

Annual Report 2010


Stockholm
The Capital of Scandinavia



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All eyes upon us

In 2010, the Stockholm region enjoyed considerable attention in the media as well as among cities and regions across Europe and the world. To be appointed as the first ever European Green Capital meant not only many visits to Stockholm, but also numerous invitations for representatives of the city to talk about Stockholm's long-term efforts to become a green capital of world-class. One occasion at which we were able to highlight our innovative environmental work, together with academia and cleantech companies, was during World Expo 2010 in Shanghai.

The increased interest in Stockholm was apparent in the record number of visitors as well as in the inflow of residents to the city and county. Stockholm now belongs to the '10 million club' in terms of number of overnight stays over the period of a year and, in 2010, the county of Stockholm accounted for nearly half of the total population increase in Sweden. This is very gratifying, but also puts greater demands on the city to continually improve its service to investors and companies as well as visitors and residents.

The number of investments in the Stockholm region increased during the year. In a national perspective, 44% of all investments landed in Stockholm. The

city continues to build on a foundation of strength and has, for a long time, experienced a favorable momentum in new business, increasing employment and steady inflow of residents.

Even Stockholm's skyline has evolved during the year. A new landmark, Stockholm Waterfront Congress Centre, has been erected just a stone's throw from City Hall. Ericsson Globe Arena now has SkyView on its facade. During the year, Fotografiska opened its doors and has already become quite popular and highly frequented.

On June 19, Stockholm showed all of its best sides, for which we can all be proud. The events around the Royal Wedding attracted some two million visitors. With the theme Love Stockholm 2010, forty of the largest Swedish companies invested in festival-related activities. Stockholm in all its summer glory was depicted in words and pictures before the entire world. The value of what was published and broadcast in connection with the Royal Wedding is estimated at SEK 2.5 billion.

In the autumn 2010, the Crown Princess moved into the Haga Palace with a bird's eye view of Haga city, which includes Karolinska Institute, Karolinska Hospital



PHOTO: SBR

and Science for Life Laboratory. The area will, in just the next few years, develop into a life science cluster of international reputation.

Welcome to Stockholm
- The Capital of Scandinavia!

Sten Nordin
Mayor of Stockholm

Ulla Hamilton
Deputy Mayor and Chairman Stockholm
Business Region Board



PHOTO: JEPPE WISTRÖM

COVER: ERIK G. SJÖSTRÖM

Stockholm Business Region – an introduction



PHOTO: JERPE WIKSTRÖM

Stockholm Business Region is a company wholly owned by the City of Stockholm, and a part of the Stockholms Stadshus AB Corporation.

The company has two subsidiaries: Stockholm Visitors Board and Stockholm Business Region Development, which work together to promote, develop and market Stockholm as a business and tourist destination.

Stockholm Business Region works closely with the business community, academic and other institutions in the city, other municipalities and federal agencies. The work to promote the Stockholm region is connected through the joint partnership, Stockholm Business Alliance, that links municipalities and cities in the greater Stockholm region.

Stockholm Business Region Development

Stockholm Business Region Development, SBRD, is the official investment promotion agency of Stockholm. SBRD works long-term with the marketing and development of Stockholm, as well as promoting the benefits of choosing the Stockholm region as a business and investment destination. SBRD's line of business also includes business service and after-care for established companies in the region.

Stockholm Visitors Board

Stockholm Visitors Board works to strengthen Stockholm's position as the most attractive region for visitors in Scandinavia. The aim of the Stockholm Visitors Board is to make Stockholm the leading tourist destination in Northern Europe.



PHOTO: JERPE WIKSTRÖM

Gaining momentum on the world's stage

The Royal Wedding of Crown Princess Victoria and Prince Daniel Westling was obviously one of the media highlights of the year. Stockholm hosted festivities and celebrated the bride and groom under the name Love Stockholm 2010. The wedding drew great attention, particularly among the international media.

Economic growth has continued with increased employment and confidence across all sectors. Population growth during the year reached historic highs due to an inflow of new residents and positive birth rate.

Exemplary of our strong regional cooperation, our 50 cities and municipalities in the Stockholm Business Alliance signed a new five-year agreement for continued efforts to attract foreign investors to the region. Our cooperation over the past five years has resulted in many new investments and supported Stockholm's position as the region in Scandinavia with most foreign headquarters.

The Stockholm region participated in the Swedish Pavilion at the World Expo in Shanghai, including a range of activities with various Swedish partners. This event helped tremendously to establish important contacts for future collaborations.

In 2010, we opened a new Tourist Office opposite Central Station in Stockholm. This office incorporates the latest technology and is an excellent example of the world-class service we offer visitors in Stockholm.

Attracting worldwide attention, our distinction as the 2010 European Green Capital has given us the opportunity to showcase our various environmental solutions.

While we've come a long way, we can't rest on our laurels. Our position as the Capital of Scandinavia is strong, but we need to remain humble and recognize that it isn't sufficient to be a little better than the other regions of Northern Europe. The global competition gets tougher by the day, so we need to work even harder and continually develop our unique offering to our residents and companies, visitors and investors.



Olof Zetterberg
CEO, Stockholm Business Region



PHOTO: JOAKIM FOJKE



Expo 2010 Shanghai, Sweden Pavillion with the outside walls showing a Stockholm city street grid.

PHOTO: TOBIAS ANDERSSON ÅKERBLIOM

Stockholm – The Capital of Scandinavia

2010 will go down in history as the most eventful year in the brand's five-year existence, and Stockholm continues to climb in different rankings and awareness surveys.

The past year had many high points, for example, exceeding the 10 million mark in number of overnight stays in Stockholm, the EU Commission's award to Stockholm as Europe's first ever Green Capital, and the wedding of Crown Princess Victoria and Prince Daniel, putting Stockholm in the international spotlight. In addition to these events, Stockholm gave its all with an active participation in the World Expo in Shanghai. All these events have served to promote and further strengthen the brand Stockholm - The Capital of Scandinavia which encompasses the whole Stockholm region.

Branding through Love Stockholm 2010

Leading up to the city's two-week event Love Stockholm 2010, held in conjunction with the Royal Wedding, a special event logo was created to extend the brand and benefit from tremendous global attention. Under Stockholm Business Region's lead and together with colleagues from the city management office, the Foreign Ministry and other municipal departments, special

training was held for city employees as well as representatives of the sponsoring companies. The training covered the goals, objectives and activities of Love Stockholm 2010, and essential aspects of the brand Stockholm - The Capital of Scandinavia, with media instruction to ensure the quality of information given to accredited journalists.

