

Year-end report

January–December 2017



“We are now creating the
airports of the future”

Jonas Abrahamsson
President and CEO



Year-end report January–December 2017

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- For the full year, Swedavia's airports had 41.9 million (39.5)¹ passengers, which is a 6.1 per cent increase compared to last year
- Net revenue totalled SEK 5,745 M (5,546)
- Operating profit totalled SEK 651 M (966). Operating profit was negatively affected by SEK 160 M (74) attributable to impairment losses and disposals. Operating profit in 2016 was affected by capital gains of SEK 241 M. Excluding items affecting comparability, operating profit was SEK 811 M (799), an improvement over 2016
- Profit for the period totalled SEK 407 M (717)
- The Group's capital spending increased to SEK 3,866 M (2,138), which is an effect of the accelerated investment pace in the Group's development programmes and in Real Estate
- In conformity with Swedavia's dividend policy, the Board of Directors proposes a dividend of SEK 0.08471 per share, for a total of around SEK 122 M

KEY FINANCIAL DATA, GROUP

	2017 Oct-Dec	2016 Oct-Dec	2017 Jan-Dec	2016 Jan-Dec
SEK M, unless otherwise indicated				
Net revenue	1,466	1,412	5,745	5,546
Operating profit	-123	87	651	966
Operating profit, excluding capital gain	-123	-8	651	725
Operating margin, %	-8.4	6.2	11.3	17.4
Operating margin, excluding capital gain, %	-8.4	-0.6	11.3	13.1
Profit for the period	-144	47	407	717
Return on operating capital, %	5.1	8.5 ²	5.1	8.5 ²
Debt/equity ratio, times	1.0	0.7	1.0	0.7
Cash flow from operating activities	350	453	1,537	1,650
Capital spending	1,281	841	3,866	2,138
Average number of employees	3,074	2,949	3,074	2,949
Passengers, million	10.1	9.8	41.9	39.5
Operating costs per departing passenger, SEK ³	233.8	225.3	197.3	197.3
Commercial revenues per departing passenger, SEK	79.7	78.9	75.7	75.5

¹ Figures in parentheses are results for the corresponding period for the previous year, except for liquidity, financial position and contingent liabilities and pledged assets, where the comparison is with the opening balance for the previous year

² The basis for calculating the return on operating capital has been adjusted, and the figure was changed from 8.6 per cent to 8.5 per cent

³ As of June 30, 2017, the item "Work performed by the company for its own use and capitalised" has been taken into account in calculating the metric "Operating costs per departing passenger". As of December 31, 2017 the calculation is based on Airport Operations. Comparable periods have been restated. See page 19 for a definition

We are now creating the airports of the future



My first year as Swedavia's president and CEO was eventful, with a lot of learning, rewarding collaborations and new experiences. We see great demand for our products and services, which has contributed to the fantastic performance of our airports. I can proudly say that we have managed to achieve a great deal in the past year.

RECORD YEAR FOR PASSENGER VOLUME

Together we enable people to meet. More and more people choose air travel as their transport mode, and more and more choose to fly to and from Swedavia's airports. Our mission is to create the right conditions for an accessible, prosperous Sweden, and we will continue to focus on this as we look ahead. In 2017, nearly 42 million passengers flew to or from one of Swedavia's airports, which is a six per cent increase compared to last year. Sustained strong passenger growth has contributed to passenger records at seven of Swedavia's airports. Stockholm Arlanda Airport had impressive passenger growth of eight per cent compared to last year, with more than 26 million passengers flying to or from the airport during the year. After Stockholm Arlanda Airport, the biggest increases were noted at Kiruna Airport, Åre Östersund Airport, Visby Airport and Göteborg Landvetter Airport. Despite capacity challenges during the year, which to some extent affected passenger and customer satisfaction, we managed to handle more passengers than ever, which was possible thanks to our engaged employees and good collaboration with customers and partners.

DEVELOPMENT AND INNOVATION

The work to build the airports of the future continues, and many of our big development programmes entered a more intensive implementation phase during the year. While we have a great deal of work ahead, a number of projects have already been completed. Examples of projects that were finalised during the fourth quarter are the expanded arrival hall at Göteborg Landvetter Airport and the new security checkpoint at Visby Airport, with increased capacity and an automated entry system. Each step forward is an important piece in the puzzle of developing the airports of the future.

Another piece that is just as important in meeting future needs is increased focus on innovation and digitisation. The best way to ensure the success of Swedavia's airports is to always strive to improve ourselves, make operations more efficient and embrace technological advances. In November, Swedavia signed an agreement with the Swedish Civil Aviation Administration (LFV) for remote tower services. The agreement is aimed at constructing and establishing a remote tower centre at Stockholm Arlanda Airport in order to handle air traffic remotely at Kiruna Airport, Malmö Airport, Åre Östersund Airport and Umeå Airport. The feasibility study carried out shows that safety is maintained and that technology, coordination and efficiency are improved.

FOCUS ON SUSTAINABLE AIRPORTS

Swedavia shall continue to be a sustainability pioneer in our operations but also a driving force in sustainability issues relating to the air travel industry in general. In November, aircraft at Malmö Airport were fuelled for the first time with biofuel; as a result, biofuel has now been used for fuelling aircraft at five of Swedavia's ten airports. We will continue to buy biofuel in an amount equal to that used by our employees for air travel on official business. Sustainable operations create the right conditions for the future. It is our hope that more people will choose to use fly using renewable aviation fuel so that demand for renewable fuel can grow and thus create conditions for more large-scale production, which in turn can reduce the cost of biofuel. During the last quarter of the year, a new

long-term car park was inaugurated at Stockholm Arlanda Airport which is certified at the highest level of sustainability. We also received honours for our work with biogas and our investment in biofuel. Our focused work takes us ever closer to our target of zero tonnes of fossil carbon dioxide from our own operations by 2020.

CAPITAL SPENDING AND REDUCED AIRPORT CHARGE

Consolidated net revenue for the year increased SEK 199 M to SEK 5,745 M (5,546), largely as a result of the passenger increase. Operating profit for the full year was SEK 651 M (966). Operating profit excluding capital gains, impairment losses and disposals was higher than in 2016.

During the fourth quarter, Swedavia's capital spending totalled SEK 1,281 M (841), and for the full-year 2017 capital spending totalled SEK 3,866 M (2,138). The high level of investment during the year is a result of the efforts we have made to accelerate the pace of our development programmes at our big airports. We have carried out this work while managing to do a good job handling the great increase in passenger volume.

Despite the accelerated investment pace, we will now be able to reduce our airport charges in 2018. This is mainly a result of lower capital costs in our pricing model and a long-term focus on costs in our business planning. A competitive Swedavia is essential for the future, since we see increased competition from other Nordic airports as well as increased mobility among airlines. Stockholm and Sweden are the largest market in Scandinavia, and there is a clear link between our offering and how airlines choose to expand and establish new routes. An important part of maintaining good competitiveness is the continuous dialogue we have with our customers about how and at what pace we should invest in new capacity to meet the needs of airlines and passengers.

