The Swedish Transport Administration’s profit centers are managed under businesslike conditions. Trafikverket ICT is a profit center within Trafikverket [the Swedish Transport Administration]. The Swedish Transport Administration’s ICT's management assignment is based on the need for telecommunications and data communications for safe, smooth transportation that is adapted in accordance with the characteristics of the transport system. The management of Trafikverket ICT is exercised through the requirements of its owner, the Swedish Transport Administration. Trafikverket ICT is a purchaser-provider model. The solution may consist of a number of different services.

FINANCIAL DEFINITIONS

Operating margin - The operating profit/loss in relation to net sales.

Equity, including 73.7 percent of untaxed reserves, in relation to the balance sheet total.

Capital employed - Average internal equity.

Average internal equity - The average for each reporting period.

Net profit - The profit/loss for the year after tax in relation to average capital employed.

Net profit margin - Net profit/loss in relation to net sales.

Risks and Risk Management

Trafikverket ICT's ICT strategy is to maintain the existing infrastructure, to ensure that IT systems are reliable and available, and that they are managed and developed in accordance with the strategy and guidelines for ICT on behalf of the Swedish Transport Administration. The cloud is a collective term for the future supply of IT services. The cloud must be possible for the organization to use in the future, whether through cloud services or through a new, own data center. The cloud can provide functions/programs that can be used via a web browser and the Internet.

FINANCIAL REPORT

FUNCTIONAL AREAS

Performance analysis - A function can be defined as “a set task for a particular purpose”. The function may consist of a number of different services. It may be an infrastructure, a computer network, a system, a subsystem, or a data center. A service can consist of one or more functions.

Client - A function can be defined as “a set task for a particular purpose”. The function may consist of a number of different services. It may be an infrastructure, a computer network, a system, a subsystem, or a data center. A service can consist of one or more functions.

FUNCTIONAL AREAS

Performance analysis - A function can be defined as “a set task for a particular purpose”. The function may consist of a number of different services. It may be an infrastructure, a computer network, a system, a subsystem, or a data center. A service can consist of one or more functions.

Client - A function can be defined as “a set task for a particular purpose”. The function may consist of a number of different services. It may be an infrastructure, a computer network, a system, a subsystem, or a data center. A service can consist of one or more functions.

FUNCTIONAL AREAS

Performance analysis - A function can be defined as “a set task for a particular purpose”. The function may consist of a number of different services. It may be an infrastructure, a computer network, a system, a subsystem, or a data center. A service can consist of one or more functions.

Client - A function can be defined as “a set task for a particular purpose”. The function may consist of a number of different services. It may be an infrastructure, a computer network, a system, a subsystem, or a data center. A service can consist of one or more functions.

FUNCTIONAL AREAS

Performance analysis - A function can be defined as “a set task for a particular purpose”. The function may consist of a number of different services. It may be an infrastructure, a computer network, a system, a subsystem, or a data center. A service can consist of one or more functions.

Client - A function can be defined as “a set task for a particular purpose”. The function may consist of a number of different services. It may be an infrastructure, a computer network, a system, a subsystem, or a data center. A service can consist of one or more functions.

FUNCTIONAL AREAS

Performance analysis - A function can be defined as “a set task for a particular purpose”. The function may consist of a number of different services. It may be an infrastructure, a computer network, a system, a subsystem, or a data center. A service can consist of one or more functions.

Client - A function can be defined as “a set task for a particular purpose”. The function may consist of a number of different services. It may be an infrastructure, a computer network, a system, a subsystem, or a data center. A service can consist of one or more functions.

FUNCTIONAL AREAS

Performance analysis - A function can be defined as “a set task for a particular purpose”. The function may consist of a number of different services. It may be an infrastructure, a computer network, a system, a subsystem, or a data center. A service can consist of one or more functions.

Client - A function can be defined as “a set task for a particular purpose”. The function may consist of a number of different services. It may be an infrastructure, a computer network, a system, a subsystem, or a data center. A service can consist of one or more functions.

FUNCTIONAL AREAS

Performance analysis - A function can be defined as “a set task for a particular purpose”. The function may consist of a number of different services. It may be an infrastructure, a computer network, a system, a subsystem, or a data center. A service can consist of one or more functions.

Client - A function can be defined as “a set task for a particular purpose”. The function may consist of a number of different services. It may be an infrastructure, a computer network, a system, a subsystem, or a data center. A service can consist of one or more functions.

FUNCTIONAL AREAS

Performance analysis - A function can be defined as “a set task for a particular purpose”. The function may consist of a number of different services. It may be an infrastructure, a computer network, a system, a subsystem, or a data center. A service can consist of one or more functions.

Client - A function can be defined as “a set task for a particular purpose”. The function may consist of a number of different services. It may be an infrastructure, a computer network, a system, a subsystem, or a data center. A service can consist of one or more functions.
COOPERATION WITH CITY NETWORKS

WE OPERATE APPROXIMATELY 15,000 WORKPLACES

Our strengths are our employees’ skills, our countrywide range of services, our financial stability and a high level of security.

WE ARE TRAFIKVERKET ICT

We use our cutting-edge skills and long experience of IT and telecommunications to increase our customers’ competitiveness. We are present where our customers need us and we deal with our customers in a professional manner, with curiosity and openness. We have a holistic approach to our work. We do this by delivering our services to our customers 24 hours a day, every day, all year round.

With a great deal of business know-how and a high level of security, we supply information and communications technology (ICT) solutions to the transport industry, the public sector, media operators and large enterprises. The solutions we provide enable our customers to be at the cutting edge in terms of technology. Because we have access to a fiber-optic network and store all data in Sweden, we offer a unique opportunity for the secure processing and transfer of data in Sweden.

Trafikverket ICT is a commercial profit center within the Swedish Transport Administration. We are approximately 600 co-workers, of which 500 are permanent employees and 100 are consultants, and we are present in approximately 20 locations throughout Sweden.

Cooperation with

A close relationship with our customers and to each other.

WE ARE TRAFIKVERKET ICT

WORPLACES

COOPERATION WITH

125

CITY NETWORKS

496 EMPLOYEES

Our strengths are our employees’ skills, our countrywide range of services, our financial stability and a high level of security.

ALL ICT NEEDS – ONE SUPPLIER
Trafikverket ICT works every day to ensure that rail and road services in Sweden have the IT and telecommunications they require to reach their destination, 24 hours a day, 365 days a year. Our services to telecom operators and media companies also allow the public to watch TV, use the Internet and talk to friends, customers and contacts over the telephone.

We deliver a number of services that are critical to society and always must work in order for society to function. Our IT and telecommunications solutions are used by several government agencies. We also manage information for the Swedish Transport Administration’s and the Swedish Transport Agency’s websites, systems for speed cameras, the vehicle registry, the driving license registry and information systems for data on injuries and accidents on the roads.
We have had a turbulent year, but we are now ready for an exciting future with many challenges. We have worked hard and focused on our business activities and the quality in our deliveries, which is so important for our future.

We are ready
The year 2011 began with the decision that a separation from the Swedish Transport Administration was possible. At the end of 2011, we are closer than ever to a separation. It has not happened in the way I thought it would, or as quickly, but because a separation allows us to grow and develop, I am satisfied.

Many questions and concerns have been raised since the information concerning the sale of Trafikverket ICT became public in September 2011. The comments I have heard have expressed curiosity and positive expectations, and of course there have been many questions. I myself am looking forward to the new ownership with a great deal of anticipation, even if, at present, we do not know specifically what it will entail. I am convinced that Trafikverket ICT will continue to make a difference.

Continued satisfactory cash flow, but we can do better
The earnings trend over the year has not been quite as favorable as we had planned. Revenues for 2011 amounted to SEK 1,384 (1,356) million. The operating profit after separation costs amounted to SEK 154 (229) million, which is equivalent to an operating margin of 11.1 (16.9) percent. The lower operating profit is partly due to the delay in the planned development of new customers and partly due to costs of SEK 36 million for activities related to the separation program.

On a positive note, the overall efficiency measures we have implemented are likely to be more successful than originally estimated. However, most of the efficiency measures, as with the cultivation of customers, will begin to take effect in 2012.

The cash flow from operating activities remained strong, at SEK 351 (366) million. This allows us to make further investments in our organic growth.

We are clarifying our role in the market
In order to grow and evolve according to our business plan, we implemented a planned expansion of Trafikverket ICT in 2011. A new organization has been set up for marketing, the development of new customers and customer reception.

In order to meet our customers’ needs, we are working on a day-to-day basis to develop our services. Communication with customers is an important aspect of this work. The direction we have chosen to take, besides delivering IT and telecommunications services, is security. The security we wish to offer our customers begins in our data centers, and from there it goes all the way to providing security for the customer. We must be where our customers are: round the clock, every day of the year. In 2011, we were the first ICT supplier in Sweden to become ISO certified for our management system for information security; a system which includes deployment, monitoring and support for transmission services.

We are growing and becoming united
We have become more efficient, increased the number of sales staff and replaced former consultants with permanent employees. We have carried out active recruitment to meet the future needs of our business. Some temporary consultants have been offered permanent employment and, in other cases, new employees have been recruited. We have also gone from being separate operations in a variety of locations in the country to combining operations in fewer locations, which is an important aspect of being a united Trafikverket ICT.

Of course, not everything has been easy. We have had several major incidents in our production environment, and I am extremely impressed with the way we have dealt with them. The loyalty I have observed in our employees during the year is admirable. Whatever we decided to do, we did it successfully. It is thanks to everyone’s efforts that we have succeeded in maintaining our profit levels, despite the period of efficiency measures and costs associated with the separation from the Swedish Transport Administration.
Looking ahead
The work to further develop our services continues, and I am monitoring this progress with excitement. It is reassuring to know that we are financially stable and that we continue to offer services that create benefits and functionality for our customers. We will make sure that we continue to operate profitably and generate value by growing with our existing customers and developing new business in the market. I am convinced that 2012 will be a successful year. In 2012 we will top it all off with an extremely high level of delivery reliability. We have been given the go-ahead to start building the most secure data centre in Europe, which will strengthen our deliveries and make them world class.

Borlänge, March 2012

Jan Fahlén – Director of Trafikverket ICT

“In 2011, we were the first ICT supplier in Sweden to become ISO certified for our management system for information security, which included deployment, monitoring and support for transmission services.”

JAN FAHLÉN
DIRECTOR OF TRAFIKVERKET ICT
The separation program
In January 2011, Trafikverket ICT was given the task of preparing the business to be ready for separation on 31 December 2011. There was a tight deadline, and at the same time we had to migrate systems and clients to the Swedish Transport Administration. We therefore chose to recruit help from external resources.

The purpose of the separation program was to prepare Trafikverket ICT to operate in a commercial format, or as a state-owned public utility. Costs were budgeted for items such as the separation of IT and information systems environments and for stakeholder management, brand management, advice on legal and financial matters, employee development and operations management.

However, during summer 2011 it became clear that the deadline for the separation would have to be postponed for at least a year. The situation also changed in September, when the Swedish Transport Administration announced that it would examine the feasibility of selling Trafikverket ICT in spring 2012, as part of a procurement of IT services. This was part of the Swedish Transport Administration’s strategy for the procurement of resources (sourcing strategy), which is to have one supplier or a small number of suppliers to ensure that the IT supply chain continues to be satisfactory in the future.

As a result, this also involved the postponement of some of the work within the separation program.

Making operations more efficient
This year, the focus has continued to be on the operational efficiency measures that began when the Swedish Transport Administration was formed. The purpose of the efficiency measures was to incorporate the synergies from the merger between Banverket ICT and Vägverket IT in our operations. The objective of the efficiency measures was achieved during the period. Most of the efficiency benefits were achieved by reducing the dependence on consultants, primarily by transferring consultants to personnel directly employed by Trafikverket ICT.

Market trends
The market for both network capacity services and IT services is characterized by price pressure and tough competition due to limited opportunities for differentiation. This is also reflected in general pressure on profitability. Trafikverket ICT has a strong competitive advantage through our access to infrastructure and our extensive industry expertise in the markets in which we operate. The Intelligent Transport Systems and Services (ITS) market is the market in which we identify the greatest potential for growth. Above all, there is greater demand for managed services and information services.

Net sales and profit/loss
Net sales for 2011 amounted to SEK 1,384 (1,356) million. The operating profit after separation costs amounted to SEK 154 (229) million, which is equivalent to an operating margin of 11.1 (16.9) percent. The operating profit before separation costs amounted to SEK 190 million. The lower operating profit is partly due to delayed recruitment of sales staff and partly due to costs of activities related to the separation program. On a positive note, the overall efficiency measures we have implemented are likely to be more successful than we originally estimated. However, most of the efficiency measures, as with the development of new customers, will begin to take effect in 2012.

The cash flow from current activities for the year amounted to SEK 351 (366) million. The change in working capital was SEK -31 (-52) million, while investments for the year amounted to SEK 221 (212) million. Trafikverket ICT paid out a dividend of SEK 28 (12) million to its owners in 2011.
SIGNIFICANT EVENTS IN 2011

**JANUARY**
- Trafikverket ICT’s new organization becomes operational.

**MARCH**
- Trafikverket ICT’s new organization becomes operational.
- The separation program for Trafikverket ICT begins.

**MAY**
- Trafikverket ICT’s administrative functions, except for finance, are reorganized.

**JUNE**
- The timetable for the separation of Trafikverket ICT is adjusted and postponed for at least a year.
- Trafikverket ICT’s administrative functions, except for finance, are reorganized.

**JULY**
- Trafikverket ICT is certified according to ISO 27001.
- ICT days are held for the employees following the Swedish Transport Administration’s announcement to examine the feasibility of selling Trafikverket ICT.

**AUGUST**
- A contract is signed with the Swedish Transport Agency regarding systems management for the congestion tax system in Stockholm.

**SEPTEMBER**
- The employees at Trafikverket ICT are informed that the Swedish Transport Administration has decided to examine the feasibility of selling Trafikverket ICT to an external operator.

**OCTOBER**
- The contract with Trafikverket ICT is extended by one year.
- Contracts with three new customers are signed.

**NOVEMBER**
- The employees at Trafikverket ICT are informed that the Swedish Transport Administration has decided to examine the feasibility of selling Trafikverket ICT to an external operator.

**DECEMBER**
- The contract with the Swedish Transport Agency is extended by one year.
- Contracts with three new customers are signed.

**FEBRUARY**
- The name of the business area “Kontorsnära” [Offices] is changed to Cloud Solutions and Services (CSS).
- The new website www.trafikverket.se/ict is launched with an updated graphic format and revised content which is more suited to the target group.
- The Swedish Transport Administration’s Board of Directors assigns the Swedish Transport Administration the task of preparing for a possible separation of Trafikverket ICT.

**APRIL**
- Trafikverket ICT holds an ICT day with 370 participating employees.
- A three-year framework contract on ICT services is signed with the Swedish Transport Administration. This guarantees much of Trafikverket ICT’s future turnover.
We develop our services in close cooperation with customers and suppliers to offer the market services that meet customers’ needs in the short and long term. We will offer Sweden’s most secure deliveries of complete solutions for IT and telecommunications.

Business concept
Trafikverket ICT sells services to the public sector, the transport industry, media operators and large companies. These services place our customers at the leading edge in terms of technology. We use our cutting-edge skills and considerable experience of IT and telecommunications to make our customers more competitive. We are present where our customers need us and we deal with our customers in a professional manner, with anticipation and openness.