Surveys showed that among approximately 40 sponsors, including IKEA, Ericsson, Telia Sonera, Volvo and TV4, three out of four responded favorably to the brand.

Among Stockholm's citizens, brand awareness rose to 80% (the corresponding share was 72% in the 2009 survey) and a positive attitude towards the brand increased to 61% (47% in 2009).

Maximizing the European Green Capital award!

The year as Europe's first Green Capital was a great opportunity to raise awareness internationally about Stockholm - The Capital of Scandinavia and our extraordinary capabilities in different industry sectors, such as cleantech and ICT (Information and Communication Technology). The distinction as Green Capital has been a powerful image builder for the region and, promoted with the Stockholm brand, helped to support continued growth.

All press materials and activities included information about the region's environmental efforts. In addition, the brand Stockholm - The Capital of Scandinavia was co-branded with the Green Capital award logo in all marketing channels including a number of exhibitions such as MIPIM, Shanghai World Expo and



the Cleantech Forum in Paris. As Stockholm was the first city to receive the award, the prize was particularly newsworthy. The hope is that we can be an inspiration for other cities and regions. There are three main reasons why Stockholm is the natural capital of Scandinavia:

1. The Central Capital of Scandinavia

Stockholm is the largest city in Scandinavia, and is geographically located in the center. The busiest ports in the Baltic Sea area, with the most sea traffic, are located here. There are several international airports, and world-class telecommunications. Some of the best academic institutions in the world are found in the Stockholm region.

2. The Business Capital of Scandinavia

Stockholm is the capital for business in Scandinavia. The Stockholm region is a center of innovation with world-class ICT and cleantech. One of Europe's largest biotech clusters has its home in Stockholm. The highest representation of multinational companies in Scandinavia is found in the Stockholm region. The greatest numbers of visitors come here.



PHOTO: JEFFRE WIKSTROM



PHOTO: NICHOLAS SODIN



PHOTO: SHUTTERSTOCK

3. The Culture Capital of Scandinavia

Stockholm is the home of the Nobel Prize. There are numerous galleries and museums found here. Stockholm is an important center for form and design as well as for music production. Stockholm is home to many top restaurants and offers the specialities of international food culture.

For more information about the brand, please visit www.thecapitalofscandinavia.com

Rankings and ratings



PHOTO: SHUTTERSTOCK

Stockholm's position as the Capital of Scandinavia is based on the results of a number of surveys, rankings and ratings that are conducted regularly.

Economic activity

Stockholm is in eighth position in the regional Gross Domestic Product (GDP) statistics of 271 European regions, where the European Union compared economic levels in 2008. Stockholm was 67% above the EU27 average.

Regional GDP per inhabitant, 2008

1: Inner London (UK)	343
2: Luxembourg (LU)	279
3: Bruxelles-Cap./Brussels Hfdst. (BE)	216
4: Groningen (NL)	198
5: Hamburg (DE)	188
6: Praha (CZ)	172
7: Île de France (FR)	168
8: Stockholm (SE)	167
9: Bratislavský Kraj (SK)	167
10: Wien (AT)	163

Note: The comparison measures GDP per inhabitant, expressed in terms of purchasing power standards (in PPS, EU27=100).
Source: Eurostat, 2011.

Innovation Performance

Sweden is at the top of the list of 130 countries in innovation, according to the 2010 Innovation Capacity Index. In addition to an excellent innovation climate, Sweden plays an important part in the global economy as a driver for the private sector. Stockholm drives growth in Sweden.

Innovation Capacity Index rankings 2010-2011*

	ICI score
1: Sweden	80.3
2: Switzerland	78.1
3: Singapore	76.7
4: Finland	76.1
5: United States	74.8
6: Denmark	74.3
7: Canada	73.6
8: Netherlands	72.8
9: Taiwan	72.5
10: Luxemburg	72.2

*All rankings and scores are after rounding

Note: The Innovation Capacity Index is a composite of 50 indicators within 5 categories that is considered having a strong effect on the ability to create an innovative environment in a country.

Source: European Business School.

Environment

Stockholm was the first city to be named European Green Capital by the European Commission. The European Green Capital Award spanned over 2010, and has been created as an initiative to promote and reward the local authorities for efforts to improve the environment. The high level of commitment to genuine progress, environmental improvements and sustainable development has played a major role. Stockholm is ranked as the cleanest city in Europe according to Cushman & Wakefield.

Best cities in terms of freedom from pollution

	Rank 2009	Rank 2010
Stockholm	3	1
Copenhagen	6	4
Helsinki	4	7
Oslo	2	2

Source: Chushman & Wakefield, 2010.

Fast-growing technology companies

According to Deloitte's Technology Fast 500 EMEA 2010, an annual ranking list, Sweden was the big rankings winner, and became the third best represented country in EMEA. Sweden had 27 more companies than it had in 2009. Most of the Swedish companies included have their head office in the Stockholm region.

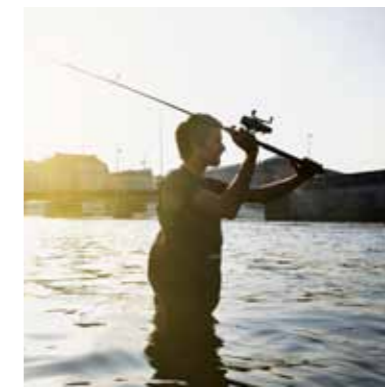
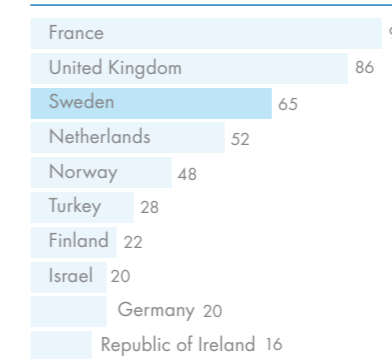


PHOTO: JENS ASSUR



PHOTO: YANAN LI

Ranked company represented by location



Source: Deloitte, 2010

Investments

Stockholm advanced towards the top in the ranking European Cities & Regions of the Future 2010/2011 from fDi Magazine and Financial Times. Stockholm is in fourth place in Europe, after London, Paris and Moscow. This means a climb of 21

places from the previous ranking in 2008/2009. The rankings are based on a number of criteria regarding quality of life, infrastructure, business climate and promotion strategy.

European Cities & Regions of the future, 2010/2011

1: London
2: Paris
3: Moscow
4: Stockholm
5: Barcelona
6: Dublin
7: Vienna
8: Frankfurt
9: Brussels
10: Edinburgh

Source: fDi Magazine and Financial Times

Stockholm business cycle



ICT
Sweden tops the rankings of The World Economic Forum's Global Information Technology Report 2009-2010. With this, Sweden passed Denmark in the ranking as the country with the best capacity to leverage ICT as an enabler of sustainable, long-term economic growth.