CHANGES IN GROUP MANAGEMENT

To meet future needs and challenges, changes are being made in Swedavia's Group management and organisation. Peder Grunditz will become airport director of Stockholm Arlanda Airport, while Mona Glans will take over as airport director of Bromma Stockholm Airport. Kjell-Åke Westin will continue in the new position of head of operational excellence and senior advisor.

To ensure synergies and learning between our development programmes, a new organisation to implement major projects was introduced during the autumn. With this organisation, we want to enhance Swedavia's implementation capacity in our strategic development programmes as we create the airports of the future.

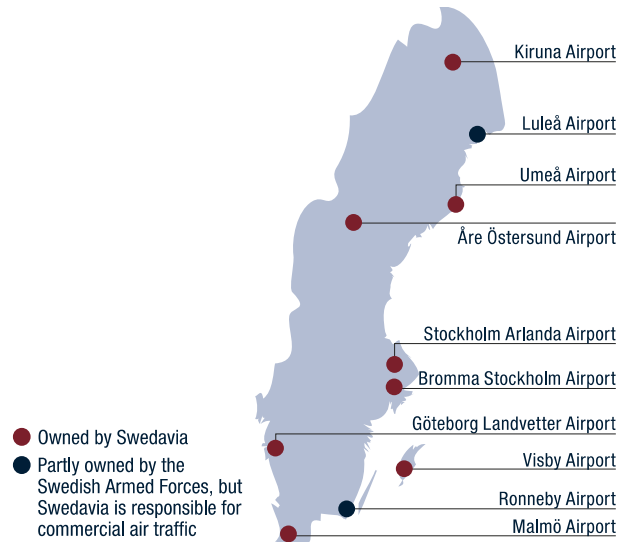
During the quarter, we worked through our target image for 2025 and everyone at Swedavia is united around a shared overall objective: together we enable people to meet. We shall continue to be a role model in a number of areas and an important growth engine for Sweden. Our work with sustainability is not just about the environment and climate change. Real sustainability requires that everyone is involved in the journey. We shall create opportunities for employees to grow and develop in an inclusive and engaging culture. Together we take responsibility for society and people, and we work proactively for safety, the environment and health. We are developing the airports of the future and creating sustainable growth for Sweden.

Jonas Abrahamsson
President and CEO

About Swedavia

Swedavia owns, operates and develops a network of ten airports from Kiruna in the north to Malmö in the south. The company was formed in 2010 and is wholly owned by the Swedish State.

Swedavia works in a competitive, international market. The company's role is to create the access Sweden needs to facilitate travel, business and meetings – in Sweden, elsewhere in Europe and in the rest of the world. Swedavia's primary customer is the passenger. At the same time, airlines and the tenants that lease retail, office or hotel premises in Swedavia's properties are both customers and important partners of the company. In its work to attract airline investments, Swedavia competes with other airports. Safety, security and sustainable development with a focus on the customer are the foundation of everything Swedavia does, both in its own operations and in society in general. Operations are run based on sound business principles, and the company shall build a business that is sustainable in the long term through development, planning and operational efficiency. Engaged employees and a good working environment are crucial to Swedavia's operations. Swedavia shall continuously reduce its own carbon footprint and help to reduce the climate impact of the entire air travel industry.



SUSTAINABLE DEVELOPMENT AS A STRATEGIC FOCUS

Swedavia's strategic focus is based on the three sustainability dimensions – social development, economy and environmental concern – combined with a focus on customers.



OUR SUSTAINABILITY TARGETS

	Actual ⁴ Dec 31, 2017	Actual ⁴ Dec 31, 2016	Targets, 2017	Sustainability targets, 2020 ⁵
Satisfied passengers, %	75	77	79	85
Engaged leaders and employees, % ⁶	67	64	68	75
Return on operating capital, % ⁷	5.1	8.5	6.0	6.0
Carbon dioxide emissions, tonnes ⁸	1,800	2,720	3,200	0

⁴ The actual figure is for 12 rolling months

⁵ For satisfied customers, the sustainability target is for 2025

⁶ Measured once a year

⁷ The target for return on operating capital was changed following a decision at the extraordinary general meeting on October 9, 2017

⁸ The Group's environmental target is 0 tonnes of fossil carbon dioxide emissions from its own operations

Mission

Swedavia is a State-owned company that owns, operates and develops Sweden's national basic infrastructure of airports – a network of airports that connects the whole country with the rest of the world. Our role is to create the access Sweden needs to facilitate travel, business and meetings.

Objective

Together, we enable people to meet.

Vision

We develop the airports of the future and create sustainable growth for Sweden.

Business concept

Together with our partners, we create added value for our customers through attractive airports.

Values

- ➔ Reliable
- ➔ Innovative
- ➔ Engaged
- ➔ Welcoming

Important events

January–December

A SWEDISH AVIATION STRATEGY

On January 26, 2017, the Swedish government presented its first national aviation strategy for the role of air transport in Sweden's future transport system. In this strategy, emphasis is given to the critical importance of air transport for the country's growth and development. The government highlights in particular the importance of Stockholm Arlanda Airport for the development of the whole country and for access to international contacts. In line with this aviation strategy, the government appointed the Arlanda Council, an advisory body that during the year began its work to consider broader issues related to the objective of developing Stockholm Arlanda Airport into the leading airport in the Nordic countries.

NATIONAL AVIATION TAX

In conjunction with its decision on a framework budget for 2018, the Swedish parliament voted to introduce a national aviation tax as of April 1, 2018. Swedavia has followed the market to determine what effects the aviation tax could have on the company's customers and thus on Swedavia's operations. Swedavia's previous assessment that a national aviation tax only has very small effects on greenhouse gas emissions and also risks being a Swedish competitive disadvantage still holds. Swedavia is following developments in order to determine what measures need to be taken as a result of the aviation tax.

CONTINUED FOCUSED WORK FOR RENEWABLE FUEL

In 2016, Swedavia was the first company in the world to buy biofuel corresponding to the amount used for the company's air travel on official business. Swedavia also continued this venture in 2017. On December 6, biofuel was used to fuel aircraft for the first time at Malmö Airport, which means that half of Swedavia's airports were supplied with biofuel during the year. Swedavia will continue the work to include key players, create the right conditions for the switch to renewable aviation fuel and continue to work with activities to shift production closer to the market in Sweden.

ENVIRONMENTAL PERMIT

In a ruling on March 16, 2017, the Land and Environmental Court of Appeal rejected an application from Swedavia to change Condition 5, which regulates so-called low-speed traffic at Stockholm Arlanda Airport. Swedavia has appealed the ruling to the Supreme Court. A ruling on a leave to appeal can be expected in the spring of 2018.

HOTEL OPERATOR CHOSEN

On April 25, it was announced that Scandic Hotels will be the operator of Göteborg Landvetter Airport's new hotel. The hotel is an important piece of the puzzle in the airport's expansion and the construction of the new Airport City Göteborg.