Our values
Being sensitive to our customers’ needs enables us to establish close relationships with them. It is important that our relationships are straightforward and open. To create innovation in our industry, we must be keen to try out new things and be willing to constantly develop. Our work involves adopting a holistic approach. We do this by delivering our services to our customers 24 hours a day, every day, all year round. You can rely on the services delivered by Trafikverket ICT.

Strategic goals
Trafikverket ICT’s goal is to be Sweden’s most reliable supplier of IT and telecommunications. Our overall goal is broken down into the following strategic objectives for our three business areas:

Activities in 2011
Trafikverket ICT is working in a number of focus areas on the basis of our values and strategic goals:

- In 2011, we focused on security and produced the concept of Security 360 degrees. The concept will provide our customers with expert consultancy in security regulations for the public sector, physical security, secure storage and secure transmission of communications within Sweden.

- Work on internal efficiency is carried out on a continuous basis. During the year, that work included a decision to increase capacity and security at our data centers. In addition, we are building a new data centre with one of the best cooling systems and the most secure electricity supply the market has to offer.

- We are establishing technologies for cloud services in our platforms to enable us to provide so-called private clouds, unique to a specific company.

- In 2011, we began a preliminary study on a concept for information services.

- Several deliveries and pilot projects are being carried out, working alongside customers, as part of the development of our solutions using wireless technology.

- Finally, we decided to replace parts of our transmission platforms with the most future-proof, flexible and competitive technological platforms the market can offer.
**Business goals**

Trafikverket ICT’s goal is to strengthen its customer structure and increase the number of customers by developing and safeguarding customer relationships. We will make use of and strengthen our position as an operator-neutral supplier of network capacity.

Achieving our goals will require a strategic shift in our development of the market. This means that we need to broaden our development of both existing and potential customers through active sales and marketing.

**Financial objectives**

Trafikverket ICT’s strategy is also reflected in our financial objectives. These financial objectives are recorded on a balanced scorecard. To achieve our financial objectives we have introduced internal profitability models. We conduct internal follow ups of the objectives, for each department’s scorecard and for the business overall.

There has been positive development in terms of the equity ratio and return on equity, but not all financial objectives were achieved. This is primarily due to the fact that the operating profit was hindered by the costs of developing business activities and the additional costs of the separation program.
Trafikverket ICT offers its customers a range of functional, high-quality, secure services. These services allow customers to transfer areas of responsibility and entire IT and telecommunications processes to Trafikverket ICT. This allows our customers to focus on their core business. This also results in a more secure delivery and processing of information, which contributes to cost-efficiency and better control of information and systems that are critical to business or society.

Our offer

Trafikverket ICT currently provides services that are closely linked to the road and railway sector. We offer customized, secure communication and operative IT management services that support an efficient road and rail network. We also supply high-quality standardized IT services, such as IT support for business. The main market for our IT services are the public sector and large companies. The nationwide fiber-optic network allows us to supply network capacity services with a high capacity and a high level of reliability, which is the basis for a large part of our range of services.

We offer our customers
• Complete solutions in IT and telecommunications based on our expertise in the transport industry and public sector.
• Nationwide network capacity.
• High quality and accessibility through redundancy in the network.

Our solutions

The services we provide are divided into three business areas: Intelligent Transport Systems and Services (ITS), Cloud Solutions and Services (CSS) and Networks and Operation. These business areas are closely interlinked through the infrastructure and service platform that they share.

• Network and storage within the borders of Sweden, which provides unique opportunities for secure data transmission within Sweden.

Our CSS services support businesses with complete solutions for IT and telecommunications. All production and storage of data takes place in Sweden, which helps our customers in the public sector to comply with existing recommendations for their activities.

The ITS business area contributes with its unique expertise and business know-how thanks to our many years of experience in the transport industry and public sector, where security is of fundamental importance for many operators’ activities.

The fact that the business areas are so closely connected makes synergies possible within the business as a whole. One example of this is the capacity services from Networks and Operation that form the basis for and supplement the vast majority of all our services. Another example is the fact that ITS makes use of CSS services to deliver information, terminal and application services.

Our business activities

We run a customer-focused business and strive to establish good relationships with our customers. Our business activities are represented by our sales teams which work in their respective target markets. In addition, we also develop the market through a team that has the responsibility of finding business in new areas.

Our network and operating services are delivered through a nationwide fiber-optic network which, by means of cooperation with for example the city networks, reaches approximately 90 percent of the Swedish population. We offer both wired and wireless network capacity. The capacity services are safe and secure and are adapted to customers’ requirements.

Our network and operating services are delivered through a nationwide fiber-optic network which, by means of cooperation with for example the city networks, reaches approximately 90 percent of the Swedish population. We offer both wired and wireless network capacity. The capacity services are safe and secure and are adapted to customers’ requirements.

A large part of our business is about identifying customers’ needs and delivering a service that caters for them. New services are therefore developed in close cooperation with both customers and suppliers.

All our contracts are monitored through a governance model. Depending on its scope, each contract is followed
up in accordance with a model which looks at the strategic, tactical and operational aspects to ensure that our delivery is carried out according to customer expectations.

**Our added value**

Our business understanding and cutting-edge expertise, along with our complete security perspective, allows us to deliver innovative, complete services throughout Sweden in accordance with our customers’ wishes and needs. Our services are sold partly as fixed-price assignments and assignment orders, and partly as various types of consultancy services, depending on the customers’ requirements and wishes.

Our ITS services consist of many refined services that are higher up the value chain than pure capacity services for example. The value lies in delivering something useful – a function. Because we have our roots in the transport industry and in the public sector, we have an understanding of the market that enables us to identify our customers’ needs and circumstances. Regardless of which customer we are working for, we want to be close to the customer and available around the clock, 365 days a year.
We are the reliable, secure supplier in a market characterized by rapid development, where customers are constantly seeking more benefits at a lower cost. We offer the market high-quality and secure services.

Trafikverket ICT operates in a number of markets and delivers services to both Swedish and foreign customers. As a result of the fact that Trafikverket ICT was formed from several organizations, our customer base has grown larger and wider over time. With our base in the transport sector, we now offer skills and assets in both IT and telecommunications.

**Intelligent Transport Systems and Services**

We build ITS services based on our networks and their operation in cooperation with our IT services. We add value by developing the services and adding business-specific functions for the customer, for example through the operational management of business-critical systems. Our ITS services are aimed primarily at the transport sector, such as rail operators, transport companies and logistics companies, where the Swedish Transport Administration and the Swedish Transport Agency are our largest customers.

**Market development**

The target market for ITS is government agencies and companies operating in the road, rail and transport sectors. We also provide services for private companies operating in the road and rail transport sector, particularly rail operators, bus companies and road haulage companies. The market value of the transport sector in 2011 was estimated at approximately SEK 10.2 billion, which represents a market share of approximately 7 percent for Trafikverket ICT.

The market for ITS is so new that it is constantly changing. A heavier load on the transport system is expected to lead to a greater demand for ITS services. This is driven by a need to use the infrastructure more efficiently and to invest in new infrastructure projects. One step towards new investment was taken in fall 2011, when the Swedish government decided on an additional investment of SEK 5 billion in infrastructure. The investment will be aimed at operation and maintenance, reinvestment and improvement measures in both road and rail.

The information services market is still undeveloped. However, the market for information services is expected to experience considerable growth in the future, driven by the need for new services.

**Cloud solutions and services**

Our office services aim to support organizations by providing complete solutions for IT and telecommunications, such as telephony, office applications, meeting services and consultancy services. This means that there is less need for technical skills, which allows customers to focus on their core business. The target market for our IT services consists of the public sector and companies with over 500 employees.

**Market development**

The market is driven by the customer’s need for flexible, scalable services, and a user that constantly requires greater accessibility.

A number of conversions into separate companies and mergers of government agencies have taken place in our customer base, which has generated new business for us. Furthermore, the market has evolved towards the supply of IT services in the form of cloud services, a development that we are participating in.

The market value of the public sector and large companies is estimated at approximately SEK 22 billion, which represents a market share of approximately 2 percent for Trafikverket ICT. Demand is expected to rise in all service areas, although market growth is expected to be limited as a result of price erosion. This is because companies must continually reduce their prices due to competition. However, this price erosion is expected to decrease, particularly for more specialized services. A marked increase in the demand for cloud services, software linked to administrative IT, advanced platform services and remote meetings is expected in the future.
Networks and Operation
Trafikverket ICT supplies network capacity at high speeds, meeting the high levels of accessibility required in the market for Networks and Operation. The largest success factor in the market for network and operating services is the size and coverage of the network. The fact that Trafikverket ICT is connected to 125 city networks in Sweden enables us to create better access services and offer capacity from door to door. This means that the customer does not need to engage more than one supplier to reach the final user.

Market development
The target market for network and operating services consists of the public sector, media companies and telecom operators. The customers are characterized by a high demand for capacity, geographical coverage, security and reliability.

The market value of the target market is estimated at approximately SEK 4.5 billion, which, for 2011, represents a market share of approximately 5 percent for Trafikverket ICT. Demand for capacity services is expected to increase considerably, although price erosion is expected to limit growth. IP capacity, which has a cost advantage, is expected to grow at the expense of network capacity.

Market trends
Generally, we see a trend of “more of everything”. Social media is becoming more and more important in society for both private individuals and companies. This trend is increasing the need for capacity, creates a behavioral change in users, places new demands on marketing and is an important tool for attracting and engaging society.

The growing use of smartphones, tablet devices and portable minicomputers causes confusion in many companies because employees often want to connect personal devices to the internal network. This change in behavior results in new security and privacy requirements for usage and IT solutions for companies and private individuals.

The growing amount of feedback via social media means that these solutions will be integrated into most business applications over the next five years.

Market operators
The market for ITS is characterized by large international operators. Examples of operators competing in some of the ITS service areas include Bombardier, EDB, Logica and Sogeti.

The market for IT services is characterized by major Nordic and international operators. These normally offer a wide range of services and are active in several of the areas in which Trafikverket ICT provides services. Trafikverket ICT’s main competitors include companies such as Atea, EDB, Logica and Sogeti, all of which are well established in the market.

In Sweden, the market for capacity and operational services is dominated by TeliaSonera, which controls over 45 percent of the Swedish network through the company Skanova.

MAJOR TRENDS

Network rationalization
- Consolidation
- New business models
- Strategic partnerships

Information services
- Open interfaces and raw data available to all
- More connected devices
- Focus on vertical markets

Cloud trends
- Smart networks
- Accessibility anywhere at any time
- Fragmentation
- More for less

Security
- Internet attacks
- Social engineering
- Physical and logical security

Social communication and cooperation
- Social media (the differences between work and leisure are decreasing)
- Mobility and the requirement for a continuous connection is increasing

Trafikverket ICT has identified five major business trends.
OUR CUSTOMERS

The Swedish Transport Administration, together with the Swedish Transport Agency, accounts for most of our net sales. Other large customers are Com Hem, Infranord, SJ, SL, Tele2, Vectura Consulting, Volvo IT, Västernorrland County Council and a number of global telecom operators.

The year 2011 has been a good year, with a large number of renewed commitments to our existing customers. One of our biggest business deals in 2011 was the contract to manage the congestion tax system in Stockholm. The assignment will be carried out in co-operation with IBM on behalf of our customer, the Swedish Transport Agency. New services have also enabled us to broaden the range of services we offer to existing customers.

Distribution of sales by customer segment, 2011

The largest customers in 2011
- The Swedish Transport Administration
- The Swedish Transport Agency
- Inlandsbanan [Inland Railway Line]
- Infranord
- Com Hem
- Vectura Consulting
- Tele2
- BT Nordics
- AT&T
- SJ AB
WE PROVIDE OUR CUSTOMERS WITH A PART OF THE PUZZLE FOR A SUSTAINABLE BUSINESS

We have our origins in the road and rail sectors and our business knowledge, acquired over many years, forms the basis of the values we offer to the market. Our holistic solutions differentiate us from other IT and telecommunications companies. We are responsive to our customers’ needs and deliver functional services of a high quality with a high level of security.

Our services
The services we provide are divided into three business areas: Intelligent Transport Systems and Services (ITS), Cloud Solutions and Services (CSS) and Networks and Operation. These three business areas differ in terms of their structure and in the form that their respective services take. The ITS business area is dependent on the areas of Networks and Operation and CSS to put together the range of services it offers customers. Networks and Operation and CSS function in a business model as horizontal business areas, offering a more independent range of services to a broader market. We see great potential for growth in all three business areas.

A supplier of many services
Our CSS services provide infrastructure in the form of server power, workplaces and the operation of applications. We offer a range of different alternatives in office services where customers can combine and purchase the parts they require. Networks and Operation supplies the network over which the information is sent. ITS bundles together selected parts and customizes its services on the basis of customers’ business needs by adding functions for the transport sector.

<table>
<thead>
<tr>
<th>2011</th>
<th>ITS</th>
<th>CSS</th>
<th>Network and operation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received, SEK million</td>
<td>353</td>
<td>317</td>
<td>59</td>
<td>729</td>
</tr>
<tr>
<td>Net sales, SEK million</td>
<td>738</td>
<td>437</td>
<td>206</td>
<td>1,381*</td>
</tr>
<tr>
<td>Number of new services</td>
<td>4</td>
<td>4</td>
<td>2</td>
<td>10</td>
</tr>
</tbody>
</table>

* Excluding other net sales of SEK 3 million.
Intelligent Transport Systems and Services
Our ITS services continue to grow. The ITS market as a whole is experiencing considerable growth, which means further growth potential for ITS services, both for large customers and in new market segments. Net sales for 2011 amounted to SEK 738 (676) million.

In 2011, the development of the framework contracts with the Swedish Transport Administration and the Swedish Transport Agency were of great significance for this business area. We received our first assignment for the management of the congestion tax system. The Swedish Transport Administration demonstrated confidence in us to provide support for road services, and we entered into contracts with Icomera and IBM to further strengthen the range of our ITS services.

Cloud Solutions and Services
CSS’s financial performance was stable in 2011. We sold larger volumes than expected, but price pressure led to reduced margins, and therefore profits were lower than the amount forecast. Net sales for 2011 amounted to SEK 437 (451) million.

Our customers completed several migration projects in 2011, which meant an increase in our consultation work. The year has largely focused on the day-to-day deliveries to customers, the clarification of the range of services offered in the business area and work to improve existing services and make them more efficient. The Order Portal and client concept has been improved through greater automation.

Networks and Operation
Networks and Operation made solid progress in 2011 despite greater price pressure. A large proportion of net sales were reported in the ITS business area, where the capacity supplied by Networks and Operation is embedded in the services. Net sales for 2011 amounted to SEK 206 (227) million.

Improvement work has been carried out in the business area during the year, by reviewing all supplementary services, such as Customer Premises Equipment, access and cabling instructions. The purpose of the improvement work was to improve the efficiency of our services. During the year, Networks and Operation also worked in the areas of wireless services, security and real-time application.
Our society is made up of logistical solutions to enable both people and data to be transported quickly and safely from one place to another. Intelligent Transport Systems and Services (ITS) is a move towards the creation of faster, safer transportation while reducing the strain on the environment.