The Networked Readiness Index (NRI), featured in the report, also ranked Sweden at the top. This index examines how prepared countries are to use ICT effectively on three dimensions: general business, regulatory and infrastructure environment for ICT.



Most HQs in Scandinavia
Stockholm has strengthened its position as the main center of headquarters in the Nordic region. In a study made by ØresundsInstitutet, based on the location of the Forbes list of the 2,000 largest companies in the world, the greater Stockholm region has 49 percent of the Nordic headquarters, followed by the Øresund region's (Copenhagen-Malmö) 35 percent.

Total number Nordic headquarters per region

Region	2006	2009
Stockholm - Uppsala - Södermanland	45.3	48.8
The Øresund region/Copenhagen	40.6	34.9
of which Copenhagen	32.7	26.2
Gothenburg	6.3	7.9
Oslo	3.9	4.6
Helsinki	1.6	1.5
Others	2.4	2.4

Source: ØresundsInstitutet, 2010



Stockholm is Sweden's economically strongest county with the highest regional Gross Domestic Product (GDP). Stockholm County, with 21% of the country's population, accounts for 29% of the country's GDP. In other words, the Stockholm region drives Swedish growth and has faster development than the rest of the country.

Stockholm has responded to the global economic crisis well. Wages in the private sector have increased in the fourth quarter of 2010 by 6.2% compared to the third quarter of 2010. Although growth slowed down slightly in the third quarter, this gives a clear signal that the development of private sector revenue is on the upswing.

Fast-growing business center

Stockholm is the Swedish center for entrepreneurship and new business creation. During 2010, Stockholm reached a record high of 22,207 new businesses registered in the county.

More than every third of all new companies in Sweden are started in Stockholm County. New business creation per inhabitant is also considerably higher. As many as 8 out of 10 municipalities on the Top 10 list came from the Stockholm County.

Labor market

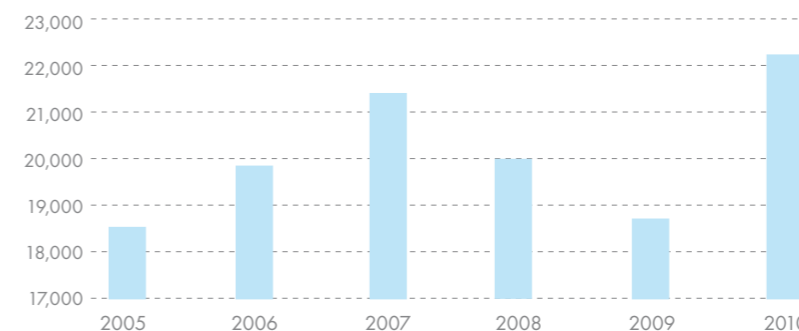
Stockholm's labor market is strong. Employment in Stockholm has increased every quarter during 2010, and the number of people being laid off has decreased. The actual as well as alternate unemployment rate reached the lowest level in over 1.5 years in the 4th quarter of 2010. During the same period, employment increased in Stockholm by a 1.1% and the number of available jobs increased significantly to reach the high score of 58%. The increase in population also contributes to both the increase in employment and the reason why unemployment levels aren't lower.

Population

The total number of inhabitants in Stockholm County increased in 2010. There were 35,161 new inhabitants in Stockholm County, which is the greatest increase since the post-war era excluding 2009.

At the end of 2010, Stockholm County had 2,054,343 inhabitants.

Number of newly registered companies



Source: Bolagsverket

The year in review – Love Stockholm 2010

Love Stockholm 2010

In connection with the city's celebration of the Crown Princess's wedding on June 19, Stockholm Business Region was responsible for managing public relations and some of the communication activities as well as the graphic concept. The event, which was called Love Stockholm 2010, lasted two weeks and attracted national and international visitors as well as many journalists. One of the aims of the event was to show the international media the breadth of the region's offering and strengthen the city's position as the Capital of Scandinavia.

Several receptions were held, including some at the Swedish Ship Götheborg and the Swedavia pavilion, with several hundred invited guests.

The Royal Wedding was a prime opportunity to showcase the very best of the Stockholm region. Over 2,000 accredited journalists visited Stockholm. The Foreign Ministry set up a Press Center, complemented with a Media Center provided by the city and a number of sponsors. The Media Center included workstations, 4G connectivity, information about all of the Love Stockholm 2010 activities and continuous reporting on events during the festivities.

With the wedding, the region garnered two times the international media



PHOTO: SBR



PHOTO: ELIAS LIND

coverage compared to the corresponding period in 2009. Coverage on the web reached nearly 800,000 articles in the first half of 2010. To take maximum advantage of the journalists' presence, the region offered seminars and sightseeing. Press conferences at Stockholm's City Hall and the Foreign Ministry offices were held before and during the event. Topics discussed at the seminars included the region's environmental efforts, the

wedding's effects on business and the region's fashion and design interests, among them, the world-renowned Stockholm Fashion Week. Foreign correspondents were given the opportunity to not only take in the region's beautiful nature, but also its history and city planning. Printed and video material produced for the media highlighted statistics, interviews and environmental images. These materials were requested by 25 broadcasters from 18 countries. Stockholm Business Region was also responsible for surveys conducted during the period of public, press and sponsor opinion. These were summarized in a report which was presented in the autumn 2010.

Media activities

The Royal Wedding was covered by the major news agencies, and no less than 45 television broadcasters. The top German broadcasters ARD and ZDF aired about seven hours from the wedding as well as more than three hours of reportage recorded earlier in the year. The Nordic television channels and most players within the European Broadcasting Union were in Stockholm to cover the big event. American CNN broadcast three major features on Stockholm and the wedding. Overall, the value of all the coverage in international media is estimated at SEK 2.5 billion.



Stockholm – The first Green Capital ever

The year in review



PHOTO: STERAN SJÖDIN, FORTUM

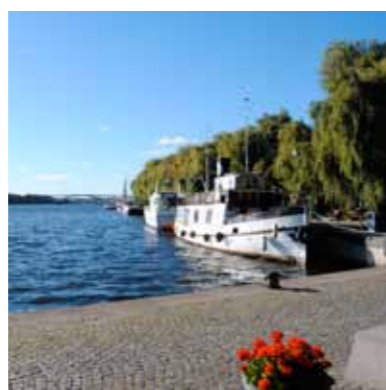


PHOTO: ULIA HAWITON

environmental efforts. The aim was that these ambassadors would lead the way in lifting the region as an example in environmental progress in 2010 and act as inspiration for other cities and regions long into the future.

