

Summary Consolidated Accounts

The Södertälje Municipal Group comprises about thirty companies which together with the Municipality comprise an economic entity outwards. The Group encompasses the Municipality and the companies in which the Municipality exercises considerable influence or else has a holding of at least 20 percent. The companies owned by the Municipality together with other stakeholders are included in the Group to the extents corresponding to the Municipality's holdings.

Financial performance

The Municipal Group reports a profit of SEK 9.3 m. compared to a loss of SEK 86.2 m. for 2008.

The improvement in financial performance is mostly due to the poor performance the previous year being caused by a tax effect in the accounting of the internal divestment of non-current assets within the Telge Group. This year the corporate group reports a much better financial outcome.

In each section that follows we present the financial statements and key ratios of the Municipality and the Telge Group respectively.

Operating income on the increase

The Group's income has increased. Income for the year amounted to SEK 9,833 m., an increase of 6 percent compared to the SEK 9,240 m. reported the previous year. Tax revenues and general state subsidies increased by 4 percent (SEK 155 m.) and totalled SEK 3,772 m. while other income increased by almost 8 percent.

Costs also increasing

Costs for the year amounted to SEK 9,492 m., as opposed to SEK 9,049 in 2008, an increase of 5 percent. Costs include depreciation of SEK 368 m. (311 m.).

(SEK m.)	2009	2008	Change
Commodities/Goods for resale	4006	3 632	374
Rental costs for premises	143	*	143
Other external costs	1992	2 102	-110
Personnel costs	2 966	2 891	75
Depreciation	368	311	57
Tax and minority share	17	113	-96
Total costs	9 493	9 049	443

* A breakdown of rental costs for premises for the Group was not available in 2008

Income and costs increased during the year, but to a much lesser extent than the previous year. In 2008 they increased by about 15 percent, but in 2009 the increase was only about 5-6 percent. The variation in cost and income trends is mostly due to the electricity price trend.

Södertälje kommuns Förvaltnings AB, a sub-group, has the most companies reporting better financial results than for the previous year. Södertälje Municipality's share of Söderenergi's loss is SEK 10.6 m.. The other jointly-

owned companies had only a marginal effect on financial performance.

Net financial items

The Municipal Group's net financial loss was SEK 331 m., which is SEK 54 m. (19%) weaker than in 2008. This is attributable to increased borrowing due to investments remaining high and increasing.

Equity/assets ratio

Since the previous year, the Group's total assets have increased by SEK 1,333 m. to SEK 14,371 m. (SEK 13,038 m.). The equity/assets ratio was 8.2 percent at the end of 2009, a drop of 0.6 percent. However, the equity/assets ratio needs to be considered in relation to the surplus values of the properties held by Telge Bostäder and Telge Fastigheter and the surplus values held by Telge Nät and Telge Energi.

Major investments

Since the premises in which the Municipality operates were transferred to companies in the Telge Group, most investments are made within the companies. Within the Municipality, investments are primarily in infrastructure, equipment and means of transport. Investments in the Municipal Group amounted to SEK 1,790 m. (SEK 1,698 m.), of which SEK 165 m. in the Municipality. Approximately SEK 1.4 billion is attributable to the Telge companies, corresponding to about 80 percent of the Municipal Group's investments. The companies responsible for the largest investments are Telge Fastigheter (SEK 870 m.), Telge Nät (SEK 200 m.) and Telge Bostäder (SEK 180 m.). Investments were self-financed in the amount of 28 percent, which is an improvement on the figure of 14 percent for the previous year.

Personnel

The average number of full-time equivalents in the Municipal Group in 2009 was 6,039 (6,106 the previous year), of which 73 percent were women and 27 percent were men. Within the Municipality, 21 percent of employees were men, while among company staff 67 percent were men. The number of Group personnel on long-term sick leave was 174 (3%).

The Telge Group Telge AB

Telge (i Södertälje) AB is the parent company of a group with 15 subsidiaries, of which 12 pursue business operations. In 2009, the wholly-owned companies Telge Tillväxt AB, Telge Brandalsund AB, Telge Almnäs AB and Telge Hamn AB were founded. The latter three companies are property management companies. Telge Tillväxt AB has yet to begin operating, but its mission is to promote new enterprise and innovation in Södertälje. The jointly-owned company Manpower Telge Jobbstart AB also started operating in 2009. The company is tasked with helping refugees and the long-term unemployed to get a foot in the employment market. Since its operations began in April, the company has already proved successful. Telge owns 49 percent of the com-

pany, the rest is owned by Manpower AB. In December, the jointly-owned company Telge Peab AB began operating. Its mission is to produce housing in Södertälje by employing long-term unemployed construction workers and refugees, the latter to be offered apprenticeships. The company started its operations at the end of 2009 and has already begun planning its first construction project in the Körsbäret district. Telge owns 49 percent of the shares, the rest are owned by Peab AB.