How can we ensure that what is transported will arrive as quickly and as safely as possible? Which roads should we use to transport dangerous goods? And how can we build the most efficient and most environmentally optimized roads? These are the type of questions our customers ask. Trafikverket ICT has many years’ experience of IT and telecom in the transport industry. We help to make systems more efficient and propose new solutions. We always work from a business and operational perspective and help our customers to find the right solution to the challenges they face.

Making our transport system more efficient
More and more goods are transported further and further distances against tighter and tighter deadlines. At the same time, more and more people commute further and further to and from their jobs. There is an increase in traffic and pressure on our roads. With the aid of ITS solutions, it is possible to make transport systems more efficient so that the resources invested in infrastructure have the greatest possible impact. At the same time, this promotes sustainable development by reducing the strain on the environment.

Traffic management and traffic control for safer travel
Today, there are a number of systems for traffic management and control for both road and rail, ranging from local
systems for traffic queue warnings and speed monitoring to more complex, interlinked systems for calculating travel time, train management and traffic management. Traffic management for the prioritization of vehicles, queue balancing, local measures and area management is used in Sweden. More complex management and control systems are used in the cities. They allow information from measuring points, road informers and other sources to be used to increase accessibility on particularly vulnerable traffic routes, where even a small disruption can have a major impact over a long period.

Communications adapted for traffic management and traffic supervision is one of the largest areas in which our services are provided. We ensure that signs, traffic lights, emergency telephones and loudspeaker systems work and that the right information is available in the right place, at any time of day.

**Functional operative and managed services**
Operative and managed services are critical for companies using transport solutions of different kinds. Trafikverket ICT is able to offer various kinds of managed services. One example is the management of a bridge or a stretch of motorway, where we take responsibility for all components in the area to enable the traffic to flow without any interruption or disruptions. This is a form of facility management.

We also offer services in systems management. We signed our first systems management contract in 2011. The assignment relates to the management of the congestion tax system in Stockholm, where we are already responsible for operation of the congestion tax system. Management of the system was taken over in January 2012.

**Greater need for information**
An effective organization requires the effective management of information. Our information services process, package and distribute data with overall responsibility for communication, terminals and central IT support. We do this by using our fixed and mobile networks, our technical expertise and knowledge of the industry.

Our solutions for the efficient distribution of information are tailored to customers’ needs. In addition, we supplement the best technical solution with, for example, on-board entertainment services from our partners. A trend that we have identified in the transport sector in recent years is a greatly increased need for more efficient maintenance, better working environments for staff and more entertainment for passengers. Traffic information, along with Internet access and on-board entertainment, allows passengers to experience safe and informative travel, read more about this on the previous page on GoConnected. Information services provides our customers with the ability to create new functionality, which adds value to the services.

**Development of surveillance and security services**
The security perspective is becoming more pronounced in the transport sector and our surveillance and security services continue to grow. Our surveillance solutions can be used to secure facilities and provide security.

The IRIS monitoring service offers a flexible platform for camera surveillance with customized supplementary services for cameras, recording, receiving alarm signals and connection to a security company – depending on the area of use. The ITS Operations service was launched in 2011. This service enables us to monitor technical installations, such as information boards, lifts and escalators, to detect faults and remedy them before any disruption occurs.
Government agencies, municipalities, county councils and other large organizations have a significant need for access to IT services, service and support. Our customers seek advantageous solutions that provide greater efficiency and allow them to focus on their core business.

Trafikverket ICT can supply all employees’ administrative workstations, from storage of the data generated in the business to the link between the mobile telephony solution and the lap-top computer. We manage everything from e-mail accounts to servers, and we also offer server hotels at some of the country’s most secure data centers.

Whatever your business, reliable administrative IT is a success factor. With our services, customers can reduce travelling and the number of servers, thereby contributing to a sustainable society. Because our business is built on reliability and accessibility, customers can adapt accessibility levels according to their own conditions.

See you in the cloud?

In 2011, the name of the former Kontorsnära [Office] business area was changed to Cloud Solutions and Services (CSS). The reason for the name change was that our services were becoming more cloud and web based. The cloud is not new to us, we have used cloud-based solutions in our range of services for over 10 years. Offering cloud-based services is about delivering solutions where customers do not need to invest in infrastructure and equipment. Instead, we can offer customers access to their material wherever they happen to be, the only requirement is that they need to be connected to a mobile device. We have extensive experience in this field and it is important to remain at the forefront of the market.

SUCCESSFUL “SUPER-MIGRATION” AT THE SWEDISH TRANSPORT ADMINISTRATION

13,500 accounts were processed on 7,000 computers in 250 physical locations in 10 weeks. That was the “easy” stage of the Swedish Transport Administration’s migration.

When the Swedish Transport Administration was formed, a decision was made to create a new, leaner IT environment. Having had experience of managing similar projects before, the assignment to carry out the migration was given to Trafikverket ICT.

“We create systems that make the Swedish Transport Administration more productive, more cost-effective and more high impact,” explains Krister Lindvall, Head of Operations and CIO at Trafikverket ICT. The Swedish Transport Administration has a great opportunity to improve the IT platform in the future.

A challenging transition

The big challenge is to perform the migration with as few and short disruptions as possible. Many of the Swedish Transport Administration’s systems are critical systems in society and must work at all times, such as systems for driving tests, congestion tax and traffic safety cameras.

Trafikverket ICT established platforms for the Swedish Transport Administration’s external websites, intranet, records, e-mail, business and HR systems – all in three months. The next stage included an upgrade of the Swedish Transport Administration client platform to Windows 7. Because some computers had multiple users, a total of 13,500 user accounts were processed by technicians. In 2011, planning began for the third stage of the migration – the relocation of approximately 450 systems. Many of the systems are interconnected, so the right part had to be moved at the right time.
We focus on a broad range of cloud services for companies and public sector organizations that require high levels of security. The introduction of our dedicated cloud services has been somewhat delayed, with the launch date expected in the first quarter of 2012.

Communications solutions for an efficient workplace
Remote meetings have become an increasingly sought-after service. With the help of teleconferencing, videoconferencing, web TV and so-called “unified communication”, the ability to hold successful remote meetings has increased considerably. Remote meetings enable companies to save time and reduce travel costs. Fewer journeys also means less strain on the environment and reduced travel time helps to create a better work-life balance.

The services Surfsäkerhet [Surf Security], Communicator 2.0 with telephony, PC as a Service and the Self-Service Portal, which were launched in 2010, have performed well and are currently being supplied to several of our customers. The URL filtering function has also led to clear increases in efficiency at customers’ companies. URL filtering, which is part of the Surfsäkerhet service, blocks the website categories the user is not allowed to visit and can also provide statistics and traceability.

Greater accessibility with telephony solutions
Nowadays, the boundaries between telephony and IT are becoming blurred. We often use IT-based solutions to communicate by means of speech or short messages. The important thing is that everything works, all of the time, so that customers can access systems for both work and leisure. We can offer IP telephony solutions, mobile telephony and fixed telephony according to the customer’s specific conditions and requirements. It is even possible to link telephone services and, for example, message handling or other functional supplies to increase the usefulness of the service.

Higher security requirements
IT security is becoming increasingly important for government agencies, county councils and large listed companies. The hacking of IT systems has become one of the more high-profile areas when it comes to protecting a company’s assets, e.g. network equipment, firewalls, intrusion protection and filter systems. Protection of this kind is expensive to implement and maintain, and Trafikverket ICT is able to offer services in which these security aspects are already embedded.

We are taking on more responsibility and maximizing the benefits
Our customers have demonstrated continued confidence in us through the contracts renewed during the year. This allows us to continue developing and improving the services we offer. We have mainly focused on our ability to deliver a function for the customer, rather than a technical solution. Because our services are often supplied in the customer’s own environment, it is important for us to clarify responsibility issues in the delivery. What parts of the business do customers want help with and what parts do customers intend to assume responsibility for themselves? In 2011, we have clarified the services we offer to assume full responsibility, from start to finish, and we have proved that we are a total supplier.

During 2011, we launched four new services for the public sector and large companies. One example is Live Meeting for large meetings, which is a remote meeting product for larger groups. Trafikverket ICT can also assist in the role of meeting editor by using cameras, a mixing desk and ensuring the broadcast adheres to quality assurance levels. Another new service that we have launched during the year is Follow Me Print, a card reader for print jobs whereby the user must confirm the printout on the printer. This function helps to improve document security and allows greater mobility, because the user does not need to be connected to a local printer.
NEW COMMUNICATIONS SYSTEM FOR THE HASSLÖ BRIDGE

When the Swedish Navy discontinued its coastguard centre in Karlskrona in 2010, it could no longer look after the opening and closing of the Hasslö Bridge in the Blekinge archipelago. The Swedish Transport Administration was forced to quickly find a new bridge management solution. Trafikverket ICT was hired to ensure that data communication between the bridge and the management operator worked.

“They also had to secure data communication between the bridge and the Swedish Transport Administration’s offices in Kristianstad, where we wanted a backup and the ability to open the bridge in an emergency,” says Adriano Maglica, Bridge Manager at the Swedish Transport Administration.

TAKING OVERALL RESPONSIBILITY

It soon became clear that the Swedish Transport Administration wanted more than data communication. Trafikverket ICT’s group Vägnära [Roads] ended up taking over the entire project. It included designing the data communications solution, converting the six cameras monitoring the bridge from analogue to digital and installing technical equipment at the premises of the bridge opening operator. They also had to assume responsibility, through sub-consultants, for attending to the servicing and supervision of cameras, communications and the control system.

“Trafikverket ICT has collaborated with the Swedish Transport Administration IT unit, and together they have done a great job.” says Adriano.

The Vägnära group works very closely with its customers. It handles all incidents itself, even when it has to bring in other groups to solve a problem. An important part of the group’s method of working is the storage of delivery specifications so that both Trafikverket ICT’s employees and the customer can access them. The philosophy is that it facilitates communication if everyone has access to the same information. The new system for the Hasslö Bridge was launched in July 2011.

“Cooperation with Trafikverket ICT works very well. I just need to send an e-mail or dial a number and they solve the problem,” says Adriano Maglica.
Trafikverket ICT has access to one of Sweden’s largest fiber-optic networks. That network enables us to offer telecommunications solutions in the form of capacity. We also have a nationwide system of masts and infrastructure for wireless data transfer. We are able to transport data from Ystad to Riksgränsen, with connections to both Oslo, Norway and Copenhagen, Denmark.

Our open, independent fiber-optic network reaches 216 of the 290 municipalities in Sweden. The cooperation with city networks, for example, means that we can reach almost 90 percent of the Swedish population. For many customers, the fact that a single supplier can offer a complete network, from door to door, is reassuring.

From the network, we create wired network capacity, using technology such as Ethernet, SDH and wavelength. Our network is redundant, which means that it is built to facilitate ring structure so that any network outage does not affect the customers’ operations. We supply capacity where the information remains unchanged from start to finish. Our Network Management Centre (NMC), where we monitor the network in-house, around the clock, all year round, helps to achieve a high level of accessibility in the network.

Fast waves to surf on
We achieve the highest level of capacity in the network using wavelength technology. The technology allows the fastest possible transfer of large quantities of data and forms the basis for all our capacity services.

Wavelengths as a service is used by a variety of organizations. Wavelengths are used by major telecom operators when they connect their central nodes to their network, by media companies that often need additional high capacity at certain stages of their production and by banks that need to carry out regular transfers of a number of transactions. The wavelength services are produced in the fiber-optic network with approximately 900 PoPs (points of presence), and both accessibility and capacity can be adjusted according to customer requirements. It is particularly important to be able to provide dedicated capacity, i.e. guaranteed bandwidth and accessibility which the customer can build its own business upon.

Ethernet up to 10 gigabits a second
Ethernet is used increasingly in the computer world. Our Ethernet services can be tailored to our customers’ needs, and customers choose how they want to build the network – either between two fixed points or from a central point to several points scattered around the country.

One application is telemedicine, where a hospital can control an operation in another location through the network, transmitting vital information in real time and even remotely operating the equipment. For patients it can mean shorter journeys, and the healthcare service saves both time and money.

Different solutions for different needs
One traditional technology used to extract different levels of network capacity from the wavelengths is Synchronous Digital Hierarchy (SDH). Our SDH services are scalable, which allows customers to rent their own transmission channel or “preferential channel”, with a guaranteed bandwidth, in order to achieve maximum control.

The service is used by international telecommunications operators who sell services in Sweden. With only a few of their own central nodes, they are able to rent capacity from a Swedish SDH network with connections throughout the country.

Our SDH service also allows customers to connect telephone switchboards and build connections between base stations, radio switches and local stations.

A FASTER NETWORK CREATES NEW OPPORTUNITIES

Speed and accessibility are among the first things product leader Göran Grahn mentions when he talks about the capacity and WAN services that Trafikverket ICT provides.

“But,” Göran Grahn stresses, “the technology is only a tool to allow our customers to run their businesses and sell their services.” In addition to the Swedish Transport Administration, customers could be foreign companies that need a nationwide network and reliable wired transmission services, leading manufacturing industries that must communicate between their offices and units abroad, international telecoms companies and leading media companies or banks that need to transfer a large number of transactions.

Flexibility is therefore a third important element and is a critical factor in Trafikverket ICT’s range of services.

“Customers tell us how much capacity they want at each location, whether they want more or less in some places or a connection to another country, then we make sure they get exactly what they want,” says Göran Grahn.
Large organizations need large networks
In order to supply network capacity to a large organization, we need to be able to offer services in a wide area network/Internet protocol (WAN/IP). Our WAN is a dedicated network, which means that only authorized users have access to the network.

The services are aimed specifically at government agencies and large companies that need large private networks for data transfer between their offices and installations in Sweden and abroad. In 2011, we invested in the WAN/IP service area by expanding our range of services to offer WAN services. We have gradually built our expertise in this area, and during the year we took over the operation of the Swedish Transport Administration’s entire WAN.

Through our access to the fiber-optic network we are able to guarantee the security of the network. We know where the strain will occur, we monitor all points and we make sure that all our customers get what they need. We also offer dual connections to further increase accessibility and operational security. This means that if one connection breaks, the data traffic is automatically switched over to the other.

Wireless takes us all the way
As a supplement to our wired network capacity, we offer data transfer using wireless technology, which provides a scope that few other suppliers can match. We develop our wireless services together with our customers which allows us to customize the service to customer-specific needs. Wireless options often act as a complement to the wired capacity and are used to transfer information between railway stations and trains and for on-board entertainment.
Trafikverket ICT is made up of individuals with high aspirations, a great desire and a considerable commitment to growth, achieving success and safeguarding our range of services. To achieve this, we are continuously working to further develop the quality and security of all of our operations, from the development of services to delivery to the customer.

The first ISO 27001 certification
We take responsibility for ensuring that our IT and telecommunications deliveries are secure and of the highest quality. Assets that need protection include digital information, paper documents and physical assets, such as computers and networks, and the knowledge possessed by our employees.

In November 2011, we became the first ICT supplier in Sweden to be certified in accordance with the ISO 27001 standard. That certification, which is an international standard, covers the Trafikverket ICT management system for information security, where deployment, surveillance and support of transmission services are included. This is an important step forward in our role as a supplier. It helps us to further develop our culture of high security standards and allows us to offer our customers greater security and safety. The certification also allows us to help government agencies, county councils, municipalities and government corporations meet the government’s requirement that IT and telecommunications services should primarily be ordered from suppliers that are ISO 27001 certified.