These ambassadors and other city employees with the task of showcasing the region's environmental leadership were provided with strong communications support. Information material was developed in Swedish and English. Importantly, the information also stressed the brand values encapsulated in Stockholm - The Capital of Scandinavia.

Forty-four officials and city management employees participated in education. About 70 Stockholm Business Region employees were educated with a condensed version of material. A fact book was also produced. Over 10,000 copies have been distributed, and it will continue to be used to disseminate knowledge about Stockholm's environmental work.

Stockholm – The first Green Capital ever

Stockholm became the first city ever to be named European Green Capital in 2010 by the European Commission. Many activities were held throughout the year to highlight the award. Stockholm Business Region was responsible for education of the city's environmental ambassadors, which includes elected city officials and management employees that could help to promote the city's



PHOTO: JENS ASSER

Expo 2010 – International exhibition in Shanghai

On June 10-12 and October 28-30, the region participated in Stockholm Days at the Sweden Pavilion at the World Expo in Shanghai. In June, the region focused on innovation, sustainable development and education. In October, the focus was on the hospitality and creative industries. Involvement in the event was significant in further promoting Stockholm - The Capital of Scandinavia and the region as an attractive option for entrepreneurs and investors. Special PR activities showcased innovative ideas from the region, which received broad coverage in leading Chinese media.

The Terracotta Army exhibit

On August 28, a unique exhibition was opened in an equally uncommon setting. Parts of the famous Terracotta Army from the Xi'an province in China was showcased in the subterranean chambers of the East Asian Museum on Skeppsholmen in Stockholm. The exhibition focused on the Qin and Han Dynasties. None of the objects had been previously exhibited in Sweden, and the objects from the Han dynasty had only been on show previously at a few select places in Europe. The exhibition attracted over 350,000 visitors, making it the most popular temporary exhibition in Sweden. As such, Stockholm has also gained a new venue for temporary world-class exhibitions.



PHOTO: KARL ZETTERSTROM



PHOTO: FOTOGRAFISKA

in the coming year. Of the 2,000 largest companies in the world, 301 are represented in Scandinavia. Of these, 49% have opted to locate their headquarters in Stockholm. In 2010, one of the companies joining our ranks was Japanese ICT company Kyocera.

Opening of Fotografiska

Fotografiska is a new international meeting place for anything related to photography. The museum has a broad offer, from courses at its photography academy, workshops for amateurs and professional photographers, exhibitions, shop, bar and restaurant. From the simplest to the most spectacular and inspiring shows, the museum is a great place to experience photography's infinite capacity of expression and meaning.

The best year for congresses ever!

From the 1st of January 2010, Congress Stockholm and Meet Stockholm merged under the name of Stockholm Convention Bureau, a designation well known among international clients.

2010 became the best international meetings year ever, with a total tourist income effect of about SEK 2,400 million. This is credited mainly to two major meetings, the European Society of Cardiology and The European Association for the Study of Diabetes, which attracted a total of almost 45,000 delegates.

New tourist center

During 2010, the Stockholm Tourist Center (STC) moved to a new location next to Stockholm Central Station. Through new techniques, Scandinavian design and state-of-the-art service, the new STC will inspire visitors to explore the fantastic Stockholm region even more.

All time high for headquarters

Efforts to attract more headquarters to the region continue and will intensify

Cleantech Forum Paris

Stockholm Business Region hosted a presentation of Stockholm's environmental efforts as part of the seminar program. There was a panel discussion in which, among other participants, Nicholas Buchoud from Ile de Paris and Stockholm-based cleantech venture capitalist Andre Heinz, gave their acknowledgement to Stockholm's environmental work.

Opening of SkyView

SkyView takes the appeal of Stockholm to all new highs. A glass gondola transports passengers on a breathtaking journey to the top of the world's largest spherical building, Ericsson Globe Arena. With a magnificent view of Stockholm, 130 meters above sea level, SkyView is an activity not to be missed. It also brings an added value to the arena district and for its further development to a total entertainment experience.

In tip-top shape for businesses and entrepreneurs

During the year, efforts have continued to sharpen the service to businesses with Stockholm Business Region Development's Business Coordinator. The Business Coordinator helped with 358 errands during the year.

Come to Stockholm

In cooperation with Scandic Hotels, SJ and VisitSweden, the biggest yet consumer-focused marketing campaign was launched in Norway and Denmark



PHOTO: SÖREN ANDERSSON

in the first half of the year. With the theme Come to Stockholm, the campaign ran in a number of channels, including traditional outdoor advertising in Oslo and Copenhagen, advertising on the web, PR, competitions and activities on Facebook. Part of the campaign was also targeted at the region's locals to create Stockholm ambassadors through a competition. This included the world's at present largest Facebook ad projected on the Ericsson Globe.



PHOTO: SBR

MIPIM

The region's distinction as the first ever European Green Capital dominated communications at the yearly real estate exhibition in Cannes. Over 17,500 participants from 81 countries attended the fair. Representation from Stockholm was good, with 20 partners from construction and real estate and 16 municipalities participating. The breakfast seminar attracted nearly 300 people to hear speakers' views on the environment in relation to the economy and growth, as well as the positive effects of a sustainable approach on urban development. Klas Eklund, Senior Economist at SEB gave his views on Sweden's economy from a macro perspective.

Sonisphere Festival

Sonisphere Festival was established in 2009 and subsequently received the award "Best New Festival" at the 2009 UK Festival Awards. In 2010, the



PHOTO: SHUTTERSTOCK

festival was held in Stockholm and attracted nearly 50,000 people. The tourists attending spent a total of SEK 95 million in the region.

Tourist information officers on bikes

In true Green Capital spirit, tourist information in the form of directions, maps and brochures was handed out by tourist information officers biking between attractions during the summer of 2010. This service received positive attention from visitors as well as the press.

Swedish Workshop

The Swedish Workshop, hosted by VisitSweden, is held every other year. In 2010, it took place for the second time in a row in Stockholm. More than 100 tour operators from all target markets participated in the workshop in late May. The workshop inspired many productive meetings between

tour operators and the Swedish representatives.

New websites and domains

Two new websites have been developed to give added value to companies, investors and multipliers. The goal is that the sites will lead to an increased number of contacts with key stakeholders. These sites have also been given new domains. Targeted to local businesses, www.stockholmbusinessregion.se is intended to raise awareness of city services. www.investstockholm.com is namely for investors and multipliers. The purpose is to generate more leads and deepen relationships with qualified visitors. Both sites market the region's strengths in innovation as well as its position as the leading growth engine in Northern Europe. The tourist website www.stockholmtown.com received a new domain and changed its name to www.visitstockholm.com.

