

# Annual Report 2012

SL in brief → PAGE 3

Annual Report → PAGE 7

Sustainable development → PAGE 47





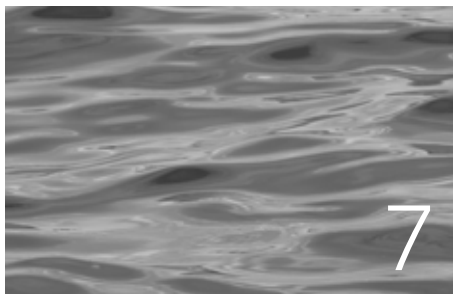
SL's

# vision

---

Through public transport, SL contributes towards making Stockholm Europe's most attractive metropolitan region.

---



SL has subscribed to the UN's initiative for responsible business practices, the Global Compact. This means that SL shall strive to work in accordance with the initiative's ten principles on human rights, employment law, the environment and anti-corruption measures. Once a year, SL shall also report on its goals, results and experiences from this work in writing, in the form of a Communication on Progress (COP).

 Find out more  
Sustainable development, page 47

## Contents

---

- 3 SL in brief
  - 4 A word from the MD
  - 5 A word from the Chairman
  - 7 **Annual Report →**
  - 8 Administration Report
  - 15 Income Statement
  - 16 Balance Sheet
  - 18 Cash Flow Statement
  - 19 Additional information
  - 34 Audit Report
  - 35 Review Report
  - 36 Special transport services
  - 40 Board and auditors
  - 42 Operating figures
  - 47 **Sustainable development →**
  - 48 The Global Compact – SL's ethical compass
  - 50 Human rights
  - 53 Employment law
  - 54 Roslagsbanan – case study
  - 56 The environment
  - 59 Anti-corruption
-

# About AB Storstockholms Lokaltrafik in brief

## Stockholm Traffic Administration and SL

As of 1 January 2013, the tasks previously performed by AB Storstockholms Lokaltrafik (SL) have been moved over to an administration within the Stockholm County Council – the Traffic Administration. This means that all employees within SL from year-end (2012/13) have been given new employment with the Stockholm County Council.

SL will continue to be the collective name and brand for the procured public transport services in Stockholm County.

## Business concept

Based on the requirements of the Stockholm County Council and its stakeholders' expectations, the Traffic Administration shall propose and implement regional public transport solutions that make commuting easier and simplify everyday life for everyone in the Stockholm region.

## Vision

Attractive public transport in a sustainable transport system contributes to Stockholm being Europe's most attractive metropolitan region.

## The development objectives

- Competent strategist
- Competent project implementer
- Businesslike purchaser
- Effective control
- Attractive employer

## Operations of the Traffic Administration

The Traffic Administration has overall responsibility for ensuring that everyone who lives in or visits Stockholm County has access to extensive, easily accessible, reliable public transport.

SL transport services is supplied by companies that the Traffic Administration procures in a free and competitive market. In order to be able to provide

the best possible service, it is extremely important for the Traffic Administration to enter into businesslike, trusting cooperation with the operators with which the Traffic Administration signs agreements. The Traffic Administration must be expert at overall planning, ordering and following up on transport services, and renewing and maintaining the infrastructure. The transport operators are responsible for the detailed planning, the actual transport services and the customer contact.

## Political governance and financing

The Traffic Administration is the administration organisation under the Traffic Committee in the Stockholm County Council. The County Council Assembly appoints the members of the Traffic Committee. The procured transportation services are primarily financed by county council taxes and revenues from ticket sales.

The company's business activities and finances	2012	2011
Number of passengers per day in winter using general public transport	763,000	739,000
Satisfied customers using general public transport, %	73	73
Number of special transport service journeys and patient transport journeys per day	10,700	10,700
Profit/loss, SEK millions	55	-156
Income for the year, SEK millions	15,937	14,949
Fare revenues, SEK millions	6,505	5,870
Total assets, SEK millions	41,045	39,093
Tax distribution level, %	45.8	49.1
Investment, SEK millions	4,287	4,439

# Sustainable challenges for growing public transport

Stockholm is continuing to grow at a rate of around 40 000 inhabitants every year. In round figures, this corresponds to two full SL buses a day. This high level of migration can also be seen in the increased figures for travel by public transport in our county. Never before have SL services had as many daily passengers as they did in 2012. On a typical weekday in winter, around 2.7 million journeys were made using general public transport, i.e. by Metro, commuter rail, light rail or bus. In addition to this, special transport services accounted for almost 8 200 journeys per day.

This is essentially a positive trend, but subsequently results in significant requirements. As more people travel, the pressure on existing infrastructure increases. Trains and buses become more crowded, and there is need for new lines and more frequent services. As Stockholm grows, public transport must therefore keep pace in order to keep offering environmentally friendly, punctual, accessible and safe travel in the future.

In 2012, SL continued work on a number of large and important projects. Among them are the upcoming modernisation of the Metro's Red Line, the double-track expansion of Roslagsbanan and the extension of the Tvärbanan orbital line from Alvik to Solna, opening in autumn 2013.

SL procures public transport service in an open and competitive market. A large part of the internal change work has therefore been concentrated on strengthening the expertise towards an even more



efficient purchasing organisation. The County Council's auditors confirm that SL took steps in 2012 to strengthen internal governance and control and to improve financial results. However, some negative remarks remain and systematic efforts are under way to address these.

Since 2009, SL has clarified its corporate social responsibility by participating in the UN initiative for responsible business, the Global Compact. This means that SL actively works in the areas of human rights, labour law, the environment and combating corruption. In connection with the County Council's new traffic provisioning programme, which SL must follow, these sustainability issues will also come in as a natural and integrated form of governance in all of SL. This is very positive.

The year also featured preparations ahead of the transition to an administrative organisation that came into force on 1 January 2013, when SL's employees were transferred to a new body within Stockholm County Council – the Transport Administration. However, the day-to-day work to provide attractive and effective public transport continues just as before.

I would like to thank all our passengers, employees and partners for helping to achieve SL's vision: Making Stockholm Europe's most attractive metropolitan region.

*Anders Lindström*  
MD

## SL services grow faster than inward migration



An eventful 2012 has now come to a close. At the beginning of the year, the new Swedish Public Transport Act – whereby private players can now operate commercial transport services – came into force. Stockholm County Council's first transport provision programme was also drawn up during the year. The programme is a strategic tool for developing public transport in accordance with the new law, and for achieving the industry's joint target of doubling the market share for public transport. During 2012, a great deal of hard work was also carried out to ensure that the new Transport Administration would be in place by 1 January 2013.

The number of passengers during 2012 rose by 3.3 per cent to 763 000. At the same time, the number of people living in Stockholm County rose by 1.7 per

cent. Use of public transport is therefore increasing faster than the population. This places great demands on all of us who work with issues relating to infrastructure and public transport: We must build new services, modernise existing services, dare to think differently and create new routes and travel patterns. I am proud of the Transport Administration's work to develop the Stockholm region's public transport into a world-class service. This is essential not only in terms of the region's continued attractiveness, but also for the growth of Sweden as a whole.

Customer satisfaction and punctuality remain high, although we must always strive to become even better. Public order officers and safety patrols at stations and bus stops have made everyday life easier for passengers. They have

also helped to make public transport safer, particularly for women and young people. Through SL Access, we have modernised our ticketing system and made it more accessible for passengers.

I intend to continue working to expand and modernise our public transport. At the same time, it is equally important to develop ideas with regard to how both rail transport and bus and boat transport can continue to be strengthened in order to meet the needs of a growing Stockholm County.

The Transport Administration's most important task for the future is to achieve greater numbers of passengers and more satisfied passengers. Increasing travel by public transport is the single most important environmental investment that Stockholm County Council can make. I am therefore proud of the Transport Administration's work within the framework of the UN Global Compact, which since 2009 has characterised its sustainable development work.

Finally, I would like to thank all of you who work and travel with public transport every day. I look forward to continuing to develop public transport in Stockholm County together with you.

*Christer G Wennerholm*  
Chairman







# Annual Report →

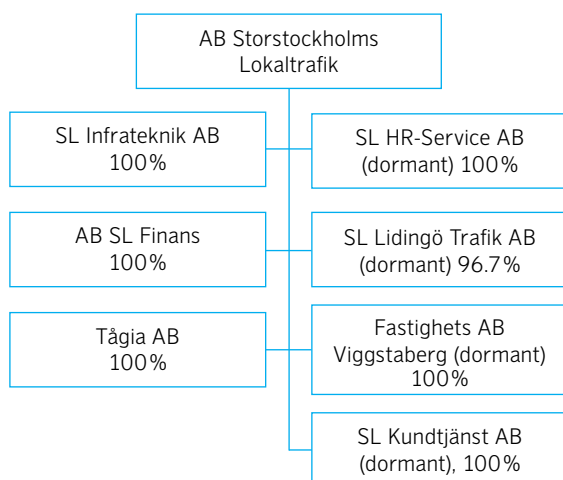
# Administration Report

AB Storstockholms Lokaltrafik, company registration number 556013-0683

The Board of Directors and the Managing Director of AB Storstockholms Lokaltrafik hereby present the annual report of the Parent Company and the SL Group for the financial year 1/1/2012 – 31/12/2012.

## 1. Ownership Structure

The Parent Company of the SL Group, AB Storstockholms Lokaltrafik (SL), is wholly owned by Stockholm County Council (SLL). At year-end 2012, the Group consisted of the Parent Company, three operating subsidiaries and four dormant subsidiaries.



At SL Infrateknik AB, there are vehicles owned by the SL Group or which are intended to be financed externally.

AB SL Finans is responsible for financing public transport vehicles.

Tågia AB provides training in care and maintenance of rail vehicles. As a part of the streamlining of SL's role and mission, SL has made the decision to sell the Industrial Technology High School. This is taking place through a transfer of the operations from Tågia AB to the current staff. In order for the transfer to occur, the Swedish National Agency for Education must grant its permission, which is expected to take place in 2013.

The Group includes the dormant companies Fastighets AB Viggstaber, SL Lidingö Trafik AB, SL HR-Service AB and SL Kundtjänst AB.

In addition, SL is a part-owner AB Transitio, which is responsible for the acquisition and financing of vehicles on behalf of its owners. A decision on changed ownership in the company was made in the Traffic Administration on 25 October 2011 and the ownership change was carried out at the end of 2012. For SL, this meant that ownership decreased from 43.5 per cent to 14 per cent.

SL is also a part-owner of Samtrafiken i Sverige AB (2.12 per cent), whose operations consist of collaborative efforts to improve conditions for public transport users and expand public transport services throughout Sweden.

## 2. Governance

SLL owns AB Storstockholms Lokaltrafik, and it is the County Council Assembly that appoints the members of SL's Board of Directors and the members of the Traffic Committee, a political body.

The Traffic Committee is responsible for public transport on land, at sea and for the disabled as well as for the County Council's transport service planning and for preparing proposals on transport provisioning programmes.

The Traffic Committee also has overall responsibility for planning and procuring transport services and monitoring operations.

SL is responsible for the Traffic Committee's decisions being implemented within the framework of SL's operational areas.

SL's Board of Directors consists of politicians elected by the County Council Assembly and employee representatives.

## 3. Business operations

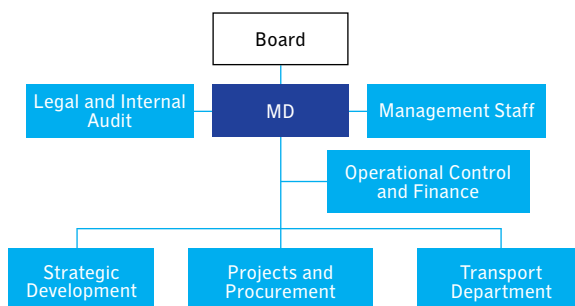
SL has overall responsibility for ensuring that everyone who lives in or visits Stockholm County has access to extensive, easily accessible, reliable public transport. All transport services are provided by transport operators and procured by SL in competition.

SL is responsible for operation and maintenance, investments, and developing general public transport by rail and road, as well as special public transport in terms of special transport service journeys and patient transport journeys.

Special transport services is a profit centre within Stockholm County Council, and is not included in the SL Group's financial reporting.

### SL's organisation

In order to develop SL into a clearer and more effective purchaser and strategist with a high degree of expertise, a reorganisation was carried out in 2011. At 31 December 2012, there were nearly 600 employees.



### Operational planning and management by objectives

In September 2012, the County Council Assembly decided on a new transport provisioning programme. It includes an overall description of the need for regional public transport, a general description of standards for transport services, an overall de-

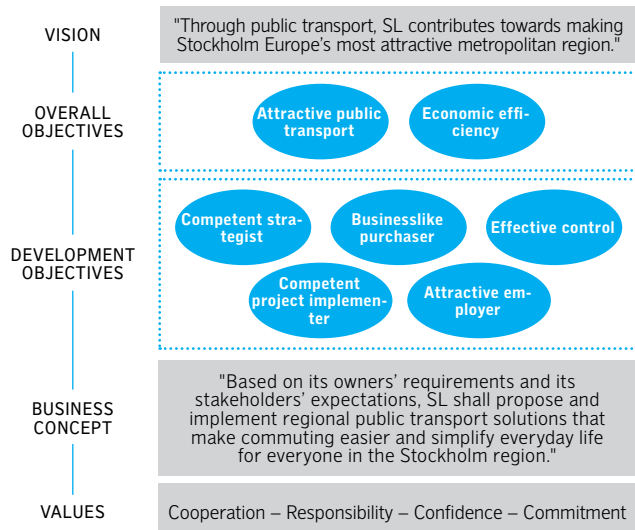
scription of regions, routes and core transport services, as well as measures for attractiveness, the environment and accessibility.

Besides the Traffic Administration's own documentation, the transport provisioning programme is based in part on the regional development plan for Stockholm County (RUFs). Other documentation includes the municipalities' development plans, statements of opinion from transport companies, trade associations, authorities and political governance documents.

The overriding objectives and the vision for public transport that are established in the traffic provisioning programme will constitute the vision and overriding objectives in the Traffic Administration's strategic map. The Administration Director specifies and decides, in the scope of the Assembly's and the Traffic Committee's decision, the emphasis of operations through development targets, the business concept and values for the Traffic Administration in the strategic chart.

The objectives in the strategic chart reflect:

- demands on *external effectiveness* – overall objectives for the total attraction, value creation and effectiveness of SL's transport services
- demands on *internal effectiveness* – development objectives that point out the prioritised areas within which the Traffic Administration shall reinforce its ability to deliver attractive public transport



The strategic chart is decided on by the SL Board. Target figures for the overriding objectives and the development objectives are established and decided on in the scope of the drafting of the operational plan, which is done every year.

### Travel within the county

Stockholm County has the highest market share of public transportation in Sweden. On a typical weekday in winter 2012, 750,000 people travelled with SL. The mode of transport that had the highest proportion of journeys was the Metro, with 43 (43) per cent, followed by the bus with 41 (41) per cent, commuter rail with 10 (10) per cent and light rail with 6 (6) per cent. The distribution between modes of transport remains stable over the years.

Travel frequency with SL increased by 3.3 (2.3) per cent during 2012 compared with the previous year. The number of journeys on a typical weekday during winter was 2,703,000 (2,616,000). On winter days in 2012, there are 763,000 (739,000) passengers per day.

Total passenger kilometres continued to show growth during 2012, increasing to 5,241 (5,073) million kilometres, an increase of 3.3 (1.9) per cent. The increase applies to all types of transport.

Total transport capacity measured in available seat kilometres rose by 0.8 (2.0) per cent to 16,239 (16,115) million kilometres.

### A focus on the customer

Since 2007, SL has conducted monthly onboard surveys of "Perceived Quality". The average recorded satisfaction level for 2012 was 73 (73) per cent. Over the course of the year, customer satisfaction was somewhat higher during the spring than during the autumn.

The Travel Guarantee is under continuous development with a view to meeting customer requirements, and is an important service if SL transport services are disrupted. The guarantee applies to all SL transport services in Stockholm County, and also to commuter rail services across county borders to Bålsta and Gnesta. Compensation can be obtained for taxi journeys and journeys by car.

In 2012, the number of instances of compensation was 33,663 (44,404). Compensation paid out amounted to SEK 9.8 (13.8) million.

Preventive measures to reduce vandalism and graffiti remain a high priority. The transport contractors have a clear commitment within the framework of signed transport agreements. Despite preventive measures and cost-effective solutions, costs increased in 2012 from SEK 11 million to SEK 14 million.

In spring 2012, SL began to gradually introduce the "reskassan", or travel account, to entirely replace pre-paid ticket strips in 2013. The travel account will improve accessibility to SL's product range. In April, SL also introduced dormant tickets to its entire ticket range, offering the customer more freedom of choice and security as the customer can buy tickets for future travel in advance.

## 4. The environment

SL is certified in accordance with ISO 14001:2004, and has subscribed to the Global Compact since 2009.

The Global Compact is a UN initiative for companies wanting to take responsibility for long-term sustainable development based on ten principles relating to human rights, employment law, the environment and anti-corruption measures.

SL carries out activities subject to reporting requirements under the Swedish Environmental Code in connection with the transit storage of hazardous waste at Slakthuset Rail Depot. The report has been issued. Furthermore, a report is issued to the County Administrative Board on SL's own transportation of smaller quantities of hazardous waste.

Other activities requiring permits and subject to reporting requirements are carried out by SL's transport contractors, and they have an obligation to hold permits or issue reports.

In 2012, SL introduced the environmental objective work decided on by the County Council Assembly. The work goes under the name Environment Challenge 2016 and applies to the years 2012-2016. The Environment Challenge comprises 16 sub-targets in the areas of climate efficiency, resource efficiency and health-promoting environmental work. A document has been prepared to make it clear what tasks the administrations and companies shall annually report to Stockholm County Council (SLL). This document outlines what measurement methods are to be used in the follow-up of the objectives.

The number of buses run on renewable fuels in SL transport services is increasing all the time. At year-end, 650 (768) ethanol buses, 267 (229) biogas buses and 408 (221) buses with pure rapeseed methyl ester (RME) were in operation. The proportion of buses run on renewable fuels amounted to 63 (56) per cent. In total, there were 2,114 (2,168) buses in operation in SL transport services in 2012.

### 5. Safety, security, accessibility and information

#### Safety and security

SL works systematically and long term to increase safety and security for passengers, transport service operators and others who come into contact with SL transport services. The company cooperates continuously with municipalities, the police and voluntary organisations.

Travelling with SL should be seen as safe and secure, both for passengers and those who work in the transport services. SL works with trained public order officers, known as safety patrols, divided up between the different modes of transport. The "safety resources" are there to improve safety and to help passengers and staff. There are special safety rooms at eight of the larger stations in the Metro and commuter rail network. Ongoing work is being carried out to prepare safety rooms at more stations.

An intelligent fire, smoke and gas alarm, GDS Sentio, has been installed and is in operation in the Metro's underground facilities.

Security cameras have been installed on all buses. The transport operators have full responsibility for this equipment. The process of installing security cameras at commuter rail stations is continuing according to plan.

The introduction of alcohol safety interlock devices in the SL buses was fully implemented in October 2012.

During the year, SL signed an agreement with the Swedish Heart-Lung Foundation on heart starters for the public. They will be placed in certain major Metro and commuter rail stations in 2013.

In 2012, work was under way in project form to renew all security permits for rail services in conjunction with the transition to the new Traffic Administration organisation. All necessary new permits from the Swedish Transport Agency have been ap-

proved and are valid as of 1 January 2013. This work has also included reviewing and updating SL's security control systems.

#### Accessibility and traffic information

In 2006, the SL Board enacted a programme for improved accessibility for passengers with disabilities. The aim of the programme is to enable any individual who can get to a station or bus stop, either alone or with assistance, to travel with SL. The long-term aim of this accessibility work is that "SL's general public transport should be perceived as the most attractive form of travel for passengers with disabilities".

Over the years, SL has made major efforts to improve accessibility in public transport, primarily with regard to buses and the Metro. The accessibility work takes place on various levels: improvement of information and communication, training and further development of the physical environment.

The proportion of low-floor buses increased from 94 per cent to 95 per cent in 2012. In January 2013, this figure was 98 per cent.

Track adjustments to minimise vertical and horizontal distances have been carried out at a total of 94 out of 100 Metro stations. All Metro stations are equipped with lifts.

Investments in accessibility modifications continued during 2012. These mostly involved modifications to stations in relation to platform heights, lifts, escalators and tactile warning surfaces.

