME PER QUARTER, 2010-Q1 2014



CATELLA'S PROPERTY TRANSACTION VOLUME PER COUNTRY Q1 2014, %



Selected Corporate Finance assignments in Q1 2014

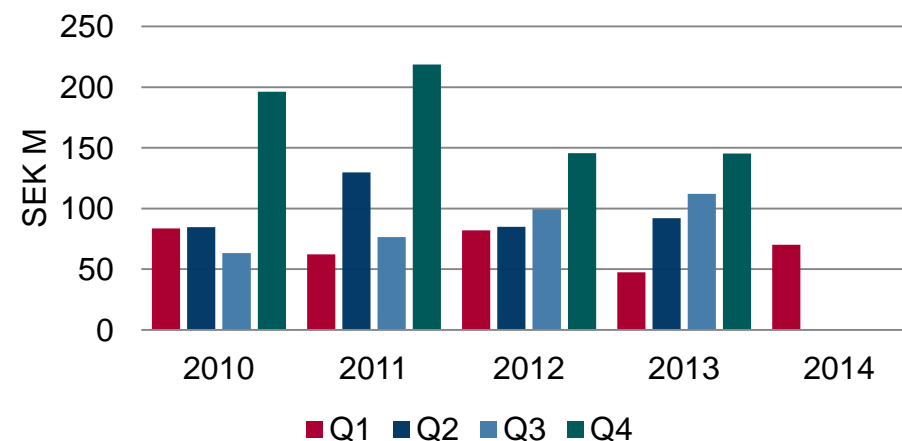
<p>MARCH 2014, FINLAND</p> <p>Sale of an office building in the Helsinki CBD to YIT</p>  <p>AMOUNT NOT DISCLOSED</p>	<p>MARCH 2014, FRANCE</p> <p>CBRE INVESTORS <small>AN EQUUS REAL ESTATE, LLC</small></p> <p>Acquisition of 5 000 sq.m of offices 27 rue de Berri - Paris 8</p> <p>PREPAR <small>ASSURANCE</small></p> <p>EUR 37.25 MILLION</p>	<p>MARCH 2014, FRANCE</p> <p>THE CARLYLE GROUP</p> <p>Sale of 36 162 sq.m of offices 1 rue Victor Basch - Massy (91)</p> <p>PRIMONIAL</p> <p>EUR 109.50 MILLION</p>	<p>MARCH 2014, SWEDEN</p> <p>THE CARLYLE GROUP</p> <p>Sale of office portfolio Globen City and Startboxen 3 Stockholm</p> <p>KLÖVERN</p> <p>EUR 430 MILLION</p>	<p>MARCH 2014, SWEDEN</p> <p>PROFI <small>FASTIGHETER</small></p> <p>Sale of office/educational property Malmö</p> <p>AL <small>ATRIUM LUNDBERG</small></p> <p>EUR 30 MILLION</p>
<p>FEBRUARY 2014, FRANCE</p> <p>unibail</p> <p>Sale of 4 214 sq.m of offices 34-36 Rue de Louvre - Paris I</p> <p>CASMF <small>Caisse Autonome de Retraite des Médecins de France</small></p> <p>AMOUNT NOT DISCLOSED</p>	<p>FEBRUARY 2014, LATVIA</p> <p>NIAM</p> <p>Sale of an office headquarter and backbone logistics property of approx. 36,000 sq m leased to the leading food retailer in Latvia, Rimi Latvia.</p> <p>rimi</p> <p>AMOUNT NOT DISCLOSED</p>	<p>FEBRUARY 2014, SWEDEN</p> <p>ERICSSON</p> <p>Sale of office property Linköping</p> <p>KLÖVERN</p> <p>EUR 30 MILLION</p>	<p>FEBRUARY 2014, ESTONIA</p> <p>CATELLA REAL ESTATE AG KAPITALANLAGEGESELLSCHAFT</p> <p>Sale of a logistics property leased to Magnum Logistics OÜ, the subsidiary of one of the leading pharmaceutical wholesalers and retailers in the Baltics, AS Magnum.</p> <p>Star Investments Ltd.</p> <p>AMOUNT NOT DISCLOSED</p>	<p>FEBRUARY 2014, SWEDEN</p> <p>Pareto Project Finance</p> <p>Sale of two logistics properties Nässjö and Jordbro</p> <p>CATENA <small>catenafastigheter.se</small></p> <p>EUR 45 MILLION</p>
<p>FEBRUARY 2014, LITHUANIA</p> <p>f</p> <p>Sale of a land plot with a potential for residential and commercial development located on Gedimino 46, in the city centre of Kaunas, Lithuania.</p> <p>Etapas Group UAB</p> <p>AMOUNT NOT DISCLOSED</p>	<p>FEBRUARY 2014, FRANCE</p> <p>Union Investment</p> <p>Sale of 25 405 sq.m of offices and retail Arc de Seine - Paris 13</p> <p>Allianz</p> <p>AMOUNT NOT DISCLOSED</p>	<p>FEBRUARY 2014, FRANCE</p> <p>SEVEN 7</p> <p>Sale of 700 sq.m of offices 13-15 rue de Berri - Paris 8</p> <p>FINANCIERE DE SURENE</p> <p>EUR 6.80 MILLION</p>	<p>FEBRUARY 2014, SWEDEN</p> <p>Lantmännen Agroenergi</p> <p>Advisor to Lantmännen on the merger of Agroenergi and Neova Pellets</p> <p>neova</p> <p>AMOUNT NOT DISCLOSED</p>	<p>JANUARY 2014, GERMANY</p> <p>CIT</p> <p>Sale of an office building in Düsseldorf</p> <p>»Sapronova«</p> <p>EUR 12.75 MILLION</p>

