

**Gullers Grupp**  
**Information Counselors**  
Annual Report 09|10





## A changing world

Gullers Group emerged on the Swedish public relations scene 21 years ago. Our industry has evolved over the years and looks completely different now. Today, PR is a mature business that is subject to tough competition and severe price pressure. A number of agencies are growing bigger and bigger in size and those that stand still are perceived as falling behind.

In Sweden, Gullers Group has the reputation of being the market leader in public sector communications for government agencies and municipalities. At the time this is written, we have around general agreements with 40 public agencies, including the National Board of Health and Welfare (Socialstyrelsen), the Swedish Government and its offices (Regeringskansliet) and the Riksdag (Swedish Parliament). The competition increases every year for these agreements and it is not uncommon today to have around 60 companies bidding to win these large public commissions.

As in all mature businesses, recognition is more and more important. In the PR industry, a number of large agencies are now clearly positioning themselves and their brand. We are observing this in the form of spectacular recruitments of “big shots” from the world of politics and the business community and a growing number of PR activities that agencies are conducting in their own name.

As the competitive climate gets tougher, many agencies are trying to cut their production costs by using clearly defined processes and models that larger and larger staffs of junior employees can follow. Simply put, services are becoming “industrialized”.

Gullers Group has to cope with these trends. But we also aim to maintain our special character – our distinct profile as a seasoned agency that can leverage its experience and tailor services to meet the special needs of each customer, in each particular situation.

We are also mobilizing our forces in-house by assigning specific areas of responsibility to the members of Gullers Group’s new Executive Management Team: Anette Brifalk is now responsible for New Markets; Annika Sjöberg is in charge of Internal Efficiency and Birgitta Klingberg is managing our Operational Development.

Our focus is to deliver communication services that produce measurable results. At the same time, we are striving to ensure that Gullers Group will remain a premium brand among Sweden’s communication agencies in the future.

Fredrik Runsiö.  
Managing Director of Gullers Group  
as of September 1, 2010



## Ten years with Gullers Group

A decade ago Gullers Group stood on the threshold of a new century. We were 13 information advisors who worked primarily with the production of newsletters, brochures, reports and press releases.

Today, we are 50 communication professionals and Sweden's leading agency for strategic communication services. For ten years, we have been the highest ranked agency each year in terms of strategic competence, as measured in the "Agency of the Year" survey conducted by Sweden's largest business newspaper, Dagens Industri.

In ten years we have broadened and deepened our offerings. During this period, we have acquired eight small PR agencies, each specialized in a particular field, such as research, the healthcare sector and crisis management communications. Our latest acquisition is the Bacon advertising agency. We have also recruited a number of skilled specialists in branding, media relations and digital media.

In many respects, our own growth reflects the development of the Swedish PR industry in general. Today, PR agencies often function as strategic communication advisors to management groups. Twenty years ago, advertising agencies were the prime advisors.

During the past ten years, we have observed how different PR tools have strengthened their

position in relation to advertising and purchased media. This trend has been further intensified by the development of digital media, an area best managed by PR agencies for natural reasons.

The market and politics are also becoming increasingly similar. The political world is transforming into a market in which constituencies change easily. Parties and party leaders are just as much brands in elections as they are bearers of ideologies.

The market is also becoming more and more like politics with consumer demands for CSR codes, core value work, and at the far end of the spectrum, good corporate citizenship.

In this new landscape, PR agencies with people who have often been working in politics and business have a given role as advisors. Over the past ten years, Gullers Group has focused on staying in the front line of these developments. We also aim to stay there in the next ten years.

Hans Gennerud.

Managing Director from September 1, 2003 until August 31, 2010

# Administration Report

## Billings and earnings

Agency revenues totaled SEK 48.1 M (45.9), an increase of approximately 5 percent. Operating income after financial items was SEK 0.03 M (2.9). Net billings amounted to SEK 56.7 M (56.4).

The past year was characterized by a strained economic situation in Swedish society and the world. Despite the recession, we increased our agency revenues and dared to expand our business. Our profit declined as a result but we stand well equipped for the coming years.

Gullers Group has always chosen long-term success before short-term profits. However, our profit for the year was much lower than expected and what we strived for. The reasons were higher costs, pressed prices for commissions and our own expansion activities, which included an acquisition and the recruitment of new staff.

There were no bad credit losses in fiscal 2009/2010, and as in previous years, we had no disputes with clients.

Added value per employee was SEK 987,000 (1,000,000).

## Our clients

We served 200 clients during the year. Half of our agency revenues were generated by the public sector and the other half by the private sector. Gullers Group has thus maintained its position as the Swedish market leader in communication services for public agencies. We are being awarded an increasing number of projects by Swedish municipalities and county councils outside the Stockholm region and this trend continued in 2009/2010. Projects in the private sector were dominated by assignments for companies operating in sectors where public relations are important, for nongovernmental organizations (NGOs) and for trade unions and trade organizations. Clients outside Sweden accounted for about the same low percentage of billings as last year.

Our goal to build long-term client relationships continues to be successful. For example, the frequency of repurchased services was 100 percent for our ten largest clients, indicating that all ten major clients from the preceding year were also our clients this year. Clients that we have worked with for many years are generating the bulk of our revenues.