At bus stops, digital signs were set up in 2012, which will lead to more reliable public transport information.

Work on a so-called digital real-time platform began during the year. The objective is to provide Metro passengers more up-to-date information about various disruptions.

### 6. Staff

The overall objective in terms of staff is that SL should be an attractive employer that can recruit and retain employees who can realise the company's vision and business concept.

In 2012, staff work focused on hiring employees with qualified expertise to perform the partially new mission in the scope of the reorganisation of 2011.

#### Management and leadership

In 2012, several activities were carried out in the area of management in a comprehensive leadership endeavour based on the new management role and the management criteria included in it.

One third of SL's managers are participating in a mentor programme in the scope of SLL. During the year, an internal management programme was also started.

#### Working environment and health

As an employer, SL has a responsibility for the working environment within the company and therefore works systematically to ensure a good working environment.

One of several preventive occupational health initiatives involves offering all employees a health check-up every other year. In 2012, 124 (168) employees took advantage of this offer. During the year, 406 (446) employees made use of the SL healthcare subsidy. The well-equipped gym at Lindhagensgatan is visited every week by around 10 per cent of SL's employees.

### Equality and diversity

There is an equality and diversity plan, which is updated annually. SL strives to achieve an even gender distribution in all professional groups, including management teams at different levels of the company.

The company's management consists of 3 (3) women and 7 (5) men. Among other managers, the proportion of women is 58 (46) per cent. Also see Note 4.

## 7. Risks and risk management

### Risk assessment

There has been a major initiative since 2007 to identify and prioritise significant risks in relation to SL's ability to achieve established goals and guidelines. SL's risk management comprises eight identified risk areas, including environmental risks, operational risks and financial risks.

Risk management is integrated into strategic and operational management as a natural step in daily planning, monitoring and control.

The control plan is monitored and reviewed each year, in accordance with the SLL's directive.

### Insurable risks

SL has standard insurance cover for Group property and liability risks.

### Financial risks

Every year, the SL Board establishes guidelines for financial activities within AB Storstockholms Lokaltrafik. These guidelines comply with SLL's financial policy where applicable.

The objective for financial activities is to safeguard the short-term and long-term capital supply and to achieve the lowest possible financing expenditure, while ensuring that financial risks are managed in accordance with established guidelines. Through its role as coordinator of financial activities within the SLL Group, AB SLL Internfinans has primary responsibility for managing financial risks arising within the SLL Group. The remaining risks for SL are mainly interest rate risks in the form of market rate fluctuations and administrative risks.

SL manages the interest rate risks and administrative risks that arise within financial activities by applying an active approach, effective skills provision and documented procedures and processes.

Developments within the financial market have created a need for ongoing active management in consultation with SLL to monitor and ensure that the conditions of current financial agreements are met.

See also Notes 11 and 23.

### Crisis management

A crisis management organisation with a designated crisis management team exists to ensure that the company is well prepared for disasters and crises.

There is a Duty Officer function to ensure the handling of a serious disruption or crisis. Duty Officers are available around the clock and have a far-reaching mandate to deal with events arising when ordinary officials are not available. If a serious situation turns into a crisis situation, the special crisis management organisation is set into motion and is led by the Duty Officer until ordinary crisis management is in place.

The objective of the crisis management in SL is to reduce the impact of a serious disruption and crisis, and reduce the risks of such events. This requires both a functioning crisis organisation and the capacity to learn from incidents. In the aim of developing crisis management, an overhaul of the crisis management model was initiated at the end of 2012.

## 8. Financial results

### Business development

(MSEK)	2012	2011	2010	2009	2008
Fare Revenues	6,505	5,870	5,370	5,217	5,099
Operating Subsidies from SLL	6,402	6,296	6,099	5,945	5,685
Work Performed by the Company for its Own Use and Capitalised	93	94	119	89	54
Other Operating Income	2,937	2,689	2,536	2,597	2,267
<b>Total</b>	<b>15,937</b>	<b>14,949</b>	<b>14,124</b>	<b>13,848</b>	<b>13,105</b>
Purchased Services	-10,518	-10,092	-9,637	-8,561	-8,049
Other Costs	-4,633	-4,421	-4,496	-4,525	-4,119
Net financial items	-731	-592	-411	-348	-655
<b>Profit/Loss for the Year</b>	<b>55</b>	<b>-156</b>	<b>-420</b>	<b>414</b>	<b>282</b>
Total Assets	41,045	39,093	35,782	32,769	30,477
Tax funding level	45.8%	49.1%	51.2%	48.6%	49.9%

The tax funding level shows the proportion of the costs of SL's operations covered by subsidies from SLL.

Based on SLL's total tax income, this means that, of every taxable SEK 100, SEK 1.41 (1.46) goes to SL. Since the early 1990s, this level has fallen from around 70 per cent to current levels due to higher revenues.

### Group profit

The SL Group's income amounted to SEK 15,937 (14,949) million, an increase of 6.6 (5.8) per cent. Fare revenues accounted for SEK 6,505 (5,870) million, an increase of SEK 635 (500) million corresponding to 10.8 (9.3) per cent. This increase consists mainly of revenues from 30-day tickets that increased by SEK 447 million since 2011, corresponding to 15.8 per cent.

Operating subsidies from SLL amounted to SEK 6,402 (6,296) million, an increase of 1.7 (2.8) per cent.



Other operating income, such as income from commercial advertising, rent, etc., amounted to a total of SEK 2,937 (2,689) million.

Total operating income for the Parent Company stood at SEK 14,593 (13,588) million.

The Group's operating expenses amounted to SEK 15,151 (14,513) million.

Costs for purchased services totalled SEK 10,518 (10,092) million, an increase of 4.2 (4.7) per cent. This cost increase mainly included new agreements, transport changes and price development. Of the total operating expenses, purchased services account for approximately 70 per cent. This level remains largely unchanged from year to year.

In total, staff expenses for the year amounted to SEK 452 (525) million. This decrease is due to the major staff changes in conjunction with the 2011 organisational overhaul.

Amortisation/depreciation and write-downs are recognised in Group operating expenses at SEK 1,890 (1,688) million. Of this amount, SEK 635 (632) million relates to carriages and vehicles that were financed through financial leasing.

The operating profit includes a realisation result mainly connected to the divestment of the Söder Depot to the City of Stockholm, which had a positive impact in an amount of SEK 114 million.

During the year, a dispute associated with leases with Handelsbanken was concluded and affected Group profit positively in an amount of SEK 108 million.

The operating profit was SEK 786 (436) million.

The Group's net financial loss was SEK 731 (592) million. Of this amount, interest expenses of SEK 231 (230) million relate to the interest component of financial leases.

The profit for the year was negatively impacted in an amount of SEK 90 million due to a reduction of the discount rate in the calculation of the pension liability.

The profit for the year was SEK 55 (loss: 156) million.

#### Operational production costs per mode of transport

(MSEK)	2012	2011
Metro	-3,400	-3,306
Commuter rail	-1,864	-1,894
Light rail	-899	-916
Bus	-5,675	-5,014
Joint Mode Costs	-859	-975
<b>Production Costs</b>	<b>-12,697</b>	<b>-12,105</b>

This compilation refers to the Parent Company AB SL.

Total transport production costs increased during 2012 by SEK 592 million, or 4.9 per cent. Of this total, 27 (27) per cent

was for the Metro, 15 (16) per cent for commuter rail, 7 (8) for light rail, 44 (41) per cent for buses and 7 (8) per cent for joint transport modes.

#### Investments

Investments totalled SEK 4,287 (4,439) million, a decrease of SEK 152 (223) million compared with the previous year. These investments relate to new investments, investments as a result of decisions by authorities and rebuilding existing fixed assets, as well as investments in vehicles and technical systems.

#### Investments in SL services are reported as follows:

(MSEK)	2012	2011	2010	2009	2008
Metro	1,035	1,455	790	890	1,046
Commuter rail	1,221	172	671	492	1,083
Light rail	1,407	1,307	1,900	1,101	520
Bus	428	1,251	886	521	431
Joint/other	196	254	415	858	453
<b>Total Investments</b>	<b>4,287</b>	<b>4,439</b>	<b>4,662</b>	<b>3,862</b>	<b>3,533</b>
Change in per cent	-3.4	-4.8	20.7	9.3	13.6

#### Major investment projects in 2012

##### Extension of the Tvärbanan orbital line's Solna branch line

The project comprises a new double track from Alvik to Solna Station, a new depot in Ulvsunda, adjustment of the existing Tvärbanan to the expanded service, a new preparation hall for new vehicles in the Bromma depot and new rail vehicles. The implementation is under way. The project is estimated to be completely finished in 2014 with a gradual beginning of service to Solna Centrum beginning in 2013.

##### Roslagsbanan light railway expansion to double track

Extensive work is under way along the Roslagsbanan light railway that comprises an expansion of double tracks, new depots and new vehicles to be able to offer 15-minute service in stage one and an even 10-minute service in stage two. In addition to this, vehicle are being renewed, stations are being adapted for accessibility, the Östra Station depot is receiving shell protection and noise-protection steps are being taken along routes not being expanded to double tracks.

##### Spårväg City

The work on Spårväg City includes new tracks from Djurgårdsbron to Ropsten, equipment and a partial double-track expansion of the Lidingöbanan line, new depots for light rail carriages and buses in Lidingö as well as the purchase of vehicles.

#### Financing of SL's investments

(MSEK)	2012	2011	2010	2009	2008
Government Grants	389	305	259	140	208
Financial Leasing	-	576	230	210	1,060
SLL Loans	2,000	3,500	3,500	2,000	1,000
Own Funds	1,898	58	673	1,512	1,265
<b>Total Financing</b>	<b>4,287</b>	<b>4,439</b>	<b>4,662</b>	<b>3,862</b>	<b>3,533</b>

SL received SEK 389 (305) million in Government funding in 2012. Funding has been paid out by the Swedish Transport Administration in relation to the extension of the Tvärbanan line northwards towards Solna and a branch line etc. between the Södertälje depot and the Port of Södertälje, and a park-and-ride system for south Norrtälje, as well as investments in the Roslagsbanan light railway.

The proportion of buses financed by SL through financial leasing decreased somewhat during the year. At the end of the year, 788 (845) buses out of a total of 2,114 (2,168) buses in operation were financed via SL. This corresponds to approximately 37 (39) per cent of SL's bus fleet. The buses are leased out to transport contractors in line with current market conditions.

SL's rail vehicles are financed primarily through financial leasing.

The total number of rail vehicles on SL services is 884 (886), with Metro carriages accounting for 58 (58) per cent or 513 (513) carriages.

#### Cash and interest-bearing liabilities

The Group's liquid assets amounted to SEK 544 (1,032) million at the end of the year. Of these liquid assets, SEK 417 (769) million is held in the Group account. Disposable cash including unused bank overdraft facilities amounted to SEK 1,544 (2,032) million.

Interest-bearing liabilities as at 31 December 2012 totalled SEK 13,636 (11,730) million, an increase of just over 16 (41) per cent.

Lease financing of vehicles amounted to SEK 11,554 (12,164) million at 31 December 2012.

### 9. Other events

#### SL Access

In 2012, the "reskassan" or travel account was introduced, a ticket that will replace the pre-paid ticket strip in 2013. The travel account is the last part of the introduction of SL Access and can be seen as a type of digital wallet that can be charged with money that is deducted from the card on each trip.

#### Commuter rail service to Uppsala

In December 2012, SL began commuter rail service to Uppsala. The new line means that passengers can travel from Stockholm to Uppsala without changing at Upplands Väsby. In addition, the new commuter line goes through Arlanda, which creates a direct connection between Stockholm Central-Arlanda and Uppsala Central-Arlanda.

#### Change of transport operators

In 2012, the transport areas of Bromma, Solna/Sundbyberg and Sollentuna changed transport operator for bus service. The new transport operator is Arriva, which also took over the Nockebybanan, Saltsjöbanan and Lidingöbanan lines.

#### New maintenance agreement

In 2012, a new maintenance agreement was signed. The agreement, which initially applies for five years, comprises responsibility to both plan and carry out a large part of the maintenance on

tracks and in electrical and signal systems in AB SL's infrastructure. The providers assumed this responsibility on 7 January 2013. The procurement is in line with SL's objective to develop as a purchasing organisation.

#### New ticket inspection agreement

In 2012, the procurement of a new ticket inspection agreement was concluded. Beginning in January 2013, ISS Facility will be responsible for ticket inspections. The agreement is valid for three years with a possible extension of two years.

#### MD of AB Storstockholms Lokaltrafik

Anders Lindström began as the Managing Director on 1 January 2012.

#### New owner directive and new Articles of Association

On 4 December 2012, SLL decided to adopt new Articles of Association and a new specific owner directive for SL.

According to the Articles of Association, the object of SL is – within Stockholm County and neighbouring areas – to arrange local and regional public transport, within the framework of notified conditions, to arrange transportation for people with disabilities (special transport services), to own and administer real and movable estate, and to carry out related operations.

### 10. Future development

The County of Stockholm currently has a population of just over 2.1 million. Stockholm County currently has a population increase of approximately 40,000 residents per year. By 2020, Stockholm County is expected to grow by around 300,000 residents. This population growth entails an increased load on the transport system. There is already congestion on roads and railways, particularly in the central parts of the city and during high traffic periods.

For the Stockholm region, it is a major challenge and a crucial future issue that public transport can develop at least at the same pace as the population trend and that the entire transport system is planned for the proportion of public transport to be able to increase on the long term.

Public transport is of crucial significance to accessibility in the county. The burden on the public transport system is growing and there are major investment and development needs that will entail higher costs for public transport. Public transport is facing substantial investments in railways, vehicles, safety creation measures, environmental and accessibility adaptations. The expanded loan needs that these efforts entail mean that financial expenses will increase in 2013.

On 1 January 2012, a new Public Transport Act entered into effect. Through the new law, the bodies in the respective counties called transport principals are replaced with a regional public transport authority (RKTM). For Stockholm County, SLL is the regional public transport authority.



### 11. The work of the Board

In 2012, the Board of Directors of AB Storstockholms Lokaltrafik consisted of three directors and two employee representatives. The County Council Assembly appoints a Chairman of the Board, a First Vice Chairman and a Second Vice Chairman from among the appointed directors.

The Board of Directors held 19 Board meetings during the year.

Its work conforms to the rules of procedure established by the Board of Directors, and those rules also govern the obligations of the Board of Directors and the Managing Director, and the distribution of work among them.

### 12. Profit allocation

According to the prepared balance sheet, non-restricted equity in the Parent Company totalled SEK 2,233,240,511. No transfer to restricted reserves is required.

The following profit is at the disposal of the Annual General Meeting:

Retained Profit	SEK 2,708,422,628
Profit/Loss for the Year	SEK -475,182,117
	SEK 2,233,240,511

The Board and the Managing Director propose that this profit be allocated so that SEK 2,233,240,511 is carried forward.

*For more detailed information on the profit/loss and financial position of the Group and the Parent Company, please refer to the following income statements, balance sheets, cash flow statements and additional information.*

### 13. Significant events after the end of the financial year

#### The Traffic Committee's administrative organisation

Within the scope of the County Council Assembly decision on 6 December 2011, it was decided in 2012 to establish a new administration under the Traffic Committee – the Traffic Administration. The Traffic Committee shall, insofar as legally possible, make the same kind of decisions as the Board of Directors did prior to 1 January 2011.

On 4 December 2012, the County Council Assembly decided that the employment of SL's staff would be moved from SL to the Traffic Administration on 1 January 2013. Assets in SL shall be managed by the staff in the Traffic Administration. Transport permits for railways, agreements and assets that are not attributable to the transport operations will be transferred to the Traffic Administration in 2013. Transport operations and assets linked to the transport operations will remain in SL.

The Traffic Administration has been assigned to manage SL's assets and transport operations as of 1 January 2013. This is regulated in the owner directive and the Articles of Association as well as a cooperation agreement between the Traffic Administration and SL. SL's operations as of 2013 are described in the section New owner directive and new Articles of Association.

As of 1 January 2013, the Traffic Committee decides on public transport obligations, conducts procurements, etc. The agreements that the Traffic Committee has procured are transferred to SL upon signing, but they are managed by the Traffic Administration through an authorisation to act on behalf of AB SL.

MD Anders Lindström is also the Administration Director for the Traffic Administration.

Stockholm, 19/02/2013

Erika Ullberg

Christer G Wennerholm  
Chairman of the Board

Martin Lindahl  
Employee Representative

Anders Lindström  
Managing Director

Arne Grundberg  
Employee Representative

Our audit report concerning this annual report and consolidated accounts was submitted on 21 March 2013.

Ernst & Young AB  
Magnus Fredmer  
Authorised Public Accountant

The lay auditors' review report concerning the audit for 2012 was submitted on 3 March 2013.

# Income Statement

		THE GROUP		THE PARENT COMPANY	
(MSEK)	Note	2012	2011	2012	2011
Operating Income					
Net Turnover	1	12,907	12,166	12,907	12,166
Work Performed by the Company for its Own Use and Capitalised		93	94	93	94
Other Operating Income	2	2,937	2,689	1,593	1,328
Total Operating Income	3	15,937	14,949	14,593	13,588
Operating Expenses					
Contractor Costs, Transport Services		-10,518	-10,092	-10,544	-10,125
Staff Expenses	4	-452	-525	-446	-523
Depreciation/Amortisation of Tangible and Intangible Assets	5, 9, 10, 11	-1,890	-1,688	-1,192	-1,002
Share in Profit of Associated Companies	12	-9	1	-	-
Other Operating Expenses	8	-2,282	-2,209	-2,433	-2,190
Total Operating Expenses	3	-15,151	-14,513	-14,615	-13,840
OPERATING PROFIT/LOSS		786	436	-22	-252
Profit/Loss from Financial Items					
Interest Income and Similar Income	6	24	46	26	22
Interest Expenses and Similar Expenses	7, 11	-755	-638	-479	-341
Total Profit/Loss from Financial Items		-731	-592	-453	-319
PROFIT/LOSS AFTER FINANCIAL ITEMS		55	-156	-475	-571
Tax on the Profit/Loss for the Year		0	0	0	0
PROFIT/LOSS FOR THE YEAR		55	-156	-475	-571

# Balance Sheet

		THE GROUP		THE PARENT COMPANY	
(MSEK)	Note	31/12/2012	31/12/2011	31/12/2012	31/12/2011
ASSETS					
Fixed Assets					
Intangible Fixed Assets	9, 25				
Usufruct and Leasehold Rights		22	7	22	7
Tangible Fixed Assets	10, 11, 25				
Buildings and Land		8,059	7,147	8,059	7,147
Track Infrastructure		8,075	7,303	8,075	7,303
Rolling Stock		11,494	12,023	369	388
Plant and Equipment		1,926	1,727	1,926	1,727
Fixed Assets in Construction and Advance Payments		9,124	8,318	7,624	7,830
		38,678	36,518	26,053	24,395
Financial Assets					
Shares and Participations in Group Companies	12	–	–	175	175
Shares and Participations in Associated Companies	12	–	18	–	9
Other Long-Term Securities		246	223	249	223
Other Long-Term Receivables		51	63	9	18
		297	304	433	425
Total Fixed Assets		38,997	36,829	26,508	24,827
Current Assets					
Inventory	13	412	199	424	199
Current Receivables					
Accounts Receivable	23	600	538	591	520
Receivables from SLL		87	–	87	–
Receivables from Group Companies	3	–	–	1,107	108
Other Receivables		259	200	252	198
Prepaid Expenses and Accrued Income	21	146	295	141	291
		1,092	1,033	2,178	1,117
Cash and Bank	14, 23	544	1,032	474	810
Total Current Assets		2,048	2,264	3,076	2,126
TOTAL ASSETS		41,045	39,093	29,584	26,953