CHANGE IN FINANCIAL TARGETS

An Extraordinary General Meeting held on October 9 decided to revise the profitability target for return on operating capital to at least six per cent (from the previous target of at least seven per cent). The EGM also decided that the leverage target would be revised, with a debt-to-equity ratio in the range of 0.7-1.5 times, from the previous range of 1.0-1.5 times. The dividend policy was not subject to revision.

TAX- AND DUTY-FREE AGREEMENT

Following a tender process, Swedavia AB and The Nuance Group (Sweden) AB signed a new service concession agreement for the running of tax- and duty-free operations at all ten of Swedavia's airports. The agreement runs for seven years with an option of a three-year extension.

DECISION ON REMOTE HANDLING OF AIR TRAFFIC

In November, Swedavia and the Swedish Civil Aviation Administration (LFV), the provider of air traffic management services, signed an agreement that entails the establishment of remote air traffic management at four Swedavia airports in the years ahead. The airports affected are Kiruna Airport, Umeå Airport, Åre Östersund Airport and Malmö Airport.

SALE OF HOTEL PROPERTY

In December, Swedavia signed an agreement to sell the property at Stockholm Arlanda Airport on which a major new hotel is being built. The sale was made to a Swedish public limited company owned by Wenaasgruppen AS and O.G. Ottersland AS. The hotel will be the largest airport hotel in the Nordic countries. The capital gain is estimated at around SEK 350 M, and occupation is planned for 2019.

NEW FINANCING

In December, Swedavia and Nordic Investment Bank signed a two billion Swedish kronor loan agreement for the construction of a new pier at Stockholm Arlanda Airport. The loan agreement enables borrowing for a period of up to ten years and will help finance the airport's expansion.

UPDATED AIRPORT CHARGES

Following an appeal submitted by an airport user concerning Swedavia's decision on airport charges for 2018, the Swedish Transport Agency has now issued an interim ruling that the decision can be carried out until further notice. The Agency's final decision will be issued by March 23, 2018, at the latest.

NEW ROUTES

In 2017, a total of 33 new international routes were launched from Swedavia's airports, 28 of them in Europe and five to other continents from Stockholm Arlanda Airport – Singapore, Delhi, Eilat, Agadir and Miami.

US PRECLEARANCE

A change in the conditions for introducing US border control or US Preclearance, combined with a growing need for capacity enhancements as a result of high passenger growth, has caused Swedavia to prioritise investments at Stockholm Arlanda Airport. The change in financial conditions is mainly due to the introduction of a national aviation tax, increased investment costs for the facility and a change in financial conditions for the additional security screening associated with US Preclearance. Swedavia has therefore decided not to continue at present with preparatory work to establish US Preclearance at Stockholm Arlanda Airport. However, Swedavia still believes that the introduction of US Preclearance would improve access between Sweden and the US and also contribute to the development of the airport as a hub in Scandinavia.

CHANGES IN SWEDAVIA'S GROUP MANAGEMENT

Peder Grunditz, who is currently airport director at Bromma Stockholm Airport, will replace Kjell-Åke Westin as airport director at Stockholm Arlanda Airport. Mona Glans will be airport director at Bromma Stockholm Airport after serving as airport director at Ronneby Airport. Kjell-Åke Westin, formerly airport director at Stockholm Arlanda Airport, will continue in the newly established position of head of operational excellence and senior advisor to Swedavia's president and CEO. This position will be called in as part of the Group management team when necessary.

Joakim Kedbrant, acting head of the new implementation organisation established during the autumn, will also be part of the Group management team until that position is filled.

Events after the end of the period

EXPANDED LOAN FRAMEWORK

Swedavia has received approval from the Swedish Financial Supervisory Authority to expand the loan framework for its medium-term note (MTN) programme, which was established in 2012. The programme has been expanded from SEK 5 to 15 billion.

NEW HEAD OF IMPLEMENTATION ORGANISATION

On February 7, Johan Bill was appointed the new head of Swedavia's implementation organisation, the name of which has also been changed to the unit for Major Projects. Johan Bill has worked most recently at the Swedish Transport Administration and will assume his new duties by August 2018 at the latest. He will report to the CEO and be a member of the Group management team. Until he assumes his duties, Joakim Kedbrant will be acting head of the unit.

Passenger trends

January–December

The number of passengers increased 6.1 per cent for the full year 2017. International passenger volume increased 8.2 per cent and domestic passenger volume increased 2.2 per cent. Demand for international travel was strong throughout the year, and the range of air links on offer has been enhanced, which had a positive effect on passenger growth. However, during the fourth quarter, some deceleration in the rate of growth was apparent. Domestic travel also increased overall during the year, which shows the important role that air travel has within Sweden. In general, the passenger load factor for airlines remained at a high level.

Because of the strong demand for flights at Swedish airports, airlines continue to invest in the Swedish market. Throughout the year, a number of airlines decided on new or expanded routes going forward, but as a result of airline bankruptcies abroad routes primarily to Britain and Germany were affected. Economic growth in Europe and large parts of the rest of the world provided an upside surprise in 2017. This has contributed to a continued increase in the number of visitors coming to Sweden. Improved and attractive access to Sweden by air is a key factor in this trend.

In intercontinental scheduled traffic, passenger volume also continued to rise throughout the year. The increase in intercontinental volume for both passengers and cargo is mainly due to new routes and higher frequency at Stockholm Arlanda Airport. Charter traffic at Swedavia's airports also showed a strong trend compared to 2016.

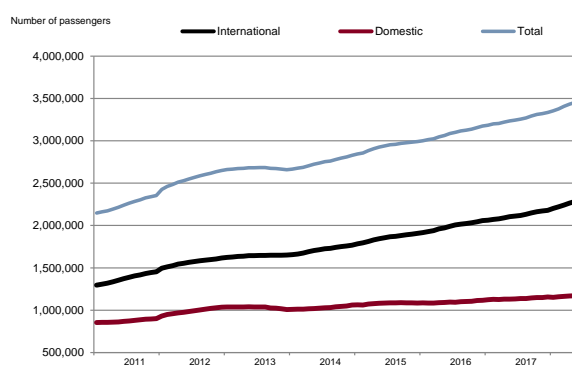
The seasonally adjusted passenger trend shows that international travel continued to reach record volumes in 2017. Domestic travel is also at historically high levels, and seven of Swedavia's ten airports set passenger records in 2017.

October–December

The number of passengers increased 3.1 per cent during the fourth quarter. Demand for international travel flagged somewhat during the quarter but from what were high growth levels. Domestic traffic also flagged and was roughly unchanged during the quarter compared to the previous year. The Christmas holiday week included more days off, which contributed to lower domestic volumes. Air traffic to Germany and Britain was adversely affected by Air Berlin and Monarch Airlines shutting down operations during the quarter. Intercontinental access continues to develop, and among the routes launched during the quarter was SAS's new service from Stockholm Arlanda Airport to Miami. E-commerce posted a strong performance during the quarter, which led to an increase in cargo volumes especially at Stockholm Arlanda Airport.

