

# 1. Economic analysis for the municipality

The RK model is used to analyse the financial and economic development. This is based on four key aspects: the financial results, capacity development, the risk situation and control over financial development. The aim is to identify strengths and financial challenges in order to determine whether the municipality is in compliance with the financial management requirements of the Swedish Local Government Act. Analysing the results shows whether there are imbalances in the development of income and expenses for the year and over time.

## 1.1 Profit/loss

The municipality made a profit of SEK 235 million, which is SEK 194 million lower than in the previous year. Reasons for this include higher net costs (5.9%) and a lower tax trend (2.3%) in 2018. The reverse was true in the previous year. Items affecting comparability have contributed only SEK 27 million to the profit for the year, compared with total non-recurring items in 2017 of SEK 35 million. These mainly relate to capital gains this year.

Key performance indicators	2018	2017	2016
Profit/loss for the year, SEK million	235	429	416
Total equity, SEK million	4,315	4,080	3,651
Profit/loss for the year/tax revenue and general state subsidies	4.1%	7.7%	7.9%

### 1.1.1 Balanced budget statement

The balanced budget requirement means that the municipality must draw up a budget where income exceeds expenses. The purpose of the balanced budget requirement is to improve the municipality's conditions for good financial management. The balanced budget requirement profit/loss was SEK 225 million after adjustments for capital gains.

In accordance with the stipulations of the balanced budget requirement, the municipality has earmarked funds for specific purposes. Of the SEK 24 million allocated to the social investment fund in 2011, SEK 6 million was used during the year, while the remaining unused funds allocated of SEK 11 million have been reversed. The Municipal Board decided to allocate SEK 15 million from the profit for 2016 and SEK 13 million from the profit for 2017 to a building fund, also known as the building bonus for housing construction. These funds were used in their entirety in 2017 and 2018 respectively. The Municipal Board also decided to allocate SEK 100 million from the profit for 2017 to a skills provision fund. Of this, SEK 2 million was utilised during 2018. The cumulative balanced budget profit for 2018 is SEK 1,417 million.

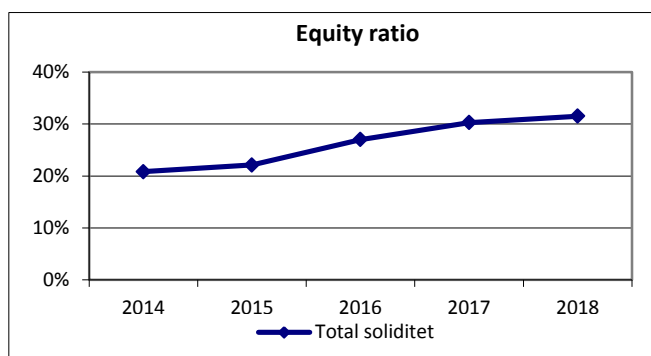
Profit and loss statement, SEK million	2018	2017	2016	2015
Profit/loss from income statement	235	429	416	153
<i>Balanced budget requirement adjustments:</i>				
Capital gains, sale of assets	-10	-32	-46	-18
Unrealised losses in securities/reversal				1
Profit/loss after balanced budget requirement adjustments	225	397	370	135
Allocation to/use of profit equalisation reserve	0	0	0	0
Balanced budget requirement profit/loss	225	397	370	135
<i>Adjustments for exceptional circumstances:</i>				
Reduction of discount rate, pensions	-	-	-	-
<b>Profit/loss after exceptional circumstances</b>	<b>225</b>	<b>397</b>	<b>370</b>	<b>135</b>
Allocation to/use of building fund	13	2	-15	-

Allocation to/use of social fund (reversal)	17	5	1	-
Allocation to/use of skills provision fund	2	-100	-	-
Allocation to/use of funds for vulnerable urban areas	-	-	6	7
<b>Cumulative balanced budget profit/loss</b>	<b>1,417</b>	<b>1,160</b>	<b>856</b>	<b>494</b>

## 1.2 Capacity

### 1.2.1 Equity ratio

The municipality's equity ratio has increased by 1.2 percentage points from the previous year and is now 31.5%. The main reasons for the improvement in the equity ratio are the profit for 2018 and the repayment by the companies of loans provided by the municipality. This, in turn, has enabled the municipality to repay its external loans. If all the pension commitments of the municipality are included, the equity ratio increased by 1.9 percentage points to 18.6% during the year.

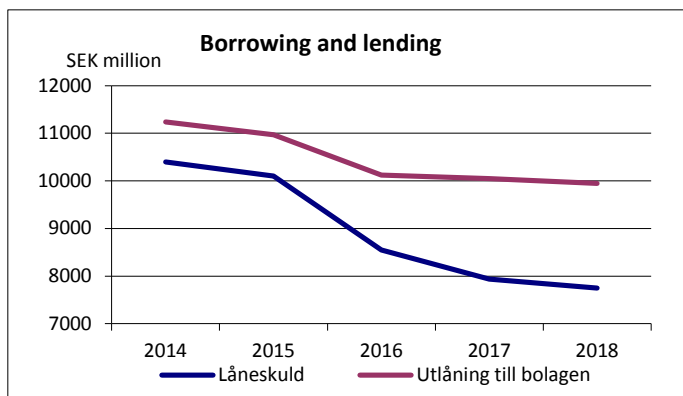


### 1.2.2 Net financial items

The net financial items of the municipality continue to be positive. Financial income exceeds expenses by SEK 63 million. Net financial items deteriorated by SEK 5 million during the year, despite dividends that were SEK 9 million more than in the previous year's annual accounts. The dividends for 2018 total SEK 21 million and were received from Glasberga Fastighets AB (SEK 15 million) and Kommuninvest (SEK 6 million). The deterioration of net financial items is due to the increase in the pension interest rate, while at the same time the municipality's borrowing rate has increased more than the municipality has received for the loans it has extended. Net interest income excluding interest on the pension liability has fallen. The loan facility fee is SEK 1 million lower than the previous year and amounts to SEK 52 million. No dividend has been paid from the municipal companies.

Of the municipality's total assets, SEK 11 billion, or 83%, has been invested in the corporate group. Lending to the companies fell by SEK 79 million. This is primarily because KB Maren has been sold, which eliminated the loan to KB Maren of SEK 408 million. Two of the companies have repaid their loans: Telge Hovsjö AB of SEK 78 million and Telge Nät AB of SEK 79 million. However, lending to Telge Fastigheter AB has increased by SEK 236 million, to Telgebostäder AB by SEK 162 million and to Söderenergi by SEK 99 million. The municipality's loan receivables from the companies amount to SEK 9.9 billion and account for 73% of the municipality's asset holdings. The remainder of the municipality's assets in the corporate group relates to shares held in Södertälje Kommuns Förvaltnings AB.

The municipality's borrowing from external lenders totals SEK 7.7 billion and has decreased by SEK 186 million during the year. In addition to lending to the corporate group, the municipality lends SEK 29 million to sports associations. This means that at the end of the year the municipality had lent SEK 2.2 billion of its own funds, which is SEK 86 million more than at the end of the previous year.