(MSEK)	Note	THE GROUP		THE PARENT COMPANY	
		31/12/2012	31/12/2011	31/12/2012	31/12/2011
<b>EQUITY AND LIABILITIES</b>	15				
<b>Equity</b>					
Share Capital		4,000	4,000	4,000	4,000
Restricted/Statutory Reserves		1,982	1,983	14	14
		<b>5,982</b>	<b>5,983</b>	<b>4,014</b>	<b>4,014</b>
Profit/loss Brought Forward		911	840	2,708	2,615
Profit/Loss for the Year		55	-156	-475	-571
		<b>966</b>	<b>684</b>	<b>2,233</b>	<b>2,044</b>
<b>Total Equity</b>		<b>6,948</b>	<b>6,667</b>	<b>6,247</b>	<b>6,058</b>
<b>Minority Interest</b>		<b>5</b>	<b>5</b>	<b>-</b>	<b>-</b>
<b>Untaxed Reserves</b>	16	<b>-</b>	<b>-</b>	<b>1,923</b>	<b>1,923</b>
<b>Provisions</b>	17,18	<b>984</b>	<b>1,067</b>	<b>984</b>	<b>1,020</b>
<b>Other Long-Term Liabilities</b>					
Long-Term Loans from SLL	19,23	13,042	11,636	13,042	11,636
Long-Term Accrued Expenses and Deferred Income	19,20	5,541	5,107	4,433	3,946
Other Long-Term Liabilities	11,19,20	10,795	11,408	2	2
<b>Total Long-Term Liabilities</b>		<b>29,378</b>	<b>28,151</b>	<b>17,477</b>	<b>15,584</b>
<b>Current Liabilities</b>					
Liabilities to SLL	23	594	94	594	94
Advanced Payments from Customers		15	-	15	-
Accounts Payable	23	1,249	1,102	1,130	999
Liabilities to Group Companies	3	-	-	192	120
Income Tax Liability		22	6	22	6
Other Current Liabilities		809	795	27	29
Accrued Expenses and Deferred Income	22	1,041	1,206	973	1,120
<b>Total Current Liabilities</b>		<b>3,730</b>	<b>3,203</b>	<b>2,953</b>	<b>2,368</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>41,045</b>	<b>39,093</b>	<b>29,584</b>	<b>26,953</b>
Pledged Assets				None	None
Contingent Liabilities	24	None	10	None	10

# Cash flow statement

		THE GROUP		THE PARENT COMPANY	
(MSEK)	Note	2012	2011	2012	2011
Operating Activities					
Operating Income		786	436	-22	-252
Adjustments to Items Not Included in the Cash Flow					
Amortisation/Depreciation/Write-Down of Tangible and Intangible Assets	5	1,890	1,688	1,192	1,002
Provisions		-155	5	-108	15
Capital Gains after Sales/Disposals		-109	4	-112	3
Recognised Government Grants		-210	-227	-180	-201
Miscellaneous		69	-10	50	-19
		2,271	1,896	820	548
Termination of US Leases		-	-284	-	-284
Interest Received		21	22	12	10
Interest Paid		-631	-551	-407	-326
Cash Flow from Operating Activities Before Changes in Working Capital					
		1,661	1,083	425	-52
Cash from Adjustments in Working Capital					
Increase (-)/Decrease (+) in Inventories/Supplies		-213	-21	-225	-20
Increase (-)/Decrease (+) in Receivables		23	-64	-272	-566
Increase (+)/Decrease (-) in Current Liabilities		-27	-348	-330	-398
Cash from Operating Activities		1,444	650	-402	-1,036
Investment Activities					
Acquisition of intangible and tangible fixed assets	25	-4,287	-3,863	-3,259	-3,847
Sale of Subsidiaries and Associated Companies		6	-	6	-
Sale of Tangible Fixed Assets		235	7	235	-
Advances Received Related to Properties		300	-	300	-
Cash from Investment Activities		-3,746	-3,856	-2,718	-3,847
Financing Activities					
Capital Loan from SLL		2,000	3,500	2,000	3,500
Amortisation of Leasing Liabilities		-610	-653	-	-
Amortisation of Loans and Other Liabilities		-94	-94	-94	-94
Government Grants Received		389	305	389	305
Group Contributions Received		-	-	333	869
Shareholder Contributions Received		156	420	156	420
Change in Other Long-Term Receivables		3	-50	-	-
Cash from Financing Activities		1,844	3,428	2,784	5,000
Cash Flow for the Year		-458	222	-336	117
Liquid Assets at Start of Year	14, 25	1,032	814	810	693
Exchange Rate Differences in Liquid Assets		-30	-4	-	-
Liquid Assets at Year-End	14, 25	544	1,032	474	810

# Additional information

## Accounting principles

The accounting policies that have been applied in the preparation of this Annual Report for the SL Group and its Parent Company, AB Storstockholms Lokaltrafik, comply with the guidelines of the Swedish Annual Accounts Act and the general advice and recommendations of the Swedish Accounting Standards Board for major companies. Regarding pension liabilities and pension expenditure, recommendations from FAR (the professional institute for authorised public accountants and auditors in Sweden) have been applied (FAR 4). However, the recommendations of the Swedish Financial Accounting Standards Council have been applied in the following cases: RR 1:00 Consolidated Financial Statements, RR 2:02 Inventories, RR 4 Extraordinary Revenues/Expenses and Comparative Disclosures, RR 5 Amended Accounting Principles, RR 6:99 Leasing, RR 7 Cash Flow Statements, RR 8 Effects of Foreign Exchange Rate Adjustments, RR 11 Revenues, RR 12 Tangible Fixed Assets, RR 13 Associated Companies, RR 15 Intangible Fixed Assets, RR 16 Provisions, Contingent Liabilities and Contingent Assets, RR 21 Borrowing Costs – with one exception as per below, RR 23 Related Party Transactions, and RR 27 Financial Instruments: Disclosures and Classification. URA 1 Real zero coupon bonds has been applied when reporting zero coupon bonds.

All figures are stated in SEK millions (MSEK) unless otherwise specified.

## Consolidated financial statements

Consolidated financial statements include AB Storstockholms Lokaltrafik (the Parent Company) and all companies in which the Parent Company had a direct or indirect controlling influence at the year-end. The consolidated accounts were prepared using the acquisition method. This means that Group equity comprises equity in the Parent Company and the portion of equity in subsidiaries that results from the acquisition or establishment of subsidiaries. Since Group companies will not have to pay income tax in the foreseeable future, untaxed reserves in individual Group companies are reported in full in Group restricted reserves. See the Taxes section.

Intra-Group sales, transactions and profits are eliminated on consolidation.

## Minority Interest

Minority interest is the portion of a subsidiary's net income and assets that is not directly or indirectly owned by the Parent Company.

## Associated companies

Associated companies are companies in which the Group's share of votes is between 20% and 50% or in which the Group has a significant influence. Holdings in associated companies are reported using the equity method. If the Group's share of an associated company's losses is equal to or greater than the holding, the holding is reported as zero. Subsequent profits are not reported until unreported losses have been covered.

## Taxation

SL recognises current and deferred taxation to the extent that this exists. No taxation is currently reported in the Parent Company or its wholly owned subsidiaries. The Parent Company has accumulated loss carry forwards that can be used in accordance with the applicable tax distribution system. Group and shareholder contributions are used to equalise taxable profits within the Group.

## Operating income

Income is reported at the actual value of the amount that has been, or will be, received.

Revenues from ticket sales in the form of travel cards are reported on a straight-line basis for the period of the card. Sold but unused cards are reported as deferred income in the balance sheet. Revenues from coupon tickets are booked on the sale date. The travel account, an "electronic wallet", was launched in 2012. Revenues from the travel account are recognised in pace with trips made.

Operating subsidies from SLL represent performance compensation calculated according to a budget approved by SLL. SLL grants may be adjusted annually. Adjustments may be made due to operational changes or the cost of such changes.

## Work Performed by the Company for its Own Use and Capitalised

Costs for the work performed by the company for its own use during the financial year are reported in the item Work Performed by the Company for its Own Use and Capitalised, and have been capitalised as fixed assets. The price per hour is based on direct and indirect costs for manufacturing assets.

## Government grants

Government grants are reported as income in the same period as the cost that they are earmarked to subsidise. If the purpose of a grant is to cover costs over a period of several years, it is allocated over the appropriate period. When the purpose of a grant is to cover previously incurred losses, it is reported in full.

Government grants that are earmarked for a fixed asset are reported as long-term or short-term deferred income in the balance sheet, and as income in the income statement, accrued in a systematic and reasonable manner over the lifetime of the asset.

## Provisions

Provisions are made for liabilities in which the due dates or amounts are uncertain. Provisions are reported in the balance sheet if the Group has an existing liability that results from a previous event, if it is likely that a payment will be required to settle the liability and if the amount can be estimated accurately.

## Intangible Fixed Assets

Intangible fixed assets are reported in the balance sheet if it is likely that the potential financial benefits associated with the asset will flow to the company and if the value of the asset can be measured accurately. Intangible fixed assets are recognised at acquisition

value less accumulated depreciation and write-downs. The assets are subject to amortisation on a straight-line basis over their useful lifespan. Amortisation for the period is reported as an expense.

Amortisation is based on the estimated period of use of the asset as follows:

Usufruct rights	5 years
Leasehold rights	50 years

### Tangible Fixed Assets

Tangible fixed assets are recognised at their acquisition cost at the time of acquisition. After the time of acquisition, tangible fixed assets are reported at their acquisition cost less accumulated depreciation and write-downs. Depreciation is calculated on a straight-line basis and accrued over the useful lifetime of the asset in a way that reflects its use. Depreciation for the period is reported as an expense.

Depreciation is based on the estimated period of use of the asset as follows:

Buildings, land improvements and improvements to others' property	17–50 years
Track infrastructure	20–50 years
Rolling stock:	
Cars	5 years
Buses	12 years
Railway vehicles	30 years
Equipment	3–17 years

### Inventory

Inventory is reported at acquisition value or net realisable value, whichever is lower, and calculated using the average method. When determining the acquisition value, the average acquisition method is applied. Allowances for obsolescence are made on a case-by-case basis.

Work in progress on behalf of another party includes assignments on current account for which payment is cost based as agreed in the contract. Assignment costs comprise costs that are directly related to the specific assignment.

### Foreign currency assets and liabilities

Foreign currency transactions are initially recognised at the applicable exchange rate on the day of transaction. Cash assets and liabilities that are expressed in foreign currencies are adjusted and reported in the balance sheet at the applicable rate on the balance sheet date. Since the exchange rate on the day of transaction or applied in previous financial reporting normally differs from the exchange rate on the balance sheet date, this requires a foreign exchange adjustment, which is reported in the income statement. Exchange rate differences on receivables are reported under Interest Income and Similar Income, while exchange rate differences on liabilities are reported under Interest Expenses and Similar Expenses.

### Non-monetary assets and liabilities in foreign currencies

Non-monetary assets and liabilities expressed in foreign currencies are reported at the rate on the date of acquisition. Current changes in value are valued at the average rate for the period. Translation differences for non-monetary financial assets and liabilities are reported when a profit or loss is realised.

### Borrowing costs

SL's borrowing costs are interest expenses for loans for investments in fixed assets. SL's borrowing costs also include the interest component in financial leases.

SL's borrowing costs are reported for the period in which they occur, with the exception of the X60 commuter train, for which interest is included in the acquisition value.

### Leasing

#### The Group

#### SL as lessee

Financial leasing agreements for which the majority of risks and rewards incident to ownership are transferred to the lessee are reported as assets in the consolidated balance sheet from the date of agreement. At the start of the leasing term, the asset is reported either at fair value or at the current value of the minimum leasing fees, whichever is lower. Liability for future leasing fees is divided between financial expenses (interest) and reduction of financial liability (amortisation) and allocated so as to produce a constant periodic rate of interest on the remaining balance of the liability. Financial expenses are charged to profit.

The depreciable amount for a leased asset is allocated over each reporting period during the estimated useful lifetime of the asset in line with the same principles for other assets of the same type.

Leasing agreements for which the lessor retains all the substantial risks and benefits of ownership of the asset are classified as operating leasing agreements. For operating leasing agreements, leasing fees are reported as expenses in the income statement and allocated on a straight-line basis over the duration of the leasing term.

#### SL as lessor

Assets held under operating leasing agreements are reported in the balance sheet within their respective asset classes. Leasing income is periodised and reported on a straight-line basis over the duration of the leasing term, while leasing expenses, including depreciation, are reported in the income statement when they are incurred. Depreciation is calculated in line with the principles for the respective asset classes.

The initial direct and incremental costs incurred when entering into an operating leasing agreement are included in the cost of the leased asset and reported over the duration of the leasing term.

#### The Parent Company

Within the Parent Company, financial leasing agreements are reported in line with the rules that apply for operating leasing agreements.



### Cash flow statements

Cash flow statements report historical transactions in cash and cash equivalents for the period relating to the current operating, investing or financing activity. The cash flow statement is presented using the indirect method, whereby cash from operating activities is calculated by adjusting net cash for:

- items in the income statement that do not include cash transactions,
- changes in operating assets and operating liabilities for the period, and
- items included in the cash flow for investment or financing activities.

### Financial instruments

#### Valuations

Financial instruments that are reported in the balance sheet include cash and cash equivalents, accounts receivable, bonds, accounts payable and derivatives such as options, futures and interest rate swaps. A financial asset or liability is recognised in the balance sheet on the date of transaction, in other words the date on which SL takes control of the contractual provisions of the instrument, and is initially reported at fair value. Subsequent valuations are calculated either at fair value or from the amortised historical cost as described below.

A financial asset is no longer recognised when contractual rights are fulfilled or expire, or if SL relinquishes control of the asset. A financial liability is no longer recognised when the contractual obligation is fulfilled or otherwise terminated.

#### Bonds (EPUAs)

The aim of the indirect holdings of bonds, EPUAs (Equity Payment Undertaking Agreements), is that the holding should be held permanently within the business. The difference between the acquisition value and the redemption value is periodised as interest over the term of the bond. The allocation is carried out so that the interest amount as a percentage of the book value of the bond remains constant over time.

#### Accounts receivable and loans

Accounts receivable and loans are recognised at the expected receipt amount after deduction of doubtful debts assessed on a case-by-case basis. Impairment losses on debts are reported in operating expenses.

#### Cash and cash equivalents

Cash and cash equivalents consist of bank balances and the balance in the SLL Group account. Cash and cash equivalents are reported at face value.

#### Derivative instruments

Derivative instruments comprise futures, options and interest rate swaps, which are used to reduce the impact of foreign exchange rate and interest rate fluctuations. Derivative instruments are calculated at historical cost.

### Liabilities

All liabilities are reported in periodic accounting at accrued historical cost, which is the sum of the remaining instalments. Long-term liabilities have an expected maturity of longer than 12 months, whilst current liabilities have a maturity shorter than 12 months. Accounts payable have a short expected maturity and are reported at face value without discounting.

### Contingent Liabilities

Contingent liabilities are reported when:

- a) there is a potential liability resulting from a future event whose occurrence can only be confirmed by the occurrence or non-occurrence of one or more other uncertain future events that do not entirely lie within the company's control
- b) a liability occurs as a result of occurred events, but is not reported as a liability or provision because the likelihood of settlement is remote or the amount of the liability cannot be measured accurately.

### Pledged assets

Pledged assets are securities pledged for the company's own liabilities or obligations, and which correspond to a liability or provision item in the balance sheet.

### Group information

AB Storstockholms Lokaltrafik (SL), company registration number 556013-0683, is owned by Stockholm County Council (SLL), company registration number 232100-0016.

## Notes and comments

## NOTE 1 Net turnover

	THE GROUP		THE PARENT COMPANY	
	2012	2011	2012	2011
Fare Revenues	6,505	5,870	6,505	5,870
Operating Subsidies from SLL	6,402	6,296	6,402	6,296
<b>Total</b>	<b>12,907</b>	<b>12,166</b>	<b>12,907</b>	<b>12,166</b>

## NOTE 2 Other operating income

	THE GROUP		THE PARENT COMPANY	
	2012	2011	2012	2011
Vehicle Rental	1,344	1,322	21	15
Rent Revenues	692	639	701	640
Government grants, etc. <sup>1)</sup>	241	231	211	201
Advertising Revenues	249	245	249	245
Realisation results from sale of fixed assets	125	1	125	1
Miscellaneous	286	251	286	226
<b>Total</b>	<b>2,937</b>	<b>2,689</b>	<b>1,593</b>	<b>1,328</b>

<sup>1)</sup> See Note 22

## NOTE 3 Transactions with related Group companies

The full-costing method is applied for purchases and sales of products and services between Group companies. The Parent Company invoices subsidiaries for administrative costs.

AB SL Finans is responsible for the financing of new investments and reinvestments, primarily for rail vehicles.

SL Infrateknik AB reports externally financed vehicles.

Tågäta AB operates an independent school at upper secondary school level within a specially devised industry programme focusing on servicing and maintenance.

SL HR-Service AB, SL Lidingö Trafik AB, Fastighets AB Viggstaber and SL Kundtjänst AB did not conduct any business during the year.

## Transactions between the Parent Company and subsidiaries in 2011

Subsidiary	Sales to	Purchases from	Receivables from	Liabilities to
AB SL Finans	16	33	–	106
SL Kundtjänst AB	–	2	–	8
SL Infrateknik AB	1	–	108	–
SL Lidingö Trafik AB	–	–	–	2
Tågäta AB	1	–	–	4
<b>Total</b>	<b>18</b>	<b>35</b>	<b>108</b>	<b>120</b>

## Transactions between the Parent Company and subsidiaries in 2012

Subsidiary	Sales to	Purchases from	Receivables from	Liabilities to
AB SL Finans	16	26	–	178
SL Kundtjänst AB	–	–	–	8
SL Infrateknik AB	1	–	1,107	–
SL Lidingö Trafik AB	–	–	–	1
Tågäta AB	1	–	–	5
<b>Total</b>	<b>18</b>	<b>26</b>	<b>1,107</b>	<b>192</b>

Sales by the Parent Company to other Group companies comprised 0.1 (0.1) per cent of operating income. Equivalent purchases from other Group companies comprised 0.2 (0.3) per cent of the Parent Company's operating expenses.

## Associated companies

For purchases and sales of products and services between the SL Group and associated companies, market prices are applied. Business relationships with associated companies are governed by transport agreements, leasing agreements, etc. Agreements with Transitio relate to the financing of vehicles and a rental agreement.

## Transactions between Group companies and associated companies in 2011

Associated companies	Sales to	Purchases from	Receivables from	Liabilities to
AB Transitio	–	726	–	–
<b>Total</b>	<b>–</b>	<b>726</b>	<b>–</b>	<b>–</b>

In connection with the redemption of US leases, AB SL Finans has purchased commuter rail and Metro carriages from AB Transitio.

## Transactions between Group companies and associated companies in 2012

Associated companies	Sales to	Purchases from	Receivables from	Liabilities to
AB Transitio	–	–	–	–
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

Sales to and purchases from AB Transitio cover the financial period until 8 November 2012 when SL's owning decreased from 43.5 per cent to 14 per cent.

## Transactions between the Parent Company and associated companies in 2011

Associated companies	Sales to	Purchases from	Receivables from	Liabilities to
AB Transitio	–	284	–	–
<b>Total</b>	<b>–</b>	<b>284</b>	<b>–</b>	<b>–</b>

SL has financed termination costs in connection with US leases entered into with AB Transitio.

**Transactions 2012 between the Parent Company and associated companies**

Associated companies	Sales to	Purchases from	Receivables from	Liabilities to
AB Transitio	–	–	–	–
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

Sales to and purchases from AB Transitio cover the financial period until 8 November 2012 when SL's owning decreased from 43.5 per cent to 14 per cent.

**SLL**

AB Storstockholms Lokaltrafik is a wholly owned subsidiary of Stockholm County Council. Of the SL Group's total purchases and sales, 0.2 (0.2) per cent of purchases and 0.3 (0.3) per cent of sales relate to other companies and units within SLL.

**Miscellaneous**

For information on payments and benefits to senior executives, see the presentation of the SL Board and management and Note 4.

**NOTE 4 Staff**

	THE GROUP		THE PARENT COMPANY	
	2012	2011	2012	2011
Board and MD	2	3	2	3
Others	261	294	257	288
	263	297	259	291
Social Security Expenses	166	204	164	208
Other Staff Expenses	23	24	23	24
	189	228	187	232
<b>Total</b>	<b>452</b>	<b>525</b>	<b>446</b>	<b>523</b>

SEK 0.5 (0.9) million of social security expenses comprise pension costs for the MD and the Vice MD of the Parent Company.

SEK 0.5 (0.9) million of the Group's social security expenses comprise pension costs for the MD, the Vice MD and the MDs of subsidiaries.