PASSENGER TRENDS – SWEDAVIA

ROLLING TWELVE-MONTH TREND APRIL 2010 TO DECEMBER 2017



PASSENGER VOLUMES

- SWEDAVIA'S FOURTH QUARTER AND JAN-DEC 2017

Passengers	Number of passengers Oct-Dec			Number of passengers Jan-Dec		
	2017	2016	Per cent change	2017	2016	Per cent change
International	6,408,000	6,099,000	5.1%	27,902,000	25,787,000	8.2%
Domestic	3,659,000	3,667,000	-0.2%	14,022,000	13,725,000	2.2%
Total	10,067,000	9,766,000	3.1%	41,924,000	39,512,000	6.1%

Economic overview

Net revenue and operating profit

JANUARY-DECEMBER

Consolidated revenue for the full year totalled SEK 5,745 M (5,546), which was an increase of SEK 199 M or 3.6 per cent compared to the same period last year.

Revenue from Aviation Business totalled SEK 3,552 M (3,446), which was an increase of SEK 106 M. The increase in passenger- and operations-related revenue was lower than the increase in passenger volume. A key reason for this is that revenue from passenger volumes exceeding forecast levels is given back to the airlines to some extent, in line with Swedavia's pricing model. Income from the Swedish Transport Agency for security screening decreased due to a lower cost basis. Higher sales of de-icing, apron and passenger services helped to increase revenue in Aviation Business.

Revenue from Commercial Services totalled SEK 2,152 M (2,062), which is an increase of SEK 90 M. Revenue from Commercial Services per passenger was SEK 75.7 (75.5).

Revenue from car parking and parking facilities increased SEK 49 M compared to last year, which is an increase in line with passenger growth. Revenue for food & beverage exceeded passenger growth. Retail revenue exceeded the level in 2016, but revenue growth was lower than passenger growth.

The financial metric of operating cost per departing passenger was SEK 197.3 (197.3).

External costs were SEK 46 M higher compared to last year, with the main reason being higher operating costs attributable to increased passenger volumes.

Staff expenses increased SEK 150 M. Important explanations for this were increased resources in development projects and an increase in operational staff at the airports due to higher passenger volume and annual salary revenues.

Depreciation, amortisation and impairment losses increased SEK 64 M compared to last year. Impairment losses on investments were negatively affected by SEK 119 M (58), mostly attributable to US Preclearance and operational development projects. The disposal of fixed assets in conjunction with refurbishments had a negative effect on other operating costs of SEK 40 M (16).

Consolidated operating profit totalled SEK 651 M (966). Operating profit was negatively affected by SEK 160 M (74) attributable to impairment losses and disposals. In 2016, capital gains of SEK 241 M attributable to the sale of S ave Airport and an earn-out on the sale of a hotel had a positive effect. Excluding the items above, operating income of SEK 811 M (799) exceeded the figure in 2016, and the financial target of at least a six per cent return on operating capital was reached.

OCTOBER- DECEMBER

Consolidated net revenue for the fourth quarter was SEK 1,466 M (1,412), which was an increase of SEK 54 M or 3.8 per cent compared to last year.

Aviation revenue totalled SEK 896 M (867), which was an increase of SEK 29 M. The increase does not correspond to the increase in passenger volume for the quarter. The risk sharing component in the pricing model had a negative effect on revenue.

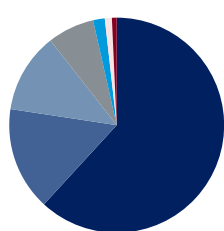
Revenue from Commercial Services for the fourth quarter was SEK 553 M (536), which was SEK 17 M higher than in 2016. Passenger growth contributed to higher revenue mostly in car parking and parking facilities as well as food & beverage. Revenue from retail exceeded the level last year, but the increase was lower than the increase in passenger volume.

External costs and staff expenses increased SEK 56 M. Depreciation, amortisation and impairment losses increased SEK 84 M.

Operating profit was SEK -123 M (87). Impairment losses and disposals of SEK 151 M (70) had a negative effect on profit for the period. In 2016, capital gains of SEK 95 M attributable to an earn-out on the sale of a hotel had a positive effect.

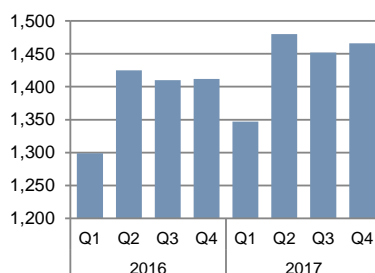
BREAKDOWN OF NET REVENUE

Jan-Dec 2017



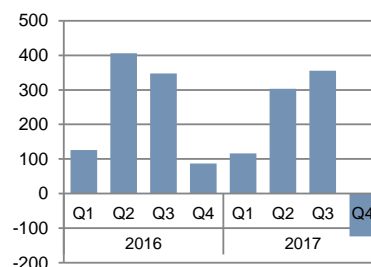
- Aviation Business
- Car parking & parking facilities
- Retail, food & beverage
- Other real estate revenue
- Advertising
- Other commercial services
- Other net revenue

NET REVENUE, SEK M



OPERATING PROFIT, SEK M

(Including capital gains)



Net financial items

Net financial items for the year totalled SEK -76 M (-97). Net interest was lower than in 2016, which is explained by lower average interest rates. The share of profit from joint ventures had a positive effect on net financial items of SEK 37 M (41).

During the fourth quarter, net financial items totalled SEK -16 SEK (-34) M. The share of profit from joint ventures had a positive effect on net financial items of SEK 7 M (-5).

Profit for the period

Profit before tax for the year totalled SEK 575 M (869) and profit for the period totalled SEK 407 M (717).

Profit before tax for the fourth quarter totalled SEK -139 M (54) and profit for the period totalled SEK -144 M (47).

Capital spending

During the year, investments totalled SEK 3,866 M (2,138). Important capital spending during the period was for development programmes to expand capacity at Stockholm Arlanda Airport and Göteborg Landvetter Airport. Investments were also made for the safety classification of the runway system at Bromma Stockholm Airport, the construction of Sky City Office One at Stockholm Arlanda Airport, and maintenance and capacity expansion measures at other airports.

During the fourth quarter, investments totalled SEK 1,281 M (841).

Disposal of property

In December, Swedavia signed an agreement to sell the company that owns the property at Stockholm Arlanda Airport on which a major hotel is being built. Under the agreement, the property will be transferred in November 2019 when the hotel is placed in service. The transaction is to be reported in conjunction with the taking of possession, which is the time at which risk is transferred to the buyer.

Cash flow

Cash flow for the year was SEK -112 M (164). Cash flow from operating activities was SEK 1,537 M (1,650), which is SEK 113 M lower compared to the same period in 2016.

Cash flow from investing activities was SEK -3,765 M (-1,855). Investments in tangible fixed assets increased SEK 1,728 M compared to 2016, which largely explains the increase. Cash flow in 2016 was also positively affected by SEK 274 M attributable to liquid assets received from the sale of Söve Airport and the sale of land. In 2017, an earn-out of SEK 95 M attributable to the previous sale of a hotel had a positive effect.