## 1.3 Risk

### 1.3.1 Pension commitments

The municipality's pension commitments, including payroll tax, total SEK 2.4 billion. Only a small portion of the commitment, SEK 659 million, is recognised as a liability on the balance sheet because the municipality applies what is known as the mixed model. The municipality's remaining pension commitments comprise a contingent liability of SEK 1,743 million relating to pensions earned up to and including 1997. The municipality also has a pension commitment to Södertörns Brandförsvarsförbund of SEK 28 million. This means that the municipality has total off-balance-sheet commitments of SEK 1,771 million.

The portion of the pension funds that the employees themselves invest in various insurance companies totalled SEK 135 million, including payroll tax, in 2018 and is recognised as a current liability.

Pension commitments including payroll tax 2018		SEK million
Current liability, defined contribution element		135
Pension provisions		524
<b>Total provisions for pension commitments on the balance sheet</b>		<b>659</b>
<b>Pension commitments under contingent liabilities</b>		<b>1,771</b>
<i>Contingent liability for pensions earned up to and including 1997</i>		1,730
<i>Contingent liability, politicians' pensions</i>		13
<i>Contingent liability, Södertörns Brandförsvarsförbund</i>		28
<b>Sum total</b>		<b>2,430</b>

### 1.3.2 Pension costs

The municipality's total pension costs are SEK 318 million, which is SEK 38 million more than for 2017. Pensions are an increasing expense for the municipality. The cost trend has been affected mainly by newly earning pensions and the financial costs of what has already been earned.

Pension costs (SEK million)	2018	2017	2016	2015	2014
Pensions paid	108	104	105	99	91
Pensions earned	210	176	130	161	133

## 1.4 Control

The control the municipality has over its economic development is assessed by analysing budgetary compliance and forecast accuracy.

### 1.4.1 Budgetary compliance

A budget deviation for net operating costs within the range of +/-1% may be considered good budgetary compliance. The total budget deviation for the municipality is SEK 62 million on a total net annual budget of SEK 5,593 million, which gives a compliance rate of 1.0%, measured as a percentage deviation from budget. This deviation is therefore considered to fall within the range of good budgetary compliance. This is significantly better compliance than the previous year, which was 4.1%. There are large variations, however, in the budgetary compliance deviations of the various committees.

### 1.4.2 Forecast accuracy

A forecast deviation below 1% of net costs represents good forecast accuracy. The forecast deviation of SEK 94 million corresponds to 1.7%. Compared with the outcome, the forecasts were in the right direction, but were much more cautious than the outcome. This means that further improvements are still required with regard to forecast accuracy.

# Operation report

## 1.5 Municipal revenues

The municipality's total revenues amounted to SEK 7,098 million and increased by 2.6% compared with the previous year. Tax revenue is the largest source of income for the municipality, followed by various forms of government subsidies and financial income, as well as fees and charges on goods and services sold.

Total tax revenue, including subsidies from the municipal equalisation system, amounts to SEK 5,680 million (+2.3%) and has brought the municipality SEK 127 million more than in the previous year. After many years of a favourable balance between the tax trend and the net cost trend, the tax trend was lower in 2018 than the net cost trend, which rose by 5.9%, an increase of 3.6 percentage points more than the tax trend.

Charges to municipality residents for various services account for only 3% of the municipality's total revenue. The table below shows the distribution of the municipality's revenue in 2018.

External revenues 2018	SEK million	share (%)	Change on previous year	
			SEK million	%
General municipal tax	3,806	54	102	2.7
State equalisation contribution	1,874	26	25	1.3
Financial income	265	4	9	3.7
Operational contribution from state and other items	556	8	-26	-4.4
Fees	241	3	19	8.7
Revenues from sales	160	2	12	8.3
Other	196	3	41	26.2
<b>Total</b>	<b>7,098</b>	<b>100</b>	<b>182</b>	<b>2.6</b>

Towards the end of the year, the Swedish Association of Local Authorities and Regions (SALAR) revised down the tax forecast, which meant that the tax outcome was SEK 13 million lower than forecast in the interim report as at 31 August.

Revenues from municipal tax increased by 2.7% in 2018, compared with a 4.9% rise in 2017. Södertälje municipality received SEK 1,083 million in state income equalisation during the year, an increase of 4.0% compared with the previous year.

Equalisation also takes place due to municipalities' cost structure. In 2018, Södertälje municipality received SEK 314 million in cost equalisation subsidy, which is equivalent to a reduction of 6.1%. The equalisation of LSS costs contributed SEK 219 million to the municipality, a reduction of 2.4%. In total, tax equalisation has resulted in an increase of 1.4%.

### 1.5.1 Operating revenue

Operating revenue amounted to SEK 1,152 million, an increase of 4.2%. Excluding items affecting comparability, revenues increased by SEK 15 million, or 1.4%. Operating subsidies from the government have fallen by SEK 26 million. As the municipality received fewer refugees in 2018, revenues from the Swedish Migration Agency and reapplications to the government for additional costs relating to the reception of refugees have fallen sharply. Subsidies from the Swedish National Agency for Education for initiatives such as teacher training, career services, early years support and for greater equality in compulsory schools, have increased by SEK 27 million. Subsidies from the Swedish National Board of Health and Welfare have also increased (SEK 14 million), among other things for the welfare technology project and stimulus funding for increased staffing within elderly care.

The Other category includes capital and development gains, which have risen in total by SEK 32 million.

Financial income has increased by SEK 9 million and is mainly attributable to increased dividends.

## 1.6 Municipal expenses

Total expenses amounted to SEK 6,862 million, an increase of SEK 375 million (5.8%) on the previous year. Expenses have risen by 13% over the past five years. Inflation was 2.2% (1.9%) in 2018.

External expenses	SEK million	Share (%)	Change on previous year, SEK million	Change on previous year, %
Personnel costs	3,405	50	191	5.9
Purchase of business/contracting	1,459	21	56	4.0
Cost of premises and their operation	796	11	87	12.3
Subsidies/transfers	322	5	-6	-1.9
Materials, services, etc.	574	8	20	4.0
Depreciation	104	2	13	13.9
Financial expenses	202	3	14	7.5
<b>Total</b>	<b>6,862</b>	<b>100</b>	<b>375</b>	<b>5.8</b>

Personnel costs totalled SEK 3,405 million, an increase of 5.9% or SEK 191 million. The number of full-time equivalent employees has risen, which not only increases wage and replacement costs, but also pension costs. Staff training costs have increased by 32.6%, with the largest increases coming in educational activities and in technical activities (parks, car parks, etc.). Heading into 2018, the health and fitness subsidy was increased by 50% to SEK 3,000 per employee.

The cost of the operation and maintenance of premises and facilities has increased by SEK 87 million to SEK 796 million. New construction, redevelopment and extensions have increased by SEK 59 million, of which SEK 49 million is for environmental remediation and provisions for future decontamination of landfill sites. Rental and leasing costs increased by SEK 28 million.