All production and storage of data takes place in Sweden

Security permeates all aspects of our operations
In 2011, Trafikverket ICT set up a unit for performance management that is responsible for development in health, environment, security and quality. The unit works on overall security issues and aims to introduce the safety perspective as a natural part of all processes in operations.

In 2012, we will continue to review how we can develop and improve security in our operations by continuing to guarantee that our facilities have high levels of entry protection and that, when necessary, our employees hold security classifications in accordance with security protection legislation.

Focus on the customer
In order to gain a clear picture of how satisfied our customers are with us as a supplier, we measure our customer-satisfaction-index and brand regularly. Our ability to act on results of this kind is crucial to enable us to continue to develop as a supplier of ICT services. Communication with customers also takes place through our sales function and delivery of our services. We follow up any deviations reported and attempt to implement improvements based on these issues. In the fall 2011, we began to develop processes for improvement work.

In 2012, we are planning to further develop the business processes to clarify and simplify our working methods. This, along with continuous improvement work, gives us the opportunity to raise the quality of our work and our deliveries to customers.
QUALITY AND SECURITY
In 2009, Trafikverket ICT decided to have its information security management system certified according to the ISO 27001 international standard. The purpose of this was to build on Trafikverket ICT’s existing culture of high security standards and guarantee quality and competitiveness in the market.

First, a comprehensive feasibility study was carried out which analyzed all the stages of the processes in question. “It was necessary, because this way of managing security must permeate the entire corporation,” says Ulf Danielsson, a specialist in information security and project manager for the certification work.

On 7 November 2011, all the pieces were finally in place and the certification body Intertek Certification AB was able to issue the certificate covering the information security management system, including the deployment, surveillance and support of transmission services. “Along the way, the employees realized that they already had a good grasp of the information required to be able to produce high-quality transmission services. But we have now become even better at it,” says Ulf Danielsson.

PROOF OF CONTINUOUS IMPROVEMENT

Ulf Danielsson says that the certification can be seen as evidence that Trafikverket ICT is systematically carrying out continuous work to improve information security. “It gives customers an assurance that we as a supplier ‘have got our house in order’,” says Ulf Danielsson.

According to Ulf, the work on the management system has given the employees more self-confidence and has also improved the working atmosphere at Trafikverket ICT. “The transfer of cases between different groups is often an organization’s weakest point. Everyone involved has learned a great deal more about what other groups are doing, and cooperation between groups has therefore improved,” he says.

The certification gives Trafikverket ICT a competitive advantage, because the government requires government agencies, county councils, municipalities and government corporations to order communications services primarily from suppliers that are ISO 27001 certified.

“Along the way, the employees realized that they already had a good grasp of the information required to produce high-quality transmission services. But we have now become even better at it.”

ULF DANIELSSON, TRAFIKVERKET ICT
WE THINK GREEN

An environmental review was conducted in 2011 – a first step in establishing an environmental management system that meets ISO 14001 requirements. The environmental review shows Trafikverket ICT’s impact on the environment, thereby laying the foundations for future environmental work.

Responsibility for the environment begins in your mind
In 2011, Trafikverket ICT began to survey its environmental work by producing an environmental review. The environmental review provides the basis for the introduction of an environmental management system and for the certification of Trafikverket ICT in accordance with ISO 14001. We will draw up guidelines for our environmental work that will serve as our strategic platform in environmental responsibility. The guidelines will conform to the environmental management system in the same way as environmental objectives, procedures and other documentation. We will continually follow up the environmental objectives to identify areas for development and other ways of contributing to a sustainable society.

Monitoring the environmental impact
The starting point for the environmental review was to formulate a current status report. In order to make environmental aspects comparable with each other, measurements of energy consumption and carbon dioxide emissions and total energy consumption were converted to MWh per year. Trafikverket ICT’s activities have a relatively low environmental impact. Business travel accounts for the largest single environmental aspect in terms of carbon dioxide emissions, with air travel accounting for the greater part. Emissions during business travel account for approximately 50 percent of the total environmental impact.

Smarter production
Trafikverket ICT has been aiming to continue phasing out data centers for some time. The SMART initiative (smart use of redundant computer environments) aims to consolidate and modernize our data centers and our IT environment. Consolidating and virtualizing the IT environment will enable production to become more efficient in terms of energy consumption, cooling and space.

Due to capacity constraints, no data centers were phased out in 2011. Phasing out can only continue when a new data center has been established. This is expected to occur during the last quarter of 2012.

From, and including, January 2012, SMART has changed from project format to ordinary line operations, and will therefore form a natural part of Trafikverket ICT’s activities. Fewer computer facilities means reduced energy consumption and maintenance which allows us to focus on security even more.

Fewer data centers also means fewer freon-based refrigeration installations, which is another of our environmental and energy goals. Further measures to achieve a more efficient use of energy include the ongoing replacement of IT equipment to more energy-efficient models.

Environmental initiatives in 2011
Through the initiatives taken during the year, such as continued virtualization of servers and investment in data centers, our environmental impact will decrease in the future relative to our production. The investments made in 2011 are expected to take effect in 2012.
We often talk about our nationwide fiber-optic network, our servers and our data centers, but it is people who create Trafikverket ICT. Our commitment, our driving force and the pleasure we take in our work are decisive to enable us to provide customers with the best support and treatment imaginable. We want to feel secure and proud to work for Trafikverket ICT.

One Trafikverket ICT
We continue to grow as an organization, and in 2011 we recruited over 80 new employees, whom we welcome. Together, we can build a shared future founded on our loyalty to our task and to each other, our responsiveness to our customers, and our enthusiasm for our creative contribution to society.

As in previous years, 2011 was marked by organizational changes. An important part of the change was to bring Trafikverket ICT together in the same premises, as carrying out day-to-day work alongside colleagues leads to greater levels of satisfaction and a greater sense of belonging. We also held ICT days, where employees throughout the country had the opportunity to meet and get to know one another. We will also continue to focus on progressing towards a communal corporate culture over the next few years.

We listen to our employees
Communication with our employees is important, it allows us to gain an understanding of our employees’ view of us and how we can create a comfortable workplace in which they can develop their skills. An employee survey was conducted in spring 2011 and revealed some development areas.

Throughout 2011, we have worked to make improvements in those areas. We have focused on structuring the organization and identifying more efficient work processes common to the organization. We are aware that we have a lot of work to do before we can achieve all of the goals. It is therefore very important that we continue to be responsive to our employees’ thoughts and reflections and, at the same time, evolve with the changing conditions in our surrounding environment.

Opportunities for skills and career development
Skilled personnel are the backbone of our business and a success factor in our industry. We will therefore continue to make efforts to offer our employees education in essential areas. Employees also have the opportunity to discuss individual development plans with their immediate superior and agree on education and development activities.

Leadership skills are key factors that enable us to grow and develop in the market. Several of our managers have experience in management positions in industry and of the road and rail sector, along with experience of organizational changes. This adds a valuable perspective on how a business can be run. Managers have participated in a number of courses in 2011, including participation in a business skills course and also in the Swedish Transport Administration’s in-house training courses in ethics and procurement.

Trafikverket ICT has created its own customized college courses in collaboration with Dalarna University. The courses in applied financial management and marketing will begin in the fall 2012 and are open to both students and our employees. The students will therefore gain an insight into our business and our employees will have the opportunity to further develop their skills.

We want to attract talented, self-motivated employees
We are continually on the lookout for people who can strengthen our organization. The effective provision of skills is essential for our continued growth. A number of skills have been identified which we consider of strategic value. These include business and marketing, leadership, IT and information security, cloud solutions and ITS services, which are of particular importance.

Distribution according to age and gender, 2011

It is predicted that, the IT employment market in the future will continue to be popular among workers, particularly for specialists in areas that we have identified as being strategic for our growth. We are working on a long-term basis to find...
and recruit individuals with the attitude, experience and knowledge that we require.

Offering consultants permanent employment, which we are carrying out as part of Trafikverket’s efficiency program, has been focused on retaining knowledge within the organization by safeguarding the skills in which consultants have played key roles.

Through our recruitment efforts, we strive to create a workplace that is characterized by equality and diversity. At the end of the year we had 496 employees, of which 22.2 percent were female, and we continue to recruit new employees to our business.

Our employees must feel good
Trafikverket ICT sees each individual as unique and treats everyone with equal amounts of respect. We are working to meet all employees’ needs for a work-life balance. If symptoms of stress and anxiety occur, we make sure that we take specific action to safeguard the individual’s health. We provide the required conditions for an innovative working environment and make use of and encourage our employees’ skills, creativity and ability to take responsibility. Through communication and collaboration, we inspire an atmosphere of participation and dedication, which allows us to take up employees’ suggestions to improve the working environment.

The many changes the organization is going through have increased staff turnover from 1.20 to 5.25 percent. Absence due to illness remains low, at 2.1 percent, which indicates that we have a sound working environment and healthy employees.

### KEY RATIOS: EMPLOYEES

<table>
<thead>
<tr>
<th></th>
<th>Trafikverket ICT 2011</th>
<th>Trafikverket ICT 2010¹</th>
<th>(Banverket ICT and Vägverket IT) 2009²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of permanent employees at year-end</td>
<td>496</td>
<td>410</td>
<td>394</td>
</tr>
<tr>
<td>- of which female, %</td>
<td>22.2</td>
<td>23.4</td>
<td>24.1</td>
</tr>
<tr>
<td>Average age, years</td>
<td>44.7</td>
<td>45.0</td>
<td>44.6</td>
</tr>
<tr>
<td>Turnover of personnel, %</td>
<td>5.25</td>
<td>1.20</td>
<td>1.58</td>
</tr>
<tr>
<td>Absence due to illness, %</td>
<td>2.1</td>
<td>2.7</td>
<td>2.8</td>
</tr>
</tbody>
</table>

1) The accounts cover the period from April to December. This is because the Swedish Transport Administration was formed on 1 April 2010.
2) The accounts cover the period from 1 November to 31 December 2009 for Vägverket IT.
Trafikverket ICT is a part of a government authority, and that fact characterizes both the organization’s structure and its corporate governance. At the same time, we are faced with a decision to be separated from our owners, the Swedish Transport Administration. In order to make the separation possible, we made several internal changes in the organization over the year.

**Our owners**
The Swedish Transport Administration is an authority which is part of the Näringsdepartementet [Swedish Ministry of Enterprise, Energy and Communications]. It is managed through laws, ordinances and appropriation directions. The Swedish Transport Administration has chosen to organize Trafikverket ICT as a profit center in which an internal board of directors supports the director of Trafikverket ICT in managing the unit. The organization is managed through rules of procedure and business objectives which are similar to those of a corporation. The objectives focus on finance, customers, development and employees. The Swedish Transport Administration also manages the profit centers through policy documents and regulations, for example. As part of a government agency, Trafikverket ICT is subject to the system of regulations that apply to public corporate governance, for example the Swedish Administrative Procedure Act and the principle of public access to official documents.

**Towards established targets for broadband and ITS**
In addition to the overall policy documents that apply to Trafikverket ICT as a profit center within the Swedish Transport Administration, Trafikverket ICT endeavors to comply with the government’s broadband and ITS strategies. Widespread use of IT and the Internet makes Sweden stronger in terms of its market for IT and telecommunications services and also for the implementation of broadband and ITS strategies.

**The organization of Trafikverket ICT**
Trafikverket ICT is managed by the Director of Trafikverket ICT in consultation with the internal board of directors. Over the year, changes have been made to adapt the organization in the best way possible to the changes in the conditions in the surrounding environment. Changes have taken place in several areas within operations. We have built up the current production department and have appointed six new section managers. Production has also appointed 34 new group managers. In July, all administrative departments except the Financial Department were concentrated into a single department, known as staff. The purpose of this change was to bring about the conditions for a horizontal working method throughout Trafikverket ICT and to simplify the flow of information in and out of the business. Staff includes personnel, business management, communication, purchasing and IT and information systems.

**An autonomous Trafikverket ICT**
Parallel to our internal changes, a government review of the separation of Trafikverket ICT from the Swedish Transport Administration is being carried out. In December 2010, a study was published which suggested that Trafikverket ICT could be separated from the Swedish Transport Administration without any detriment to operational safety in the rail transport system.

The study concluded that Trafikverket ICT, as a separate operator, would contribute more to the government’s ITS and broadband strategies. Trafikverket ICT was then assigned the task of drawing up a plan of action in which Trafikverket ICT would be in a position to be separated by 31 December 2011.

During the summer, the Swedish Transport Administration revised the schedule and concluded that the separation would take place at the end of 2012/beginning of 2013 at the earliest. We therefore adjusted the schedules and program planning to ensure that Trafikverket ICT will be prepared for a possible separation by 1 January 2013.

At the end of September 2011, the employees at Trafikverket ICT were informed that the Swedish Transport Administration had decided to examine the feasibility of selling Trafikverket ICT to an external operator. It is anticipated
that a sale will take place at the end of 2012 at the earliest. Both the Swedish Transport Administration’s and our assessment is that a form of business other than a profit center within the Swedish Transport Administration would provide Trafikverket ICT with better conditions to evolve with the market.
Uncertainty of future events is something that all businesses face. Future events may have a positive or a negative effect on business. Well-managed risks can lead to opportunities and added value, whereas risks that are not managed properly can lead to incidents and losses. The ability to manage risks therefore forms an important part of the management and control of Trafikverket ICT’s operations.

Different operations have different types of risks. Financial risks arise in the management of assets and liabilities. Operational risks arise in current activities and are related to the operational objectives, critical resources and the design of manual routines and systems support for important processes. Risk management is integrated into the various stages of business planning.

Risk management process
The work to identify and manage risks is carried out in the day-to-day operations and in the projects underway at Trafikverket ICT. The risk management process is coordinated with the business planning and monitoring processes. Risks are being managed through the prioritization of operations that aim to limit or minimize the risks that are considered to be the most serious. Risk management work is carried out according to the Swedish Transport Administration’s guidelines.

As part of the work to update the business plan, Trafikverket ICT conducted a risk analysis on the basis of the targets established. The risks are then identified as potential events, which mean that we will not achieve what we have set out to achieve in our focus areas or the targets set for our key areas. Trafikverket ICT has worked to manage these risks during the year. The most significant risk areas are presented below.

Market-related risks
Changes in technology
The IT and telecommunications sector is dynamic and is characterized by rapid shifts in technology, with rapid development having an impact on Trafikverket ICT’s operations. Our services are focused on high quality and security and fully hold their own in terms of both technology and price in the existing competitive environment.

Political risk
Political risks are defined as business risks that may arise as a consequence of political decisions. These risks may be a question of changes in taxes, environmental charges, changes in environmental legislation and conditions for permits as well as political objectives that relate to the composition of the infrastructure. This type of risk is difficult to predict and guard against. Trafikverket ICT therefore analyses business intelligence and maintains contact with decision makers in relevant areas.

Limited ability to respond to greater price pressure in the market
If Trafikverket ICT fails to meet the demands of the market, it may result in reduced profitability and lower growth. Continuous adaptation, rationalization and development of services are therefore required.

Financial risks
Trafikverket ICT is exposed to financial risks in the form of market risks, credit risks and liquidity risks. The financial risks are considered to be relatively low. Trafikverket ICT uses the Swedish Transport Administration’s central finance function for all investments of surplus liquidity. That means that the investment guidelines established by the Swedish Transport Administration are followed.