Sandra Landgraff Molander, Henrik Otterbeck and Gill Rohman.



Fredrik Larsson, Eva Ramberg and Ingaliill Axdal

Our client structure is very stable. The ten biggest clients in 2009/2010 accounted for approximately 25 percent of our agency revenues. Twenty-five clients generated about 50 percent. The 25 largest clients are all regular purchasers of services.

We have long-term contracts with all of our largest clients.

As in the previous year, we bid on a large number of commissions in competition with other agencies and won almost half of them. Our “hit rate” remains firm, although we are seeing how the competition is increasing and especially how prices are being pressed.

Notable general agreements awarded by clients during the year included contracts with the Swedish International Development Cooperation Agency (Sida); the Culture Administration of Stockholm City (Stockholm Stads Kulturförvaltning); the National Agency for Special Needs Education and Schools (Specialpedagogiska skolmyndigheten); FMV, the Swedish Defense Materiel Administration (Försvarets Materielverk); Region Dalarna, the regional cooperation council for the Dalarna region of Sweden; the municipalities of Värmdö and Nacka in the Greater Stockholm region, and the Swedish Consumer Agency (Konsumentverket).

When we sign general agreements with clients, we can structure our assignments on a long-term basis. This is of great professional and economic value to Gullers Group. Long-term relations also benefit clients since they gain direct access to expert advisers who are well prepared to manage different types of projects for general agreement clients.

## Our business focus

Gullers Group is the industry leader in communication services for Swedish public agencies, municipalities and county councils, but also in communications for companies intersecting the private and public sector. We can offer unique expertise to clients in these areas. Our solid experience and competence in these fields give us an edge over our competitors.

A few service areas remained strong during the year, such as stakeholder analysis and business intelligence, and assignments related to core values and branding. Projects dealing with digital media are continuing to grow in number. We are maintaining a strong position in a number of areas, including pharmaceuticals, the care sector, infrastructure and transportation, research and innovation, and NGOs.

## Business concept, goals and vision

To succeed, an organization must have the strong ability to establish and build solid relations within its own organization and with outside publics.

Gullers Group offers clients an approach to communications for their development and success, which makes a difference.

In a rapidly changing world, an organization’s ability to develop common visions and values will be increasingly crucial for success. To live these visions and values, an organization requires communication tools and an attitude towards communications that penetrates all parts of the organization.

Gullers Group helps clients develop their internal and external communications.

We want to build strong and long-lasting relations with our clients. Gullers Group delivers more than plans. Gullers Group realizes what we and our clients believe in.

Our vision is that clients, with Gullers Group’s support, can develop crucial competence in communications that will transform them into the leaders of their respective sector, industry or area of operation.

Gullers Group is owned by its employees. We who work at Gullers Group therefore have the possibility to influence our work environment and the company’s direction. This builds commitment among staff for the company, but also for our clients. Employees that experience the workplace as stimulating, and enjoy working for the company, are of critical importance for Gullers Group’s success.

At Gullers Group, we like it:

- When we have strong, long-term relationships with our clients
- When we have clients who are leaders in their fields
- When we can participate in projects that are central

to the political agenda or at the cutting edge of communication trends

- When we can grow as individuals and consultants through our relations with clients but also through company-wide educational programs and discussions.

Our website, [www.gullers.se](http://www.gullers.se), describes in detail how our services benefit clients.

### Developing our competence

We are careful to develop our expertise constantly. At weekly internal lunch meetings, we like to gather all our employees to listen to staff members present recently completed projects or describe some other kind of professional experience. This exchange of knowledge helps spread expertise further within the company and highlights the competence and professional background of our different employees.

We also encourage staff to add to any expertise they need in the communications field or teaching methods which is applicable in their role as consultant. The specific needs of each staff member are discussed during annual performance reviews that the Managing Director conducts with all employees. We have staff members who are further developing their specialist competence parallel with their work by attending courses at universities, such as the Stockholm School of Economics.

### International network

Gullers Group has a well-established Nordic and European network of experienced communication

advisors with whom we cooperate on behalf of clients.

### Investments

*Education.* We have invested SEK 770,000 to develop the competence of our employees during the year.

*Premises and equipment.* We made investments mainly to upgrade our computer network, not least to improve security and allow staff to e-commute.

*Internal development work.* During the year, Gullers Group continued to work on strengthening its brand by offering breakfast seminars on different themes, among other activities. Seventeen breakfast seminars were given in 2009/2010.

We have also been visible in the media in our capacity as experts.

Since Hans Gennerud is also chairperson of PRECIS, the Association of Public Relations Consultancies in Sweden, we have also been mentioned in many different contexts.

### Staff

In 2009/2010, no permanently employed staff members left Gullers Group to take positions outside the company.

We acquired Bacon Annonssbyrå, a Swedish advertising agency, to strengthen our consulting services in the branding area. We are increasingly seeing how the border between advertising and PR is being erased. Design and image-making are becoming more and more important. With the Bacon agency in Gullers Group, we are also sharpening our competitive edge in the private sector.