The Materials and services category has increased by a total of SEK 20 million (+4%). IT support and equipment account for

SEK 14 million of the increase. Consultancy services increased by SEK 6 million and staffing services by SEK 13 million. Stamp duty expenses fell by SEK 9 million and other materials and services fell by around SEK 4 million.

Depreciation rose by SEK 13 million as a result of increased investments.

Subsidies and transfers reduced by SEK 6 million, with subsidies to individuals falling by SEK 11 million, while subsidies to associations and foundations rose by SEK 6 million.

### 1.6.1 External providers

The municipality makes purchases from external providers in accordance with political decisions or to supplement its own capacity. The external purchase of operations increased by SEK 57 million. The purchase of operations has increased gradually over the years and now accounts for 21% of the municipality's total expenses, which is still one percentage point lower than in the annual accounts for 2017. Purchases from private providers increased the most in 2018, by SEK 51 million.

Compulsory schooling is the area in which purchases increased the most, by SEK 28 million. This is followed by adult care, which rose by

SEK 9 million. The municipality's own facilities had a high level of occupancy during 2018, as the municipality has placed clients to a greater extent and for longer periods of treatment. The purchase of support and services for people with mental health issues has increased by SEK 3.7 million, as the need for care has increased for a large number of clients and the municipality's own accommodation has often been full. Purchases in child and youth care have also increased, by SEK 13 million, as the number of cases has increased and there have been many relocations from HVB homes to higher-cost individual placements via Statens institutionsstyrelse.

## 2. Investment report

### 2.1 Investments in the municipality

The municipality's investments as at 31 December totalled SEK 232 million, which is SEK 2 million lower than in the previous year. This outcome means that the implementation rate was 70% of the 2018 investment budget, compared with 93% for 2017.

In June 2017, the municipal council approved a special investment initiative called Södertäljelyftet, on top of the investments approved in the Objectives and budget. Södertäljelyftet has a budget of SEK 100 million for the period 2017–2019, of which SEK 36 million after revisions was earmarked for 2018. At the end of the year, SEK 28 million of this had been utilised.

In spring 2018, the municipal council also approved additional investment funding of SEK 15 million for structural maintenance and surfacing work.

Most of the year's investments in the municipality have been in road construction, sports facilities, development routes, expansion of pedestrian and cycle routes, equipment and investments in the city centre.

The adjusted full-year forecast, which includes revisions to the investment framework, was 85% in the interim report in August, which means that the outcome for the whole year was 15 percentage points lower than the forecast.

The distribution of the total outcome by committee is as follows.

Investments	Budget 2018 (SEK 000)	Outcome 2018 (SEK 000)	Forecast Aug 2018 (SEK 000)	Outcome compared with budget (%)	Deviation of outcome from forecast (% points)
Järna district committee	20,026	8,288	10,026	41%	-9%
Hölö-Mörkö district committee	5,144	1,688	4,844	33%	-61%
Vårdinge-Mölndal district committee	2,170	2,258	2,170	104%	+4%
Enhörna district committee	4,510	3,955	3,840	88%	+2%
Working life committee	300	0	0	0%	0%
Care committee	2,850	1,429	2,250	50%	-29%
Social committee	1,200	876	1,200	73%	-27%
Elderly care committee	9,800	6,877	9,300	70%	-25%
Education committee	24,300	15,133	24,300	62%	-38%
Culture and leisure committee	29,800	22,990	28,711	77%	-19%
Urban planning committee	0	0	0	0%	0%
Environment committee	1,300	963	1,300	74%	-26%
Technical committee*	169,520	130,956	156,320	77%	-15%

Municipal Board office	51,150	36,236	38,562	71%	-5%
Central items	9,800	0	0	0%	0%
<b>TOTAL</b>	<b>331,870</b>	<b>231,649</b>	<b>282,823</b>	<b>70%</b>	<b>-15%</b>

\* The outcome for the technical committee has been adjusted by two items at a total of SEK 10.4 million. These relate to an investment in a car park, which was incorrectly reported as an investment in 2017 instead of an advance to the supplier and which was not completed during 2018 (SEK 6,053,000 remains outstanding) as well as re-invoicing to Telge Fastigheter that has not been carried out in relation to the redevelopment of Viksbergsvägen (SEK 4,345,000).

The figures for KS/KF investments also include investments within the framework of Södertäljelyftet.

Distribution of the outcome between KS/KF investments and committee investments by committee.

Investments 2018 (SEK 000)	KS/KF Budget	Outcome	Implementation rate, %	Committee Budget	Outcome	Implementation rate, %
Järna district committee	16,826	5,072	30	3,200	3,216	101
Hölö-Mörkö district committee	4,544	1,295	28	600	393	66
Vårdinge-Mölndal district committee	1,670	2,062	123	500	195	39
Enhörna district committee	3,640	3,133	86	870	822	94
Working life committee	0	0		300	0	0
Care committee	1,600	1,085	68	1,250	344	27
Social committee	400	214	54	800	662	83
Elderly care committee	7,600	5,053	66	2,200	1,824	83
Education committee	17,300	10,527	61	7,000	4,606	66
Culture and leisure committee	27,000	21,372	79	2,800	1,617	58
Urban planning committee	0	0		0	0	
Environment committee	0	0		1,300	963	74
Technical committee*	115,070	83,214	72	54,450	47,742	88
Municipal Board office	49,250	34,991	71	1,900	1,245	66
Central items	9,800	0	0	0	0	
<b>TOTAL</b>	<b>254,700</b>	<b>168,018</b>	<b>66</b>	<b>77,170</b>	<b>63,629</b>	<b>82</b>

\* The outcome for the technical committee has been adjusted by two items at a total of SEK 10.4 million. These relate to an investment in a car park, which was incorrectly reported as an investment in 2017 instead of an advance to the supplier and which was not completed during 2018 (SEK 6,053,000 remains outstanding) as well as re-invoicing to Telge Fastigheter that has not been carried out in relation to the redevelopment of Viksbergsvägen (SEK 4,345,000).

The figures for KS/KF investments also include investments within the framework of Södertäljelyftet.

#### 10.1.1 KS/KF investments

KF investments totalled SEK 168 million for the year as a whole, which corresponds to the outcome for 2017. The budget was

SEK 255 million, giving an implementation rate of 66%. The technical committee accounts for 45% of the total budget. The main investments within technical operations are investments in the city centre (SEK 26 million), investments in pedestrian and cycle routes (SEK 13.9 million) and surfacing work (SEK 12 million).

Other investments implemented include measures at Södertälje IP relating to GF-hallen (SEK 30 million), IT investments and Viksbergsskolan school (SEK 6 million).

#### 2.1.2 Committee investments

Committee investments totalled SEK 64 million, compared with a budget of SEK 77 million. The unused budget is because the committees have not reinvested to the extent budgeted.