**Number of Employees, Salaries and Other Remuneration**

	Number of Employees		Women	
Average number of employees (full-time annual equivalents)	2012	2011	2012	2011
Parent Company	548	573	242	251
Subsidiaries	8	15	2	5
<b>Group Total</b>	<b>556</b>	<b>588</b>	<b>244</b>	<b>256</b>
<b>Number of employees at 31 December</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
Parent Company	569	605	271	284
Subsidiaries	8	8	2	2
<b>Group Total</b>	<b>577</b>	<b>613</b>	<b>273</b>	<b>286</b>

**Salaries and other remuneration plus social security expenses**

	Salaries and Other payments total		Social Security Expenses	
	2012	2011	2012	2011
Parent Company	260	291	164	208
(pension costs)			(49)	(93)*
Subsidiaries	3	6	2	–4
(pension costs)			(–)	(–7)*
<b>Group Total</b>	<b>263</b>	<b>297</b>	<b>166</b>	<b>204</b>
(pension costs)			(49)	(86)

\* Pension provision within SL HR-Service AB of SEK 7 million has been transferred to AB SL. See Note 18.

**Salaries and Other Remuneration**

	Board and MD		Other Employees	
	2012	2011	2012	2011
Parent Company	2.4	3.5	257.2	287.3
Subsidiaries	–	–	3.6	6.4
<b>Group Total</b>	<b>2.4</b>	<b>3.5</b>	<b>260.8</b>	<b>293.7</b>

**Gender Distribution**

	2012		2011	
	Number	Women	Number	Women
Board	3	1	3	1
Company Management	10	3	8	3
Senior Executives in Subsidiaries, MD	2	1	2	1

**Benefits for Senior Executives:**

Salaries and benefits to the Board, MD and Vice MD in AB SL amounted to SEK 2,388,000 (3,515,000), of which SEK 2,360,000 (3,487,000) was to the MD and Vice MD. Of AB SL's pension costs, SEK 519 000 (918 000) relates to the MD and the Vice MD.

The MD's pension solution complies with the rules according to SLL's management pension. Managers covered by SLL's management pension can relinquish the KAP-KL pension benefits and instead choose to invest their entire pension premium themselves. In principle, the size of the premium corresponds to the county council's cost for KAP-KL pension benefits.

In the event of dismissal of the MD by the company, salary is payable for a period of 24 months, but no longer than the contractual age of retirement. In the event that the Managing Director receives new income from alternative employment, termination pay during the final 12 months will be reduced by 100 per cent of the new income. The notice period, if initiated by the Managing Director, is six months.

**NOTE 5 Depreciation/amortisation of intangible and tangible fixed assets**

	THE GROUP		THE PARENT COMPANY	
	2012	2011	2012	2011
<i>Depreciation/amortisation</i>				
Intangible Assets	-7	-1	-7	-1
Buildings and Land	-444	-341	-444	-341
Track Infrastructure	-453	-401	-453	-401
Rolling Stock	-739	-725	-41	-39
Plant and Equipment	-247	-220	-247	-220
<b>Total depreciation/amortisation</b>	<b>-1,890</b>	<b>-1,688</b>	<b>-1,192</b>	<b>-1,002</b>

**NOTE 6 Interest income and similar income**

	THE GROUP		THE PARENT COMPANY	
	2012	2011	2012	2011
Interest Income from SLL	9	9	9	9
Other Interest Income	13	8	3	1
Exchange Loss on Current Receivables, Net	-31	-3	-	-
Other Financial Income	33	32	14	12
<b>Total</b>	<b>24</b>	<b>46</b>	<b>26</b>	<b>22</b>

**NOTE 7 Interest expenses and similar expenses**

	THE GROUP		THE PARENT COMPANY	
	2012	2011	2012	2011
Interest on Loans from SLL	-451	-387	-400	-317
Interest on Financial Leasing	-231	-230	-	-
Other Interest Charges	-73	-19	-79	-24
Exchange Loss on Liabilities, Net	-	-2	-	-
<b>Total</b>	<b>-755</b>	<b>-638</b>	<b>-479</b>	<b>-341</b>

**NOTE 8 Fees and other payments to auditors**

The Parent Company's fees and payments to auditors also cover the subsidiaries. The exception is the audit engagement for Tågia, which was invoiced at SEK 0 000 (157 000).

	THE GROUP		THE PARENT COMPANY	
	2012	2011	2012	2011
Audit Engagement	1,688	1,240	1,688	1,109
Auditing activities in addition to the audit engagement	463	23	463	23
Tax Consultancy	117	373	117	347
Other Services	1,923	447	1,923	447
<b>Total Ernst &amp; Young</b>	<b>4,191</b>	<b>2,083</b>	<b>4,191</b>	<b>1,926</b>
Audit Engagement	600	-	600	-
<b>Total County Council Auditors</b>	<b>600</b>	<b>-</b>	<b>600</b>	<b>-</b>
<b>Total</b>	<b>4,791</b>	<b>2,083</b>	<b>4,791</b>	<b>1,926</b>

The audit engagement involves reviewing the annual accounts and accounting records and the management by the Board of Directors and Managing Director, other duties incumbent upon the company's auditors and advice or other assistance deriving from findings on carrying out such a review or other such duties. Other services pertain to advice besides auditing activities.

The county council auditors responsibility, on assignment of the lay auditors, is to audit operations and internal control, and examine if operations have been conducted in accordance with the Assembly's assignment.

**NOTE 9 Intangible fixed assets****Usufruct rights, renting rights and software**

	THE GROUP		THE PARENT COMPANY	
	2012	2011	2012	2011
Opening Acquisition Value, 1 Jan	23	18	23	18
Transfers from Fixed Assets in Construction	17	5	17	5
Sales/Disposals	-14	-	-14	-
Reclassifications	-	-	-	-
<b>Closing Acquisition Value, 31 Dec</b>	<b>26</b>	<b>23</b>	<b>26</b>	<b>23</b>
Opening Amortisation, 1 Jan	-9	-9	-9	-9
Amortisation for the Year	-7	-1	-7	-1
Sales/Disposals	7	-	7	-
Reclassifications	-	1	-	1
<b>Closing Accumulated Amortisation, 31 Dec</b>	<b>-9</b>	<b>-9</b>	<b>-9</b>	<b>-9</b>
Opening Write-Downs, 1 Jan	-7	-7	-7	-7
Sales/Disposals	7	-	7	-
<b>Closing Accumulated Write-Downs, 31 Dec</b>	<b>-</b>	<b>-7</b>	<b>-</b>	<b>-7</b>
<b>Closing Book Value, 31 Dec</b>	<b>17</b>	<b>7</b>	<b>17</b>	<b>7</b>

**Goodwill**

Group goodwill linked to the acquisition of shares in Tågia AB.

	THE GROUP		THE PARENT COMPANY	
	2012	2011	2012	2011
Opening Acquisition Value, 1 Jan	4	4	–	–
<b>Closing Acquisition Value, 31 Dec</b>	<b>4</b>	<b>4</b>	<b>–</b>	<b>–</b>
Opening Write-Downs, 1 Jan	–4	–4	–	–
<b>Closing Accumulated Write-Downs, 31 Dec</b>	<b>–4</b>	<b>–4</b>	<b>–</b>	<b>–</b>
<b>Closing Book Value, 31 Dec</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

**Intangible Fixed Assets in Construction**

	THE GROUP		THE PARENT COMPANY	
	2012	2011	2012	2011
Opening Acquisition Value, 1 Jan	–	9	–	9
Investments	5	–	5	–
Transfer to Other Intangible Fixed Assets	–	–5	–	–5
Sales/Disposals	–	–	–	–
Reclassifications	–	–4	–	–4
<b>Closing Acquisition Value, 31 Dec</b>	<b>5</b>	<b>–</b>	<b>5</b>	<b>–</b>
<b>Closing Book Value, 31 Dec</b>	<b>5</b>	<b>–</b>	<b>5</b>	<b>–</b>

**NOTE 10 Tangible Fixed Assets**

Transfers from fixed assets in construction to other types of assets within tangible fixed assets are reported as transfers from fixed assets in construction.

**Buildings and Land**

The asset class Buildings and Land comprises buildings, building accessories, land, land facilities and fees for improvements to others' property.

	THE GROUP		THE PARENT COMPANY	
	2012	2011	2012	2011
Opening Acquisition Value, 1 Jan	11,379	10,526	11,380	10,527
Investments	71	–	71	–
Transfers from Fixed Assets in Construction	1,363	849	1,363	849
Sales/Disposals	–247	–	–247	–
Reclassifications	59	4	58	4
<b>Closing Acquisition Value, 31 Dec</b>	<b>12,625</b>	<b>11,379</b>	<b>12,625</b>	<b>11,380</b>
Opening Accumulated Depreciation, 1 Jan	–4,221	–3,880	–4,222	–3,881
Depreciation for the Year	–444	–341	–444	–341
Sales/Disposals	157	–	157	–
Reclassifications	–58	–	–57	–
<b>Closing Accumulated Depreciation, 31 Dec</b>	<b>–4,566</b>	<b>–4,221</b>	<b>–4,566</b>	<b>–4,222</b>
Opening Accumulated Write-Downs, 1 Jan	–11	–11	–11	–11
Sales/Disposals	11	–	11	–
<b>Closing Accumulated Write-Downs, 31 Dec</b>	<b>–</b>	<b>–11</b>	<b>–</b>	<b>–11</b>
<b>Closing Book Value, 31 Dec</b>	<b>8,059</b>	<b>7,147</b>	<b>8,059</b>	<b>7,147</b>

**Track Infrastructure**

Track Infrastructure comprises track superstructures, substructures plus electrical and signalling systems.

	THE GROUP		THE PARENT COMPANY	
	2012	2011	2012	2011
Opening Acquisition Value, 1 Jan	10,558	10,254	10,558	10,254
Investments	–	–	–	–
Transfers from Fixed Assets in Construction	1,233	304	1,233	304
Sales/Disposals	–57	–	–57	–
Reclassifications	34	–	34	–
<b>Closing Acquisition Value, 31 Dec</b>	<b>11,768</b>	<b>10,558</b>	<b>11,768</b>	<b>10,558</b>
Opening Accumulated Depreciation, 1 Jan	–3,255	–2,854	–3,255	–2,854
Depreciation for the Year	–453	–401	–453	–401
Sales/Disposals	49	–	49	–
Reclassifications	–34	–	–34	–
<b>Closing Accumulated Depreciation, 31 Dec</b>	<b>–3,693</b>	<b>–3,255</b>	<b>–3,693</b>	<b>–3,255</b>
<b>Closing Book Value, 31 Dec</b>	<b>8,075</b>	<b>7,303</b>	<b>8,075</b>	<b>7,303</b>

**Rolling Stock**

Rail vehicles and buses are included in the Rolling Stock asset class. Vehicles in the possession of the SL Group through financial leasing are also included. Information about leased rolling stock can be found in Note 11.

	THE GROUP		THE PARENT COMPANY	
	2012	2011	2012	2011
Opening Acquisition Value, 1 Jan	17,890	17,417	557	560
Investments	3	576	–	–
Transfers from Fixed Assets in Construction	210	–	22	–
Sales/Disposals	–75	–102	–3	–3
Reclassifications	–	–1	–	–
<b>Closing Acquisition Value, 31 Dec</b>	<b>18,028</b>	<b>17,890</b>	<b>576</b>	<b>557</b>
Opening Accumulated Depreciation, 1 Jan	–5,867	–5,235	–169	–131
Depreciation for the Year	–739	–725	–41	–39
Sales/Disposals	72	92	3	1
Reclassifications	–	1	–	–
<b>Closing Accumulated Depreciation, 31 Dec</b>	<b>–6,534</b>	<b>–5,867</b>	<b>–207</b>	<b>–169</b>
Opening Write-Downs, 1 Jan	–	–14	–	–
Reclassifications	–	14	–	–
<b>Closing Accumulated Write-Downs, 31 Dec</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Closing Book Value, 31 Dec</b>	<b>11,494</b>	<b>12,023</b>	<b>369</b>	<b>388</b>

**Plant and Equipment**

The asset class Plant and Equipment is defined as inventory, tools, IT assets, computers and works of art.

	THE GROUP		THE PARENT COMPANY	
	2012	2011	2012	2011
Opening Acquisition Value, 1 Jan	2,888	2,535	2,888	2,535
Investments	3	6	3	6
Transfers from Fixed Assets in Construction	480	349	480	349
Sales/Disposals	–202	–2	–202	–2
Reclassifications	5	–	5	–
<b>Closing Acquisition Value, 31 Dec</b>	<b>3,174</b>	<b>2,888</b>	<b>3,174</b>	<b>2,888</b>
Opening Accumulated Depreciation, 1 Jan	–1,161	–943	–1,161	–943
Depreciation for the Year	–247	–220	–247	–220
Sales/Disposals	166	1	166	1
Reclassifications	–6	1	–6	1
<b>Closing Accumulated Depreciation, 31 Dec</b>	<b>–1,248</b>	<b>–1,161</b>	<b>–1,248</b>	<b>–1,161</b>
<b>Closing Book Value, 31 Dec</b>	<b>1,926</b>	<b>1,727</b>	<b>1,926</b>	<b>1,727</b>

**Fixed Assets in Construction and Advance Payments**

The Fixed Assets in Construction asset class comprises vehicles not yet in service and current investments in SL transport infrastructure that have not yet been completed. Examples of infrastructure include expansion and replacement investments in stations, tracks, vehicle depots, bus terminals and park-and-ride facilities, as well as investments in the extension of the Tvärbanan Norr line towards Solna and the conversion of the Roslagsbanan light railway to double track.

	THE GROUP		THE PARENT COMPANY	
	2012	2011	2012	2011
Opening Acquisition Value, 1 Jan	8,318	5,977	7,830	5,491
Investments	4,205	3,857	3,181	3,841
Transfers to Other Fixed Asset Classes	–3,303	–1,502	–3,115	–1,502
Sales/Disposals	–	–	–188	–
Reclassifications	–96	–14	–84	–
<b>Closing Acquisition Value, 31 Dec</b>	<b>9,124</b>	<b>8,318</b>	<b>7,624</b>	<b>7,830</b>
<b>Closing Book Value, 31 Dec</b>	<b>9,124</b>	<b>8,318</b>	<b>7,624</b>	<b>7,830</b>

Investments for the year included advances of SEK 80 (24) million in the Group and SEK 80 (23) million in the Parent Company. During the year, advances of SEK 18 (17) million in the Group and SEK 18 (17) million in the Parent Company have been settled. Sales/disposals pertain to transfers to subsidiaries, where the total profit effect for the Parent Company is zero. Reclassifications relate to re-processing, which has been re-evaluated and booked against profit and loss.

**NOTE 11 Leasing agreements****Swedish leasing agreements***Financial leasing agreements in which SL is lessee*

In addition to its own facilities, the SL Group has had a number of fixed assets at its disposal during the year through financial leasing (rail vehicles and buses). The book value of these leased assets on the balance sheet date totalled:

	<b>Rolling Stock</b>	
	<b>31/12/2012</b>	<b>31/12/2011</b>
Acquisition Value	15,808	15,875
Less Accumulated Depreciation	-5,164	-4,592
<b>Book Value of Financial Leased Assets</b>	<b>10,644</b>	<b>11,283</b>
<b>Annual Depreciation and Write-Downs total</b>	<b>635</b>	<b>632</b>

Liabilities for leasing totalled SEK 11,554 (12,164) million. Of this, SEK 10,794 (11,407) million has been reported under long-term liabilities and the coming year's amortisation and redemption of SEK 760 (757) million as a current liability. This is recognised in the Group balance sheet. In the Group income statement, the cost of vehicle leasing is reported as an interest expense of SEK 231 (230) million, corresponding to the interest component of the leasing fees, and as depreciation of SEK 635 (632) million.

The SL Group's financial leasing agreements bear variable interest. The SL companies that have signed these agreements are the Parent Company AB SL and the subsidiary AB SL Finans.

Future payment obligations for existing leasing agreements have been allocated as follows, calculated at an interest rate of 1.8 per cent for 2013, 2.0 per cent for 2014 and 2.2 per cent for 2015 onwards.

The following figures refer to obligations for train carriages and buses:

<b>THE GROUP</b>	<b>Minimum Leasing Fees incl. Redemption</b>	<b>Current Value</b>
2013	1,022	1,000
2014–2017	6,468	5,968
2018 onwards	5,587	4,645

*Operating leasing agreements in which SL is lessee*

The following figures refer to train carriages:

<b>THE PARENT COMPANY</b>	<b>Minimum Leasing Fees incl. Redemption</b>
2013	165
2014–2017	–
2018 onwards	–

*Financial leasing agreements in which SL is lessor*

At present, the SL Group does not have any financial leasing agreements in which Group companies are the lessor.

*Operating leasing agreements in which SL is lessor*

The following figures refer to rolling stock.

Acquisition Value 31/12/2012	17,734
Depreciation for the Year	-739
Accumulated Depreciation 31/12/2012	-6,960

Operating leasing agreements bear fixed interest, with the exception of leasing agreements for buses, which bear variable interest.

The maturity structure for future minimum leasing fees received by the Group from non-cancellable operating leasing agreements is broken down as follows. Specified payments refer to buses, Metro carriages, commuter trains and light rail. Leasing income for buses is calculated with an interest rate of 1.8 per cent for 2013, 2.0 per cent for 2014 and 2.2 per cent for 2015 onwards.

<b>THE GROUP</b>	<b>Minimum Leasing Fees</b>
2013	1,306
2014–2017	4,564
2018 onwards	596

**US-based leasing agreements**

In 2001, 2002 and 2003, SL and SL Finans carried out leasing transactions for rail vehicles with US-based banks as investors. Under the terms of these transactions, SL is liable to pay leasing fees for the duration of the agreements. A portion of the required funds was deposited as collateral in a bank with an AA credit rating, and the remainder was invested in securities with a rating of AA-AAA.

The received advance payments and paid deposits have been reported net in the balance sheet. The agreements were drawn up and examined by legal experts in Sweden and the USA, and are consistent with customary practice for transactions of this type. SL would be exposed to a credit risk if the collateral should deteriorate. SL then has the option of transferring it to another bank with a higher rating, or depositing additional collateral.

In recent years, turbulence in the financial markets has led to the additional collateral being pledged in the form of bank guarantees totalling USD 123 million to ensure the fulfilment of the conditions of current leasing agreements. Agreements on credit commitment have been signed to guarantee that further additional collateral can be provided if required.

The financial commitments of SL and SL Finans under both Swedish and US-based leasing agreements are guaranteed by SLL. If SLL's credit rating (currently AA+ with Standard & Poor's) should deteriorate below a specific agreed level, SL will underwrite the guarantee, primarily for the US-based leasing agreements, with a bank guarantee or similar.

SL is of the opinion that there is a minimal likelihood of a US-based leasing agreement guaranteed by SLL having to be terminated early due to a failure to comply with the terms of the agreement, which is why no commitments have been included under contingent liabilities.



**NOTE 12 Shares and participations in Group companies and associated companies, etc.**

Group company	Company reg. no.	Domicile	Number of participations	Holding <sup>1)</sup>	Equity	Profit/Loss for the Year	The Parent Company Book value	
							31/12/2012	31/12/2011
AB SL Finans	556402-7166	Stockholm	1,000	100.0%	0.1	484.6	0.1	0.1
SL HR-Service AB <sup>2)</sup>	556402-7190	Stockholm	1,000	100.0%	0.1	1.0	0.1	0.1
SL Kundtjänst AB <sup>2)</sup>	556401-0022	Stockholm	1,000	100.0%	7.2	2.3	0.1	0.1
SL Infrateknik AB	556402-4684	Stockholm	1,000	100.0%	1.3	-57.8	174.9	174.9
SL Lidingö Trafik AB <sup>2)3)</sup>	556011-3267	Stockholm	11,609	96.74%	138.0	-	-	-
Tågå AB	556591-7233	Stockholm	3,000	100.0%	3.7	4.3	-	-
Fastighets AB Viggstaberget <sup>2)</sup>	556094-4158	Stockholm	1,000	100.0%	0.1	-	0.1	0.1
<b>Total shares and participations in Group companies</b>							<b>175.3</b>	<b>175.3</b>

Associated companies, etc.	Company reg. no.	Domicile	Number of participations	Holding <sup>1)</sup>	Equity	Profit/Loss for the Year	The Parent Company Book value	
							31/12/2012	31/12/2011
AB Transitio <sup>4) 5)</sup>	556033-1984	Stockholm	28,000	14.00%	20.0	-	-	8.7
Samtrafiken i Sverige AB <sup>4)</sup>	556467-7598	Stockholm	30	2.12%	-	-	-	-
<b>Total shares and participations in associated companies, etc.</b>							<b>-</b>	<b>8.7</b>
<b>Total shares and participations in Group companies and associated companies, etc.</b>							<b>175.3</b>	<b>184.0</b>

**Share of profit/loss and equity in associated companies**

	THE GROUP	
	2012 <sup>5)</sup>	2011
<b>Profit/loss from participations in associated companies</b>	<b>-9</b>	<b>1</b>
<b>Share of equity in associated companies</b>		
AB Transitio	-	18
<b>Total share of equity in associated companies</b>	<b>-</b>	<b>18</b>

Share of profit/loss and equity in associated companies is partly based on preliminary figures.