Cash flow from financing activities was SEK 2,117 M (370). Cash flow for the year is explained by the issuance of medium-term notes and an increase in commercial paper issued to fund increased capital spending. Payment of the dividend adopted had a negative effect of SEK 143 M (232).

Cash flow for the fourth quarter was SEK 25 M (-88). The change compared to 2016 is explained mostly by the accelerated investment pace, which was offset by increased borrowing.

Liquidity and financial position

Consolidated equity at the end of the year was SEK 7,665 M (7,351).

Swedavia's borrowings at the end of the period totalled SEK 6,533 M (4,298), which is an increase of SEK 2,235 M. Swedavia's borrowings are divided into corporate notes, SEK 5,082 M (3,298), and commercial paper, SEK 1,451 M (1,000). At the end of the period, the average loan maturity was 3.4 years (2.0) and the average fixed-rate period was 3.4 years (2.2). The average interest rate as of December 31, 2017, was 1.4 per cent (2.8).

Liquid assets decreased SEK 112 M to SEK 58 M (170). During the period, net liabilities increased SEK 2,394 M from SEK 4,896 M to SEK 7,290 M, mostly because of higher borrowing due to the accelerated pace of investment. The debt-to-equity ratio, which measures leverage, was 1.0 times, which is an increase compared to the beginning of the year, when it was 0.7 times.

On the balance sheet date, there were also unused credit facilities totalling SEK 2,200 M (700) and a loan agreement with Nordic Investment Bank of SEK 2,000 M with maturities of up to ten years.

SWEDAVIA'S FINANCIAL TARGETS

	Actual Dec 31, 2017	Target
Return on operating capital, % ⁹	5.1	6.0
Debt/equity ratio, times ⁹	1.0	0.7-1.5
Dividend target, %	30	30-50

⁹ The targets for return on operating capital and leverage ratio were changed following a decision at the extraordinary general meeting on October 9, 2017

KEY FINANCIAL DATA

	Actual Dec 31, 2017	Actual Dec 31, 2016	Policy
Average interest rate, %	1.4	2.8	n/a
Average fixed-rate period, years	3.4	2.2	1-4
Average loan maturity, years	3.4	2.0	2-5

Employees

The average number of employees for the period January 1-December 31, 2017, was 3,074 (2,949). The change is explained by an increase in operational staff to handle the passenger growth and increased resources in development projects.

Risks and uncertainty factors

Risk is defined here as an event that affects the Group's prospects of achieving its operational goals and implementing its strategies. Swedavia works continuously to map, monitor and manage risks in its operations. Risk analyses are performed and reported to the Board of Directors on a quarterly basis. Swedavia's significant risks are described in the Annual Report 2016 on pages 56-58 and in Note 45. Swedavia's top overall risks consist of its capability to meet the need for capital spending and to carry out investments in a sustainable and cost-effective way, compliance with the conditions of its environmental permits, a disruption in operations and political decisions such as the national aviation tax that could affect operations.

Swedavia's operations are also affected by the general economic trend, and a downturn could have an adverse effect on Swedavia in the form of lower demand for air travel and lower revenue. Moreover, other external factors could affect Swedavia's performance.

Dividend

The Board of Directors has decided to propose a dividend to its shareholder at the Annual General Meeting on April 26, 2018, of 0.08471 kronor per share, for a total amount of SEK 122 M. This is in accordance with the company's dividend policy.

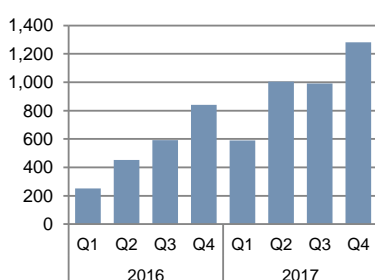
Parent Company

Net revenue and profit

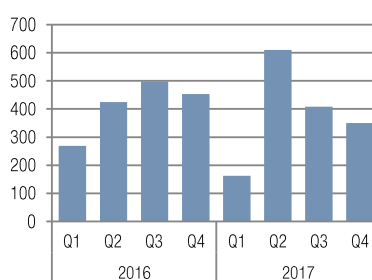
The Parent Company's net revenue for the full year totalled SEK 5,713 M (5,492), which was an increase of SEK 221 M. Operating profit totalled SEK 450 M (662) and the operating margin was 7.9 per cent (12.1). Operating profit was negatively affected by SEK 157 M (74) attributable to impairment losses and disposals on investments and SEK 49 M attributable to lower interest in the valuation of pension liabilities. Operating profit in 2016 was positively affected by a SEK 19 M capital gain attributable to the sale of land. Profit before tax was SEK 1,388 M (1,219) and profit for the period totalled SEK 1,279 M (1,095). Profit for the period was positively affected by dividends from subsidiaries.

During the fourth quarter, the Parent Company's net revenue totalled SEK 1,453 M (1,396), which was an increase of SEK 57 M. Operating profit totalled SEK -202 M (3) and the operating margin was -13.9 per cent (0.2). Profit before tax was SEK -224 M (-102) and profit for the period was SEK -204 M (-101).

CAPITAL SPENDING, SEK M



CASH FLOW FROM OPERATING ACTIVITIES, SEK M



Income statement

Amounts in SEK M	Note	2017 Oct-Dec	2016 Oct-Dec	2017 Jan-Dec	2016 Jan-Dec
Net revenue	2,7	1,466	1,412	5,745	5,546
Other operating revenue		11	104	36	283
Work performed by the company for its own use and capitalised		35	40	145	127
External expenses ¹⁰		-689	-674	-2,270	-2,224
Staff expenses		-520	-479	-1,911	-1,761
Depreciation/amortisation and impairment losses on tangible fixed assets and intangible non-current assets ¹⁰		-384	-300	-1,052	-988
Other operating expenses		-42	-16	-42	-17
Operating profit	2	-123	87	651	966
Income from financial items					
Income from holdings in associated companies and joint ventures		7	-5	37	41
Interest income and similar items		3	3	5	6
Interest expenses and similar items		-26	-32	-118	-144
Income after financial items		-139	54	575	869
Tax		-5	-7	-167	-152
Profit for the period		-144	47	407	717
Earnings per share					
Earnings per share before and after dilution, SEK		-0.10	0.03	0.28	0.50
The total number of shares was 1,441,403,026 for all periods					

¹⁰ SEK 27 M in impairment losses on investment projects for 2016 has been carried over from external costs to depreciation, amortisation and impairment losses

Statement of comprehensive income

Amounts in SEK M	Note	2017 Oct-Dec	2016 Oct-Dec	2017 Jan-Dec	2016 Jan-Dec
Profit for the period		-144	47	407	717
Other comprehensive income:					
Items that can be reclassified to the income statement					
Cash flow hedges					
Items reclassified to the income statement		2	13	2	13
Change in fair value for the period		-11	16	70	57
Tax		2	-7	-16	-15
Other comprehensive income from joint ventures, net after tax		-1	6	0	-12
Items that cannot be reclassified to the income statement					
Revaluations of defined benefit pensions		-1	41	-8	-51
Tax		0	-9	2	11
Total other comprehensive income, net after tax		-8	60	50	3
Comprehensive income for the period		-153	108	457	720