Committee investments have mainly involved the replacement of equipment, upgrading of IT and the purchase of vehicles and machinery, as well as various measures relating to streets, roads and parks.



### 2.1.3 Södertäljelyftet

In June 2017, the Municipal Board approved an additional investment initiative of SEK 100 million for the period 2017–2019, of which SEK 36 million after revisions was earmarked for 2018. Of this, SEK 28.3 million (78%) was utilised during the year.

Södertäljelyftet 2018	Budget (SEK 000)	Outcome (SEK 000)	Implementation rate, %
Järna district committee	4,150	2,527	61%
Hölö-Mörkö district committee	3,000	831	28%
Vårdinge-Mölndal district committee	1,500	1,915	128%
Enhörna district committee	1,700	1,525	90%
Working life committee	0	0	0%
Care committee	600	458	76%
Social committee	200	107	53%
Elderly care committee	2,200	1,807	82%
Education committee	5,000	0	0%
Culture and leisure committee	3,100	5,078	164%
Urban planning committee	0	0	0%
Environment committee	0	0	0%
Technical committee	14,300	14,123	99%
Municipal Board	400	0	0%
<b>TOTAL</b>	<b>36,150</b>	<b>28,371</b>	<b>78%</b>

Investments include measures for road safety and the environment (SEK 9.8 million), schoolyard adaptations (SEK 5 million) and measures for spontaneous sports (SEK 2.6 million).

## 2.2 Operating premises

Municipal investments in operating premises, which are made entirely through Telge Fastigheter, totalled SEK 394 million in 2018, compared with the budget of SEK 498 million. This deviation is the result of projects where an order has not been made or has been postponed.

The Årsbokens förskola preschool project has been cancelled by the education office because of rising costs and replaced with a temporary solution at Brunnängens hage. The SEK 2 million that was allocated to this project has been transferred to the new project. In total, the temporary solution will cost around SEK 10 million in investment funding.

The rising costs for Björkmossen retirement home were estimated at SEK 15 million and were redistributed within reserves for operating premises in the interim report for April 2018. The project was completed in the spring and moving in took place in June.

Redevelopment of premises ahead of the move of day-to-day operations from Björnvägen to Sydgården. Moving in took place in November 2018 and the outdoor environment is set to be completed in spring 2019.

GF-hallen has been delayed by the environmental remediation of Södertälje IP and is expected to be completed in November 2019. Investment funding has therefore been moved from 2018 to 2019.

The preliminary study for the Orionkullen theatre (Annexet), which was approved by the committee in October 2017, proposed the redevelopment of the annex to the girls' school, together with adjoining premises, with the aim of creating a cluster suitable for artistic activities. The project has been delayed, however, because Telge Fastigheter is working on additional documentation relating to fire safety and accessibility issues, which must be resolved before work can proceed. The delay to the project means that investment funding is moved from 2018 to 2019.

## 2.3 Municipal group-wide investment process

In order to increase the implementation rate and the effectiveness of the investment projects approved in the municipality, the Municipal Board and the municipal council decided in December 2017 to develop a municipal group-wide investment process.

Work has progressed during 2018 on the development of a common investment policy and common investment guidelines, with a greater focus on strategic planning and management of investments and an even more structured approach.

A number of measures have also been introduced into the investment process, including compulsory preliminary studies for new investments as well as the municipal group joint investment board, in order to prioritise the administration's basis for the investment budget.

## 2.4 Development activities

### 2.4.1 Development profit

The estimated development profit, which relates to projects with revenue recognition, was budgeted at a net income of

SEK 50 million. The final development profit was around SEK 64 million. Most of the profit is attributable to the sale of land within the Morberg norra and Wasa work areas, the sale of land for the future district court and the Orion housing project in the city centre, the boatyard in Pershagen and Skolbänken in Mölnbo.

The development projects with revenue recognition are listed in the table below.

Development activities 2018 (SEK 000)	Cost	Revenue	Net	Budget	Deviation
Profit/loss from development areas	0	0	0	50,000	-50,000
Moraberg Norra	-9,291	30,000	20,709		20,709
Wasa work area	-5,191	21,800	16,609		16,609
District court	-14,240	23,000	8,760		8,760
City centre Orion	-1,746	10,600	8,854		8,854
Kaxberg, residential plots	0	1,100	1,100		1,100
Boatyard Pershagen	-439	7,750	7,311		7,311
Skolbänken Mölnbo	-1,103	4,530	3,427		3,427
Smaller unspec. plot areas	-2,347	1,125	-1,222		-1,222
Other minor profit adjustments	-2,033	382	-1,651		-1,651
<b>Total</b>	<b>-36,390</b>	<b>100,287</b>	<b>63,897</b>	<b>50,000</b>	<b>13,897</b>

At the beginning of the year, the actual implementation work began on the Igelstas strand project. Initially, the basic reinforcement of parts of shoreline and the remediation of the area will be carried out. The municipal technical facilities will then be expanded before housing production can begin. Large-scale remediation work is required and it has now become clear that both the sheet pile retaining walls and the remediation work have become far more extensive than anticipated. It is not possible at present to specify a more precise amount for the increased costs, but they are estimated at SEK 30–50 million. These established development assets will become expenses when revenue is recognised on the sale of plots. It is estimated that these expenses will be covered by remediation subsidies and revenue from the sale of plots.

## 2.5 Investments in the corporate group

Investments totalled SEK 1,291 million compared with SEK 1,070 million in 2017. The higher rate of investment in Telge Bostäder compared with budget is the result of the municipal council's decision to purchase central properties (Castor 5). In Hovsjö, the higher rate of investment compared with budget is the result of the company board's decision to reinvest some of the proceeds from the sale of terraced houses (Gravyren 17). The higher rate of investment in Telge Energi compared with budget is because of the IT system recognised as an asset. The higher investment expenditure compared with budget in Telge Återvinning is because a vehicle that was scheduled to be delivered after the end of the year was delivered before the end of the year.