<sup>1)</sup> Holding = voting share

<sup>2)</sup> Dormant company

<sup>3)</sup> 96.74 per cent owned by SL Infrateknik AB

<sup>4)</sup> Not an associated company

<sup>5)</sup> As of the 2012 annual accounts, Transitio is reported among other companies as it is no longer an associated company. The results shares are an effect of the sale of shares in Transitio.

**NOTE 13 Inventory**

	THE GROUP		THE PARENT COMPANY	
	2012	2011	2012	2011
Materials in Stock	114	110	114	110
Finished Stock	186	-	184	-
Work in Progress on Behalf of Other Parties	112	89	126	89
<b>Total</b>	<b>412</b>	<b>199</b>	<b>424</b>	<b>199</b>

The finished stock comprises buses that have been freed from leases where the intent is to sell them on in 2013. Work in progress on behalf of other parties relates mainly to generated expenses for the Citybanan project. Invoices are issued on a monthly basis.

**NOTE 14 Cash and bank**

The cash balance in the SL Group account at SLL has been reported as cash and bank. This balance is a current receivable from SLL within the framework of the Group accounting system. Liquid assets have been distributed as follows:

	THE GROUP		THE PARENT COMPANY	
	2012	2011	2012	2011
Balance of Group account	417	769	417	769
Balance in other accounts	127	263	57	41
<b>Total</b>	<b>544</b>	<b>1,032</b>	<b>474</b>	<b>810</b>

**NOTE 15 Equity****THE GROUP**

	Share Capital	Restricted Reserves	Profit/loss Brought Forward	Profit/Loss for the Year	Total Equity
Opening Equity 01/01/2011	4,000	1,988	835	-420	6,403
Shareholder Contributions Received	-	-	420	-	420
Transfer between Restricted and Statutory Reserves	-	-5	5	-	-
Allocation of Profit by Order of the AGM	-	-	-420	420	-
Profit/Loss for the Year	-	-	-	-156	-156
<b>Equity 31/12/2011</b>	<b>4,000</b>	<b>1,983</b>	<b>840</b>	<b>-156</b>	<b>6,667</b>
Shareholder Contributions Received	-	-	230	-	230
Change in Ownership of Associated Companies	-	-1	-3	-	-4
Allocation of Profit by Order of the AGM	-	-	-156	156	-
<b>Profit/Loss for the Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55</b>	<b>55</b>
<b>Equity 31/12/2012</b>	<b>4,000</b>	<b>1,982</b>	<b>911</b>	<b>55</b>	<b>6,948</b>

**THE PARENT COMPANY**

	Restricted equity		Non-restricted equity		Total Equity
	Share Capital	Restricted Reserves	Profit/loss Brought Forward	Profit/Loss for the Year	Total Equity
Equity 01/01/2011	4,000	14	2,760	-897	5,877
Shareholder Contributions Received	-	-	420	-	420
Allocation of Profit by Order of the AGM	-	-	-897	897	-
Paid/Received Group Contributions	-	-	332	-	332
Profit/Loss for the Year	-	-	-	-571	-571
<b>Equity 31/12/2011</b>	<b>4,000</b>	<b>14</b>	<b>2,615</b>	<b>-571</b>	<b>6,058</b>
Shareholder Contributions Received	-	-	230	-	230
Allocation of Profit by Order of the AGM	-	-	-571	571	-
Paid/Received Group Contributions	-	-	434	-	434
<b>Profit/Loss for the Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-475</b>	<b>-475</b>
<b>Equity 31/12/2012</b>	<b>4,000</b>	<b>14</b>	<b>2,708</b>	<b>-475</b>	<b>6,247</b>

Share capital in AB Storstockholms Lokaltrafik:

Number of class A shares: 315,000 with a quota value of SEK 50 per share.

Number of class B shares: 79,685,000 with a quota value of SEK 50 per share. In previous years, the company has received conditional shareholder contributions of SEK 36,211 million from SLL.

**NOTE 16 Untaxed Reserves**

THE PARENT COMPANY		
	31/12/2012	31/12/2011
Accumulated Excess Depreciation	1,923	1,923
<b>Total</b>	<b>1,923</b>	<b>1,923</b>

**NOTE 17 Provisions****THE GROUP**

	31/12/2010	Requisitioned during the year	Reversal not used amount	Annual provision	31/12/2011	Requisitioned during the year	Reversal not used amount	Annual provision	31/12/2012
Pension Provision (Note 18)	324	–	–	56	380	–	–	94	474
Estimated Maintenance Costs	542	–33	–22	38	525	–66	–27	26	458
Restructuring Reserve	97	–28	–16	12	65	–14	–50	–	1
Reserve for Facilities	33	–20	–1	–	12	–12	–	–	–
Reserve for Environmental Risks	35	–	–	–	35	–	–	–	35
Termination of US Leases	70	–70	–	–	–	–	–	–	–
Miscellaneous	31	–2	–	21	50	–	–36	2	16
<b>Total</b>	<b>1,132</b>	<b>–153</b>	<b>–39</b>	<b>127</b>	<b>1,067</b>	<b>–92</b>	<b>–113</b>	<b>122</b>	<b>984</b>

**THE PARENT COMPANY**

	31/12/2010	Requisitioned during the year	Reversal not used amount	Annual provision	31/12/2011	Requisitioned during the year	Reversal not used amount	Annual provision	31/12/2012
Pension Provision (Note 18)	317	–	–	63	380	–	–	94	474
Estimated Maintenance Costs	542	–33	–22	38	525	–66	–27	26	458
Restructuring Reserve	97	–28	–16	12	65	–14	–50	–	1
Reserve for Environmental Risks	35	–	–	–	35	–	–	–	35
Termination of US Leases	70	–70	–	–	–	–	–	–	–
Miscellaneous	14	–1	–	2	15	–	–1	2	16
<b>Total</b>	<b>1,075</b>	<b>–132</b>	<b>–38</b>	<b>115</b>	<b>1,020</b>	<b>–80</b>	<b>–78</b>	<b>122</b>	<b>984</b>

- Estimated Maintenance Costs relate to Metro carriages and commuter rail carriages. The necessary provision has been calculated based on the useful lifespan of the vehicles, 30 years. The maintenance reserve is based on a detailed maintenance plan for each vehicle type. SL has obligations for certain specific vehicles linked to leasing agreements that SL has signed in connection with financing these vehicles. See e.g. Note 11.
- The restructuring reserve refers primarily to commitments to contractors or their owners. The reserve has been requisitioned in connection with a dispute settlement. A new risk assessment has entailed a reversal of a previous provision.
- The provision for environmental risks relates to soil contamination.
- Miscellaneous consists of a number of minor items for which claims have been made against SL or for which it has proved problematic to evaluate the exact size of the commitment. The closing amount for 2012 comprises a provision pertaining to usufruct rights.

**NOTE 18 Pension provision**

Pension commitments that were reprocessed from 1992 onwards are reported from 2011 by SL as a pension liability for the Parent Company.

	31/12/2012	31/12/2011
AB SL	474	380
<b>Total</b>	<b>474</b>	<b>380</b>

The SL Group's commitment to occupational pensions for employees is provided for through the centrally agreed collective agreement KAP-KL. An exception is Tågå AB, which applies the ITP1 and ITP2 plans. In 2002, Tågå chose an insurance solution to safeguard pensions. Tågå's insurance solution for safeguarding pensions with KPA was transferred to AB SL in 2012.

Under the terms of KAP-KL, the defined contribution component is calculated as a specific percentage of the total salary base. The portion of the salary above 7.5 income base amounts is included in the defined benefit retirement pension and reported against the pension provision. During the year, reprocessed defined contribution retirement pensions were not included in the provision, but were reported as a current liability.

Interest is set annually by the Swedish Financial Supervisory Authority (FI), and applies for the following year. The discount rate set by FI for 2012 is 3.5% for nominal commitments and 1.1% for indexed commitments. SLL has centrally decided that a lower rate of 2.2% will be used for nominal commitments in 2012. For 2013, FI has set the corresponding interest rates at 2.2% and 0.4% respectively.

Costs for pension commitments for the period prior to 1992 are reported by and charged to SLL.

**NOTE 19 Maturity of long-term liabilities**

<b>THE GROUP</b>			
31/12/2011	1–5 years	After 5 years	Total
Long-Term Loans from SLL	375	11,261	11,636
Accrued Expenses and Deferred Income	1,923	3,184	5,107
Other Long-Term Liabilities	4,769	6,639	11,408
<b>Total</b>	<b>7,067</b>	<b>21,084</b>	<b>28,151</b>

<b>THE GROUP</b>			
31/12/2012	1–5 years	After 5 years	Total
Long-Term Loans from SLL	2,375	10,667	13,042
Accrued Expenses and Deferred Income	2,222	3,319	5,541
Other Long-Term Liabilities	4,768	6,027	10,795
<b>Total</b>	<b>9,365</b>	<b>20,013</b>	<b>29,378</b>

<b>THE PARENT COMPANY</b>			
31/12/2011	1–5 years	After 5 years	Total
Long-Term Loans from SLL	375	11,261	11,636
Accrued Expenses and Deferred Income	1,712	2,234	3,946
Other Long-Term Liabilities	2	–	2
<b>Total</b>	<b>2,089</b>	<b>13,495</b>	<b>15,584</b>

<b>THE PARENT COMPANY</b>			
31/12/2012	1–5 years	After 5 years	Total
Long-Term Loans from SLL	2,375	10,667	13,042
Accrued Expenses and Deferred Income	2,011	2,422	4,433
Other Long-Term Liabilities	2	–	2
<b>Total</b>	<b>4,388</b>	<b>13,089</b>	<b>17,477</b>

Also see Note 20.

**NOTE 20 Long-term accrued expenses and deferred income**

	<b>THE GROUP</b>		<b>THE PARENT COMPANY</b>	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Government Grants under the County Plan, Dennis Agreement, etc.	3,004	2,771	3,004	2,771
The Swedish National Road Administration's Future Plan	700	731	–	–
Government Grant to offset additional costs of the congestion charge trial scheme	194	234	194	234
Financing Grants	409	430	–	–
Deferred Income on Properties	1,234	941	1,235	941
<b>Total</b>	<b>5,541</b>	<b>5,107</b>	<b>4,433</b>	<b>3,946</b>

Government grants relating to the County Plan and the Dennis Agreement, etc. comprise grants for investments in fixed assets. Of the Government grant to offset additional costs arising from the congestion charge trial scheme, SEK 90 (108) million relates to investments in fixed assets.

The current portion has been reported in Note 22.

**NOTE 21 Prepaid expenses and accrued income**

	THE GROUP		THE PARENT COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Prepaid Rental Costs	14	13	14	13
Prepaid Contractor Costs, Transport Services	64	204	64	204
Accrued Contract Income	13	–	13	–
Accrued Fare Revenues	31	30	31	30
Miscellaneous	24	48	19	44
<b>Total</b>	<b>146</b>	<b>295</b>	<b>141</b>	<b>291</b>

**NOTE 22 Accrued expenses and deferred income**

	THE GROUP		THE PARENT COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Accrued Contractor Costs, Transport Services	216	193	216	193
Accrued Interest Expenses	49	71	3	–
Prepaid Tickets and Travelcards	328	419	328	419
Current Portion of Long-Term Accrued Expenses and Deferred Income	234	237	224	230
Social Security, Pension and Salary Expenses	21	56	21	56
Miscellaneous	193	230	181	222
<b>Total</b>	<b>1,041</b>	<b>1,206</b>	<b>973</b>	<b>1,120</b>

**NOTE 23 Financial instruments**

In its operations, the Group is exposed to various types of financial risks. It is the responsibility of SL to identify financial risks and manage them in consultation with AB SLL Internfinans. All companies and administrative bodies that are wholly owned subsidiaries of SLL are required to comply with its policies where applicable. The purpose of the financial policy is to provide comprehensive rules and regulations for financial activities.

The goal of financial activities is to manage resources in such a way that the requirements for a good return and sound investments are fulfilled. Within the defined risk frameworks, SL shall strive to achieve a good return on its management of assets and to obtain the lowest possible costs for borrowing and debt management. The SL Group engages in derivative transactions, primarily currency futures and interest rate swaps, with the aim of managing the currency and interest rate risks that result from the Group's operations and financing activities. All trading in financial instruments is undertaken for hedging purposes only.

SLL is the counterparty to all transactions that reduce currency and interest rate risks. As at the year-end, 31/12/2012, interest rate swaps totalling SEK 2,100 (3,100) million had been entered into. Their market value as at 31/12/2012 was SEK –193.5 (–257.7) million.

The fair value of these swaps agreements is thus lower than their book value. However, SL intends to retain them until they mature. Their market value will vary over the duration of the agreements, but with no impact on profit. When the swaps mature, their market value will be zero.

Gains and losses on currency futures and currency options are reported when they are realised. Amounts payable or receivable that result from interest rate swaps are reported on an ongoing basis as interest expenses or interest income.

Transactions in financial instruments can result in a risk exposure to one or more of the financial risks described below, or transfer such risk to another party. The

financial risks that impact on SL are currency risk, interest rate risk, credit risk, liquidity risk and cash flow risk.

**Currency risk**

Entering into an agreement relating to foreign currency can lead to a currency risk exposure. In accordance with SL's guidelines and SLL's financial policy, currency risk exposure should be avoided wherever possible. Financing and investments may be carried out in foreign currencies, but all currency risk exposure arising within the next twelve months and where the agreement relates to more than SEK 5 million must be protected. The form and degree of currency hedging must be agreed with AB SLL Internfinans before foreign currency contracts are entered into.

**Interest rate risk**

Interest rate risk occurs when the value of a financial instrument varies due to fluctuations in interest rates. SL leasing agreements bear variable interest, which provides attractive financing potential but also involves a risk of increasing interest expense in the event of rising interest rates. In order to offset this, SL has entered into interest rate swaps with AB SLL Internfinans totalling SEK 2,100 (3,100) million.

At the balance sheet date, 31/12/2012, the average fixed interest period was 2.4 (2.7) years, which is within the boundaries of SL's guidelines and SLL's financial policy.

**Credit risk**

Credit risk is the risk that one party in a financial transaction will be unable to meet its obligations, thereby causing the other party to incur a loss. In the case of advance payments, the risk is that a supplier will become insolvent before delivery has been completed.

SL avoids advance payments wherever possible. If an advance payment is made,

the supplier must first provide a bank guarantee. About half of SL's net turnover consists of SLL subsidies and half is generated by ticket revenues, primarily through ticket agents and resellers. Such sales carry a credit risk exposure that is limited due to the diversified customer base and the option to exclude an agent quickly in the event of misuse.

#### Liquidity risk

Liquidity risk is the risk that a company will have difficulty obtaining the money required to meet commitments related to financial instruments. SLL acts by agreement as guarantor for all SL's financial commitments throughout the financial year. The risk of a liquidity shortage is therefore minimal.

#### Cash flow risk

Cash flow risk is countered by means of an agreement between SLL and SL, in which SLL guarantees all current and future loss coverage for SL and its subsidiaries. Investment expenses are financed through loans from AB SLL Internfinans, through leasing in consultation with AB SLL Internfinans and via Government grants.

### NOTE 24 Contingent liabilities

	THE GROUP		THE PARENT COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Environmental Risk	–	10	–	10
<b>Total</b>	<b>–</b>	<b>10</b>	<b>–</b>	<b>10</b>

SLL is responsible for reporting on and providing surety for the SL Group's pension commitments for the period up to and including 31 December 1991. New commitments that occur on or after 1 January 1992 are reported by SL. See Note 18. SLL also guarantees these.

### NOTE 25 Cash flow statement

#### Acquisition of intangible and tangible fixed assets

Acquisition of fixed assets	THE GROUP		THE PARENT COMPANY	
	2012	2011	2012	2011
Investments/Acquisitions as per Notes 9–10	4,287	4,439	3,259	3,847
Non-Cash Items:				
Reported Financial Leasing	–	–576	–	–
<b>Total Cash Flow from Investments</b>	<b>4,287</b>	<b>3,863</b>	<b>3,259</b>	<b>3,847</b>

Group cash flow has been affected by extraordinary items.

# Audit Report

To the Annual General Meeting of AB Storstockholms Lokaltrafik 556013-0683

## **Report on the annual accounts and the consolidated accounts**

We have conducted an audit of the annual accounts and the consolidated accounts of AB Storstockholms Lokaltrafik for 2012. The company's annual accounts and the consolidated accounts are included in the printed version of this document on pages 7–33.

### ***The responsibility of the Board of Directors and the Managing Director for the annual accounts and the consolidated accounts***

It is the Board and the Managing Director who are responsible for preparing annual accounts and consolidated accounts that present an accurate picture in accordance with the Swedish Annual Accounts Act, and for the internal control that the Board and the Managing Director deem to be necessary in order to prepare annual accounts and consolidated accounts that are free of material misstatement, whether due to impropriety or error.

### ***The auditor's responsibility***

Our responsibility is to express an opinion on the annual accounts and the consolidated accounts on the basis of our audit. We have carried out our audit in accordance with the International Standards on Auditing and generally accepted accounting practice in Sweden. These standards require us to follow professional ethical requirements, and to plan and carry out our audit in order to obtain a reasonable degree of certainty that the annual accounts and the consolidated accounts are free of material misstatement.

An audit involves taking various measures in order to obtain audit evidence of the amounts and disclosures in the annual accounts and the consolidated accounts. The auditor chooses which procedures should be carried out, including by assessing the risks of material misstatement in the annual accounts, whether due to impropriety or error. In carrying out this risk assessment, the auditor takes into account those elements of internal control that are relevant to the way in which the company prepares the annual accounts and the consolidated accounts, to present an accurate picture in order to formulate review procedures that are appropriate with regard to the circumstances, but not in order to give an opinion on the effectiveness of the company's internal control. An audit also includes an evaluation of the appropriateness of the accounting principles that have been used and of the reasonableness of the Board's and the Managing Director's estimates in the accounting, as well as an evaluation of the overall presentation of the annual accounts and the consolidated accounts.

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

### ***Opinion***

In our opinion, the annual accounts and the consolidated accounts have been prepared in accordance with the Swedish Annual Accounts Act and present an accurate picture in all significant respects of the financial position of the Parent Company and the Group as at 31 December 2012, and of their financial results and cash flow for the year in accordance with the Swedish Annual Accounts Act. The statutory administration report is consistent with other parts of the annual accounts and the consolidated accounts.

We therefore recommend to the annual meeting of shareholders that the income statements and balance sheets of the Parent Company and the Group be adopted.

## **Report on other requirements in accordance with legislation and other statutes**

In addition to our audit of the annual accounts and the consolidated accounts, we have also reviewed the proposed appropriation of the company's profit or loss and the Board's and the Managing Director's administration of AB Storstockholms Lokaltrafik for 2012.

### ***The responsibility of the Board and the Managing Director***

It is the Board that is responsible for the proposal for disposing of the company's profit or loss, and it is the Board and the Managing Director who are responsible for administration in accordance with the Swedish Companies Act.

### ***The auditor's responsibility***

Our responsibility is to express an opinion, with a reasonable degree of certainty, on the proposed disposal of the company's profit or loss, and on the company's administration on the basis of this audit. We have conducted our audit in accordance with generally accepted accounting standards in Sweden.

To form a basis for our opinion regarding the Board's proposal for disposing of the company's profit or loss, we have reviewed whether the proposal is in accordance with the Swedish Companies Act.

As a basis for our opinion concerning discharge from liability, we have – in addition to our audit of the annual accounts and the consolidated accounts – reviewed the significant decisions, actions taken and circumstances within the company in order to determine whether any Board member or the Managing Director has a liability towards the company. We also examined whether any Board member or the Managing Director has otherwise acted in contravention of the Swedish Companies Act, the Swedish Annual Accounts Act or the Articles of Association.

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

### ***Opinion***

We recommend to the annual meeting of shareholders that the profit be dealt with according to the proposal in the administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Stockholm, 21 March 2013

Ernst & Young AB

Magnus Fredmer

*Authorised Public Accountant*



# Review Report

## Review Report for AB Storstockholms Lokaltrafik for 2012

We lay auditors appointed by the Assembly have reviewed AB Storstockholms Lokaltrafik's operations in 2012.