Sales and results of operations, Corporate Finance

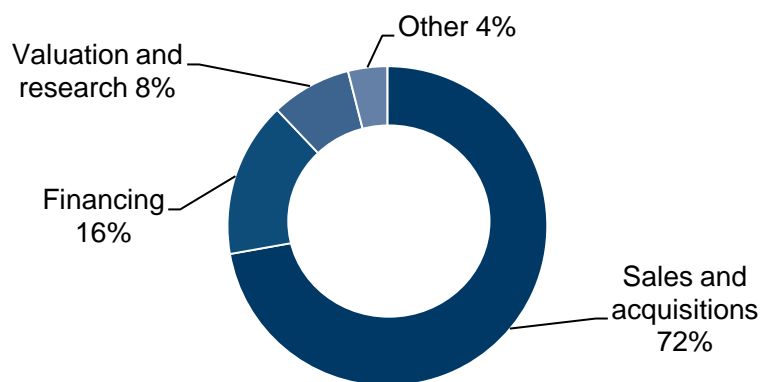
First quarter

- Net sales SEK 70 M (47) and loss before tax SEK -8 M (-27)
- Good earnings in property advisory services in Sweden and France

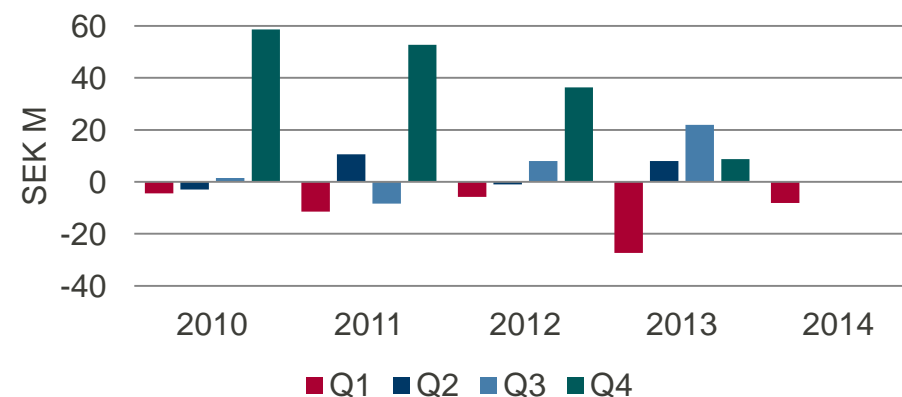
NET SALES PER QUARTER, 2010-Q1 2014



NET SALES PER SERVICE SEGMENT
Q1 2014, %



PROFIT/LOSS BEFORE TAX PER QUARTER,
2010-Q1 2014



Income Statement, Corporate Finance

SEK M	3 Months		12 Months	
	2014 Jan-Mar	2013 Jan-Mar	Rolling 12 Months	2013 Jan-Dec
Net sales	70	47	419	397
Other operating income	0	1	5	6
Total income	70	49	424	403
Direct assignment costs and commission	-4	-3	-20	-19
Income excl. direct assignment costs and commission	67	46	404	384
Operating expenses	-75	-72	-375	-372
Operating profit/loss *	-8	-26	29	11
Depreciation of acquisition-related intangible assets	0	0	0	0
Items affecting comparability	0	0	0	0
Operating profit/loss	-8	-26	29	11
Financial income and expense - net	0	-1	2	0
Profit/loss before tax	-8	-27	31	11
Tax	-1	5	-16	-10
Net profit/loss for the period	-9	-23	15	1
<i>Employees at end of period</i>	204	208	204	212

•Operating profit before acquisition-related items and items and affecting comparability.

Operations, **Corporate Finance**

- The first quarter is seasonally weak in property advisory services
- Higher activity than in the previous year
- Sales increased due to better market conditions and some large-scale transactions in Sweden and France
- Development of property advisory services in Germany