Balance sheet

Amounts in SEK M	Note	Dec 31, 2017	Dec 31, 2016
ASSETS	2		
NON-CURRENT ASSETS			
Intangible non-current assets		618	632
Tangible non-current assets		14,741	11,897
Non-current financial assets ¹		1,089	1,022
Total non-current assets		16,447	13,552
CURRENT ASSETS			
Materials and supplies		44	43
Trade receivables		571	420
Receivables from associated companies		129	58
Other receivables		140	178
Prepaid expenses and accrued income		194	225
Derivative instruments	4	4	2
Liquid assets		58	170
Total current assets		1,140	1,096
TOTAL ASSETS		17,587	14,648
EQUITY AND LIABILITIES	2		
EQUITY			
Share capital		1,441	1,441
Other paid-in capital		2,162	2,162
Hedge reserve		-63	-119
Retained earnings		4,125	3,866
Total equity		7,665	7,351
NON-CURRENT LIABILITIES			
Provisions ¹¹		993	980
Deferred tax liability		496	447
Interest-bearing liabilities		4,426	3,321
Derivative instruments	4	97	161
Other non-current liabilities		7	8
Total non-current liabilities		6,019	4,917
CURRENT LIABILITIES			
Provisions		14	42
Interest-bearing liabilities		2,192	1,010
Derivative instruments	4	0	-
Trade payables		854	601
Other liabilities		105	107
Liabilities to associated companies		0	0
Accrued expenses and prepaid income		738	621
Total current liabilities		3,903	2,380
TOTAL EQUITY AND LIABILITIES		17,587	14,648

¹¹ The provision for pensions and the related payroll tax receivable are offset. The comparative year has been adjusted.

Change in equity

Amounts in SEK M	Dec 31, 2017	Dec 31, 2016
GROUP		
Equity, opening balance	7,351	6,863
Comprehensive income for the period	457	720
Dividend	-143	-232
Equity, closing balance	7,665	7,351

Cash flow statement

Amounts in SEK M	Note	2017 Oct-Dec	2016 Oct-Dec	2017 Jan-Dec	2016 Jan-Dec
Operating activities					
Profit after financial items		-139	54	575	869
Adjustments for items not included in cash flow etc.		339	310	922	739
Tax paid		-7	47	-167	-125
Cash flow from operating activities before changes in working capital		193	412	1,330	1,483
Cash flow from changes in working capital					
Increase(-)/Decrease(+) in materials and supplies		0	32	-1	12
Increase(-)/Decrease(+) in operating receivables		-161	-165	-189	-167
Increase(+)/Decrease(-) in operating liabilities		318	174	397	322
Cash flow from operating activities		350	453	1,537	1,650
Investing activities					
Disposal of subsidiaries		-	-	95	274
Acquisitions/disposal of intangible non-current assets		-6	-31	-22	-42
Acquisitions/disposal of tangible fixed assets		-1,275	-811	-3,835	-2,075
Acquisitions/disposal of other financial assets		-	-	-3	-12
Cash flow from investing activities		-1,281	-842	-3,765	-1,855
Financing activities					
Borrowings raised	6	2,825	400	7,383	2,141
Borrowings repaid	6	-1,877	-101	-5,148	-1,548
Increase(+)/Decrease(-) in other financial liabilities		8	1	25	9
Dividend paid		-	-	-143	-232
Cash flow from financing activities		957	301	2,117	370
Cash flow for the period		25	-88	-112	164
Liquid assets at the beginning of the period		34	259	170	6
Liquid assets at the end of the period		58	170	58	170

Income statement

Amounts in SEK M	Note	2017 Oct-Dec	2016 Oct-Dec	2017 Jan-Dec	2016 Jan-Dec
Net revenue		1,453	1,396	5,713	5,492
Other operating income		11	10	29	41
Work performed by the company for its own use and capitalised		35	40	145	127
External expenses ¹²		-703	-660	-2,367	-2,240
Staff expenses		-570	-462	-1,959	-1,733
Depreciation/amortisation and impairment losses on tangible fixed assets and intangible non-current assets ¹²		-387	-304	-1,068	-1,007
Other operating expenses		-42	-16	-42	-17
Operating profit		-202	3	450	662
Income from financial items					
Profit on holdings in Group companies		-	-	1,039	757
Interest income and similar items		9	3	17	4
Interest expenses and similar items		-32	-33	-120	-128
Income from financial items		-225	-26	1,387	1,295
Appropriations		2	-76	2	-76
Profit before tax		-224	-102	1,388	1,219
Tax		19	1	-109	-125
Profit for the period		-204	-101	1,279	1,095

¹² SEK 27 M in impairment losses on investment projects for 2016 has been carried over from external costs to depreciation, amortisation and impairment losses

Balance sheet

Amounts in SEK M	Note	Dec 31, 2017	Dec 31, 2016
ASSETS			
NON-CURRENT ASSETS			
Intangible non-current assets		568	608
Tangible fixed assets		13,851	11,467
Total financial assets	3	1,091	1,070
Non-current assets		15,510	13,145
CURRENT ASSETS			
Materials and supplies		42	40
Current receivables	3	2,344	1,653
Liquid assets		54	165
Total current assets		2,440	1,859
Total assets		17,950	15,003
EQUITY AND LIABILITIES			
EQUITY			
Restricted equity			
Share capital (1,441,403,026 shares)		1,441	1,441
Reserve for development expenditures		25	22
Unrestricted equity			
Retained earnings/Share premium reserve		3,321	2,372
Profit for the period		1,279	1,095
Total equity		6,067	4,931
Untaxed reserves		2,000	1,943
Provisions		1,361	1,332
Non-current liabilities		4,402	3,324
Current liabilities	3	4,120	3,475
TOTAL EQUITY AND LIABILITIES		17,950	15,003

Notes

Note 1. ACCOUNTING PRINCIPLES

GENERAL

The year-end report was prepared in conformity with IAS 34 and Sweden's Annual Accounts Act. The report was prepared in conformity with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), to the extent these have been adopted by the EU, as well as interpretations of standards in effect issued by the IFRS Interpretations Committee (IFRIC).

Swedavia applies the same accounting principles that are described in the Annual and Sustainability Report for 2016. The implementation work for IFRS 9 "Financial instruments" has not identified any material changes concerning items reported. Under IFRS 9, impairment on credit losses is based on expected credit losses, which means that Swedavia will introduce a new procedure for assessing and reporting credit losses. The new procedure has not had any effect on the opening balance, and there will be no restatement of items. For hedge accounting, Swedavia has chosen to continue applying IAS 39. The new standard is believed to entail additional disclosure requirements. The work to implement IFRS 15 "Revenue from contracts with customers," which enters into force on January 1, 2018, has been completed. Implementation has not entailed any change in the timing of revenue or concerning what amount of revenue is reported. No transition effects have been identified, but the new standard will entail changes in information provided in the annual report for 2018. Swedavia has begun a process to introduce IFRS 16 "Leases," to enter into force on January 1, 2019. An analysis is being carried out at Swedavia, and in conjunction with this Swedavia has identified rental leases which will affect its financial position and key financial data. After analysis and identification, the work will continue with the adoption of assumptions and quantification. The Group cannot yet quantify the effect on the Group's financial reports.