Market risk
Market risk is the risk that the fair value of a financial instrument or future cash flows from a financial instrument may fluctuate because of changes in market prices. There are three kinds of market risks: currency risk, interest rate risk and other price risks. Trafikverket ICT’s market risk has been identified as interest rate risks on our investments. The average interest rate over the year was 1.8 (2.3) percent. The interest expenses were SEK 15 (20) million.

Credit risk
A credit risk arises when a client is unable to fulfill its obligations and thereby causes Trafikverket ICT a credit loss. We determine customers’ and borrowers’ creditworthiness when contracts are signed.

Financing risk
Financing risk means the risk that financing cannot be obtained at all or only be obtained at a greatly increased cost. If Trafikverket ICT is unable to generate internal funds to finance its operations, there is a risk of liquidity shortages. Trafikverket ICT should ensure stable cash flows and have high disposable liquidity and a high equity ratio.
Operational risks
Operational risks are risks of losses as a consequence of unsuitable or unsuccessful internal processes, human error, defective systems or external events.

Employee risks
Trafikverket ICT has a long-term strategy to ensure that we attract and retain people with unique skills through structured skills planning and leadership and management development programs. In 2011, we have made greater efforts to invite consultants in key positions to move to permanent employment positions within Trafikverket ICT. There is nevertheless, a greater risk of losing skills in times of uncertainty.

Installation risks
Trafikverket ICT’s largest installation risks are associated with the operation of installations. Installation risks are minimized through measures to prevent damage, good maintenance, training, fire protection, advance planning of renewals of installations and effective administrative procedures. To reduce the risk of material losses, both manual and automated monitoring have been introduced as part of the preventive measures.

Lack of ability to remedy interruptions or other disruptions, such as power outages
Accessibility is an important aspect as far as Trafikverket ICT’s network customers are concerned. Trafikverket ICT works on preventive network planning, which means that data traffic is sent along duplicated routing paths so that any network outage does not affect customers’ operations. When the network has no such structure, we work on alternative network planning solutions, such as leasing alternative routing paths from other network owners or laying new fiber-optic cables. In order to avoid cables being severed during excavation work, a cable instruction service in which the cables and installations are marked out is offered during the work.

Dependence on individual customers
Loss of large individual customers has a powerful adverse effect on Trafikverket ITC’s total sales, profit and loss and its organization. We are therefore carrying out constant work to develop new customers and on positioning. A special group for canvassing new customers was set up in 2011.

Environmental risks
Many activities are subject to the costs and obligations associated with environmental risks. Infringements of environmental legislation can result in high penalty charges and negative publicity. Environmental issues form a natural part of Trafikverket ICT’s activities and, as part of the Swedish Transport Administration, we have been an environmentally friendly supplier for a long time.
KATARINA NORÉN
Chairperson
Executive Director of the Swedish Transport Administration’s profit centers and member of the Swedish Transport Administration management team.
She previously worked for Vägverket [the Swedish National Road Administration] for 12 years and for Banverket [the Swedish National Rail Administration] for three years in different management posts, including three years as part of Banverket’s senior management team. She has also worked as an auditor at the auditing firms Ernst and Young and Bohlins.
Education: Civilekonom [Graduate economist].
Elected: 2010

JAN ÅKE EKSTRÖM
Board member
CEO of Jaunty Consult.
Board member of CityNet and Avesta Teletjänst.
Former CEO of TeleLarm, Telia IT-Service and Colt Telecom, Director of Marketing at Telia and member of Banverket Projektering’s and Banverket Telenät’s internal board of directors.
Education: Civilekonom [Graduate economist] and civilingenjör [Graduate engineer].
Elected: 2010

SÖREN BELIN
Board member
Independent consultant with his own company.
Formerly the CEO of Green Cargo and has been a member of the group management of SAS and ASG Sweden. His other work includes being a coordinator for Future Rail Sweden and he has been active in the transport industry for the past 25 years.
Education: Engineer with further studies in business economics.
Elected: 2010

JENNIE MAGNUSSON
Board member
Corporate attorney at the Swedish Transport Administration’s central Legal Matters and Plan Review Department.
She was formerly a corporate attorney at Banverket, an attorney at a law firm and has experience at court.
Education: Jur. kand. [Bachelor of Laws].
Elected: 2011

SVEN-GUNNAR BILLMAN
Employee representative
SEKO – The Union of Service and Communication Employees.
Formerly a trade union representative for over 10 years.
Education: Technical upper secondary education.
Elected: 2010

KENT SCHULTZ
Board member
CEO of Interim Partner. Member of the board of directors of Brabizon Group (Chairperson), Corepro and Cint USA Inc. Formerly a partner of Interim Management Intl., CEO of FA Consulting Group/ Ekonomisk Företagsledning and an auditor at KF. He has worked as a consultant, responsible for a large number of projects for Banverket, Post- och telesstyrelsen [the Swedish National Post and Telecom Agency], Telia, Posten, Kinnevik, Vattenfall and Volvo. He was a member of Banverket Telenät’s internal board of directors.
Education: Fil. pol. mag. [Master’s degree in Political Studies].
Elected: 2000

BJÖRN SUNDBERG
Employee representative
SACO [the Swedish Confederation of Professional Associations], Transport and Railway Association.
He was previously an electrical project manager and has been a trade union representative for over 10 years.
Education: Engineer.
Elected: 2009

MATHIAS PERSSON
Board member
Director of the Swedish Transport Administration’s central IT Department, with responsibility for the organization’s combined IT activities.
Formerly the Director of Verksamhetsstöd, Beredskap och Säkerhetsskydd [Operational Support, Preparedness and Security Protection] and of Banverket’s Administration Department. He has also worked in information supply for the strategy unit at the Swedish Armed Forces Headquarters.
Education: Försvarshögskolan [the Swedish National Defence College], corresponding to an MBA in Civics and Government.
Elected: 2007
HENRY NILSSON  
Deputy Head of Trafikverket ICT and Head of Business Activities  
He has 25 years’ previous experience in IT and telecoms in the Swedish market at Ericsson, Digital Equipment and Dotcom. Most recently, he worked as Head of Sales at TDC Sweden.  
Education: Engineer and market economist.  
Joined the organization: 2009  
I have a great deal of experience of running business activities and have worked in both sales and with business development.

CHRISTIN OTTERTVALD  
Head of Finance  
Previous extensive experience in accounting and finance in trade and industry, including at Verizon Sweden, Xerox and Michelin.  
Education: Economics, Stockholm University.  
Joined the organization: 2011  
I aim to achieve satisfied customers and satisfied employees in order to achieve good profitability.

HANS HAGEN  
Head of the Separation Program  
He was formerly a manager in Expert Support and Society, Traffic Division and Preparedness Management and Security Protection at Banverket.  
Education: Officer at the Swedish National Defence College.  
Joined the organization: 1999  
I like working in a strategic way and have the ability to see how we can realize our objectives.

EVA KARIN ANDERSSON  
Head of Technical Strategy  
She was previously a manager in sales and marketing at Banverket Telenät and a research engineer at the Chalmers University of Technology.  
Education: Civilekonom [Graduate economist] in Market Economics, School of Business, Economics and Law in Gothenburg and a British MBA in leadership.  
Affiliated with Trafikverket ICT: 2009  
I have a thorough understanding of change processes and I know that informed employees can move mountains.

HUGO GRANLI  
Change Leader  
He has 20 years’ previous experience in executive positions as CEO and Director at 24SevenOffice, Crystone, Long Distance Europe, NEtnet, Tele2, Motorola and Esselte System.  
Education: Officer.  
Affiliated with Trafikverket ICT: 2009  
I handle problems and crises and I am most comfortable in the interface between customer and supplier. I feel satisfied when I deliver on time, at the right price and with the right quality.

ANETTE GRANBERG  
Head of Personnel  
She previously worked as Head of Department at Trafikrestauranger.  
Education: Civilekonom [Graduate economist] specializing in organization and leadership, Dalarna University.  
Joined the organization: 2006  
I ensure that the right skills are available at the right time in our operations. I take on challenges with a humanist, professional attitude.

BØRGE GRANLI  
Change Leader  
He has 20 years’ previous experience in executive positions as CEO and Director at 24SevenOffice, Crystone, Long Distance Europe, NEtnet, Tele2, Motorola and Esselte System.  
Education: Officer.  
Affiliated with Trafikverket ICT: 2009  
I handle problems and crises and I am most comfortable in the interface between customer and supplier. I feel satisfied when I deliver on time, at the right price and with the right quality.

ERIKA BJORNER  
Chief of Staff  
Previously worked in sales and marketing at Eurosport Television and as Communications Manager at Banverket ICT.  
Education: BA in PR and Business Communication, European University in Brussels.  
Joined the organization: 2002  
I take a holistic view of the power of communication in change and development. I am a typical doer, which contributes to the dynamic in our discussions.

KRISTER LINDVALL  
Head of Operations  
Formerly head of operations and supply at Logica, working with organizations such as Stora Enso Sweden and Systembolaget.  
Education: Officer and computing engineer, Dalarna University.  
Joined the organization: 2007  
I am most comfortable in the interface between customer and supplier. I feel satisfied when I deliver on time, at the right price and with the right quality.

GULL-BRITT EIDE  
Change Leader  
Previous extensive experience in various managerial positions as Head of Marketing, Head of Business Area, Head of Division and CEO.  
Education: Civilekonom [Graduate economist] in Market Economics, School of Business, Economics and Law in Gothenburg and a British MBA in leadership.  
Affiliated with Trafikverket ICT: 2010  
It is stimulating and vital to get companies and employees to grow by developing their skills and taking advantage of opportunities to achieve set targets.
CLOSE COOPERATION MAKES FOR MAXIMUM EFFORT

Com Hem’s vision is “to be the obvious partner for trouble-free communications and entertainment services.”

“To enable us to live up to that vision, it is vitally important that we cooperate closely with our network suppliers,” says Krister Tänneryd, Head of Operations and Customer Service at Com Hem.

Com Hem has come a very long way with Trafikverket ICT on that front.

“We have moved on from the buying-selling relationship we had at the beginning and now have a model of cooperation where we share a great deal of information with each other,” says Krister.

Com Hem has been very clear about its wishes, and they have been divided into three levels: first, an operational level; second, a tactical level; and, finally, a strategic level.

“They are at the management level, where Com Hem and Trafikverket ICT’s management discuss what Com Hem wants for the next three to five years.”

PART OF THE WAY WE THINK

The moment of truth comes when something goes wrong. According to Krister Tänneryd, Trafikverket ICT differs from other network suppliers in the way it deals with problems.

“Solving problems quickly is now part of the way we think. We and ICT constantly focus on the final customer.”

Com Hem’s own engineers are always first on site when an incident occurs.

“After a visual inspection, they inform Trafikverket ICT’s personnel of the situation in order to optimize the operation,” says Krister Tänneryd.

Trafikverket ICT’s staff have visited Com Hem’s Network Operations Center and Com Hem’s engineers have visited Trafikverket ICT.

“It has given us all an understanding as to how our organizations work, which is very useful if you want to bring about effective cooperation,” says Krister Tänneryd.
## Five-year overview

Satisfactory cash flow and good solvency

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders</td>
<td>729</td>
<td>517</td>
<td>E/T</td>
<td>E/T</td>
<td>E/T</td>
</tr>
<tr>
<td>Net sales</td>
<td>1,384</td>
<td>1,356</td>
<td>951</td>
<td>822</td>
<td>814</td>
</tr>
<tr>
<td>Operating profit/loss</td>
<td>154</td>
<td>229</td>
<td>127</td>
<td>180</td>
<td>212</td>
</tr>
<tr>
<td>Profit/loss after net financial income and expenses</td>
<td>144</td>
<td>209</td>
<td>88</td>
<td>142</td>
<td>166</td>
</tr>
<tr>
<td>Operating margin, %</td>
<td>11.1</td>
<td>16.9</td>
<td>13.4</td>
<td>21.9</td>
<td>26.0</td>
</tr>
<tr>
<td>Return on capital employed, %</td>
<td>9.4</td>
<td>13.9</td>
<td>7.8</td>
<td>11</td>
<td>13.8</td>
</tr>
<tr>
<td>Return on equity, %</td>
<td>16.7</td>
<td>14.8</td>
<td>7.1</td>
<td>12.6</td>
<td>19.2</td>
</tr>
<tr>
<td>Equity ratio, %</td>
<td>43.0</td>
<td>40.8</td>
<td>36.8</td>
<td>34.4</td>
<td>29.0</td>
</tr>
<tr>
<td>Average internal equity</td>
<td>882</td>
<td>773</td>
<td>680</td>
<td>605</td>
<td>515</td>
</tr>
<tr>
<td>Average capital employed</td>
<td>1,698</td>
<td>1,654</td>
<td>1,627</td>
<td>1,641</td>
<td>1,612</td>
</tr>
<tr>
<td>Investments</td>
<td>221</td>
<td>212</td>
<td>196</td>
<td>99</td>
<td>123</td>
</tr>
<tr>
<td>Number of permanent employees at the end of the year</td>
<td>496</td>
<td>410</td>
<td>394&lt;sup&gt;1)&lt;/sup&gt;</td>
<td>243</td>
<td>230</td>
</tr>
</tbody>
</table>

<sup>1)</sup> 129 people were taken over from Vägverket IT on 1 November 2009.
The internal Board of Directors and Executive Director of the profit center of Trafikverket ICT hereby submit the annual report for the financial year from 1 January 2011 to 31 December 2011. All amounts are stated in SEK million (SEK mn), unless otherwise specified. Figures in parentheses refer to the previous financial year.

Operations
Trafikverket ICT is a profit center within the Swedish Transport Administration government agency, corporate registration number 202100–6297. The Swedish Transport Administration’s profit centers are operated on a commercial basis and are exposed to competition. Trafikverket ICT is a well-defined unit within the Swedish Transport Administration, in which the Swedish Transport Administration applies a purchaser-provider model.

The Trafikverket ICT management assignment is based on the need for telecommunication and data communication for safe, fully operational road and rail services. The relationship between Trafikverket ICT and the Swedish Transport Administration gives rise to both limitations and opportunities in Trafikverket ICT’s operations. As the owner, the Swedish Transport Administration exercises control of Trafikverket ICT through ownership requirements in a form that resembles that of a corporation as closely as possible, with the state as the owner. Trafikverket ICT’s head office is in Borlänge.

In 2011, financial reporting within Trafikverket ICT was subject to quality work, which has meant that reporting procedures have been changed and developed.

Operations and market
Trafikverket ICT is one of Sweden’s leading independent suppliers of network capacity. Trafikverket ICT delivers comprehensive IT and telecommunications services throughout Sweden, with the transport sector as starting point. The security of the network is also guaranteed through access to the fiber-optic network. Continuous automated and physical monitoring takes place at all points to ensure that the service is complete. Dual connections are offered to further increase network accessibility and operational reliability. This means that if one connection breaks, data traffic is automatically switched over to the other connection.

Trafikverket ICT’s customers include the transport sector, government corporations, authorities and departments, telecom operators and media companies.

Our operations are divided into three business areas:

- Intelligent Transport Systems and Services (ITS) – composite services for specific business needs. This business area delivers services and business expertise that makes transport simpler and more efficient. ITS offers services such as applied operational and communications, monitoring services and real-time services for vehicles, drivers, staff and passengers.
- Cloud Solutions and Services (CSS) – comprehensive IT support for business. This business area supplies complete solutions for IT and communications, such as telephony, office applications, meeting services and consultancy services.
- Networks and Operation – nationwide communication which is secure enough to ensure communication between trains and traffic management, and therefore, for customers who demand high standards. This business area supplies telecommunications services in the form of network capacity in a range of packages through access to a nationwide fiber network. Wired network capacity is created with the aid of a range of technologies.