Investments in the corporate group (SEK million)	Budget 2018	Outcome 2018	Deviation	Outcome 2017	Deviation 2018–2017
Telge AB, Parent company	0.0	0.6	-0.6	0.2	-0.4
Telge Bostäder	364.0	482.7	-118.7	268.2	-214.5
Telge Hovsjö	29.9	48.3	-18.4	37.5	-10.8
Telge Fastigheter, commercial premises	40.0	27.1	12.9	30.0	2.9
Telge Fastigheter, operating premises	502.7	398.4	104.3	457.7	59.3
<b>Total Housing &amp; Properties</b>	<b>936.6</b>	<b>956.5</b>	<b>-19.9</b>	<b>793.4</b>	<b>-163.1</b>
Telge Nät	375.0	287.2	87.8	270.8	-16.4
Telge Återvinning	23.0	26.0	-3.0	16.6	-9.4
<b>Total Networks &amp; Environment</b>	<b>398.0</b>	<b>313.2</b>	<b>84.8</b>	<b>287.4</b>	<b>-25.8</b>
Telge Energi	0.0	9.0	-9.0	7.4	-1.6
Södertälje Hamn	40.2	6.3	33.9	6.1	-0.2
Telge Hamn	0.0	0.0	0.0	0.0	0.0
<b>Total Ports</b>	<b>40.2</b>	<b>6.3</b>	<b>33.9</b>	<b>6.1</b>	<b>-0.2</b>
Telge Inköp	0.0	0.0	0.0	0.0	0.0
Tom Tits	6.0	5.5	0.5	3.6	-1.9
Telge Tillväxt	0.0	0.0	0.0	0.0	0.0
Telge Brandalsund	0.0	0.0	0.0	0.0	0.0
Telge Almnäs	0.0	0.0	0.0	0.0	0.0
Tom Tits, TT på stan	0.0	0.1	-0.1	0.0	0.1
<b>Total gross investments</b>	<b>1,380.8</b>	<b>1,291.2</b>	<b>89.6</b>	<b>1,098.1</b>	<b>-192.9</b>
Internal investments	0.0	0.0	0.0	-28.7	-28.7
<b>Total net investments</b>	<b>1,380.8</b>	<b>1,291.2</b>	<b>89.6</b>	<b>1,069.5</b>	<b>-221.6</b>

### 3. Economic analysis for the municipal group

The results and financial position of the municipal group refer to the entire municipal group where Södertälje municipality and its associated companies are included in consolidated financial statements with intra-group balances eliminated. This includes those companies in which the municipality has significant influence or in which the municipality's shareholding is at least 20%. Companies which the municipality owns jointly with others are included in the consolidated accounts to the extent of the municipality's shareholding. The purpose of the consolidated report is to provide a picture of the finances and commitments of the municipality's entire operations.

#### 3.1 Profit/loss

The municipal group reported a profit of SEK 670 million in 2018, compared with SEK 805 million in the previous year. Södertälje municipality accounts for SEK 235 million and Södertälje kommuns Förvaltnings AB (SKFAB) for SEK 449 million. Söderenergi achieved a profit of almost SEK 18 million, of which SEK 7 million is included in the municipal group's earnings, corresponding to the 42% shareholding in Söderenergi AB.

Profit excluding items affecting comparability was SEK 462 million, compared with SEK 776 million in the previous year, a fall of SEK 314 million. The municipality's profit fell by SEK 185 million, excluding items affecting comparability, while SKFAB's profit fell by SEK 114 million. The reduction in the municipality's profit is primarily because net costs have risen faster than tax revenues and general state subsidies. The corporate group reported capital gains of SEK 181 million in 2018, compared with SEK 1 million in 2017.

Profit/loss, SEK million	2018	2017	2016	2015	2014
Total	670	805	1,071	548	454
Excluding items affecting comparability	462	776	584	395	346

#### 3.2 Net financial items

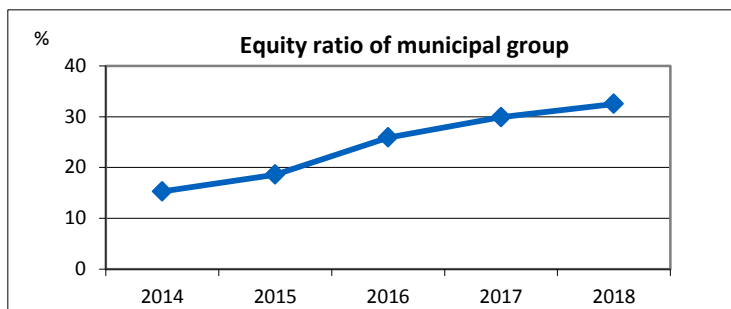
The municipal group's net financial items amounted to SEK -61 million, which is an improvement of SEK 98 million compared with the previous year, as a result of the sale of financial non-current assets. Excluding financial items affecting comparability, net financial items decreased by SEK 4 million from SEK -179 million to SEK -182 million.

Net financial items, SEK million	2018	2017	2016	2015	2014
Total	-61	-159	47	-274	-194
Excluding items affecting comparability	-182	-179	-234	-274	-323

#### 3.3 Equity ratio

The municipal group's balance sheet total has increased by SEK 737 million since the end of the previous year to SEK 17,580 million. Continued profit and positive cash flow has allowed borrowing to be reduced slightly. This has affected the equity ratio, which rose from 29.9% to 32.5% at the end of 2018.

Equity ratio, %	2018	2017	2016	2015	2014
Equity ratio	32.5%	29.9%	25.9%	18.6%	15.3%
Balance sheet total	17,580	16,843	16,356	17,087	17,210



## 4. Corporate group

### 4.1 Profit/loss

The corporate group's profit after financial items for 2018 was SEK 636 million (SEK 447 million). Profit after tax totalled SEK 449 million (SEK 383 million).

Profit/loss of SKF group, SEK million	Outcome 2018	Budget 2018	Deviation 2018	Outcome 2017	Deviation 2017
<b>Consolidated operating income</b>	<b>581</b>	<b>621</b>	<b>-40</b>	<b>675</b>	<b>-94</b>
Net interest income	-213	-221	7	-216	3
Group reserve	0	-22	22	0	0
<b>Consolidated operating profit/loss</b>	<b>368</b>	<b>379</b>	<b>-11</b>	<b>458</b>	<b>-91</b>
Capital gains/losses on sales	160	85	75	29	131
Write-downs/reversals	94		94	-50	143
Dividend	15	10	5	10	5
<b>Consolidated profit/loss before tax</b>	<b>636</b>	<b>474</b>	<b>162</b>	<b>447</b>	<b>189</b>
Tax	-187	-47	-140	-64	-123
<b>Consolidated profit/loss</b>	<b>449</b>	<b>427</b>	<b>22</b>	<b>383</b>	<b>66</b>

Profit after tax increased by SEK 66 million, mainly as a result of higher capital gains of SEK 160 million (SEK 29 million). The capital gains derive from the sale of terraced houses at Varnbäcksvägen (Gravyren 17), blocks of rental flats in Saltskog (Taket 6) and blocks of rental flats in Rosenlund (Tranbäret 2). On the negative side, there was a capital loss on the sale of Kringlan (Maren).

Another reason for this year's profit is an increase in the value of assets. The group's large asset portfolio is valued on an ongoing basis to ensure that the value of the assets is at least equal to the book value. The valuation for 2018 identified a need for impairment at Fornbacken of SEK 25 million, which was SEK 50 million in 2017. The shopping centre property (Luna), which was written down in 2012, is no longer considered to require impairment, provided that no investments are made in the property. Previous impairment was therefore reversed, in the amount of SEK 102 million. The Telge group has had negative consolidated goodwill from its formation. As the group has become more profitable, this negative goodwill is no longer considered to apply and has been eliminated, with a positive impact on profit of SEK 15 million.

Telge Bostäder received a dividend from Glasberga KB during the year of SEK 15 million, compared with SEK 10 million in the previous year, as progress and price levels here have really taken off.