The Group has continued with its lean programme, SMART 365, and the results have been very good.

At the end of 2008, Sweden started to see the effects of the global financial crisis and recession. The Telge Group acted swiftly and implemented an action plan, which included measures such as a recruitment freeze, and as such the Group has coped relatively well with the

recession. Some group companies have seen a falloff in demand, and even a drop in customers' solvency, resulting in somewhat higher bad debt losses.

Telge i Södertälje AB is the parent company of the group and is the company that provides group-wide functions. The subsidiaries buy services from these functions.

In 2009, the Swedish business periodical Veckans Affärer presented its Social Capitalist Award to the Telge Group for the Group's work with CSR (corporate social responsibility), beating off competition from companies such as H&M and Coop.

Profit

The Telge (i Södertälje) AB Group turned a profit of SEK 240 m. (SEK 203 m.).

All amounts in SEK m.	Operating income	Profit after financial items	Profit for the year	Assets	Return on equity %	Equity/assets ratio %
SÖDERTÄLJE MUNICIPAL GROUP	6 060,7	27,4	9,3	14 370,6	2,3	8,2
of which tax revenues and state subsidies	3 772,2					
Södertälje Municipality	4 723,0	-22,1	-22,1	13 162,3	neg	20,2
of which tax revenues and state subsidies	3 772,2					
The Södertälje Group						
Kommuns Förvaltnings AB	5 718,20	50,7	38,9	13 350,7	neg	neg
of which						
Södertälje Kommuns Förv. AB	0,0	-112,0	-104,1	2 309,4		
Less: intragroup eliminations		-77,2	-77,2	-2 524,5		
Subtotal, Telge Group	5 718,2	239,9	220,2	13 565,8	17,7	10,8
of which						
Telge (i Södertälje) AB	51,7	-66,3	-47,8	2 428,8	neg	37,7
Telge Energi Group 1)	1 476,1	26,3	17,2	580,6	125,2	2,9
Telge Nät AB	953,4	94,2	69,4	2 996,2	15,1	21,2
TelgeKraft Group 2)	1 921,0	21,7	9,6	506,2	31,3	15,3
Telge Återvinning Group 3)	174,6	18,3	13,5	193,8	75,2	12,3
Telge Bostäder AB	743,1	74,5	68,9	3 457,1	9,2	24,5
Telge Fastigheter Group 4)	608,9	73,2	79,8	4 801,4	30,8	5,7
Södertälje Hamn AB	71,4	-4,3	-3,2	211,7	neg	9,1
Tom Tits Experiment AB	45,3	-12,5	-9,2	76,9	neg	78,4
Telge Hovsjö AB	129,6	5,1	5,1	439,2	26,4	4,5
Telge Inköp AB	15,5	-3,2	-2,4	4,7	neg	42,8
Telge Brandalsund AB	0,0	0,0	0,0	99,0	neg	5,1
Telge Almnäs AB	0,0	0,0	0,0	1,0		
Telge Tillväxt AB	0,0	0,0	0,0	0,1		
Telge Hamn AB	0,0	0,0	0,0	0,1		
Telge Dotterbolag AB (dormant)	0,0	0,0	0,0	0,1		
Less: intragroup eliminations	-472,4	12,9	19,3	-2 231,1		
Jointly-owned companies						
Söderenergi AB	353,1	-10,6	-10,6	841,8	neg	6,3

All amounts in the table refer to the share held. Return on equity = profit/loss after financial items for the year 2009 in relation to the company's equity. Deferred tax liability included under Provisions in the balance sheet.