Asset Management

operating segment

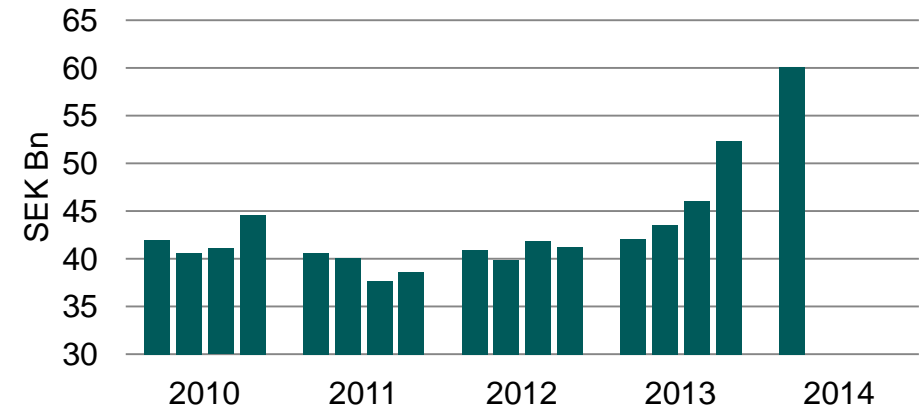


Volumes under management, **Asset Management**

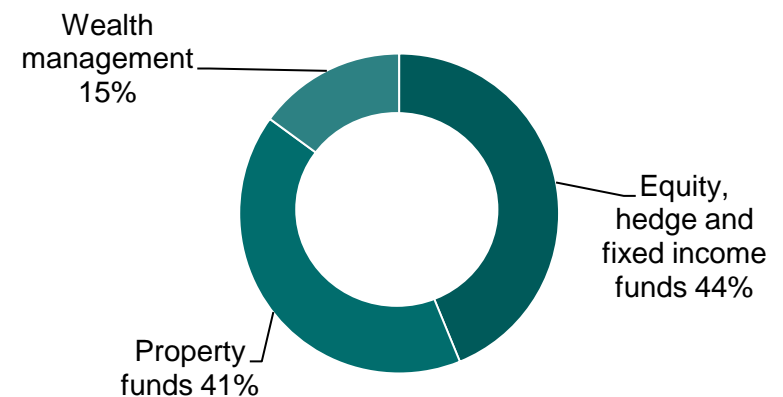
First quarter

- Volumes under management increased by SEK 7.8 Bn. Net inflow of SEK 6.5 Bn, of which:
 - Equity, hedge and fixed-income funds, SEK 3.9 Bn (net outflow, SEK -0.1 Bn)
 - Property funds, SEK 2.6 Bn (net outflow, SEK -0.3 Bn)
 - Wealth Management, SEK 0.1 Bn (net inflow, SEK 0.1 Bn)
- High inflows, especially to Swedish equity, hedge and fixed-income funds