Johan Hasslow  
and Sara Blücher



Gullers Group Executive Management Team, from left: Fredrik Runsiö, Anette Brifalk, Annika Sjöberg and Birgitta Klingberg Pagot.

Johan Brandt, who joined the company in the spring, has previously been acting publisher of Dagens Nyheter (DN), Sweden's largest daily newspaper, as well as head of DN's mobile Internet edition, an initiative that has won several prizes and international recognition.

Sandra Landgraff Molander started at Gullers Group at the end of summer. She holds a university degree in social anthropology and worked most recently in the government offices of the Swedish Moderate Party (Moderaterna), where she was project manager for political planning.

Gullers Group has also started to collaborate with Per Gunnar Holmgren, former editor-in-chief of Dagens Medicin, a publication for the Swedish healthcare sector.

It has been easy for Gullers Group to attract new employees. During the year we received more than 400 unsolicited job applications.

Gullers Group has a staff with solid and broad professional experience from national and local government agencies, politics and the business community. Our staff members offer leading-edge competence in areas such as analyses of internal and external publics, crisis management, ethics and value issues, internal communications, opinion building and media relations.

Since the start of the company's operations, Gullers Group has had an employee compensation plan based on fixed monthly salaries instead of a system consisting of salary plus bonus. This system, combined with the

fact that we are all partners, makes it natural for us to collaborate internally in order to achieve the best possible results for our clients. Each employee has a partnership agreement with the firm regulating financial terms, confidentiality and ethics internally and in relation to present and past clients.

Employee shareholdings were distributed as follows on August 31, 2010:

Hans Gennerud, 480 shares; Annika Sjöberg, 475; Fredrik Runsiö, 460; Bo Ericson, 430; Sara Blücher, 300; Ulf Dahlqvist, 300; Lennart Nordfors, 300; Mats Gullers, 265; Lisbeth Olofsdotter, 215; Björn Tygård, 180; Anna Scharin, 172; Johanna Ahlmark, 150; Claes Trollestad, 150; Walter Kalmaru 150; Ingalill Axdal, 130; Birgitta Klingberg Pagot, 105; Gill Rohman, 100; Lotta Elofsson, 100; Lena Wallin, 95; Fredrik Larsson, 80; Marie Markowicz Lindén, 75; Johan Brandt, 75; Henrik Otterbeck, 70; Petra E. Zillén, 55; Hemming Lindell, 55; Kent Björkqvist, 50; Peter Forssman, 43; Sonja Dalebäck Arnelöf, 40; Katarina Gentzel Sandberg, 40; Susanna Uppling, 40; Maria Sitell Kjelsson, 35; Ariella Nisell, 30; Kristy Delisle, 20; Tobias Borgin, 20; Ann Lundquist, 15; Jacob Lapidus, 10; Oscar Kalmaru, 10; Magnus Bergfast, 10; Christer Isaksson, 5; Niklas Ahlgren, 5; Johan Hasslow, 5; Fredrik Henriksson, 5; Anna Jönsson, 5; and Eva Ramberg, 5.

Total number of shares: 5,360

Gullers Group:

Has 45 partners.

Has agency revenues totaling SEK 48.1 M.

Has approximately 200 clients.

Is the industry leader in communication services for public agencies, municipalities, county councils and companies intersecting the private and public sectors.

Has a very stable client structure:

Our 10 largest clients generate more than 25 percent of agency revenues.

Has long-term agreements with 9 out of 10 major clients.

Our average employee:

Has worked with us for 6 years.

Is 45 years old.

Has 10 years of consulting experience in communications.

Has 15 years of experience in the communications profession.

If you would like to know more:

Visit [www.gullers.se](http://www.gullers.se)

FB: [www.facebook.com/gullersgrupp](https://www.facebook.com/gullersgrupp)

Blog: [offentligavarumarken.wordpress.com](http://offentligavarumarken.wordpress.com)  
(in Swedish only)

# 1

## The right information for making the right decisions

We help you find out what key people are thinking in your business environment, or what your employees' opinions are. We evaluate previous information-related initiatives and develop scenarios about different potential future actions, among other services.



## Efficient control and management

A changing world requires the ability to act fast. All of your employees must also understand their particular role and how their actions impact the company or organization as a whole. Using your employees as the starting point, we help you find the best tools for enhancing your efficiency, whether it concerns branding issues, management development, strategic planning or various types of meetings.



## A stronger brand

Building a successful brand usually takes time – and it can be destroyed in a flash. Gullers Group helps you develop a process in which strategic communication initiatives establish and build your brand, and where a good crisis management strategy prepares you for the unexpected.



## Right tools for influence

You have to be properly prepared to influence things in a smart way. We help you document the information you need for decision-making, give you a helicopter view of your operations and inject new knowledge. We help you pinpoint the issues and find the decision-makers and arenas for action: who you should talk to and when, and what you should say. We also help you polish and spread your message: in printed material, on the Web, in an interview situation or a presentation. We prepare you to participate in the public debate.

## Board of Directors



From left:  
Ewonne Winblad, Peter Danowsky,  
Mats Gullers, Göran Westerberg,  
Jesper Falkheimer, Britt-Marie  
Ahrnell, Fredrik Runsiö and  
Hans Gennerud.