Of the tax expense for the year of almost SEK 187 million, the group will pay SEK 2 million. The remaining SEK 185 million represents estimated deferred tax. In 2017, the tax expense was SEK 64 million, of which SEK 55 million was deferred tax.

The operating income for the corporate group is SEK 581 million (SEK 675 million). The increase in costs is the result of items such as personnel costs, which rose by SEK 41 million, maintenance and repairs by SEK 11 million, depreciation by SEK 11 million and management costs by SEK 10 million. Electricity/water & sewerage/heating costs are SEK 12 million lower this year. Revenue has increased by SEK 47 million, primarily for connection fees from infrastructure and increased sales of energy services. Söderenergi has experienced a difficult year, with fuel shortages resulting in higher prices, as well as problems with generators and electricity generation. This has been

partially offset by higher prices for electricity, electricity certificates and emission allowances, limiting the negative deviation from the previous year.

The average interest rate for the year on the group's borrowings was 1.89% (1.84%). The municipal group's credit rating from Standard & Poor's remained high (AA+/A-1+ Ratings Affirmed; Outlook Stable). The rating for "budgetary performance" was reduced from "strong" to "average", however. The positive credit rating, together with a lower level of borrowing, yielded a positive interest effect compared with the previous year of SEK 3 million. This effect is mainly due to the group's leveraged operations such as Telge Fastigheter, Telge Bostäder, Telge Hovsjö and Telge Nät.

The group reserve is intended to cover unforeseen costs, such as storms, extremely high electricity prices, floods and credit losses. Unforeseen costs during the year related to high electricity prices, up to SEK 0.60/kWh. This affected the profitability of Telge Energi during the year.

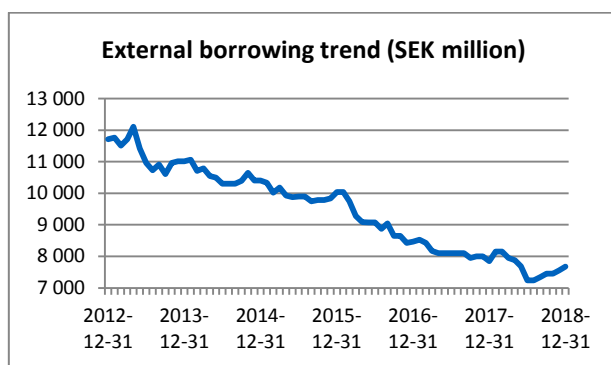
## 5. Financial risk management

In order to best achieve financial control and effective financing, Södertälje municipality has an internal bank. The internal bank handles all financing within the municipal group and this mainly takes place through the municipality borrowing money and then lending it to the group companies. Lending to the municipality's companies takes the form of both loans and overdraft facilities. The interest rate is set according to the full costing principle, plus guarantee fees or loan charges in order to comply with EU state aid rules regarding competitive neutrality in relation to private operators.

Södertälje municipality has the second-highest credit rating of AA+ from Standard & Poor's Global.

### 5.1 Loan portfolio

The municipal group's debt was reduced in 2018 but not at the same rate as in the previous year. The debt reduction is primarily the result of the sale of properties in the Telge group and positive cash flows from the operations of the municipality and the corporate group.



The internal bank manages a loan portfolio totalling SEK 10,073 million (SEK 10,080 million). Of this, the internal bank lends SEK 9,313 million (SEK 9,490 million) to the corporate group and SEK 634 million (SEK 556 million) to Söderenergi AB. There are also loans under special decisions to Täljehallen of SEK 29 million (SEK 30 million), as well as temporary surplus liquidity of SEK 97 million (SEK 4 million).

Assets (lending), SEK million	31/12/2018	31/12/2017
Investment, Telge	9,313	9,490
Promissory notes, Söderenergi	634	556
Promissory notes, Täljehallen	29	30
Promissory notes, other mun.	0	0
Other short-term inv.	0	0

Balance in group account	97	4
<b>Total IB assets</b>	<b>10,073</b>	<b>10,080</b>

<b>Liabilities (financing), SEK million</b>	<b>31/12/2018</b>	<b>31/12/2017</b>
Bonds, MTN progr.	2,852	2,816
Certificates, KC programme	1,745	2,100
Oth. external financing	3,083	2,936
Municipality's own liquidity	2,393	2,228
Overdraft facilities utilised	0	0
<b>Total IB liabilities</b>	<b>10,073</b>	<b>10,080</b>

## 5.2 Financing risk

Financing risk means the financing of the municipality's capital requirement becoming more difficult or more expensive. The procedures for managing the financial risks in Södertälje municipality are stipulated in the municipality's finance policy. Risks are measured against policy at group level.

Södertälje's municipal group owns assets that are partly leveraged. A large proportion of the municipality's assets are required to support themselves financially, for example through rents for public property and charges for district heating, water and sewerage, etc. The assets that require financing from municipal taxes are mainly operating premises.

Financing risk is divided into three sub-categories: liquidity risk, borrowing risk and interest rate risk.

The table below shows the current risks as at 31/12/2018 and the distribution of the internal bank's assets and liabilities.

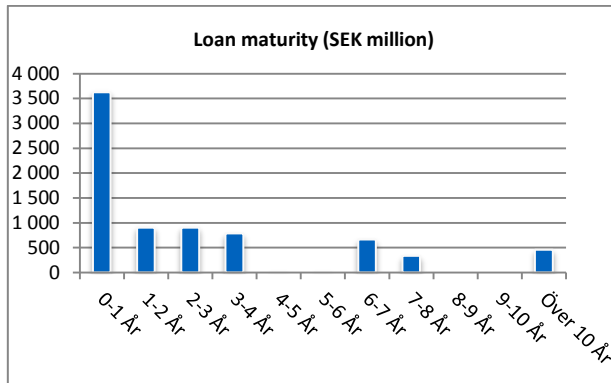
<b>Control against policy:</b>	<b>Permitted range</b>	<b>Outcome</b>
Short-term borrowing (0–12 months)	Max. 50%	47%
Capital tie-up period (average)	2–5 years	2.6 years
LCR	Min. 80%	89%
Fixed interest period (average)	2–5 years	3.3 years
Interest maturity within 12 months (nom. debt)	Max. 60%	49%
Proportion of real debt	Max. 20%	18%
Currency risk in financing activities has been hedged in accordance with the rules of the Finance policy.		
Credit risks involved in the investment of any surplus liquidity and in the case of derivative transactions have been managed in accordance with the rules of the Finance policy.		

### 5.2.1 Liquidity risk

The liquidity risk is managed by maintaining a high level of payment preparedness in the form of liquidity or credit reserves for at least 80% of the financial payments that are to be made over the next 12 months. This is expressed in the form of the Liquidity Coverage Ratio (LCR), which is an established measurement used by Standard & Poor's Global in its assessments.