The Group's reporting is in millions of Swedish kronor (SEK M) unless otherwise indicated. Rounding differences may occur.

RELATED PARTY TRANSACTIONS

Related party transactions involve transactions with State-owned companies and enterprises as well as government agencies.

Related parties also include companies over which Swedavia can exercise a controlling interest. Costs arise mostly from meteorological services, fees to government authorities and air traffic management services, which are largely included in the costs reimbursed by the Swedish Transport Agency. The transactions are carried out at market prices and on standard commercial terms.

PARENT COMPANY

The Parent Company applies Sweden's Annual Accounts Act and the Swedish Financial Accounting Standards Council's recommendation RR 2 "Financial reporting for legal entities." The differences arising between the accounting principles of the Parent Company and the Group are caused by the limited ability to apply IFRS in the Parent Company as a result of Sweden's Annual Accounts Act and the Swedish Pension Obligations Vesting Act as well as in some cases by the relationship between financial reporting and taxation.

Note 2. SEGMENT REPORTING

Swedavia's operations are organised and managed in two operating segments, Airport Operations and Real Estate. The highest executive decision maker at Swedavia is identified as the president and CEO of the Parent Company.

- **Airport Operations** owns, operates and develops Swedavia's airports. Most revenue consists of passenger-related revenue
- **Real Estate** owns, develops and manages properties and developable land at and around Swedavia's airports. Most revenue consists of rental income

The basis of segment reporting is the Group's internal reporting. The Board of Directors and executive management mainly use operating profit by segment for their monitoring. The capitalisation of financial expenses, financial income and income tax is handled at the Group level. The accounting principles otherwise conform to those applied in consolidated financial reporting.

SEGMENT REPORTING, NOTE 2

Income statement Oct-Dec Amounts in SEK M	Airport Operations		Real Estate		Eliminations/adjustments ¹³		Group	
	2017	2016	2017	2016	2017	2016	2017	2016
Revenue, external ¹⁴	1,466	1,416	42	140	4	-	1,512	1,556
Revenue, internal	34	32	90	88	-124	-121	-	-
Total revenue	1,499	1,448	132	228	-119	-121	1,512	1,556
Operating expenses	-1,265	-1,167	-110	-122	124	121	-1,251	-1,168
Depreciation, amortisation and impairment losses	-381	-299	-3	-2	-	-	-384	-300
Operating profit	-146	-16	19	104	4	-	-123	87

Income statement Jan-Dec Amounts in SEK M	Airport Operations		Real Estate		Eliminations/adjustments ¹³		Group	
	2017	2016	2017	2016	2017	2016	2017	2016
Revenue, external ¹⁴	5,761	5,555	161	401	4	-	5,926	5,956
Revenue, internal	128	114	343	336	-471	-450	-	-
Total revenue	5,888	5,669	504	737	-466	-450	5,926	5,956
Operating expenses	-4,321	-4,039	-372	-411	471	450	-4,223	-4,001
Depreciation, amortisation and impairment losses	-1,043	-983	-9	-5	-	-	-1,052	-988
Operating profit	523	646	124	321	4	-	651	996

Balance sheet Amounts in SEK M	Airport Operations		Real Estate		Eliminations/adjustments ¹³		Group	
	Dec 31, 2017	Dec 31, 2016	Dec 31, 2017	Dec 31, 2016	Dec 31, 2017	Dec 31, 2016	Dec 31, 2017	Dec 31, 2016
Non-current assets	15,407	13,018	1,708	1,235	-668	-700	16,447	13,552
Current assets	2,440	1,859	458	1,263	-1,757	-2,025	1,140	1,096
Total assets	17,847	14,876	2,165	2,497	-2,425	-2,725	17,587	14,648
Equity	7,825	6,749	582	1,421	-742	-819	7,665	7,351
Liabilities	10,022	8,126	1,583	1,076	-1,683	-1,906	9,922	7,297
Total equity and liabilities	17,847	14,876	2,165	2,497	-2,425	-2,725	17,587	14,648

¹³ Eliminations consist of intra-Group transactions, and adjustments consist of consolidating adjustments.

¹⁴ The item consists of net revenue, other operating income and work performed by the company for its own use and capitalised

Note 3. RECEIVABLES FROM GROUP COMPANIES

Receivables, non-current and current, from Group companies pertain mostly to loans funding the Swedavia Real Estate group.

Note 4. FINANCIAL INSTRUMENTS, FAIR VALUE**VALUATION AT FAIR VALUE**

For current receivables and liabilities, such as trade receivables and trade payables, with a remaining life of less than six months, the recognised value is considered to reflect the fair value.

Fair value for interest-bearing liabilities is calculated by discounting the future cash flow of the amount of capital and interest discounted at the current market interest rate. All derivatives on the balance sheet date are classified under Level 2,

which means the derivatives can be measured through directly or indirectly quoted prices based on observable market data.

The Group has entered ISDA agreements for derivatives, which allow set-off, for instance, against payments. There is no net accounting.

Amounts in SEK M	Group	
	2017 Dec 31	2016 Dec 31
Loan receivables and trade receivables	999	885
Other financial liabilities	-7,513	-5,017
Derivatives	-81	-153
Total	-6,595	-4,287
Total book value	-6,596	-4,251

Note 5. CONTINGENTS LIABILITIES AND PLEDGED ASSETS

Swedavia's pledged assets consist of shares and holdings in the joint ventures Swedish Airport Infrastructure KB and Swedish Airport Infrastructure AB. The carrying amount is SEK 878 M (841).

Swedavia's contingent liabilities consist of pension obligations in endowment insurance owned by the company, totalling SEK 8 M (8), and a guarantee for SEK 81 M (81) to the joint venture Landvetter Logistik Center AB, which it owns together with Bockasjö AB.

Swedavia furthermore has obligations related to environmental requirements to run its airport operations.

Note 6. CASH FLOW STATEMENT

Short-term borrowings, with a maturity of 3 months or less, are recognised on a net basis and are repaid the same month.

Note 7. NET REVENUE

Group, amounts in SEK M	2017 Oct-Dec	2016 Oct-Dec	2017 Jan-Dec	2016 Jan-Dec
Breakdown of net revenue				
<i>Aviation Business</i>				
Passenger-related revenue	420	404	1,714	1,638
Aircraft-related revenue	163	157	642	625
Externally regulated charges	170	178	699	727
Ground handling	82	75	278	257
Other additional services	61	53	219	198
	896	867	3,552	3,446
<i>Commercial Services</i>				
Car parking & parking facilities	221	215	894	845
Retail, food & beverage	183	174	691	645
Real estate revenue	102	101	405	401
Advertising	30	26	101	99
Other commercial services	16	20	61	72
	553	536	2,152	2,062
Other net revenue	16	8	41	38
Total net revenue	1,466	1,412	5,745	5,546

Note 8. SUPPLEMENTARY INFORMATION FOR KEY FINANCIAL DATA

NET LIABILITIES

The pension liability, the provision for pensions less payroll tax receivable, totalled SEK 730 M as of December 31, 2017, and SEK 735 M as of December 31, 2016.