The board met four times during the 2009/2010 fiscal year and consists of the following members:

**Mats Gullers** (b. 1944), Chairman since 2003, Managing Director of Gullers Group 1989-2003. Holds 265 shares in Gullers Group.

**Britt-Marie Ahrnell** (b. 1958), author, consultant and partner in Ahredo AB. Britt-Marie Ahrnell is in the front line in the field of complex sales and she has often inspired innovative ideas and new viewpoints through her books, of which several have been awarded prizes. Board member since 2007.

**Peter Danowsky** (b. 1949), attorney and partner in the law firm Danowsky & Partners Advokatbyrå. Board member since 2004. Peter Danowsky earned his law degree in 1972 and has worked at TRU (Television, Radio in Education) and studied at Collège d'Europe and Columbia University. He started working in a law firm in 1976. Over the years, Peter Danowsky has worked mainly with processes, intellectual property law and media law. Board assignments, among others: former chairman of the board of Huddinge Universitetssjukhus AB and current chairman of the boards of Bancos Etikråd and Radi Medical AB.

**Jesper Falkheimer** (b. 1970), Ph.D. and Associate Professor at Lund University, Department of Communication and Media Studies, and Head of the School of Arts and Communication (K3) at Malmö University. Jesper Falkheimer is internationally active as a researcher in the field of strategic communications and has authored seven books and a large number of articles, book chapters and reports. He has also worked for many years as an organizational consultant, freelance writer and teacher/lecturer for various projects.

**Hans Gennerud** (b. 1960), Managing Director of Gullers Group, 2003-2010. Gullers Group employee 1994-1997. Returned to Gullers Group in 2001 and was elected to the board the same year. Chairman of PRECIS, the Association of Public Relations Consultancies in Sweden. Holds 480 shares in Gullers Group.

**Fredrik Runsiö** (b. 1960). Managing Director of Gullers Group since September 2010. Gullers Group employee since 2005 and member of the Executive Management Team since 2008. Deputy Managing Director 2009-2010. Member of the board since 2009. Holds 460 shares in Gullers Group.

**Göran Westerberg** (b. 1950), M.S. Economics, former Vice President Communications, Diligentia AB. Board member since 2004. Self-employed since 2001. Member of various boards, including Cibes Lift AB, Förvaltnings AB Collegio and the Vargaslätten AB botanical gardens. Göran Westerberg has studied Wirtschaftswissenschaft (Economics, Social Science and History) at Universität der Stadt Zuerich in Switzerland. He holds a Master of Science Degree in Economics from Lund University and is a graduate of the Communication Executive Program, Stockholm School of Economics.

**Ewonne Winblad** (b. 1937), journalist and author. Former head of Swedish Radio's national channel P1 and the Rapport news program of SVT, the Swedish public service television company; member of the Swedish National Security Commission and the Records Board. Board member since 1997. Ewonne Winblad has authored several books, including "Närbilder" (published by Ekerlids) in 2002 and "Frälst, förmögen, förskingrad" (published by Bonniers) in 2007.

## Five-year summary

		09/10	08/09	07/08	06/07	05/06
Net billings	SEK M	56.7	56.4	58.5	61.0	55.8
Fee income	SEK M	48.0	45.9	47.4	48.7	45.1
Agency revenues	SEK M	48.1	46.0	47.5	49.0	45.5
Agency revenues per employee	SEK M	1.3	1.3	1.3	1.2	1.1
Income after financial items	SEK M	0.0	2.9	0.8	0.1	3.3
Net profit after tax	SEK M	0.0	1.6	0.9	0.0	1.9
Operating margin	%	0.1	5.1	1.2	0.1	5.9
Agency margin	%	0.1	6.3	1.7	0.2	7.3
Added value per employee	SEK 000s	987	1000	982	919	901
Personnel turnover		+4/0	+3/-2	+4/-9	+6/-4	+8/-3
Average number of work years		36	35	38	41	40
Adjusted equity	SEK 000s	7 333	8 560	7 015	6 492	7 359
Equity/assets ratio	%	50.5	56.6	48.9	46.2	53.4
Liquidity	%	190.6	218.7	168.9	161.4	204.5
Return on capital employed	%	0.5	23.6	8.5	1.2	31.9
Return on adjusted equity	%	0.5	24.7	8.8	1.3	35.2
Profit per share	SEK	4	391	109	12	441
Dividend per share	SEK	100	200	85	0	140

Income statements, Sept. 1 – Aug. 31, SEK 000s

	09/10	08/09	07/08	06/07	05/06
Net billings	56 737	56 408	58 525	60 997	55 829
Other revenue	100	0	0	0	0
Operating expenses	-55 968	-52 526	-56 712	-59 833	-51 333
Depreciation	-816	-1 031	-1 086	-1 083	-1 178
Operating income	53	2 851	727	81	3 318
Financial income	0	82	128	40	9
Financial expenses	-26	-21	-42	-33	-43
Income after financial items	27	2 912	813	88	3 284
Appropriations	230	-550	561	200	-641
Profit before tax	257	2 362	1 374	288	2 643
Tax on net profit for the year	242	-782	-447	-261	-736
NET PROFIT FOR THE YEAR	15	1 580	927	27	1 907