Every year in Stockholm:

DN Galan, IAAF Diamond League
 Elitloppet
 If Stockholm Open
 LG Hockey Games
 Polar Music Prize
 Royal Palace Sprint
 Stockholm Culture Festival
 Stockholm Furniture Fair
 Stockholm International Film Festival
 Stockholm International Horse Show
 Stockholm Jazz Festival
 Stockholm Marathon
 Stockholm Pride
 The Nobel Prize
 Winter Jam
 World Water Week
 XL Galan

Now is the time!



PHOTO: CILIA LINDQVIST

During the year, Stockholm reached a new peak in the number of new companies, while business closures fell. The positive trend is reinforced by an increasing population in the region, mainly due to an influx of new residents. For those of us who work with business services and investment promotion, it is most important of course that companies locate and expand here.

Through our investment promotion activities, we attracted 56 new foreign investments to the region during the year, accounting for 44% of all investments in Sweden. These foreign investments are estimated to create or safeguard over 700 jobs. Most investments were start-ups or cooperative ventures in ICT and cleantech. With continued efforts towards investment advisers,

Stockholm was named Europe's fourth hottest investment location in the ranking "European Cities and Regions of the Future" (Financial Times / fDi Magazine). Thanks to Stockholm Business Alliance Partnership, with 50 member municipalities, there are opportunities to sharpen our investment promotion even more.

The appointment as the first European Green Capital 2010 brought much attention to Stockholm. During the year, we initiated work on the innovation center project in Stockholm's Royal Seaport, where the aim is to match innovative environmental solutions with real estate companies that have received land allocation in the area. Another new project is the Climate Pact, which endeavors to get companies to reduce energy consumption and think sustainability.

Sustainability was also the theme of World Expo 2010 in Shanghai, where Stockholm participated with great success at the Sweden Pavilion on June 10-12 and October 28-30. The focus was on innovation, sustainable development and education. Stockholm's involvement gave us the opportunity to promote the brand Stockholm - The Capital of Scandinavia as well as the attractiveness of our region

for entrepreneurs and investors. More than 73 million visited the World Expo, among them 3.5 million visited the Sweden Pavilion.

In 2010, Stockholm Business Region Development visited 500 companies in the region to deepen relationships, increase knowledge of business needs and improve contacts between the municipalities and industry. We have also had contact with a further 3,138 companies to make them aware of the city's e-navigation service. During the year, this program registered 355 cases.

In late September, Stockholm Business Region Development launched new websites, with a new technology platform, design and content, in order to improve our services to investors and entrepreneurs. Through the new sites and results-oriented work, we continue our efforts to increase growth in the Stockholm region and offer a world-class service!

Anna Gissler
CEO

Stockholm Business Region Development

Stockholm Business Region Development – world-class services to investors and companies

Stockholm Business Region Development (SBRD) is the official investment promotion agency of Stockholm. The principal areas of focus are business service, introduction to relevant contacts in trade and industry, investment promotion and the development of Stockholm as a location for the establishment of business.

News 2010

In order to provide even better service to investors and local businesses, SBRD's two websites were re-launched during the year, www.investstockholm.com and www.stockholmbusinessregion.se.

With Stockholm in focus as the first European Green Capital 2010, there have been many inquiries to visit the city. These visits and inquiries related to being awarded the first Green Capital ever have helped to support SBRD's efforts to attract foreign investors as well as partner innovators and builders in cleantech around the innovation center at Royal Seaport.



PHOTO: JEPPE WIKSTRÖM

Investment Promotion

SBRD works long-term with the marketing and development of Stockholm, as well as to promote the Stockholm region as a business destination for foreign companies. SBRD assists and informs corporate investors about business opportunities in the Stockholm region. There is also advice and practical assistance provided, free of charge, to companies setting up or expanding business in Stockholm.

Business Services

SBRD assists companies, through the Business Coordinator program, with the practical details of starting businesses in the Stockholm region. This can include assistance in finding facilities, land, permits and other essential tasks. Introductions to relevant contacts and support in identifying entrepreneurs and innovative companies for possible joint ventures or other forms of cooperation can also be arranged.

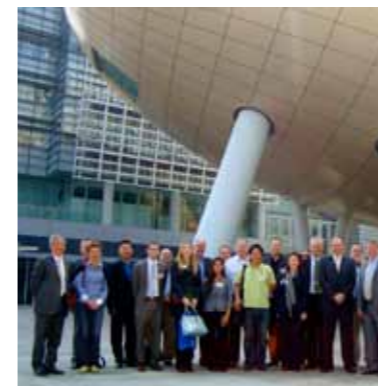


PHOTO: SBR

Developing business contacts

Building contacts within companies based in Stockholm is another area of focus. SBRD visits companies, attends meetings and trade fairs, participates in business groups, committees and organizations, in addition to building links through its Advisory Board. The yearly Stockholm Meeting and regular breakfast seminars for business people are other activities that are run by SBRD. A newsletter, *Företagsplats Stockholm*, is published regularly and covers relevant questions for businesses in the Stockholm region. There is also a

specialist publication, *Stockholmskonjunkturen*, which follows the Stockholm region business cycle.

Developing Stockholm as a business place

SBRD works with trade and industry and other governmental players to develop Stockholm as a business place. This work includes encouraging improvements in traffic, parking, street cleaning, waste management, and marketing. Marketing is primarily focused on specific target business areas such as ICT, life science, banking and finance, cleantech, as well as fashion and design. There are often links between these fields. Kista Science City (ICT), Karolinska center (life science) and Stockholm Royal Seaport (cleantech), Skärholmen (commerce), Telefonplan (design/creative) and Vision Johannessov, the area around Stockholm Globe Arena (experience) are examples of specific locations that are being developed as clusters.



PHOTO: YANAN LI

10 million overnight stays



PHOTO: GILJA LINDQVIST

2010 was a historic year for Stockholm's tourism industry. This is not only because we hosted the Royal Wedding, or were celebrated as the first European Green Capital, nor because we had two exciting new attractions (Fotografiska and SkyView). 2010 goes down in history as the year Stockholm had over 10 million overnight stays. Few European cities can claim this. Since 2000, the number of overnight stays in Stockholm increased by 41%, and we are by far the largest visitor destination in Scandinavia.

In 2010, we were involved in the making of "The National Strategy for Swedish Hospitality". The vision is to focus on doubling the scale of our

tourism industry in the next ten years and, as such, become a basic industry in Sweden. Stockholm, the leading tourist destination in Sweden and engine for the Swedish hospitality industry, faces new challenges for continued growth. Together with SHR (Swedish Hotel and Restaurant association) and Visit Sweden, we have begun the work of what we call the Stockholm strategy, our regional plan for future ventures in the hospitality industry.