OPERATING PROFIT EXCLUDING CAPITAL GAINS

For the period January-December 2016, capital gains totalled SEK 241 M for the full year and SEK 95 M for the fourth quarter.

OPERATING PROFIT EXCLUDING CAPITAL GAINS, IMPAIRMENT LOSSES AND DISPOSALS

Operating profit for January-December 2017 was SEK 651 M. Excluding impairment losses and disposals of SEK 160 M, adjusted profit was SEK 811 M. Operating profit for January-December 2016 was SEK 966 M. Excluding capital gains of SEK 241 M and impairment losses and disposals of SEK 74 M, adjusted profit was SEK 799 M.

Note 9. EVENTS AFTER THE END OF THE PERIOD

EXPANDED LOAN FRAMEWORK

Swedavia has received approval from the Swedish Financial Supervisory Authority to expand the loan framework for its medium-term note (MTN) programme, which was established in 2012. The programme has been expanded from SEK 5 to 15 billion.

NEW HEAD OF IMPLEMENTATION UNIT

On February 7, Johan Bill was appointed the new head of Swedavia's implementation organisation, the name of which has also been changed to the Major Projects unit. Johan Bill has worked most recently at the Swedish Transport Administration and will assume his new duties by August 2018 at the latest. He will report to the CEO and be a member of the Group management team. Until he assumes his duties, Joakim Kedbrant will be acting head of the unit.

Definitions

AIRPORT OPERATIONS

Airport Operations is one of Swedavia's two operating segments. Owns, operates and develops Swedavia's airports.

AVERAGE FIXED-RATE PERIOD

Volume-weighted average fixed-rate period for interest-bearing liabilities with respect to interest rate derivatives at the end of the period. This metric tracks the Group's interest rate risk.

AVERAGE LOAN MATURITY

Volume-weighted average remaining maturity for interest-bearing liabilities with respect to interest rate derivatives at the end of the period. This metric tracks the Group's financial risk.

AVERAGE NUMBER OF EMPLOYEES

The average number of employees is calculated based on hours worked, restated as the total number of hours worked divided by the normal working time as defined by the Swedish Accounting Standards Board. Calculated on a rolling twelve-month basis.

AVERAGE OPERATING CAPITAL

The closing balance of operating capital on the balance sheet date plus the closing balance of operating capital on the balance sheet for the previous year divided by two.

AVIATION BUSINESS

Infrastructure services aimed at airlines and ground handling companies, such as take-off and landing services and security screening.

CAPITAL SPENDING*

Swedavia's investments in tangible fixed assets and intangible assets including investment projects in progress. Swedavia is in an intensive development phase, and this investment pace is important to Swedavia's management and external stakeholders.

COMMERCIAL REVENUE PER DEPARTING PASSENGER*

Revenue from retail, food & beverage and parking divided by the number of departing passengers for the same period.

A metric that Swedavia considers crucial for monitoring changes in commercial revenue.

COMMERCIAL SERVICES

Services connected to the airports such as leasing of premises for retail operations, offices, warehousing and logistics as well as land leases, parking operations and the leasing of advertising space.

DEBT-TO-EQUITY RATIO*

Net liabilities divided by equity. This leverage ratio is what the owner uses as a capital structure target for the Group. The metric is considered to be directly linked to the Group's actual funding and financial risk.

EARNINGS PER SHARE

Profit for the period divided by the average number of shares.

INTEREST-BEARING LIABILITIES

Interest-bearing liabilities on the balance sheet consist of liabilities to credit institutions, corporate notes, commercial paper, liabilities to leasing companies and other liabilities.

NET LIABILITIES

Interest-bearing liabilities plus pension liability minus liquid assets.

NET REVENUE

Swedavia's net revenue includes revenue from Aviation Business and Commercial Services.

OPERATING CAPITAL

Equity plus net liabilities.

OPERATING COSTS PER DEPARTING PASSENGER*

Airport Operations total external costs and staff expenses minus own work capitalised divided by the number of departing passengers for the same period. A metric that Swedavia considers crucial for monitoring improvements in cost-effectiveness.

OPERATING MARGIN*

Operating profit as a percentage of net revenue. For the operating margin

excluding capital gains, see "Operating profit excluding capital gains".

OPERATING PROFIT EXCLUDING CAPITAL GAINS*

Operating profit excluding capital gains from important transactions. A metric that is crucial since Swedavia's management monitors operating profit excluding capital gains.

OPERATING PROFIT EXCLUDING CAPITAL GAINS, IMPAIRMENT LOSSES AND DISPOSALS*

Operating profit excluding capital gains, impairment losses and disposals. A metric that is crucial since it gives a better understanding of the trend in operating profit.

PASSENGER

The term "passenger" refers to the statistical event in which a person has departed from or arrived at one of Swedavia's airports. The number of departing passengers is approximated by dividing the number of passengers by two.

PROFIT FOR THE PERIOD

Profit after tax.

REAL ESTATE

Real Estate is the second of Swedavia's two operating segments. Owns, develops and manages properties and developable land at and around Swedavia's airports.

RETURN ON OPERATING CAPITAL*

Operating profit plus profit from holdings in associated companies for a rolling twelve-month period divided by average operating capital. This financial ratio is the owner's metric for profitability at Swedavia and one of the Group's sustainability targets. This metric reflects the Group's cost of capital.

SUSTAINABILITY TARGETS

Swedavia's sustainability targets are monitored on a continuous basis based on the latest verified data for each target and in accordance with the same accounting principles described in the Annual and Sustainability Report 2016.

Alternative performance measures (APMs) as specified in the guidelines issued by the European Securities and Markets Authority (ESMA) are marked by an asterisk (*).



Calendar

Annual Report 2017	March 29, 2018
Annual General Meeting 2018	April 26, 2018
Interim report Jan-Mar 2018	April 26, 2018
Interim report Jan-Jun 2018	July 17, 2018
Interim report Jan-Sep 2018	October 26, 2018
Year-end report Jan-Dec 2018	February 14, 2019

Swedavia's financial reports are published on Swedavia's website www.swedavia.se.

This is information that Swedavia AB (publ) is required to disclose under the EU Market Abuse Regulation and the Securities Market Act. The information was provided by the contact persons below for publication on February 14, 2018 at 5:00 p.m. CET. This is an English translation of the original Swedish text, which takes precedence in the event of a discrepancy.

This year-end report was not subject to a review by Swedavia's auditors.

Contact people

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The CEO hereby submits the year-end report 2017 on behalf of the Board of Directors.

Stockholm-Arlanda, Sweden, February 14, 2018

Jonas Abrahamsson
President and CEO

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