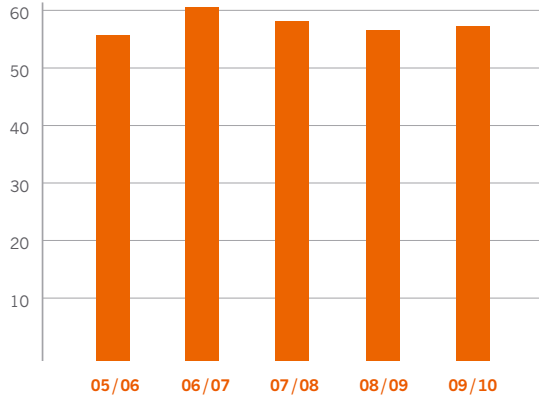
Balance sheets at August 31, SEK 000s

	09/10	08/09	07/08	06/07	05/06
<b>Assets</b>					
Intangible assets	784	944	1 700	2 510	1 500
Tangible assets	638	634	689	716	691
Current receivables	10 429	10 265	8 873	7 855	6 761
Cash and cash equivalents	2 664	3 287	3 070	2 968	4 836
TOTAL ASSETS	14 515	15 130	14 333	14 049	13 788

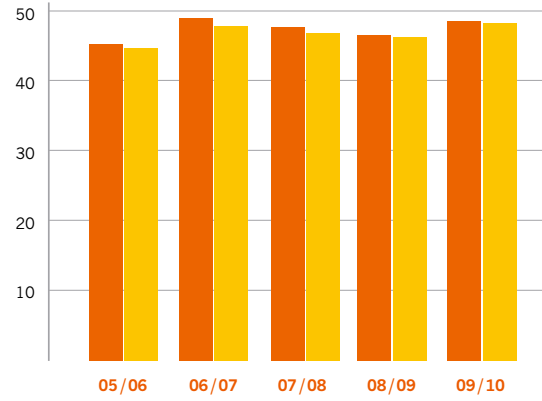
**Equity and liabilities**

Equity	6 451	7 509	6 384	5 457	6 181
Untaxed reserves	1 196	1 426	876	1 437	1 637
Non-current liabilities	0	0	0	450	300
Current liabilities	6 868	6 196	7 073	6 705	5 670
TOTAL EQUITY AND LIABILITIES	14 515	15 130	14 333	14 049	13 788

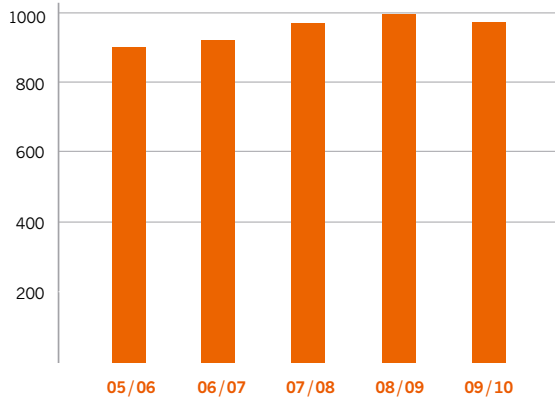
Net billings, SEK M



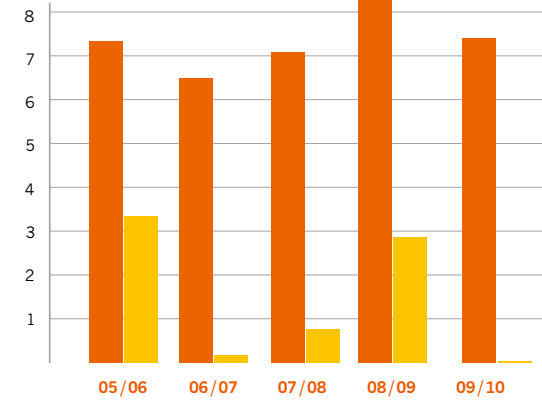
Agency revenues, SEK M  
Fee income, SEK M



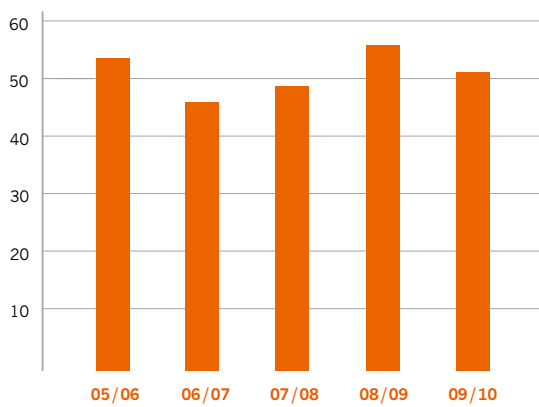
Added value per employee, SEK 000s



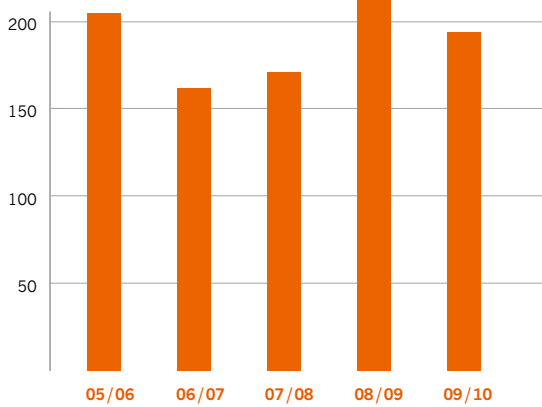
Adjusted equity, SEK M  
Income after financial items, SEK M