During the year, we also reviewed our efforts to attract tourists to the Stockholm region. From this, we have concluded to focus marketing on fewer markets while also increasing our spend on direct marketing to consumers, particularly via the website www.visitstockholm and through social media. To increase the number of international tourists, we will concentrate our efforts on seven volume markets – Germany, UK, USA, Italy, Norway, Finland and Russia – and our service to tour operators and media for an additional seven markets. Increasing consumer activity in social media gives us the opportunity to conduct more direct campaigns, as we did with "Love is in the air" targeted to the HBT segment.

In connection with the Love Stockholm 2010 festivities, our press office gave its all to help provide information and content to the magazines and broadcast media covering the event. The Royal Wedding contributed to the increase in travel to Stockholm during the summer. In a survey conducted in July, 6% of visitors indicated the wedding as their reason for visiting Stockholm.

2010 was also historic for the congresses held in the region. Two major international medical congresses took place in Stockholm during August-September. Another major event was the relocation of the Tourist Office in September to premises closer to incoming tourists, Stockholm's Central Station. During the summer, our cycling tourist information officers were a great success. We plan to expand this service significantly next year.

A handwritten signature in blue ink, appearing to read "Peter Lindqvist".

Peter Lindqvist
CEO, Stockholm Visitors Board



Stockholm Visitors Board – developing Stockholm as Northern Europe’s leading travel destination



PHOTO: HENRIK TRYGG

Leisure Travel

Leisure travel is an important element in building the reputation of a location. If a destination is not considered to be an interesting place for leisure, it will be seen as a less attractive destination for business travel.

The number of foreign overnight stays rose to 3.2 million, which is also the highest figure ever. The number of day trips was 5 million in 2010. Leisure travel has been increasing steadily and will have greater impact in the coming years. The number of private overnight stays has gone up every year, even during recession years, with a total increase of 65% over 10 years.

The increase in tourism is namely in leisure travel enhanced by better availability of flights to Stockholm’s three major airports. In 2010, the number of arriving and departing passengers from

Arlanda and Bromma Airports had an increase of 4.2% compared to 2009.

Citybreaks, which are short vacations to cities, are one of the fastest growing product areas, a trend that will continue to grow. Working with companies and organizations in Stockholm and abroad, direct marketing campaigns have been focused on prioritized markets and select target groups for leisure travel. The target groups are divided into three main categories: consumers, travel trade and media. Prioritized markets are cities in Europe, Russia, China and the United States, as well as groups that were identified via the Stockholm Gay & Lesbian Network and Stockholm Cruise Network.

Two examples of leisure travel campaigns in 2010 were Swedish Cities and Love is in the air. Swedish Cities was an online campaign with integrating local PR activities and social media. The campaign

was driven in cooperation with VisitSweden, Swedavia (the Swedish airport authority) and Gothenburg, and implemented in Germany, Italy and the UK. Stockholm Gay & Lesbian Network participated in the SAS campaign Love is in the air in conjunction with VisitSweden. The campaign idea was centered on voting for the first gay couple to get married in the air. 120 million people are estimated to have heard of the campaign which featured in blogs, Facebook and other social media as well as newspapers and TV.

In addition to on- and offline campaigns, SVB is actively involved in selected trade fairs and workshops, media relations and organization of special trips to the Stockholm region for agents. In 2010, we greeted more than 3,000 agents and 750 journalists.

Stockholm Convention Bureau

The overall goal for the Stockholm Convention Bureau (the name was changed from the first of January 2010 from Meetings and Congresses) is for Stockholm to be the first choice for various types of international meetings in Northern Europe.

Congresses and corporate meetings generate employment opportunities and significant revenue. They are also an excellent opportunity for researchers and developers in business, industry and academia to gain recognition.



PHOTO: YANJIAN LI

Some 150 international association meetings were held in Stockholm in 2010, including the European Society of Cardiology and The European Association for the Study of Diabetes – the two biggest association congresses in Europe. In total, about 445,000 delegate days were generated with a total economic impact of SEK 2.2 billion, an all time high for Stockholm. The development of international corporate



PHOTO: YANJIAN LI

meetings was stable and an increasing number of delegates attended meetings.

The corporate meetings generated some SEK 210 million according to statistics. However, considering an inadequate system of assimilating statistics within this segment, it is postulated that the income generated could be as high as SEK 900 million.

Events

The Stockholm region has many events – on average, hundreds of events on any given day. Many of the events have an international prestige and are covered widely by the media, which is an important element in marketing the region.

Total revenue from tourism in Stockholm County was approximately SEK 22 billion, of which events generated SEK 5 billion. This revenue brings employment opportunities and

new business to the region. Promotion and marketing aim to support the goal of achieving a world-class position in events and experiences by 2030. Two main areas for the Events department are Event Coordinator City of Stockholm and Stockholm Event Network.

Event Coordinator works actively to develop events arranged in Stockholm, as well as to facilitate the work of event promoters. To ensure that Event Coordinator work can continue to develop, a survey has been conducted to measure areas for improvement. To date, the results have been positive.

Stockholm Event Network works actively to market Stockholm as an event destination as well as to raise the level of cooperation with event promoters for international events such as sport, entertainment, culture and trade fairs.

SVB has been involved in the realization of 96 events in Stockholm during 2010. Of those, 30 were international.

Satisfied Customer Index (SCI)

Efficiency	86
Availability	85
Competence	83
Information	80
Overall SCI	82



PHOTO: ROBERT HOGUND

Media

750 journalists from nearly 30 countries visited the Stockholm region in 2010, covering various aspects. Media visits included ten guidebooks, among them Petit Futé, 52 weekends and Eye Witness Guide.



PHOTO: NICHOLAS SOUING

The Crown Princess' wedding kept Stockholm in the spotlight throughout the year. More than 120 media representatives made special reports on events before, during and after the wedding, among them, German Elle Decoration, Schöner Wohnen, Helsingin Sanomat, Donna Moderna, CNN and French Point de Vue. European Green Capital interested over 40 journalists, including Geo Saison, Politikken and Le Nouvel Observateur.

Articles on design, fashion and architecture are among the most popular media angles. Close to 60 media representatives from magazines like IDEAT, Country Homes, Elle Deco, Interni and Divaani published major articles on the 'trendy' Stockholm region. The success of Stieg

Larsson's Millennium trilogy continues to create interest in the region – especially in the USA. The American National Public Radio and in Britain, The Sun, BBC and The Sunday Telegraph, were among the 60 media channels featuring the Millennium.