CATELLA'S VOLUME UNDER MANAGEMENT, 2010- Q1 2014



CATELLA'S VOLUME UNDER MANAGEMENT PER SERVICE SEGMENT Q1 2014, %

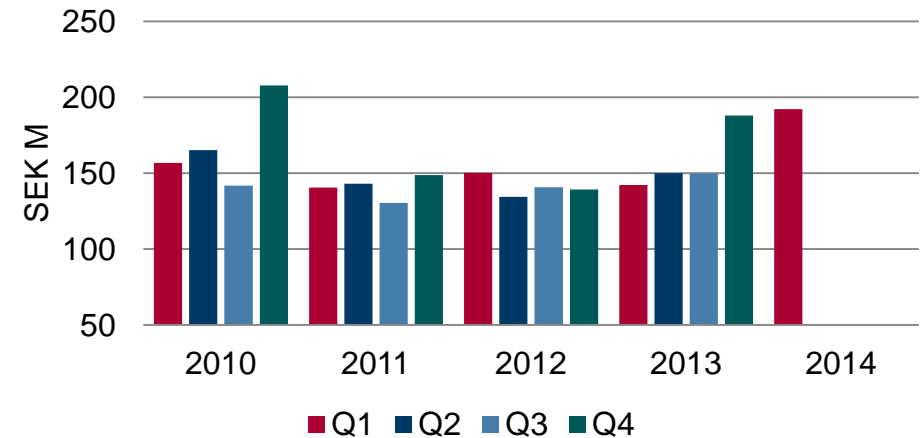


Sales and results of operations, **Asset Management**

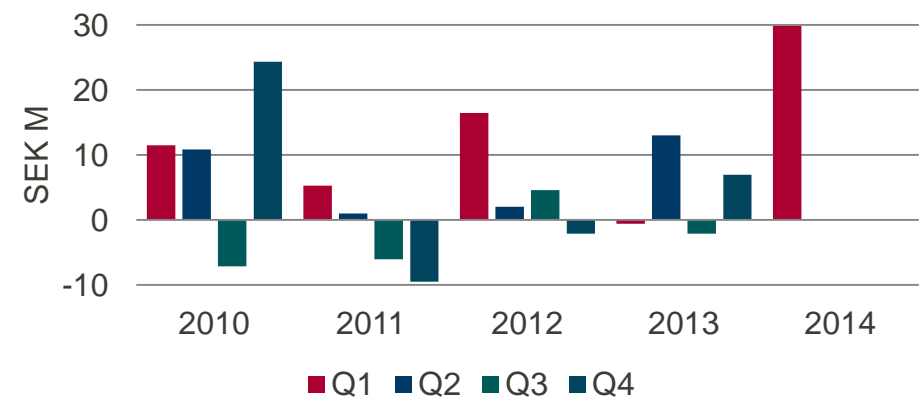
First quarter

- Net sales SEK 192 M (142) and profit/loss before tax SEK 30 M (-1)
- Healthy management earnings and strong net inflow in funds operation
- Banking operation continues to reduce earnings. Improvement on first quarter 2013 mainly due to higher volumes in Cards & Payment Solutions