Equity/assets ratio, %



Liquidity, %



## Income statement

Note	09/10	08/09
<b>Operating income</b>		
	56 736 554	56 408 213
	100 000	0
	<u>56 836 554</u>	<u>56 408 213</u>
<b>Operating expenses</b>		
	-9 203 845	-10 446 245
1	-10 056 097	-9 293 442
2	-36 707 643	-32 786 559
	Depreciation/amortization of tangible and intangible assets	
	-815 661	-1 031 000
	<u>-56 783 246</u>	<u>-53 557 246</u>
	<b>Operating income</b>	<b>2 850 967</b>
	53 308	
<b>Income from financial investments</b>		
	Interest income	83 167
	7	
	Interest expenses	-21 971
	-26 486	
	-26 479	61 196
	<u>26 829</u>	<u>2 912 163</u>
	<b>Income after financial items</b>	
	26 829	
<b>Appropriations</b>		
	Appropriation to tax allocation reserve	-550 000
	0	
	Reversal from tax allocation reserve	0
	230 000	
	<u>230 000</u>	<u>-550 000</u>
	<b>Profit before tax</b>	<b>2 362 163</b>
	256 829	
	Tax on profit for the year	-782 400
	-241 905	
	<u>14 924</u>	<u>1 579 763</u>
	<b>Net profit for the year</b>	

## Balance sheet

Note	ASSETS	2010-08-31	2009-08-31
	<b>Fixed assets</b>		
	<b>Intangible assets</b>		
3	Goodwill	784 000	944 000
		<hr/>	<hr/>
	<b>Tangible assets</b>		
4	Equipment	560 128	556 064
	Art	78 040	78 040
		638 168	634 104
		<hr/>	<hr/>
	<b>Total fixed assets</b>	1 422 168	1 578 104
	<b>Current assets</b>		
	<b>Current receivables</b>		
	Trade receivables	7 035 477	7 782 941
	Tax assets	1 796 321	1 589 287
	Other receivables	23 995	13 322
	Prepaid expenses and accrued income	1 572 878	879 789
		<hr/>	<hr/>
		10 428 671	10 265 339
7	<b>Cash and cash equivalents</b>	2 664 518	3 286 874
	Total current assets	13 093 189	13 552 213
	<b>Total assets</b>	14 515 357	15 130 317

Note	EQUITY AND LIABILITIES	2010-08-31	2009-08-31
5	<b>Equity</b>		
	<b>Restricted equity</b>		
	Share capital (5,360 shares)	1 072 000	1 072 000
	Legal reserve	214 400	214 400
		<hr/>	<hr/>
		1 286 400	1 286 400
	<b>Unrestricted equity</b>		
	Profit brought forward	5 150 125	4 642 362
	Net profit for the year	14 924	1 579 763
		<hr/>	<hr/>
		5 165 049	6 222 125
	<b>Total equity</b>	6 451 449	7 508 525
	<b>Untaxed reserves</b>		
6	Tax allocation reserve	1 196 000	1 426 000
		<hr/>	<hr/>
	<b>Total untaxed reserves</b>	1 196 000	1 426 000
	<b>Current liabilities</b>		
	Trade payables	1 143 947	837 296
	Other liabilities	2 393 760	2 095 386
8	Accrued expenses and deferred income	3 330 201	3 263 110
	<b>Total current liabilities</b>	6 867 908	6 195 792
		<hr/>	<hr/>
	<b>Total equity and liabilities</b>	14 515 357	15 130 317
	<b>Line items:</b>		
9	<b>Assets pledged</b>		
	Chattel mortgages	2 500 000	2 500 000
		2 500 000	2 500 000
	<b>Contingent liabilities</b>	None	None

## Statement of cash flows

	09/10	08/09
<b>Note Operating activities</b>		
Operating income	53 308	2 850 967
Adjustment for non-cash items – depreciation	815 661	1 031 000
Interest income received, etc.	7	83 167
Interest expenses paid	- 26 486	-21 971
Income tax paid	-448 939	-760 885
	<hr/>	<hr/>
<b>Cash flow from operating activities before changes in working capital</b>	393 551	3 182 278
<b>Cash flow from changes in working capital</b>		
Decrease (+)/increase (-) in trade receivables	747 463	-1 096 033
Decrease (+)/increase (-) in receivables	-703 762	-317 581
Decrease (-)/increase (+) in trade payables	306 651	-146 582
Decrease (-)/increase (+) in current liabilities	365 465	-730 452
	<hr/>	<hr/>
<b>Cash flow from operating activities</b>	1 109 368	891 630
<b>Investing activities</b>		
3 Acquisition of goodwill	-375 000	0
4 Purchases of equipment	-284 725	-219 882
	<hr/>	<hr/>
<b>Cash flow from investing activities</b>	-659 725	-219 882
<b>Financing activities</b>		
5 Dividend paid	-1 072 000	-455 600
	<hr/>	<hr/>
<b>Cash flow from financing activities</b>	-1 072 000	-455 600
<b>Change in cash and cash equivalents</b>	-622 357	216 148
Cash and cash equivalents at the beginning of the year	3 286 874	3 070 726
	<hr/>	<hr/>
<b>Cash and cash equivalents at year-end</b>	<b>2 664 517</b>	<b>3 286 874</b>