Tourist Services

Tourist Services works to ensure visitors get the most out of their stay in Stockholm, and offers a marketing platform for tourist attractions, products and services.

Tourist Services offered via a number of channels

Stockholm Tourist Center (STC) provides information and guidance to Stockholm attractions. In 2010, 655,000 visitors received assistance with, for example, booking tickets for various activities, booking hotel rooms, purchasing the Stockholm Card, brochures and information about sightseeing attractions. STC also runs tourist centers in the ports during season.

The Stockholm Card

The Stockholm Card is a strategic marketing tool that has helped to create the perception of Stockholm as a price worthy destination. Entrance fees to most Stockholm attractions are included in the price of the card as well as travel by public



PHOTO: ERIK O SVENSSON

transportation. Encouraging visitors to use public transportation also supports environmental goals. The Stockholm Card generated 920,000 visits to the city's museums and attractions during 2010. This was an all-time high since the card was introduced in 1989.



PHOTO: BJÖRN LOFERUD

Stockholm knowledge

Every year, Tourist Services arranges a course in Stockholm knowledge. In 2010, approximately 100 people from different companies took part in the education. The participants become important ambassadors, giving tourists and other visitors to Stockholm a positive picture of the city including the brand Stockholm – The Capital of Scandinavia.

SVB is the licensing authority for Stockholm's official guides. Providing guides for tourists in general and for visitors at international congresses, meetings and events is important to making their visits truly worthwhile and imparting a positive attitude towards the region.

Stockholm Panels, Stockholm's interactive guides, can be found at 350 different places around the city. These panels allow for a live chat function during office hours, where tourists can ask questions and get answers directly from tourist information officers. SVB works with Swedavia, the Swedish airport authority, to maintain the Arlanda Visitors Center, the tourist information sites at Stockholm Arlanda Airport Terminals 2 and 5. During 2010, approximately a million visitors were served by the Arlanda Visitors Center.

Facts and figures – Stockholm Visitors Board



PHOTO: NICHOLAS SÖDERLING

International congresses and convention

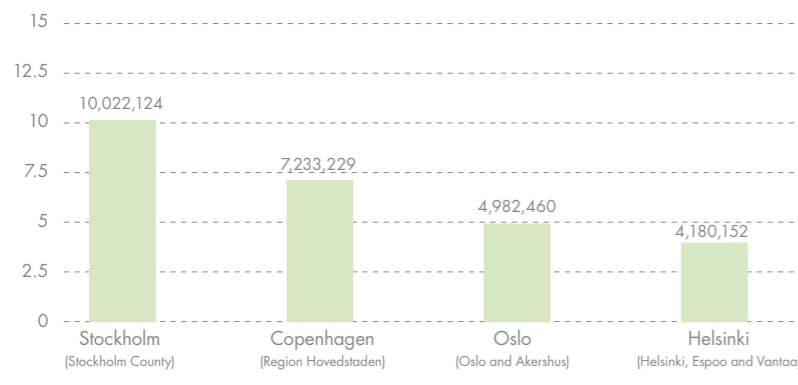
Stockholm is one of the world's most popular cities for congresses. According to the International Congress and Convention Association, Stockholm was ranked as the seventh most popular congress city in the world in 2009.

Ranking for 2009

- 1: Vienna
- 2: Barcelona
- 3: Paris
- 4: Berlin
- 5: Singapore
- 6: Copenhagen
- 7: Stockholm
- 8: Amsterdam
- 9: Lisbon
- 10: Beijing

Source: ICCA, 2009

Commercial overnight stays 2010, millions

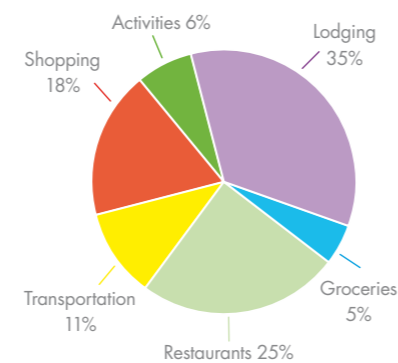


Source: Swedish Agency for Economic and Regional Growth and Statistics Sweden, Visit Denmark, Statistics Norway, Statistics Finland

Turnover in Stockholm County and City of Stockholm

In 2010, turnover from the hospitality industry was estimated to be almost SEK 22.1 billion in the county, of which SEK 13.7 billion was from the City of Stockholm. Since 2000, the turnover from the hospitality industry has increased by about 80% in Stockholm County, and by 86% in the City of Stockholm. Visitors spent the most on lodging (35%), followed by restaurant visits (25%). Since 2000, these categories have also accounted for a larger portion of visitor spending. Visitors to the City of Stockholm spent more on accommodation, shopping and activities compared to visitors to Stockholm County.

Turnover figures from Stockholm County 2010



Source: Resurs



PHOTO: HENRIK TRYGG

Stockholm Business Alliance – a partnership

Globalization has brought increased competition between cities and regions for business, investment and visitors.

The partnership, Stockholm Business Alliance (SBA), was formed in 2006 to strengthen the region's competitiveness through active cooperation among neighboring municipalities as well as businesses, trade and industry. SBA works under the common brand Stockholm – The Capital of Scandinavia.

A new agreement for 2011-2015

A new agreement defining the mutual responsibility of all partner municipalities was signed during 2010 for another five-year period. The number of municipalities included in the network has increased to 50, encompassing about 3.5 million inhabitants. The region's development requires that everyone participate intently, with consideration of varying local conditions. The agreement also affirms a common goal of local growth as well as driving foreign investment. Stockholm Business Region (SBR) has the responsibility of implementing the tasks agreed by the region's partners.

Business services

Every second year, a survey is conducted to follow up on the quality of service provided by the municipalities. Six seminars were held covering fire safety inspections, liquor licensing and land use. Approximately 100 representatives from the various administrations



PHOTO: ABB

participated. Outcomes of the seminars were documented in a report, pinpointing areas for development locally.

In 2010, many municipalities have increased their efforts to develop local services, among them improved building processes.

Furthermore, in order to find better ways to act on results, a steering document has been formulated for service surveys in 2011. At the same time, stronger cooperative efforts with regional and local authorities are intended to effectively increase the number of municipalities conducting surveys. Next year, 166 municipalities in Sweden (of 290) will be involved.

Marketing and communication

The stronger the common brand Stockholm – The Capital of Scandinavia, the more successful the region is in influencing international investors, opinion leaders and lobbyists.