NET SALES PER QUARTER, 2010-Q1 2014



PROFIT/LOSS BEFORE TAX PER QUARTER, 2010-Q1 2014



Income Statement, **Asset Management**

SEK M	3 Months		12 Months	
	2014 Jan-Mar	2013 Jan-Mar	Rolling 12 Months	2013 Jan-Dec
Net sales	192	142	680	630
Other operating income	6	1	10	5
Total income	198	143	690	635
Direct assignment costs and commission	-55	-46	-209	-200
Income excl. direct assignment costs and commission	143	97	481	435
Operating expenses	-112	-97	-429	-414
Operating profit/loss *	31	0	52	20
Depreciation of acquisition-related intangible assets	-2	-1	-6	-6
Items affecting comparability	0	0	0	0
Operating profit/loss	30	-1	46	15
Financial income and expense - net	0	1	1	2
Profit/loss before tax	30	-1	47	17
Tax	-10	-1	-29	-20
Net profit/loss for the period	19	-2	19	-3
<i>Employees at end of period</i>	211	216	211	210

* Operating profit before acquisition-related items and items affecting comparability.

Asset Management, **funds operation**

The funds operation reported profit of SEK 44 M for the first quarter.

Properties

- Healthy net inflows to property funds
- Start-up of property sector asset management in France

Equity, hedge and fixed-income funds

- Strong trend continued in the first quarter
- Net inflows still healthy, primarily in fixed-income funds



Asset Management, **banking operation**

- Banking operation reduced profits by SEK 11 M for the first quarter
- Extensive work on building infrastructure and developing this business was conducted in 2013
- Significantly better starting point compared to one year previously

Cards & Payment Solutions

- Positive progress, with a gradual expansion of business volumes

Wealth Management

- Work continues on rationalising business process
- Critical mass not achieved in Luxembourg and Sweden



Focusing on current status

Current status

Corporate Finance:

- Strong market position in Sweden and France. Market position weak in other countries

Funds operation:

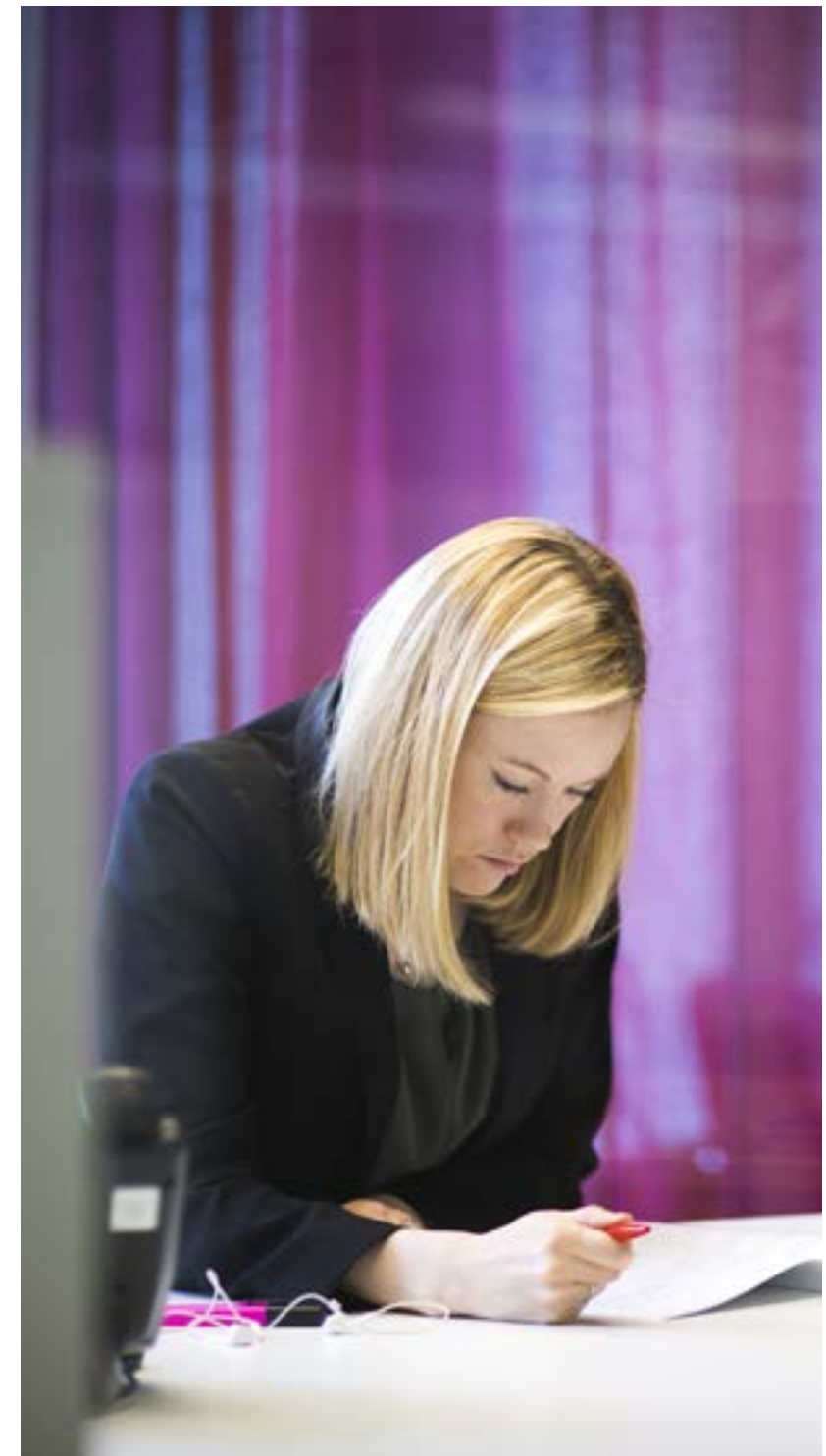
- Volumes and income increase, earnings improved

Banking operation:

- Income and cost sides remain challenging
- Better platform and organization create stability enabling further rationalization

Focus

- Work continues on those parts of the Group that are loss making
- Resources allocated to strategic but unprofitable parts of the banking operation and some countries in advisory services
- Creation of executive management teams to enable clear structure with synergies between functions and countries



Securities holdings

SECURITIES HOLDINGS

SEK M	31 Mar 2014
Loan portfolio and Nordic Light Fund *	244
Operation-related investments	3
Other securities	0
Total **	247

* Of which Loan portfolios SEK 188 M.

** Of which short-term investments SEK 46 M and long-term investments SEK 201 M.

LOAN PORTFOLIOS HISTORICAL CASH FLOW – ACTUAL AND FORECAST

SEK M	Total		
	Actual	Forecast	Dev
Q4 2009	12.4	7.7	4.7
Full-year 2010	35.6	35.7	-0.1
Full-year 2011	43.1	28.4	14.7
Full-year 2012	25.8	30.1	-4.3
Full-year 2013	5.0	7.5	-2.5
Q1 2014	1.9	1.0	0.8
Total	123.7	110.4	13.3

Potential positive value adjustment on loan portfolios

- Underlying parameters for the Ludgate and Gems loan portfolios have changed since the end of the quarter
- Evaluation being conducted in the second quarter
- Current estimate that these changes correspond to a positive value adjustment of approx. SEK 30 M on loan portfolio

Financial calendar 2014

- AGM 2014 19 May 2014
- Interim Report, January-June 2014 25 August 2014
- Interim Report, January-September 2014 7 November 2014
- Year-end Report 2014 19 February 2015

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Thanks for listening