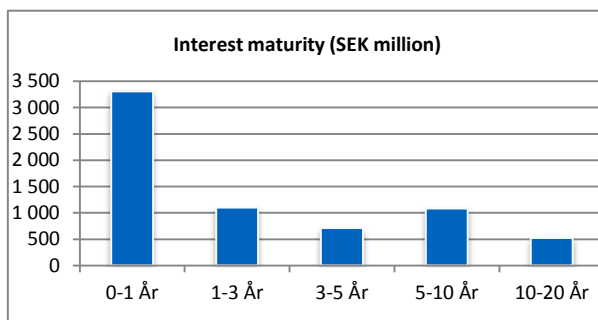
### 5.2.2 Borrowing risk

This risk is managed by allowing no more than 50% of borrowing to fall due within 12 months and by keeping the average maturity of all borrowing within the range of 2–5 years.



### 5.2.3 Interest rate risk

This risk is limited by allowing the proportion of refinancing within 12 months to be no more than 60% of interest-bearing financing and by keeping the average fixed-interest period within the range of 2–5 years.



Swedish krona.

### 5.2.4 Derivatives

The municipality uses various forms of derivatives to manage its financial risks. Below is a snapshot of what it would cost to settle all outstanding contracts on the balance sheet date. The fall in negative market value is the result of higher market interest rates and a weaker

Market values, derivatives (SEK million) – by counterparty	31/12/2018	31/12/2017
Bank 1	-51.3	-75.4
Bank 2	6.2	6.8
Bank 3	-67.2	-84.3
Bank 4	-45.9	-82.1
Bank 5	-34.6	-36.3
Bank 6	22.9	15.6
Bank 7	-136.9	-158.6
<b>Total</b>	<b>-306.8</b>	<b>-414.4</b>

### 5.2.5 Credit risk

The risk that the counterparty or borrower is unable to fulfil its commitments in derivative contracts and/or financial investments.

Counterparties in derivative contracts must have a rating of at least BBB+ from Standard & Poor's Global. If the rating subsequently falls below this limit or if the receivable from the counterparty exceeds the limit, a stop is placed on new transactions.

Credit reserves must be backed by a counterparty rating of at least A at the time they are arranged.

Financial investments must be spread across several counterparties in line with applicable limits.

## 5.3 Hedging documentation

According to Recommendation 21 "Recognition of derivatives and hedge accounting" of the Swedish Council for Municipal Accounting, this hedging documentation indicates the purpose of the hedge, the risk hedged, the hedged item and the hedging instruments used.



Södertälje municipality has external borrowing that finances parts of the assets in the operations of the municipality and its companies. To manage variations in the size of the debt, a combination of short-term and long-term loans is used. Borrowing is sometimes at a fixed interest rate and sometimes at a variable rate, depending on which is most advantageous at the time.

The municipal council has indicated the desired fixed-interest period for the debt in its policy. The municipality utilises interest rate derivatives and currency derivatives in order to comply with this policy.

#### 5.3.1 Hedged risk

The municipality uses derivatives to hedge two different types of risks: interest rate risk and currency risk.

##### **Interest rate risk**

Definition: The impact of market interest rates on the municipality's profit.

Profit is affected by changes in the base rate, usually STIBOR 3M and by the effect of the interest rate curve, which normally results in higher long-term interest rates and so higher costs if the interest rate is fixed for a longer period.

##### **Currency risk**

Definition: The risk of payments relating to loans denominated in currencies other than Swedish kronor becoming more expensive as exchange rates vary.

#### 5.3.2 Hedged item

##### **Interest rate risk**

The hedged item is future interest payments relating to financing of SEK 5,973 million. In addition to existing loans, the hedged item includes forecast interest payments on future borrowing.

##### **Currency risk**

Future payments in currencies other than Swedish kronor in relation to five different loans totalling EUR 120 million and two different loans totalling NOK 800 million.

#### 5.3.3 Hedging instruments

##### **Interest rate risk**

The hedging instruments used are different types of interest rate derivatives and the aim of these is to structure the interest rate risk in line with the finance policy. The most common instrument is a standard interest rate swap, where the municipality receives/pays fixed interest, but instruments with different types of options are also used.

Where the hedges contain an explicit option, they will under no circumstances involve a risk of market value changes that are negative for the municipality and not known in advance being realised if the counterparty exercises its option. If the option involves having to pay a fixed interest rate, this fixed rate is known in advance.

##### **Currency risk**

Currency risk is hedged using currency swaps, whereby all cash flows are converted to Swedish kronor.

#### 5.3.4 Qualitative assessment of the effectiveness of hedges

All identified hedges are considered to be effective as at 31/12/2018 according to the criteria below.

##### **Interest rate risk**

The hedging strategy for interest rate risk adopts a portfolio perspective, which means that it is the nature of the portfolio as a whole that is assessed and not individual transactions. The effectiveness of the hedges cannot therefore be assessed by evaluating individual hedges against individual loans and so this is also done from a portfolio perspective. In the preparation of the annual accounts, a qualitative assessment of the effectiveness of the hedges is made by comparing the terms of the hedging instruments with the terms of the hedged item using a range of criteria. Critical terms comprise nominal amount, maturity and interest base. Effectiveness is also assessed on the basis of compliance with the interest rate risk management strategy.

##### **Currency risk**

In the preparation of the interim and annual accounts, an assessment of the effectiveness of the hedges is made by comparing the main terms of the hedging instruments with the main terms of the hedged item. Critical terms comprise nominal amount, maturity, interest base and fixing date. The critical terms must be fully matched for the hedge to be considered effective.

### 5.3.5 Recognition

Interest expenses on derivatives within the framework of hedge accounting are recognised in the income statement on an ongoing basis as part of the municipality's interest expenses, taking into account the allocation of accrued interest. Derivatives that fall outside the scope of hedge accounting are also measured at market value and are recognised at the lower of cost and market value at the balance sheet date. The municipality has two derivative transactions that are not classified as hedging instruments. Their market value as at 31/12/2018 is positive, therefore no derivative liability has been recognised.

## 5.4 Income statement of the municipality/group

Income statement, SEK million, municipality/municipal group		Municipality			Group	
	Note	Budget 2018	Accounts 2018	Accounts 2017	Accounts 2018	Accounts 2017
Operating revenue	1	158.3	1,152.0	1,105.8	4,765.2	4,405.2
Operating expenses	2	-5,648.5	-6,555.7	-6,207.4	-8,978.5	-8,290.6
Depreciation	3	-102.4	-104.3	-91.6	-548.3	-636.3
<b>Net operating expenses</b>	4	<b>-5,592.6</b>	<b>-5,508.0</b>	<b>-5,193.2</b>	<b>-4,761.6</b>	<b>-4,521.7</b>
<i>Of which items affecting comparability</i>	5	<i>50.0</i>	<i>26.7</i>	<i>35.3</i>	<i>86.6</i>	<i>8.7</i>
Tax revenues	6, 8	3,805.9	3,806.1	3,704.5	3,806.1	3,704.5
General state subsidies and equalisation	7, 8	1,878.6	1,874.0	1,849.4	1,874.0	1,849.4
<b>Operating profit/loss</b>		<b>91.9</b>	<b>172.1</b>	<b>360.7</b>	<b>918.5</b>	<b>1,032.2</b>
Financial income	9	50.0	265.5	256.1	159.9	54.4
Financial expenses	9	-14.7	-202.4	-188.3	-220.4	-213.5
<i>Of which items affecting comparability</i>	33	<i>0.0</i>		<i>0.0</i>	<i>121.5</i>	<i>20.4</i>
<b>Profit/loss after financial items</b>		<b>127.2</b>	<b>235.2</b>	<b>428.5</b>	<b>858.0</b>	<b>873.1</b>
Tax and non-controlling interests	2	0.0	0.0	0.0	-187.7	-68.0
Extraordinary items						
<b>Profit/loss for the year</b>	10, 21	<b>127.2</b>	<b>235.2</b>	<b>428.5</b>	<b>670.3</b>	<b>805.1</b>