Supplementary services such as accesses, wireless capacity and consultation assignments complete the range.

Changes in the market
The ITS market is immature and is characterized by strong growth. There has been growing social interest in the ITS market on the part of the politicians throughout the year. Progress is driven by both political and environmental interests. This means that many of the services developed by Trafikverket ICT in the ITS area are linked to the multi-modal transport sector as a whole.

In the CSS business area, the market has focused increasingly on cloud services throughout the year. This business area has clarified the range of cloud services it offers. The market is characterized by low margins, which means that volumes are important.

The trend in the market for network and operational services is towards greater mobility. This development has helped Trafikverket ICT to supplement the range of services it offers with wired network capacity with a wireless alternative. The market is experiencing considerable price erosion and the need for network capacity is increasing.

Significant events in 2011
During 2011, operations were characterized by efficiency measures that began in the fall of 2010 and which are the result of the merger between Banverket ICT and Vägverket IT. The aim of the efficiency measures was to exploit synergies between Banverket ICT and Vägverket IT.

That work was largely carried out in the Production Department, where the greatest potential for efficiency
measures had been previously identified. The majority of the efficiency measures consisted of transferring and phasing out consultants through more efficient working methods and other initiatives relating to data centers and more favorable terms and conditions.

During the year, Trafikverket ICT decided to begin work to prepare Trafikverket ICT for separation. The aim of this work was to ensure that Trafikverket ICT was ready for separation by 31 December 2011.

This meant that a large-scale separation program was started up in several areas to prepare Trafikverket ICT for separation. Above all, business-orientated activities were built up to make the organization more efficient and more competitive. A new sales team, a customer reception and a Marketing Department were also added in 2011. The work also involved a great deal of focus on internal management and on the development of internal processes and procedures.

Significant customer projects
A large number of customer projects were agreed during the year. Two of these were particularly important for Trafikverket ICT:

- A three-year framework agreement was signed with the Swedish Transport Administration relating to ICT services. This guarantees much of Trafikverket ICT’s turnover for the future.
- An extension option has been signed with the Swedish Transport Agency, which ensures Trafikverket ICT’s basic commitment up to and including 2013, with a joint agreement to extend for a further two years. The commitment has also been expanded to include management of the congestion tax system in Gothenburg.

Net sales and profit/loss
Trafikverket ICT’s net sales for 2011 amounted to SEK 1,384 (1,356) million. Of the total revenues, SEK 915 (866) million is related to revenues attributable to the Swedish Transport Administration and SEK 469 (490) million is related to revenues attributable to external customers.

The operating profit after separation costs amounted to SEK 154 (229) million, which is equivalent to an operating margin of 11.1 (16.9) percent. The lower operating profit is partly due to the delay in planned canvassing of customers and partly due to costs of SEK 36 million for activities related to the separation program.

On the positive side, the overall efficiency measures that Trafikverket ICT has implemented are likely to be more successful than we originally estimated. However, most of the efficiency measures, such as the canvassing of customers, will only take effect in 2012.

Profit after tax amounted to SEK 147 (115) million.

Business sector reports
Trafikverket ICT is organized into three business areas (business sectors): ITS, CSS and Networks and Operation.

Net sales for the ITS business area amounted to SEK 738 million, compared with SEK 676 million in 2010. CSS has made steady progress during the year and the business area had sales of SEK 437 (451) million. Networks and Operation’s net sales for 2011 amounted to SEK 206 (227) million. A large proportion of net sales in Networks and Operation were reported in the ITS Business Area, where the capacity supplied by Networks and Operation is embedded in the services.

Breakdown of revenues by business area, SEK million

<table>
<thead>
<tr>
<th>Business Sector</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSS</td>
<td>451</td>
<td>437</td>
</tr>
<tr>
<td>Networks and Operation</td>
<td>227</td>
<td>206</td>
</tr>
<tr>
<td>ITS</td>
<td>676</td>
<td>738</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,356</td>
<td>1,384</td>
</tr>
</tbody>
</table>

Investment during the year
Trafikverket ICT invested SEK 221 (212) million in fixed assets in 2011. Investment in infrastructure assets amounted to SEK 158 million, investment in production tools amounted to SEK 56 million and investment in systems development amounted to SEK 7 million.

Depreciation of telecom assets and production tools amounted to SEK 238 (228) million.

Cash flow statement
The cash flow from current activities for the year amounted to SEK 351 (366) million. The change in working capital was SEK -31 (-52) million, while investments for the year amounted to SEK 221 (212) million. The change in cash flow for the year is a result of the day-to-day management of operations.

Trafikverket ICT’s bank balances are managed by the Swedish Transport Administration’s Financial Department. Investment activity has increased compared with previous years and the increase is made up of operational tools to enable new services to be produced. In total, 10 services were developed, with sales beginning in 2011. All investments have been financed by the organization’s own resources. There has been no increase in loans. Repayments of an inter-group loan were made during the year.
Significant risks and opportunities
During the year, Trafikverket ICT has carried out a great deal of work aimed at clarifying the prerequisites required to operate and grow in a competitive environment. This development has had a positive impact on Trafikverket ICT and provides scope for future business opportunities.

Among other things, a new organization for marketing, the canvassing of new customers and a customer reception have been established. In order to meet customers’ needs, projects to develop services are underway, and the focus is on developing the range of services offered by Trafikverket ICT. The new focus in 2011, in addition to the supply of IT and telecommunications services, is on security. The range of security services offered begins at the data centers and is then integrated into all the services on offer to provide security for the customer.

Trafikverket ICT’s market prospects appear favorable. The risks that may arise in the surrounding business environment are the same for competitors and partners, and include political changes and rapid technological development.

The conditions for separation will be updated in spring 2012, when the Swedish Transport Administration will clarify its intentions with regard to Trafikverket ICT’s future. (Read more about risks and risk management on page 34.)

Employees
The number of employees rose by 86, from 410 to 496, over the year. The rise in the number of employees is partly a result of the transfer of consultants referred to above. This forms part of the efficiency program launched in 2010 and relates to the conversion of consultants to employees.

Absence due to illness amounted to 2.1 percent in 2011. This is a decrease of 0.6 percentage points compared with the previous year. (Read more about Trafikverket ICT’s employees on page 30.)

Environmental impact
In 2011, Trafikverket ICT began a survey of its environmental work by producing an environmental review. The environmental review provides the basis for the introduction of an environmental management system and for the certification of Trafikverket ICT according to the ISO 14001 standard.

Guidelines for environmental work will be developed and will supplement the strategic platform for environmental responsibility. The guidelines, together with environmental targets, procedures and other documentation, will make up the environmental management system.

The environmental targets will be continuously monitored to identify new areas for development and other ways to contribute to a sustainable society. (Read more about Trafikverket ICT’s environmental work in the “We think green” section on page 29.)

Trafikverket ICT is not engaged in any activities requiring operational permits.

The work of the internal board of directors during the year
Trafikverket ICT is managed by an internal board of directors consisting of eight members. The chairperson of the internal board of directors, the Executive Director of the Swedish Transport Administration’s profit centers, has a decision-making right by delegation from the Director-General of the Swedish Transport Administration. Other members of the internal board of directors hold positions as advisers to the chairperson of the internal board of directors.

During the year, Charlotta Lindmark resigned from the Board and was replaced by Jennie Magnusson. The internal board of directors held eight meetings during the year, at which the main issues discussed were the business plan and the work to separate operations from the Swedish Transport Administration. (Further information on the internal board of directors is available on page 32.)

Proposed appropriation of the profit/loss for the year

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (SEK thousand)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit/loss brought forward</td>
<td>533,400</td>
</tr>
<tr>
<td>Profit/loss for the year</td>
<td>147,400</td>
</tr>
<tr>
<td>Amount to be allocated</td>
<td>680,800</td>
</tr>
</tbody>
</table>

The internal board of directors proposes that the profits should be allocated as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (SEK thousand)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend</td>
<td>36,850</td>
</tr>
<tr>
<td>Carried forward to new accounts</td>
<td>643,950</td>
</tr>
<tr>
<td><strong>Total, SEK thousand</strong></td>
<td><strong>680,800</strong></td>
</tr>
</tbody>
</table>

The internal board of directors’ reasons for the proposed dividend:

The Swedish Transport Administration has a general dividend policy. According to this policy, dividends will be paid out when Trafikverket ICT has met the Swedish Transport Administration’s long-term equity ratio requirement, and they will then be paid out at 25 percent of the profit for the year. The long-term equity ratio requirement is set at 25 percent. In 2011, Trafikverket ICT achieved an equity ratio in line with the requirement, and a dividend in accordance with the above is therefore proposed.

The internal board of directors considers that the proposed dividend does not prevent Trafikverket ICT from fulfilling its obligations in the short and long term, nor does it prevent Trafikverket ICT from making necessary investments.
## INCOME STATEMENT

<table>
<thead>
<tr>
<th></th>
<th>Note:</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>2</td>
<td>1,384</td>
<td>1,356</td>
</tr>
<tr>
<td>- of which Swedish Transport Administration internal</td>
<td></td>
<td>915</td>
<td>866</td>
</tr>
<tr>
<td>- of which external</td>
<td></td>
<td>469</td>
<td>490</td>
</tr>
<tr>
<td>Costs for services sold</td>
<td>3.4</td>
<td>-1,005</td>
<td>-1,024</td>
</tr>
<tr>
<td><strong>Gross profit/loss</strong></td>
<td></td>
<td>379</td>
<td>332</td>
</tr>
<tr>
<td>Sales costs</td>
<td>3.4</td>
<td>-80</td>
<td>-61</td>
</tr>
<tr>
<td>Administrative costs</td>
<td>3.4</td>
<td>-145</td>
<td>-42</td>
</tr>
<tr>
<td><strong>Operating profit/loss</strong></td>
<td></td>
<td>154</td>
<td>229</td>
</tr>
<tr>
<td>Financial income</td>
<td>5</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Financial expenses</td>
<td>6</td>
<td>-15</td>
<td>-20</td>
</tr>
<tr>
<td><strong>Profit/loss after net financial income and expenses</strong></td>
<td></td>
<td>144</td>
<td>209</td>
</tr>
<tr>
<td>Appropriations</td>
<td>7</td>
<td>56</td>
<td>-52</td>
</tr>
<tr>
<td>Internal tax on the profit/loss for the year</td>
<td>8</td>
<td>-53</td>
<td>-42</td>
</tr>
<tr>
<td><strong>PROFIT/LOSS FOR THE YEAR</strong></td>
<td></td>
<td>147</td>
<td>115</td>
</tr>
</tbody>
</table>
### BALANCE SHEET

<table>
<thead>
<tr>
<th>SEK million</th>
<th>Note:</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible fixed assets</td>
<td>9</td>
<td>20</td>
<td>16</td>
</tr>
<tr>
<td>Construction in progress, intangible fixed assets</td>
<td>10</td>
<td>27</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total intangible fixed assets</strong></td>
<td></td>
<td>47</td>
<td>16</td>
</tr>
<tr>
<td>Telecommunications and rail installations</td>
<td>11</td>
<td>1,411</td>
<td>1,393</td>
</tr>
<tr>
<td>Plant, equipment and means of transport</td>
<td>12</td>
<td>51</td>
<td>51</td>
</tr>
<tr>
<td>Construction in progress, tangible fixed assets</td>
<td>13</td>
<td>63</td>
<td>128</td>
</tr>
<tr>
<td><strong>Total tangible fixed assets</strong></td>
<td></td>
<td>1,525</td>
<td>1,572</td>
</tr>
<tr>
<td><strong>Total fixed assets</strong></td>
<td></td>
<td>1,572</td>
<td>1,588</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work in progress</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td><strong>Current receivables</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>14</td>
<td>282</td>
<td>269</td>
</tr>
<tr>
<td>Other current receivables</td>
<td>15</td>
<td>38</td>
<td>34</td>
</tr>
<tr>
<td>Prepaid expenses and accrued income</td>
<td>16</td>
<td>77</td>
<td>35</td>
</tr>
<tr>
<td><strong>Total current receivables</strong></td>
<td></td>
<td>397</td>
<td>338</td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td></td>
<td>175</td>
<td>140</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td></td>
<td>572</td>
<td>479</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td></td>
<td>2,144</td>
<td>2,067</td>
</tr>
<tr>
<td><strong>SEK million</strong></td>
<td><strong>Note:</strong></td>
<td><strong>2011</strong></td>
<td><strong>2010</strong></td>
</tr>
<tr>
<td>-----------------</td>
<td>-----------</td>
<td>---------</td>
<td>---------</td>
</tr>
<tr>
<td><strong>INTERNAL CAPITAL, PROVISIONS AND LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal capital</td>
<td></td>
<td>17</td>
<td></td>
</tr>
<tr>
<td>Restricted capital</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rail capital</td>
<td></td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>Internal equity</td>
<td></td>
<td>110</td>
<td>110</td>
</tr>
<tr>
<td>Statutory reserve</td>
<td></td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>Total restricted capital</td>
<td></td>
<td>140</td>
<td>140</td>
</tr>
<tr>
<td>Non-restricted capital</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit brought forward</td>
<td></td>
<td>534</td>
<td>447</td>
</tr>
<tr>
<td>Profit/loss for the year</td>
<td></td>
<td>147</td>
<td>115</td>
</tr>
<tr>
<td>Total non-restricted capital</td>
<td></td>
<td>681</td>
<td>562</td>
</tr>
<tr>
<td>Total equity</td>
<td></td>
<td>821</td>
<td>702</td>
</tr>
<tr>
<td></td>
<td></td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Untaxed reserves</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax allocation reserves</td>
<td></td>
<td>136</td>
<td>192</td>
</tr>
<tr>
<td>Total untaxed reserves</td>
<td></td>
<td>136</td>
<td>192</td>
</tr>
<tr>
<td>Provisions</td>
<td></td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>Provisions for pensions</td>
<td></td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Total provisions</td>
<td></td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Long-term liabilities</td>
<td></td>
<td>19</td>
<td></td>
</tr>
<tr>
<td>Long-term interest-bearing liabilities</td>
<td></td>
<td>782</td>
<td>848</td>
</tr>
<tr>
<td>Other long-term liabilities</td>
<td></td>
<td>–</td>
<td>3</td>
</tr>
<tr>
<td>Total long-term liabilities</td>
<td></td>
<td>782</td>
<td>851</td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advance payments from external customers</td>
<td></td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>Accounts payable</td>
<td></td>
<td>20</td>
<td>197</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td></td>
<td>116</td>
<td>60</td>
</tr>
<tr>
<td>Accrued expenses and deferred income</td>
<td></td>
<td>21</td>
<td>87</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td></td>
<td>403</td>
<td>322</td>
</tr>
<tr>
<td>TOTAL INTERNAL CAPITAL, PROVISIONS AND LIABILITIES</td>
<td></td>
<td>2,144</td>
<td>2,067</td>
</tr>
<tr>
<td>Pledged assets and contingent liabilities</td>
<td></td>
<td>None</td>
<td>None</td>
</tr>
</tbody>
</table>
# CASH FLOW STATEMENT