- 1) Telge Energi AB and Uppsala Elförsäljning AB
- 2) Telge Kraft and Telge Krafthandel
- 3) Telge Återvinning and Telge Miljöteknik
- 4) Telge Fastigheter, Telge Forum, KB Luna 8, KB Luna 9 and KB Maren

Our accounts

Income Statement, SEK m., Municipal Group, 1 January–31 December 2009

	Consolidated		Municipality	
	2009	2008	2009	2008
Operating income	6060,7	5 623,1	949,7	831,4
Operating costs	-9106,5	-8 624,5	-4 811,3	-4 594,9
Depreciation	-368,4	-311,3	-75,1	-59,7
Net operating costs	-3 414,2	-3 312,7	-3 936,7	-3 823,2
<i>Of which items affecting comparability</i>			147,3	21,2
Tax revenues	2931,8	2 776,8	2 804,9	2 776,8
General state subsidies and compensation	840,4	840,4	967,3	840,3
Financial income	183,4	426,4	677,9	866,7
Financial costs	-514,1	-703,1	-535,5	-691,7
Profit after financial items	27,3	27,8	-22,1	-31,1
Tax and minority share	-18,0	-114,0		
Profit for the year	9,3	-86,2	-22,1	-31,1

Funds Statement, SEK m., Municipal Group, Total

	Consolidated		Municipality	
	2009	2008	2009	2008
Operating activities				
Profit for the year	9,3	-86,4	-22,1	-31,1
Depreciation	368,4	311,3	75,1	59,7
Net capital gains	-52,9	-34,6	-11,0	-14,6
Change in tied-up capital	130,6	143,1		-0,5
Reclassification	13,0	0,0	4,5	
Change in provisions	14,1	123,9	-184,5	145,7
Change in equity SKFAB	0,0	4,0		
Adjustment	-1,6	3,2		
Financial surplus from operating activities	480,9	464,6	-138,0	159,2
Investing activities				
Investments in tangible non-current assets	-1756,1	-1 688,6	-161,9	-222,9
Investments in intangible non-current assets	-34,4	-9,8	-0,5	-8,2
Investments in financial non-current assets	-36,5	-6,9	-2,0	-6,9
Divestments	193,9	60,8	11,5	17,5
Cash flow from investing activities	-1 633,1	-1 644,5	-152,9	-220,5
Required funds to finance	-1 152,2	-1 179,9	-290,9	-61,3
Financing				
Borrowing	850,1	1 329,9	924,3	1 099,7
Change in non-current liabilities etc.	30,9	137,0	-935,5	-883,7
Change in liquid assets	-271,2	287,0	-302,1	154,7

Balance Sheet, SEK m., Municipal Group, Total, at 31 December 2009

	Consolidated		Municipality	
	2009	2008	2009	2008
ASSETS				
Non-current assets				
Intangible non-current assets	47,7	17,1	17,1	22,8
Tangible non-current assets				
<i>Land and property</i>	9 845,4	8 797,7	730,5	639,2
<i>Equipment and machinery</i>	2 305,8	2 078,0	162,9	164,4
Financial non-current assets	182,6	213,6	11 346,9	10 411,2
Total non-current assets	12 381,6	11 106,4	12 257,4	11 237,6
Current assets				
Stock/Stock-in-trade	71,3	110,7	4,5	4,2
Accounts receivable	605,8	438,9	50,4	41,1
Other receivables	863,4	663,1	848,7	428,4
Liquid assets	448,4	719,6	1,2	303,3
Total Current assets	1 989,0	1 932,3	904,8	777,0
Total ASSETS	14 370,6	13 038,7	13 162,2	12 014,6
EQUITY, PROVISIONS AND LIABILITIES				
Equity				
Equity, opening balance	1 167,1	1 253,5	2 676,5	2 707,6
Profit for the period	9,3	-86,4	-22,1	-31,1
Total Equity	1 176,4	1 167,1	2 654,4	2 676,5
Provisions				
Pensions	228,8	201,7	141,7	121,6
Deferred tax/Payroll tax	270,9	287,5	34,4	29,5
Other provisions	65,8	62,1		
Liabilities				
Non-current loans	6 680,5	4 418,2	6 629,4	4 339,0
Non-current liabilities	648,0	248,3	17,6	19,4
Current loans	2 894,4	4 706,2	2 537,4	3 901,4
Current liabilities	2 405,8	1 961,4	1 143,5	923,3
Current leasing liabilities			3,8	3,9
Total Liabilities	12 628,7	11 334,1	10 331,7	9 187,0
Total EQUITY, PROVISIONS AND LIABILITIES	14 370,6	13 052,5	13 162,2	12 014,6
Pledged assets, contingent liabilities				
Equity/assets ratio (%)	8,2%	8,8%	20,2%	22,3%