In 2010, new press materials suitable for international media, in all its forms, were produced and distributed. Seven press kits were developed in focus areas such as healthcare robotics, life science and ICT. Special promotional efforts were made in connection with the Stockholm days at the Shanghai World Expo, which received broad coverage in leading Chinese media.

Altogether, promotional efforts, press visits and press releases from this cooperation resulted in about 200 articles featuring the brand messages in Swedish and international media. Designed to disseminate information to international investors and opinion leaders on investment opportunities in the region, the newsletter Invest in Stockholm had an increase in subscribers from about 400 in 2009 to just over 700 in 2010.

SBA also arranged a seminar for partner municipalities to address communications issues.

Investor Services

In 2010, the focal point was on working with potential foreign investors in specific areas: ICT, life science, automation, cleantech and financial services. These are sectors where the region excels, at home and on an international level, and would clearly bring advantage to investors or new businesses.

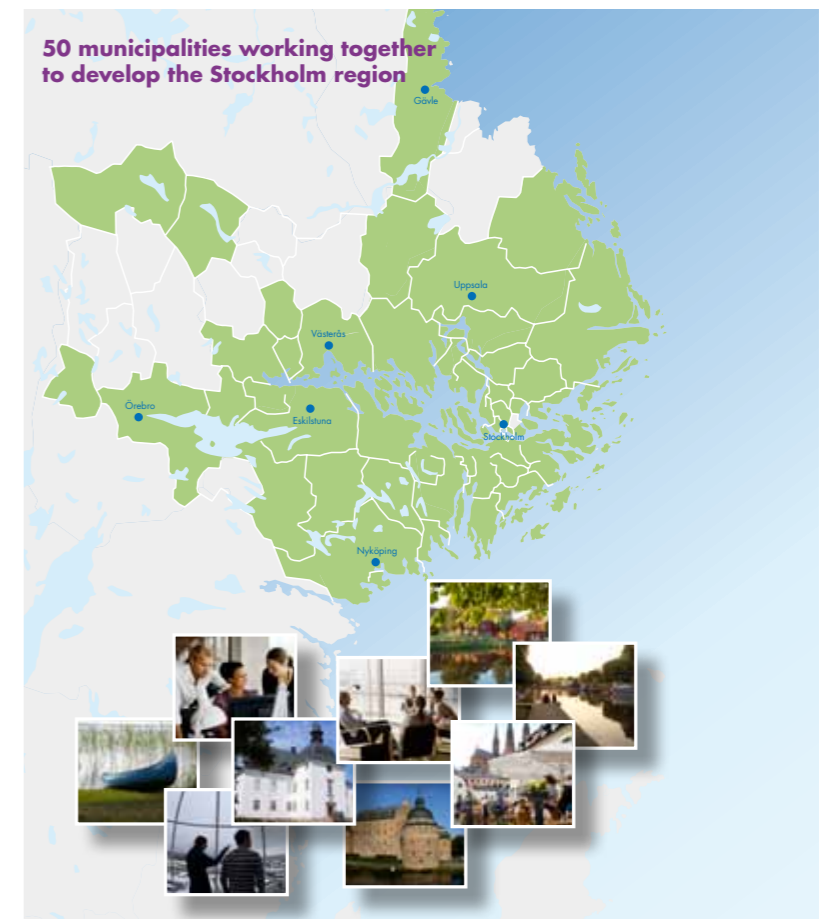
Hospitality and logistics are other sectors that can be of interest for foreign investors.

SBA has endeavored to package investment possibilities in these areas, in partnership with the municipalities that have been identified as leaders in the respective sectors. These packages are directed at potential investors as well as people, businesses and organizations that can influence them. There were 250 face-to-face meetings with potential investors and investment advisors during 2010, held at road shows, fairs and investment seminars.

In 2010, there were 183 investments (compared to 160 in 2009), 56 of which SBA has been involved in. 44% of all investments made in Sweden in 2010 were in the Stockholm region. The most investment came from China (23%) and Europe (23%), followed by USA (20%), Japan (18%) and India (16%). The sectors that saw the most investment were ICT (20%), cleantech (20%) and life science (14%).

Benchmarking

Developments and economic growth are continuously monitored in the region as well as others to evaluate Stockholm's performance in an international perspective. The Stockholm region had a very positive development in 2010.



Arboga	Heby	Ludvika	Sollentuna	Upplands-Bro
Botkyrka	Huddinge	Nacka	Solna	Upplands Väsby
Ekerö	Häbo	Norrälje	Stockholm	Uppsala
Enköping	Järfälla	Nykvarn	Strängnäs	Vallentuna
Eskilstuna	Karlskoga	Nyköping	Sundbyberg	Vaxholm
Flen	Katrineholm	Nynäshamn	Surahammar	Värmdö
Gnesta	Knivsta	Oxelösund	Södertälje	Västerås
Gävle	Kungsör	Salem	Trosa	Örebro
Hallstahammar	Köping	Sigtuna	Tyresö	Österåker
Haninge	Lidingö	Smedjebacken	Täby	Östhammar



Lena Häggdahl, Director of Administration, Peter Lindqvist, CEO SVB, Olof Zetterberg, CEO SBR, Monica Ewert, Director of Communications, Anna Gissler, CEO SBRD



Christian Carlsson (KD), Cecilia Obermüller (MP), Sanna Fransson (S), Birgitta Dickson (M), Karl Bern (FP), Lise-Lotte Fylking (M), Göran Johnsson (S), Birgitta Borg (KD), Hans Jeppson (M), Anders Frostell (FP), Erica Wright (MP), Anders Wallner (MP), Sten Nordin (M), Ulla Hamilton (M), Joakim Gräns (M), Madeleine Raukas (M), Annika Elmlund (M), Olle Hammarström (S), Hans Kilsved (S), Gunvor Waldenström (FP), Per Ankersjö (C)

(FP= The Liberal Party, KD=The Christian Democratic Party, M= The Moderate Party, MP= The Green Party, S= The Social Democratic Party)



PHOTO: NICHOSODNING



PHOTO: YANAN LI



PHOTO: GETTY

Stockholm – The Capital of Scandinavia

There are many reasons why Stockholm is the natural Capital of Scandinavia. One is that Stockholm is positioned at the heart of the region, and enjoys the benefits of a world-class transport infrastructure. Another is that Stockholm is the largest city in the largest country in Scandinavia. It is also where you find the most multinational companies, the largest stock market and, not least, the most visitors. People come to Stockholm for the food, the design and the music. Stockholm also offers a unique range of galleries and museums, and every year the eyes of the world are on Stockholm when the Nobel Prizes are awarded. Welcome to Stockholm – The Capital of Scandinavia.