<table>
<thead>
<tr>
<th></th>
<th>Note:</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit/loss after financial items</td>
<td></td>
<td>144</td>
<td>209</td>
</tr>
<tr>
<td>Adjustment for items not included in the cash flow etc.</td>
<td>22</td>
<td>238</td>
<td>227</td>
</tr>
<tr>
<td>Internal tax paid</td>
<td></td>
<td>0</td>
<td>−18</td>
</tr>
<tr>
<td><strong>Cash flow from current activities before changes in working capital</strong></td>
<td></td>
<td>382</td>
<td>418</td>
</tr>
<tr>
<td>Cash flow from changes in working capital</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in receivables (increase -)</td>
<td></td>
<td>−58</td>
<td>−95</td>
</tr>
<tr>
<td>Change in liabilities (increase +)</td>
<td></td>
<td>27</td>
<td>43</td>
</tr>
<tr>
<td><strong>Cash flow from changes in working capital</strong></td>
<td></td>
<td>−31</td>
<td>−52</td>
</tr>
<tr>
<td><strong>CASH FLOW FROM CURRENT ACTIVITIES</strong></td>
<td></td>
<td>351</td>
<td>366</td>
</tr>
<tr>
<td><strong>INVESTMENTS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisitions of intangible fixed assets</td>
<td></td>
<td>−35</td>
<td>−18</td>
</tr>
<tr>
<td>Acquisitions of tangible fixed assets</td>
<td></td>
<td>−186</td>
<td>−195</td>
</tr>
<tr>
<td>Sale of equipment</td>
<td></td>
<td>0</td>
<td>−</td>
</tr>
<tr>
<td><strong>Cash flow from investments</strong></td>
<td></td>
<td>−221</td>
<td>−213</td>
</tr>
<tr>
<td><strong>FINANCE ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization of liabilities</td>
<td></td>
<td>−67</td>
<td>−66</td>
</tr>
<tr>
<td>Dividends paid out</td>
<td></td>
<td>−28</td>
<td>−12</td>
</tr>
<tr>
<td><strong>Cash flow from finance activities</strong></td>
<td></td>
<td>−95</td>
<td>−78</td>
</tr>
<tr>
<td><strong>CASH FLOW FOR THE YEAR</strong></td>
<td></td>
<td>35</td>
<td>75</td>
</tr>
<tr>
<td>Liquid assets at the start of the year</td>
<td></td>
<td>140</td>
<td>65</td>
</tr>
<tr>
<td>Exchange rate difference in liquid assets</td>
<td></td>
<td>−</td>
<td>−</td>
</tr>
<tr>
<td><strong>Liquid assets at the end of the year</strong></td>
<td></td>
<td>175</td>
<td>140</td>
</tr>
</tbody>
</table>
NOTES

NOTE 1  ACCOUNTING AND VALUATION PRINCIPLES

Basis for preparation of the report
Trafikverket ICT’s annual report is prepared in accordance with Ordinance (2000:605) on annual accounts and supporting documents for budgets, Ordinance (2000:606) on government agencies’ bookkeeping and the Swedish National Financial Management Authority regulations and general guidelines. The Ordinance on government agencies’ annual accounts corresponds to the Swedish Bookkeeping Act and the Ordinance on annual accounts and supporting documents for budgets corresponds to the Swedish Annual Accounts Act, although they are tailored to the specific conditions that apply to government agencies and enterprises.

The accounting policies are unchanged from the previous year, unless otherwise stated.

Revenue accounting
Revenue is reported when the financial advantages are likely to benefit Trafikverket ICT and if the income can be reliably estimated. Revenue is valued at fair value, in other words, the sales value taking into consideration any discounts and taxes and excluding value added tax.

IT networks, operational and service income
Trafikverket ICT’s revenues consist mainly of payments from fixed framework agreements signed with key customers from the public sector. Revenues from these framework agreements contain fixed revenues from networks and services, which are entered as income in a linear manner over the supply period they are considered to cover under the framework agreement. Variable remuneration for assignments and services is entered as income when the work was performed. Income for network services normally consists of subscriptions, which are entered as income in a linear manner over the period that the service is considered to cover. Other income from CSS services and ITS services is entered as income when the services are supplied.

State aid
Trafikverket ICT receives government aid for employees with “nymstart-jobs” [jobs under the “new-start jobs” reform]. The support is entered as income against the cost that it is considered to cover.

Financial income and expenses
Financial income consists primarily of interest income on bank balances and is reported in the period in which it is accrued. Financial expenses mainly consist of interest expenses on internal loans raised for investment in fixed assets. Interest expenses are entered in the period to which they relate. All financial management of loans and investment of liquid funds takes place centrally via the Swedish Transport Administration’s Financial Department. A special internal interest rate applies within the Swedish Transport Administration. That internal interest rate is based on the current repo rate with certain supplements.

Tax
Internal tax for the profit centers is applied within the Swedish Transport Administration. Internal tax is adjusted according to current corporate tax rates prescribed in Swedish tax law.

The purpose of the internal tax is to adapt the profit center’s annual report to the market to enable the unit to operate in a form that resembles that of a corporation.

Fixed assets
A fixed asset is an asset that is intended for permanent use or possession. Within Trafikverket ICT, fixed assets acquired for use in its own operations are entered at their acquisition value.

Intangible fixed assets
Intangible fixed assets developed and acquired are reported in the balance sheet at their acquisition value after a deduction for accumulated depreciation and any accumulated write-downs. Expenditure for repairs and maintenance is entered as an expense in the period in which it is incurred. Maintenance is considered to be work needed to ensure that fixed assets can be used as intended, but which does not increase their performance or extend their lifespan.

Construction in progress
Construction in progress refers mainly to investments in fixed assets under construction. Construction in progress is valued on the basis of costs incurred.

Depreciation
Depreciation of fixed assets is calculated in a linear manner according to a systematic plan based on useful lifespan, on the basis of the acquisition value of the assets. For fixed assets acquired during the year, depreciation is calculated from the moment of acquisition or when the fixed assets are ready to enter service. Depreciation periods have been determined according to an assessment of the assets’ financial and technical lifespan within the following intervals:

Intangible fixed assets
Rail assets
Telephony assets (MobiSIR)
Plant, equipment and means of transport

Write-downs
A fixed asset is written down if, on the balance sheet date, it has a lower value than the value the asset was entered at on acquisition, minus a deduction for depreciation if the reduction in value can be considered as permanent. If there is no longer any reason for the write-down, the write-down is reversed. Write-downs and reversals are reported in the Income Statement.
NOTE 1 ACCOUNTING AND VALUATION PRINCIPLES CONTINUED

Retirement of assets
The reported value for a fixed asset is removed from the balance sheet when the asset is disposed of or sold. Profits or losses from a sale or retirement of an asset consist of the difference between the selling price and the reported value of the asset with a deduction for direct sales costs.

Current assets
Current assets are entered at their acquisition value or the fair value on the balance sheet date, whichever is the lower. Provisions for doubtful debts are entered at the amount that it is estimated will be paid after an individual assessment has been made. Accounts receivable – trade are entered at their net value after a provision for possible losses. The net value reported for accounts receivable represents the expected recoverable amount according to circumstances known on the balance sheet date. Each Head of Assignment continually assesses customer invoices that have fallen due together with the Financial Department. A provision is made for invoices if the Head of Assignment considers that there is a clear risk of a customer loss or penalty.

Cash and bank balances
Investment of cash is managed centrally via the Swedish Transport Administration’s internal bank.

Internal capital
Trafikverket ICT’s internal capital is divided into restricted capital and non-restricted capital. Restricted capital consists of railway capital, internal equity and statutory reserves. Non-restricted capital is divided into profit brought forward and the profit/loss for the year. The purpose of internal equity is to adapt the profit center’s annual report to the market to enable the unit to operate in a form that resembles that of a corporation.

Untaxed reserves
The amounts set aside for tax allocation reserves are internal group provisions in the Swedish Transport Administration. This is based on the principles that apply under current tax laws. The purpose of the internal group provisions is to adapt the profit center’s annual report to the market to enable the unit to operate in a form that resembles that of a corporation.

Provisions
A provision is entered in the balance sheet when there is a legal or informal obligation as a result of an event during the financial year or a previous financial year if it is likely to require an outflow of resources to settle the obligation, although neither the amount nor the moment when it will occur is certain. A provision is made for payments to personnel who have been offered early retirement when Trafikverket ICT has adopted a decision in this regard.

Liabilities
Liabilities are valued at their acquisition value unless otherwise stated. Placing of loans is managed centrally via the Swedish Transport Administration’s Financial Department. Investments in fixed assets are financed via loans or internally by the organization.

Receivables and liabilities in foreign currency
Receivables and liabilities in foreign currency are translated according to the exchange rate in force on the balance sheet date.

Cash flow statements
Cash flow statements are prepared using the indirect method. The reported cash flow only includes transactions involving payments received and made, which means that discrepancies may occur compared with changes in individual items on the balance sheet. Cash and bank balances are classified as liquid assets.

Dividends
Dividends to owners are reported as liabilities in the financial statements when the annual report is signed.

Events after the balance sheet date
Events occurring after the balance sheet date, up to the date when the financial statements are adopted, are referred to as events after the balance sheet date. Information on these events is provided in the Administration Report and in the notes. These events may be of two separate kinds. When an event confirms the conditions that existed on the balance sheet date, the amount in the financial statements is adjusted. In the case of an event that indicates circumstances that arose after the balance sheet date, the amount in the financial statements is not adjusted. Information is provided on all significant events after the balance sheet date.
### NOTE 2  BREAKDOWN OF NET SALES by business area

<table>
<thead>
<tr>
<th>Income</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>ITS business area</td>
<td>738</td>
<td>676</td>
</tr>
<tr>
<td>CSS business area</td>
<td>437</td>
<td>451</td>
</tr>
<tr>
<td>Networks and Operation business area</td>
<td>206</td>
<td>227</td>
</tr>
<tr>
<td>Other net sales</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td><strong>Net sales</strong></td>
<td><strong>1,384</strong></td>
<td><strong>1,356</strong></td>
</tr>
</tbody>
</table>

| External sales | 469 | 490 |
| - of which export of services | 6   | 9   |

1) Relates to the settlement of costs for the merger with Vägverket IT.

### INTELLIGENT TRANSPORT SYSTEMS AND SERVICES (ITS) BUSINESS AREA
This business area supplies services and business expertise to make transport simpler and more efficient. The services offered in the ITS area include applied operational and communications services, monitoring services and real-time services for vehicles, drivers, staff and passengers.

### CLOUD SOLUTIONS AND SERVICES (CSS) BUSINESS AREA
Cloud Solutions and Services supplies complete solutions for IT and communications, such as telephony, office applications, meeting and consultancy services.

### NETWORKS AND OPERATION BUSINESS AREA
This business area supplies telecommunications services in the form of network capacity in a range of packages through access to a nationwide fiber-optic network. Wired network capacity is created with the aid of a range of technologies. Supplementary services such as accesses, wireless network capacity and consultation assignments complete the range.

### NOTE 3  OPERATING EXPENSES

<table>
<thead>
<tr>
<th>SEK million</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost for services sold</td>
<td>1,005</td>
<td>1,024</td>
</tr>
<tr>
<td>Sales costs</td>
<td>80</td>
<td>61</td>
</tr>
<tr>
<td>Administration costs$</td>
<td>145</td>
<td>42</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,230</strong></td>
<td><strong>1,127</strong></td>
</tr>
</tbody>
</table>

2) Administration costs include costs for:

<table>
<thead>
<tr>
<th>SEK million</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Separation costs</td>
<td>36</td>
<td>-</td>
</tr>
<tr>
<td>Development costs</td>
<td>43</td>
<td>-</td>
</tr>
<tr>
<td>Other expenses</td>
<td>66</td>
<td>42</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>145</strong></td>
<td><strong>142</strong></td>
</tr>
</tbody>
</table>

Other costs include remuneration to auditors as follows:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>PWC, auditing assignment</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td>PWC, audit work in addition to the auditing assignment</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>0.2</strong></td>
<td><strong>0.2</strong></td>
</tr>
</tbody>
</table>
NOTE 4  PERSONNEL INFORMATION

Salaries paid to personnel and remuneration of the external members of the internal board of directors

<table>
<thead>
<tr>
<th>SEK million</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and remuneration³</td>
<td>209 182</td>
<td></td>
</tr>
<tr>
<td>Salaries to personnel</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social security contributions</td>
<td>102 84</td>
<td></td>
</tr>
<tr>
<td>– of which pension costs</td>
<td>33 25</td>
<td></td>
</tr>
<tr>
<td>External members of the internal board of directors⁴</td>
<td>0.04</td>
<td>0.04</td>
</tr>
</tbody>
</table>

3) Remuneration to employees consists of fixed salaries to personnel, social security contributions and pension costs. Trafikverket ICT’s commitment with respect to employees’ pensions is recognized in full in Statens Pensionsverk (SPV) [the National Government Employee Pensions Board].

4) No fee for participation in the internal board of directors is payable to employees within the Swedish Transport Administration. No variable remuneration is paid within Trafikverket ICT. All amounts stated exclude social security contributions and income tax.

Average number of employees and number of permanent employees with distribution according to gender

<table>
<thead>
<tr>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average number of employees</td>
<td>444 416</td>
</tr>
<tr>
<td>– of which permanent employees</td>
<td>438 408</td>
</tr>
<tr>
<td>Male, permanent employees</td>
<td>338 312</td>
</tr>
<tr>
<td>Female, permanent employees</td>
<td>100 96</td>
</tr>
</tbody>
</table>

NOTE 4  PERSONNEL INFORMATION CONTINUED

Absence due to illness as a percentage

<table>
<thead>
<tr>
<th>2011</th>
<th>2010⁵</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total absence due to illness</td>
<td>2.1</td>
</tr>
<tr>
<td>– of which proportion of continuous absence due to illness of 60 days or more</td>
<td>28.5</td>
</tr>
<tr>
<td>Absence due to illness according to gender</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>1.6</td>
</tr>
<tr>
<td>Female</td>
<td>3.9</td>
</tr>
<tr>
<td>Absence due to illness according to age</td>
<td></td>
</tr>
<tr>
<td>Employees aged 29 or below</td>
<td>6</td>
</tr>
<tr>
<td>Employees aged between 30 and 49</td>
<td>1.7</td>
</tr>
<tr>
<td>Employees aged 50 or above</td>
<td>2.4</td>
</tr>
</tbody>
</table>

5) The reported absence due to illness for 2010 relates to the period from April to December. This is because the Swedish Transport Administration was formed on 1 April 2010.

Board members and senior executives on the balance sheet date

<table>
<thead>
<tr>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members of the internal board of directors</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>6</td>
</tr>
<tr>
<td>Female</td>
<td>2</td>
</tr>
<tr>
<td>Senior executives⁶</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>5</td>
</tr>
<tr>
<td>Female</td>
<td>5</td>
</tr>
</tbody>
</table>

6) Senior executives comprise the Managing Director of the profit center and the members of the Management Team.

NOTE 5  FINANCIAL INCOME

<table>
<thead>
<tr>
<th>SEK million</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income from bank balances</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Other interest income</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>5</td>
<td>0</td>
</tr>
</tbody>
</table>

NOTE 6  FINANCIAL EXPENSES

<table>
<thead>
<tr>
<th>SEK million</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest expenses internal loans⁷</td>
<td>15</td>
<td>20</td>
</tr>
<tr>
<td>Other financial expenses</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>15</td>
<td>20</td>
</tr>
</tbody>
</table>

7) Relates to interest expenses on internal loans for telecoms assets MobSiR and TAM.