## 5.5 Balance sheet of the municipality/group

Balance sheet, SEK million, Municipality/municipal group		Municipality		Group	
	Note	Accounts 2018	Accounts 2017	Accounts 2018	Accounts 2017
<b>ASSETS</b>					
<b>Non-current assets</b>					
Intangible non-current assets	11	9.8	6.8	38.9	35.5
Property, plant and equipment					
Land and buildings	12, 13, 15	1,367.7	1,283.5	12,415.2	11,965.3
Machinery and equipment	14, 15	197.2	167.5	3,049.1	2,969.8
Lease assets		24.9	19.5	494.7	522.8
Contribution to state infrastructure	16	16.2	17.0	16.2	17.0
Financial non-current assets	17	11,476.5	11,536.9	180.6	207.5
<b>Total non-current assets</b>		<b>13,092.3</b>	<b>13,031.2</b>	<b>16,194.7</b>	<b>15,717.9</b>
<b>Current assets</b>					
Development		195.4	91.0	195.4	91.0
Inventories		1.0	0.9	140.8	105.0
Invoice receivables	18	46.8	44.6	256.7	275.5
Other receivables	19	256.5	296.9	650.3	607.9
Cash, bank balances	20	97.4	4.5	141.5	45.8
<b>Total Current assets</b>		<b>597.1</b>	<b>437.9</b>	<b>1,384.7</b>	<b>1,125.2</b>
<b>TOTAL ASSETS</b>		<b>13,689.4</b>	<b>13,469.1</b>	<b>17,579.5</b>	<b>16,843.1</b>
<b>EQUITY, PROVISIONS AND LIABILITIES</b>					
<b>Equity</b>	21				
Opening equity		4,079.4	3,633.6	5,040.9	4,218.5
Social Fund		0.0	17.3	0.0	17.3
Profit/loss for the year		235.2	428.5	670.3	805.1
<b>Total Equity</b>		<b>4,314.6</b>	<b>4,079.4</b>	<b>5,711.2</b>	<b>5,040.9</b>
<b>Provisions</b>					
Pensions	22	392.6	342.6	463.5	416.0
Pensions for elected politicians	22	29.4	30.5	1.8	1.2
Payroll tax	22	102.4	90.5	102.4	90.5
Deferred tax		0.0	0.0	728.1	587.7
Other provisions	22	35.4	0.0	152.8	117.5
<b>Liabilities</b>					
Long-term loans	23, 24	5,603.9	5,534.9	5,603.9	5,534.9
Non-current liabilities	25	2.0	2.1	288.1	262.3
Non-current lease liabilities		16.7	11.8	457.8	492.0
Investment contributions		85.9	101.1	85.9	101.1
Short-term loans	26	2,145.0	2,400.0	2,145.0	2,400.0
Current liabilities	27	953.3	868.5	1,791.4	1,752.2
Current lease liabilities		8.2	7.6	47.6	46.8
<b>Total Liabilities</b>		<b>8,815.0</b>	<b>8,926.0</b>	<b>10,419.7</b>	<b>10,589.3</b>
<b>TOTAL EQUITY, PROVISIONS AND LIABILITIES</b>		<b>13,689.4</b>	<b>13,469.0</b>	<b>17,579.5</b>	<b>16,843.1</b>
<b>Pledged assets and contingent liabilities</b>					
Equity ratio (%)	28	31.5%	30.3%	32.5%	29.9%

## 5.6 Cash flow statement of the municipality/group

Cash flow statement, SEK million, municipality/group as a whole		Municipality			Group	
Operating activities	Note	Budget 2018	Accounts 2018	Accounts 2017	Accounts 2018	Accounts 2017
Profit/loss for the year		127.2	235.2	428.5	670.3	805.1
Depreciation	3	102.4	104.3	91.6	548.3	636.3
Net capital gains on property, plant and equipment	29	-5.0	-7.5	-29.7	-70.1	-2.8
Net capital gains on financial non-current assets	29	0.0	-2.7	-2.0	-121.5	-22.4
Disposals		0.0	0.6	0.9	412.1	0.9
Reclassifications	15	0.0	6.0	0.3	6.1	2.1
Change in tied-up capital	30	0.0	22.8	138.0	-124.1	249.3
Dissolution, state infrastructure		1.0	0.8	0.9	0.8	0.9
Change in provisions, incl. payroll tax	22	27.0	60.8	51.9	235.7	83.9
Non-cash items, SKFAB		0.0	0.0	0.0	-10.9	0.0
<b>Cash flow from operating activities</b>		<b>252.6</b>	<b>420.3</b>	<b>680.4</b>	<b>1,546.7</b>	<b>1,753.3</b>
<b>Investments</b>						
Investments in property, plant and equipment		-331.9	-216.3	-227.4	-1,573.3	-1,349.2
Investment contribution, property, plant and equipment		0.0	10.7	0.5	10.7	0.5
Investments in intangible non-current assets		0.0	-4.8	-4.7	-13.8	-13.5
Leases		0.0	-12.4	-9.3	-12.4	-7.7
Sales	31	10.0	10.9	32.9	320.7	124.0
<b>Cash flow from investing activities</b>		<b>-321.9</b>	<b>-211.9</b>	<b>-208.0</b>	<b>-1,268.1</b>	<b>-1,245.9</b>
<b>Funding required for financing</b>		<b>-69.3</b>	<b>208.4</b>	<b>472.4</b>	<b>278.6</b>	<b>507.4</b>
<b>Financing</b>						
Borrowing/Repayment	32	-267.7	-180.6	-611.6	-209.4	-628.8
Change in non-current receivables, etc.		337.0	65.1	51.9	26.5	26.1
Cash and cash equivalents at beginning of year		0.0	4.5	91.8	45.8	141.1
Cash and cash equivalents at end of year		0	97.4	4.5	141.5	45.8
<b>Change in cash and cash equivalents</b>		<b>0.0</b>	<b>92.9</b>	<b>-87.3</b>	<b>95.7</b>	<b>-95.3</b>