The Board of Directors and MD are responsible for the operations being conducted in accordance with the current Articles of Association, owner directives and decisions, as well as the regulations that apply to the operations. They are also responsible for there being adequate internal control and for ensuring that reporting back to the Assembly takes place. The responsibility of the lay auditors is to review operations and internal control and determine if operations were conducted according to the Assembly's assignment and objectives as well as the regulations that apply to the operations.

The review has been carried out in accordance with the Swedish Companies Act, the Local Government Act, generally accepted auditing standards in municipal operations and the county council's auditing regulations, and based on the AGM's established owner directive. The review has been conducted with the emphasis and scope required to provide reasonable grounds for our assessment and review and has yielded the results presented in the 2012 Annual Report for AB Storstockholms Lokaltrafik (SL). We attach a presentation of the results of the review.<sup>1)</sup>

We note that SL conducted activities during the year with the aim of improving the financial and operating results. The company also conducted efforts to strengthen internal governance and control. The review shows that improvements were implemented in areas of which auditors in previous years presented criticism. Problems remain in the follow-up of the transport agreements, primarily for buses. Previous inadequacies with regard to governance, follow-up and reporting of major projects in the transport area also largely remain. This year's review also indicated certain continued deficiencies in internal control, including in the year-end accounting process.

Following consultation with the authorised public accountant, the combined internal governance and control is assessed to not be entirely adequate. We also assess that the company's operations have not been fully managed in a suitable and, from a financial perspective, satisfactory manner.

Stockholm, 21 March 2013

Gunilla Jerlinger	
Berit Assarsson	Karin Brodin
Gunilla Hansson	Anders Ödmark

<sup>1)</sup> 2012 Annual Report for AB Storstockholms Lokaltrafik (SL) is available at [www.sll.se/rev](http://www.sll.se/rev).

# Special transport services

## Annual Report and Administration Report · AR Special Transport Services

· Company reg. no. 232100-0016

The Board of Directors and the Managing Director of AB Storstockholms Lokaltrafik (SL) hereby present the annual report for special transport services for the financial year 1/1/2012–31/12/2012.

### Ownership

Special transport services is a profit centre within Stockholm County Council, within which reports are issued on the County Council's special transport services, excluding services provided by public authorities. Since 1 July 2009, SL has managed the special transport services in accordance with a County Council decision. Management takes place in accordance with the specific owner directions and the amended Articles of Association, which were decided on by the County Council Assembly on 12 May 2009.

Special transport services have no employees.

### Nature and purpose of operations

Special transport services consist of public transport for people with disabilities and are governed by the Swedish Special Transport Services Act. In Stockholm County, the municipalities have assigned their statutory responsibility for special transport services to the County Council, which has in turn given SL the assignment to manage the special transport services.

Besides special transport service journeys, the activities also include Närtrafik services, patient transport and business travel. Patient transport journeys are governed by the Swedish Act on Reimbursement of Travelling Costs for Patient Transport Journeys. The journeys are carried out through services procured from taxi, bus and special vehicle operators.

The Special Transport Committee, which acts as a government agency, reviews permits and allocates service. Permits for patient transport are issued by the care provider, however.

### Financial results

#### Business development

The profit for the year for special transport services was SEK 9 million (loss: 92). The change between 2012 and 2011 is mainly due to a higher operating subsidy, higher passenger revenues, a limited increase in travel and a lower cost per journey.

(MSEK)	2012	2011	2010	2009*
Passenger Revenues	179	171	160	82
Operating Subsidies from SLL	821	963	946	450
Compensation from HSN for patient transports	208	–	–	–
Other Income	12	13	19	10
<b>Total</b>	<b>1,220</b>	<b>1,147</b>	<b>1,125</b>	<b>542</b>
Purchased Services	–1,164	–1,199	–1,127	–544
Other Costs	–46	–39	–41	–20
Financial Items	–1	–1	–	–1
<b>Profit/Loss for the Year</b>	<b>9</b>	<b>–92</b>	<b>–43</b>	<b>–23</b>

\*For 2009, the period relates to 1/7/2009 to 31/12/2009

### Operational results

Operating income during the year amounted to SEK 1,220 (1,147) million, an increase of 6.4 per cent. The operating subsidy from the County Council amounted to SEK 821 (963) million. Subsidies of SEK 208 million were replaced by revenues from the Stockholm County Council Healthcare Provision (HSN) for patient transport journeys. Other subsidies increased by 8.7 per cent. Passenger revenues accounted for SEK 179 (171) million, an increase of 4.7 per cent. This increase is due in part to a changed composition of various types of travel, and in part to effects of a higher high-cost protection for special transport passengers as of 1 September 2011 in accordance with a county council decision. Other operating income, such as the sale of transport services to other county council administrations and sales of communication equipment amounted to SEK 12 (13) million.

Operating expenses amounted to SEK 1,210 (1,238) million, a decrease of 2.3 per cent. The costs of purchased transport services, which constitute the main part of operating expenses, amounted to SEK 1,164 (1,199) million, a decrease of SEK 35 million or 2.9 per cent. The cost reduction is related to lower prices of taxi journeys by 5 per cent and a limited increase of the volume of journeys by 0.3 per cent. Other operating expenses amounted to SEK 46 (39) million. This includes costs for IT systems linked to special transport services, call centre telephony, financial administration, postage and certain information. It is primarily the costs for IT that have increased.

The operating profit was SEK 10 million (loss: 91). Net financial items amounted to SEK –1 (–1) million. The profit after net financial items was SEK 9 million (loss: 92).

### Investments

No investments were carried out in special transport services during 2012.

### Significant events during and after the financial year

Special transport services signed a new agreement for taxi transports with four suppliers during the year. The agreement entered into effect on 1 February 2012 and is valid until 1 February 2014, with a possibility of a two-year extension. The new agreement entails a price reduction of approximately 5 per cent.

A procurement of wheelchair taxi service for those who do not want customer choice was also concluded in 2012. An agreement was reached with a supplier for the period 1 May 2012–1 October 2013 with an opportunity for a two-year extension.

Another major procurement was carried out during the year. It pertained to the reception of orders and management of Travel Guarantee matters connected to special transport and patient transport services. An agreement was signed with two operators that enters effect on 1 June 2012. The procurement of more order recipients is under way.

As of 2012, the cost responsibility for patient transport service was transferred from special transport services to Health Provision, a decision which was made by the County Council. According

to the prepared agreement, the special transport services are responsible, as before, for procurement, planning and administration of the transports, while Health Provision is responsible for regulations and costs. For 2012, the parties divide the recognised profit/loss. The agreement is valid until 1 February 2014, with a possibility of a two-year extension.

An overhaul of Närtrafik is under way.

There is a growing demand for wheelchair taxi services. Wheelchair taxi is a service that began in October 2008 and is offered with customer choice. The number of journeys in 2012 totalled 968,000 (876,000) – an increase of 92,000 journeys, corresponding to 10.5 per cent. There were 2,996,000 (3,077,000) taxi transportation journeys, a decrease of 2.6 per cent.

On 4 December 2012, the County Council Assembly revised the regulations for the Traffic Committee together with the Articles of Association and specific owner directive for SL. The reason is that a new administration organisation for the Traffic Committee will be formed on 1 January 2013 - the Traffic Administration. In an initial step, the Traffic Administration is taking over SL's staff and office spaces. It has also been assigned to manage SL's assets and operations.

#### Profit allocation

Profit/loss for the year SEK 9,402,922

The Board and Managing Director of SL propose that the profit, in accordance with current rules for profit centres within the County Council and while awaiting transfer to the County Council Group financing, be allocated as follows:

to be carried forward SEK 9,402,922

With regard to the reported profit/loss and financial position for 2012, please refer to the following income statement, balance sheet, cash flow statement and additional information. All figures are stated in SEK millions (MSEK) unless otherwise specified.

Stockholm, 19 February 2013

Christer G Wennerholm	Anders Lindström
Chairman of the Board	Managing Director
AB Storstockholms Lokaltrafik	AB Storstockholms Lokaltrafik

The County Council auditors issue an annual report for special transport services. The report is available at [www.sll.se/rev](http://www.sll.se/rev)

## Income Statement

(MSEK)	Note	2012	2011
<b>Operating Income</b>			
Net Turnover	1	1,220	1,147
<b>Total Operating Income</b>		<b>1,220</b>	<b>1,147</b>
<b>Operating Expenses</b>			
Contractor Costs, Transport Services		-1,164	-1,199
Other External Expenses	2	-46	-39
Depreciation of Tangible Fixed Assets	3	-	-
<b>Total Operating Expenses</b>		<b>-1,210</b>	<b>-1,239</b>
<b>OPERATING PROFIT/LOSS</b>		<b>10</b>	<b>-91</b>
<b>Profit/Loss from Financial Items</b>			
Interest Income and Similar Income		0	0
Interest Expenses and Similar Expenses		-1	-1
<b>Total Profit/Loss from Financial Items</b>		<b>-1</b>	<b>-1</b>
<b>PROFIT/LOSS AFTER FINANCIAL ITEMS</b>		<b>9</b>	<b>-92</b>
<b>PROFIT/LOSS FOR THE YEAR</b>		<b>9</b>	<b>-92</b>

## Balance Sheet

(MSEK)	Note	31/12/2012	31/12/2011
<b>ASSETS</b>			
<b>Fixed Assets</b>			
Plant and Equipment	3	0	0
<b>Total Fixed Assets</b>		<b>0</b>	<b>0</b>
<b>Current Assets</b>			
<b>Current Receivables</b>			
Accounts Receivable		39	27
Other Receivables		9	11
Prepaid Expenses and Accrued Income	4	19	12
<b>Total Current Receivables</b>		<b>67</b>	<b>50</b>
<b>Cash and Bank</b>	5	<b>46</b>	<b>0</b>
<b>Total Current Assets</b>		<b>113</b>	<b>50</b>
<b>TOTAL ASSETS</b>		<b>113</b>	<b>50</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity	6	48	48
Profit/Loss for the Year		9	-92
<b>Total Equity</b>		<b>57</b>	<b>-44</b>
<b>Current Liabilities</b>			
Accounts Payable		40	44
Unused Bank Overdraft Facilities	5	-	43
Accrued Expenses and Deferred Income	7	16	7
<b>Total Current Liabilities</b>		<b>56</b>	<b>94</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>113</b>	<b>50</b>
Pledged Assets		None	None
Contingent Liabilities		None	None

## Cash flow statement

(MSEK)	2012	2011
<b>Operating activities</b>		
Operating Income	10	-91
Depreciation	0	0
	<b>10</b>	<b>-91</b>
Interest Received	0	0
Interest Paid	-1	-1
<b>Cash Flow from Operating Activities Before Changes in Working Capital</b>	<b>9</b>	<b>-92</b>
<b>Changes in Working Capital</b>		
Increase (-)/Decrease (+) in Receivables	-17	-5
Increase (+)/Decrease (-) in Liabilities	5	0
<b>Cash from Operating Activities</b>	<b>-12</b>	<b>-97</b>
<b>Financing</b>		
Coverage Received for Profit/Loss	92	43
<b>Cash from Financing</b>	<b>92</b>	<b>43</b>
<b>Cash Flow for the Year</b>	<b>89</b>	<b>-54</b>
<b>LIQUID ASSETS</b>		
Liquid Assets at Start of Year	-43	11
Change in Liquid Assets	46	-43
<b>Liquid Assets at Year-End</b>	<b>89</b>	<b>-54</b>

## Additional information

## Accounting principles

The annual accounts have been drawn up in accordance with the Swedish Local Government Act, the Swedish Act on Municipal Accounting and recommendations issued by the Council for Municipal Accounting.

Receivables are recognised in the amounts assessed to be received following review. Liabilities are reported at their original historical cost.

## Income

Income is reported at the actual value of the amount that has been, or will be, received. Operating subsidies from SLL represent performance compensation calculated according to a budget approved by SLL. Subsidies can change from year to year as a result of operational changes or cost level changes for them. Passenger charges are invoiced to special transport services and patient transport on a monthly basis. SLL sets the level of these charges in its budget decision. Patient transports are invoiced to Health Provision monthly based on agreement. Business travel is

invoiced monthly to the county council administrations and other contractually bound parties based on the special transport services' cost for it. Other income is invoiced on an open account.

### Tangible Fixed Assets

Tangible fixed assets are recognised at their acquisition cost at the time of acquisition. After the time of acquisition, tangible fixed assets are reported with a deduction for accumulated depreciation and any write-down. Depreciation is calculated on a straight-line basis and accrued over the useful lifetime of the asset in a way that reflects its use. Depreciation for the period is reported as an expense.

Depreciation is based on the estimated period of use of the asset as follows: Machinery and equipment 3–5 years

### Receivables

Receivables are reported at the amount estimated to be received.

### Cash flow statement

The cash flow statement reports historical transactions in cash and cash equivalents for the period relating to the current operating, investing or financing activity.

The cash flow statement is presented using the indirect method, by which the net profit/loss from operating activities is adjusted by:

- items in the income statement that do not include cash transactions,
- changes in operating assets and operating liabilities for the period, and
- items included in the cash flow for investment or financing activities.

## Notes and comments

(Amounts in SEK millions unless otherwise stated)

### NOTE 1 Interest income

	2012	2011
Passenger Charges	179	171
Operating Subsidies from SLL	821	963
Compensation from HSN for patient transports	208	–
Sales of Other Services	12	13
<b>Total</b>	<b>1,220</b>	<b>1,147</b>

Special transport services are a profit centre under the County Council Executive Committee's administration. 67 (84) per cent of turnover consists of an operating subsidy from Stockholm County Council and 18 (1) per cent consists of sales to other units and companies within Stockholm County Council. 3 (3) per cent of the total costs in the balance sheet consist of purchases from other County Council units.

### NOTE 2 Fees and other payments to auditors

Fees to auditors have been paid by the Stockholm County Council audit office.

### NOTE 3 Fixed Assets

	31/12/2012	31/12/2011
<b>Plant and Equipment</b>		
Opening Acquisition Value, 1 Jan	2	2
Investments for the Year	0	0
<b>Closing Acquisition Value, 31 Dec</b>	<b>2</b>	<b>2</b>
Opening Accumulated Depreciation, 1 Jan	2	2
Depreciation for the Year	0	0
<b>Closing Accumulated Depreciation, 31 Dec</b>	<b>2</b>	<b>2</b>
<b>Closing Book Value, 31 Dec</b>	<b>0</b>	<b>0</b>

### NOTE 4 Prepaid expenses and accrued income

	2012	2011
Accrued Income for Traveller Charges, Special Transport Services	12	12
Accrued Income for Traveller Charges, Patient Transports	3	0
Accrued Income for Compensation from HSN, Patient Transports	4	0
<b>Total</b>	<b>19</b>	<b>12</b>

### NOTE 5 Cash and bank

The business' balance in the Group account at SLL has been reported as cash and bank. This balance is a current receivable from SLL within the framework of the Group accounting system. The credit limit granted on the Group account is SEK 120 (120) million. At the end of 2012, SEK 0 (43) million of this credit had been used.

### NOTE 6 Equity

The allocation of the former Special Transport Committee's balance sheet between the Special Transport Committee and special transport services was concluded in 2010.

	Equity
Opening Equity 01/01/2011	5
Transfer of Profit/Loss for 2010 to SLL Group Financing	43
Profit/Loss for 2011	–92
<b>Equity 31/12/2011</b>	<b>–44</b>
Transfer of Profit/Loss for 2011 to SLL Group Financing	92
Profit/Loss for the Year	9
<b>Equity 31/12/2012</b>	<b>57</b>

### NOTE 7 Accrued expenses and deferred income

	31/12/2012	31/12/2011
Purchased Services	16	6
Other Accrued Costs	0	1
<b>Total</b>	<b>16</b>	<b>7</b>

# Board and auditors

## Annual General Meeting

SL's most recent Annual General Meeting was held on 22 May 2012. The 2011 income statement and balance sheet were adopted at the AGM. The AGM also granted the Board of Directors and the Managing Director discharge from liability for their management during 2011. An Extraordinary General Meeting was held on 18 December 2012 to establish the new owner directive and new Articles of Association.

## Articles of Association

According to the Articles of Association, the object of SL is – within Stockholm County and neighbouring areas – to carry out local and regional public transport, within the framework of notified conditions, to arrange transportation for people with disabilities (special transport services), to own and administer real and movable estate, and to carry out related operations.

According to the Articles of Association, the purpose of the company's operations is that the company should provide local and regional public transport by land and, in accordance with the Traffic Committee's issuance of permits, administer the details required in order to ensure good special transport services. This task include procuring the necessary goods, services and contracts to enter into agreements regarding general transport, to carry out procurements of the necessary personal transport and coordination services, and otherwise to take the necessary measures to fulfil the task.

## Board of Directors

The Stockholm County Council Assembly appoints board members for AB SL. The right of attendance for employee representatives is defined in the Swedish Board Representation (Private Sector Employees) Act (1987:1245). On the SL Board of Directors, employee representatives have the right to express their opinions, to propose a motion or to have opinions recorded in the minutes, but they do not have any decision-making powers.

The Board held 19 meetings during 2012. During these meetings, the Board dealt with standing agenda items such as the state of business, procurements, financial reporting, investments, the budget and service changes for the commuter rail and Metro systems. In addition, overall strategic issues such as SL's future focus and visions have been discussed. Sara Catoni served as Board Secretary during the year.

## Chairman of the Board

The County Council Assembly appoints the Chairman of the Board and the Vice Chairmen. Since 1 January 2007, the Chairman of the Board has been County Commissioner for Public Transport, Christer G Wennerholm (M). Lennart Rohdin (FP) is the 1st Vice Chairman and Erika Ullberg (S) is the 2nd Vice Chairperson.

## Managing Director

The Managing Director deals with ongoing administration and leads operations in accordance with the instructions adopted by the Board. After consultation with the Chairman, the Managing Director shall ensure that Board members are provided with information and the necessary decision-making data. The Managing Director, or his delegate, is also required to report and put forward proposals at Board meetings on issues prepared by the Executive Management, and shall continuously keep Board members and the Chairman of the Board informed about the company's and the Group's financial position and development.

## Executive Management Team

The Managing Director of AB SL leads SL's Executive Management Team. In addition to the Managing Director, the Executive Management Team consists of the persons the MD appoints. This is a consultation body for the Managing Director and has no autonomous decision-making authority. The Executive Management Team meets as determined by the Managing Director.

## Financial reporting and internal control

The Board of Directors is responsible for ensuring that the company's organisation is such that its financial situation can be adequately verified and that financial reports are compiled in accordance with the law, existing accounting standards and other appropriate requirements. The Managing Director shall also ensure that financial accounting in the Group's companies is carried out in accordance with the law and that the management of assets is conducted in a satisfactory manner.

## Auditors

The company's Authorised Public Accountant shall audit the financial accounts and the administration of the Board and the Managing Director in accordance with accepted accounting practice. The Authorised Public Accountant is elected by the AGM. Lay auditors shall audit the company's activities and ensure that they are managed in an appropriate and financially satisfactory manner, and that the company's internal control is adequate. The audit shall be executed in accordance with accepted practice for lay auditors. Lay auditors are appointed by the Stockholm County Council Assembly and are announced at the AGM.