NOTE 7  UNTAXED RESERVES

<table>
<thead>
<tr>
<th>SEK million</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening provision</td>
<td>192</td>
<td>140</td>
</tr>
<tr>
<td>Provision for the year</td>
<td>0</td>
<td>52</td>
</tr>
<tr>
<td>Dissolution for the year</td>
<td>–56</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>136</td>
<td>192</td>
</tr>
</tbody>
</table>

NOTE 8  INTERNAL TAX ON THE PROFIT/LOSS FOR THE YEAR

<table>
<thead>
<tr>
<th>SEK million</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current internal tax</td>
<td>53</td>
<td>42</td>
</tr>
<tr>
<td>Total</td>
<td>53</td>
<td>42</td>
</tr>
</tbody>
</table>
### NOTE 9 INTANGIBLE FIXED ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening acquisition cost</td>
<td>27</td>
<td>9</td>
</tr>
<tr>
<td>Purchases during the year</td>
<td>8</td>
<td>18</td>
</tr>
<tr>
<td>Closing acquisition cost</td>
<td>35</td>
<td>27</td>
</tr>
<tr>
<td>Opening accumulated depreciation</td>
<td>-10</td>
<td>-9</td>
</tr>
<tr>
<td>Depreciation for the year</td>
<td>-5</td>
<td>-2</td>
</tr>
<tr>
<td>Closing depreciations</td>
<td>-15</td>
<td>-11</td>
</tr>
<tr>
<td>Closing residual value according to plan</td>
<td>20</td>
<td>16</td>
</tr>
</tbody>
</table>

Ongoing projects include the development of new IT services and IT structures.

### NOTE 10 CONSTRUCTION IN PROGRESS, INTANGIBLE FIXED ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs incurred over the year</td>
<td>27</td>
<td>0</td>
</tr>
<tr>
<td>Closing acquisition cost</td>
<td>27</td>
<td>0</td>
</tr>
</tbody>
</table>

### NOTE 11 TELECOMMUNICATIONS AND RAIL INSTALLATIONS

<table>
<thead>
<tr>
<th></th>
<th>Optical and copper cable</th>
<th>MobSiR telephony facilities</th>
<th>Technical installations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEK million</td>
<td>2011</td>
<td>2010</td>
<td>2011</td>
<td>2010</td>
</tr>
<tr>
<td>Opening acquisition cost</td>
<td>1,077</td>
<td>1,064</td>
<td>1,280</td>
<td>1,277</td>
</tr>
<tr>
<td>Acquisitions for the year</td>
<td>6</td>
<td>13</td>
<td>30</td>
<td>3</td>
</tr>
<tr>
<td>Closing acquisition cost</td>
<td>1,083</td>
<td>1,077</td>
<td>1,310</td>
<td>1,280</td>
</tr>
<tr>
<td>Opening accumulated depreciation</td>
<td>-812</td>
<td>-768</td>
<td>-429</td>
<td>-363</td>
</tr>
<tr>
<td>Depreciation for the year</td>
<td>-39</td>
<td>-44</td>
<td>-67</td>
<td>-66</td>
</tr>
<tr>
<td>Closing accumulated depreciation</td>
<td>-851</td>
<td>-812</td>
<td>-496</td>
<td>-429</td>
</tr>
<tr>
<td>Closing residual value according to plan</td>
<td>231</td>
<td>265</td>
<td>814</td>
<td>851</td>
</tr>
</tbody>
</table>

8) The SIR installations (the MobSiR telephony installations) financed by subsidies are managed on behalf of the Swedish Transport Administration. The depreciation and interest are reported in Trafikverket’s ICT income statement. To cover these costs, Trafikverket ICT receives a subsidy of a corresponding amount, which is entered as revenue.
### NOTE 12  PLANT, EQUIPMENT AND MEANS OF TRANSPORT

<table>
<thead>
<tr>
<th>SEK million</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening acquisition cost</td>
<td>215</td>
<td>149</td>
</tr>
<tr>
<td>Acquisitions for the year</td>
<td>29</td>
<td>64</td>
</tr>
<tr>
<td>Takeover of PCs from Banverket Production</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Sold and disposed of</td>
<td>−14</td>
<td>0</td>
</tr>
<tr>
<td>Closing acquisition cost</td>
<td>230</td>
<td>215</td>
</tr>
<tr>
<td>Opening accumulated depreciation</td>
<td>−164</td>
<td>−138</td>
</tr>
<tr>
<td>Depreciation for the year</td>
<td>−28</td>
<td>−24</td>
</tr>
<tr>
<td>Takeover of PCs from Banverket Production</td>
<td>0</td>
<td>−2</td>
</tr>
<tr>
<td>Disposal of equipment</td>
<td>13</td>
<td>0</td>
</tr>
<tr>
<td>Closing depreciations</td>
<td>−179</td>
<td>−164</td>
</tr>
<tr>
<td>Closing residual value according to plan</td>
<td>51</td>
<td>51</td>
</tr>
</tbody>
</table>

### NOTE 13  CONSTRUCTION IN PROGRESS, TANGIBLE FIXED ASSETS

<table>
<thead>
<tr>
<th>SEK million</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening acquisition cost</td>
<td>128</td>
<td>143</td>
</tr>
<tr>
<td>Costs incurred over the year</td>
<td>157</td>
<td>130</td>
</tr>
<tr>
<td>Redistributions carried out over the year</td>
<td>−222</td>
<td>−145</td>
</tr>
<tr>
<td>Closing acquisition cost</td>
<td>63</td>
<td>128</td>
</tr>
</tbody>
</table>

### NOTE 14  ACCOUNTS RECEIVABLE

#### SEK million

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts receivable, Swedish Transport Administration internal</td>
<td></td>
<td>180</td>
</tr>
<tr>
<td>Accounts receivable within the state</td>
<td>32</td>
<td>43</td>
</tr>
<tr>
<td>Accounts receivable, other external</td>
<td>71</td>
<td>68</td>
</tr>
<tr>
<td>Less doubtful debts</td>
<td>−1</td>
<td>−1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>282</td>
<td>269</td>
</tr>
</tbody>
</table>

#### Doubtful accounts receivable

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doubtful accounts receivable at the beginning of the year</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Confirmed losses during the year</td>
<td>−1</td>
<td>0</td>
</tr>
<tr>
<td>Reversed accounts receivable during the year</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>New doubtful accounts receivable during the year</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total closing balance</strong></td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

### NOTE 15  OTHER CURRENT RECEIVABLES

<table>
<thead>
<tr>
<th>SEK million</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vat recoverable</td>
<td>38</td>
<td>34</td>
</tr>
<tr>
<td>Other current receivables</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>38</td>
<td>34</td>
</tr>
</tbody>
</table>

### NOTE 16  PREPAID EXPENSES AND ACCRUED INCOME

<table>
<thead>
<tr>
<th>SEK million</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepaid expenses</td>
<td>59</td>
<td>35</td>
</tr>
<tr>
<td>Accrued income</td>
<td>18</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>77</td>
<td>35</td>
</tr>
</tbody>
</table>

### NOTE 17  INTERNAL CAPITAL

<table>
<thead>
<tr>
<th></th>
<th>Restricted internal capital</th>
<th>Non-restricted internal capital</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Internal capital</td>
<td>Reserve fund</td>
</tr>
<tr>
<td><strong>Book value at the start of the year</strong></td>
<td>110</td>
<td>14</td>
</tr>
<tr>
<td>Appropriation of profits dividends</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit/loss for the year</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Book value at year-end</strong></td>
<td>110</td>
<td>14</td>
</tr>
</tbody>
</table>
### NOTE 18  PROVISIONS FOR PENSIONS

<table>
<thead>
<tr>
<th></th>
<th>SEK million</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2010</td>
<td></td>
</tr>
<tr>
<td>Opening provision</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Pension expenses for the year</td>
<td>2</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td><strong>Total closing balance</strong></td>
<td><strong>2</strong></td>
<td><strong>0</strong></td>
<td></td>
</tr>
</tbody>
</table>

The item “Provisions for pensions and similar commitments” includes the commitments that Trafikverket ICT has assumed regarding payment of early retirement pensions. The remaining commitment at the end of the year has been reported as a closing balance, as above.

### NOTE 19  LONG-TERM LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th>SEK million</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2010</td>
<td></td>
</tr>
<tr>
<td>Long-term internal debts to Trafikverket⁹</td>
<td>782</td>
<td>848</td>
<td></td>
</tr>
<tr>
<td>Other long-term liabilities</td>
<td>0</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td><strong>Total closing balance</strong></td>
<td><strong>782</strong></td>
<td><strong>851</strong></td>
<td></td>
</tr>
</tbody>
</table>

⁹) Relates to internal debt regarding the MobiSIR and TAM telecoms installations.

### NOTE 20  ACCOUNTS PAYABLE

<table>
<thead>
<tr>
<th></th>
<th>SEK million</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2010</td>
<td></td>
</tr>
<tr>
<td>Accounts payable, Swedish Transport</td>
<td>46</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>Administration internal</td>
<td>3</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Accounts payable within the state</td>
<td>148</td>
<td>143</td>
<td></td>
</tr>
<tr>
<td>Accounts payable, external</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total closing balance</strong></td>
<td><strong>197</strong></td>
<td><strong>193</strong></td>
<td></td>
</tr>
</tbody>
</table>

### NOTE 21  ACCRUED EXPENSES AND DEFERRED INCOME

<table>
<thead>
<tr>
<th></th>
<th>SEK million</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2010</td>
<td></td>
</tr>
<tr>
<td>Prepaid rent</td>
<td>36</td>
<td>32</td>
<td></td>
</tr>
<tr>
<td>Accrued salaries</td>
<td>41</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>Accrued interest on expenses</td>
<td>1</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>9</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td><strong>Total closing balance</strong></td>
<td><strong>87</strong></td>
<td><strong>61</strong></td>
<td></td>
</tr>
</tbody>
</table>

### NOTE 22  ADJUSTMENTS FOR ITEMS NOT INCLUDED IN THE CASH FLOW

<table>
<thead>
<tr>
<th></th>
<th>SEK million</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2010</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>238</td>
<td>227</td>
<td></td>
</tr>
<tr>
<td><strong>Total closing balance</strong></td>
<td><strong>238</strong></td>
<td><strong>227</strong></td>
<td></td>
</tr>
</tbody>
</table>
CONFIRMATION OF THE INTERNAL BOARD OF DIRECTORS

Borlänge, 14 March, 2012

Katarina Norén
Chairperson

Jan Fahlén
Director of Trafikverket ICT

Kent Schultz

Jan Åke Ekström

Mathias Persson

Sören Belin

Jennie Magnusson

Björn Sundberg *

Sven-Gunnar Billman *

*) Board member appointed by the employees’ organization
AUDITOR’S REPORT

We have audited the annual report of Trafikverket ICT for the year 2011. The annual reports of the company are included in the printed version of this document on pages 39–54.

Responsibilities of the Board of Directors and the Managing Director for the annual reports
The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual reports in accordance with the Ordinance (2000:605) on annual reports, the Ordinance (2000:606) on the accounting of public authorities, applicable parts of the Annual Accounts Act and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual reports that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibility
Our responsibility is to express an opinion on these annual reports based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual reports are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual reports. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the annual reports, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company’s preparation and fair presentation of the annual reports in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual reports. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions
In our opinion, the annual reports present fairly, in all material respects, the financial position of Trafikverket ICT as of 31 December 2011 and of its financial performance and its cash flows for the year then ended in accordance with the Ordinance (2000:605) on annual reports, the Ordinance (2000:606) on the accounting of public authorities and applicable parts of the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual reports.

Borlänge 15 March 2012
PricewaterhouseCoopers AB

Helena Rystedt
Authorized Public Accountant
NEUTRAL SOLUTION TO A LIBERALISED MARKET

When the market for vehicle inspections was opened up to competition, it was necessary to create a functioning IT infrastructure for electronic reports from the inspection companies and for the keeping of registers. The Swedish Transport Agency commissioned Trafikverket ICT to develop the required infrastructure. The state-owned Svensk Bilprovning AB already had an effective solution for the reports. However, Trafikverket ICT was now obliged to build an infrastructure with a general design.

“It was important to make sure that the IT solution did not create high entry barriers for smaller companies wishing to enter this new market,” says Joakim Schütt, who works with design at Trafikverket ICT.

NEED TO ACT QUICKLY

Before the reform, Svensk Bilprovning had a system that made it possible to obtain the answer to a question within 300 milliseconds.

“It was not technically possible to achieve that level of performance with a general solution. But because we taught the employees at Svensk Bilprovning how they could work efficiently in the new IT environment, they gained access to a system that, in general terms, is just as good, and in many respects better than their old system,” says Joakim.

After tests were carried out, it was time to launch the new infrastructure that Trafikverket ICT is also responsible for operating and managing.

“One difficulty in this project was to identify all the aspects that needed to be monitored. We have succeeded in creating a stable level of operations, and we now receive an alarm even before anything serious has happened,” says Joakim Schütt. He also states that this is one of the largest projects implemented at Trafikverket ICT, where it is a question of building up a system that is operational around the clock.
Accessibility: It can be possible to provide the information resources to be used in the form of a service, in the same manner as the services in the cloud.
Cash: A service provided as a service - a service for services and storage in the cloud.
Cloud: A general category that includes any type of service within the service. Usually, it is always a service provided, but the service is then divided into different sections.
Effort: A protocol used for the safe and secure transmission of a transport network (VON and local area network (LAN)).
Function solution: A protocol can be defined as a set of protocols for particular purposes, which can be divided into a number of sub-protocols.
ICT: The ICT protocol (Information and Communication Technology) is used within an area (ICT) where the role of technology needs to be particularly emphasized. ICT - Information Technology - is a collective term for the formation of algorithms, methods, possibly computer programs, databases, and other technical equipment.
Information security: The protection of confidentiality, accuracy and accessibility of information.
IP: The internet protocol - a basic protocol (ruler) for all communications on the Internet. The protocol is also used in other cloud solutions such as cloud computing.
ITS (Intelligent Transport System and Services) refers to the use of ICT in the area of transport. ITS includes all types of traffic and all parts of the transport system: vehicles, infrastructure, users and the surrounding environment.
LVM - A local area network (LAN) on a local computer network that enables increased efficiency in the transmission of data in the same building.
ModulIT - The national center for the Swedish e-Government network. ModulIT works to build a VON network activated within the entire Swedish railway administration, complemented for radio communication services on trains.
Platform as a service (PaaS): The level between SaaS and CaaS. It enables the administration of operating systems, software, such as web and database.
Platform: A program which can be used to develop and design a software application for a cloud. It is a level between the business concept, operating systems, and software, such as web and database.
Print: To print and mail a print.
Print: A service as a service (CaaS) - a service that is provided as a service - a service for services and storage in the cloud.
Print: A service as a service - a program/application that is based on the server.
Virtualization: A technology to share a computer's resources with more than one application at the same time.
Virtualization: A technology to share a computer's resources with more than one application at the same time.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a local network.
Wan: A technology to share a cloud network that is not a 