# Supplementary information

## GENERAL INFORMATION

**Accounting policies.** The applied accounting policies are in agreement with the Swedish Annual Accounts Act and generally accepted accounting practice in Sweden. For each section of supplementary information, it is stated which recommendations, general advice and guidelines have been applied for the item in question. The accounting policies are unchanged from last year.

**Valuation principles, etc.** Assets and liabilities have been measured at cost, unless specified otherwise below.

**Tangible assets.** Intangible assets are recognized at acquisition cost after deduction for accumulated depreciation in value and any impairment losses. Tangible assets are depreciated using the straight-line method over the useful life of the assets.

**Intangible assets.** Intangible assets are recognized at cost after deduction for accumulated depreciation in value and any impairment losses. Intangible assets are amortized using the straight-line method over the useful life of the assets.

**Receivables.** Receivables have been recognized at the expected received amount.

**Revenue recognition.** The company recognizes completed service assignments on a running basis in accordance with BFNAR 2003:3 in which revenue is reported as performed services and invoiced and expenses are recognized as costs when they incur. Ongoing, non-invoiced service assignments are not recognized as an asset in the balance sheet.

### Definitions of key ratios

**Fee income:** Invoiced fees.

**Agency revenues:** Fees plus markups on out-of-pocket expenses.

**Operating margin:** Operating income as a percentage of billings.

**Agency margin:** Income after financial items as a percentage of agency revenues.

**Added value per employee:** Income before depreciation plus payroll costs, including social security contributions, in relation to the average number of employees during the year.

**Adjusted equity:** Taxed equity plus 73.7 percent of untaxed reserves.

**Equity/assets ratio:** Adjusted equity as a percentage of total assets.

**Liquidity:** Current assets in relation to current liabilities.

**Return on capital employed:** Income after net financial items plus interest expenses less 26.3 percent tax in relation to total assets less current liabilities.

**Return on adjusted equity:** Income after net financial items plus interest expenses less 26.3 percent tax in relation to adjusted equity.

**Profit per share:** Income after appropriations less 26.3 percent tax in relation to the number of shares.

## INFORMATION ABOUT INDIVIDUAL ITEMS

Note 1 Fees and compensation for costs	2009/2010	2008/2009
Grant Thornton Sweden AB		
Auditing assignments	109 000	60 000
Other assignments	133 104	127 581
	<hr/>	<hr/>
	242 104	187 581

Auditing assignments involve the auditing of the annual report, the accounting records and the administration of the Board of Directors and the Managing Director, other assignments related to the business of the company's auditors, as well as advising or other forms of assistance related to findings made in such audits or the execution of other such tasks. All other work is classified as "Other assignments".

<b>Note 2 Personnel</b>	<b>2009/2010</b>	<b>2008/2009</b>
<b>Average number of employees</b>		
The average number of employees is based on the number of hours paid by the company for presence at work in relation to normal working hours.		
The average number of employees was	36.0	35.0
of which women	17.0	19.0
<b>Absenteeism due to illness</b>		
Absenteeism due to illness as a percentage of regular working hours		
Absenteeism due to illness for all employees	0.02%	0.27%
Percentage of absenteeism due to illness related to long-term absenteeism due to illness		
Absenteeism due to illness for women	0.0%	0.0%
Absenteeism due to illness for men	0.02%	0.21%
Absenteeism due to illness for employees age 29 and younger	0.0%	0.04%
Absenteeism due to illness for employees age 30-49	0.0%	0.0%
Absenteeism due to illness for employees age 50 and older	0.02%	0.18%
	0.0%	0.09%
<b>Salaries, compensation, etc.</b>		
Salaries, compensation, social security expenses and pension costs were paid in the following amounts:		
Board of Directors and Managing Director:		
Salaries and other compensation	2 122 000	1 993 672
Pension costs	533 821	720 292
	<hr/>	<hr/>
	2 655 821	2 713 964
<b>Other employees:</b>		
Salaries and other compensation	21 000 200	18 710 004
Pension costs	3 065 183	2 441 521
	<hr/>	<hr/>
	<b>24 065 383</b>	<b>21 151 525</b>
Social security expenses	7 949 025	7 268 172
	<hr/>	<hr/>
<b>Total for board and other employees</b>	<b>34 670 229</b>	<b>31 133 661</b>
<b>Gender distribution of board and executive management</b>		
Number of board members,	8	6
of which women	2	2
Number of other senior executives, incl. MD	4	4
of which, women	2	1
Pension obligations for board members and MD	0	0

The Managing Director, Deputy Managing Director and members of the Board who are employees of the company have agreements that entitle them to receive three months of employment benefits in the event of termination of employment.