## Authorised Public Accountant

Magnus Fredmer, Ernst & Young AB

## Lay auditors

Gunilla Jerlinger (S), Chairman  
Berit Assarsson (M), Vice Chairman  
Karin Brodin (M)  
Gunilla Hansson (C)  
Amir Sajadi (MP)

## The Board, auditors and the MD

AB Storstockholms Lokaltrafik 2012

### **Chairman of the Board**

Christer G Wennerholm (M)

### **First Vice Chairman**

Lennart Rohdin (FP)

### **Second Vice Chairman**

Erika Ullberg (S)

### **Employee representatives**

Arne Grundberg, Vision

Martin Lindahl, Saco

### **Lay auditors, 2011-2014**

Gunilla Jerlinger (S), Chairman

Berit Assarsson (M), Vice Chairman

Karin Brodin (M)

Gunilla Hansson (C)

Amir Sajadi (MP)

### **Ernst & Young AB**

*Auditor in charge*

Magnus Fredmer (Authorised Public Accountant)

*Deputy*

Mikael Sjölander (Authorised Public Accountant)

### **Managing Director**

Anders Lindström



# Operating figures

## Total residents in Stockholm County (in 1000s)

	2012	2011	2010	2009	2008
Population	2,127	2,088	2,050	2,017	1,981

## Total private cars in Stockholm County (in 1000s)

	2012	2011	2010	2009	2008
Private cars	829	818	800	793	791

## Number of journeys on a typical day in winter (in 1000s)

Mode of transport	2012	2011	2010	2009	2008
Metro	1,165	1,133	1,137	1,123	1,117
Commuter rail	281	269	258	252	250
Light rail	148	146	136	126	126
Bus	1,110	1,068	1,025	997	989
<b>Total</b>	<b>2,704</b>	<b>2,616</b>	<b>2,556</b>	<b>2,498</b>	<b>2,482</b>

## Journeys per year (millions)

Mode of transport	2012	2011	2010	2009	2008
Metro	322	309	310	307	307
Commuter rail	76	73	70	69	68
Light rail	45	45	38	34	35
Bus	298	291	284	277	270
<b>Total</b>	<b>741</b>	<b>718</b>	<b>702</b>	<b>687</b>	<b>680</b>

## Full journeys per year (millions)

	2012	2011	2010	2009	2008
<b>Total</b>	<b>460</b>	<b>446</b>	<b>436</b>	<b>427</b>	<b>422</b>

## Passenger kilometres per year (millions)

Mode of transport	2012	2011	2010	2009	2008
Metro	1,796	1,725	1,731	1,715	1,715
Commuter rail	1,337	1,279	1,226	1,218	1,211
Light rail	278	277	252	226	241
Bus	1,830	1,792	1,757	1,713	1,673
<b>Total</b>	<b>5,241</b>	<b>5,073</b>	<b>4,966</b>	<b>4,872</b>	<b>4,840</b>

## Available seat kilometres per year (millions)

Mode of transport	2012	2011	2010	2009	2008
Metro	4,253	4,181	4,131	4,475	4,289
Commuter rail	5,086	5,087	5,010	4,867	4,855
Light rail	1,110	1,110	1,082	944	921
Bus	5,861	5,736	5,569	5,849	5,609
<b>Total</b>	<b>16,310</b>	<b>16,115</b>	<b>15,792</b>	<b>16,135</b>	<b>15,674</b>

**Public Transport Share (%)**

<b>Entrance point</b>	<b>2012</b>	2011	2010	2009	2008
City entrance point average 6–21	70	69	67	66	66
City entrance point peak periods	80	81	80	79	78

**Number of tickets sold (in 1000s)**

	<b>2012</b>	2011	2010	2009	2008
30-day tickets	4,801	4,549	4,379	4,010	4,056
90-day tickets	198	253	53	–	–
Season tickets	70	88	187	183	181
Annual and corporate tickets	32	29	18	15	4
Pre-paid strips and reduced price tickets – total coupons	134,256	133,816	129,105	136,927	143,086
Cash tickets and pre-paid tickets	6,905	7,001	7,894	10,154	10,812
Zone tickets (SMS, SL Access, vending machines)	12,584	12,734	10,724	8,764	7,148

**Number of vehicles in SL transport services**

	<b>2012</b>	2011	2010	2009	2008
Metro carriages, older	242	242	242	242	244
New Metro carriages C20	271	271	271	271	271
Commuter rail carriages, older	51	51	136	144	166
New commuter rail carriages X60	83	71	71	71	71
Light rail carriages	194	194	194	184	188
Buses	2,114	2,158	2,050	2,016	1,929
<b>Total</b>	<b>2,955</b>	2,987	2,964	2,928	2,869

**Number of passengers per day in winter (in 1000s)**

	<b>2012</b>	2011	2010	2009	2008
<b>Total</b>	<b>763</b>	739	722	705	701

**Reliability (% departures on time)**

	<b>2012</b>	2011	2010	2009	2008
Metro	95.2	94.3	93.5	94.8	94.1
Green line	94.7	93.1	91.8	92.6	92.2
Red line	94.8	94.4	94	95.3	94.7
Blue line	97.8	97.4	96.9	98	97.5
Commuter rail	91.0	88.9	84.8	90.4	87.7
The Roslagsbanan light railway	93.4	94.7	90.6	95.4	96
Lidingöbanan	92.8	92.6	94.3	95.2	95.6
The Tvärbanan orbital line	95.5	94.9	95.9	96.5	95.8
Nockebybanan	99.4	99.4	99	98.3	98.4
Saltsjöbanan	95.9	94.6	82.9	91.7	93.6
Spårväg City	98.4	98.2	96.9	–	–
Bus services	88.6	88.5	88	91.1	91
northern region	93.2	93.6	93.9	96.3	95.5
central region	82.9	82	83.4	88.3	88.4
– of which inner city	77.7	75.5	76.7	82	82.8
southern region	93.7	94.1	93.2	95.4	95.3

## AR Operating figures

### Cancelled departures (% of schedule)

	2012	2011	2010	2009	2008
Metro	2.4	2.2	2.5	0.7	0.6
Green line	2.1	3	2.7	0.6	0.4
Red line	2.4	2.4	3.2	0.9	0.9
Blue line	2.8	1.1	1.4	0.6	0.6
Commuter rail	1.5	1.4	3.4	1.5	1.7
The Roslagsbanan light railway	0.8	0.5	1.2	0.4	0.3
Lidingöbanan	0.7	1.2	0.8	0.6	0.6
The Tvärbanan orbital line	0.8	1.2	1	0.9	0.9
Nockebybanan	0.3	0.2	0.2	1.1	0.7
Saltsjöbanan	0.4	0.7	1.1	0.5	0.6
Spårväg City	1.4	0.9	2.1	–	–
Bus services	0.3	0.6	0.4	0.3	1.7
northern region	0.3	0.4	0.3	0.2	1.2
central region	0.4	0.7	0.5	0.4	2.4
– of which inner city	0.7	1	0.5	0.5	2.9
southern region	0.3	0.6	0.4	0.3	1.2

### Metro service disruptions (more than 10 minutes)

	2012	2011	2010	2009	2008
Metro	167	140	176	244	333
Green line	72	53	74	85	133
Red line	72	61	70	112	149
Blue line	23	26	32	47	51

### Proportion of Satisfied Customers and County Residents (%)

	2012	2011	2010	2009	2008
Proportion of Satisfied Customers (SL)	73	73	74	76	72
Proportion of Dissatisfied Customers (SL)	10	11	10	9	11
Proportion of Satisfied Customers (Swedish Public Transport Association)	60	59	64	68	62
Proportion of Dissatisfied Customers (Swedish Public Transport Association)	9	8	5	4	6
Proportion of Satisfied County Residents (Swedish Public Transport Association)	57	53	60	66	60
Proportion of Dissatisfied County Residents (Swedish Public Transport Association)	11	11	9	7	8

## Finance and Investments

### Fare Revenues, Net turnover and Operating Subsidies at current prices (SEK millions)

	2012	2011	2010	2009	2008
Fare Revenues	6,505	5,870	5,370	5,217	5,099
Net Turnover*	12,907	12,166	11,469	11,162	10,784
Operating Subsidies, SLL	6,402	6,296	6,099	5,945	5,685

\* Net turnover = fare revenues + operating subsidies SLL

### Fare revenues, net turnover and operating subsidies at 2012 prices (SEK millions)

	2012	2011	2010	2009	2008
Fare Revenues	6,505	5,922	5,560	5,470	5,330
Net Turnover*	12,907	12,274	11,875	11,704	11,272
Operating Subsidies, SLL	6,402	6,352	6,315	6,233	5,942

\* Net turnover = fare revenues + operating subsidies SLL

**Fare Revenues, Net Turnover and Operating Subsidies per full journey at current prices (SEK)**

	2012	2011	2010	2009	2008
Fare Revenues per full journey	14.14	13.16	12.32	12.22	12.08
Net Turnover* per full journey	28.06	27.28	26.31	26.14	25.55
Operating Subsidies, SLL per full journey	13.92	14.12	13.99	13.92	13.47

\* Net turnover = fare revenues + operating subsidies SLL

**Fare Revenues, Net Expenses and Operating Subsidies per full journey at 2012 prices (SEK)**

	2012	2011	2010	2009	2008
Fare Revenues per full journey	14.14	13.28	12.75	12.81	12.63
Net Turnover* per full journey	28.06	27.52	27.24	27.41	26.71
Operating Subsidies, SLL per full journey	13.92	14.24	14.48	14.60	14.08

\* Net turnover = fare revenues + operating subsidies SLL

	2012	2011	2010	2009	2008
<b>Operational subsidies/tax SEK</b>	1.41	1.46	1.46	1.46	1.44
<b>Tax Funding Level (%)</b>	45.8	49.1	51.2	48.6	51.4
<b>Gross investments</b>	4,287	4,439	4,662	3,862	3,533

**Fare revenues per ticket type at current prices (SEK millions)**

	2012	2011	2010	2009	2008
Period tickets	4,546	4,089	3,758	3,565	3,466
Pre-paid and discount coupons	1,423	1,278	1,192	1,261	1,291
Zone tickets and coupons	502	459	394	374	337
Other tickets	34	44	26	17	5

**Price of 30-day card including VAT (SEK)**

	2012	2011	2010	2009	2008
Current prices	790	790	690	690	690
Adjusted to 2012 level	790	797	714	723	721

## Operating figures for specialised public transport

**OPERATING FIGURES specialised public transport (%)**

	2012	2011	2010	2009	2008
<b>Proportion of satisfied passengers</b>	88	89	*	91	88

**Reliability, waiting time during the journey (within 10 minutes)**

Taxis	93	93	93	94	93
Specialised vehicles	88	*	91	92	92

\* No data available.

**Number of journeys (in 1000s)**

	2012	2011	2010	2009	2008
Special transport service journeys	3,142	3,162	3,037	2,894	2,775
Patient transport journeys	767	735	694	660	662
<b>Total</b>	<b>3,909</b>	<b>3,897</b>	<b>3,789</b>	<b>3,612</b>	<b>3,437</b>



# Sustainable development



**AB Storstockholms Lokaltrafik aims to be a responsible company that contributes towards long-term sustainable social development.** SL therefore signed up to the UN Global Compact initiative and its principles in May 2009. In essence this has involved SL clarifying its sustainability work, particularly within the fields of the environment, employees, children, accessibility, security, procurement and anti-corruption measures.

For the third year running, SL has reported on its work in connection with the principles of the Global Compact in a Communication on Progress (COP), which deals with SL's most important sustainability issues in an open and balanced manner. If you have any questions regarding the report or SL's sustainability work, please e-mail [hallbarutveckling@sl.se](mailto:hallbarutveckling@sl.se).

## The Global Compact

# –SL's sustainability compass

There is now a politically agreed plan for developing public transport within the county in the form of a transport provision programme. On the basis of this, SL began extensive strategic work in 2012 to enhance SL's opportunities for working more proactively, not least within the field of sustainability.



### A new programme and vision lay the foundation...

Ultimate control of SL's operations lies with Stockholm County's new regional transport provision programme, which was established by the County Council Assembly in September 2012. The programme also includes three overall objectives reaching all the way up until 2030:

- Attractive travel.
- An accessible and closely connected region.
- Efficient travel with low levels of impact on the environment and health.

In order to achieve this vision and these objectives, SL has started drawing up five strategies, which shall be secured in development plans and guidelines.

### ... but the central issues remain

For many years, SL has identified its most important sustainability issues – those areas where SL has a significant positive or negative impact on sustainable development from an environmental, social or economic perspective. The main issues, and the issues with which SL works the hardest, are:

- **Sustainable travel.** The more people who use SL services instead of driving their own car, the less local environmental impact and congestion are generated. Find out more on page 56–58.

- **Travel for everyone.** SL services should be accessible, safe and secure, regardless of a passenger's age, mobility impairment, ethnicity or gender. Find out more on page 50–52, 54–55.
- **Demanding specifier.** As a major procurer, SL can have a positive effect on its suppliers and contractors by imposing various sustainability requirements and then monitoring them. Find out more on page 48–49.
- **Air emissions.** Some of the buses used for SL services still run on fossil fuels, which have an effect on the climate. Find out more on page 56–58.
- **Noise disturbance.** SL's rail and bus services, track maintenance, extension work and depot operations can cause noise disturbance in the surrounding area. The traveller environment – comfort on board vehicles and in station environments – is also important in terms of noise. Find out more on page 55–57.
- **Energy-intensive operations.** SL uses large amounts of energy in order to operate public transport services. Find out more on page 56–58.

### How our sustainability work is governed

Stockholm County Council's political bodies and the SL Board decide on objectives and issues of particular importance to SL's sustainability work. The Sustainable Development section – within the Strategic Development

department – is responsible for SL's strategic development in the environment and corporate social responsibility. The unit is also responsible for SL's Global Compact work and reports back on progress to the MD.

SL is a purchasing and administrative organisation. SL's impact on the surrounding environment is therefore mostly indirect. In other words, it depends on the way in which other companies supply their products and services. In practice, SL's strategies within the field of sustainability are mainly implemented by imposing requirements on those companies with which SL cooperates and by monitoring compliance with requirements. In all procurement procedures, SL mentions its involvement in the Global Compact and the importance of the other party and its contractors working in accordance with the principles of the Global Compact. SL's monitoring of compliance with requirements imposed in connection with the Global Compact is one area where there is room for improvement. This is a difficult issue and SL is closely following Stockholm County Council's supplier monitoring work.

The HR Department is responsible for employee issues such as working conditions and work relating to discrimination and gender equality in the workplace. The Legal and Internal Audit Department deals with much of the work relating to anti-corruption measures. The Operational





Control and Finance Department deals with internal control and monitors the balance between SL's resources and the economic aspects of sustainable development.

#### Sustainability analysis provides answers

An analysis of SL's sustainability work was completed at the end of 2012. This was based on the global guiding standard within the field, ISO 26000. The standard covers human rights, working conditions, customer responsibility, the environment, social engagement, business ethics and operational control. The aim of the analysis was to investigate strengths and weaknesses within SL's sustainable development work.

The results show that, within several of the areas studied, SL meets many of the expectations contained in ISO 26000 for a responsible organisation. SL is particularly strong when it comes to employees. However, we need to improve – particularly within the following areas:

- **Monitoring requirements placed on SL's suppliers and contractors.** SL needs to initiate business strategy work in order to deal with the risks within the supplier chain in a systematic manner.
- **Internal knowledge about how SL works with sustainability.** In order to maintain the high level within areas such as staff management and operational control, SL's internal dialogue must be improved.

#### Sustainable development for SL

**Environmental sustainability** – emissions to air, soil and water, noise, vibrations, renewable fuel, energy, material choices, chemicals, use of resources/waste, economical use of natural resources, requirements in connection with procurement/purchasing, monitoring agreements.

**Social sustainability** – accessibility, security, issues relating to children and young people, gender equality, equal treatment, employment law, attractiveness as an employer, social engagement, citizen influence, requirements in connection with procurement/purchasing, monitoring agreements.

**Economic sustainability** – anti-corruption measures, business ethics, economic effectiveness, economical use of resources, requirements in connection with procurement/purchasing, monitoring agreements.

#### The ten principles of the Global Compact

##### Human rights

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. make sure that they are not complicit in human rights abuses.

##### Labour

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. the elimination of all forms of forced and compulsory labour;
5. the effective abolition of child labour; and
6. the elimination of discrimination in respect of employment and occupation.

##### Environment

7. Businesses should support a precautionary approach to environmental challenges;
8. undertake initiatives to promote greater environmental responsibility; and
9. encourage the development and diffusion of environmentally friendly technologies.

##### Anti-corruption

10. Businesses should work against corruption in all its forms, including extortion and bribery.

## Principles 1–2

# Human rights



SL at the Ung08 festival at Kungsträdgården.

During the year, security has been a common theme in SL's long-term work to make public transport even more attractive to everyone. In concrete terms, special efforts have been conducted to make SL's safety helpline known among children and young people, for instance.

### Selected policy documents

- Gender equality plan 2012–2014
- RiJäm – Guidelines for gender equality in public transport planning
- Security policy
- Long-term accessibility plan 2011–2021
- Action plan for accessibility 2011–2013
- RiTill – SL's guidelines for the elderly and passengers with disabilities
- RiBarn – Guidelines for SL's work according to the UN Convention on the Rights of the Child
- Procedure for procurement and purchasing

### Targets and results

- The proportion of buses with low-entrance shall be 100 per cent by 2012.  
**Outcome:** 95 per cent. This target will not be achieved until 2013 in connection with new transport agreements, due to the excessive cost of replacing buses early. SL has informed organisations for people with disabilities of the situation.
- The proportion of buses that “kneel” at bus stops, in other words that are lowered to make it easier to get onto the bus, shall be 70 per cent by 2012.

**Outcome:** 32 per cent. This figure is too low. Kneeling must be followed up and ensured together with the transport operators.

### Working methods

#### *Working environment*

SL works systematically to promote a good working environment within SL and on SL's services. Internally, the gender equality plan is an important tool and managers receive ongoing training on equal treatment issues. Every year, employees give their views of the business in a survey which is followed up with

action plans. In the event of harassment, the employee should turn to his or her manager in the first instance and the HR Section in the second instance. In the third instance, confidential discussions with the company healthcare provider will be offered.

#### **Accessibility and children**

On SL services, accessibility and the perspective of children are central issues. SL is involved in close dialogue with organisations for people with disabilities and pensioners' organisations in particular. In order to maintain a high level of service, SL Customer Services have been specially trained in accessibility issues. Work on the perspective of children is based on the idea that all decisions affecting children should also be based on what is best for them. This is done through discussions with children, surveys among children and staff training. For specific projects, SL works with focus groups for issues relating to accessibility and children. All SL employees are trained in accessibility and the UN Convention on the Rights of the Child. Guidelines for accessibility and children are used to impose requirements in procurements and to monitor agreements.

#### **Security**

Security on SL services is also an important issue for SL. The SL Security Centre is at the hub of this issue. Passengers can call the centre if they feel unsafe or to call for help. From here, SL's various safety resources – such as safety patrols, public order officers and representatives from Lugna Gatan – can also be quickly directed as required. Everyone who works specifically with security receives special training on working with the public with legislation, ethics and morals. As well as its own resources, SL also has important and close cooperation with transport operators, the police, municipalities, districts and voluntary organisations.

Together with the SL Security Centre, they create an extensive security network.

#### **Activities**

##### ***New safety patrols create calm***

In order to provide greater security for passengers and employees on all modes of transport, SL introduced a new category of staff in November 2012. Safety patrols, as they are known, can be recognised by their red uniforms. They will be everywhere in SL where they will provide service, answer questions, and by their presence and visibility provide security. If they are unable to create calm, they will contact the SL Security Centre who will send out public order officers or the police. The safety patrols always work in pairs, and can be found on SL services during evenings and weekends. On a normal weekday there are around 150 safety resources on SL services, and around 200 during evenings and weekends.

##### ***The SL Security Centre on TV***

The first series of the reality show "Tunnelbanan" was broadcast on Kanal 5 in spring 2012. The show follows the work of the SL Security Centre, and shows what happens when the alarm is raised. Series two was recorded during the summer and autumn, and will be shown beginning on 16 January 2013. The show has given viewers – often young people – an insight into the everyday work of public order officers, resulting in an improved dialogue with young people. More people also know about the SL Security Centre now and contact the centre.

##### ***Spreading the safety helpline number via Ung08***

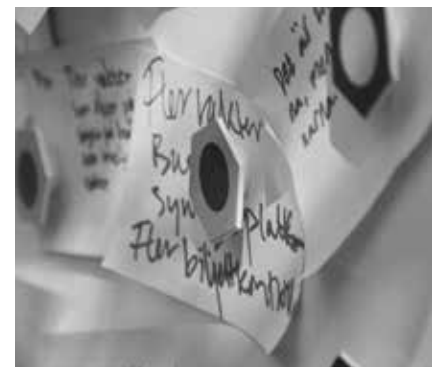
For the seventh year running, SL took part in Europe's biggest youth festival, Ung08. The focus of this year's event was on security. Around 4000 young people visited SL's marquee each day, where they had the opportunity to meet

SL's various safety resources and to learn about SL's safety helpline number (020-120 25 25), which goes straight through to the SL Security Centre. Passengers can call this free number 24 hours a day, 365 days a year. SL also listened to suggestions from young people about how to make SL's services even safer. Many people wanted more adults to be present on SL's services, both in uniform and "ordinary" adults. One result of this dialogue is that SL is now working with more visible staff and acting faster at strategic locations.