<b>Note 3 Goodwill</b>	<b>2010-08-31</b>	<b>2009-08-31</b>
Acquisition value at the beginning of the year	6 050 000	6 050 000
Acquisition	375 000	0
	<hr/>	<hr/>
<b>Accumulated acquisition value at year-end</b>	<b>6 425 000</b>	<b>6 050 000</b>
Amortization at the beginning of the year	-5 106 000	-4 350 000
Amortization for the year	-535 000	-756 000
	<hr/>	<hr/>
<b>Accumulated amortization at year-end</b>	<b>-5 641 000</b>	<b>-5 106 000</b>
	<hr/>	<hr/>
<b>Recognized value at year-end</b>	<b>784 000</b>	<b>944 000</b>

Goodwill is amortized using the straight-line method over a useful life of 5 years.

<b>Note 4 Equipment</b>	<b>2010-08-31</b>	<b>2009-08-31</b>
Acquisition value at the beginning of the year	3 876 554	3 656 672
Purchases	284 725	219 882
<b>Accumulated acquisition value at year-end</b>	<b>4 161 279</b>	<b>3 876 554</b>
Depreciation at the beginning of the year	-3 320 490	-3 045 490
Depreciation for the year	-280 661	-275 000
<b>Accumulated depreciation at year-end</b>	<b>-3 601 151</b>	<b>-3 320 490</b>
<b>Recognized value at year-end</b>	<b>560 128</b>	<b>556 064</b>

Depreciation is calculated using the straight-line method over a utilization period of 5 years.

<b>Note 5 Equity</b>	<b>Share capital</b>	<b>Legal reserve</b>	<b>Unrestricted equity</b>
Amount at the beginning of the year	1 072 000	214 400	6 222 125
Distribution of earnings, as decided by the AGM			
Dividend to shareholders			-1 072 000
Net profit for the year			14 924
Amount at year-end	1 072 000	214 400	5 165 049

<b>Note 6 Tax allocation reserve</b>	<b>2010-08-31</b>	<b>2009-08-31</b>
Tax allocation reserve, tax assessment 2007	646 000	876 000
Tax allocation reserve, tax assessment 2010	550 000	550 000
	1 196 000	1 426 000
Deferred tax on untaxed reserves	314 548	375 038

<b>Note 7 Bank overdraft facilities</b>	<b>2010-08-31</b>	<b>2009-08-31</b>
Granted overdraft facilities amount to:	2 500 000	2 500 000

<b>Note 8 Accrued expenses and deferred income</b>	<b>2010-08-31</b>	<b>2009-08-31</b>
Accrued vacation pay, including social security contributions	1 524 559	1 374 023
Payroll tax	1 572 373	1 700 165
Other	233 269	188 922
	3 330 201	3 263 110

<b>Note 9 Liabilities for which guarantees have been pledged</b>	<b>2010-08-31</b>	<b>2009-08-31</b>
Bank overdraft facilities, utilized amount	0	0
Chattel mortgages	2 500 000	2 500 000

## Distribution of earnings

Proposed distribution of the company's earnings.

The following profits are available for distribution by the Annual General Meeting:

Profit brought forward	5 150 125
Net profit for the year	14 924
	<hr/>
	5 165 049
The Board of Directors proposes:	
To be distributed to shareholders:	536 000
To be brought forward:	4 629 049
	<hr/>
Total	5 165 049

For additional information about the company's financial results and position, please refer to the income statement, balance sheet and related supplementary information.

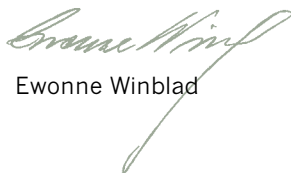
Stockholm, October 14, 2010



Hans Gennerud  
Managing Director



Mats Gullers  
Chairman



Ewonne Winblad



Peter Danowsky



Jesper Falkheimer



Britt-Marie Ahrnell



Fredrik Runsiö



Göran O Westerberg

My Audit Report concerning this Annual Report was submitted on October 14, 2010



Jörgen Sandell  
Authorized Public Accountant

# Audit Report

I have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the Board of Directors and the Managing Director of Gullers Grupp Informationsrådgivare AB for the financial year September 1, 2009 – August 31, 2010. The Board of Directors and Managing Director are responsible for these accounts and the administration of the company, as well as for the application of the Annual Accounts Act when preparing the consolidated accounts. My responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration, based on my audit.

I conducted my audit in accordance with generally accepted auditing standards in Sweden. Those standards require that I plan and perform the audit to obtain high but not absolute assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the Board of Directors and the Managing Director and significant estimates made by the Board of Directors and the Managing Director when preparing the annual accounts and the consolidated accounts, as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for my opinion concerning discharge from liability, I examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any board member or the Managing Director. I also examined whether any board member or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. I believe that my audit provides a reasonable basis for my opinion set out below.

The annual accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the company's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The statutory administration report is consistent with the other parts of the annual accounts.

I recommend to the Annual General Meeting of Shareholders that the income statement and balance sheet be adopted, that the profit be dealt with in accordance with the proposal in the Administration Report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Stockholm, October 14, 2010



Jörgen Sandell  
Authorized Public Accountant

# GULLERS GRUPP

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