During the summer, SL's safety helpline number was also launched to the general public via a campaign, which included adverts on billboards around Stockholm.

##### ***Education package for school information hosts***

In order to create early contact with young SL passengers and to work preventively, SL has worked for several years with school information hosts in the county's schools, particularly within the 5th grade (10-11 yrs). During 2012, there was a particular emphasis on safety work and SL's safety helpline number. Other issues discussed with the children included how to travel safely, vandalism graffiti and why it is important to pay for journeys. During the year, the school



*Young people's views about traffic safety.*



information work was also restructured. A manager at SL with responsibility for all school information hosts has been appointed. A new broad, flexible education package has been devised and the school information hosts can now share their experiences with each other via a dedicated Facebook page.

### **Gender equality in public transport**

During the year, SL has learnt more about how public transport and its design can contribute towards greater gender equality in society, i.e. towards equal conditions for men and women. A study has been carried out, dealing with current knowledge about gender equality in public transport and the transport system as a whole. The study makes recommendations for how the planning of public transport in the county can help to improve gender equality. One important conclusion is that it is not only public transport itself that should feature equality, but that it should also contribute towards the overall national social aim of gender equality. For SL, it is now a matter of including this perspective early on – right from the planning and consultation stages – and organizing this work.

### **Accessibility training for Customer Services**

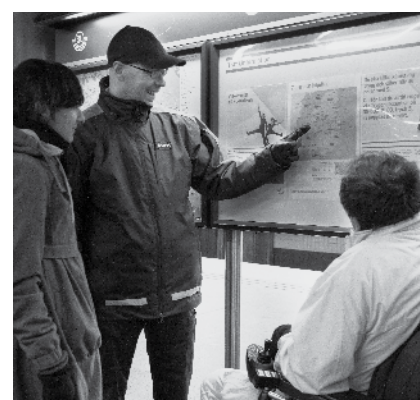
Since April 2012, SL has had a dedicated telephone number, text messaging number and e-mail address for people with impaired mobility. This target group now receives better service, direct contact with staff who know about accessibility issues and help with matters such as finding information at sl.se. Before the launch of the accessibility number, SL Customer Services received special training on accessibility from SL and representatives from organisations for people with disabilities. This is a significant boost for SL's accessibility work.

### **Travel guarantee for people with impaired mobility**

SL has a travel guarantee for people with disabilities, which applies to journeys that SL has communicated as being accessible. Vehicles and stations that are not yet accessible are excluded from this, but the guarantee applies to all other transport services. The guarantee means that if SL has failed to provide the promised accessibility, for example, if a lift or an escalator is not working, passengers with impaired mobility will receive help from SL Customer Services with their onward journey.

### **Training through theatre**

SL introduced a Travel Guarantee for passengers with disabilities that applies to travel where SL has communicated that it shall be available. In order to go one step further, SL devised voluntary additional training in 2012: a theatrical performance followed by a panel debate. This performance gives participants an insight into everyday life for people with impaired mobility, and shows how important SL's accessibility work is for them. During the panel debate, the actors contribute their knowledge together with representatives from SL and organisations for people with disabilities. The first two training sessions took place in November.



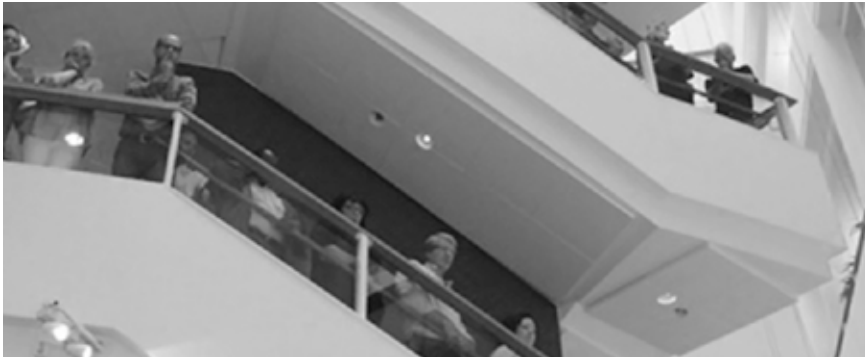
*Tactile markings at the platform edge.  
Wider barriers. Service at stations.*

Gender equality in management	2012 <sup>1)</sup>	2011	2010	2009
Number on Board + deputy members	3+0	3+0	13+13	13+13
– of which women	1+0	1+0	5+6	5+6
Number in the company's management	10	8	13	10
– of which women	3	3	6	4
Number of managers	43	36	77	87
– of which women	22	16	37	42

<sup>1)</sup> Information as at 31/12/2012.

## Principles 3–6

## Employment law



A "staircase meeting" at SL's head office.

In spring 2012, a political decision was taken to convert the County Council-owned company SL into a public authority within the County Council. This meant that SL's employees changed employer at the end of the year.

#### Selected policy documents

- Stockholm County Council's staff policy
- Working environment guidelines
- Guidelines for pay setting
- Cooperation agreements with the unions (including collective, working environment and co-determination agreements)
- Gender equality plan 2012–2014
- Procedure for procurement and purchasing

#### Working methods

SL works in a systematic and preventive manner to ensure safe and secure working conditions for employees. All staff shall, of course be treated equally, regardless of any union affiliation. Four cooperation meetings are held each year with the three union organisations (Vision, Saco and Seko) with which SL has entered into collective agreements. Operations, finances, the working environ-

ment and staff issues are discussed at these meetings. Skills are the central issue when it comes to recruitment, in which; gender, age, sexual orientation, foreign origin and physical disabilities must not be taken into account. All SL's work relating to its staff is based on efforts to be an attractive employer.

#### Activities

##### New employer

With effect from 1 January 2013, all SL's employees have a new employer: the Transport Administration. During 2012, SL carried out extensive work to ensure that employees would retain the same working conditions and benefits when changing employer.

The negotiations were successful and on the whole there will be no difference: all employees will be retained, work tasks are essentially the same and the internal organisation remains virtually unchanged.

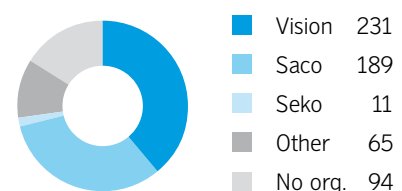
In order to provide information and hear opinions internally, SL has held "staircase meetings" in which the MD, the Chairman and others have been involved. During the year, SL also carried out systematic measurements to find out about employees' views on the change.

#### Review continues

The review carried out by SL in 2011 – focusing on clearer control, more efficient working methods and advanced leadership – continued alongside the preparations for the new administrative organisation. During the year, demarcation issues and a lack of clarity regarding certain functions have been addressed. Extensive recruitment was also carried out to fill remaining positions.

#### Trade union affiliation within SL, 2012

Around 84 per cent of SL's employees are organised within trade unions.





- Door opening button that brings out a step
- Clear symbols show which door to use



- Brighter lighting
- Contrast at entrance
- Projecting step



- Dark/light contrast
- Lighting and contrasts on step



- Door opening button
- Contrasting hand rail



### Case study:

## The Roslagsbanan light railway

With around 45 000 passengers every day – a figure that is continuing to rise – the Roslagsbanan light railway is an important link between Stockholm Östra station in the city centre and the north-eastern parts of the county. A much needed upgrade and capacity expansion project is now being carried out, including sustainability aspects as a natural element.

#### Investigations and cooperation

The work involved in upgrading the Roslagsbanan light railway was preceded by many different investigations in order to take issues such as safety, accessibility, the child's perspective, security and the

environment into account as far as possible. In order to achieve the best results, SL ensures that there is close cooperation and communication throughout the entire project with those affected: municipalities, local residents, passengers,

organisations for people with disabilities and schools. The project is planned to be fully completed in 2018.

#### Examples of what SL does

##### Accessibility

**Before:** Hard for passengers with disabilities, pushchairs or large amounts of luggage to get on and off carriages and to have enough space. When services were full, it could be hard to stand as there was nothing to hold on to.

**After:** The centre carriages have been rebuilt and made accessible; three out



Digital, visible and audible information



· Priority seating with clear symbol



· Route map against white background for ease of reading  
· Emergency telephone at a height that can be reached by children and wheelchair users



· Space for wheelchair/push-chair  
· Brighter lighting at entrance  
· Doors contrast with the rest of the interior

of 32 are now ready and in service. Wider doors, low floor sections with low-entrance and automatic step. Important elements have contrasting markings and symbols/decals have been made larger. Designated priority area for people with impaired mobility has been marked close to the doors.

Work is also being carried out at stations to make them more accessible; 28 out of 38 stations are now fully accessible. Seats have been raised, old seats have been replaced and more seats have been added. Other measures including contrasting markings on seating, platform edges and walkways, new railings, handles and hand rails.

### Security

**Before:** Traffic information technology was outdated. Children in particular found it hard to know where they were and which station is next. Old, worn surroundings – both at stations and in carriages. Level crossings could pose an accident risk.

**After:** Digital signs in the carriages show the next station, and security messages can also be displayed. The station name is announced automatically. The carriages are being renovated and made lighter and brighter, and camera surveillance is being added. Certain level crossings are being converted into flyovers along new double track sections. The surrounding transport

environment is being made as safe as possible, for example with wide, spacious tunnels, rounded tunnel mouths and good lighting.

### Noise

**Before:** Some residents living alongside tracks that pass several built-up residential areas found trains disturbing. There were a number of noise abatement orders in place.

**After:** Various noise protection measures have been implemented. In addition to traditional noise-reduction barriers and embankments, alternative noise-reduction methods are also being used, such as trackside barriers that do not affect the landscape.



## Principles 7–9

# The environment



*Trackside noise-reduction barriers reduce noise – effectively, cheaply and without affecting the landscape.*

In 2012, the County Council's sixth environmental programme – Environmental Challenge 2016, which will also be followed by SL – was launched. This involves SL raising its ambitions within this field. The new environmental programme has characterised the work carried out during the year, which has included a sharp focus on various energy efficiency measures.

### Selected policy documents

- Environmental Challenge 2016, environmental policy programme for Stockholm County Council 2012–2016
- Environmental policy
- Policy regarding airborne noise from rail transport
- Procedure for procurement and purchasing

### Selected targets and results

- By 2016, travel with SL (general public transport) shall have increased with at least a retained market share compared with 2011.  
**Results:** 3.3 per cent increase in travel during 2012. SL's most important contribution towards a better environment is that travel by general public transport is increasing. The

number of passengers using SL services on a weekday in winter in 2012 was 763 000, compared with 739 000 in 2011.

- By 2016, the proportion of renewable fuel for transport operations financed by the County Council shall be at least 75 per cent.

**Outcome:** In 2012, the proportion of renewable fuel was 66 per cent for bus services and 22 per cent for special transport services.

- By 2016, the proportion of renewable energy for heating, cooling and electricity in premises where operations financed by the County Council are carried out shall be at least 95 per cent.

**Outcome:** 96 per cent. The proportion of heating for SL's premises from

renewable sources rose by 2 per cent in 2012 compared with 2011. This increase is mainly due to four oil-fired boilers for the Saltsjöbanan line being replaced with heat pumps during 2012.

- Operations financed by the County Council shall impose relevant and measurable environmental requirements in all procurements for goods and services, including both central and local procurement. The requirements in the procurements with the highest environmental priority shall be monitored and checked over the course of the agreement.

**Outcome:** SL has a procurement procedure which states that environmental requirements shall always be imposed when carrying out procure-

ment. Environmental aspects are identified during the stage before implementing the procurement procedure, when the templates for purchasing and implementation decisions must be used. These templates include six environmental aspects and if any of these are identified the relevant requirements must be imposed for the specific procurement. The procedure does not currently include details of how environmental requirements should be monitored, but work is being carried out to draw up procedures for this.

- By 2016, emissions of particulates and other air pollutants to the environment from Stockholm's public transport shall have reduced by 10 per cent compared with 2011.

**Outcome:** Emissions of particulates from bus services are continuing to fall. In relation to passenger kilometres, emissions have fallen by 10 per cent compared with 2011. Emissions of nitrogen oxide did not fall in the same way in 2012 compared with 2011. In relation to passenger kilometres, emissions of nitrogen oxide remained at the same level as for 2011 (–0.5 per cent). The reason why emissions of particulates have fallen but emissions of nitrogen oxide have remained at the same level as the previous year is thought to be that more and more new vehicles being introduced run on RME.

### Working methods

SL works according to an ISO 14001 certified environmental management

system ensuring preventive, effective and systematic efforts to reduce environmental impact. At the beginning of 2012, operations were recertified for a three-year period. Based on the County Council's environmental programme, Environmental Challenge 2016, SL is working to draw up relevant targets and to create strategies and action plans that will lead to these targets being achieved. SL will report annually to the County Council on how this work is progressing. To ensure that all employees have an understanding of the main environmental problems and how SL works with environmental issues, mandatory environmental training is carried out. By proactively imposing requirements in procurements and agreements, SL strives to minimise its negative environmental impact. In order to achieve the intended effect, it is extremely important that these requirements are monitored. SL actively shares its experience, particularly when it comes to renewable fuels, and cooperates with others to develop and disseminate more environmentally sound technology within this field.

### Activities

#### Three different energy studies

During the year, SL has taken a tougher approach to energy efficiency through the new environmental programme's sharper focus on energy. Three energy studies have been carried out, dealing with energy efficiency measures in different areas of SL's operations: bus services, existing bus and rail depots and new depots. These studies show that there

are good opportunities for SL to save both energy and money. The results of the studies will form the basis for future proposals for measures to make operations more energy-efficient.

#### Noise Forum is expanded

For some years, SL has run an internal group, the Noise Forum, to ensure that noise issues relating to SL's operations are dealt with effectively. The need for this work is growing all the time. The Noise Forum was therefore expanded in 2012 to include employees from all modes of transport and also from maintenance.

#### Revolutionary low noise barriers

In order to deal with noise from rail transport, SL has been testing new technology – trackside noise-reduction barriers – since 2011. These are low barriers, less than one metre in height, which are positioned very close to the vehicles. New sound measurements and supplementary studies were carried out in spring 2012 and these showed that the new barriers can be an effective and usable alternative to traditional noise-reduction barriers along the embankment. They also work well from a maintenance perspective. This is a real success: trackside noise-reduction barriers are cheaper than many other protective measures, they do not normally require any planning permission, and they do not affect the landscape. The possibility of using trackside noise-reduction barriers will have a major impact on SL's future noise protection work.

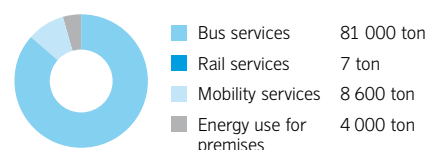
#### Number of passengers on a weekday in winter



#### Proportion of renewable energy for all SL activities



#### CO<sub>2</sub> emissions from SL's operations, 2012



<sup>1)</sup> As of 2012, the calculation is based on the proportion of renewable energy based on the energy content of the fuel.



Around 13 per cent of SL transport service buses are run on biogas.

### ***New environmental training for everyone***

During the year, SL has carried out new basic online environmental training for all employees, which everyone will have completed by 2013. In future, new employees will also complete this training when they are employed.

### ***Reusing building materials***

No requirements are currently placed on reusing materials in SL's construction and maintenance work. Previously, only high-value materials were reused. In order to improve in this area, SL has carried out a study during the year, and this is also in line with the new environmental programme. It addresses issues such as which materials can be reused, based on financial cost, environmental benefit, practical use, quality and functionality. It also includes proposals for new working methods within SL to improve the reuse of materials and how these can be introduced.

### ***Evaluation of pure RME***

Alongside ethanol and biogas, 100 per cent rape methyl ester (RME) is a renewable alternative to fossil diesel. RME is a form of biodiesel made from rape. In order to gain more experience of using pure RME for bus services, SL has carried out a financial and environmental evaluation. During the period May 2011 to August 2012, 17 buses adapted for RME operation were tested. The experience

from this trial was then compiled into a report. This report notes that emissions of nitrogen oxides increased compared with diesel when RME was used, while emissions of fossil carbon dioxide fell. Other emissions, such as particulates, remained at the same level as for diesel.

The study also included softer factors, such as staff experiences from servicing the buses at workshops and driver impressions of driving them. In financial terms, using RME instead of traditional diesel involves an additional cost. At the end of the year, a total of 408 buses were operating in SL services using RME – an increase of 197 buses compared with 2011.

### ***EU biogas project concluded***

In autumn 2012, the three-year EU project Baltic Biogas Bus – involving nine cities around the Baltic and for which SL had the main responsibility – reached its conclusion. In addition to around 30 reports dealing with biogas from various perspectives, the project has also resulted in the number of buses running on biogas increasing by more than 300 in these cities. These biogas buses have contributed towards a dramatic reduction in emissions in the Baltic region: carbon dioxide emissions have fallen by around 35 000 tonnes per year, nitrogen oxide emissions by 140 tonnes, and particulates by 2 tonnes. New bus depots and filling stations have also been created for

biogas buses. Pipelines and other long-term sustainable distribution systems have been built.

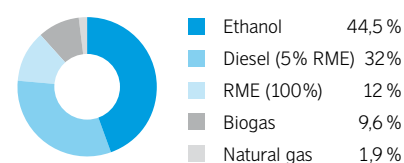
From SL's point of view, the real legacy of the EU project is a much better basis for planning for biogas buses and expansion. And as other players also start to use biogas, competition will increase for equipment suppliers, thereby benefiting all biogas users. During the year, the number of biogas buses operating in SL services rose by 38 to a total of 267.

### ***Unique cooperation on plug-in hybrid buses***

SL is constantly searching for sustainable fuel solutions. The challenging target is for all bus services operated by SL to use renewable fuel by 2025. Another step in this direction was taken at the end of 2012. SL signed a declaration of intent together with Volvo and Vattenfall to test plug-in hybrid buses on line 74 between Sickla Köpkvarter and Mariatorget. Plug-in hybrid buses are charged at the depot and at certain bus stops, and can then run for a few kilometres by battery. It is not thought that any similar testing has ever been carried out anywhere else in the world. In connection with this, the parties have submitted an application for EU financing for this testing.



### **Bus fuel consumption volume (litres/Nm<sup>3</sup>), per cent 2012**



## Principle 10

# Anti-corruption measures



There shall be no corruption within SL. As a tax-funded operation, it is particularly important for SL to be a business-like purchaser.

## Selected policy documents

- Guidelines to prevent bribery and other forms of corruption
- Procedure for procurement and purchasing

## Working methods

SL works in a preventive and systematic manner to prevent all forms of corruption linked to operations. Key tools in this work include the internal guidelines within the field, training for new employees, ongoing advice from SL's lawyers and internal auditors, clear guidance on SL's intranet about bribes and gifts and a reporting function for any violations. Employment law, criminal and financial sanctions can be imposed on employees who breach the guidelines. SL also informs its suppliers of its guidelines. In connection with procurement, SL can also:

1. Exclude suppliers if representatives have committed certain crimes.
2. Impose requirements on suppliers to have a policy or similar measure to prevent corruption.
3. Use the option of SL terminating agreements as a result of corruption.

## Activities

### Management updated on new legislation

In July 2012, new Swedish anti-corruption legislation entered into force. Based on this, SL's management has been trained during the year on the new requirements, in order to ensure that they are up to date with the applicable regulations.

### Planning online training

In order to reinforce all employees' knowledge of anti-corruption issues, SL is

planning to devise online training on bribery and other forms of corruption during 2013.

### New guidelines approved

Before summer 2012, SL established its updated guidelines within this area, "Guidelines to prevent bribery and other forms of corruption". The update was due to the new legislation in this area.

### MD writes to suppliers

As in previous years, SL's MD wrote to the majority of SL's suppliers before Christmas. The purpose of this was to remind them of SL's guidelines to prevent bribery and other forms of corruption and to decline extravagant gifts and invitations for SL's employees. These guidelines are also published at [sl.se](http://sl.se).





Production: SL in association with Blomquist Annonsbyrå AB, 2013.  
Printing: Edita Västra Aros, 2013. Eco-labelled printed matter: 341142.  
Photography: Moa Karlberg, Ricky J Molloy/IMS Bildbyrå AB/Nordic Photos,  
Toby Maudsley, Jan E Svensson/SL, Andreas Lundberg, Peter Rutherhagen/  
Johnér, Karl Larsson/Rewir.





**AB**  
**Storstockholms**  
**Lokaltrafik**

SE-105 73 Stockholm, Sweden  
Telephone +46 8 686 16 00  
sl.se